

## Crisis in Zion: Heber J. Grant and the Panic of 1893

In late June 1893, Heber J. Grant, a pencil-thin, bewhiskered young man, waited nervously in the downtown office of New York businessman John Claflin. Thirty-six years old and conservatively dressed, Grant was a member of the Quorum of the Twelve Apostles of The Church of Jesus Christ of Latter-day Saints and president or director of at least a dozen Salt Lake City-based businesses. A financial panic had struck the nation and the Mormon businessman was urgently seeking a loan to save himself and his church from bankruptcy. Although similar dramas were being enacted in business and banking houses across the United States during that summer, this episode had special significance for the West. Grant's loan efforts marked the entry of Mormondom and Utah into the nation's financial mainstream. During the panic, the Mormon community in Utah discovered that the premises of economic independence and isolation upon which it had been founded fifty years earlier were now untenable. By the time the crisis had run its course, Latter-day Saints would change their church's public image as well as their own attitude toward the outside financial world.<sup>1</sup>

The Panic of 1893 was among the most disastrous in American history. Stocks tumbled throughout the summer, and an unprecedented 15,252 businesses went into receivership. By winter 1893 about 18 percent of the national work force was without jobs. Those who remained employed found their wages slashed by almost 10 percent. The financial storm struck the West with particular fury. As Eastern

money contracted, the normally cash-starved banks of the West collapsed. Of the national bank failures in 1893, only 3 institutions in the Northeast suspended operations, while 38 in the South closed their doors. In the West, however, 115 banks went into receivership—66 in the Pacific states and Western territories alone.<sup>2</sup>

Even before the panic, Utah had experienced hard times. During the territorial boom of 1889–90, the value of land and of business and residential property had skyrocketed to as much as ten times pre-1889 prices. Speculators reaped enormous paper profits, and real-estate transactions in Salt Lake City alone reached an unprecedented \$100,000 daily. To meet voracious demands for credit, nine new banks opened in the city. Then, in December 1890, the collapse of London's Baring Brothers burst Utah's speculative bubble, leaving behind depressed prices, lowered profits, overextended credit, and tight money. "The neighborhood seems to be infested with thieves," one diarist wrote in 1891, "as coal, wheat, lumber and many other things have disappeared."<sup>3</sup>

The Church's economic fortunes suffered along with those of the territory. A drop in tithing revenue, from \$878,394 in 1890 to \$576,584 in 1893, charted the general economic decline. But Church leaders had to cope with more than diminishing revenue. The Edmunds-Tucker Act of 1887 had financially crippled the Church. The law stripped the organization of its legal standing and hindered Church management, especially its ability to secure loans. By disfranchising some Saints and placing election machinery in the hands of their opponents, the act enabled those outside the Latter-day Saint faith to gain political control and to transfer city, county, and territorial funds from Mormon-owned banks to other banks, further undermining the Church's ability to obtain local loans. Moreover, by demanding the surrender of all Church assets in excess of \$50,000, the law deprived the Latter-day Saints of property worth over \$1,000,000, as well as revenue and possible loans derived from Church property.<sup>4</sup>

Initially, Latter-day Saint officials attempted to defuse the Edmunds-Tucker Act by selling or giving in trust Church property to faithful members who would act as stewards for the religious community. The combination of government officers, the courts, and court-appointed receivers, however, proved too powerful for

Church leadership. By the early 1890s receivers controlled most of the Church's marketable property, including some \$500,000 deposited largely in Salt Lake's non-Mormon banks. Meanwhile, lawyers' fees, lost revenues, and property manipulation due to the Edmunds-Tucker Act plunged Zion \$300,000 in debt. Denied legal standing and the use of its own resources, the Church stood virtually defenseless before the coming panic.<sup>5</sup>

Although Church finances in the early 1890s demanded retrenchment, the venerable and otherworldly Church President Wilford Woodruff, who from boyhood had avoided debt as a life-long rule of conduct, added to the Church's economic problems. For thirty-five years he had quietly cherished the knowledge, given in visions of the night, that he would complete the construction of the monumental Salt Lake Temple. When the octogenarian Woodruff dedicated the temple in April 1893, his administration alone had spent over \$1,000,000 on the \$4,000,000 project. Woodruff's social conscience, moreover, led to other ambitious enterprises financed largely by borrowed capital. As Woodruff's second counselor, Joseph F. Smith, explained: "We began to feel that there was a responsibility resting upon us which required something to be done, in a small way at least, in the direction of giving employment to our people." As a result, \$1,000,000 was invested in public works projects such as the Saltair Pavilion on the Great Salt Lake shoreline, the Saltair Railway Company (later known as the Salt Lake and Los Angeles Railway), and the Utah Sugar Company.<sup>6</sup>

To meet the Church's growing debt, leaders turned increasingly to Heber J. Grant. During his short business career, Grant had promoted insurance, soap, newspapers, machinery and implements, horses and carriages, and even vinegar; now he was called upon to promote loans. During autumn 1890, almost three years before the panic hit, the dangerously overextended Salt Lake banks demanded payment on outstanding loans, and Grant scrambled not only to meet his own heavy financial obligations but also to rescue the two banks that discharged the Church's interests—Zion's Savings Bank and Trust and the State Bank of Utah (illus. 6-1 & 6-2). Grant had founded the latter and was now its president.

Desperately needing \$100,000, Grant grasped "at a straw" and traveled east in late fall 1890. Omaha and Chicago bankers smiled at



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Illus. 6-1. Templeton building where the old State Bank was located (*bottom right corner*).



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Illus. 6-2. Detail of the Templeton building showing the State Bank's sign above the window.

his audacious request for a low-interest loan, pointing out that short-term interest rates on the New York Stock Exchange had risen to one-half of 1 percent a day or 182 percent per year. In New York, however, Grant played several trump cards. He not only insisted that bankers consider the State Bank's past and future business but also offered as security the highly regarded notes of the Zion's Cooperative Mercantile Institution (ZCMI), Utah's multibranched department store (illus. 6-3).

In the end, Grant's grit and aplomb won over the New York bankers. When J. H. Parker, vice president of the National Park Bank, received him coolly, Grant addressed a personal message to the bank's directors:

I am offering you four notes of \$12,000 each of Zion's Co-operative Mercantile Institution. These notes are guaranteed by thirteen Directors and also by the State Bank of Utah, which has a capital of half a million dollars. . . . These endorsers are worth at least a couple of million dollars. If two million dollars of personal endorsement, together with the endorsement of a half a million dollar bank, with the note of an institution that has never failed



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

Illus. 6-3. Zion's Cooperative Mercantile Institution (ZCMI) in downtown Salt Lake City.

to meet its obligations, is not considered good I will telegraph and secure you some additional endorsement. If you do not care to cash these notes take my advice and stop doing business with people so far away from home as Utah.

