

“IT’S THE WATER”: A HISTORY OF THE OLYMPIA
BREWING COMPANY, 1896-1983

By

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the requirements for the degree of

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To the Faculty of Washington State University:

The members of the Committee appointed to examine the thesis of MEGAN ELISABETH OCKERMAN find it satisfactory and recommend that it be accepted.

Robert R. McCoy, Ph.D., Chair

Jeffrey C. Sanders, Ph.D.

Laurie K. Mercier, Ph.D.

Acknowledgements

Most people who endeavor to contribute original research to the field of history understand historian Maureen Ogle's claim that "writers don't find ideas; the ideas present themselves, and do so in unexpected ways." This project is no exception. While laboring through my first year of graduate school, I struggled to find enthusiasm for my proposed thesis topic. It was not an original idea and it did not spark any excitement within me. My unexpected lightbulb moment came when a guest speaker lectured on hop culture in the Pacific Northwest. This presentation piqued my curiosity about the shuttered brewery in my hometown and I discovered that there was little information available at all. To think, the buildings I had driven past an estimated one million times in my life, the company whose logo graces buildings, merchandise, and even firetrucks all throughout the Olympia/Tumwater area, and there were no histories on it! It was clearly my destiny to fill this void. I first must thank Dr. Katy Fry for making that guest lecture happen. I have attempted to give a broad overview of the corporate history of the Olympia Brewing Company as a starting point for future researchers, but any mistakes are my own.

The Washington State University history department is a supportive place that I am lucky to call my home away from home. I have to thank my committee members, Dr. Laurie Mercier, Dr. Jeff Sanders, and especially my advisor, Dr. Rob McCoy, who have been there for advice and consultation when needed. Dr. McCoy edited draft after draft, and constantly reminded me to "stay calm." Many thanks also to Brianna Webb, who in the stressful final weeks of editing her own Master's thesis still found the time to voluntarily read mine in its entirety. With the help of three research grants provided by the history department and the College of Arts and Sciences, this thesis was made possible.

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“IT’S THE WATER”: A HISTORY OF THE OLYMPIA
BREWING COMPANY, 1896-1983

Abstract

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Established in 1896 by German immigrant, Leopold F. Schmidt, the Olympia Brewing Company brought prosperity to the small communities of Olympia and Tumwater as the largest private employer for eighty-seven years. Schmidt successfully operated a brewery in Butte, Montana for twenty years, but after a visit to the Washington state capitol, he moved his family westward to start a new venture. Originally named the Capital Brewing Company, the business quickly gained popularity around the Pacific Northwest. In 1902, the name changed to Olympia Brewing and the famous slogan, “It’s the Water,” was coined. For the next decade, demand increased to the point where the plant could not keep up with the requests pouring in.

Although business was flourishing, so was the Prohibition movement. In 1914, Leopold Schmidt died and Washington state passed a bill outlawing the sale of alcohol, indefinitely closing the brewery. The Schmidt family dealt with adversity by repurposing machinery and warehouses to suit other business projects, but did not lose hope that Prohibition would be repealed. When that happened in 1933, they leapt at the opportunity to run a powerful brewery once again.

The company faced other obstacles over the years, mainly war shortages and regular expansion projects to keep up with demand. The most persistent struggle, and what ultimately ended Olympia's production in the Northwest, was industry-wide consolidation after Prohibition. The huge brewery conglomerates of the Midwest merged or acquired smaller plants at an impressive pace. First with successful advertising, and then by buying out failing breweries, Olympia tried to compete on a national level. In the end, however, the family-run regional brewery could not evade the corporations either. In 1983, Pabst purchased Olympia, and in 2003 production moved to California. The Olympia brewery is a sore spot in the recent memory of locals, but also a point of pride. After over a decade of vacancy, how to repurpose the property while commemorating the brewery's past is still up for debate among the community.

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TUMWATER HISTORIC DISTRICT

Listed on the National Register of Historic Places in 1978

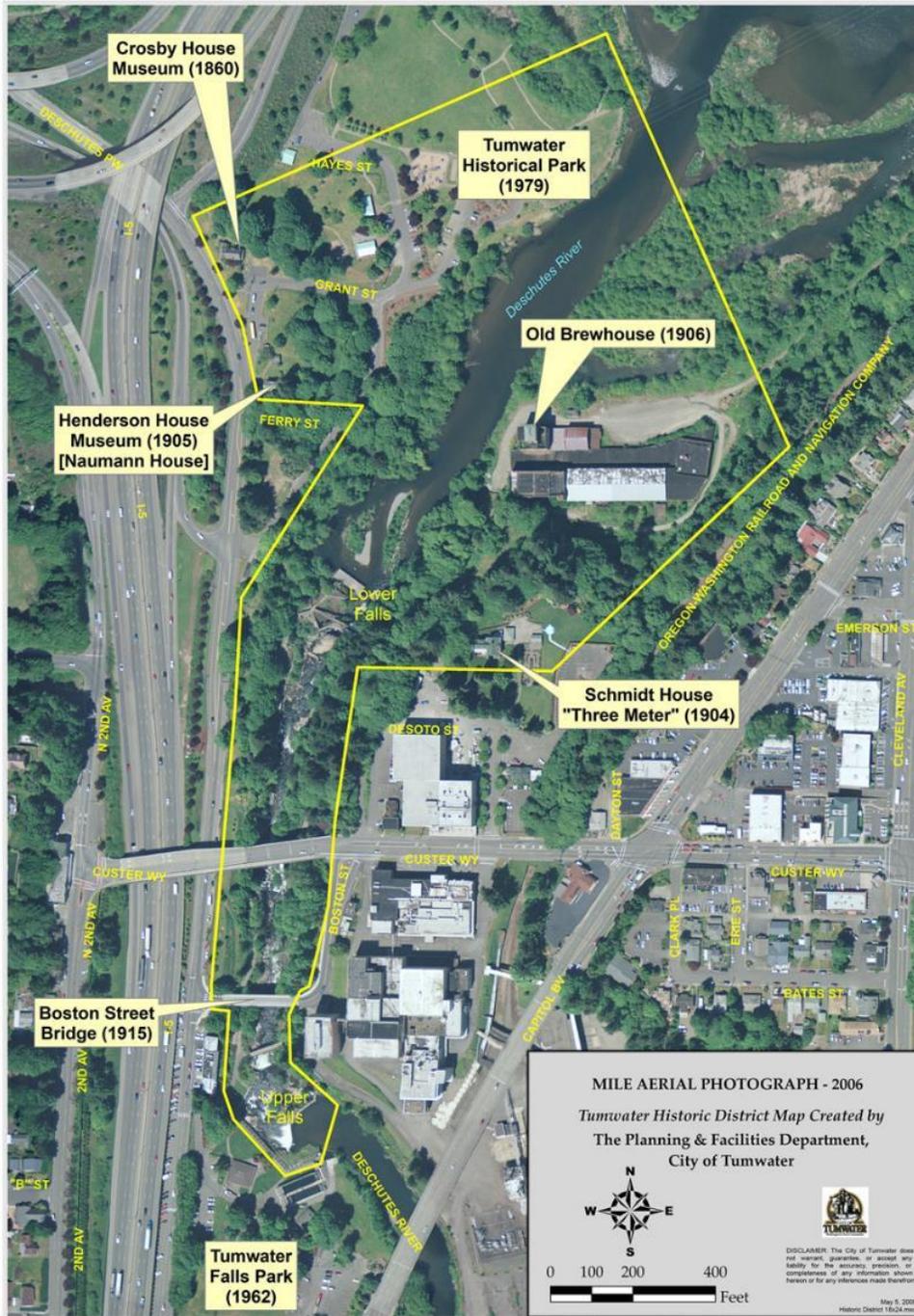


Figure 1: Tumwater Historic District Map. The Olympia Brewery sits south and east of the historic district, outside of the yellow boundary. The southern-most part of the property is cut off, but this image shows the brewery in relation to the Deschutes River.

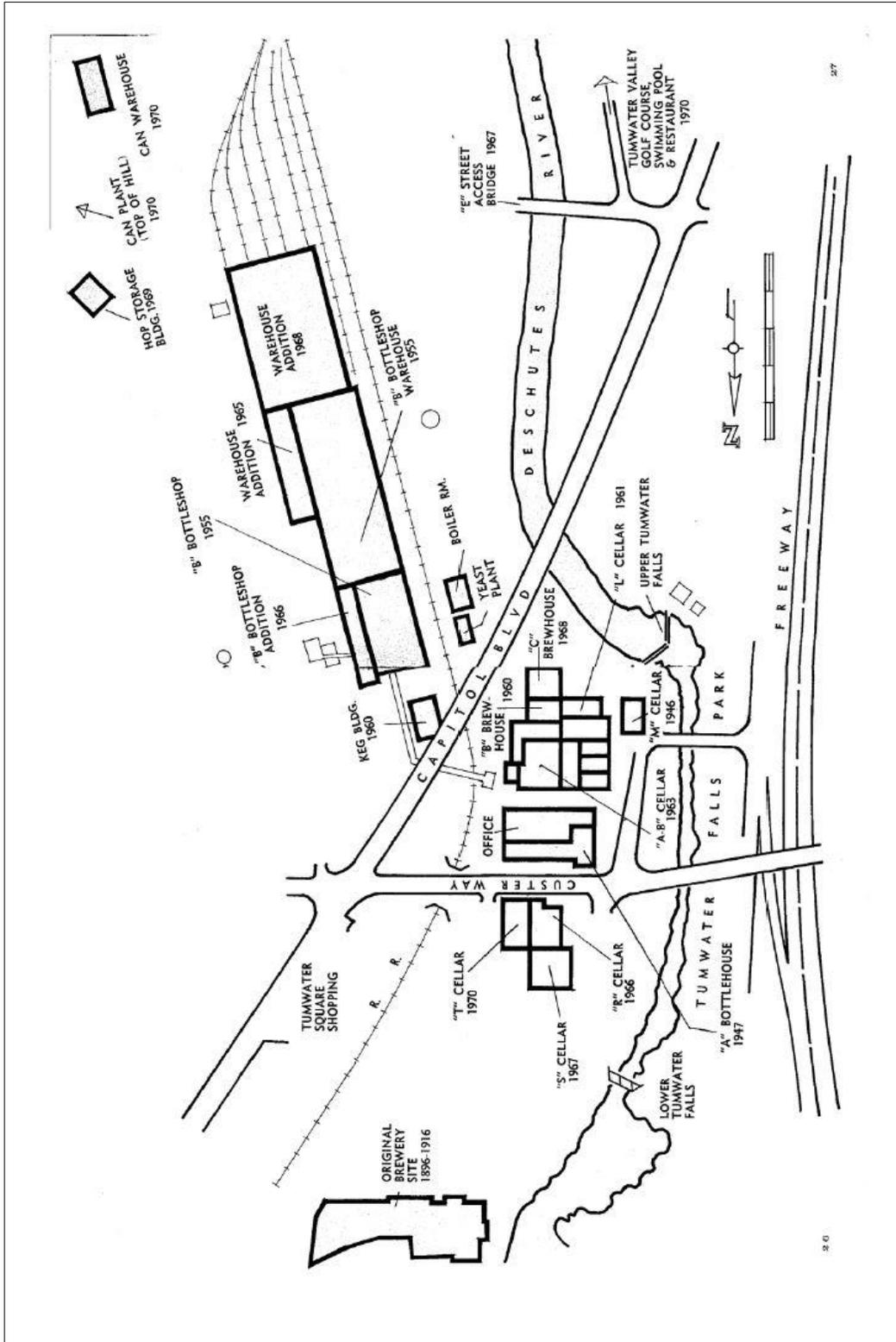


Figure 2: Labeled map of brewery buildings, from the Olympia Brewery Report compiled in 2006.

“It’s the Water”

Dedicated to the Olympia Brewing Co., Olympia, Washington
By George Werner, January 9, 1935

On Sundays at two in the afternoon,
My little old Radio set I tune
To the “Mythical Opera House” of the air –
A wonderful treat awaits me there.

CARMEN and FAUST and IL TROVATORE –
SIEGFRIED and LUCIA DI LAMMERMOOR –
Operas new, and Operas old,
Music whose charms words have never told.

All this and more is my Sunday treat,
And when my brain is at fever heat,
Comes the announcement loud and bold –
“IT’S THE WATER” I am serenely told.

It’s the water so pure in Olympia Beer,
That produces a beverage without a peer,
Like the Master Productions of Opera Grand,
Its fame and its glory will ever stand.

Introduction

The history of beer production in America is saturated with books by beer enthusiasts, but is largely untapped by scholars. Few historians have dedicated the energy and time it takes to write works on the history of beer as an industry, as a commodity, or as part of the cultural fabric of life. Even fewer have written on how breweries have played a significant role in shaping the regions where they originated. This thesis is a corporate history of the Olympia Brewing Company, addressing how a small regional brewery became the sixth-largest in the country. Organized chronologically, this history looks at the origins, successes, hardships, and ultimate failings of the brewery. It analyzes the place the Olympia brewery occupied in the local community, in the Pacific Northwest, and how it situated itself on a national level. Finally, it considers how the brewery's success impacted the community and how it continues to be an inspiration for local craft brewers.

In the twenty-first century, we are experiencing a shift in consumer tastes and behavior, noticeably the purchasing of reduced amounts of light macro-brews in favor of local craft beers. For hundreds of years brewing in America was a local affair – nearly every town had its own brewery. In the nineteenth century, breweries with now-household names started to grow exponentially. Advancements in pasteurization, refrigeration, and transportation enabled these breweries to sell their products to more people than ever. By the third quarter of the twentieth century, nearly all the beer produced and sold in the United States was brewed by only a handful of corporations. However, beginning in the 1980s and intensifying during the next two decades, there was a huge increase in the number of small locally-owned breweries. This surge in craft, or

micro-breweries, is helping to bring back the regional brewery, a market segment that disappeared in the 1970s.¹

The regional brewery disappeared soon after Olympia expanded into a larger company, only to be absorbed by a bigger corporation. Yet this end to an entire market segment has been ignored by scholars. No scholarly books or articles have been written about the Olympia Brewing Company. Investigating this history has relied on a handful of secondary academic publications, but more heavily on primary sources. Until recently, the records of the brewery had been left untouched. The Olympia Tumwater Foundation, which owns the brewery's and Schmidt family archives, is cataloguing the collections and making them available to the public. It is only within the last few years that researchers have been able to delve into the history of Olympia beer. It seems to be the case for many breweries that as major corporations acquired and merged with smaller companies, their records did not transfer, and their individual histories sat in the dark.

Beer historian Stanley Baron wrote the preeminent history of American beer, *Brewed in America* (1962). Baron's work is still the most referenced history on American beer. It begins with the pilgrims landing in the Northeastern USA in the seventeenth century, and explains the social, political, and economic reasons ale was a staple in colonial life. Baron further explains the monumental shift from a preference for English ales and porters to German lagers and pilsners,

¹ A regional brewery is one that produces between fifteen thousand and six million barrels of beer per year. A micro-brewery produces less than fifteen thousand barrels, with seventy-five percent or more of its beer sold offsite. A large, or macro-brewery, produces more than six million barrels annually. "Craft Beer Industry Market Segments," *Brewers Association*, accessed December 20, 2016, <https://www.brewersassociation.org/statistics/market-segments/>

and how later immigration changed American beer forever.² His description of beer in American life extends from the seventeenth century through the middle of the twentieth. However, in the five decades since the 1962 publication of Baron's book, the production and marketing of beer in America has changed drastically.

More recently, historian Maureen Ogle wrote *Ambitious Brew* (2006), which takes a close look at the German brewing families who established companies that grew into the major beer-producing corporations of today. In arguing how Pabst, Schlitz, Miller, Blatz, and Busch, to name a few, changed the American palate through technological advancements, Ogle illustrates how "watered-down lagers" became the national alcoholic beverage. *Brewing Battles* (2008) by historian and author, Amy Mittelman, also analyzes the history of beer in America, but from a different point-of-view from that of Ogle. Mittelman investigates how taxes and temperance movements shaped the beer industry, arguing that different actors over the last two centuries, ranging from various segments of the public to government policies shaped American beliefs and attitudes towards beer.

These histories, while contextually significant, leave out the West Coast. The American West and the Pacific Northwest did not have sizeable populations until the turn of the twentieth century.³ California boomed in areas associated with the Gold Rush, but the Northwest grew

² Ale is a type of beer made with top-fermenting yeast, and stored at cellar-temperatures. Ales typically are darker in color and more robustly flavored than lagers. Porters and stouts are styles of ale. They differ slightly, but are both brewed with roasted malt to achieve their color and flavor. Conversely, lagers are beer made with a yeast that sinks to the bottom as it ferments, known as bottom-fermenting yeast. Lagers are stored at near-freezing temperatures, are lighter in color, and exhibit more carbonation than ales. There are many styles of lager, including pilsners. Pilsners are distinctive because of their "hoppier" taste.

