

Breweries
and
Beer Bottles
at
El Paso, Texas



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2012

Chapter 7d
Harry Mitchell – The Last Corporation

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The Harry Mitchell Brewery

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[Much of this was originally published in the *American Breweriana Journal* as “The Harry Mitchell Brewery: The Last Corporation” in 2011 – see Lockhart 2011]

The Final Corporation

Yet Another Reorganization

Even though Harry Mitchell had officially retired, he wanted to assure that the transition period for the company was a smooth one. The new corporate hierarchy obviously agreed, stating that “his sudden departure from the Company, resulting in the loss of his wisdom and knowledge gained through his long experience with the Company, would be extremely deleterious to the best interest of the Company and its Stockholders, Officers and Directors.” As a result, they offered Mitchell \$1,500 per month to remain in the position of advisory consultant from July 31, 1951, to July 31, 1958, remaining in touch either in person or by telephone (Figure 7d-1). In the event of Mitchell’s death, Lela was to receive the same salary during the agreed-upon period. Former vice president, Charles A. Kuper, assumed the presidency at a salary of \$15,000 per year with Walter A. Vetter as vice president and E.H. Center as secretary/treasurer (Chavez 1988; 1995:8; Harry Mitchell Brewing Co. [HMBC] 7/19/1951).

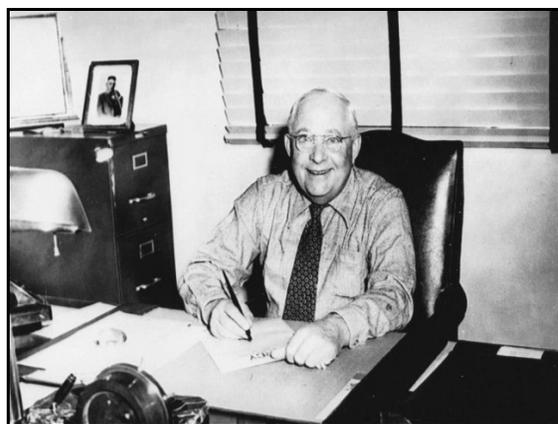


Figure 7d-1 – Harry Mitchell at his desk (Wil Mitchell collection)

The new owners laid plans to acquire all 15,000 shares of outstanding stock. The new management announced that it planned to continue selling Harry Mitchell’s Premium Beer with no brand or ingredient change. The brewery at that time employed 91 people and produced about 80,000 barrels of beer annually (*El Paso Herald Post* 7/11/1951).

Kuper then led the board to again amend the stock issue by increasing the number of available shares from 15,000 to 375,000 but decreasing the value per share from \$25 to \$1. Kuper's salary was also increased by the addition of 2% of the net profits *before taxes*. At the age of 32, he was the youngest president of any brewery in the United States (HMBC 8/24/1951; 11/11/1951; Kuper 1953).

Kuper had spent the intervening two years as a director of the Lone Star Brewing Co. in San Antonio, although he told the *Times* (7/20/1951) that he had "wanted to return to El Paso ever since he left here in 1949." He was looking for a home to buy so that his wife and three children could join him. Kuper also promised, "From now on out I am going to be an El Pasoan. I have always thought a lot of this city and the people here. El Paso is a great place. I am happy to be back here" (*El Paso Times* 7/20/1951).

Growth in Sales

In a pamphlet to the stockholders, Kuper introduced Granville M. "Bill" Green, "recently appointed General Sales Manager." He also announced that "on October 22 [1951] this brewery had the largest single day in its history." Kuper (Kuper 1953) also bragged that:

within two months after we took over the brewery we had drastically changed the beer. . . . The people buy what they like. Our aim is to give the people of our area what they prefer. . . . we changed from a dark, hoppier brew to a milder, mellower product. The charts show the trend in taste changes and the results were reflected in the sales graphs.¹

In addition, the new management built a new laboratory where Master Brewer Carl Weiss and his assistant, John Bauer conducted 185 tests per day on Mitchell's Beer (see Table 7d-1 for a list of brewmasters). They also converted a yeast culture room, now called the Weiss Room, to a visitors' space where guests could sample some of the brewery's best beer. They installed a new Babcock and Wilcox boiler, added two electric compressors, bought a new Aue American Peerless six-roller malt mill, and revitalized other systems (Kuper 1953).