The National Park Bank extended the loan and became one of Grant's warmest New York contacts. Within two weeks after his arrival in the East, the Mormon businessman turned the key to a total of eight New York and Hartford banks, wired \$240,000 to Salt Lake City, assisted in another \$60,000 loan, and secured the promise of yet another \$36,000. "I think I can say," he wrote one of his daughters in early January 1891, "that the past seven days have been as successful as any in my life."<sup>7</sup>

Grant's spectacular success catapulted him into the center of Latter-day Saint finance. When Grant returned to Salt Lake in early January, President Woodruff asked him to raise money for the floundering Utah Sugar Company. Sugar financing led in turn to his appointment as the Church's chief loan agent. Grant realized that the Church's short-term, constantly maturing debts created a precarious financial foundation, which the slightest tremor could reduce to rubble. As a possible remedy, he hoped to attract Eastern or British capital to Utah by greatly increasing ZCMI's capitalization. The money from new investors would eventually flow into Mormon banks, which could then lend to the Church. When ZCMI's directors, fearful of losing control to new stockholders, refused to cooperate, Church leaders in July 1891 suggested an alternate plan: they asked Grant to proceed to London or Paris and secure a \$500,000 long-term, low-interest loan. Due to the serious illness of his wife Lucy (illus. 6-4), however, Grant repeatedly postponed the long trip.<sup>8</sup>

Formation of the investment firm of Cannon, Grant & Company (CG & Co.) provided a stopgap remedy for Church financial problems. Leading Mormon businessmen had for some time discussed such an enterprise; but to get them to agree, Grant complained, was like "the pulling of a cat by the tail over a carpet." Finally, in December 1891—only hours before he was to leave Salt Lake City on one of his money-raising missions—Grant organized the firm. He and George Q. Cannon, First Counselor in the First Presidency, became senior partners, with thirteen prominent Mormon financiers serving as associates in the venture.<sup>9</sup>



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

Illus. 6-4. Heber with his first wife, Lucy, and their children in 1887: (left to right) Lucy "Lutie" (Cannon), Florence (Smith), Anna (Midgley), Edith (Young), and Susan Rachel "Ray" (Taylor). The handwriting across the top reads, "H. J. Grant & family 10th wedding anniversary."

CG & Co. sought to strengthen the credit of Church-related businesses by endorsing their financial paper. With the partners' pooled stock as collateral, the signature of CG & Co. could place a gilt edge on even an unattractive Utah Sugar Company note. In order to secure maximum leverage, each partner also agreed to assume, if necessary, the entire surety of the firm. Both R. G. Dun and John Bradstreet granted CG & Co. a \$1,000,000 double-A rating. With this endorsement, Grant secured \$232,000 in loans from San Francisco banks, and in May 1892 returned to New York to ask for an additional \$260,000.<sup>10</sup>

Like the legendary Hudson's Bay and East India companies, CG & Co. mixed private and public affairs. The partners welcomed the prospect of personal profit, and much of their business reflected the spirit of the Age of Enterprise. However, as the threat of the Edmunds-Tucker Act forced the Church to conduct its business informally through intermediaries, the investment firm also became a semiofficial agency. During its brief period of prosperity in the early nineties, the company often held meetings in President Woodruff's office and under his supervision. It signed Church-related loans, which Eastern financiers considered morally binding upon the Mormon community. Its directorship interlocked with those of most other Mormon businesses, and the firm maintained an especially close relationship with the two Mormon banks. CG & Co. invested heavily in ZCMI and the State Bank of Utah and advertised itself as "Financial Agents, with State Bank of Utah." The firm also used money borrowed from Zion's Savings Bank to purchase over half of that bank's stock.<sup>11</sup>

However, when signs of an economic contraction appeared in late December 1892, CG & Co.'s power proved illusory. The State Bank not only carried a large amount of past-due paper, but it also had borrowed large sums payable "on demand." Consequently, its cash reserves were precarious. The bank's cashier and Grant's brother-in-law Heber M. Wells, who soon would be Utah's first state governor, confessed "trepidation" that CG & Co. might not be able to resolve the financial crisis (illus. 6-5).<sup>12</sup>

Wells's apprehensions were well founded. The Church owed at least \$500,000 in short-term, rapidly maturing notes and had not the slightest prospect of paying. Moreover, the insatiable Utah Sugar



Company, on which the Church had staked its reputation, continued to devour cash. The only relief available was to dip the bucket once again into the financial well. On April 25, 1893, Church leaders authorized the First Presidency and Heber J. Grant to “raise means & handle stock of the Sugar Co. . . . whether in the States or in Europe.” CG & Co. partners found it “imperatively necessary to look hurriedly to our business lest we be submitted to disgrace and serious loss.”<sup>13</sup>

By mid-May, Grant was aboard a Denver & Rio Grande train bound for New York. He carried \$300,000 in notes to be renewed, \$200,000 of which bore the CG & Co. signature. A single defaulted note could destroy the Mormon credit rating and make it impossible to arrange further renewals and loans. Neither Grant nor his associates were optimistic. “This is the most difficult mission bro. Heber has ever undertaken,” Francis M. Lyman wrote on May 10, “now that financial affairs are tumbling in all directions.”<sup>14</sup>

Two weeks later, Grant was exultant. Although finding the loan market much worse than during the previous crisis and money men “frightened half to death,” he nevertheless had renewed almost \$150,000 of the most pressing loans and had secured an additional \$25,000. The devout Grant saw in this the divine hand. Before leaving Salt Lake City, President Cannon had pronounced upon him an electrifying blessing that promised success. “I hope and pray that I may never forget . . . the blessing promised me before I came away from home,” Grant wrote in his journal. “Without the blessings of the Lord. . . . I could not have succeeded with the market in the condition that it is in.”<sup>15</sup>

Outwardly, the situation in Salt Lake Valley was also encouraging. Bank clearances in May increased slightly over the previous year, business failures were relatively low, and newspapers speculated that



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

Illus. 6-5. Heber M. Wells, brother-in-law to Heber J. Grant. Wells became Utah's first state governor.

the Panic's destroying angel might spare Utah. Church leaders, meanwhile, continued their policy of enterprise to aid the region's economy. On June 1 they decided to sponsor—but not underwrite—a \$75,000,000 railroad from Salt Lake to Los Angeles. To finance the project, and to secure long-term loans for the Church itself, officials revived their plan to obtain British capital. To this end, George Q. Cannon was given power of attorney over all remaining Church assets and was instructed to join Grant in New York. From there, the two men hoped to proceed to London.<sup>16</sup>

But beneath the business-as-usual atmosphere in Utah, the 1893 crisis was building steam. During the first week in June, local bankers reported a run on the banks. "Never while reason lasts or immortality endures do I wish to have repeated the experience I have undergone the last two days," a thoroughly agitated Heber M. Wells informed Grant. "Our deposits melted down over \$25,000 and our available resources tonight have reached the minimum of 22%. All day long I have sat and smiled and acted (thanks to my stage experience) as if nothing unusual was happening. . . . You can not realize what a plight we are in—it is simply terrible."<sup>17</sup>

Wells's graphic prose revealed clearly the deteriorating conditions at the State Bank. Within a year, the bank's ratio of cash to deposits dropped from 65 to 22 percent—and 22 percent was artificially high. Several years earlier the State Bank and Zion's Savings had agreed to share quarters and customers. The State Bank had surrendered its savings accounts and Zion's Savings had given up its commercial business. Also as part of the agreement, Zion's Savings had deposited its cash reserves—over \$125,000—with the State Bank. A run on both banks would mean that the State Bank's melting reserves would have to supply each. Conceivably, several large withdrawals from either bank could sink both. "Such a condition," Grant confessed, "is enough to make a man wild with the blues."<sup>18</sup>