³ For this thesis, the American West is defined as the states west of the Rocky Mountains, and the Pacific Northwest includes Washington, Oregon, Idaho, and Alaska.

more slowly. However, despite having smaller cities than the East Coast or Midwest, the Northwest still had its beer. Researchers and writers, Gary and Gloria Meier addressed this gap in *Brewed in the Pacific Northwest* (1991). The authors are not scholars, but writers with an enthusiasm for the history of the American West. *Brewed in the Pacific Northwest* examines beer making in Washington and Oregon during the nineteenth and twentieth centuries. The book discusses the multitude of breweries in the region and provides summaries of those breweries' histories. This volume is the leading regional history of beer in the Northwest. However, it is becoming outdated since it was published more than twenty-five years ago. More recently, Michael Rizzo published *Washington Beer* (2016), an account of the history of breweries in the state of Washington. Rizzo offers broad overviews of hundreds of breweries, large and small, in Washington over the past two centuries. Like the Meiers, Rizzo is not a scholar, but an enthusiast. Some of the specific information provided on more well-known breweries is incorrect, but he provides a useful synopsis of micro-breweries in Washington. He also hosts a weekly podcast on craft beer, and his information on Washington's growing craft beer industry sheds light on an unstudied area of research. The lack of scholarly research on the region's brewing past is surprising, because the Northwest is known for producing a variety of artisan beer, as well as for being a hop-producing region. In recent years there has been an increase in scholarly publications on hops grown in the Northwest, and on important hop growers such as Ezra Meeker, but this trend has not included the beers produced using those hops. Even Rainier beer, which some might argue was a more popular beer, has not been the subject of a reliable peer-reviewed or academic history.

Research for this thesis relied mainly on primary sources from the Olympia brewery's archives. In addition to the secondary accounts mentioned above, research included reviewing

publications on a variety of relevant topics, such as taxation and advertising, to assess the place of beer in the larger context of American history.

A characteristic of beer that makes it an interesting subject to examine in the broader context of American history is that it is made with four essential ingredients; consequently, it is a relatively homogenous commodity. Slight modifications to recipes create a wide variety of flavors and aromas, but ultimately the way the product is marketed and priced determines how successful it will be, not its flavor. Beer-making requires a cereal grain, usually barley, water, hops, and yeast. Sugar extracted from the grain is transformed through fermentation by yeast into alcohol and CO₂. After the grain is sprouted it is heated and dried to stop germination. This process is called *malting*. Once the resulting malt is made, it is ground and either infused or decocted with water, a process referred to as *mashing*.⁴ Mashing releases the sugars from the grain. The water is separated from the mash, producing a sugary, sticky liquid called *wort*. In contemporary brewing, at this stage hops, spices, or a combination of both are added to produce a desired flavor.⁵ After boiling hops, other flavor ingredients, and wort together, yeast is added and fermentation begins.⁶ Fermentation time varies among kinds of beers, and at different temperatures. Room temperature aging for one to four weeks will yield ales, while longer

⁴ An infusion is when a solid substance is immersed in hot or boiling water and steeped, like tea, whereas in a decoction, both the liquid and solid are combined and then boiled together.

⁵ Beyond adding flavor, hops serve as a natural preservative, which was their original purpose. D.Y. DeLyser and W.J. Kasper, "Hopped Beer: The Case for Cultivation," *Economic Botany* Vol. 48 No. 2 (1994), 167.

⁶ Stanley Baron, *Brewed in America: A History of Beer and Ale in the United States* (New York: Little, Brown, and Company, 1962), 14.

fermentation at cold temperatures yields lagers. The yeast used in ales ferments at the top of a vat, while the yeast in a lager ferments at the bottom.⁷

Typically, most people think hops are a required ingredient for beer, but over the thousands of years beer has been made, hops are in fact a relatively recent addition to beer-making recipes. Until the seventeenth century, English ales did not incorporate hops, and were different from “beer,” a Dutch drink introduced to England in the fifteenth century that did include hops. It is uncertain if the first ales produced in the American colonies were hopped or not, because hopped ales certainly did make the Atlantic crossing, and hops are native to North America, but they were not available in great quantities. Malt was imported from England, but by the mid-seventeenth century hops became a staple in brewing.⁸

Ales were darker and stronger in alcohol content than the German lagers that replaced them. Hopped, malted liquor was a universal beverage, whether categorized as beer or ale. Until the twentieth century, hygiene was not well understood, but drinking beer was recognized as safer than drinking water. Because water was boiled to make beer, it was indeed safer to drink than unboiled water. Beer also added much-needed vitamins to the diets of those crossing the Atlantic, preventing scurvy.⁹ However, what occurred during the brewing process was a mystery to those making beer. Measuring devices to ensure uniformity in batches were not adopted until

⁷ Ibid, 175; “Yeast Guide,” *Beer Advocate*, accessed February 20, 2017, <https://www.beeradvocate.com/beer/101/yeast/>

⁸ Baron, *Brewed in America*, 15-17.

⁹ Ibid, 8.

the second half of the eighteenth century, and a true understanding of the science behind it came even later.¹⁰

In the 1840s, a wave of German immigration swept the country, bringing a number of German brewers in its wake. Germans, of course, had immigrated to America before this, but only in a trickle. Accompanying this new influx of immigrants was a different brewing process and different tastes for beer, plus a strain of bottom-fermenting yeast to produce lager.¹¹ Prior to 1840, lager beer was not brewed in America. As urban centers swelled with immigrants, lager was introduced into cities like New York, Cincinnati, Pittsburgh, Chicago, Milwaukee, and St. Louis. Like many immigrant groups in this country, they congregated together in isolated pockets, celebrating their traditions from home. German neighborhoods included German-language newspapers, singing societies, stores, gymnastic clubs, and beer-gardens. Early ventures of lager brewing, in the 1840s, started as extremely small-scale local enterprises. Within a decade-and-a-half, lager beer was a major competitor of English ales.¹² Since the time that lagers overtook ales in popularity during the nineteenth century, American beer drinkers have preferred the lighter, drier, and more carbonated lagers.

The increase in popularity of lager coincided with the push westward by many pioneers. The American West was “opened” for settlement, and the discovery of gold during the second

¹⁰ Ibid, 17.

¹¹ Ibid, 175-176. There is no “unquestionable documentation” that explains the introduction of bottom-fermenting yeast into America, and because when it was brought to this country people did not understand yeast’s properties, it is unclear how or why it was isolated and carried here. Baron assumes that because it is hard to understand the origins, it was a “happy accident.” Later investigations showed that bottom-fermenting yeast could be kept in ice-cold water for thirty days without losing viability, but there is nothing to suggest this was known at the time.

¹² Ibid, 180, 185-186.

half of the nineteenth century accelerated the rate of migration to Western mining territories. Just as beer-gardens and breweries followed German immigrants, many industries followed where miners went. Towns had smiths to make tools, general stores for clothes and food staples, and saloons for relaxation. Breweries popped up wherever gold or other precious metals promised riches. One such brewery opened in Butte, Montana in 1876, during Montana's own gold rush era. It was established by the eventual founder of the Olympia Brewing Company, Leopold F. Schmidt.

To understand the success of the Olympia Brewing Company, an examination of Leopold Schmidt's life leading up to his move to Tumwater, Washington and his success in Montana is necessary. The first chapter of this thesis will examine the origins of the Olympia Brewing Company. The chapter explores the first incarnation of the company, ending with the death of Schmidt and the passage of Prohibition in Washington state, which occurred within two months of each other. The second chapter begins as Prohibition ends. Schmidt's sons took the reins following his death, and after the repeal of Prohibition, a new brewery complex was built for the company's rebirth. Schmidt's oldest son, Peter, presided as president and chairman until his death in 1957. During his lifetime, Peter G. Schmidt was a respected brewmaster and owner, at the forefront of the most recent beer-making innovations, and extremely adept at dealing with adversity. The last chapter explains how such a small brewery managed not only to thrive as a regional brewery, but to compete effectively with the major brewing corporations that came to characterize the industry during the second half of the twentieth century. Mergers and acquisitions characterized the post-Prohibition brewing industry, but Olympia's successful advertising and regional prominence allowed it to avoid any changes in ownership until 1983. The third chapter analyzes how this small-scale operation skyrocketed to the national stage but

ultimately faltered. Finally, the epilogue recounts the last decades of the brewery's life, under corporate and not local ownership, and illustrates the impact the brewery had on the local community that persists to this day.

A note on terminology: in company documents, newsletters, and in everyday conversation the Olympia Brewing Company is referred to as the OBC, the brewery, OBeeCo, the Olympia Brewery, or simply as Olympia. For clarity and consistency, in this work it will be referred to as the Olympia Brewing Company, Olympia, or the OBC.

Chapter 1: The Early Years, 1896-1921

The Pilgrims landed at Plymouth Rock not because it was the predetermined destination for escaping prosecution in England, but because the *Mayflower* ran out of beer.¹ Throughout the seventeenth, eighteenth, and early nineteenth centuries, the residents of the New World imported beer from England. Some farmers planted hops and barley and made malts, and some wealthier families made their own brews, but English ales remained the standard fare of taverns in early American history; these taverns were the centers of social and political life.²

During the 1840s and 1850s, nearly five million Europeans immigrated to America, bringing their tastes and beer preferences with them. Seventy-five percent of these immigrants were Irish or German. The Irish, mainly peasants, fled from potato famine and starvation, but the Germans chose to leave a politically-fractured Germany with a bit of cash and skills to start a new life in America.³ During the latter half of the nineteenth century, immigrants built the bulk of railroads, docks and shipping yards. They were responsible for bricklaying, carpentry, and the construction of American cities. Early American brewers, an overwhelmingly vast majority of which were German, also relied on the muscle of their countrymen to build their breweries and brew their beer. One of these émigrés was Phillip Best, who established what is now known as the Pabst Brewing Company. Not all breweries succeeded as well as Best's, but where German

¹ Bruce Aidells and Denis Kelly, *Real Beer and Good Eats: The Rebirth of America's Beer and Food Traditions* (New York: Alfred Knopf, 1995), 29.

² *Ibid*, 36, 41.

³ Maureen Ogle, *Ambitious Brew: The Story of American Beer* (Orlando: Harcourt Books, 2006), 4.

immigrants went beer followed closely behind. By the 1840s hundreds of breweries had opened, mostly on the East Coast.⁴ This trend continued throughout the nineteenth century as immigrants and pioneers shifted westward. As people spread out throughout the country, they opened breweries and saloons. Pasteurization, the transcontinental railroad, and refrigerated railcars were yet to be developed, so the number of small, locally-owned breweries skyrocketed during the latter half of the nineteenth century. By 1873 over four thousand breweries existed from coast to coast.⁵ This is the business climate which Olympia, Washington's very own German immigrant happened upon in the 1860s.

Leopold Friederich Schmidt was born in Dornassenheim, Hessen-Nassau, a Hessian province in Germany, on January 23, 1846.⁶ His father, Wilhelm, worked as a superintendent and mining engineer. Wilhelm supported the democratic revolutions happening around Europe and Germany, eventually fleeing to America with some cousins in 1848. He remained there in exile for two years.⁷

Beyond the turmoil of his early childhood, nothing is known about the young Leopold Schmidt's life until his teenaged years. At the age of fourteen he enrolled at the Hamburger Seemannschule, a training school for officers for the Hamburg-American Packet Company (also known as the Hamburg-America Line). After two years Schmidt completed his courses and

⁴ Ibid, 13.

⁵ Kurt Stream, *Brewing in Seattle* (Charleston, SC: Arcadia Publishing, 2012), 7.

⁶ Type-written biography of Leopold F. Schmidt, n.d., 1, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA; Leopold F. (Rick) Schmidt, "The Man Himself", type-written biography, 1, n.d., Olympia Tumwater Foundation, Tumwater, WA.

⁷ Leopold F. Schmidt biography, 1.

began sailing as a cabin boy through the canals and lakes of the Mediterranean and Northern European countries. He left behind his parents and six brothers and sisters, of which, little to nothing is known. He made subsequent trips as a sailor and “able-bodied seaman” on Dutch schooners and German ships to Rio de Janeiro for the coffee trade.⁸

In 1866, luck sided with Schmidt when he narrowly avoided a catastrophe. He was slated to become second mate on a ship set to sail on a two-year voyage to the Chinese coast. According to family lore, this newly-constructed ship was built by the Hamburg-American Packet Line to take supplies to a gold mining operation in Siberia. Instead of departing with this ship, however, Schmidt decided to go to America for the summer to study American sailing techniques and hone his English-language skills in the Great Lakes region. The ship which sailed without him disappeared at sea with no survivors.⁹

Schmidt landed in Buffalo, New York in the Spring of 1866. He sailed on further during the warmer months to Chicago on lumber and grain vessels. In the autumn, when shipping was halted, he went to visit his distant relatives in Franklin County, Missouri who had fled to America at the same time his father was exiled. Schmidt told the captain of his ship to expect his return that same fall, but instead Schmidt remained in Missouri. There he became a skilled craftsman, learning carpentry and building methods. He built musical instruments, corn cob and

⁸ Ibid.

⁹ Ibid. The family account states that Schmidt was to be on the second-largest sailing ship on the Hamburg-America Line, but the author could find no evidence to support this claim, find the ship name, or any Hamburg-America Line ships that sank in 1866.

meerschaum pipes, furniture, homes, and boats.¹⁰ Schmidt stayed in Missouri for the next five years, sharpening his skills as a carpenter and tradesman.

Seemingly on a whim, Schmidt's life changed again a few years later. On a Sunday in the Spring of 1871, Schmidt and three friends decided to sail up the Missouri River to Montana. Their journey via the river ended at Fort Benton, after three months of travel. From there, they walked an additional 150 miles to Helena. In the fall, Schmidt settled in Deer Lodge, and around this time became a naturalized American citizen.¹¹ For his first few years in Deer Lodge, Schmidt worked during the winter as a carpenter making window sashes and doors and running the lumber yard. During the summer he worked as a placer miner. His work ethic caught the attention of other businessmen, and in 1875, the owner of a local brewery asked him to take over the company temporarily. Peter (Pierre) Valiton was a Frenchman who wished to go to Germany for a year to regain his health, and entrusted Schmidt with running his business in his absence, despite Schmidt not having any experience in brewing. For the year that Valiton spent in Europe, Schmidt and Valiton's business partner, a man named Saille, ran the brewery. Upon his return, Valiton sold his enterprise to a couple of miners who had found riches, and who promptly failed as brewery owners. But this new vocation suited Schmidt well. In 1876, he and Saille decided to start a brewery in the up-and-coming town of Butte. They named it the Centennial Brewing Company after the country's centennial. At the beginning of this venture, Schmidt continued to

¹⁰ Ibid, 2.

¹¹ Schmidt, "The Man Himself," 3, 4. Dates are approximate, as they conflict in different accounts.

contract himself out as a builder to make ends meet, constructing some of the first homes and office buildings in Butte.¹²

Leopold Schmidt was an intelligent and curious person who sought to understand the science and craftsmanship involved in everything he did. As he had done earlier in learning the science behind sailing and the skills of building, he decided to learn the science behind brewing beer. Accordingly, he traveled to Worms, Germany to the Lehman's Brauer Schule on the Rhine in 1878. While there he met and married his wife, Johanna Steiner.¹³

Returning to the United States in 1879, Schmidt successfully operated the Centennial Brewing Company for the next sixteen years. While in Worms, Schmidt worked in German malt houses and breweries, gaining invaluable experience. Upon returning to Montana, he introduced two varieties of brewing barley to the Gallatin Valley.¹⁴ In the same year of Schmidt's return from Germany, Saille retired from the company and Dan Gamer, a former friend of Schmidt's from Deer Lodge, purchased his share. Gamer would later serve as the Tacoma Branch Manager for Schmidt's next brewing venture.

¹² Leopold F. Schmidt biography, 3.

¹³ Worms had two brewer's schools: the Brewer's Academy, established in 1861, and one founded in 1865 by a Dr. Lehman. The Brewer's Academy was the second-oldest in Germany and focused on "practical brewing and malting." Lehman's focused on the same, but the older institution had the title of academy, while Lehman's remained a brewer's "school." *Documentary History of the United States Brewer's Association*, Parts 1 & 2 (New York: United States Brewer's Association, 1896), 72.

¹⁴ Leopold F. Schmidt biography, 4.

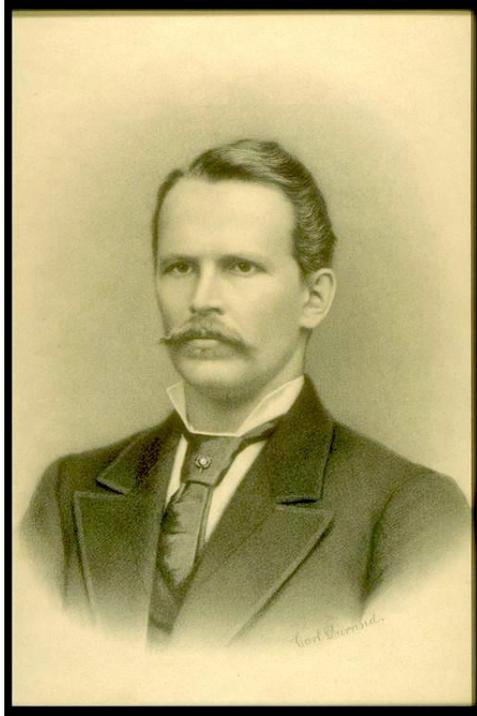


Figure 1.1: Leopold Schmidt as a young man. Courtesy of the Olympia Tumwater Foundation.

Leopold and Johanna Schmidt's first child, Peter Gustav, was born in 1880 in Butte. Over the next decade and a half four more boys and a daughter were born. Throughout this period Schmidt continued to preside over Centennial Brewing, making it the most successful and technologically advanced brewery in Montana.

Schmidt was a shrewd business owner, but he also invested his time, energy, and money in the communities where he lived. He took part in the Montana Constitutional Convention and served as county commissioner for Silver Bow County for seven years. Montana obtained statehood in 1889, after which, Schmidt served two terms in the legislature. The Schmidt family moved back to Deer Lodge in 1891 for the better schools, and Leopold became a member of the Montana Capitol Commission. The state sought to build a new capitol building in Helena, so the commission was created in 1895 to inspect capitol buildings of other Western states during that summer and to present their findings to the legislature. It was while serving on this commission

that Leopold Schmidt visited Olympia, Washington. While on that visit he was introduced to the Deschutes River and Tumwater Falls.

Schmidt was taken with the beauty of the Puget Sound.¹⁵ The Deschutes River lies at the most southern and farthest inland point of the Puget Sound, at Budd Inlet in Tumwater, where there are multiple waterfalls. The river was named by French fur traders, which translates to “of the falls,” while the name Tumwater derives from Chinook jargon, meaning waterfall.¹⁶

The piece of property with the lower waterfall was owned by the Biles family, who had operated the Biles and Carter Tannery since 1859.¹⁷ The land provided scenic views of where the Deschutes River connected to the Puget Sound, with the Olympic Mountains providing a backdrop to the waterways. In addition to the prime real estate, there was an artesian spring that attracted Leopold.

On September 17, 1895 Schmidt purchased the property from widow Fannie Biles for \$4,500, with the intent to build a \$60,000 brewery.¹⁸ Clanrick Crosby, father of Fannie Biles and great-uncle to singer, Bing Crosby, served as witness to the warranty deed transfer. The Crosby and Schmidt families would continue to have cordial relations and investments in the local community well into the twentieth century.

¹⁵ Most accounts claim that Leopold’s first visit to the capitol was with the commission, but some assert that he visited the capitol as early as 1890 and returned with his son Peter in 1895 specifically to look at property for a brewery, from Bellingham, Washington all the way to Portland, Oregon. In this account, he had already seen Olympia and the falls at Tumwater, and went back again to purchase the property and divest his interests in Montana.

¹⁶ “A River Flows Through It: Thurston County’s Deschutes River,” *Stream Team*, accessed September 6, 2016, <http://www.streamteam.info/localstreams/streams/deschutes/>

¹⁷ Leopold F. Schmidt biography, 5.

¹⁸ “Olympia Gets a Brewery,” *Daily Olympian*, September 18, 1895.



Figure 1.2: Brewery property in 1895, with the old tannery buildings. Courtesy of the Olympia Tumwater Foundation.

With the purchase of the Tumwater site, Leopold set out immediately to move his family to Portland. Leopold wanted a small brewery to keep busy, but he wanted his brother Louis to be the local manager.¹⁹ Louis moved his family to Olympia and began building the future Capital Brewing Company in October, 1895.

The Capital Brewing Company, 1896-1902

Although the American West “opened” and a massive migration occurred from 1830 to 1860, especially during various gold rushes, the largest breweries in the country still remained on the East Coast and in the larger cities of the Midwest, such as Milwaukee and St. Louis. In the Midwest during the 1850s some of the major brewers of the twentieth century opened their doors, including Blatz, Schlitz, Miller, and Busch. This development largely had to do with migration westward to Milwaukee and St. Louis, compounded with the German immigration of

¹⁹ Leopold F. Schmidt biography, 5.

the era. St. Louis alone had forty breweries and produced over 200,000 barrels of beer annually in 1859.²⁰ Portland, Seattle, and San Francisco, the major ports of the West Coast, had their own regional breweries. These breweries operated on a smaller scale, reflecting the smaller pockets of German immigrants and the overall lower population.

The first successful brewer in the Northwest was German immigrant, Henry Weinhard, who founded his Portland brewery in 1862 after he ran and owned a brewery in Vancouver, Washington for a few years.²¹ Washington state had a handful of breweries during the 1860s, from Walla Walla to Seattle, but all were small operations that did not last long. The Puget Sound area featured the Washington Brewery, the first one in Seattle, as well as breweries in Tacoma and Steilacoom, just south of Tacoma.²² Seattle Malting and Brewing Company, the first brewery to produce Rainier Beer, was established officially in 1893 from the consolidation of three smaller breweries.²³ Before Acme Brewing became a successful operation, San Franciscans had the Anchor Brewery, established the same year as the Capital Brewing Company.²⁴ However, none of these companies enjoyed the significance or possessed the same shipping

²⁰ Ogle, *Ambitious Brew*, 41.

²¹ Stanley Baron, *Brewed in America: A History of Beer and Ale in the United States* (Boston: Little, Brown and Company, 1962), 200.

²² *Ibid*, 201.

²³ Gary Meier and Gloria Meyer, *Brewed in The Pacific Northwest: A History of Beer-Making in Oregon and Washington* (Seattle: Fjord Press, 1991), 143-144; Stream, *Brewing in Seattle*, 7.

²⁴ “A Legendary History,” *Henry Weinhard’s*, accessed September 28, 2016, <http://www.henryweinhard.com/HenrysStory/Default.aspx>

capabilities as breweries such as Busch or Pabst. Like the other successful brewers of the region, the Capital Brewing Company knew their market, and started out with humble goals.

The Schmidts intended to build their brewery where the Biles' Tannery stood. At the time of the purchase, shipping between Tumwater and Olympia depended on the tide and availability of navigable waters. The brothers planned to fill in some tidal flats to build a wharf, in anticipation of more drastic changes to be made on the inlet, where shipping could be possible at all times.²⁵

Once Schmidt decided to move, he made plans in great haste. He was confident the property he purchased was perfect for brewing and his newest enterprise. Eight weeks after purchasing the land Schmidt sent two large glass containers, called demijohns, containing artesian water from the natural springs to the Wahl-Henius Institute, a brewing research lab in Chicago.²⁶ The lab results contained what Schmidt already believed: the water pH was considered perfect for brewing.²⁷ Upon receipt of this information, Schmidt divested himself of all his interest in the Centennial Brewing Company in Montana.

²⁵ "Olympia Gets a Brewery," *Daily Olympian*, September 18, 1895.

²⁶ "Wahl-Henius Institute of Fermentology," in *The Oxford Companion to Beer* (Oxford: Oxford University Press, 2011), 118.

²⁷ Gary Flynn, "History of the Olympia Brewing Company, established as the Capital Brewing Company," *Brewery Gems*, accessed September 6, 2016 <http://brewerygems.com/olympia.htm>

Portland Oregon Nov 9th 1895

Messrs Wahl & Henius
Chicago Ills

Gentlemen

From Olympia Wash. I have forwarded
to you by express 2 demi jons filled with water
for analysis as to its adaptation for brewing
purposes. Please send me the report on it as
soon as possible with bill of charges and
oblige

Respectfully
Yours
Leopold F. Schmidt

Figure 1.3: Leopold Schmidt's letter to the Wahl-Henius Institute, 1895. Courtesy of the Olympia Tumwater Foundation.

Work began immediately to demolish the tannery building and to establish a facility that would suit the needs of the brewers. The first complex consisted of a wooden four-story brewhouse, a five-story cellar, an ice factory, and a kegging and bottling plant. The home of Louis Schmidt was next door, and a wharf was built nearby for shipping.²⁸ The copper brewing machinery inside the original building largely came from the Chicago firm Goetz & Brada

²⁸ Ibid.

Manufacturing Co., who dealt with copper and sheet iron works. The company purchased one of each of the necessary items for brewing: one mash tub, one hop jack, one kettle, as well as the assorted parts that went along with the bigger machinery.²⁹

Brewing commenced in July. On Saturday, October 3, 1896 the first batch of Olympia Pale Export went to market.³⁰ In a letter to an acquaintance, Schmidt wrote:

The 3rd October was the day and everything proceeded as planned and to much satisfaction that in the future I will always remember this day with pleasure. I think I will have success, not only my friends think so, but also the people in Oly [sic] and the neighborhood. I don't think that it will take me long to get well into business and I believe that I started at the right time at the right place.³¹

Schmidt likewise wrote to the Vilter Manufacturing Company that, "I think I will have a good trade in time."³² His prediction proved accurate. Almost immediately after the first bottles rolled out, the beer gained popularity. The popularity and high quality of the beer can be inferred by the price that Schmidt charged. At the time, a typical thirty-one-gallon barrel of beer sold for

²⁹ E. Goetz to Leopold Schmidt, typed letter, April 8, 1896, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA.

³⁰ Leopold Schmidt to Vilter Manufacturing Company, handwritten letter, October 10, 1896, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA; Leopold Schmidt to Philipp [no last name], handwritten letter translated from German, October 22, 1896, Olympia Tumwater Foundation, Tumwater, WA. In all official company reports and unofficial histories, the date is listed as October 1, 1896. However, in two letters written by Leopold Schmidt in October, he writes it was Saturday, October 3. A perpetual online calendar confirms that October 3, 1896 was a Saturday and Schmidt himself likely would not fabricate the date. Later reports could have been mistaken, so the author has chosen to regard October 3 as the official date. It is also worth noting that the first stock certificate, issued to Leopold for 55,000 shares, was signed by Schmidt on October 1, 1896. Confusion of the shipping date with the date for the legal incorporation of the company may be where the confusion of dates originated.

³¹ Schmidt to Philipp [no last name], translation, Oct. 22, 1896.

³² Schmidt to Vilter Manufacturing Co., Oct. 10, 1896.

three dollars, twenty-five cents. Schmidt priced his at eight dollars per barrel and sold 3,500 barrels within three months.³³

Schmidt was indeed in the right place at the right time. In 1896 the Klondike Gold Rush began, and by 1897 a mass migration of thousands of men headed north towards Canada and Alaska. Being a savvy businessman, Schmidt capitalized on this. By the middle of 1897, Alaskan customers requested 1000 boxes of Olympia's Pale Export in a single order. The Hawaiian market was expanding, too. In a letter from Leopold Schmidt to his son, Peter, Leopold described that "our beer caused furor" in Honolulu, and a distributor was to make a "big contract" that would "require all the bottle beer we possibly can make."³⁴ Schmidt felt the strain of running his growing business after a couple years. He wrote to Peter, "Lately our business increases so much and the demand for our beer becomes so great that it won't take long until the business becomes too small and the question arose if it would be wise to give Mr. Jung an opportunity or go ahead and enlarge the buildings or buy another brewery, maybe in Seattle."³⁵ The company made small improvements annually, but every year the biggest problem the brewery faced was needing to turn down orders because the brewery was too small to supply the demand.

Yet, even with this problem, sales increased every year. After taking depreciation of machinery into consideration, the annual profit for 1901 was \$63,353.22.³⁶ After five years in

³³ Meier and Meier, *Brewed in the Pacific Northwest*, 154.

³⁴ Leopold Schmidt to Peter [Schmidt], handwritten letter, April 23, 1897, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA.

³⁵ *Ibid.*

³⁶ Leopold F. Schmidt, *Annual Report*, October, 1901, 1.

business, the company had made, adjusted for inflation to 2016 dollars, nearly \$1.9 million. With business booming and the future looking bright, circumstance and executive decision-making combined to create lasting changes for the company.



Figure 1.4: The Capital Brewing Company, circa 1900. Louis Schmidt's house is front-center, while Hilltop sits above. Courtesy of the Olympia Tumwater Foundation.

The Olympia Brewing Company, 1902-1921

On July 1, 1902, the Capital Brewing Company officially became the Olympia Brewing Company (OBC). The decision to change the name came in part because it more closely identified with the product, and partly because the “location is also fixed in mind by the geographical name of ‘Olympia.’”³⁷ Although the pale export would have kept the same name, it

³⁷ Leopold F. Schmidt, *Annual Report*, October 11, 1902, 4.

is hard to imagine that the connection to Olympia would have been as strong had the company chosen to stay as the Capital Brewing Company.

Frank Kenney became the bookkeeper for the Capital Brewing Company in 1901. Early the next year, Kenney ambitiously went to Leopold Schmidt with an idea for a slogan. As the story goes, Kenney argued that a slogan needed to be short and to the point, unlike the slogans associated with the nearby Seattle Malting and Brewing Company, who promised “new vigor and strength in every drop,” and Pacific Brewing and Malting in Tacoma, who claimed “Best East or West.” He suggested “It’s the Water” because the selling point for the beer was always the artesian water used in making the brew. Schmidt pondered the phrase and told Kenney it was a good idea, but said, “we’ll call it, ‘The Water Makes It.’” Kenney disagreed and further argued his point that the slogan needed to be shorter. Schmidt countered with “It’s in the Water.” Again, Kenney rebutted that the shorter the better. “It’s the Water” was concise and “roused curiosity.” Schmidt then told Kenney to sleep on it and they would continue their discussion the next day. According to Kenney, the two executives argued the whole day over the three or four-word slogan, but by the end of the day, Schmidt gave in and agreed to “It’s the Water.” Kenney described Schmidt as an open-minded individual, who would argue the opposing side of an idea to find any possible flaws in the plan.³⁸ This may have been the tactic for the slogan decision. Coincidentally, in early 1902 the company lost its secretary, A.M. Wolf, and Schmidt recommended Kenney to be his replacement. He went on to hold this post for over fifty years.

³⁸ Frank Kenney, “The Birth of a Slogan,” *It’s the Water News*, August, 1951, 3-4.

Kenney's decision to use the short and curious option seems to have been worth the day-long struggle.

New name and new slogan in hand, the company thrived. The major complaint at the end of every fiscal year continued to be that they had to turn down orders for the lack of facilities to fill them. In Alaska, miners and frontiersmen were demanding beer faster than the OBC could produce it. By 1902 foreign traders were asking for the product, but until a larger output could be produced, Schmidt had to turn them down.³⁹

Although beer was by far their largest seller, the OBC did also have the Olympia Hygeian Spring Co. line of mineral water and carbonated beverages. This side company began operation in 1900 at their original bottling plant, which had been replaced with a newer building for the alternative drinks.⁴⁰ After a couple years the company put these products on hold to focus on beer, but by 1904 the demand for their bottled water and soda-like beverages was high enough that they put their machinery back into commission.⁴¹

Having never made a permanent home in Portland, Leopold Schmidt established himself in Olympia in the winter of 1897.⁴² His brother Louis did not have the same interest in the brewery business as Leopold, but stayed on until 1906, when he purchased Hope Island in

³⁹ Schmidt, *Annual Report*, 1902, 4.

⁴⁰ "Olympia Hygeian Spring Co. Will Begin Operations at Tumwater about May First," *Morning Olympian*, April 12, 1900.

⁴¹ Leopold F. Schmidt, *Annual Report*, October 5, 1904, 5.

⁴² Leopold F. Schmidt biography, 5; "Partial Chronology: Leopold F. Schmidt," 3, n.d., Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA.

neighboring Mason County.⁴³ In 1904 Leopold had a home built, called Three Meter, on the hill above the brewery site. Until the construction of Three Meter, his family resided in a house called Hilltop halfway down the hill to the brewery where there is a slight plateau. Three Meter would become his office later in life when he could no longer make the daily walk down the hill, while Hilltop remained the residence of his five sons while they were young adults. All of Leopold's sons made a career in the brewery industry. Living near their father and the brewery no doubt made the early years of operations smoother.

Despite continued business success, operations were not always harmonious at the OBC. On May 1, 1905, employee contracts expired and Schmidt refused to concede to the demands of the new contracts submitted to him by union employees. Around thirty employees went on strike, holding out until November when all parties reached a settlement. Schmidt's sons, Frank, Leopold, Jr., and Adolph, all experienced brewers, stepped in where managers had ceased working. Along with another experienced brewer, Josey Speckert, and the vice president, Peter G. Schmidt, the company ran as normal, with the strike making almost no difference whatsoever. According to Schmidt, "...it did not affect us at all except in San Francisco and perhaps a little bit in Spokane."⁴⁴ Even with the striking employees boycotting the beer, sales and shipping faced no major setbacks. In fact, no shipments even went out late or were delayed because of those who walked out.⁴⁵ Like any other private business, especially one during a time where unions loomed large, there were inconveniences, but as Schmidt's company was the best employer in

⁴³ "Partial Chronology: Leopold F. Schmidt," 3.

⁴⁴ Leopold F. Schmidt, *Annual Report*, October 6, 1905, 8.

⁴⁵ *Ibid.*

the county, a few men going on strike dealt no significant blows to the company. In November, when the strike ended, three quarters of those who walked out got their jobs back.⁴⁶ Tensions ended, and the OBC went on to showcase their products and success at the Lewis and Clark Centennial Exposition.

In the last quarter of the nineteenth century through the turn of the twentieth century, significant changes swept the American West. Fur traders made way for pioneers, who made way for businessmen and ambitious explorers dead set on prosperity. The draw of natural resources in Northwest industry – logging, fishing, canning, mining, and subsequently bringing the railroads out West for shipment of these resources – created a population boom and substantial changes to the landscape. Increased commerce and an ordered society meant progress in the eyes of wealthy Americans. This could be reflected in the layout of a town or city’s buildings, the materials used to construct the city, the kinds of greenspaces included, and sufficient separation of peoples of different race and class. This benchmark for progress existed across the nation, and the showcase for such progress in America was at a world’s fair.

World’s fairs gave the hosting city an opportunity to show off their built environment, and their country’s social progress. This included advancements in science and technology, which often included “primitive” people from non-Western countries on display in exhibits. However, not all exhibits at these expositions were as appalling by today’s standards. Fairs demonstrated what the hosting region had to offer, from commemorating historic events, to large industry, natural resources, and regional beers.

⁴⁶ “Strike is Settled,” *Morning Olympian*, November 12, 1905.

From June to October, 1905, Portland hosted the Lewis and Clark Centennial Exposition to commemorate the progress that had been made in the 100 years since the explorers' arrival to the Northwest. While technically not a world's fair, the exposition was modeled like one, with exhibits from around the world and was attended by nearly three million visitors.⁴⁷ In 1909 Seattle hosted the Alaska-Yukon-Pacific Exposition with the goal of highlighting accomplishments of the decade following the Klondike gold rush.⁴⁸ As one executive of the Seattle fair commented, it was "merely a gigantic piece of advertising" for the Northwest.⁴⁹ Portland's exposition was no different and Schmidt capitalized on this opportunity. The OBC had their own pavilion at the Lewis and Clark Exposition. Their exhibit, a thirty-foot by sixty-foot two-story Swiss Chalet cost them \$4,000 to build and was located at the St. Helen's Road entrance to the fair.⁵⁰ Like most exhibits, it was used as a grand advertisement for the company. A panorama of Tumwater Falls and the brewery complex graced the inside foyer, with a water feature in front to mimic the falls. There were multiple rooms, serving as miniature exhibits on the products the brewery sold, as well as reception rooms. Other amenities included telephone service, reading and writing rooms, and indoor plumbing. The company sold no products, but did

⁴⁷ Carlos Arnaldo Schwantes, *The Pacific Northwest: An Interpretive History* (Lincoln: University of Nebraska Press, 1996), 308.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ "Beautiful Swiss Chalet Donated by Schmidt for Priest Point Park," *The Morning Olympian*, December 13, 1905.

give out samples of beer and mineral water.⁵¹ The chalet brought in thousands of visitors, and won two gold medals from the exposition.⁵²

At the end of the fair, Schmidt paid to have their pavilion delicately disassembled and moved to Olympia, and donated it to Priest Point Park for park-goers to enjoy as a summer house or pavilion. It remained there until the 1960s when it was finally torn down after years of neglect and use as a storage shed.

The company did participate in the Alaska-Yukon-Pacific Exhibition four years later, but did not invest as much time or effort into pitching their product. Their advertising expense for 1909 increased because of advertising at the fair, but no Swiss Chalet made its way to Seattle.⁵³ By this time, the OBC's well-established business in the Northwest did not need as much publicity. Indeed, by the time of the Portland exposition, the brewery had cemented itself as a regional household name and could no longer put off a major expansion at the Tumwater plant.

As every year the company's production surpassed the previous years', the brewery outgrew its wooden buildings. The original expansion plan called for using an empty building they had used previously for their Hygeian Spring water line. However, the location featured artesian springs and was deemed unsafe for the immense building that was to be erected.⁵⁴

⁵¹ Schmidt, *Annual Report*, 1905, 10.

⁵² Ibid; Leopold F. Schmidt, *Annual Report*, October 4, 1906, 6. The two gold medals were for their Olympia Pale Export beer and for the exhibit they had inside the Swiss Chalet pavilion.

⁵³ Leopold F. Schmidt, *Annual Report*, October 1909, 3.

⁵⁴ Schmidt, *Annual Report*, 1906, 10.

Instead of that location, they broke ground below the lower falls of the Deschutes, in an area referred to as the tide flats.

The new six-story building was completed and began producing beer in 1906. It was fireproof, made with red brick, and featured Tenino sandstone cornices, a copper roof and arched windows. Designed in the Italianate style, other local buildings have since been modeled after it.⁵⁵ Although the building has been abandoned for the better part of a century, it is easy to picture that it as a symbol of success and prosperity, not only for the brewery, but for the town itself.

Schmidt, a forward-thinking businessman, always employed the best and newest technology in his breweries. The building was planned according to a gravity system; that is, the malt barley was ground on the higher floors, and from them the ground malt barley flowed down to the kettles on the lower floors where brewing took place.⁵⁶ Schmidt installed a new copper kettle with a capacity of 340 barrels, or 10,540 gallons. His new machinery worked under a “direct connection,” meaning that each piece was run by its own motor. The new system increased the company’s output to one hundred thousand barrels a year. A second new building, a four-story cellar, complete with a hop storage room, now accommodated all the beer being made.⁵⁷ For most of the next decade, the brewery carried on without interruption, sales increasing annually, until Progressive-era politics landed in Olympia.

⁵⁵ Heather Lockman, “The Old Brewhouse: Celebrating 100 Historic Years,” (Tumwater: City of Tumwater), 2006; “Old Brewhouse,” *City of Tumwater*, accessed September 20, 2016 <http://www.ci.tumwater.wa.us/about-tumwater/history/old-brew-house>

⁵⁶ Lockman, “The Old Brewhouse,” 2006.

⁵⁷ Schmidt, *Annual Report*, 1905, 4-5.



Figure 1.5: 1906 Brewhouse with Hilltop and Three Meter in the background. Courtesy of the Olympia Tumwater Foundation.

For centuries, a small minority of the American population opposed alcohol and its effects, but by the nineteenth century reformers championed the cause of temperance with gusto. By the early twentieth century, calls for total prohibition increased and brewers had to deal with constant legislative debates on the prohibition of the sale of alcohol. This same period, however, could be called the OBC's golden age before Prohibition, as beer sales kept increasing despite counties throughout the Northwest voting to go dry.

Business remained steady. In 1907 a company from Milwaukee wrote a pamphlet for Schmidt extolling the virtues of their Olympia Malt Extract, a byproduct from the brewery. Titled, *A Nutritious Liquid Food*, it described how the various enzymes found naturally in malted barley aided in digestion and helped “anemics, those ‘run down’ and needing building up; for

convalescents and people whose weakness opens the way for more dangerous diseases” because it contained ingredients “known for their restorative effects.”⁵⁸ Schmidt, who earned his living and his reputation by using only quality ingredients in a sparkling clean environment, also dabbled in the dietary supplement business.

The brewery was by far and away the best place to work in the area, something that never changed throughout the history of the company in Olympia. In 1908, for example, the daily wage for brewery employees was four dollars – twice as much as any other employer in town was paying.⁵⁹

Schmidt’s enterprise did not stop with the OBC. By 1906 he owned breweries in Bellingham, Salem, Oregon, and San Francisco, as well as many smaller operations. He owned stock in industries such as dairy, lumber, and real estate. The Schmidt family knew how to conduct business, in the best and worst of times.

The year 1914 brought with it two major blows to the company. The first was the death of its beloved founder, Leopold Schmidt on September 24. Schmidt’s health was problematic for years, but his sudden death was unexpected. Although he took an active interest in his investments and multiple businesses, he did not participate in managing them. Schmidt was at the hotel named in his honor, the Leopold Hotel in Bellingham, on the night of his death. He collapsed while in the room with one of his sons. His son went to call an attendant for a doctor

⁵⁸ *A Nutritious Liquid Food* (Seattle: Press of White Advertising Bureau, 1907).

⁵⁹ Lockman, “The Old Brewhouse,” 2006; for comparison, four dollars in 1908 is the equivalent of \$108.40 per day in 2016.

and when he returned, the elder Schmidt died of heart failure.⁶⁰ Schmidt's eldest son, Peter, who served as vice president, took over his father's position.

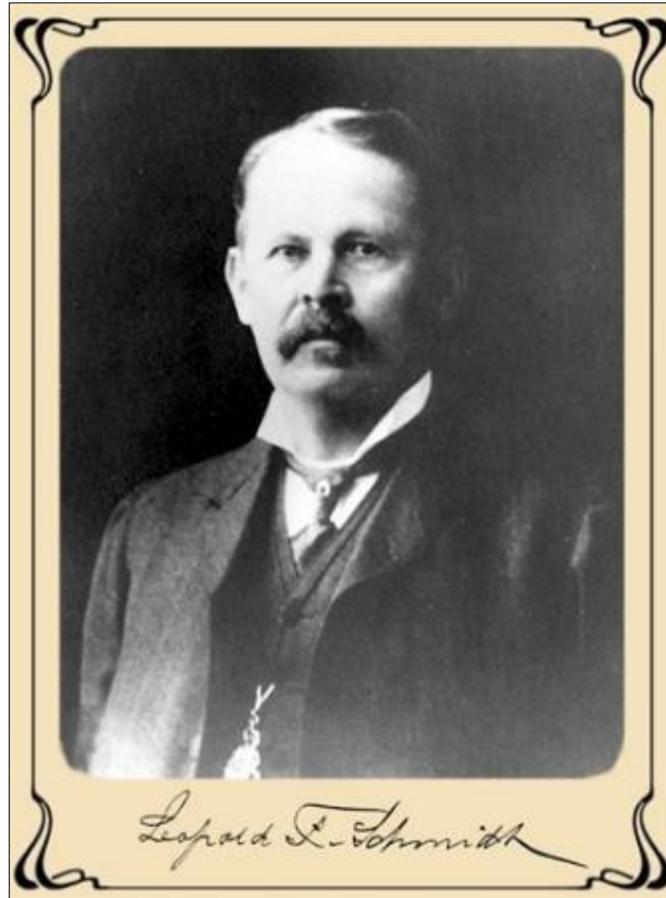


Figure 1.6: Leopold F. Schmidt, circa 1905. Courtesy of the Olympia Tumwater Foundation.

The second and more pressing problem arose on November 3, election day. The state of Washington, with only six counties opposing, voted in favor of statewide prohibition. The new law required that the sale of beer and liquor would cease on January 1, 1916. As new president

⁶⁰ “Leopold F. Schmidt Sr. Dies in Bellingham Last Night; Funeral Sunday,” *Morning Olympian*, September 25, 1914; “Leopold F. Schmidt Passes Away: Olympia Financier dies Suddenly in Bellingham,” *Morning Olympian*, September 25, 1914. Accounts vary on which son was with Leopold. The *Seattle Times* writes that it was Peter, while the *Morning Olympian* says it was Frank.

Peter G. Schmidt lamented, “the un-hoped-for happened.”⁶¹ Oregon passed the same law, and while Idaho did not have prohibition to the same extent, any persons caught with alcohol were fined.⁶² Therefore, a large chunk of the company’s market closed to them, and they were too small to make a profit from shipping to their more distant consumers. But while the news essentially meant the death of the brewery, Schmidt was not willing to accept whole-hearted defeat. He believed that, “probably sooner than most people expect,” beer would be sold through retailers, and if there was a prohibition on alcohol, it would be on hard liquors.⁶³ Schmidt, with foresight instead of resigning himself to defeat, chose to retain the copyright to “It’s the Water,” and left the brewhouse and cellars untouched, convinced they would be used for brewing again in due time.⁶⁴ Thus, company executives embarked on various endeavors to keep some of their many enterprises running.

Peter G. Schmidt handled the dispersion, sale, and repurposing of some property, equipment, and investments for the OBC. Rather quickly, the company gave its ice factory and cold storage a new use. The stockholders owned a majority share in Centralia’s dairy industry, as well as their own small creamery. In their cold storage, they kept eggs and butter, and produced ice cream and buttermilk under the auspices of the Olympia Dairy Products Company, shipping it from Centralia and Tumwater.⁶⁵ Secretary Frank Kenney even attempted to entice the Hershey

⁶¹ Peter G. Schmidt, *Annual Report*, December 1915, 1.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ “Brewery Business is Coming Back – Schmidt,” *Morning Olympian*, January 1, 1916.

⁶⁵ Schmidt, *Annual Report*, 1915, 5.

Chocolate Company to expand to the West Coast because the dairy industry in Washington could benefit their milk chocolate products. Kenney sounded close to begging, desperate to do something with the unused machinery, and careful to use their railroad connections as a selling point. Their reply from Hershey's was, "we hardly feel interested."⁶⁶

The biggest shift came with a line of "Fruju" products, or fruit juices. These slightly carbonated pasteurized fruit juices were made with the artesian spring water that gave Olympia beer its quality. They also sold "Frupop" soda water. In Oregon, "practically every" one of the OBC stockholders owned shares at the Salem Brewery Association. Salem ceased producing beer in 1914, and before Prohibition the company had incorporated the Northwest Fruit Products Company. After Prohibition went into effect, the OBC financed these fruit products, with hopes for the future. In Salem, two fruit juices went to market: Loju, or loganberry juice, and Applju, or apple juice. If these drinks succeeded, the plan was to move them north to the Tumwater plant where more could be produced. The headquarters moved to Olympia and the products were made in both cities, as well as in Bellingham. From the pulp of the fruit used to make these drinks, the company made "frujull," a pectin, jello-like filling for puddings and desserts. Because it came from the pulp of the fruits and was flavored with more fruit, it did not contain gelatin or any of the animal products used to make gelatin; ahead of its time, it was a completely fruit-based product.⁶⁷

⁶⁶ William Murrie to Olympia Brewing Company, typewritten letter, December 14, 1914, Brewery Subject Files, Olympia Tumwater Foundation, Tumwater, WA.

⁶⁷ Schmidt, *Annual Report*, 1915, 8.

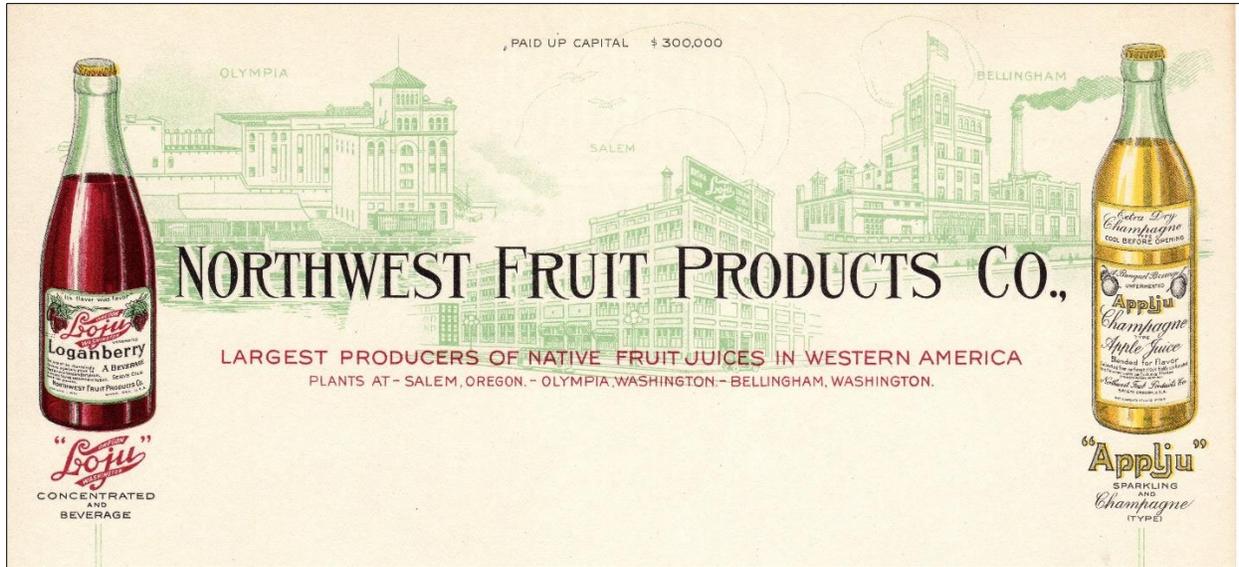


Figure 1.7: Northwest Fruit Products, Co. Courtesy of the Olympia Tumwater Foundation.

The Schmidt family owned and operated hotels throughout the state of Washington during and after Prohibition, so personal financial ruin was never a concern. Their line of fruit-products sold well until the rising costs of sugar in the post-World War I era forced the operation to end. It is interesting to note that, in general, the war did not affect business the way it did for many other brewers and entire industries. Because of the war there was grain and sugar rationing, higher taxes, and labor shortages, but for the first year of the war these factors did not impact the OBC.⁶⁸ Although they imported most of their hops from Europe, there were no major disruptions in supply in the early years of the war. By 1921, they were forced to stop the production of Applju and Loju. Except for some small business operations, the Olympia Brewing Company had ceased to exist.

⁶⁸ David T. Courtwright, *Forces of Habit: Drugs and the Making of the Modern World* (Cambridge: Harvard University Press, 2001), 143.

Chapter 2: Post-Prohibition, 1934-1957

The Volstead Act, passed in October 1919, enacted the Eighteenth Amendment and established nation-wide Prohibition. The act banned the importation, production, transportation, and sale of all alcohol effective January 17, 1920. Although the Volstead Act made the sale of alcohol illegal at the federal level, several states passed their own Prohibition laws before 1920. Washington state passed a bill in 1914, shutting down the brewing operations of the Olympia brewery on January 1, 1916.

The Schmidt family food and service businesses survived 1916 through 1933 without significant financial loss. But the Olympia community faced a serious loss: the best-paying employer in the area shut down and sat vacant. President Peter G. Schmidt, convinced Prohibition would eventually end, maintained the 1906 brewhouse ready to manufacture beers when the inevitable happened.

Smuggling and organized crime skyrocketed during Prohibition in larger cities, and production of dangerous and illegal liquors in rural areas increased. Those problems, and the stock market crash followed by the Great Depression, played significant roles in motivating the repeal of the Volstead Act. President Franklin D. Roosevelt famously said, "I think this would be a good time for beer."¹ Almost immediately after becoming president, on March 22, 1933 Roosevelt signed an amendment to the act, the Cullen-Harrison Act, once again allowing beer

¹ Otto Friedrich, "F.D.R.'s Disputed Legacy," *Time*, February 1, 1982, accessed October 6, 2016 <http://content.time.com/time/magazine/article/0,9171,954983-6,00.html>

and wine to be produced and sold. Officially, the Volstead Act was repealed on December 5, 1933.

The Schmidt family wasted no time in getting back into the brewing business. President Peter G. Schmidt had kept rights to the trademark logo and slogan, convinced they would be used again someday. He and his brothers planned a new brewery complex, bigger and more advanced than the 1906 brewhouse. Throughout the Second World War and Korean War the entire brewing industry faced rationing and restrictions, but the OBC adapted to these drawbacks and emerged thriving both times. The consumer base expanded because of effective advertising programs and because the brewery focused on marketing to their working class, family-oriented customers. The brewery modified machinery, products, and business practices over the years to stay relevant. Such innovations included the introduction of the Stubby bottle, followed by canned beer, and then the switch to aluminum cans, even when it was more expensive, because it was more environmentally friendly. Leopold Schmidt had built a successful regional business, but Peter Schmidt built it back up after Prohibition and laid the groundwork for it to increase into a powerhouse that would continue to prosper after his death.

Leopold's eldest son, Peter, was born in 1880 in Butte, Montana, a few years after Leopold opened the Centennial Brewing Company. From the start, Peter helped his father with the brewery in Tumwater. In 1895, he accompanied his father to the Tumwater area to survey and purchase the land from Fannie Biles.² Later, he assisted the first brewmaster at the brewery during his summers away from school. The younger Schmidt attended high school in Portland,

² Fannie Biles owned the Biles and Carter Tannery property after her husband died. The Biles' opened the tannery in 1859.

but in 1897, after the brewmaster died of a heart attack, Peter quit high school to learn the trade himself. He assisted the replacement brewmaster and in 1898 became Chief Engineer. The following year he attended a brewer's school in Milwaukee. In December, 1899 at the age of nineteen, he became the brewmaster for Olympia, the youngest brewmaster running a brewery in the country.³ All his brothers, except Frederick who earned a degree in business, followed Peter's lead and became certified brewmasters.



Figure 2.1: Peter Gustav Schmidt, circa 1896. Courtesy of the Olympia Tumwater Foundation.

³ Type-written biography of Leopold F. Schmidt, n.d., 6, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA; multiple informal family histories mention a “Brewing Academy,” but do not give an exact name or location of the school. Peter’s brother, Adolph, attended the American Brewer’s Academy in Chicago, and possibly his brother Leopold, Jr. as well. However, the 75th anniversary *It’s the Water News* states Schmidt attended school in Milwaukee and spent the subsequent year there gaining experience, and his obituary states he went to “a brewer’s school in Milwaukee.” Based on this evidence it is not definitive which academy he did attend, but the author has chosen to maintain that it was a brewer’s school in Milwaukee.

Like his father, Peter heavily involved himself in the community and in associations beyond that of brewing. He was president and chairman of the OBC from 1914 until his death in 1957. Under his leadership, the OBC went from a company with a popular product to a well-known working man's drink. In the decades after his death, the beer gained prominence as a national icon and one of the most recognizable brands in the country.

As Prohibition began, Schmidt envisioned the 1906 brewhouse being used in the event alcohol would be sold again, but by the early 1930s, he and vice president, Adolph Schmidt, had other plans for the plant. However, before they could build a new plant, they needed capital. A mere month after Roosevelt signed the Cullen-Harrison Act, the *Sunday Morning Olympian* ran an ad in the sports section asking for one dollar public shares for the company. The Schmidt brothers not only advertised to the public, but they approached Emil Sick to invest. Sick and his father, Fritz, were well-known Canadian brewers and owned the American Brewery Engineers, Inc., which bought the Rainier Beer name in 1935.⁴ Sick invested \$111,111 into Olympia and became a member of the board of directors.⁵ With enough money invested, they set off building their brewery.

The two eldest Schmidt brothers put some thought into improving their father's company and the new complex. It was to be "new and completely modern," close to the old location, with a 100,000-barrel capacity that still used the coveted artesian spring water. Wisely, provisions had

⁴ Michael F. Rizzo, *Washington Beer: A Heady History of Evergreen State Brewing* (Charleston, SC: The History Press, 2016), 59; Kurt Stream, *Brewing in Seattle* (Charleston, SC: Arcadia Publishing, 2012), 56; Sick tried to buy the Rainier Brewing Company, which operated out of San Francisco and distributed Rainier in Seattle, but to no avail. In April 1935, the California company leased the brand name to Sick's Seattle Malting and Brewing Company.

⁵ Rizzo, *Washington Beer*, 59.

been made so that “output may be doubled or trebled without extensive rearrangement, as the demand increased.”⁶ With the capital they needed, the complex could be ready to produce Olympia Pale Export by late July, 1933.

The new complex was completed and brewing before the Cullen-Harrison Act had even been ratified and the Eighteenth Amendment repealed. The first batch went to market on January 16, 1934, to an enthusiastic Olympia community. The *Daily Olympian* opined that the beer had “made a return engagement to the capital city and its many hundred friends are confident that this engagement will be for all-time.” It continued, “Olympians greeted with pleasure the product of the Olympia Brewing Company.” It also assured readers that the quality would remain the same, just made in improved, modern conditions.⁷ The reincarnated company included 142 employees, nearly a quarter of which were former employees from before Prohibition.⁸ The new and improved OBC thus embarked on their second adventure, with Peter G. Schmidt at the helm.

Two months after Schmidt asked the public to invest in the company, Leopold, Jr. went to Chicago and Milwaukee to study and collect the most recent advancements in machinery, technology, and brewing techniques.⁹ Whether a strict business policy or not, this practice of

⁶ “Fully Participating Preferred Shares of the Olympia Brewing Company,” *Sunday Morning Olympian*, April 23, 1933.

⁷ “Olympia Beer Back in City of Origin,” *Daily Olympian*, January 19, 1934.

⁸ “The Man: His Full Life and His Family,” *It’s the Water News*, March, 1957, 3-5.

⁹ Leopold, Jr.’s letters do not specify the exact places where he learned his information. Only some letters include what city he was in, usually Chicago or Milwaukee. The first of the letters (which are not in chronological order), dated May 6, 1933, described spending a weekend with Henry Henius, son of Max Henius, who co-founded the Wahl-Henius Institute of Fermentology and American Brewer’s Academy. Schmidt also described school as being “out last Saturday a week ago today” and “school closed until Monday,” leading one to believe he was taking courses at the American Brewer’s Academy in Chicago.

staying on top of the newest equipment and knowledge was continued into the 1980s when company ownership changed hands. In a series of letters ranging from March to May, 1933, Leo sent constant updates on ingredients, new equipment in other breweries, shortages, prices, the politics related to prices, detailed methods of malting and fermenting, what new equipment was available and where to buy it, among other minute details.¹⁰

Although established nearly forty years earlier, after twenty years of Prohibition the company was forced to start over, almost from scratch. Markets around the Northwest and across the Pacific had to be reestablished. Adolph D. Schmidt directed the sales department with T.E. Tucker as the sales manager. In the first year after Prohibition, the net profit for the year reached nearly one and a half million dollars, equivalent to approximately twenty-seven million in 2016.¹¹ The company also welcomed visitors to tour the brewery and learn about the beer-making process. Not only did this allow the public to view the conditions in which their beloved beer was made, but to try samples of the brew. Opening the plant to visitors started a small tourist industry in the area, and ushered in a new era for Olympia beer.

About this time some breweries started experimenting with canned beer, but Olympia went a different route. Canned food became a way of preserving food well before the 1930s.¹² Methods to preserve food by canning dated to the early nineteenth century, and in the Northwest,

¹⁰ Leopold Schmidt, Jr., typewritten letter book, March-May, 1933, Peter G. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA.

¹¹ Peter G. Schmidt, President's Annual Message, April 10, 1935, 1, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

¹² Seafood was the leader of canning, starting with oysters in the first half of the nineteenth century, followed by condensed milk and then beans for soldiers during the Civil War.

salmon and oysters were canned beginning in the 1870s.¹³ Using metal cans to preserve and ship food spread to other food industries over the following decades. Canning preserved food longer, and offered people variations to regional diets. The beer industry was one of the last to take up this trend.¹⁴

The first canned beer was introduced in 1935 in Richmond, Virginia by the Krueger Brewing Company. Advancements in technology had by then finally prevented pressurized beer cans from exploding or leaking.¹⁵ Olympia, usually a technologically progressive company, was not as quick to adopt canning. In 1935, Schmidt addressed the stockholders of the company, saying that the plant had the ability to can their beer, should the need arise.¹⁶ By 1939 they had begun using aluminum beer barrels produced by the Alcoa Aluminum Company, but had not yet begun canning their beer. Early cans were a mix of metals, and were lined with plastic or other substances to protect the flavor, but the metal flavor still seeped through. In 1959 the modern aluminum can was introduced, but Peter Schmidt wanted to wait to switch to them until technology of the cans improved.¹⁷

Instead, in 1935 the OBC introduced their famous “Stubby” bottle, first in California and a month later in the Northwest. These eleven-ounce, short and squat bottles lacked the typical

¹³ Chris Friday, *Organizing Asian American Labor: The Pacific Coast Canned-Salmon Industry, 1870-1942* (Philadelphia: Temple University Press, 1994), 26.

¹⁴ Christine Kreiser, “Canned Beer,” *American History* 45 No. 3 (2010): 15.

¹⁵ *Ibid.*

¹⁶ Peter G. Schmidt, President’s Annual Message, April 14, 1936, 3. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

¹⁷ “Aluminum Cans,” *The Aluminum Association*, accessed October 17, 2016, <http://www.aluminum.org/product-markets/aluminum-cans>

long neck of a beer bottle to “combat” the beer can.¹⁸ The bottles were promoted as more economical: they fit in refrigerators better and gave the consumer more beer for their money.¹⁹ The product met with success. The year after the Stubby was introduced, fifty-six percent of the beer the OBC sold was bottled, and forty-four percent was draught. This was a significant change, because in 1935 only thirty percent of the beer was bottled and the rest draught.²⁰ Though some breweries took up new canning technology, Schmidt was wise to wait. The company was located near bottle manufacturers in Portland and Seattle to supply containers. They had the Stubbies manufactured at these locations, as well as collected the recycled bottles.²¹ Only two sizes of bottles were offered: the eleven-ounce Stubby and a thirty-two ounce “Jumbo Picnic Quarter Gallon,” which according to Schmidt, kept Olympia in “a high class field, free from mistakes that caused loss of distributor or deal or even public confidence.”²² Other breweries began marketing their own smaller bottles, called stubbies or steinies, such as Rainier and Schlitz. In Europe and Canada today, stubbies are still used as regular packaging, while they are less common in the United States.

¹⁸ Peter G. Schmidt, President’s Annual Message, 1936, 2.

¹⁹ “Bottles,” *Enjoy Olympia Beer Advertising*, accessed October 11, 2016, <http://enjoyolympiabeer.com/bottles.html>

²⁰ Schmidt, Annual Message, 1936, 1.

²¹ Paul Knight, interview by author, Olympia, December 28, 2016.

²² Peter G. Schmidt, President’s Annual Message, April 10, 1938, 2, 6. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

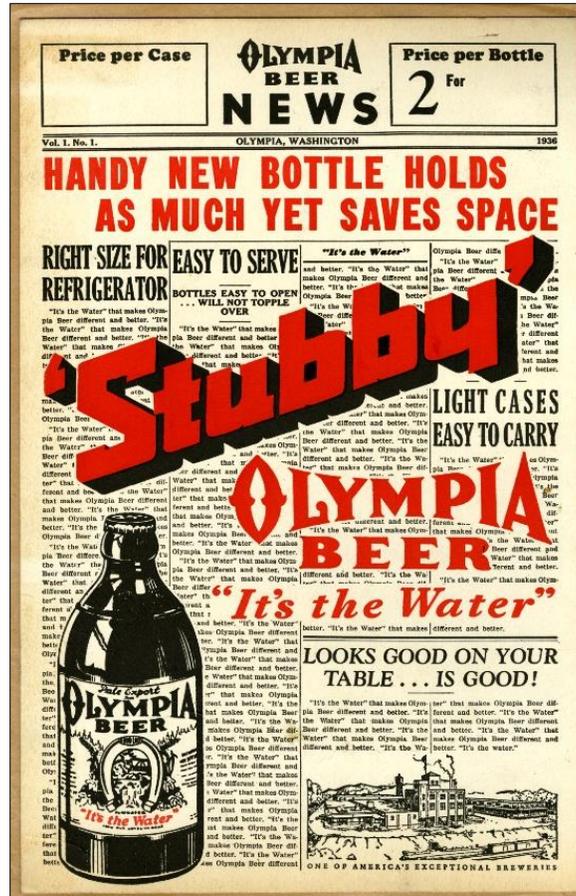


Figure 2.2: Announcement for the Olympia Stubby, 1936. Courtesy of the Olympia Tumwater Foundation.

Before 1935, the bottle label included a “born-on” date that was made by perforating the paper of the label. Starting with the Stubby, however, the date, hour of the day, and bottling line were indicated in the form of dots on the back of the label.²³ The number of dots signified which bottling line the beer had passed through. By the 1970s, the dots listed on the backside of the labels made their way into drinking culture in the form of a drinking game. Although the drinking game did not have a name, among younger males enjoying the frosty cold beverages, the number of dots on the back of the label corresponded to sexual favors that could be “cashed

²³ “Bottles,” *Enjoy Olympia Beer Advertising*, <http://enjoyolympiabeer.com/bottles.html>; Knight, interview.

in,” if they were so lucky as to find a willing female. According to a woman who attended college in Washington and knew the rules of the game, one dot meant holding hands, two meant kissing, three meant “heavy petting,” and four was the equivalent of “going all the way.”²⁴ Not unlike the popular comparison to baseball bases. Part of the game was for men to prove their winning dots had been earned, preferably by a signature on the label. If anyone ever succeeded at using dots on the back of a label to woo a woman, it is unclear. It is likewise unclear how this kind of tradition came to be, but that is part of the fun of drinking games.

World War II

Prior to the United States’ entrance into the war in Europe, consumption of beer reached pre-Prohibition levels despite production by less than half the number of brewers that predated Prohibition. The population was larger and per capita consumption decreased, but this meant that fewer brewers produced and sold higher quantities beer.²⁵ During the Second World War, increased taxes, rationing, and shortages created burdens for many breweries. Some, however, like the Olympia Brewing Company, adapted to their situation and survived the war with a thriving business.

Before the war, multiple brewery associations existed, and the OBC was involved in many of them. From 1896 onwards, the company was a member of the United Brewers Industrial

²⁴ Michael J. Preston, “Olympia Beer Comes to Colorado: The Spread of a Tradition,” *Western Folklore* 23 No. 4 (Oct. 1973): 281-283.

²⁵ Stanley Baron, *Brewed in America: A History of Beer and Ale in the United States* (Boston: Little Brown and Company, 1962), 331.

Foundation and United States Brewers Association.²⁶ In 1944 all brewery associations combined under the auspices of the United States Brewers Foundation. Peter G. Schmidt served on the board of directors.²⁷ During the war, breweries understood that while their sales were important, their value to the war effort took precedent.

The totality of World War II meant that all domestic industries needed to aid the war effort. In some industries, companies voluntarily altered their factories to support war production, while other industries were required by the government to repurpose their machinery. For the brewing industry, beginning in July 1940, brewers faced “defense tax” increases, from five dollars a barrel to six. Over the war, this tax increased to eight dollars per barrel.²⁸ Additionally, in July 1943, the Office of War Information decreed Order 66, specifying that all brewers must reserve fifteen percent of their 3.2-percent alcohol light beer for the armed forces.²⁹

²⁶ The United States Brewer’s Association (USBA) was the first trade association established in the US, in 1862, by German brewers in New York. The United Brewers Industrial Foundation (UBIF) was created by the USBA, in 1937. To complicate matters, there were more associations. There were also the American Brewer’s Association (ABA) and the Brewing Industry, Inc. (BII) In 1938 all four associations formed a campaign called the United Brewers Industrial Foundation to serve as the public relations arm of the USBA. The ABA and BII consolidated in 1940, called the American Brewing Industry. Then in January 1941, the ABI and the USBA merged together. Finally, in 1944, the USBA and UBIF consolidated into the United States Brewer’s Foundation. Amy Mittelman, *Brewing Battles: A History of American Beer* (New York: Algora Publishing, 2008), 119-122.

²⁷ Baron, *Brewed in America*, 331; Peter G. Schmidt, President’s Annual Message, April 1940, 5, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

²⁸ Peter G. Schmidt, President’s Annual Message, April 10, 1945, 2, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

²⁹ Baron, *Brewed in America*, 331-334.

Initially, this fifteen percent reservation for the armed forces raised concerns for smaller brewers. Large companies like Anheuser-Busch and Pabst alone could provide most of the armed forces' beer quota with fifteen percent of their product, but with increased excise taxes, and large portions of the labor force going to war or working in defense industries, smaller businesses struggled to cope with the strain on their production.³⁰ As historian Maureen Ogle argues, with the likeliest purchasers of beer being young males, small breweries forced to pay higher taxes and give up some of their product to the military had to market to civilians to buy their brews. However, they often ran into shortages of bottles and kegs.³¹ Yet despite wartime obstacles, beer sales and consumption steadily increased during the war.³²

During the war years larger companies began spreading across the country to expand sales territories, while small local breweries began folding from increased competition. Olympia fared better than many breweries during the war. In part due to luck from pre-war purchasing decisions, and part adaptability to their limitations, the OBC increased sales during the war. One of the problems to be dealt with was a short supply of bottle caps. Canned beer during the war disappeared because metal that would have been used for cans was needed for the war effort.³³ The OBC had not yet switched over to producing canned beer, so they did not need to shift back

³⁰ Maureen Ogle, *Ambitious Brew: The Story of American Beer* (Orlando: Harcourt, Inc., 2006), 219.

³¹ *Ibid.*

³² *Ibid.*, 220.

³³ Ogle, *Ambitious Brew*, 219; Phil Berkes, president of the Master Brewers Association of America, bulletin, March 28, 1942, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

from cans to more bottles and kegs. But this shortage meant that new bottle caps were hard to come by as well. Olympia began a recycling program to help alleviate the shortage of bottle caps. The company collected #10 cans from larger users such as restaurants, hotels, and logging camps.³⁴ They also collected smaller, household cans in Thurston County and located a recycle car-loading bin on the brewery premises. Adolph Schmidt, Sr. and Adolph Schmidt, Jr. both worked on this project; together with company engineers and crew, they designed and built cutting machines for the #10 cans to separate the ends using scrap metal and parts from junk yards. The recycled cans were sent to bottle cap manufacturers to remove tinplate from cans, reclaiming the tin and steel. For already-used bottle caps, the OBC re-crimped them at the plant. They used a re-crimping system called the “Bates system” and paid royalties to use it for their caps. According to Peter G. Schmidt, “[t]he bottle cap companies tell us that ours are about the most perfectly re-formed crowns that they get.”³⁵

Beyond recycling and initiating their own successful program for re-using bottle caps, Olympia devised a system to create by-products from used yeast from their Tumwater and other plants. These by-products included malt syrup, malted milk, yeast bullion, and other similar, vitamin-rich products.³⁶ In Tumwater, they created a Brewer’s Yeast Reclaiming and Processing

³⁴ #10 cans are a size usually used by institutions like restaurants or hotels. They are larger than regular household cans and hold three quarts, or ninety-six ounces. They are the kind of cans that one might buy coffee in.

³⁵ Peter G. Schmidt, President’s Annual Message, April 13, 1943, 3, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

³⁶ *Ibid*, 4.

Plant, originally planned to be in operation before Pearl Harbor, but delayed for part of the war. By 1944 the plant was in operation, making dietary supplements.³⁷

The company began to make a concerted effort to buy more domestic and locally-sourced ingredients for their products. Their “extra fancy quality” barley-malt came from Wisconsin, which the brewery planned to continue buying indefinitely. But this barley-malt was mixed with malting barley grown in the Pacific Northwest. The blending of the two crops made the company “safer from crop failures or extreme prices due to crop reduction.”³⁸ Production of barley in the Northwest, particularly a strain called Hannchan barley, can be tied back to the OBC, as the company helped to develop the crop to “the benefit of the agricultural industry in the Northwest...”³⁹ The barley was produced by the Great Western Malting Company, headquartered in Vancouver, Washington. The OBC was a stakeholder in this company.⁴⁰ This connection to the barley-growing industry enabled Olympia to select the Hannchan barley they wanted malted, exactly to their own specifications.⁴¹

³⁷ Schmidt, President’s Annual Message, 1945, 4.

³⁸ Schmidt, President’s Annual Message, 1940, 4.

³⁹ There are two general types of barley, two-row and six-row. The main difference is how the kernels are arranged in the heads. Six-row is used more often as feed barley for livestock, while two-row is used more for malting in the production of beer. Hannchen is a two-row variety of barley that grows predominantly in Washington, Oregon, California, and Montana. The choice of barley used during the 1940s was based more on freight costs than brewers’ preference.

⁴⁰ Schmidt, President’s Annual Message, 1945, 4; Schmidt, President’s Annual Message, 1940, 4.

⁴¹ Schmidt, Annual Message, 1940, 4.

Before Prohibition, the brewery's hops came from Europe. After Repeal, the company reduced its dependence on foreign crops and switched to Northwest-grown and Pacific Coast hops. They bought hops from California, Washington, and Oregon, specifically seedless hops produced from European roots, such as Czech Saaz roots. These practices enabled them to obtain same quality hops as before Prohibition.⁴² In either a stroke of luck or simple business sense, in 1939, Peter Schmidt purchased a vast quantity of imported European hops through the same dealer the company had used since 1898. The order was sufficient to last a year. In addition, all of their domestically-produced hops were purchased at pre-1940 prices, and the company was "just as fortunate on our barley-malt and rice requirements."⁴³ The company kept small amounts of imported hops throughout the war, and managed with the bare minimum of materials, never having to deal with major shortages or price hikes.

Shipping during the war was limited to defense, but because beer was necessary for morale, shipments continued. However, shipping over long distances still placed a strain on many brewers because of the government's limitations. By the late 1930s, the sales territory of the OBC reached its pre-Prohibition levels and beyond. The company sold beer in the states on the West Coast, Alaska, Hawaii, and Montana and Nevada. However, in 1942 the OBC stopped shipments to Hawaii, California, and Nevada. For a brief period during the middle years of the war, there was an embargo on shipments to Alaska, but shipping there resumed albeit with

⁴² Ibid; Peter G. Schmidt, President's Annual Message, April 14, 1942, 2, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA; Saaz hops are used in Czech pilsners, but many American breweries use them in lagers, and adjust the flavor to be less strong.

⁴³ Schmidt, President's Annual Message, 1940, 4.

restrictions.⁴⁴ Around this time, Eastern breweries and Anheuser-Busch stopped shipments to the West Coast because the government asked companies to ease the traffic on transcontinental railroads to the coasts by twenty-five percent.⁴⁵ Olympia's choice to end its sales along the coast were for the same reason, to relieve some of the burden on the railroads for the defense industry. They stopped selling Olympia beer from everywhere in California except Los Angeles, but soon afterward reduced their sales quota in that area to fifty percent. These decisions gave Olympia more opportunities to stay competitive in the Northwest.

The next year, in late 1943, the Office of Defense Transportation informed brewers that shipments to Alaska, the Aleutian Islands, and off-shore Alaska points were to be from major brewers like Pabst, Schlitz, Blatz, and Busch. Adolph Schmidt wrote a letter detailing the OBC's success in shipping product to Alaska, and how much more economical it would be to continue sending beer from the Northwest. In particular, he noted that the company's shipping to Alaska did not require long-haul tonnage on the railroad or refrigerated cars. The Army responded, rejecting the idea that their business would falter from the increased beer shipments to the north.⁴⁶ The Army's response seems as though it would have indeed affected the OBC's business. Nonetheless, sales continued to increase although profits did stagnate because of increasing taxes.

⁴⁴ Schmidt, President's Annual Message, 1943, 2.

⁴⁵ Ibid.

⁴⁶ Adolph Schmidt to Joseph B. Eastman, typewritten letter, November 2, 1943; H.F. McCarthy to Adolph Schmidt, typewritten letter, December 2, 1943, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

Throughout the duration of the war, the OBC struggled to provide enough products to meet the demand from both the armed forces and civilians. More than forty permanent and temporary company employees went to war, to the Sea Bees, the Merchant Marine, or other defense industries.⁴⁷ Employees who left were given \$100 or twenty-five dollars by the company, depending on their full-time or short-term status.⁴⁸ Just as before the war, the plant operated twenty-four hours a day to try to keep up with demand. With the shortage of male employees, women took up some of the slack. Larger crews had to be employed to train new workers and keep production flowing. Throughout the war, except for the mid-winter months when beer sales traditionally dropped, the OBC sold the maximum output of the plant.⁴⁹ This is also when the company began their company newsletter, *It's the Water News*, to update employees on the men who went off to serve, on other employee news, and plant updates.⁵⁰ *It's the Water News* became a noteworthy publication, detailing the activities of employees like team sports, company picnics and golf tournaments, business, financial, and retirement advice, an Olympia beer cooking column, and so on.

⁴⁷ Schmidt, President's Annual Message, 1945, 5.

⁴⁸ Schmidt, President's Annual Message, 1943, 5.

⁴⁹ *Ibid*, 2.

⁵⁰ *Ibid*, 5.



Figure 2.3: Female brewery employees, ca. 1943. Conveyer belt is moving bottle caps. Courtesy of the Olympia Tumwater Foundation.

Consolidation of breweries began after Repeal, but during and immediately after World War II larger brewers gained a greater advantage. The larger companies, today referred to as macro-breweries, covered more sales territory and spent more money on advertising. Consequently, they began displacing local and regional rivals. During the 1940s and 1950s, however, Olympia managed operations as if it were a larger brewery. They adapted to their situation, purchased materials that worked for them, created technology to aid their efforts, and cut back where they needed to. Their quality and reputation kept them in business, and would continue to do so despite the macro-breweries continued domination of the national market.

Beer is a commodity with relatively few ingredients. It has the potential to differ widely in flavor, but especially in the mid-twentieth century, before craft micro-breweries began churning out the variety of flavors Americans are accustomed to, it was a comparatively homogenous product. At the end of the war, with young men coming back home and having more spending power than ever before, brewers took the opportunity to revamp their advertising campaigns to sell this near-identical product. But not only did brewers have to advertise to the masses, they had to convince those who still sought a renewal of Prohibition that light beer was a drink of moderation and here to stay.

Prohibitionists did not disappear with Repeal. Between 1939 and 1950, temperance societies went to Washington, DC four different times to appeal to Congress to pass legislation on anti-alcohol advertising. During the 1950s, similar initiatives occurred six more times. Each failed. This attitude about alcohol consumption and advertising was not in line with the views of most Americans.⁵¹ In Washington state alone, proposals for restricting alcohol advertising went before voters in 1946, 1950, and 1954. Each time they failed.⁵² The OBC worried about the “drys” and their repeated attempts at shutting down their livelihoods. In many of the OBC annual meetings, in which Peter G. Schmidt spoke directly to stockholders, he implored them to not let anti-alcohol leagues destroy the business. He believed and argued that beer was a drink of

⁵¹ Pamela E. Pennock, *Advertising Sin and Sickness: The Politics of Alcohol and Tobacco Marketing 1950-1990* (Dekalb: Northern Illinois University Press, 2007), 15-16. Made up of mostly Protestant women advancing these bills, they tried to institute a complete ban on advertising alcohol, a radical idea for the time. Pennock argues this effort was motivated by religious ideals, not public health or secular-scientific concerns, and was based solely on the Protestant belief of righteousness and self-restraint.

⁵² *Ibid*, 23.

moderation. On the back of every annual message program, as well as over the entryway into the brewery hospitality room, was written, “light beer for temperate enjoyment.”



Figure 2.4: Hospitality room and main office, circa 1950s. Courtesy of the Olympia Tumwater Foundation.

The same groups championing prohibition and proposing anti-alcohol legislative bills opposed sending beer to the military during World War II. Such efforts failed because the government deemed beer a morale booster and important to the war effort. Because brewers across the country were required to send beer with 3.2 percent alcoholic content to the armed forces, younger beer drinkers came to favor the taste of this lighter beer. A legacy of this period was the prevailing attitude in the post-war years that moderate consumption of alcohol was

acceptable; in addition the beer itself had a lower alcohol content.⁵³ Olympia's beer had the same low alcohol content.⁵⁴ A lower alcohol content not always, but usually also means less flavor. This preference for a lighter taste is still present today, demonstrated by the overwhelming popularity of the macro-breweries owned by Anheuser-Busch, Pabst, and Coors.

Not only did American tastes acclimate to the lighter beers, beer became more popular than ever. As the Depression-era babies and early baby boomers matured into adulthood during the 1950s and 1960s, their social affairs often involved drinking alcohol. Across the country, advertisements targeted drinkers mainly between the ages of twenty and thirty-four, especially as this segment of the population grew.⁵⁵ Historian Pamela Pennock argues that advertising reflected and shaped reality, as when an advertisement showed friends or a couple sharing a drink at dinner or at a cocktail party.⁵⁶ Even with occasional push-back from "drys," Olympia and other brewers increased sales in the post-war years.

The most revolutionary change in advertising came with the advent of television. Larger brewers capitalized on this new medium, targeting the main buyers of a household: women. After the war, fewer men frequented saloons and bottled beer sales increased while draught sales decreased. Social drinking shifted to homes. In print and television ads alike, marketing from the time reflects the move of drinking to the home. Ads targeted women, arguing that because they

⁵³ Ibid, 25.

⁵⁴ Schmidt, President's Annual Message, 1945, 5. Schmidt explained that since the armed forces only allowed a 3.2 percent alcoholic content, it caused "many brewers to develop a good product of this type and millions to drink and build up a tolerance for light beer."

⁵⁵ Joseph C. Fisher and Peter A. Cook, *Advertising, Alcohol Consumption, and Morality: An Empirical Investigation* (Westport, CT: Greenwood Press, 1995), 46.

⁵⁶ Pennock, *Advertising Sin and Sickness*, 25.

were the moral compass of the home, they could control how much alcohol their husbands consumed. Even though nearly two decades had passed since the end of Prohibition, brewers continued to fear that Prohibitionists would gain a strong foothold again. For decades after Repeal, brewers were careful about how they marketed their products and actively engaged in politics when “drys” threatened their industry. Thus, advertising included multiple messages: in post-war America, middle-class women controlled the purse strings, and drinking at home was more respectable.

Generally, smaller brewers did not have the vast advertising budget for TV advertising or to sponsor a sports team. After smaller breweries struggled through the war when they had to send a portion of their product to soldiers, in the post-war years they frequently were bankrupted under the pressure of trying to compete with brewing companies with larger advertising budgets. During this time, the number of legal-aged drinkers targeted by brewers (ages twenty to thirty-four) was at a historic low. In the 1930s the birth rate had decreased drastically, so by the early 1950s, there were fewer people of age to legally purchase beer. Under the pressures of increased advertising costs and with a relatively small population of potential beer drinkers, by 1950 the number of breweries shrank to 407, sixty-one less than at the end of the war five years earlier.⁵⁷ The trends of increasing per capita beer consumption and decreasing numbers of breweries continued through the 1970s.

In this business climate, Olympia still did well. As a regional brewery, the advertising budget did not allow for television advertising or sports sponsorships in the early post-war years.

⁵⁷ Martin H. Stack, “A Concise History of America’s Brewing Industry,” *EH.net*, accessed November 8, 2016, <https://eh.net/encyclopedia/a-concise-history-of-americas-brewing-industry/>

In the 1930s the OBC had some radio advertisements, as reflected by poem titled “It’s the Water.” The poem, written in 1935 by an Olympia customer, explained that during a commercial break of an opera program, “Comes the announcement loud and bold, ‘It’s the Water’ I am serenely told.”⁵⁸ Olympia stuck to the radio during the 1930s and 1940s. They sponsored an extremely popular program on the Seattle radio station KIRO, the Cecil Solly Gardening Program.⁵⁹ Cecil Solly hosted a program for Seattle’s “victory gardens.” His was one of the several gardening programs aired in Seattle during the 1940s. Seattle’s victory garden program was recognized as one of the best in the nation, and Solly’s program was the most highly regarded one on the air.⁶⁰ As a sponsor, Solly’s program won Olympia multiple consecutive National Victory Gardening Awards.⁶¹ Solly worked as a broadcaster in New York and London before settling in Seattle. In 1947, he aired his 8,000th broadcast, more than any other radio program in the US. After the war, Solly expanded his programming to include flowers and other gardening topics beyond victory gardens. Olympia understood an association with this program fostered good will with their consumers, plus they reached the greater Northwest this way.⁶² And

⁵⁸ George Werner, “It’s the Water,” handwritten poem, January 9, 1935, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

⁵⁹ KIRO is a radio station aired out of Seattle. It began broadcasting in 1927 as KPCB, but changed the name to KIRO in 1937. Among its first announcers was Chet Huntley, who later appeared on CBS’ Huntley-Brinkley Report.

⁶⁰ Lana Finegold, “75 Years of WSFGC History,” *Washington State Federation of Garden Clubs*, accessed November 8, 2016, <http://wagardenclubs.com/about/history/>

⁶¹ Peter G. Schmidt, President’s Annual Message, April 8, 1947, 3, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

⁶² *Ibid*, 3-4.

it worked. Through the 1940s and early 1950s, the OBC continued to have more orders for beer than they could produce.

Beyond radio, Olympia used billboards and tavern advertisements, but kept their marketing regional, or what Schmidt called a “conservative advertising program.”⁶³ Their small tavern signs boasted scenes of nature, picnicking and fishing, with slogans like, “Always in Good Company,” and “Among the Good Things in Life.” They also included more practical advertisements, noting that the thirty-two ounce bottles saved caps and were more economical, or “For Temperate Enjoyment.” The company even used a printed Spanish ad in 1952, marketing their “good beer.”

In the late 1940s the OBC ended their sponsorship of the Cecil Solly radio program and created an advertising program focused on practicing moderate drinking and preventing drunk driving. Peter G. Schmidt was convinced this program contributed to the reduced highway deaths in 1949.⁶⁴ Word of mouth advertising remained important to Peter G. Schmidt, who felt pride in having a good enough product that people shared with their family and friends. During the war the advertising budget was reduced, as were sales outside of Washington and Alaska. But in the early post-war years, word of mouth, highway signs, and the huge welcome sign on the side of the brewery itself invited visitors to buy the beer. By 1955 the number of breweries had been slashed to 292, over 100 less than five years before. Yet Olympia’s sales kept increasing.⁶⁵

⁶³ Peter G. Schmidt, President’s Annual Message, April 11, 1950, 7, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

⁶⁴ Ibid.

⁶⁵ Martin H. Stack, “A Concise History of America’s Brewing Industry.”

After pressure from distributors and improvements in technology, Olympia finally switched to canning some of their beer in 1950.⁶⁶ For the first couple years, only ten percent of the OBC's beer went into cans. The reason for this was its newness to the company, but also the Korean War. Working together with the Department of Agriculture, because the brewing industry relied heavily on agricultural products, was the Brewing & Malting Industries. An advisory committee for the Brewing & Malting Industries issued restrictions on tin, even though bottling plants could not furnish all the beer bottles needed for the brewing industry.⁶⁷ But by keeping their canned beer percentages low, Olympia avoided any material shortages and continued to sell all the beer they could produce.

In 1959 a branch of the Continental Can Company was established in Olympia to produce cans for the brewery.⁶⁸ Through the 1960s, the plant only made cans for the brewery, but by the early 1970s they incorporated making cans for soft drinks as well. The plant is still running in its original location, under the name Crown Beverage, churning out cans for nearly 500 different

⁶⁶ Knight, interview; Peter G. Schmidt, President's Annual Message, April 10, 1951, 4, Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

⁶⁷ Schmidt, President's Annual Message, 1951, 4.

⁶⁸ Rolf Boone, "Can Makers Recall Days of 5-Cent Raise," *The Olympian*, November 22, 2009, accessed April 1, 2016, <http://www.theolympian.com/news/business/article25242661.html>; The Continental Can Company was one of the largest can companies in the world. It was established in 1904, three years after the American Can Company – the first company to can beer in 1935. Continental Can had over eighty plants by the mid-1950s, and 155 plants in 1960. "Continental Can Co., Inc.," *Lehman Brothers Collection – Contemporary Business Archives, Harvard Business School*, accessed February 5, 2017, https://www.library.hbs.edu/hc/lehman/company.html?company=continental_can_co_inc

beer and soda brands.⁶⁹ The brewery's inter-dependency with the local community created jobs outside the brewery, a legacy that is visible today.

Death of Peter G. Schmidt

On January 17, 1957, Peter Gustav Schmidt died. Just as with his father, the death of Peter signified the end of an era for the company. Luckily, this time state and national prohibition were not a looming issue, and Olympia's sales outlook remained positive. Schmidt had been one of only a few employees with the company since its infancy. He moved to Olympia with his family in 1897, after his father launched Olympia beer. In 1899 he became a certified brewmaster. His business sense, much like his father's, allowed Olympia to thrive, even during the difficult times of rebuilding after Prohibition, and during World War II. During Prohibition, he and his brothers ran multiple successful businesses, but never stopped hoping that Olympia beer would return to store shelves in due time. Not only did he keep Olympia a household name regionally, but he was well known throughout the national brewing industry. He was both a director and president of the United States Brewers Foundation, and was recognized for his knowledge of brewing technology.⁷⁰

Throughout his life and after his death, Schmidt was revered for his humility. His constant praise of his staff members, his brothers and family, and all the employees that made Olympia function successfully resonated with the company and the community. His contributions to the surrounding communities were innumerable; some were tangible, and some

⁶⁹ Boone, "Can Makers Recall Days of 5-Cent Raise."

⁷⁰ "Funeral Monday at 1 for Peter G. Schmidt of Olympia," *Seattle Daily Times*, January 18, 1957, 38.

immeasurable, yet all were significant. The path that Peter G. Schmidt set for his company, especially after Repeal, paved the way for the wild success that awaited Olympia in the decades following his death.



Figure 2.5: Peter G. Schmidt, date unknown. Courtesy of the Olympia Tumwater Foundation.

Chapter 3: Expansion and Consolidation, 1958-1983

Leopold Schmidt established his breweries at a time when many other German immigrants were doing the same in America. However, opening breweries in the American West and then along the West Coast made him stand apart from his peers. He was not the only brewer in the region, but he was the only one with access to artesian wells. His dedication to quality over quantity provided consumers a reliable product. In turn, the superior products from his multiple breweries allowed him to turn his businesses into a miniature empire before his death. Prohibition subsequently suspended brewery operations throughout the country for over a decade and even longer in Washington state. His eldest son, Peter, took up where Leopold left off as soon as Repeal's constitutional amendment passed. In post-Prohibition America, breweries opened their doors again, but until the end of the twentieth century the number of breweries shrank considerably as consolidation and mergers became the norm. Prior to World War II, restrictions and regulations mandated that brewers avoid price and advertising competition, and to focus on "cost-saving technologies." When wartime shortages declined these regulations ended. The new regulatory climate enabled larger brewers to expand into new markets and to place more emphasis on advertising and distribution.¹ Over four decades, the number of breweries in America diminished significantly, as smaller companies folded from the competition.

¹ A.M. McGahan, "The Emergence of the National Brewing Oligopoly: Competition in the American Market, 1933-1958," *The Business History Review* Vol. 65 No. 2 (1991), 233.

During Peter G. Schmidt's tenure, the OBC persisted as a rival to regional breweries like Rainier, but also to major players like Anheuser-Busch and Pabst. Under his leadership, the company thrived and a solid foundation was built on which the company could finally become more than a regional brewery. Increased investment in advertising led to a sharp increase in sales, initiating a series of plant expansions during the 1960s. But even with this rapid growth, protecting the environment was a top priority for the company in a newly-environmentally-conscious nation. Later in the 1970s, a convergence of the need to expand again in order to stay competitive compelled the OBC to conduct mergers of its own, making the brewery one of the largest in the nation. However, owning more plants could not save Olympia from the corporate giants, and in the end the Schmidt family was forced to relinquish the brewery to Pabst in 1983.

Post-Peter G. Schmidt Era

After the death of Peter G. Schmidt, leadership changed more frequently than it had in the past. The Schmidt family continued to lead the company, and various grandsons of Leopold held the highest offices of president and chairman. Peter retired in 1953, but stayed on as chairman of the board until his death in 1957. Vice-president and nephew of Peter, Adolph Schmidt, Jr., known as Bump, became president in 1953 and chairman in 1957. He followed his uncle's footsteps, and a month after Peter's death, was voted onto the board of directors of the United States Brewer's Foundation.² The former sales director, he made no drastic changes to the company's general business practices. By the time Peter died in early 1957, the OBC had already firmly established its identity as a company. For nearly five decades the Schmidt family and

² "Bump Elected to USBF Board," *It's the Water News*, March 1957, 14.

company executives worked to not only create a profitable business, but one that was available to the masses, one that was enjoyable to work for, and one that took its industry competition seriously. In 1960, there were only 229 operating breweries in the United States.³ Olympia was one of those few. The company managed to remain a regional powerhouse in an industry that was quickly consolidating into fewer and fewer large corporations.

During the 1950s, beer sales across the nation declined slightly as a result of demographics. The generation of American youth who were born during and just after WWII was not yet of legal drinking age. In addition, increased taxes, competition among brewers, and multiple labor strikes resulted in increased prices.⁴ Once again, the OBC powered through the slump and focused their energies on reaching out to their consumers.

Advertising changed drastically after World War II. There are several reasons for this, but the main contributor was the introduction and growth of television broadcasting. After Prohibition brewers wanted to demonstrate that their product could be enjoyed responsibly at home. In the post-war years, television intensified this shift. With the rapid growth of television, companies reorganized budgets to increase advertising away from other media. Draught sales at saloons decreased, but overall sales increased.⁵ Increased sales allowed for larger advertising budgets. Unlike many regional breweries, Olympia could afford to reach a broader audience outside its immediate area. They focused first on their local community, and pioneered the use of

³ Martin H. Stack, "A Concise History of America's Brewing Industry," *EH.net*, accessed November 30, 2016, <https://eh.net/encyclopedia/a-concise-history-of-americas-brewing-industry/>

⁴ "Net Income-Sales Ratio Slips Among U.S. Breweries," *It's the Water News*, August 1957, 12.

⁵ Douglas F. Greer, "Product Differentiation and Concentration in the Brewing Industry," *The Journal of Industrial Economics Vol. 19 No. 3* (1971), 213.

brewery visitors' pamphlets soon copied by other breweries. They also used color photographs on billboards and in newspaper ads.⁶ By the mid-1950s, they sponsored the number one-rated television program, *Favorite Story*. The show aired on NBC from 1953 until 1955, along the West Coast in Seattle, Portland, and San Francisco. It was hosted and narrated by Adolphe Menjou, who sometimes played roles in the anthology series.⁷ Simultaneously, the OBC sponsored *Science Fiction Theater*, a nationally broadcast program that began locally in Seattle. The brewery reached twenty-four Western cities by the advertisements aired in this series. The program ran from 1955 until 1957 and was hosted by actor and newscaster, Truman Bradley.⁸ Although the series ran for only two seasons, it paved the way for other popular science fiction programs like *The Twilight Zone*.

In 1955, Edward R. Murrow's famous program *See It Now* featured Joe W. Brown's Las Vegas nightclub, the Horseshoe Club. This episode showcased Brown's "hermetically sealed, bullet-proof display of 100 - 10,000-dollar bills," encompassed by an inverted horseshoe, like the Olympia logo.⁹ His display of cash brought in tourists who marveled at the sight of a million dollars. As described by a company newsletter, while tourists flocked to the Horseshoe Club, they "enjoy[ed] the only beer with a million-dollar reputation and an inverted horseshoe on the label – Olympia."¹⁰ The newsletter showed a photograph of Joe W. Brown with a sales

⁶ "We Don't Like to Brag, But..." *It's the Water News*, December 1958, 4.

⁷ "Favorite Story is Favorite," *It's the Water News*, April 1954, 9.

⁸ *It's the Water News*, May 1955, 10.

⁹ *It's the Water News*, March 1955, 14, back cover.

¹⁰ *Ibid.*

representative of the brewery, the Las Vegas-area distributor, and two waitresses wielding trays of Olympia Stubbies.



Figure 3.1: Joe Brown's Las Vegas Horseshoe Club, 1955. Joe Brown is on the right, while the two men on the left are the sales representative and Las Vegas distributor for Olympia. Author's personal collection.

A few years later, in 1958, the OBC sponsored a comedy adapted from the *Saturday Evening Post* to television, called *Glencannon*. The program's locations provided ideal backdrops from around the world that the company believed they could utilize in commercials. They thought the outdoors more closely related to their customers. The OBC thought ads with phrases like "New York doctors agree..." or "I drink Olympia because..." did not identify with

their consumers. The company contended that, "...if Olympia presents to the average viewer honest, believable facts in a pleasant and gracious manner many will react accordingly."¹¹ This emphasis on the "average" American is typical of Olympia's advertising. Signs, billboards, print ads, and later commercials showcased the outdoors and families, and the company itself preached moderation and safe driving. The family-owned and operated business, with many of its employees also working alongside their relatives, concerned itself with the wellbeing of working-class consumers.

By the 1960s the baby boomers, or "war babies," started to reach adulthood. For many breweries, this younger segment of the population became the target of their marketing. But the problem for brewers was that the baby boomers did not act like any younger generation that they had sold to before. The youth of the 1960s was the most highly-educated and wealthy that America had ever seen. During the turbulent years of the decade, students took to the streets to defend their ideals. Advertising and marketing campaigns struggled to reach the radical youth. Brewers found them puzzling, and one survey suggested that forty percent of young people asked preferred wine over beer, describing beer as "unpleasant or bitter."¹²

The OBC, however, stuck to targeting their largest consumer base, the working class. In color television commercials from the late 1960s and early 1970s, the actors were young and the advertising messages reflected friends, family, a peaceful life, and a good quality beverage made from artesian water. Print and television ads illustrated nature and scenery of the Northwest.

¹¹ "Concerning Television," *It's the Water News*, May 1959, 4; "Olympia Presents 'Glencannon'," *Annual Report*, 1959.

¹² Maureen Ogle, *Ambitious Brew: The Story of American Beer* (Orlando: Harcourt, Inc., 2006), 253.

Fishing, camping, and generally relaxing in the outdoors remained a staple of ads through the 1960s.



Figure 3.2: 1950s advertisement. Courtesy of the Olympia Tumwater Foundation.

Other regional breweries used similar tactics to keep their niche markets alive during a time of increasing mergers. The West End Brewing Company of upstate New York ran advertising campaigns to target both baby boomers and older generations; the commercials for young people featured a nightclub and various characters from popular culture, while commercials for the older generation had a Victorian-era theme. The saving grace for that small brewery was its location at the foothills of the Adirondacks. As a resort location, the brewery offered tours and focused on families, much like the Olympia brewery had for decades. The story is the same for Jacob Leinenkugel Brewing, a brewery still in operation under the Leinenkugel family, although the company was purchased by Miller in 1988.¹³ Located in a lake district of Wisconsin, the Leinenkugel's capitalized on the increase in seasonal vacationers by offering

¹³ "Our Story," *Leinenkugel's*, accessed December 11, 2016, <https://www.leinie.com/our-story>

brewery tours. Those who signed the guestbook could count on a signed Christmas card by president and grandson of Jacob Leinenkugel, Bill Casper.¹⁴ Locals remained fiercely loyal to the beer, much as Pacific Northwesterners did with Olympia. The Jacob Leinenkugel brewery, however, struggled under the pressure of mega-breweries and eked out a modest business, investing heavily in machinery to stay relevant. The OBC and the Schmidt family did not face the same financial worries as Leinenkugel, but did have the same devotion to their operations. Up-to-date machinery was necessary for efficient and economical operations. The Tumwater plant ran a well-organized and well-maintained brewery with an increasingly popular product, which resulted in multiple plant expansions over the years.

The post-Prohibition, or “new” brewery complex experienced multiple expansions from its opening in 1934 until the company’s peak in the 1970s, particularly during the 1960s. Within six years of opening after Repeal, twelve cellars were built to accommodate the rapid increase in sales.¹⁵ Joseph Wohleb, a prominent architect and engineer in Olympia, designed the 1933 complex. He designed additional buildings over the decades, including a brewhouse and office building in 1935, a bottle house in 1939, and another brewhouse and cellar in the 1950s. With the addition of his son, Robert, Wohleb & Wohleb and Associates also did work for the Rainier Brewing Company in Seattle, the building still visible near Interstate-5 and featuring the large red neon Rainier *R*.¹⁶ During the middle of the twentieth century, the firm was considered one of

¹⁴ Ogle, *Ambitious Brew*, 253-255.

¹⁵ Thurston County Cultural Resource Survey, *Olympia Brewery Report*, by Shanna Stevenson and Jennifer Schreck, January 2006, 12.

¹⁶ The *R* today that tops the building is a replacement. After thirteen years with a green *T* for the Tully’s Coffee, who owned the building, a new twelve-foot *R* was made and placed back on top in 2013. The original sign is on display at Seattle’s Museum of History and Industry. Melissa

the most prominent brewery architectural firms.¹⁷ They designed plants or additions in Texas, Montana, Oregon, Utah, British Columbia, Saskatchewan, and Alberta, including West Coast breweries like Lucky Lager (Vancouver, Washington), Heidelberg (Tacoma), Columbia (Tacoma), and Blitz-Weinhard (Portland).¹⁸ Joseph Wohleb and his son expanded their business outside of Washington early after Repeal, but it started with Olympia.

In 1964, the seventy-thousand-barrel “A” and “B” Cellar was completed, plus additions to the warehouse and shipping facilities. The next year, the board of directors approved over three million dollars for a new eighty-thousand-barrel “S” Cellar, to be placed next to the newest “R” Cellar. Following that, a “C” Cellar and “T” Cellar were constructed and a large neon sign with the company name capped the roof of the complex.¹⁹ The OBC constructed new buildings, but also expanded on the existing infrastructure and upgraded equipment. First, they installed the fastest and most modern bottling line in the country, and later added new bottling lines and converted some to fit different sized bottles. New beer filtration equipment from the “G” Cellar replaced eight tanks in addition to a beer cooler, a brewhouse addition, bottle house additions,

Allison, “Giant Red ‘R’ Will Light Up Seattle Skyline Again,” *Seattle Times*, September 20, 2013, accessed February 20, 2017, <http://www.seattletimes.com/business/giant-red-lsquo-rsquo-will-light-up-seattlersquos-skyline-again/>

¹⁷ Dawn Maddox, “Joseph Wohleb: Resident Architect of the State’s Capital,” *Landmarks: Magazine of Northwest History and Preservation* Vol. IV No. 4 (1985), 9-11; “Brewery Unit Will be Freeway Attraction.” *Seattle Daily Times*, October 19, 1958.

¹⁸ Robert Wohleb, A.I.A, and Associates, February, 1959, “Experience Record,” and “Partial list of major industrial projects designed by Wohleb & Wohleb and Associates,” in *History and Organization*, type-written company document, Wohleb Records, Department of Archaeology and Historic Preservation, Olympia, WA.

¹⁹ “The OB Changing Seen,” *It’s the Water News*, June 1967, back cover; “Expansion,” *It’s the Water News*, December 1968, 7.

filter room expansion, and new palletizers for easier shipping.²⁰ With expansion of the brewery proper, other changes in the landscape had to be taken into consideration as well.

The “new” and “old” breweries are positioned along the Deschutes River, which flows into three cascading falls before entering Budd Inlet. The upper falls are located next to the post-Prohibition brewery and the waterfalls have been a feature of the logo since its creation around the turn of the century. After the lower falls, the river ran through an estuary that flowed directly into the inlet. Leopold Schmidt first proposed a man-made fresh-water lake be made to make shipping between Olympia and Tumwater easier in 1895, but it was not until 1948 that Capitol Lake was created, replacing the estuary.²¹ Prior to the 1950s, the land just east of the river was a lagoon that the Schmidts had filled, stabilizing the land for expansion. At the same time, the channel of the river was rerouted.²² The river was rerouted again in 1962 to protect the artesian springs on the property from the new Tumwater Valley athletic complex being built by the company for its employees.²³ Expansion meant new bridges and roadways were needed to connect the complex’s buildings, and they too had to be constructed. While major breweries like Anheuser-Busch and Pabst built entirely new breweries around the country as they purchased

²⁰ *Annual Report*, 1964; *Annual Report*, 1965; “Expansion ’66,” *It’s the Water News*, December, 1965, 15; “Major Construction Highlights for 1965,” *It’s the Water News*, May 1966, 14.

²¹ Stevenson, *Olympia Brewery Report*, 8; “Olympia Gets a Brewery,” *Daily Olympian*, September 18, 1895.

²² Stevenson, *Olympia Brewery Report*, 13.

²³ Stevenson, *Olympia Brewery Report*, 9.

smaller companies, regional enterprises like the OBC still had to compete. Despite the continued dwindling number of regional breweries, Olympia remained a fierce competitor.



Figure 3.3: 1979 aerial view of the post-Prohibition complex. Brewery property extends south (right) of the photo, past the rail lines, where the artesian well fields were located. Courtesy of the Olympia Tumwater Foundation, with labels by the author.

From the 1960s through the early 1980s when ownership changed, Olympia's popularity increased exponentially. By the mid-1960s the brewery was the largest on the Pacific Coast, sold beer in 11 western states, and ranked thirteenth nationally. The company boasted around 500 employees, and sold nearly two and a half million barrels in 1965. Sales reached the three-million-barrel mark in 1968. Visitors to the brewery by this time reached around one and a half million annually, and the company continued to advertise in color TV commercials, heavily on

the radio during the summer months, and in print, even as their market grew eastward.²⁴

Promotional activities in this larger market gave company executives a greater area and consumer base not only to advertise to, but to publicize issues they considered important for the industry and the environment.

In the third quarter of the twentieth century, humans' impact on the environment came under heavy scrutiny. After Rachel Carson's 1962 best-seller, *Silent Spring* was released, the momentum for this cause grew even further. The first Earth Day did not occur until 1971, but some individuals, groups, and companies were quick to see the importance of their ecological footprints on the planet.

The OBC was one such early supporter of "going green." During the war, the metal and bottle cap recycling programs were hugely successful for the company, but such activities were widespread because the entire nation had to cut back on consuming resources and re-use what they could. With the new wave of environmentalism, the brewery propagated messages about being conscious of the natural surroundings. As early as 1955, employee newsletters detailed what constituted litter and what a waste it was. They urged workers to do their part and clean up after themselves in their day-to-day lives, just as they did while working at the brewery. In the late 1960s, company executives served the community on environmental matters. Skip Schmidt, the director of engineering at the OBC and already vice president of the Puget Sound Air Resources Council, became chairman of the Association of Washington Industries Air Resources, served as a member of the Air Pollution Control Association, and was elected the

²⁴ "You Have the Answer," *It's the Water News*, May 1966, 19.

chairman of the Thurston County Air Pollution Authority.²⁵ Shortly thereafter, the employee newsletters began featuring back cover ads dedicated to picking up litter more vigorously than in previous messages. The ads focused on the responsibility of employees to dispose of trash, and on how litter negatively affected fisheries and bodies of water around the nation. They described the proportions of certain items that made up most rubbish. The message emphasized that the only reason for litter was carelessness. These ads demonstrate the early support the OBC had for the environmental movement, but more importantly, show that it was a leading business in taking responsibility for its environmental impact.

In the early 1970s, the messages moved from the back of newsletters to the annual stockholder's meetings. President Bobby Schmidt accurately predicted in 1970 that with the numbers of births and deaths in the country, by the year 2000 the worldwide population would swell to seven billion.²⁶ He stressed the importance of pollution control as a result of this rapid increase in people inhabiting the planet. He also explained the immediate impacts pollution would inflict on business and industry. Because of this wave of environmentalism, legislation was introduced in multiple states that dealt with "one-way" containers, or non-reusable packaging. The details of the measures varied by state, but the Washington initiative aimed to eliminate the sale or distribution of beer and soft drink containers that did not have a recycling deposit value of at least five cents, to cut down on waste.²⁷ The measure failed, but Schmidt was

²⁵ "Notes and Notables," *It's the Water News*, October 1967, 25.

²⁶ Robert Schmidt, President's Annual Message, April 14, 1970, 11. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

²⁷ [Washington] Secretary of State, "Initiative 256," *Official Voters Pamphlet, Southwest Edition* (Olympia: A. Ludlow Kramer, Secretary of State, 1970), 6, accessed March 16, 2017, https://www.sos.wa.gov/_assets/elections/Voters%27%20Pamphlet%201970.pdf

looking ahead to ways to recycle materials. Already by the early 1970s, the OBC used over 100 million aluminum cans per year. Prior to 1970, the availability of aluminum cans could not meet the needs of the company, and doing away with steel cans completely was expensive. But Schmidt decided to make the change, because of more access to aluminum after 1970, and the ability to recycle the can.²⁸ All their packages (glass, steel, and aluminum) were recyclable, but the value of scrap aluminum was much higher than steel, making it a wise business move in addition to being ecologically responsible. The company had an extensive bottle washing center for their recycled glass bottles, and they collected their cans and nearly all their glass for recycling and re-use. As Schmidt said, the goal was “to eliminate litter, conserve energy, operate with the greatest efficiency, and still retain the freedom of choice the customer so rightly deserves.”²⁹

²⁸ Robert Schmidt, President’s Annual Message, April 13, 1971, 11. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

²⁹ Robert Schmidt, President’s Annual Message, April 9, 1974, 3. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

WASHINGTON VOTERS GIVEN OPPORTUNITY TO ADOPT EFFECTIVE LITTER CONTROL MEASURE

An unprecedented number of measures will confront the voters of Washington State in the general election. Among them there is one of vital importance to all citizens of this state. We are referring to Initiative 40B.

Rarely, have we attempted to influence the decision of our readers. However, because of the positive and highly-beneficial effects of 40B in effectively controlling litter, we feel it is necessary that we urge for its approval.

With the passage of 40B on November 7, not only will our state become one of the nation's leaders in adopting a realistic litter prevention program, but much more important, the people of Washington will have taken a dramatic step towards protecting our natural beauty and making this Evergreen State a better place to live.

40B, entitled: Providing Litter Control, reads as follows:

AN ACT regulating litter disposal; directing the Department of Ecology to administer its provisions and to promulgate necessary regulations; authorizing the Director to designate departmental employees to enforce the act in addition to other law enforcement officers; providing penalties and fines for littering; requiring litter receptacles marked with anti-litter symbols to be placed in designated public places; establishing a litter control account in the general fund; and providing that administration of the act shall be financed in substantial part by assessments levied against manufacturers, wholesalers and retailers of goods, containers or wrappers which are reasonably related to the litter problem.

We ask you to inform your friends and neighbors of the importance of this far-reaching measure.

Figure 3.4: Back cover of the September 1972 *It's the Water News*, urging employees to approve a litter control measure. Author's personal collection.

While Olympia was an initial supporter of a cleaner environment, the industry as a whole also picked up the cause early on. Olympia started its crusade with anti-litter advertising, and then focused on how to best package their product to conserve energy and costs. The United

State Brewers Association followed this lead within several years, starting a nation-wide campaign against littering in 1972.³⁰ The company's view on the environment was forward-thinking, but in other ways the OBC was slower to evolve.

It took the brewery over eighty years of prosperity and overcoming periods of adversity to grow from a small brewery into a larger regional competitor, and then finally, during the 1970s, into a national icon. The last decade of the Olympia Brewing Company under Schmidt family leadership appeared promising. The brewery seemed to be on a meteoric rise, expanding sales across the country. The Tumwater plant produced nearly three and a half million barrels of beer annually at the start of the 1970s, and the OBC became a top national brand and icon during the decade. Even as the company's popularity increased around the country and became synonymous with a working-class beer, it operated a relatively small brewery facility that competed with the largest in the world.

Production and sales stalled for the first few years of the 1970s, but this did not necessarily impact the company negatively. It was, however, an indication that consumers were buying cheaper macro-brews. Local transportation strikes, the oil crisis, overall increased demand, and fiercer competition taxed the OBC, but business stayed strong. Although a regional brewery for the entirety of the company's history, Olympia was ranked the ninth largest brewery in the nation in 1974.

The rate and impact of industry mergers intensified, especially in the 1960s and 1970s. Anheuser-Busch, Schlitz, Pabst, and Miller, the industry's leaders, continued to build plants and

³⁰ Robert Schmidt, President's Annual Message, April 11, 1972, 10. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

absorb smaller companies at an impressive pace. In 1974, Anheuser-Busch sought nine-figure capital expansion financing while others expanded internationally, or continued their strategy of purchasing breweries, corporations, and brands.³¹ By 1978, the number of breweries in the United States reached its lowest point: less than fifty brewing companies and 100 facilities.³² The OBC, however small their output compared to these macro-breweries, kept fighting as the industry giants steamrolled their competitors.³³

In 1974, the Olympia Brewing Company acquired Theodore Hamm Brewing in St. Paul, Minnesota. Hamm's had been on the decline for nearly a decade, and after some improvements to their plant, the facility in St. Paul met the OBC's cleanliness requirements. Recipes and procedures were standardized in both plants, and in 1975 both plants sold a combined five and a half million barrels, ranking Olympia as the seventh largest brewer in the nation.³⁴ The capacity of the two plants together was nine million barrels, and after a couple years they produced over seven million barrels. The increase from less than six million to more than seven million barrels

³¹ Schmidt, President's Annual Message, 1974, 9.

³² "Historic Number of Breweries," *Brewers Association*, accessed December 20, 2016, <https://www.brewersassociation.org/brewers-association/history/history-of-craft-beer/>

³³ For comparison, in 1977, Olympia sold just over 6.6 million barrels, while the industry leader, Anheuser-Busch, sold 36.6 million barrels. Leopold F. Schmidt, III, Annual Report, 1978, 6. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA; William H. Jones, "Busch Waging a Market War," *The Washington Post*, March 26, 1978, accessed March 16, 2017, https://www.washingtonpost.com/archive/business/1978/03/26/busch-waging-a-market-war/650cda66-d52d-4a79-8526-bf6c82bde906/?utm_term=.6447da0f30d4

³⁴ Robert Schmidt, President's Annual Message, April 13, 1976, 2. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

meant not only that business was as good, but that Olympia no longer qualified as a “regional” brewery, but as a “large” brewery.

After months of negotiations, in February 1977, the OBC purchased Lone Star Brewery of San Antonio, Texas. With Lone Star also came one of its products, Buckhorn Beer. Like Hamm’s, Lone Star was on the decline when Olympia purchased the company. It sold only in Texas, and Coors had recently built a plant nearby, taking eighty-five percent of Lone Star’s sales.³⁵ Olympia was now responsible for three breweries in addition to their own line of Olympia products. By purchasing struggling brands, Olympia not only gave itself the opportunity to grow and stay competitive, but to sell Olympia beer into new markets, selling its other brands to a different set of clientele. However, while such mergers made it possible for Olympia to increase the geographical size of its sales territory, there was risk in purchasing declining plants. New sales needed to outweigh significantly the costs of acquiring these companies. In the OBC’s case, the necessary increases in sales never materialized, even though it appeared outwardly that the company was staying competitive. Merging and acquiring brands became a last-ditch effort by the OBC to stay relevant.

³⁵ Leopold Schmidt III, President’s Annual Message, April 12, 1977, 6. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.



Figure 3.5: Infographic showing sales territory in 1977. Author's personal collection.

Another avenue the OBC explored for reaching a broader consumer base was light beer. In 1975 Miller introduced Miller Lite, which was quickly followed by Bud Light, Busch Light, Hamm's Light, Coors Light, and other rival brands' new light brews. People chose to drink light beers for various reasons. It contained fewer calories and less alcohol, so it allowed calorie-counters a beverage option, or one could simply drink more without becoming intoxicated as quickly. The typical beer contained 140 calories, but a light beer had one third of the calories, around ninety-six.³⁶ Olympia followed suit in 1977, with Olympia Gold. Olympia Gold, however, contained even fewer calories, at seventy per twelve-ounce can.³⁷ The problem with a lighter beer, as anyone who drinks beer can vouch for, is that the lighter the beer, the less flavor it has. Brewmasters around the country, especially at Olympia where they brewed a "light lite"

³⁶ Paul Knight to author, personal interview, Olympia, December 28, 2016.

³⁷ Ibid.

beer, struggled to make a beer that was more than glorified flavored water. National tastes changed as lighter beer became the standard, but that only meant Olympia was losing flavor.

In addition to the work it took to perfect a light beer, the OBC continued to fight to be competitive on the national stage. With the acquisition of Lone Star, Olympia and its brands were sold in over twenty-six states and it became the sixth largest brewery in the nation, the highest ranking it would reach.³⁸ Olympia beer began to be popular at sporting events like the Rose Bowl and Super Bowl, previously monopolized by other industry giants for decades.³⁹ In 1982, Olympia even sponsored the Olympia Gold Bowl in San Diego. The bowl game pitted Team National against Team American; it was effectively an all-star game, as each team had a thirty-three-man roster of the best college seniors chosen by National Football League coaches.⁴⁰ Besides football, Olympia sponsored race cars and more famously, motorcycle daredevil Evil Knievel.

In the 1970s, beer continued to be a somewhat homogenous product, so wide distribution, and marketing drinking as a social activity, remained key to sales. Television commercials and radio advertisements no longer served as a marketing strategy on their own. Sports and sporting events were essential to marketing beer, and Olympia was late to realize this. Olympia poured money into advertising, especially into television commercials, but it was not as effective as it

³⁸ “We’re No. 6!” *On Tap*, February 1977, 2; “To Our Friends in San Antonio...” *On Tap*, February 1977, 3.

³⁹ “Vikings Lose – Oly Wins, Big Hit at Super Bowl,” *On Tap*, February 1977, 2.

⁴⁰ Thomas Rogers, “Sports World Specials: Draft Bowl,” *New York Times*, November 30, 1981, accessed December 21, 2016, <http://www.nytimes.com/1981/11/30/sports/sports-world-specials-draft-bowl.html>

needed to keep up with the top breweries. Operating costs at the three plants rose and sales did not meet expectations. Despite all the extensive press, sports deals, and brands it sold around the country, Olympia sales stagnated for most of the decade.⁴¹

The writing was on the wall. In 1977, Chairman and Chief Executive Officer (CEO), Leopold “Rick” Schmidt III, illustrated the problems at the stockholders’ annual meeting. He described the two major burdens that faced the company. The first was the continued consolidation taking place in the industry. At this point, the top five brewers produced around three quarters of the beer in the country and their sales relative to the rest of the industry was increasing. The other, more pressing change, was in advertising techniques.⁴² In 1970, Congress passed the Public Health Cigarette Smoking Act. The law aimed to limit cigarette smoking and as a way of accomplishing that, cigarette advertisements were banned from television and radio.⁴³ Because of this law, the cigarette company Philip Morris, which purchased Miller Brewing Company in 1969, had a huge amount of advertising money to spend in its vast market territory. Schmidt described that Miller’s success demonstrated how decades-long consumer loyalty could be changed by “sophisticated packaged-goods techniques backed by massive advertising expenditures.” The proof was that in 1970 Miller ranked seventh in sales in the nation, and second in 1977, closely behind Anheuser-Busch. Schmidt speculated that the

⁴¹ Knight, interview; *Annual Reports*, 1971-1979.

⁴² Schmidt, President’s Annual Message, 1977, 3.

⁴³ Public Health Cigarette Smoking Act of 1969, