RAMSEY COUNTY
History
A Publication of the Ramsey County Historical Society

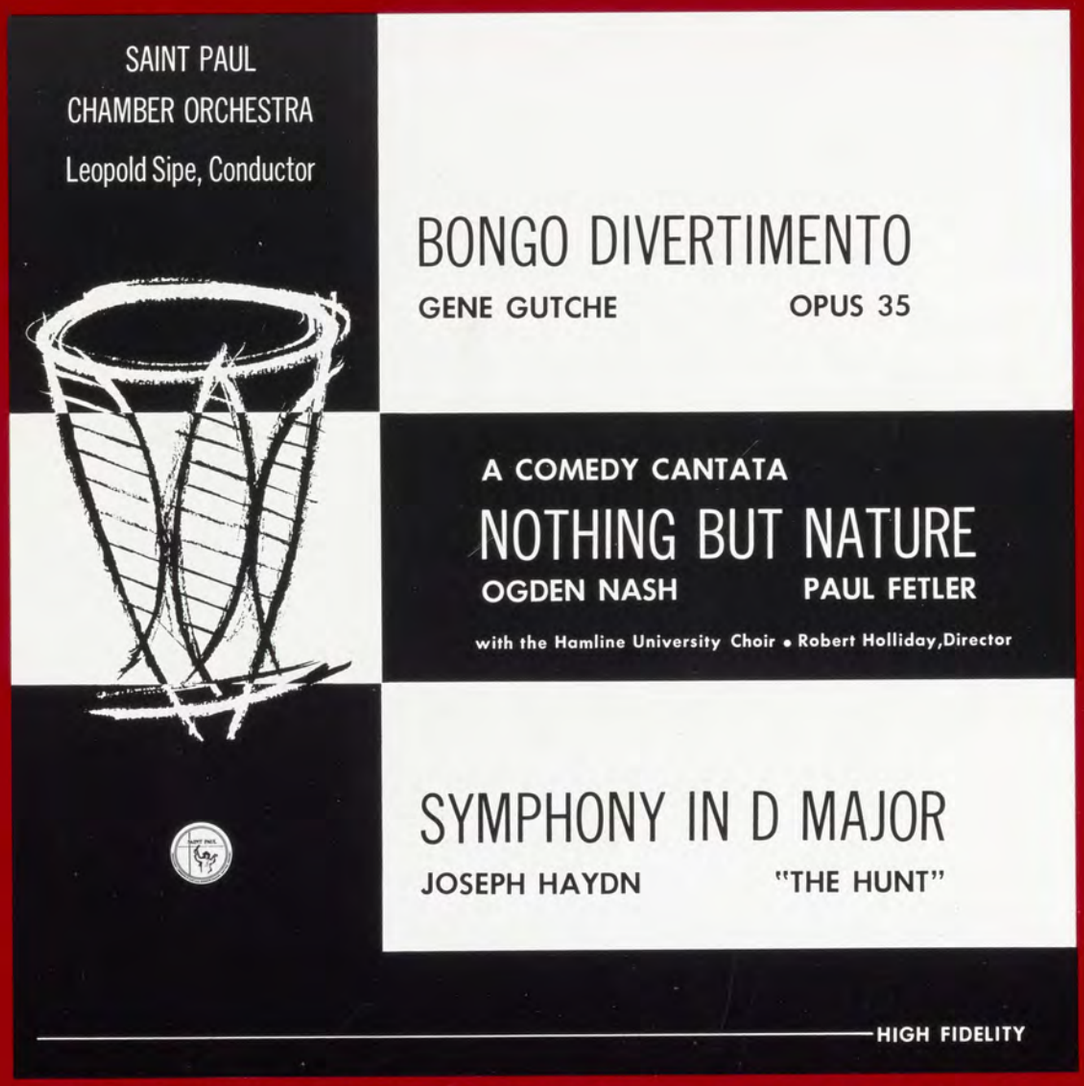
Summer, 1996 Volume 31, Number 2

The Story of Yoerg's Final Decades, 1933–1952

Page 16

St. Paul's Renowned Ensemble
The Chamber Orchestra's First Ten Years

Page 4



Jacket for The Saint Paul Chamber Orchestra's first recording on January 24, 1965. By that time the orchestra had taken root in the community. The recording was made to increase its national recognition, its touring, and its size as an ensemble. See article beginning on page 4.

Ramsey County History is published quarterly by the Ramsey County Historical Society, 323 Landmark Center, 75 W. Fifth Street, St. Paul, Minn. 55102 (612-222-0706). Printed in U.S.A. ISSN Number 0485-9758.

RAMSEY COUNTY
History

Volume 31, Number 2 **Summer, 1996**

CONTENTS

A Message from the Editorial Board

St. Paul and Ramsey County have had a long tradition of support for the arts. Today, for example, the Saint Paul Chamber Orchestra (SPCO) is world renowned, with a reputation and stature that reflects its musical excellence. However, as Glenn Perachio shows in his history of the SPCO's first ten years (1959–1970), which leads this issue, the orchestra definitely has had its ups and downs in coming to earn this respect and support. Our Summer issue also celebrates the 150th anniversary of the beginning of Swedish mass immigration to North America with John Larson's reminiscences about his grandfather, Joel, a Swedish immigrant who spent his working life in St. Paul. Rounding out this issue is Jim Bell's close-up look at the last years of the nearly forgotten Yoerg Brewery—a St. Paul landmark for much of the first half of this century.

