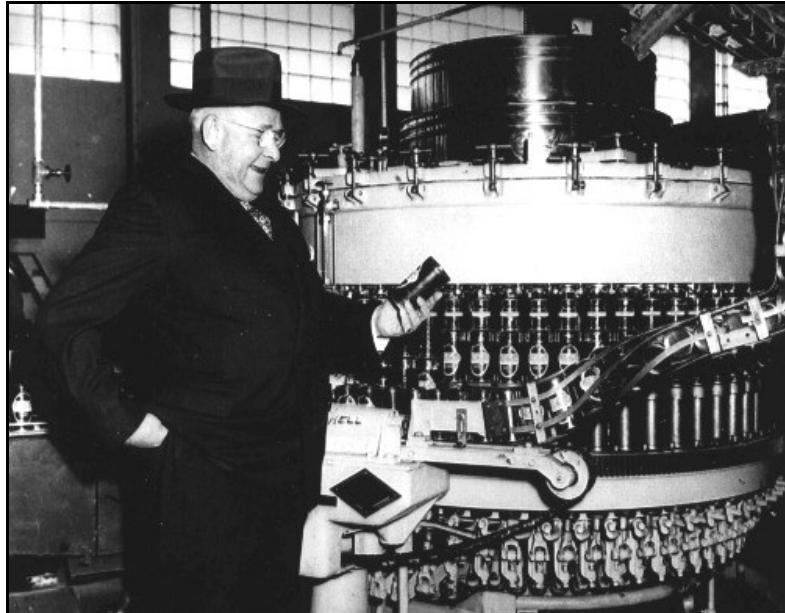


Breweries
and
Beer Bottles
at
El Paso, Texas



Bill Lockhart
2012

Chapter 7c
The Harry Mitchell Corporation

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The Harry Mitchell Brewery

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The Harry Mitchell Corporation (1945-1951)

The year, 1945, held many changes for the Harry Mitchell Brewing Co. On June 19, Dittmar & Co., San Antonio investment bankers (represented at meetings by H.S. Stewart), financed Harry Mitchell in his purchase of all of the stock previously owned by Helen Keller and Globe-Fico (Figure 7c-1). Mitchell admitted that he had wanted to buy the Keller-controlled stock since Will Keller’s death in 1936, but Helen, Keller’s widow, refused to sell until April of 1945 (Chavez 1988; 1995:4; *El Paso Herald Post* 6/20/1945).

The three top stockholders were now Dittmar & Co. with 5,168 shares (controlled by Mitchell); Mitchell with his own 1,251 shares, and Mrs. Lela Mitchell with 320 shares. It is worth noting that Lela was not mentioned in earlier minutes either as an attendee or as a stockholder, but, from 1945 on, she attended board meetings until the Mitchells retired. In addition to the other refinancing, the new board reduced the 7,000 shares of Class B stock to 5,000 shares “to be hereafter known as Common Stock of the Company” and issued 15,000 shares of “Cumulative Preferred Stock.” Holders of preferred stock (as with the older, Class A stock) would be denied the right to vote at board meetings (Harry Mitchell Brewing Co. [HMBC] 6/15/1945).



Figure 7c-1 – Harry Mitchell (El Paso County Historical Society)

Reorganization

Vice president Nicholson, along with O.J. Allen resigned on June 14. The remaining three stockholders at the directors' meeting – Mitchell, Grider, and A.R. Grambling – elected H.S. Stewart and Eugene R. Smith as new board members, then both Grider and Stuart resigned. No stranger to corporate America, Smith was the secretary for the Magnolia Coca-Cola Bottling Co. from 1937 to 1949 and was a brother of Hope M. Smith, Magnolia's founder (HMBC 6/14/1945; Lockhart 2010).

Upon Grider's and Stuart's resignations, the new board voted William W. Cunningham to return to his seat and Paul O. Sergent as a new director. Cunningham – formerly a vice president – returned to his old position. The directors also authorized a loan of \$200,000 from the State National Bank and established a repayment plan that would inhibit dividends to stockholders until the note was paid in full in 1950. The board earmarked the money, along with an additional \$12,000 to be placed in a trust fund to redeem all outstanding shares of Class A stock (HMBC 6/14/1945).

Despite the decision just four days earlier to inhibit dividends, the board declared a dividend on common stock of \$10 per share on June 16. Due to his position as President of the corporation, Chairman of the Board, and General Manager, the directors set Mitchell's salary at \$12,000 per year. Cunningham became Director of Sales as well as Vice President, and the board awarded him a \$7,500 annual salary (HMBC 6/19/1945).