Grant had long recognized that Church finances were jerry-built, but he now knew how unsound the structure actually was. Everyone intimate with Church finances realized that a single defaulted note endorsed by CG & Co. could spell the end of Church credit. Now it was suddenly apparent that the company's shadow fell ominously over the two Mormon banks as well. Because of the interlocking directorates, the collapse of CG & Co. would ruin the reputation of

the leading men connected with the banks—the partners were individually responsible for the firm’s debts—and precipitate a panic. Moreover, the Mormon banks had loaned CG & Co. at least \$350,000. If the company went to the wall, the banks’ uncollectible loans would surely force them to follow.<sup>19</sup>

The dominoes could also fall in the opposite direction. Bank failures would probably destroy CG & Co., which had invested heavily in the State Bank and Zion’s Savings and had used bank securities as collateral in securing loans. Although the Mormon banks’ assets outweighed their liabilities, even a temporary suspension due to lack of liquidity would send shivers up the spines of Wall Street capitalists, causing them to demand additional security for past and future loans—security that CG & Co. could not provide. In short, Latter-day Saint finances faced assaults from both directions and were vulnerable at each point. The only recourse was another loan.<sup>20</sup>

On June 7, 1893, Grant reappeared at the National Park Bank of New York. In just ten days the hard-pressed New York bankers would begin issuing clearinghouse loan certificates, rather than money, to their depositors. Not surprisingly, E. K. Wright, the bank’s president and chief stockholder, flatly refused a loan. Undaunted, Grant expressed regret that the State Bank’s business would have to go elsewhere and asked Wright’s permission to appeal to the bank’s vice president and cashier. “I feel to thank the Lord that I captured them completely,” he wrote Wells. “They put their heads together as to how to capture Mr. Wright and while they were chatting together Mr. Wright stepped up and said, ‘Mr. Grant if those men are favorable I shall say yes.’” Grant obtained \$50,000.<sup>21</sup>

For the moment, the new loan seemed an ample transfusion for the Mormon banks. Relaxation might now be mixed with business, and, on June 8, Grant wired his plural wife Augusta to join President Cannon’s London-bound entourage. But before the Cannon party arrived at New York, Grant decided that he could not desert his post. The panic was raging in full force, and Church notes in Hartford banks would soon mature. On June 17, Cannon’s party sailed without Grant.<sup>22</sup>

Grant’s decision to remain in New York was providential. Four days after Cannon departed for England, the damoclean sword poised over Church finances fell. For months Church leaders had feared that W. S. “Mack” McCornick, Salt Lake City’s friendly non-Mormon

banker, would request payment on his “demand” loans. On June 22, McCornick insisted that CG & Co. pay \$20,000. Two days later, in another transaction, he required and received \$37,500 from the State Bank. “Shakespeare says ‘MacBeth doth murder sleep,’” Wells mordantly wrote Grant. “If he had lived till this day he would have made it a different scotchman . . . ‘McCornick doth murder sleep.’” Wells won a few days’ postponement by informing McCornick that the \$20,000 was deposited in New York, and that Grant was using the money as leverage to renew the firm’s notes.<sup>23</sup>

Even before McCornick’s payment demands, the situation in Utah was critical. The run on Salt Lake City’s banks had accelerated, and the banks in turn had closed the windows of their loan cages and tightened credit. Even Elder Abraham H. Cannon, a director of both the State Bank and CG & Co., found it impossible to obtain a loan. Stringent banking, however, proved counter productive. By forcing business to a standstill, it caused deposits to decline even faster. By the end of June, the State Bank had lost \$125,000. “To those who knew the facts,” Wells wrote, “apprehension and dread of direful consequences have been plainly discernible in every feature and every look, like the faces of attendants in a sick room in the presence of death, but as stated our outward demeanor has been full of buoyancy and cold bluff.”<sup>24</sup>

The Salt Lake news almost overwhelmed Grant, who had already been driven to his physical limits. Expecting to be absent three weeks from Utah, he had now spent six weeks in the East, and he wondered whether his strength would allow him to continue his efforts. Each Salt Lake letter and telegram had a bluer cast. The Mormon bank vaults were emptying. Grant Brothers’ Livery Company, unable to meet its notes, was threatened with bankruptcy. McCornick had stayed CG & Co.’s execution four times but was growing ever more impatient. Gladly, Grant thought, he would trade high finance for a bookkeeper’s ledger—anything would be better than having once again “to get down on one’s knees” before the bankers. Besides, he had no idea where to kneel. The State Bank’s New York correspondent had already refused his demand for special consideration. “I think that I would almost be wild tonight,” Grant wrote George Q. Cannon in England, “did I not know that the Lord has helped me in the past and I have faith that he will do so in the future.”<sup>25</sup>

As a last resort, Grant turned to John Claflin, president of H. B. Claflin Company of New York, the “leading dry goods merchant in the United States.” In normal or even slightly difficult times, the merchant might have rushed to the Mormons’ aid. He had previously dealt with Grant and trusted him. Moreover, while others viewed the Mormons in far-off Utah as slightly bizarre if not downright disreputable, Claflin, interested in the exotic and the profitable, had invested in them. In 1889 he had loaned the Saints \$40,000, followed two years later by another \$100,000. His offer in 1892 of a \$200,000 standing or perpetual credit had been declined.<sup>26</sup>

Grant did not come to Claflin empty-handed. He held as possible collateral \$100,000 in ZCMI notes—the best security Utah could offer. These had come from Thomas Webber, ZCMI’s manager and an unpublicized CG & Co. director. Believing the times required that “we must help one another,” Webber, without consulting his directors, had made the loan to the Church. Grant hoped these securities would fortify his main argument that the State Bank—CG & Co. directors were also the leading men in ZCMI, the company that bought Claflin’s goods. Their ruin—or even disfavor—might destroy H. B. Claflin Company’s Mormon business.<sup>27</sup>

While Grant waited in Claflin’s office through the long afternoon of June 27, the fate of both the Church and Grant’s businesses weighed on his shoulders. Finally, after 4:00 P.M., the merchant listened to Grant’s impassioned appeal. In response, Claflin explained that the season demanded that ice flow in the veins of even the most favorably disposed merchant, and that a loan was “utterly impossible.” Claflin softened his refusal by promising his good offices, and the next morning he personally escorted Grant to several banking firms. When the high-risk and high-profit Blake Brothers offered to purchase a single \$5,000 ZCMI note at an exorbitant 18 percent, Grant grabbed the chance. Later, he extracted an additional \$5,000 from Claflin, who had just penned a strong letter declaring: “If the Z.C.M.I. is not good the merchants of the United States generally might as well go out of business.”<sup>28</sup>

Events in Salt Lake City, meanwhile, seemed to climax. Grant’s efforts in New York left McCornick only half appeased—he still demanded the \$10,000 outstanding on his \$20,000 loan to CG & Co. On June 28, George M. Cannon, Zion’s Savings cashier,

privately feared catastrophe “to many of our institutions.” On Saturday, July 1, Heber Wells gloomily noted that the Mormon banks had begun the day with \$40,000 in their vaults and closed with only \$10,000 remaining. That same day two Provo banks collapsed, while Salt Lake’s Bank of Commerce escaped failure only by securing aid from the bankers’ clearinghouse. “Before you receive this,” Wells wrote Grant, “it is possible—nay probable you will hear of our suspension.”<sup>29</sup>

Despite Wells’s dire prediction, the Mormon banks weathered this wave of the storm. Beginning on Monday, July 3, Zion’s Savings Bank, along with Salt Lake City’s other savings institutions, required a thirty-day notice of withdrawal for deposits of less than \$100 and a sixty-day notice for larger sums. Although extraordinary, the action was legal. “At first there was a lull,” Wells remembered,

then the storm broke in all its fury. Depositors swarmed around Zion’s side [of the bank]. . . . Some went out sullenly muttering that something was wrong, some said they expected it, some stormed, demanded their money and said the bank must [be] shaky; but the medicine worked.