¹ Apparently, the promise on July 11, 1951, that the new management was not going to change the formula of the beer did not last long!

Table 7d-1 – Brewmasters at the Harry Mitchell Brewery

Name	From	Brewery
Oscar Scholz	1934-July 1935	Harry Mitchell Brewery
Robert L. Neidhart	July 1935-1938*	Harry Mitchell Brewery
Frank Brenk	1939	Harry Mitchell Brewery
John Bauer	1939?-1940**	Harry Mitchell Brewery
Albert C. Braash	1940-1944†	Harry Mitchell Brewery
Carl Weiss	1946-October 1952	Harry Mitchell Brewery/Mitchell Brewery
John Bauer	1952-1956	Mitchell Brewery

* Neidhardt served until late 1938 or early 1939.

** The city directories list Bauer as “chemist” in 1940 and “asst brewmaster” in 1941. He may just have been filling the position without the title prior to that time.

† Brasch died suddenly in 1944; Weiss was not listed in either the 1944 or 1945 city directories, so there may have been no brewmaster during those years.

A New Name

The new board inaugurated two important changes during 1952. First, the name of the corporation became the Mitchell Brewing Co. – dropping the initial “Harry” – on April 17 (see Table 7d-2 for a list of all name changes and presidents). Second, in October, the directors promoted the assistant brewmaster, John Bauer, to the position of Head Brewmaster in place of Carl Weiss. Bauer elected to change Mitchell’s Premium Beer from a lager to a lighter-bodied, pilsner beer (referred to by Kuper, above). Sales of beer increased by 61,000 cases to an annual production of 684,000 cases of beer, ending a four year sales slump, and the new beer won a gold medal for excellence in the Pilsner extra-dry class at the International Institute of Fermentation (Chavez 1988; 1995:8; HMBC 4/17/1952; 8/20/1952; Kuper 1952).

Table 7d-2 – Firms that Operated from the El Paso Brewery Location

Firm	Dates	President
El Paso Brewing Assn.	1903-1904	George Pence
El Paso Brewing Assn.	1904-1905	Wilhemm Griesser
El Paso Brewing Assn., Sucs.	1905-1907	J. Philip Dieter
El Paso Brewing Assn., Sucs.	1907-ca. 1909	R.W. Long
El Paso Brewing Assn., Sucs.	ca. 1909-1920	W.H. Long
Harry Mitchell Brewing Co.	1933-1945	Harry Mitchell*
Harry Mitchell Brewing Co.	1945-1951	Harry Mitchell
Mitchell Brewing Co.	1951-1956	Charles A. Kuper
Falstaff Brewing Corp.	1956-1968	Walter A. Vetter**

* Although Mitchell was the president of the corporation during this period, the Keller family quickly became majority stockholders. Harry’s power was distinctly limited.

** Vetter was the Resident Manager.

The company added a new, 4,500 square foot bottle storage warehouse to the west end of the bottle shop about the end of 1952 or early 1953 (Kuper 1953). By the end of the year, the total consumption of Mitchell’s Beer was 15,344,872 bottles and cans along with 795,941 gallons of draft beer. In a comparison of sales by case, the brewery had sold 623,000 cases in 1951 and 684,000 cases in 1952, an increase of 61,000 cases (*El Paso Times* 1/5/1953).

Continued Wide Distribution

The following year, in a competition between United States breweries, the Mitchell Brewing Co. achieved first place in public relations and tied for first place in the safety category. The Mitchell efficiency was also high with a record for filling 115,000 bottles and 144,000 cans in an eight-hour period (Figure 7d-2). By this time, the company employed 90 people and had an annual payroll of \$350,000. The brewery paid a combined federal, state, county, and city tax bill of \$895,639.82 (*El Paso Times* 1/5/1953).

The company's marketing territory encompassed more than 700 miles. The brewery, itself, only handled retail trade from Anthony, Texas, to Sierra Blanca and Van Horn, using its own delivery trucks and utilized distributing companies throughout the remaining territory. In Texas, these were headquartered in Alpine and Odessa, with New Mexico distributors in Las Cruces, Socorro, Albuquerque, and Roswell. Dealers in Douglas and Safford handled the Arizona business (*El Paso Times* 1/5/1953).