In November, the Board authorized a 6% semi-annual dividend for holders of preferred stock. At the June 6, 1946, meeting, however, they reduced the dividend to 3% for that period and paid out \$10 per share to common stockholders in August. The group elected Lela Mitchell to serve as a director in October and agreed to redeem all preferred stock by December 15 (HMBC 11/15/1945; 6/6/1945; 8/26/1946; 10/11/1946). In the final session for the year, the board doubled the number of shares of common stock for each stockholder, effectively creating a 100% dividend (HMBC 12/16/1946).

Mitchell also hired a new brewmaster, Carl Weiss. Weiss may have been hired as early as 1944 to replace Albert Braasch who died suddenly that year, leaving the position vacant. Born in Bavaria, Germany, in 1899, Weiss received his early training as an apprentice at a nearby

brewery. For 15 years, he learned the trade including making his own malt. After his arrival in the United States in 1913, Weiss worked for several breweries in this country before coming to El Paso. The work was difficult. In 1949, a typical day at Mitchell's began at 3 or 4 AM and lasted until 5 PM or later. Like other workers at the brewery, Weiss was on duty seven days a week (*El Paso Times* 12/19/1949).

Surviving World War II

Former employee, Alfredo Perea, told three interesting stories about the brewery during World War II. The first involved the use of quart bottles to conserve glass and steel for the war effort. Mitchell's was one of many breweries that encouraged customers to buy these "victory quarts" in the early 1940s. Second, both beer and the ingredients used to make it were rationed during the war. To augment the allotment of resources, bars returned caps to the brewery. Working women at the brewery (most men were at war) sorted the caps, straightened out those with the least damage, cleaned them thoroughly, and reused them on refilled bottles (Perea).

The final story may be apocryphal but is nonetheless a good tale. When rationed grains ran low, Mitchell would go to "the feed company next door" and buy chicken feed to use in place of the normal grains. Perea said sales remained the same regardless of ingredients, so apparently the public noticed no difference (Perea). Because of the war effort, 15% of the brewery's beer production went to military use (El Paso County Historical Society [EPCHS]).

More Reorganizations

In October 1947, Cunningham, now the last of the original stockholders (excepting Mitchell), elected to retire from his position as vice president and was replaced by Charles A. Kuper who was then to receive \$6,000 per year for his services as vice president and sales manager. Kuper, a native of Fort Smith, Arkansas, had served more than five years as an Air Force pilot at Houston and the Caribbean before coming to work at Mitchell's. He had played football for and received his Bachelor of Arts degree from the University of Arkansas. He also graduated from the University of Houston (Chavez 1988; 1995:7; *El Paso Times* 7/20/1951; HMBC 10/11/1947; Kuper 1953). Kuper left the company in March 1949 to become the director of advertising, public relations, and sales promotion for Lone Star Brewing Co. in San Antonio (*El Paso Times* 7/20/1951).

In April 1948, the Board contracted J.E. Morgan & Sons to build the new “Bottle House” designed by the architectural firm of Trost & Trost and engineered by Davis & Foster (Figure 7c-2). Built at a cost of \$400,000, the 185 by 50-foot building contained no posts or other obstructions to be avoided by the workers. In addition, a “5-foot strip of glass brick at the top of the side and front walls of the addition” provided adequate interior lighting. The Board also purchased two Emold Labelers from the Meyer Supply Co., one Cemco 50 Filler and Crowner machine from the Crown Cork and Seal Co., and a Soaker and Pasteurizer machine from the Barry-Wehmiller Machinery Co. (Chavez 1988; 1995:7; HMBC 4/1/1948).

The *Times* described the bottling process:

The very first operation involves soaking bottles to be filled in a chemical solution, sterilization, removing old labels and then washing. After that, the bottles are dumped on a conveyer and carried to the filler and crowner. Then they go immediately to the pasteurizer. The heat is brought to 140 degrees Fahrenheit. After that, the bottles are cooled and carried on a conveyor to be labeled. Then the bottles go into cases ready for delivery (EPCHS).

The brewery finished out the year with a production of 19,784,296 bottles of beer in addition to draught beer sales (*El Paso Times* 12/19/1949). By this time, 75% of the business was in bottled beer.

Enter the Can Line

By this time, canned beer had become an important factor in the brewing industry. Although canning of beer had been suggested as early as 1909, the first beer cans were used commercially for Kruger’s Special Beer in 1933. Initially, many cans were “cone tops” – each can having a conical projection extending upward from the cylindrical section of the can to be

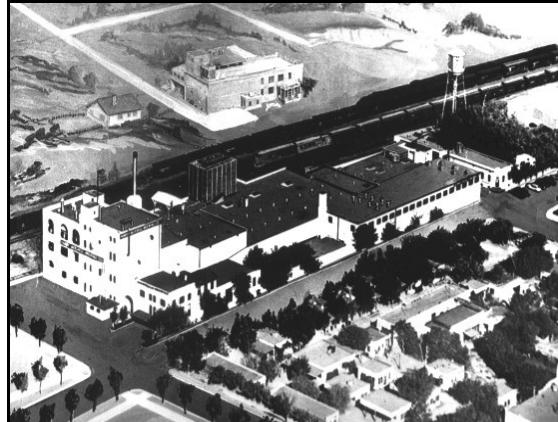


Figure 7c-2 – Drawing of the brewery (Wil Mitchell collection)

topped with the same crown cap used on bottles. A second style was the flattop – cans with a flat surface that must be opened by an external device. As cone tops gradually faded out, flattops became the industry standard until 1962 when “pull-tabs” or “pop-tops” became available (Maxwell 1993). Mitchell’s cans were all of the flattop variety.

On December 4, 1949, Mitchell announced his intention to join the national trend. The brewery installed a canning line, raising its annual payroll to \$300,000 to accommodate the additional employees needed to operate it (Figure 7c-3). The new system would fill 250 flat top cans per minute, roughly the equivalent of the bottle production unit which filled bottles at the rate of 220 per minute. The brewery installed the canning line in an addition to the bottling house completed nine months earlier (Chavez 1988; 1995:7; *El Paso Times* 12/4/1949).

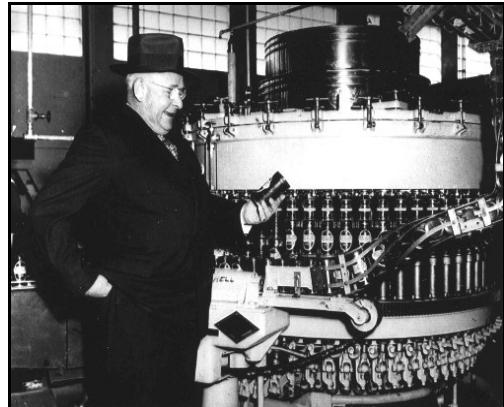


Figure 7c-3 – Harry examining the first cans off the Line – 1949 (Wil Mitchell collection)



Figure 7c-4 – Inspecting the can line (Wil Mitchell collection)

The line was already equipped with more than 600,000 cans purchased from the Continental Can Co. with an additional 2,000,000 “scheduled for early delivery.” Total production at the time was about 110,000 barrels of beer per annum, and the board voted to increase Mitchell’s salary to \$25,000. Despite a two year sales slump, Mitchell was optimistic (Chavez 1988; 1995:7; *El Paso Times* 12/4/1949).

In describing the canning operation, the *Times* (12/19/1949) observed that “over 500 feet of conveyor belts and lines move the cans through a process that is more neatly efficient than a railroad man’s model train system.” Throughout the system, the cans were never touched by human hands from the time they entered the conveyer belts, through washing, filling, pasteurization, and packaging into cardboard cartons, including six-packs, twelve-can cartons, and cases of 24 (Figure 7c-4).

At one point in the operation, the cans would “jog into the closing machine, which has seven automatic controls and the latest safety devices. The tops drop on the cans and the first operation forms a double seam. The next operation irons out the seam and makes it air tight.” Further down the line, another automatic device “kicked off” any cans that were oversized. A weighing device then removed any cans that were over- or underweight. The entire system was efficient. Unlike the canning operation, human beings visually inspected the bottles for defects (*El Paso Times* 12/19/1949).

At the same time, the *Times* described the keg operation noting that

specially constructed aluminum kegs, featuring the Golden Gate valve system, are used exclusively in the distribution of Mitchell’s Premium to draft users. The kegs, lined with pitch to prevent the sensitive beer from coming into contact with metal, replace the old-type containers which were made with easily removable corks. The kegs contain valves, which are kept closed at all times (*El Paso Times* 12/19/1949).

The kegs were more expensive and required more labor cost to use, but the brewery felt justified in their use to preserve “the outstanding quality of their beer” (*El Paso Times* 12/19/1949).

In July 1949, Mitchell became one of the directors of the Texas Brewing Institute (*El Paso Times* 7/25/1949). He was also highly involved in civic activities (Figure 7c-5). He was known as “a generous supporter of many worthy causes” and was a member of the El Paso Chamber of Commerce, BPO Elks, Veterans of Foreign Wars, the American Legion, and the El Paso County Sheriff’s Posse (*El Paso Herald Post* 5/17/1971).