No one suspected that the problems of the city’s savings banks touched the State Bank, which was actually able to increase slightly its reserves.<sup>30</sup>

Grant, meanwhile, was determined to secure money in the East. On Monday morning, he unsuccessfully appealed to his insurance friends; called at two banks; approached W. H. Coler, a New York financier who for several days had considered making a \$100,000 loan; and visited the New York Life offices, only to find them closed because of the approaching July 4 holiday. Finally, he again tried Blake Brothers, begging them “to find one of their customers who would purchase the notes I had to offer at some price.” In a few moments, he secured \$20,000 at a whopping 24 percent discount. Grant immediately wired news of his success to Salt Lake City. Mindful of McCornick’s unpaid \$10,000, Heber Wells dolefully twirled his mustache—“the only remnant of hair I have left”—as he opened the latest telegram from New York and saw the words “GLORY HALLELUJAH.” Two days later, Grant was still celebrating with friends over the popular nineteenth-century dessert, water ice, at Delmonico’s.<sup>31</sup>

The crisis of July 3 had passed, and for several weeks Grant felt certain that the worst of his difficulties was behind him. Not only had he resolved all the Church's pressing obligations, but he had also secured from several New York banks an additional \$150,000. By the end of July, however, Grant realized that his tour de force had only postponed catastrophe. The panic still raged, and his new loans were of only two, three, or at best four months duration. Furthermore, Grant recognized that additional renewals probably would be impossible. Like Zion's Savings' delayed deposit payments, the New York loans were short-fused time bombs set to explode at the end of August.<sup>32</sup>

For a while, Mormon fortunes seemed to rest with George Q. Cannon's English mission. On July 3, the day on which Church finances were barely salvaged, Cannon had talked at Whitehall with the Earl of Roseberry, the British foreign secretary. Although twenty years had passed since their last meeting—apparently while Cannon was serving as Utah's territorial delegate in Washington—the foreign secretary, soon to be prime minister, cordially received the Mormon emissary and wrote a letter of introduction to Baron Rothschild. On July 7 a tersely worded telegram—“UNSUCCESSFUL”—dashed Mormon hopes for a long-term loan. Cannon had met with Rothschild, his brothers, and other leading financiers, but the prevailing American panic and the Europeans' ignorance of Utah affairs made a loan impossible.<sup>33</sup>

Utah, meanwhile, was slipping into a severe economic depression. Banking contraction was only partly to blame. A late winter had heavily damaged local agriculture, particularly the important cash-producing wool clip, making 1893 Utah's worst sheep year to date. Moreover, the plummeting price of silver forced the closing of many mines, further reducing the local money supply. By the end of June, Utah businessmen began laying off workers and reducing wages. Such prominent citizens as John Morgan, Abraham O. Smoot, and Ben Rich went bankrupt, and real-estate speculator George A. Meeers committed suicide for the lack of \$1,000. “From every side arises the cry of hard times,” wrote one diarist.

I have never witnessed a greater stagnation in business enterprises than has manifested itself during the last month. Money is not to be had, confidence seems to have disappeared, and credit is denied by nearly all tradesmen. Public works are stopped, and . . . thousands of men are out of employment.<sup>34</sup>

A kaleidoscope of personal, human acts reflected the hard times. A needy seamstress, fearing starvation for her children, appealed to the patriarchal Franklin D. Richards. “I encouraged her the best I could,” Elder Richards remembered, “& she wiped away her tears & went with apparently increased bravery.” The Salt Lake County tax collector—also a bishop and a CG & Co. director—mismanaged \$32,000 in public funds and then asked protection from the General Authorities to avoid embarrassing the Church. Elder Francis Lyman spent one August morning in his bed, immobilized by the awful prospect of bankruptcy and regretting his debts to family and friends. George Q. Cannon, back from England, abandoned his multifamily communal kitchen, kept his boys from school to do the work of released hired hands, and transferred his few unencumbered assets to his wives. By contrast, during the State Bank’s desperate days in July, young George F. Richards bolstered its reserves with \$1,500—the bulk of his savings.<sup>35</sup>

The depression paralyzed the Church. By late June, cash donations had almost ceased. On July 1 the Church failed to meet its payroll, forcing the General Authorities to draw their living allowances in tithing commodities. In Salt Lake City, mission president J. Golden Kimball described himself as at “the end of the rope” and pleaded for “anything” to aid him in returning to his assignment in the Southern states. Appropriations for Church education were halted, twenty schools were closed, and the opening of the new Church University in Salt Lake City was postponed indefinitely. Clerks struggled to pay even the low-priced fares of returning missionaries, and sometimes failed. “Every day urgent demands for cash are made of us, which we cannot meet,” wrote the First Presidency, “for the simple reason that we have no money. . . . We never saw such a time of financial stringency as there is now.”<sup>36</sup>

Endeavoring to maintain the Church’s balance, leaders sent letters to local congregations directing that tithing commodities or other property be cheaply sold and the cash sent to Church headquarters. Buyers were few, however, and local charity consumed most of the money raised. During a prosperous year, over 50 percent of all tithing flowed into Church offices; in 1893 the Church received only 19 percent. For several weeks the General Authorities considered borrowing over \$100,000 from 126 wealthy Saints, but they evidently



realized that the plan would cripple the Mormon banks. There seemed to be no solution, only a gaping crevasse.<sup>37</sup>

On August 2 the leading Latter-day Saint money men met to take “stock.” The weary Grant had returned the previous day from New York, and at an 8:00 A.M. CG & Co. meeting he reported on his labors. “We only live now on sufferance of those we owe such large sums to,” Francis Lyman summarized after Grant’s narration. But the investment firm had larger problems than note renewals in the Eastern market. It had endorsed the paper of Burton-Gardner Company, and the latter’s recent bankruptcy seemed a mortal blow. CG & Co. directors decided to transfer the Sugar Company’s heavy indebtedness elsewhere—perhaps, somehow, to the Church itself. A joint meeting of the directors of the two Mormon banks that afternoon was equally grim. Cashier Wells revealed that without new deposits the banks would close within several weeks. He dispiritedly wondered whether an earlier closing might not be the wisest course.<sup>38</sup>