One distributor, Clarence J. Hammel of Socorro, deserves special mention. Hammel's father, William G. Hammel and his brother, John, (with the help of their father, Jacob, a brewer from Illinois), founded the Illinois Brewing Co. in Socorro, a plant that sold beer until the onset of Prohibition. In August 1910, Hammel bought the soda bottling equipment of Alfred F. Katzenstein – a Socorro soda bottler since the 1890s who then moved to Las Cruces and set up a similar plant. The Hammel brothers then began their own soft drink business, along with beer sales. This proved to be a wise decision and supported the company through the dry period. Upon the return of legal drinking in the U.S., William's son, Clarence Hammel, resolved to continue in soft drink bottling and never returned to brewing, although, through a personal friendship with Harry Mitchell, the company became a distributor for Mitchell's beer – as well as becoming a liquor dealer (Hennech 2002; Lockhart 2005; Wilson & McKee 2001).

A New – and Final – Bottle Label

The company embarked on a new advertising campaign in June that included a new label change about July 26 (Chavez 1988; 1995:8; HMBC 6/29/1953). In November 1953, the *American Brewer* featured the Mitchell Brewery in an article that claimed the brewery now had a

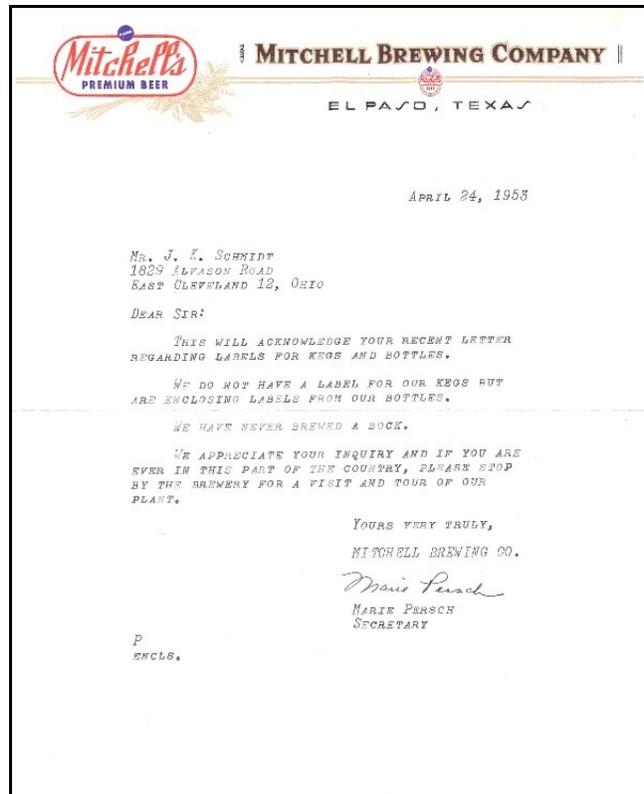


Figure 7d-2 – Letter from the Brewery – 1953 (Jim Mitchell collection)

125,000 barrel capacity. Kuper noted at that time that effective advertising had to be varied in a diverse area where “it is sometimes 40 miles between bottle openers.” The company advertised in newspapers, on radio and television, and by using posters “as well as on-premises media” (Kuper 1953). Kuper also noted that:

A good percentage of our trade is Spanish speaking. They go to the grocery store and ask for items by the symbol—flowers or burro or sombrero—rather than by the trade name. Consequently, we plan a distinctive symbol on our new label (Kuper 1953).

As a consequence, the bell tower label was born (Figures 7d-3 & 7d-4).

Kuper presented figures at the end of the year showing a 19.5% increase in sales during the previous two years. Because of the increase, the company had continued passing on regular dividends to the stockholders

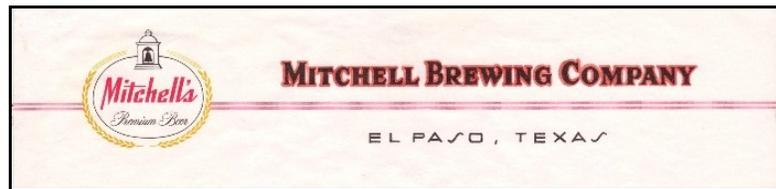


Figure 7d-3 – Letterhead – Mitchell Brewing Company (Mike Hennich collection)

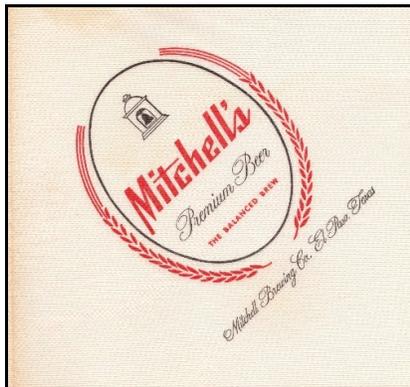


Figure 7d-4 – Paper Napkin (Mike Hennich collection)

during that period. The Mitchell plant could now claim more than 37% of El Paso’s beer consumption. The board also considered the purchase of a minor league baseball team in December but tabled the idea because board members could not reach a consensus. At some point, however, the brewery sponsored a women’s softball team called the Brewettes along with local basketball and bowling teams (HMBC 12/14/1953).

Kuper finally presented a \$199,000 advertising budget for 1954, including \$45,906 for TV ads and \$40,000 for radio commercials (HMBC 12/14/1953; Kuper 1953). Apparently, Mitchell’s beer still had not reached some areas of New Mexico by 1953. Kuper’s report to the stockholders in early 1954 stated that, “in the year 1953 our basic territory was extended to include the entire state of New Mexico” (Kuper 1954).

In an uncited article from the Hennech collection, Kuper described some of the operations in 1953. Unlike the Czechoslovakian hops used in 1934, the company now bought special Haas Golding hops from the Yakima Valley, Washington. He noted that “domestic hop has proved to be the best for making a fine beer.” The brewery now sold beer in draft form as well as “packaged beer [in] bottles, cans and one-way glass bottles” (Figure 7d-5). From its original fleet of 11 vehicles, the company now operated 17 trucks and nine passenger cars. The plant filled, capped, and labeled 240 12-ounce bottles of beer per minute, or more than 115,000 bottles per day. Kuper noted that the company was “proud of our Pilsner type beer, which is light in body and extra dry. No better beer is made.”



Figure 7d-5 – Keg from the Last Corporation (Elaine Sleeman collection) [Photograph by Dale Sleeman]

The Fluctuating Market

On April 27, 1954, the directors voted for expansion into San Antonio, Texas, and hired James Colton as the company salesman for the new area. Despite a 7% drop in national beer sales and a downward trend in overall sales the previous years, Mitchell was 13.78% ahead for the first quarter of the year (Chavez 1988; 1995:8; HMBC 4/27/1954; Kuper 1954). The high sales were even more impressive considering the market invasion of El Paso by A-1 Beer from Phoenix, Arizona, Lone Star Beer from the Lone Star Brewing Co., San Antonio, Texas, and Pearl Beer produced by the San Antonio Brewing Assoc. about that time (Chavez 1988; 1995:8).

Sales trend charts presented in 1954 show an interesting change in patterns. Dollar volume of sales declined drastically from 1948 to 1949 and slowly increased until they reached a new peak in 1953. Package beer sales followed a similar trend, but draft beer sales remained steady until 1951, then plummeted in 1952 and remained low (Kuper 1954). Part of the reason for the increased sales, claimed at two million cans and bottles, was the commitment of the sales force to working individually with store owners. Sales manager, Bruno Coletti, often worked personally with salesmen to design and build displays carefully tailored to fit each individual store. Although the brewery was targeting more advertising toward off-premises sales, the sales manager was careful not to neglect the bar business which made up 65% of total sales (Thomas 1954).

In a motion that may have been ahead of its time, Kuper and James M. McCleskey, Jr., proposed to make Treasury stock available for employee purchase. Although no reason was given at the meeting, Eugene Smith resigned from the board, and Carson/Roberts/Inc. replaced Ringer & Associates as the brewery's advertising agents. To enlarge the production capacity of the plant to about 150,000 barrels, the board requested an estimate from Carroll and Daeuble, Architects, to prepare estimates to run around \$82,000. Kuper reported that "the profit picture continues to show improvement," and the company had \$122,769.58 on hand (HMBC 7/8/1954). About this time, the company built a beer garden for celebrations, parties, and public gatherings. As many as 125 guests could be entertained in an old Bavarian setting (Chavez 1995:8). The future of the brewery looked bright by the end of 1954.

The brewery entered 1955 on an upbeat. Although national beer consumption had decreased sharply, Mitchell sales were up by 3.22% from the previous year, and package beer sales from 1951 to 1954 had increased by 80%. Because of the national decline in beer drinking, the board planned to reduce advertising for the year. Brewmaster John Bauer continued to monitor beer quality with daily tests (HMBC 5/3/1955).

Despite the reduced advertising, the company planned to expand its territory to include "all of New Mexico, Southern and Eastern Arizona and as far east in Texas as San Antonio." Although the brewery still used water from its own wells, it imported "barley from South Dakota, refined brewing grits from Iowa, hops from Washington, and yeast from New York" (*El Paso Times* 4/24/1955).

The company was further honored by New York's Annual Art Directors Exhibition for creating one of the top ten best television commercials produced in the U.S. (the "little symbol player" commercial). In order to maintain a place in the beer competition, Kuper announced the creation of a new product, Golden Grain Beer. Because the brewery was currently working at full capacity, the Board contracted with the Le-Vecke Co. of Los Angeles, California, to can the brew (Golden Grain was never bottled). The directors targeted the product for the West Coast, but the group hoped that it would be attractive to markets in the northern and eastern parts of the country, as well (Chavez 1988; 1995:8-9; HMBC 5/3/1955).

The Rapid Downward Slide

The board entered 1956 very cautiously. Mitchell sales were decreasing in the Southwest; Golden Grain was losing ground in California; and more national brands were becoming popular in El Paso (Chavez 1995:9). On March 27, the board agreed to sell all voting stock in the Mitchell Brewing Co. due to uneasiness with the market situation. After considering all possibilities, the board decided to sell to the Falstaff Brewing Corp. of St. Louis, Missouri (HMBC 3/27/1956).

An agent for Falstaff announced that the company would not retain all of the Mitchell staff, so Kuper proposed that the board grant severance pay to those leaving. The other directors concurred. Severance pay also went to Kuper and Vetter. The directors pledged all assets not transferred to Falstaff (including cash, revenue stamps, malt, hops, rice and adjuncts, and media items) to pay the outstanding debts of the Mitchell Brewing Co. (HMBC 3/27/1956).

The official purchase date was set at April 14, 1956, with an agreed price of 1.5 million dollars – at 4.5% interest – to be paid semiannually until the final payment came due on April 16, 1971. By early April, the brewery had ceased production of draft beer and began selling existing stock of cans and bottles at reduced prices. Charles A. Kuper tendered his resignation as of June 1, 1956. The Board of Directors held its final meeting on December 19, 1956, at the Hotel Paso del Norte to disburse the last of the company's assets to the stockholders. The Mitchell Brewing Co. was closed (Chavez 1988; 1995:8; *El Paso Times* 4/12/1956; 4/14/1956; 12/19/1956).

Post Script

Kuper returned to San Antonio as Vice President and General Manager of the Lone Star Brewery, his former employer. Falstaff reopened the El Paso brewery as Falstaff Brewery No. 9 and discontinued all Mitchell products. The plant continued to operate until January 1968 (Chavez 1995:9).

Harry Mitchell enjoyed his retirement until his death at the age of 82 on Sunday, May 16, 1971, in his residence at the Hotel Paso del Norte (Figure 7d-6). Ironically, Mitchell had worked at the hotel as a bartender almost 60 years earlier. He was survived by his widow, Lela, his

brother, Jack Mitchell, and two sisters, Mrs. Katherine Frew and Mrs. Helen Humbell, all of Branford, Ontario, Canada (*El Paso Times* 5/17/1971; 5/18/1971; *El Paso Herald Post* 5/17/1971). His funeral service was conducted by Rev. H. Eugene Myrick and Dr. Kenneth L. Rice at St. Clements Episcopal Church. Mitchell was entombed in the Evergreen Mausoleum (*El Paso Times* 5/18/1971).

Mitchell's wife, Lela, died exactly two weeks later on Sunday, May 30, 1971. Mrs. Mitchell failed rapidly after she had broken a hip on the previous Tuesday. She was "known for her excellent homemaking and entertaining" and had "devoted full time to the care and nursing of her ailing husband" (Lela).



Figure 7d-6 – Harry and Lela in Retirement (Wil Mitchell collection)

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