John M. Lindley, chairman, Editorial Board

Minnesota's First Brewery: Yoerg's Final Years, 1933–1952

James B. Bell

Minnesota's first brewery was launched in 1848 by Anthony Yoerg in his house at Eagle and Washington Streets in the Upper Landing neighborhood of St. Paul. Born in 1816 in Gundelfingen, on the Brenz River about twenty miles northeast of the city of Ulm in Bavaria, he came to the United States about 1845 and settled in Pittsburgh before removing to St. Paul two years later. According to the St. Paul census of 1849, there were less than six German people living in the entire city. However, by 1857, their numbers had dramatically increased, causing them to be St. Paul's largest ethnic group by 1865.

Anthony Yoerg had a recipe for good beer. It became popular and his neighbors liked it so much that he decided to go into business. Governor Alexander Ramsey, in whose home Yoerg met his future wife Elvina Seitzinger, became a customer and a lifelong friendship was forged. Yoerg's brewery operation was quite simple, there were no air compressors, cooling coils, bottling machines, or government meters to put up with. He and his wife used a coffee mill to grind the malt, and they bottled the beer in a wash boiler on their kitchen stove. He hauled the brew to his customers by wheelbarrow and later by cart. Eventually, storage became a problem; the cellar and attic of the Yoerg home were not large enough so Yoerg began storing his beer in the cool caves on the west side of the Mississippi River.

In 1871 the brewery moved into three limestone buildings near the West Side caves at Ethel and Ohio Streets. The brew house was set directly into the cliffs, as the caves were a cool place to store beer. The site was the headquarters for the firm for the next eighty years. By 1881 Yoerg was turning out 20,000 barrels of beer per year, and by 1891, it had increased to 35,000 barrels a year.

In 1920, when the Eighteenth Prohibition Amendment to the United States Constitution went into effect, the brewery was closed. The Prohibition movement had a long and complex genealogy. Certainly, the war against Germany created wider support for the program. By the beginning of 1917, Prohibition had been established in nineteen states. The Women's Christian Temperance Union, founded in 1874, spurred the creation in 1893 of the Anti-Saloon League, which, helped along by such spectacular crusades as that of the hatchet-wielding Mrs. Carrie A. Nation (1846–1911), had long been agitating for a national Prohibition amendment. With the United States's involvement in World War I, there were added to the moral and social reformers' arguments the need for conserving food and the patriotic condemnation of peoples of German extraction who were prominent in the brewing and distilling industry.

On December 18, 1917, Congress adopted and submitted to the states a Constitutional amendment prohibiting the manufacture, sale or transportation of alcoholic liquors. Thus, the Eighteenth Amendment was ratified on January 29, 1919, and went into effect on January 16, 1920, enforced by the Volstead Act. For the next thirteen years it was the law of the land until its repeal in 1933 with the adoption of the Twenty-first Amendment to the Constitution.

Throughout the United States, local brewers were ill-prepared to weather the dry storm of Prohibition. Almost half of the nation's 670 breweries closed. Many firms struggling to survive converted to other uses and products: creameries; soft drinks and fruit juices; malt syrup; breakfast food and animal feed. More Near Beer (with less than one-half of one per cent of alcohol) was brewed, but its popularity waned. In fact, the Yoerg Milk Company was established in 1921 to make use of the idle plant's facilities. It operated until 1933 when the "noble experiment" ended with the nation in the Depression. The times were hardly conducive to a brewing renaissance. Nevertheless, the number of United States brewers climbed to pre-1920 levels, then dropped off steadily.

Thirteen years after the Yoerg Brewery closed for Prohibition, it was granted a permit to reopen and begin again to manufacture beer at its facilities on the southwest corner of Ethel and Ohio Streets. The officers and directors of the resuscitated firm were Frank Yoerg, president, secretary and treasurer; Louis E. Yoerg, vice president, both sons of founder Anthony Yoerg. They were joined by a cousin, Walter G. Seeger, president of the Seeger Refrigerator Company. Two non-family members were directors of the corporation: Mahlon C. Bundy, head of the St. Paul investments and securities firm of Bundy & Park, Inc., and Winslow W. Dunn, Jr., president and general manager of the Vander Bies Ice Cream Company.

Although Frank Yoerg was president of the firm, it was Louis Yoerg who was in charge of day-to-day operations. He had been associated with the company before Prohibition, serving as secretary-treasurer since 1896. When Frank Yoerg retired in 1935, Louis became president.

The suspension of brewery activity for nearly a decade-and-a-half highlighted the inescapable fact that times had changed in the business. Under the best of circumstances, for any company with adequate financing, modern facilities, and equipment, a thoughtful marketing strategy, capable management, and a

dose of good fortune, the prospect of profitability was possible. The Yoerg experience, looking through the rear-view mirror of nearly fifty years of history, enjoyed none of these essential components for success.

A family-held business since its establishment in 1848, Yoerg's remained in the control of Anthony Yoerg's two sons, Frank and Louis, and their wives. They jointly controlled more than 54,000 of the 85,000 shares of common stock outstanding. While the Yoergs were collectively stock-rich, they were cash poor. The company's money drawer at the close of Prohibition didn't have the necessary funds to enable a smooth reestablishment of company operations. The Yoerg Milk Company never flourished to compete with St. Paul's big four firms: Sanitary Farm Dairies, St. Paul Milk Company, Minnesota Milk Company, and Consumers Milk Company. The milk business was not a source of additional capital during Prohibition.