The Lord had given and now he seemed ready to take. Church leaders solemnly entered their new temple and prayed for relief. “All the Lord requires of us,” President Woodruff exhorted, “is to do the very best we can, and He will then take care of the remainder.” On August 12, President Woodruff made his last public attempt to resolve the crisis. At a meeting attended by the First Presidency, seven Apostles, the Presiding Bishopric, and nineteen stake leaders, Woodruff reviewed the emergency and urged an increase in donations. When possible, the Church would borrow from the Saints at 10 percent. Two weeks later, sublimely calm amidst the Church’s crumbling finances, Woodruff appropriated \$15,000 recently found in the Church’s accounts in England and Hawaii, and led the rest of the First Presidency and the Tabernacle Choir on a long-planned public relations tour of the World’s Fair in Chicago. Before leaving Utah, President Woodruff nominated Grant and George Q. Cannon somehow to resolve the crisis. Since Cannon was part of Woodruff’s party, the responsibility fell to Grant.<sup>39</sup>

Again, Grant’s mission was critical. Within two weeks, Zion’s Savings must begin paying the large withdrawals requested sixty days earlier. And at about the same time, the Church’s many loans would start to mature. Meanwhile, Wells Fargo had unexpectedly demanded that the Church reduce its \$25,000 overdraft privilege at

the bank by \$10,000. When, on August 24, the Brigham Young Trust Company failed to pay \$50,000 owed Wells Fargo, Heber Wells tried to resolve the problem with a new loan from Mack McCornick. “Yesterday we bearded the former lion in his den,” Wells related. “We told him everything; pleaded, entreated, cajoled, warned, threatened, and afterwards damned him. He was callous, obdurate, unyielding.” Finally, with an eye on future Mormon business, McCornick yielded \$10,000 as a temporary sop. Toward the end of August, the Church notified Wells Fargo in San Francisco that it would probably default on its September 2 loan payment.<sup>40</sup>

By August 24, Grant was back pounding the streets of New York in search of a large, long-term loan. This time, he realized, a pound of flesh would be necessary to save Church finances. With margins of reserves to assets in New York banks at 20.5 percent in mid-August—their lowest point of the crisis and well below the 24 percent legal limit for national banks—nothing less than a huge bonus would entice bankers into risking a long-term loan. But even when he promised a 20 or 25 percent commission, Grant found no takers. “I am getting blue by the hour,” he informed Wells. “I wish that there was something bright in the distance that I could look forward to.”<sup>41</sup>

In Utah the final crisis was at hand. On Friday, September 1, the Mormon banks held only \$20,000, a scant 3 percent of deposits. By closing time \$5,000 had been drained from the vaults, and Wells frantically wired Grant that the State Bank could not survive another two days. Earlier that same day Grant had finally wrangled a promise for a \$100,000 loan. But he had pressed too hard, and the frightened banker had delayed payment until Wednesday, September 6. Now Grant learned that the Mormon banks could not last that long. He had come so close!<sup>42</sup>

Since arriving in New York, Grant had tried to follow President Woodruff’s counsel to neither worry nor complain about the financial crisis. But as events pounded down upon him, he again wondered whether he might not break under the strain. He had exhausted all possibilities for a loan; there seemed to be no stone left to turn. Before him loomed the “perfect horror” of another Kirtland Bank failure, which had rent Church finances and caused widespread apostasy fifty-six years earlier. Several times during the early morning of September 2, he shed bitter tears as he “supplicated the

Lord with all the earnestness and power which I possessed.” After 3:00 A.M. he lapsed into a few hours of fitful sleep.<sup>43</sup>

Events of the next day seemed drawn from a surrealistic drama. Grant appeared to move in slow motion, almost in defiance of the prevailing high stakes and emotions. Arising after 8:00 A.M., an unusually late hour for the vigorous Grant, he knelt in morning prayers and offered to forfeit his life in exchange for the preservation of the banks. Experiencing a calming assurance, he bathed and breakfasted deliberately and then, without a destination in mind, boarded an elevated railway train. At the station nearest H. B. Claflin Company, he decided to stop and shake John Claflin’s hand. The merchant was not in his office, but had left word that he wished to see Grant. Grant proceeded on to the National Park Bank, but missed the right station. Backtracking, he entered Blake Brothers, and there found John Claflin with a proposition.

Claflin had watched closely over the past several weeks as New York bank reserves finally stabilized and edged above the 24 percent legal minimum. Recognizing that the worst of the national money crisis was over, and aware of Grant’s willingness to pay an extravagant bonus, the New York businessman sensed the time was ripe to save the finances of his Mormon friends, secure for himself a handsome commission, and ensure for his company ZCMI’s lucrative trade. His terms were terrifying: \$500,000 for two years at 6 percent with a \$100,000 bonus going to Claflin—almost 33 percent of the loan would be lost to interest or commission (illus. 6-6). A desperate Grant refused to “split straws.” He asked only that the deal be halved: \$250,000 for two years, same interest, with \$50,000 given to Claflin. Within hours the State Bank learned that it could draw upon its New York correspondent for an initial installment of \$50,000. The Mormon banks were saved.<sup>44</sup>

The attractiveness of Claflin’s loan varied with the beholder. On the grounds of the Chicago World’s Fair, Grant explained his actions to the First Presidency. “Prest. Woodruff did not appreciate . . . getting only \$200,000 and yet paying interest on \$250,000,” Grant remembered. In fact, the Church president found the loan’s terms “fearful.” Although Church leaders formally approved the note, and many personally signed it, the more cautious believed that Grant had gone too far. In their eyes the loan had ruined Grant’s

\$250,000.

Salt Lake City, Utah, Sept. 8, 1895.

Two years after date, we jointly and severally promise to pay to the order of The H. B. Clafin Company Two hundred and Fifty thousand Dollars, at the State Bank of Utah, Salt Lake City, Utah, for value received, with interest at the rate of six per cent., payable semi-annually.

**PAID**

*Wilford Woodruff*  
Trustee-in-trust of the Church of Jesus Christ of Latter-day Saints.

*Willford Woodruff*  
*Wm. Cannon*  
*Jos. F. Smith*  
First Presidency of the Church of Jesus Christ of Latter-day Saints.

*Willford Woodruff*  
*Wm. Cannon*  
*Jos. F. Smith*

*James E. Talmage*  
*Fred. Richards*  
*Bingham Young*  
*Francis M. Lyman*  
*John Henry Smith*  
*George F. Johnson*  
*Herbert W. Grant*  
*Abraham O. Cannon*

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

Illus. 6-6. The note, signed by the First Presidency and Twelve Apostles, from H. B. Clafin Company loaning the Church money during the economic depression of the 1890s.

financial reputation. “They did not comprehend the exigencies of the case,” Grant later argued, “but I would gladly have given twice as much had it been necessary in order to save our banks.”<sup>45</sup>

Grant scarcely overstated matters. Although the Church would require loan after loan during the troubled 1890s, the Claflin money had allowed the banks to navigate their most dangerous passage. The safety of the banks in turn had prevented the bankruptcy of CG & Co., its individual partners, and—morally at least—the Church itself. Such failures would have had far-reaching consequences of their own. There is no possible way of estimating the eventual catastrophe had the floodgates not held.