Still More Expansion

According to the *El Paso Times* (12/4/1949), Mitchell’s Premium was the top selling beer, not only in El Paso, but in a territory extending from “Big Spring and San

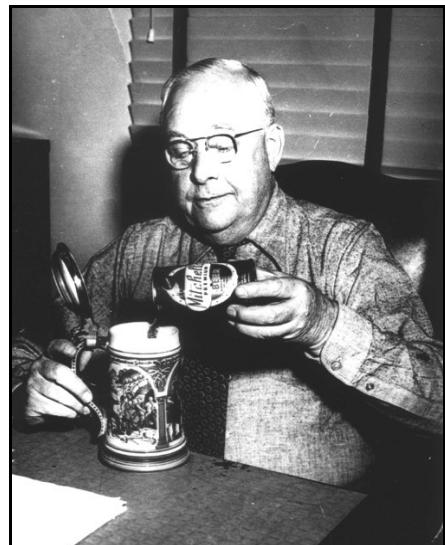


Figure 7c-5 – Harry tests the canned beer (Wil Mitchell collection)

Angelo in the east to Tucson in the west and includes all of New Mexico.” The brewery was one of only seven at that time operating in Texas (two in San Antonio and one each in Houston, Galveston, Dallas, and Shiner). The neighboring state of New Mexico boasted no breweries.

In February 1950, Bob Dorman, general sales director announced the appointment of Farmers Produce Co. as Mitchell’s distributor for Phoenix, Arizona. Although Arizona salesmen had been eliminated in 1942, Mitchell had obviously reinstated them by at least 1950. Bob Reynolds, special representative for Mitchell’s spoke at a Farmers sales meeting on February 11. Other distributors wholesaled Mitchell’s Beer at Safford, Tucson, Douglas, and Winslow (*Arizona Beverage Journal* March 1950:20). On April 3, the *Journal* also published a letter from Norm’s Place – a local beer hall – praising Mitchell’s beer:

You may be interested in knowing that our customers have accepted Harry Mitchell’s Premium Beer beyond our fondest expectations. You will recall that our order for 5 cases was placed on February 9th. A few days later we ordered 10 cases more. We have just looked over our records and find that we have sold over 150 cases the first four weeks we have had it. We think this is pretty good. What do you think?

The brewery also continued sponsoring radio shows under the new management. An ad in the *Times* on July 3, 1950, admonished readers to “Listen to Elmer Davis and the News Tuesdays and Thursdays at 6:15 over KEPO.”

A Mitchell ad boasted in 1950 that “brewing is ‘big business’ in El Paso, enriching our community to a great degree and adding much to the industrial growth of our Fabulous Southwest” (*El Paso Times* 9/3/1950). The ad continued: “Here at this modern plant, representing an investment of over \$1,100,000.00, 103 employees draw an annual payroll of \$273,000.00. Approximate annual taxes – Federal, State, City, Social Security, and other – totals \$1,000,000.00.” The brewery was clearly an important business in El Paso (Figure 7c-6).

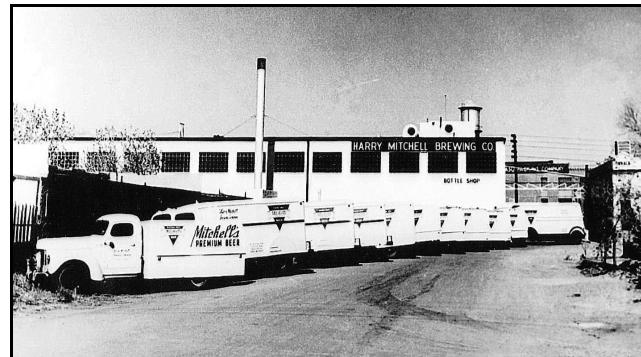


Figure 7c-6 – Mitchell Trucks at the new bottle shop (Wil Mitchell collection)

Sales continued to rise, and the directors regularly distributed dividends through mid-1951 (Figure 7c-7). Despite the increased revenue, Harry and Lela Mitchell announced on July 19, 1951, their resignation from the Board of Directors. The reason given by Mitchell was that he and Lela had “disposed of all of their stock in the corporation” (HMBC 7/19/1951).

Three companies, Harold S. Stewart and Sons, Bassett Towers, and the Russ Co. of San Antonio, Texas, had purchased the Mitchells’ share of stock for more than one million dollars (Chavez 1988; 1995:7; *El Paso Herald Post* 7/11/1951). A major chapter of the Harry Mitchell Brewing Co. was at an end.

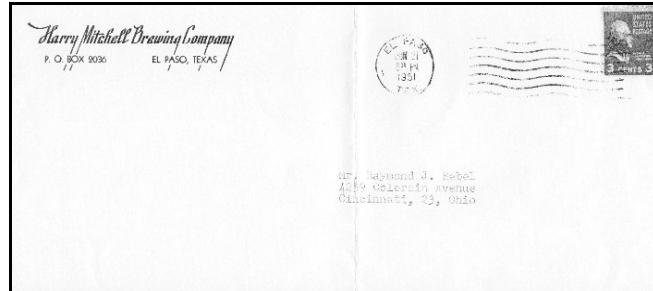


Figure 7c-7 – Envelope used in 1951 (Courtesy of Jim Mitchell)

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