At the suggestion of Walter Seeger, a grandson of the brewery's founder, Mahlon C. Bundy was retained on June 5, 1933, to advise Louis Yoerg and assist the company in raising needed capital by selling shares of the firm's common stock. By December, 1933, in the depth of the Depression, Bundy & Park had sold to its clients more than 21,000 shares of the company's stock at $2 per share. The list of shareholders included descendants of Anthony Yoerg's and prominent St. Paulites of German extraction—Seegers, Ahrens, Yoergs, Beckhoefers and Mannheimers. The sale of stock provided the company with about $42,000, only 60 percent of its financial need, a condition which immediately alarmed representatives of the Security and Exchange Commission.

Doubtless the company's weak financial circumstances triggered uneasy criticism of its management. The bleak situation fed on itself. As early as December, 1933, Bundy, as investment counselor and a director of the company, had raised business-like questions regarding the firm's production, marketing and distribution capabilities. He bluntly warned Louis Yoerg that the sales and distribution of beer must improve if the company's regular report to the Security and Exchange Commission was to be satisfactorily received. In January, 1935, the requirement for operating cash prompted the brewery's directors to approve a further sale of 35,000 shares of common stock.

The Yoerg Brewery as it looked in 1933 when Prohibition ended and the brewery's final years were about to begin. Minnesota Historical Society photo.

The brewery's under-financed position suggested to the directors the need for a management study by an outside expert in the late summer and early autumn of 1934. Every aspect of the company's operations were reviewed with the hope of introducing cost-saving efficiencies. Recommendations were detailed on how to reorganize the plant, market the product, and deploy and encourage personnel. Louis Yoerg was urged to be the firm's "Mr. Outside," the contact with distributors, tavern owners, and barkeepers. With limited resources and the need to improve sales to generate income, the necessary challenge inside the brewery was to hold down expenses. This would be a recurring theme for the firm until its demise eighteen years later.

The management consultant urged Yoerg's business office staff to establish a strong price policy for the beer and stick with it. He suggested that the firm adhere to the old, pre-Prohibition "Yoerg quality standards as the basis for all production, merchandizing, and promotion activity." Keeping in step with a developing popular trend, he urged that the production and sale of bottled beer be encouraged. Citing industry data, he noted that in Minnesota in 1934 bottled beer reflected only 12 percent of sales by breweries while Yoerg's proportion was between 15 and 17 percent. In other areas of the United States, bottled beer consumption reached a higher fraction of total beer sales: Wisconsin, 16.5 percent; New York, 19 percent; Pennsylvania, 25 percent; Michigan, 34 percent and, throughout the nation, 20.7 percent. Yet Yoerg's, the advisor suggested, should continue to actively promote the sale of barrel beer and focus primarily on St. Paul, Minneapolis, central Minnesota, western Wisconsin, northern Iowa, and the northeastern strip of North Dakota.

With regard to the financial condition of the business in the fall of 1934, the management advisor suggested that $35,000 be advanced to the company to liquidate outstanding bills and reinforce working capital. Collateral for the loan was to be in the form of pledged inventory of beer and evidence of improved business returning an increased profit for three months—a difficult task even for a company without financial, management and equipment handicaps.

In a seemingly contradictory move, and reflecting a complete lack of marketing strategy and goals, the consultant suggested eliminating all newspaper advertisements immediately because the small weekly space in the *St. Paul Dispatch* and *Pioneer Press* was "utterly useless as it is too infrequent to be of value." The saving would amount to $21 per week.

The Sales Department was instructed to "cease buying additional signs at once" and "utilize the remaining inventory of metal signs, cards, novelties, and decalcomania before asking the management for any additional material." Salaries of the company officers were reduced 20 percent which for Louis Yoerg meant that his stipend fell from $500 to $400 per month. The company's precarious financial condition, less than a year after its re-establishment, triggered the belt-tightening steps.

A problem for the brewery, which would persist as long as Louis Yoerg lived, was pinpointed by the management consultant. The advisor remarked that Louis was not a businessman, nor did he have the mentality or temperament to become a businessman. In attempts to overcome this corporate weakness, it was suggested by the consultant that the sales manager "must learn to be strong enough to overcome Louis Yoerg's negative qualities, yet shrewd enough to make use of Mr. Yoerg's knowledge of the beer business. Mr. Ames should capitalize him: not antagonize him. He should take Louis Yoerg to the trade."

The changing tastes of the beer-drinking public was an elusive variable the company's officers faced not only during the immediate years following the Prohibition era but also during the final decade of Yoerg's existence. The consultant reviewed the bottle beer situation as "a problem and an opportunity." He noted that the company had spent $45,500 to modernize its bottle house with machinery, pipes and fittings, fixtures, and other equipment, yet it only operated one day a week. The facility turned out 1,300 cases of beer, equal to 100 barrels, and the rest of the week the equipment was idle.

The company had the best machinery for automatic washing, sterilizing, filling, capping, pasteurizing, labeling, and conveying bottled beer, yet it was idle 80 percent of the work week. In business terms, this was a great loss of overhead. The company's staff concluded, without the benefit of marketing studies, that this was due to "public favor towards draft beer and away from bottled beer." At best, the opinion was an untutored gauge of the movement of popular tastes. Picking up on the consultant's recommendation, Louis Yoerg commented that he "feels a keen desire to build up the bottling division business. In the old days this represented the cream of the Yoerg business. Then the householder would order a case or two direct from the brewery. Today conditions have changed. Now nearly every grocer or druggist carries bottle beer and the housewife has acquired the habit of ordering from her grocer rather than the brewer. And why not?"

It was certainly more convenient and there was a saving for the consumer. The brewer charged $1.90 per case for beer while the grocer charged, as a loss leader, $1.65 a case. The pattern was apparent in the sales figures for Yoerg's brewery from November, 1933, through June, 1934:

	Keg Beer Sales	Case (bottle) Sales
November, 1933	95%	5%
December, "	84%	16%
January, 1934	86%	14%
February, "	85%	15%
March, "	81%	19%
April, "	85%	15%
May, "	83%	17%
June, "	85%	15%[10]

Since the restoration of beer operations in 1933, the trend was toward the public demanding draft beer. But Louis Yoerg was driven by old patterns, practices which certainly were strong and valid in another era. He stated that "nevertheless, a quality brewer such as Yoerg must not forget the factors that explained the success of the old firm in pre-Prohibition days." That was due, he said, to an adherence to quality standards, and concentration upon the "so called home trade." This resulted in a large bottle business. Louis Yoerg declared that "Yoerg was known as having the cream of the beer business in St. Paul." The management consultant observed that the same opportunity existed in 1934, although weight must be given, he said, to changed circumstances. When householders could call the brewery direct to place their orders, Yoerg drivers would deliver the items on their routes through the residential neighborhoods which, of course, had no saloons.

In 1934 a person could drop in at stores or taverns and enjoy a glass or more of draft beer. To overcome this shortcoming, the consultant recommended that the brewery develop a marketing strategy directed at grocers and druggists. The advisor suggested that contact should be established immediately by Louis Yoerg with Griggs, Cooper & Company, "food brokers for grocery stores, for the purpose of negotiating an exclusive contract not only for the Twin Cities but also for an extensive country area."

The plan was to use Griggs, Cooper's marketing network to introduce Yoerg's beer in grocery stores. It was clear that Yoerg's brewery had to become more aggressive with its sales program, that it must get its product into the field, and that it must establish working relationships with other suppliers to grocery stores in the Twin Cities and the surrounding area of Minnesota and Wisconsin.

The company's sales department organized geographically and divided St. Paul into six marketing territories. District 1 comprised the downtown or "Loop" area; District 2 was the West Seventh Street and Summit Hill region; District 3 included the Como, St. Anthony Park, and Rice Street neighborhoods; District 4 was the Payne Avenue, Arcade Street, and Dayton's Bluff area; District 5 comprised the West Side, South St. Paul, and Mendota regions; while District 10 was reserved for a driver to deliver beer to all other parts of the city.

Despite this elementary scheme, sales operations were neither focused nor driven by fixed goals. Frank Yoerg observed that "the drivers are not producing as much business as they reasonably might be expected to do." In particular, he said that this was due to the lack of enthusiasm on the part of the drivers. In the

early era, he recalled, drivers were loyal to the firm and had daily contacts with the trade and brought in business. The management consultant and Louis Yoerg debated whether to establish a delivery quota for each sales district and award the driver with a bonus or prize based on performance and an increase in sales volume over a set figure.

The suggestions were never implemented. There seems to have been no attempt to organize the sales program to serve separately the residential and commercial markets. Such an unrefined approach to sales goals insured modest results.

Financial matters continued to drift from bad to worse. The seasonal nature of the business required strong, spring, summer, and fall sales to offset the lean winter months. In February, 1935, Louis Yoerg sought a $60,000 line of credit from First National Bank, underscoring the firm's shaky financial position.

Two months later, and after considerable conflict and controversy, the two-year relationship between the Bundy & Park investment company and the Yoerg Brewery was terminated. The divorce was due in large measure to the obstinate, temperamental attitudes Louis Yoerg manifested in addressing the company's business procedures. But Mahlon Bundy was not alone in walking away from the firm's troubling circumstances. Walter Seeger, a valuable and visible business leader in the community, a grandson of the brewery's founder, Anthony Yoerg, and potentially the most useful link for Louis Yoerg to the St. Paul financial community, now seldom attended board meetings. In a turn of events which can only be classified as "unfortunate," Seeger was summarily voted off the corporation's board of directors, a circumstance which he did not find amusing.

By December, 1935, First National Bank's representative, Albert H. Daggett, had determined that while it had given much time to analyzing and recommending improvements of the company's financial affairs, "the results have not measured up to expectations." He indicated that the company owed the Bank $15,000 and needed an additional $75,000 to put its operations on a favorable basis. The problem, Daggett bluntly declared, was that Louis Yoerg would not take advice from any outsider and that Daggett saw nothing to be gained by any further attempt to assist the firm. Daggett frankly did not know what was going to become of the brewery but that in his opinion ultimate liquidation would come unless some drastic changes were made in the methods under which the company was operating.

Anthony Yoerg. Minnesota Historical Society photo

Daggett had had enough. He resigned as a trustee of the company because he saw no point in continuing; yet, in leaving, he did not want anyone to think that he would fail in the future to do anything he could, if called upon, to help the company and those interested in it. He concluded his tough talk about the firm's condition by noting that, while the sales results had not been as strong as anticipated, the problem was really Louis Yoerg, a difficult person with whom to work.

Daggett expressed his belief in Yoerg's inability to "comprehend matters pertaining to the financial responsibility of those in charge of the company, his methods were outmoded and that he was not sufficiently conversant with modern business practices." Despite the strong criticisms of this representative of the First National Bank, the directors of the brewery, now carefully selected "yes-men," supported Yoerg, and agreed that he "should go ahead in complete control" managing the firm's affairs.

Desperately in need of a continuing financial transfusion for operating funds, yet harnessed with a disintegrating and mutually antagonistic personal relationship with First National Bank, Louis Yoerg turned to a West St. Paul neighborhood bank, Cherokee State Bank on Smith Avenue, for assistance. At a special meeting of the board of directors on February 24, 1936, the company borrowed funds from Cherokee to pay off Yoerg's indebtedness to First National Bank. In accordance with Cherokee bank's terms, repayment of the funds were to be made on a regular schedule. Unlike the circumstances at the First National Bank, which so deeply ruffled Louis Yoerg's feathers, Cherokee State Bank indicated that it was "not disposed in any way to interfere with the Company's business."

The bank's stance must have provided Yoerg with a welcome sense of relief, as he had proved to feel uncomfortable with individuals from the investment and financial world who seemed to know more about the brewery business than he did. The subtle distinction between knowledge of business finance and experience in the brewery business seemed at best fuzzy in Yoerg's mind. It seems unlikely that he considered knowledge of finance as necessary for operating the business.

Beer sales increased at a steady pace during the spring and summer of 1936. Seeking to expand marketing horizons, the board of directors at its meeting on September 25, 1936, discussed the possibility of establishing several branch headquarters. The next year the company expanded its distribution facilities throughout Minnesota to include Minneapolis, St. Cloud, and Chisholm. Buoyed by the substantial increase in the volume of business since the firm's affairs had been placed securely in the hands of Yoerg and his staff, the directors in late 1936 granted the brewery officers a $2,500 bonus.

The positive financial circumstances were short-lived. At the shareholders' annual meeting on April 26, 1937, management reported that while sales were improved, income was not and once again

there was a need for additional working capital. A resolution adopted at the meeting authorized the company's officers to negotiate a $75,000 first mortgage bond issue. At a directors meeting on May 3, 1937, the sale of 10,000 shares of common stock was approved at $2 per share. To implement the sale, negotiations continued with the E. J. Prescott Company in Minneapolis and the Empire National Bank & Trust Company in St. Paul. In June the board approved the steps to be taken to conclude the matter.

The process for obtaining the necessary funds moved at a slow pace while the firm's financial condition continued to deteriorate. At the company's annual meeting on April 25, 1938, Louis Yoerg discussed the firm's sales performance during the past calendar year and the problems which from his perspective the brewery industry faced. He informed his audience that the company was seeking a loan for not less than $100,000 from the federal government's Reconstruction Finance Corporation to meet operating needs.

Unfortunately, the process for the loan's consideration was lengthy and the brewery's financial condition was desperate. Beer sales decreased in 1938 to a point that at their November 25 meeting the directors discussed whether a sales manager was necessary during the winter months. Board members instructed Yoerg to consider the matter privately and arrive at a decision. Clearly, the funding was critical for the business. While in the short run dollars could be saved by not paying a sales manager's salary for a few months of each year, in the longer term the marketing strategy and contacts for the forthcoming season would be severely crippled. The company was again in a cost-cutting mode. The sales manager resigned under pressure on December 1, and his duties were assigned to an in-house bookkeeper. The already slim general office staff was trimmed in size.

Shareholders learned at their 1939 meeting that no decision had been reached on the Reconstruction Finance Corporation loan application. The RFC seems to have been management's only source for financial aid. Several shareholders expressed their opinion that the sale of bottled beer should be aggressively pursued, urging not merely a seasonal campaign but a year-round effort. As the year passed the company's financial condition weakened. By December, at a special meeting of the directors at the St. Paul Athletic Club, the company's financial problems were compounded by personnel issues caused by the brewmaster and the company's former sales manager, Fred Thielen. Both were troubling members of the staff. However, in fairness, since Louis Yoerg also was difficult to work with, the problem may have been due to the two employees contradicting Yoerg's policies and management. He was, after all, in charge of the brewery.

A year later, at the April 22, 1940, annual meeting, the company's lawyer, Philip J. Mackey, reported on the last fiscal year's business, noting that sales had diminished, the "bad beer" produced by Brewmaster Winkler which was not satisfactory for public sale prompted his dismissal, and that the application for a $100,000 loan from the Reconstruction Finance Corporation had been rejected. Clearly, 1939 had been a poor year. The long patient shareholders in attendance urged again the sale of bottled beer to the "family trade," and were told that this had not been advertised because of lack of funds. On the basis of the failed Reconstruction Finance Corporation loan and the lack of sales necessary to generate needed revenues, a resolution was approved directing the officers of the business to continue to seek a $100,000 loan to supplement the firm's marginal working capital.

Financial matters drifted from bad to worse. On January 2, 1941, the directors decided to seek protection under the terms of Chapter 10 of the United States Bankruptcy Act in District Court. The business could not pay its bills. The petition was filed the next day by the company's attorney, Samuel Lipschultz.

The court allowed the Yoerg Brewing Company to continue to manage and operate its business and pay current expenses, but it was told that it must inform the stockholders of its current condition.

Seven months later Lipschultz drafted a plan for the company's reorganization and presented it to the directors for endorsement before filing it with District Court. At a special shareholders' meeting on April 19, 1943, the reorganization plan approved by the Court was implemented and the By-Laws revised to accommodate organizational modifications. The meeting also agreed to the issuance of 200,000 shares of stock—100,000 common shares, and 100,000 preferred shares, in hope of raising necessary funds for its operations.

On October 7, 1943, the United States District Court discharged the Yoerg Brewery Company from all of its debts and liabilities. For the next two years the company's prospects were brighter; sales and profits increased. Circumstances had improved to the point that salaries were raised, Christmas bonuses paid, and a systematic schedule for the retirement of the preferred stock initiated.

By 1947 the company's financial condition was so strong that Louis Yoerg reported at the June 2 annual meeting that $25,000 had been spent on new steel tanks with lastiglass linings for the Brew House. Despite a question from a stockholder, there was no plan to introduce a dividend on the common stock. The privileges of owning stock in the company remained few fourteen years after the rebirth of the firm. While for some persons the ownership of a piece of Minnesota's oldest brewery may have had nostalgic value, a person certainly did not invest in the business for either capital appreciation or income, or both, as the investment had been at best flat for more than a decade. A few months later, with continuing profitability, the directors approved modest salary increases for the officers and support staff.

By May, 1948, the company was entering another phase of its century-long history. Louis Yoerg, who had guided the firm since 1933, was in failing health and frequently absent from the daily round of business affairs. At a special meeting of the board of directors on May 19, a nephew of Yoerg's, Alfred F. Yoerg of

Des Moines, Iowa, was elected to the board. He was a son of Anthony, Jr., and a grandson of the brewery's founder. At their annual meeting on June 7, shareholders heard a report on the sales and profit performance. The sales figures noted the total barrels of beer sold:

Year	Total Barrels of Beer Sold
1944	24,266
1945	28,216
1946	25,314
1947	26,365

Details regarding the company's slim profits were limited to comparative figures for 1946 and 1947:

	1946	1947
Profit before Income Taxes	$19,517.84	$36,348.69
Income Taxes, State and Federal	7,425.28	16,369.21
Net Profit	12,092.56	19,979.48

Again the shareholders raised questions which had been asked frequently in years past: "Is there an operating statement of the company?" "Can an audited financial statement of the company be sent to shareholders for study in advance of the annual meeting?" "Why isn't Yoerg's beer sold at Lexington Baseball Park?" "Is the company considering producing canned beer for sale?"

All the questions were legitimate and went directly to the heart of the company's management capability and vision. A more responsive, clear-sighted and market-oriented chief executive officer would have considered and implemented such requests years earlier; but Louis Yoerg was not such a manager.

The question regarding why Yoerg's beer was not sold at Lexington Park is interesting, if only for its family context. Walter Seeger, Yoerg's cousin and a vice president of the brewery at the time of its reorganization, was president of the St. Paul Saints Baseball Club. While serving as a director of Yoerg's brewery in the early 1930s, Louis E. Yoerg engineered Seeger's dismissal from the company's board of directors.

It is unclear why Yoerg manipulated the ouster of one of the most powerful business leaders in St. Paul. Perhaps there had been a sharp exchange of opinions about the management of the brewery; certainly, Seeger had doubts about Yoerg's business abilities and he was not one to suffer fools, even a cousin, gladly. Undoubtedly conflict between the two men prevented Yoerg from seeking Seeger's assistance for the sale of beer at the ball park.

A Yoerg Brewery delivery wagon around 1890. Minnesota Historical Society photo.

The financial affairs of the company took a decided turn for the worse in 1948. David Donnelly, the firm's lawyer, presented a discussion of fiscal details at the annual meeting on June 6, 1949. It was reported that there was a need for repairs to the brew house, new equipment was required for the bottling department, and the sales of beer for 1948 amounted to 17,668 barrels, a significant decline over the 1947 figures. The company's loss catapulted to $41,124.77 for the year.

At the 1949 annual meeting, Donnelly reported on the possible liquidation of the brewery, or placing the company in receivership. A resolution was unanimously adopted authorizing Alfred F. Yoerg and Herbert F. Schwarz, the company's business officer, to present a petition in the United States District Court for "winding up the affairs of the Yoerg Brewing Company." Immediately following the meeting, the directors elected corporation officers for the ensuing year. They also discussed the company's sales figures for the past four years, and considered the prospects of producing returnable bottles and canned beer.

Alfred Yoerg, vice president, reviewed such key marketing issues as sales policies and advertising signs. Doubtless these were details which should have been carefully considered, shaped, and endorsed by the company officers and directors. Yet reading the firm's minute books it is easy to conclude that the brewery officers approached such fundamental business details in either an untutored or unfathomable manner. The need for an organization to effectively grasp, understand, and implement such important business practices seemed to pass over the officers' heads. Clearly, deferring the problems only hastened the collapse of the firm.

The annual meeting held on June 5, 1950, had a festive and celebratory air surrounding its proceedings. It was the first meeting since the re-establishment of the brewery that included a new and novel addition to the company's product line. Yoerg's Brewery now produced canned beer, and packages of the new product were displayed for the shareholders. As the company was now 102 years old, and at the mid-point in the twentieth century, it was able, after the

personal intervention of Alfred Yoerg, tomake a modest investment for the machinery necessary to produce the product the public desired.

Sometime during 1949 and early 1950 Alfred Yoerg began to advance the company funds from his own pocket to meet operating expenses. Financial problems had become critical; sales were continuing to decline and a loan of $10,000 from Yoerg was past due. The company seemed to be in a financial free fall during the autumn of 1950. Louis Yoerg died at Miller Hospital after a long bout with poor health on Monday, September 18, 1950. Three days later the board of directors elected Alfred Yoerg president of the company. A second special meeting of the board was held on September 22 to authorize bank relationships for the new president.

Less than two weeks later the company was clearing out its "attic" in a desperate attempt to raise funds from the sale of any tangible assets. The sale of the company's Plymouth car to the highest bidder was authorized. The sale of surplus, pre-1930 "old Crowner white bottles" was approved, as was "any and all unusable items."

During the fall of 1950 Alfred Yoerg had to address negotiations on labor contracts and unceasing financial problems. At their December 5, 1950 meeting, board members authorized the sale of "old staves" from the barrel shop and old trucks from the delivery fleet. They also dispensed with the company's most recent outside legal counsel, Gus Axelrod, a former St. Paul City Council member. Despite the pressing financial condition, the board approved small monthly pensions of $150 and $200 each for the widows of Frank and Louis Yoerg, both substantial stockholders of the company.

In April, 1951, the board of directors addressed the issue of the company's obligation to President Alfred Yoerg in the amount of $23,500. To resolve the matter, the board agreed to sell two vacant lots which it owned across the street from the brewery.

At the June 4, 1951, annual shareholders' meeting, the brewery's problems shifted to its personnel. The contract with the labor union which represented the brewers, engineers, and bottlers was under negotiation. The prospective additional labor costs to be determined by a new labor contract would further erode the firm's meager resources. Beer sales were not increasing fast enough to generate the revenue necessary to offset additional company expenses.

The flooding of the Mississippi river in the spring of 1952 compounded the brewery's problems. The waters came close to surrounding the facilities completely. Production was closed down, sales declined further, and badly needed income was lost. At the company's annual meeting on June 4, the main item on the agenda was consideration of the sale of the 104-year-old Yoerg Brewing Company. After considerable discussion, the shareholders agreed to adjourn the meeting for ninety-five days to allow the officers and board members to investigate a plan for selling the firm. The company was in a desperate condition.

All hope expired for the establishment of a life-support system for Yoerg's at a special meeting of the shareholders on November 25, 1952. More than ninety-five days had elapsed since the June 4th session, and more than three years since the board of directors had first considered dissolving the company. Now there was no choice for the firm's officers. President Alfred Yoerg reported that despite numerous attempts to sell the company to another brewery or to an individual, all efforts had failed. There was no hope for continuing operations of the financially strapped firm. A resolution was introduced, discussed, and unanimously adopted to authorize Yoerg to take the necessary steps to dissolve the company.

The end came quickly and neatly and according to the precise terms of the law. With the advantage of perfect hindsight, the historian today is able to note that the financial condition of the company had been unsteady since its re-establishment in the summer of 1933. The company books closed as of November 25, 1952. Judge Arthur A. Stewart of the Minnesota District Court appointed George M. Brack, a retired secretary-treasurer of the First Trust Company, as receiver for the firm. Brack was charged for the next three years by the court to conclude the firm's business affairs.

Brack oversaw the sale of two parcels of real estate in December, 1953, to Mrs. Edith Harris of the Harris Plumbing Company for $20,000 and $23,000 respectively. The store building, formerly Yoerg's saloon at the southwest corner of Ethel and Fairfield Streets, which was in a terrible state of disrepair, was sold in August, 1953, for $3,000. A salvage dealer, the Effron Corporation from Cincinnati, Ohio, bought all the personal property of the failed firm on July 9, 1953, for $15,656. Effron later sold some of the material privately and a greater part of it at public auction. Such items as furniture and machinery were sold as junk, old beer bottles were declared worthless and paper cartons, which had been submerged in the springtime flood, had no value. Effron bought 2,800 gross of new and used amber colored bottles, items which occasionally turn up today in antique shops or flea markets.

The brewery buildings also were in a state of disrepair when the company closed its doors in 1952. After the sale of the real estate the following year, the Harris Plumbing Company used part of the four-story main building as a warehouse. On Friday, September 26, 1958, a two-alarm fire of unknown origin broke out at the warehouse and burned through the second and third floors of the building. The fourth floor collapsed. The charred ruins of the old brewery stood as a grim reminder of better days until 1970 when they were torn down.

Today, during the fall, winter, and spring seasons before the lush foliage of the neighborhood is in full bloom, the intrepid walking sightseer can trace the outline of the foundation of Minnesota's first brewery at Ethel and Ohio Streets. For the avid collector of breweriana today, the bottles, kegs, and signs of the Yoerg Brewing Company are sought-after treasures

For a chronicler surveying the 104-year history of Minnesota's first brewery, it is apparent that Yoerg's moved through several phases of development. The first stage, which lasted about fifty years from

Yoerg's to page 27

A cartoon of Joel Larson. Where it appeared is not recorded, but he is shown in what must have been a characteristic attitude.

moment, that drew me closer to grandfather. For how many years, I wondered, had he been obliged to suffer, in secret, under the uncertainty of when he might experience an epileptic seizure? In secret, I suppose, because in those days ordinary people had little understanding of the causes of epilepsy, and by some the condition was associated with debauchery, depravity, and immorality generally.

Such thoughts added a new perspective, a near heroic stature, to grandfather. His epilepsy also explained why grandmother had been so eager for me to ac company grandfather on our Model A expeditions in the early 1930s. She must have been desperate at the thought of grandfather driving alone about town, otherwise she might have considered how little help I would have been, and the effect on me, should grandfather have had a sudden epileptic seizure while driving.

I also wondered what other family secrets had been kept from me, and whether a tendency to suppress unpleasant memories explained why grandfather never talked about his childhood and early youth in Sweden. On the train, on my way back East to college, thoughts of grandfather's epilepsy and other family secrets soon faded before concern for the classes I'd missed, for term papers due, and the need to get on with my own life. Still, the unanswered questions remained and over the years I returned to them again and again.

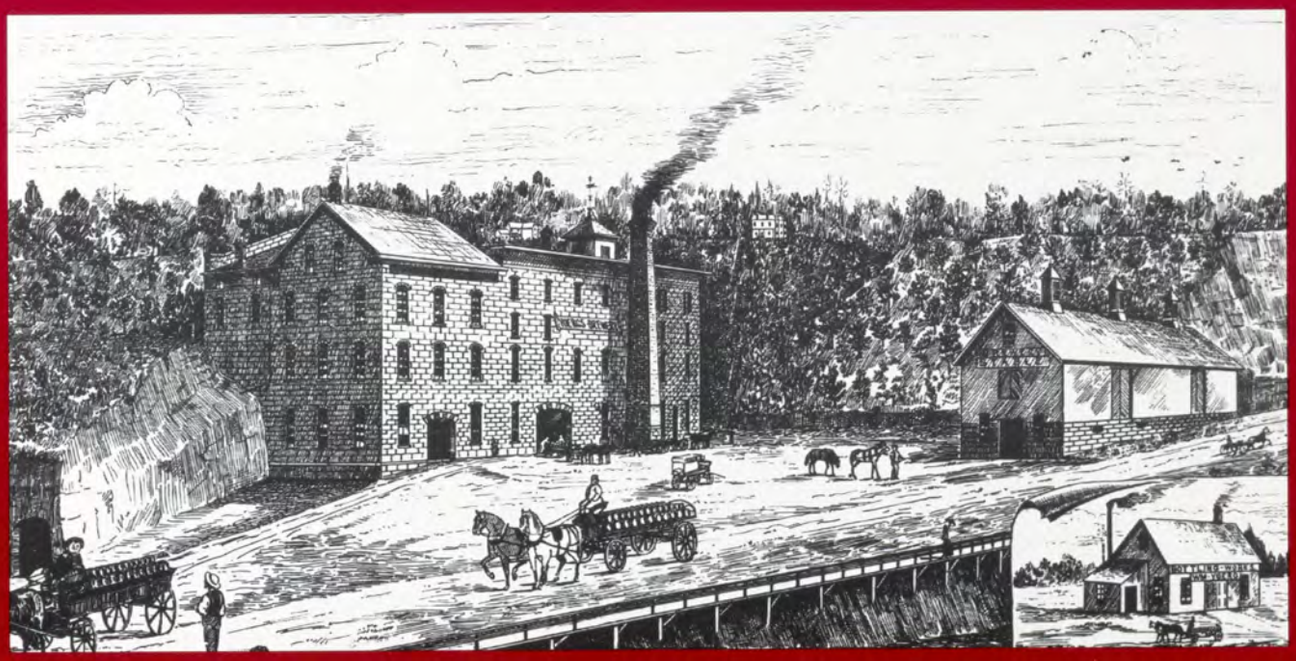
John W. Larson of Taylors Falls is a retired public relations officer for the United States department of defense. His two earlier accounts of his Swedish immigrant ancestors appeared in the Winter and Spring, 1994, issues of Ramsey County History.

Yoerg's from page 22

1848 until Anthony Yoerg's death in 1896, was marked by the momentum and success unleashed by the founder. Doubtless the firm was propelled in large part by the substantial number of German immigrants who settled in St. Paul after 1850, a treasured reservoir of customers.

After Yoerg died, his son-in-law, John A. Seeger, and his sons in turn contributed to a strong second phase of the company's history, a period of vitality and profit from 1896 to 1920, which was brought to a close by the enactment of the Prohibition amendment to the Constitution. The third stage covers the years between 1920 and 1933 when the production and sale of alcoholic beverages were outlawed. The final era of the company's experience, the years between 1933 and 1952, were launched with the hope of somehow rekindling Yoerg's success as a brewery before 1920. Alas, the hope never met the reality; circumstances and tastes had changed. With the advantage of perfect hindsight, we know that Yoerg's, from its rebirth in 1933, was destined to fail along the way. New public tastes in beer consumption, more efficient means of production, and new styles of marketing products marked a distinctive change for Yoerg's from its experience before 1920. Under financed, caught without an adequate business plan and immune to adjusting to new conditions, the company drifted on turbulent but shallow waters for nearly twenty years. A bridge was never built between the firm's era of success before Prohibition and the years which followed the nation's social experiment. Its death was lingering and painful, but hardly unexpected on November 25, 1952.

James B. Bell wrote the history of the Seeger Refrigerator Company which appeared in the Spring, 1995, issue of Ramsey County History, and the history of Norwest Bank, St. Paul, for the Fall, 1995, issue of the magazine. A St. Paul native, he teaches history at Princeton University in New Jersey and currently is on leave to teach at Oxford University, England.



Anthony Yoerg's brewery as it looked in 1886. From Northwest Magazine *for November of that year. Minnesota Historical Society photograph. See article beginning on page 16.*

R.C.H.S.
RAMSEY · COUNTY · HISTORICAL · SOCIETY

Published by the Ramsey County Historical Society
323 Landmark Center
75 West Fifth Street
Saint Paul, Minnesota 55102