The trauma of 1893—with its foundering banks, pinched finances, and heroic loans—was never related publicly. As each new wave of the crisis had threatened, the Salt Lake newspapers had reassuringly pronounced the financial foundations of Zion as unshakable as the granite walls of the Wasatch Range. Officially the Saints were never told otherwise. When President Cannon addressed their October conference, he stated only the obvious. “We have had, since we last met,” he reported, “considerable trouble in financial matters. . . . You have no doubt felt it individually, as we have felt it as a church. Probably at no time in our previous experience have we had to contend with pecuniary embarrassments as we have had of late.” Only a few in the audience understood that Cannon spoke of more than the Church’s unpaid bills. Nor did the Mormon public learn of the Claflin loan. Fearing a reputation as a Shylock, John Claflin had demanded secrecy.<sup>46</sup>

This Mormon story had a sequel. Although Grant’s loans may have saved Zion and its money men from bankruptcy, the panic was ruinous. “A few years ago,” Grant admitted in 1898, “we thought less of spending \$100 than we do now of a \$5 bill.” Although the pacified national government returned what was left from the Edmunds-Tucker confiscations, Utahns and the Church staggered through the misnamed “Gay Nineties.” When the entire Claflin note fell due in 1895, the Church was able only to make the first payment on the loan’s principal. It eventually canceled its debt largely by transferring to H. B. Claflin Company some of the Church’s shares in the Saltair Beach and the Salt Lake and Los Angeles Railway companies. Final payment on the Claflin note was not made until 1899.<sup>47</sup>

Beyond contributing to the distress of the nineties, the panic left a lasting imprint upon the Church. The Church in the nineteenth century had styled itself a unique religious commonwealth apart from mainstream America. Grant's own business career itself had reflected Brigham Young's preaching on Zion's self-sufficiency and independence. Yet Grant's New York loans wrapped the cords of American finance tightly around Utah's Zion. Thereafter, Church leaders would not only feel increasingly at ease with the ways of American capitalists, but they would be beholden—at least in the short run—for their services. Within another decade these influences would go so far that muckraking journalists would begin to cast the Church in the role of a Wall Street plutocrat. Along with other economic forces working to nationalize America, the Panic of 1893 changed not only the economics of the Church but also indirectly its public image.

There was a final, personal irony to the episode. The mighty H. B. Claflin interests became overextended and in 1914 fell into receivership. John Claflin spent his last twenty years in retirement—prosperous enough to winter on the palmy Jekyll Island resort in Georgia, but stripped of personal or financial influence. Heber J. Grant, in contrast, became financially stable and the Church's president. One of the hallmarks of his administration, even during the Great Depression of the 1930s, was fiscal stability. The harrowing summer of 1893, with its lessons for careful finance, clearly had left its mark. Indeed, for its participants, like old comrades-in-arms, the Panic of 1893 became a topic to cherish and celebrate. "Those were the days," Heber Wells mused to Grant almost thirty years after the event, "when we fought and bled and nearly died together."<sup>48</sup>

## Notes

This article was originally published in *Arizona and the West* 21 (Autumn 1979): 257–78.

1. Western historians have generally either ignored the Panic of 1893 or have treated it as a prelude to the Silver and Populist agitations. A close examination of the impact of the financial upheaval upon the specific community of Salt Lake City suggests that the panic was indeed a major turning point in the history of the nineteenth-century West.

2. Charles Hoffmann, *The Depression of the Nineties: An Economic History* (Westport, Connecticut: Greenwood Publishing, 1970), 54–71, 97,

109; W. Jett Lauck, *The Causes of the Panic of 1893* (Boston: Houghton-Mifflin, 1907), 107.

3. Heber J. Grant to Joseph H. Richards, February 22, 1890, Heber J. Grant Letterpress Copybook, 8:215–16, Heber J. Grant Collection, Church Archives, The Church of Jesus Christ of Latter-day Saints, Salt Lake City; Heber J. Grant to Alfred L. Giles, March 26, 1890, Grant Letterpress Copybook, 8:287; Heber J. Grant to Anthony W. Ivins, December 13, 1890, Grant Letterpress Copybook, 9:172; Heber J. Grant to R. D. Foltz, November 28, 1891, Grant Letterpress Copybook, 9:394; Abraham H. Cannon, Diary, February 28, March 6, 1890, and May 13, 1891, Church Archives; Hezekiah Eastman Hatch, Typescript autobiography, 37, Church Archives; Roland Stucki, *Commercial Banking in Utah, 1847–1966* (Salt Lake City: University of Utah Press, 1967), 27.

4. The precipitous drop in tithing revenue is in Cannon, Diary, October 5, 1894; and “Annual Reports of the Presiding Bishopric, 1901,” 26, Papers of the Presiding Bishopric, Church Archives. These tithing summaries do not include donations from the Church’s missions and branches or money paid into a special “Defense Fund,” informally collected by Church leaders to facilitate statehood. Leonard J. Arrington, *Great Basin Kingdom: An Economic History of the Latter-day Saints, 1830–1900* (Lincoln: University of Nebraska Press, 1966), 360–73, discusses the Edmunds-Tucker Act and its economic consequences. Historians have overlooked the importance of the transfer of government funds from non-Mormon banks, but contemporaries understood its seriousness. “The losing of the funds of the City, County & Territory,” Grant informed George Q. Cannon on January 26, 1892, “has done as much to place the Mormon party of the community in a financial corner as the fearful draw on our resources by the government having stolen the Church property. . . .” Grant Letterpress Copybook, 12:94.

5. Arrington, *Great Basin Kingdom*, 400–401.

6. *Deseret Evening News*, March 27, 1889, 3; President Joseph F. Smith, “True Economy,” *Deseret Evening News*, December 16, 1893, 1; Cannon, Diary, April 5, 1895; Arrington, *Great Basin Kingdom*, 386–93, 400–401, provides details on Church expenditures of the period. Confirmation that these projects were largely deficit financed is in Heber J. Grant, Typed Diary, August 5, 1893, Grant Collection, Church Archives; Heber J. Grant to George M. Cannon, July 12, 1893, Grant Letterpress Copybook, 17:162.

7. Heber J. Grant to Spencer Clawson, December 20, 1890, Grant Letterpress Copybook, 9:186; Heber J. Grant to John C. Cutler, December 17, 1890, Grant Letterpress Copybook, 10:7; Heber J. Grant to E. K. Wright, January 7, 1891, Grant Letterpress Copybook, 10:204; Heber J. Grant to Ray [Rachel] Grant, January 7, 1891, Grant Letterpress Copybook, 10:210; Heber J. Grant, Reminiscence, box 177, fd. 3, Miscellaneous Papers, Grant Collection. A reminiscence of Grant’s trip to the East is in Bryant S. Hinckley, *Heber J. Grant: Highlights in the Life of a Great Leader* (Salt Lake City: Deseret Book, 1951), 54–60.

8. Heber J. Grant to Brigham Young Jr., July 13, 1892, Grant Collection, 11:409; Heber J. Grant to Rachel Grant, January 28, 1893, Grant Collection, 12:131; Heber J. Grant, Press Copy Diary, July 9, 1891, Grant Collection; and Cannon, Diary, July 2, 1891.

9. In addition to Cannon and Grant, the partners were: Joseph F. Smith, Second Counselor in the First Presidency and director of ZCMI, Zion's Savings Bank, and the State Bank of Utah; Abraham H. Cannon, member of the Quorum of the Twelve and manager of the printing firm of George Q. Cannon & Sons; John H. Smith, member of the Quorum of the Twelve and businessman; Francis M. Lyman, member of the Quorum of the Twelve and businessman; George M. Cannon, cashier of Zion's Savings and principal shareholder of the State Bank; Leonard G. Hardy, bishop and county collector; Thomas R. Cutler, manager and director of the Utah Sugar Company; Thomas G. Webber, superintendent of ZCMI, president of Zion's Benefit Building Society, and director of Zion's Savings, Utah Sugar Company, and Home Fire Insurance; Philo T. Farnsworth, mining speculator; William H. Rowe, assistant superintendent of ZCMI and director of ZCMI and the State Bank; and Henry A. Woolley, Nephi W. Clayton, and Jesse W. Fox, all Utah businessmen. Webber and Farnsworth kept their participation from public view and did not allow their names on CG & Co. stationery. Investments of the partners are in Memorandum, April 18, 1892, CG & Co. Papers, Church Archives.

10. Heber J. Grant to Charles Deare, January 4, 1892, Grant Letterpress Copybook, 10:682; Heber J. Grant to Heber M. Wells, January 29, 1892, Grant Letterpress Copybook, 11:168; Heber J. Grant to J. F. Grant, May 15, 1892, Grant Letterpress Copybook, 13:122.

11. Cannon, Diary, May 3, 1892. Heber J. Grant to G. Q. Cannon, June 5, 1892, Grant Letterpress Copybook, 11:371, indicated that CG & Co. probably controlled 80 percent of the stock of Zion's Savings.

12. Heber M. Wells to Heber J. Grant, December 22, 1892, Grant Letterpress Copybook, 13:649–50; Heber M. Wells to Heber J. Grant, February 14, 1893, Grant Letterpress Copybook, 16:19.

13. Franklin D. Richards, Diary, April 24, 25, 1893, Church Archives; Francis M. Lyman, Diary, May 3, 1893, Church Archives; Cannon, Diary, May 3, 1893.

14. Lyman, Diary, May 10, 1893.

15. Grant, Press Copy Diary, May 19, 23, 31, 1893.

16. *Salt Lake Tribune*, June 1, 1893, 6; Lyman, Diary, June 1, 1893; Marriner W. Merrill, Diary, June 1, 1893, Church Archives. Lyman suggests that in addition to easing unemployment, Church officials saw the proposed railroad as a means of increasing Church influence and prestige as well as a way of keeping "some of the important enterprises of the west in our hands."

17. Heber M. Wells to Heber J. Grant, June 3, 1893, in Grant, Press Copy Diary, 519. Grant frequently copied correspondence in his diary.



18. Heber J. Grant to Heber M. Wells, June 11, 1893, in Grant, Press Copy Diary, 538–39; Heber J. Grant to Alexander G. Hawes, September 22, 1893, Grant Letterpress Copybook, 17:487; Cannon, Diary, December 8, 1891, January 15, 1892.

19. Heber J. Grant to Anthony W. Ivins, August 14, 1893, Grant Letterpress Copybook, 17:244–45. Eight of the thirteen CG & Co. partners were State Bank directors: J. F. Smith, A. H. Cannon, H. J. Grant, H. A. Woolley, W. H. Rowe, Elias Morris, Nephi Clayton, and P. T. Farnsworth. The interrelationships were almost as tight with the Zion's Savings board, with six of its thirteen directors being CG & Co. partners: G. Q. Cannon, J. F. Smith, H. J. Grant, F. M. Lyman, G. M. Cannon, and L. G. Hardy.

20. Grant believed throughout the crisis that the fates of CG & Co. and the two Mormon banks were inseparably connected. Heber J. Grant to Heber M. Wells, June 27, 1893, Grant Letterpress Copybook, 18:63; Heber J. Grant to G. Q. Cannon, July 5, 1893, Grant Letterpress Copybook, 18:102; Heber J. Grant to J. F. Smith, August 28, 1893, Grant Letterpress Copybook, 18:317.

21. Heber J. Grant to Heber M. Wells, June 7, 15, 1893, in Grant, Press Copy Diary, 542–43, 531, respectively; Heber J. Grant to Wilford Woodruff and J. F. Smith, June 19, 1893, Grant Letterpress Copybook, 17:18.

22. Grant, Press Copy Diary, June 8–17, 1893.

23. Heber M. Wells to Heber J. Grant, June 22, 1893, in Grant, Press Copy Diary, 520–21.

24. Heber M. Wells to Heber J. Grant, June 28, 1893, excerpts in Grant, Press Copy Diary, 525; Cannon, Diary, June 17, 21, 23, 24, 28, 1893; John Henry Smith, Diary, June 13, 26, 28, 29, 1893, Church Archives. On June 29, Smith wrote: "Money matters continue exceedingly close. Everybody is calling for money and seemingly none to be got."

25. Heber J. Grant to Wells, June 21, 1893, Grant Collection; Heber J. Grant to G. Q. Cannon, June 23, 1893, Grant Letterpress Copybook, 17:41, 53–54, Grant Collection, Church Archives.

26. *New York Times*, June 26, 1914, 1; *New York Times*, June 12, 1938, 39; Edward D. Page, "Lessons of the Claflin Crash," *The Independent* 79 (July 13, 1914): 76–78; Muriel E. Hidy, "John Claflin," in Robert Livingston Schuyler and Edward T. James, eds., *Dictionary of American Biography*, 22 vols. (New York: Charles Scribner's Sons, 1958), 22:104–5. Claflin's Mormon contacts are in Heber J. Grant to Wilford Woodruff, G. Q. Cannon, and J. F. Smith, January 5, 1891, Grant Letterpress Copybook, 10:184; Heber J. Grant to Thomas G. Webber, May 24, 1892, Grant Letterpress Copybook, 13:221; Heber J. Grant to James B. Powell, June 28, 1893, Grant Letterpress Copybook, 17:72; John Claflin to Heber J. Grant, January 7, 1891, Grant Letterpress Copybook, 10:977; Cannon, Diary, May 13, 1891.

27. Wells to Grant, June 22, 1893. When the ZCMI directors met on July 5, Webber's action proved "very grinding upon the brethren," and some complained of its illegality. However, they eventually approved the

Church's use of the notes. Lyman, Diary, July 5, 1893, Church Archives. Mormon business interconnections are in Heber J. Grant to James B. Powell, June 28, 1893, Grant Letterpress Copybook, 17:72.

28. Heber J. Grant to G. Q. Cannon, July 5, 1893, Grant Letterpress Copybook, 17:100–108. Claflin's ZCMI letter of recommendation is in John Claflin to Heber J. Grant, June 28, 1893, Grant Letterpress Copybook, 17:71.

29. *Salt Lake Tribune*, July 1, 1893, 6; *Salt Lake Tribune*, July 2, 1893, 3; Heber J. Grant to G. Q. Cannon, July 5, 1893, Grant Letterpress Copybook, 17:100; Heber M. Wells to Heber J. Grant, July 1, 1893, in Grant, Press Copy Diary, 574; Cannon, Diary, June 28, 1893. The Walker Brothers' Union National Bank reportedly was also dangerously low in cash reserves.

30. Heber M. Wells to Grant, July 3, 1893, in Grant, Press Copy Diary, 574–75, Grant Collection; Cannon Diary, July 3, 1893. Some of the directors of both banks had urgently desired to require notice of withdrawal on June 28, but Woodruff at the time “did not think it wisdom to do so” and the plan was shelved. Wilford Woodruff, Diary, June 28, 1893, Church Archives.

31. Wells to Grant, July 3, 1893, 574; Grant to G. Q. Cannon, July 5, 1893, 17:107; Heber J. Grant to Heber M. Wells, July 5, 1893, Grant Letterpress Copybook, 17:110.

32. Heber J. Grant to J. F. Smith, July 18, 1893, Grant Letterpress Copybook, 17:193.

33. Cannon's telegram is recorded in F. D. Richards, Diary, July 7, 1893, Church Archives. Additional information about his mission is in G. Q. Cannon to Wilford Woodruff and J. F. Smith, July 3, 7, 1893, Wilford Woodruff Papers, Church Archives.

34. “Wool Men Are Blue,” *Deseret Evening News*, June 17, 1893, 1; *Salt Lake Tribune*, June 27, 1893, 1; *Salt Lake Tribune*, June 28, 1893, 1; *Salt Lake Tribune*, June 29, 1893, 1; *Salt Lake Tribune*, July 9, 1893, 1, 11; Cannon, Diary, October 4, 1893; Lyman, Diary, June 28, July 7, 1893; John Henry Smith, Diary, July 1, 1893; James E. Talmage, Diary, August 23, 1893, L. Tom Perry Special Collections, Harold B. Lee Library, Brigham Young University, Provo, Utah.

35. F. D. Richards, Diary, August 31, 1893; Lyman, Diary, July 6, August 3, 1893; George F. Richards, Diary, July 25, 1893, Church Archives.

36. J. F. Smith to Heber J. Grant, June 30, 1893, extract in Grant, Press Copy Diary, 562; J. G. Kimball to Wilford Woodruff, July 19, 1893, Woodruff Papers; George Reynolds to George F. Browning, July 18, 1893, First Presidency Letterpress Copybook; Wilford Woodruff, G. Q. Cannon, and J. F. Smith to W. T. Stewart, November 13, 1893, First Presidency Letterpress Copybook; Wilford Woodruff and J. F. Smith to Canute Petersen and Counselors, June 29, 1893, First Presidency Letterpress Copybook, Church Archives; Talmage, Diary, August 11, 23, 1893.

37. J. F. Smith to Heber J. Grant, June 30, 1893; William B. Preston, R. K. Burton, and John R. Winder to L. W. Shurtliff, July 1, 1893, Presiding

Bishopric Letterpress Copybooks, Church Archives; Presiding Bishopric Annual Reports, 1900, 30, Presiding Bishopric; John R. Winder to Wilford Woodruff and Council, July 7, 1893, Woodruff Papers; Woodruff, Diary, July 20, 1893; Cannon, Diary, July 20, 27, 1893.

38. Cannon, Diary, August 2, 1893; Lyman, Diary, August 2, 1893; Woodruff, Diary, August 2, 1893.

39. Matthew Noall to the First Presidency, August 29, 1893, Woodruff Papers; Anthon H. Lund to Wilford Woodruff and Counsel, November 2, 1893, Woodruff Papers; Woodruff, Diary, August 9, 12, 1893; Cannon, Diary, August 12, 1893; Lyman, Diary, August 12, 1893; Merrill, Diary, August 12, 1893. Lyman believed the Chicago “undertaking quite unreasonable to entertain under present circumstances,” but Woodruff strongly desired the trip. Lyman, Diary, August 12, 1893. In late August, the Church took over and successfully marketed \$225,000 of the Utah Sugar Company indebtedness. Eastern bankers, believing that the government would soon return the Edmunds-Tucker confiscations, came to prefer the Church’s credit to that of CG & Co. Woodruff, Diary, August 23, 1893.

40. J. E. Dooley to Wilford Woodruff, August 2, 22, 1893, Woodruff Papers; Grant, Press Copy Diary, August 27–31, 1893; Heber M. Wells to Heber J. Grant, August 24, 1893, in Grant, Press Copy Diary, 617; Wilford Woodruff, G. Q. Cannon, and J. F. Smith to Henry Wadsworth, August 24, 1893, First Presidency Letterpress Copybook.

41. Heber J. Grant to Heber M. Wells, August 25, 1893, Grant Letterpress Copybook, 17:292; Lauck, *Causes of the Panic of 1893*, 101.

42. Heber J. Grant to Heber M. Wells, September 1, 1893, Grant Letterpress Copybook, 17:325; Heber J. Grant to J. F. Smith, September 1, 1893, Grant Letterpress Copybook, 17:332; Heber M. Wells to Heber J. Grant, September [3?], 1893 (telegram), in Grant, Press Copy Diary, 620.

43. Heber J. Grant to J. F. Smith, September 1, 1893, Grant Letterpress Copybook, 17:332; Grant, Press Copy Diary, August 27–31, 1893; Memorandum, January 8, 1916, in Grant, Press Copy Diary, 1893, preceding 402; Grant, Typed Diary, October 3, 1893.

44. Memorandum, January 8, 1916; Grant, Typed Diary, October 3, 1893; Cannon, Diary, February 14, 1895; Lauck, *Causes of the Panic of 1893*, 101.

45. Heber J. Grant to Heber M. Wells, September 4, 1893, extract in Grant, Press Copy Diary, 623; Heber J. Grant to Hiram B. Clawson, September 20, 1898, Grant Letterpress Copybook, 28:68; Heber J. Grant to John Claflin, December 29, 1897, Grant Letterpress Copybook, 26:237–38; Woodruff, Diary, September 4, 1893. During the crisis, Church leaders actually had approved the paying of an extravagant bonus for a loan, but many apparently forgot or wished to deny personal responsibility. Cannon, Diary, August 2, 1893.

46. *Deseret Evening News*, July 3, 1893, 4; *Deseret Evening News*, July 8, 1893, 3; *Deseret Evening News*, July 11, 1893, 1; *Deseret Evening News*, July 19, 1893, 1, 3; *Deseret Evening News*, July 20, 1893, 4; *Deseret Evening News*, August 24,

1893, 1; *Deseret Evening News*, November 25, 1893, 9; *Salt Lake Tribune*, June 2, 1893, 6; *Salt Lake Tribune*, July 1, 1893, 1, 6; *Salt Lake Tribune*, July 4, 1893, 1; *Salt Lake Tribune*, July 20, 1893, 1; *Salt Lake Tribune*, July 21, 1893, 1; *Salt Lake Tribune*, July 27, 1893, 1; *Salt Lake Herald*, June 13, 1893, 8; *Salt Lake Herald*, July 2, 1893, 4; *Salt Lake Herald*, July 4, 1893, 8; *Salt Lake Herald*, July 20, 1893, 4; *Salt Lake Herald*, July 21, 1893, 4; *Salt Lake Herald*, August 4, 1893, 4; *Salt Lake Herald*, August 6, 1893, 4; *Salt Lake Herald*, August 9, 1893, 4.

47. Heber J. Grant to Allie Ford, April 13, 1898, Grant Letterpress Copybook, 26:406-7; Memoranda on Clafin Note, Church Properties, Financial Department Papers, Church Archives.

48. Heber M. Wells to Heber J. Grant, [March 1921], Grant Letterpress Copybook, 57:671.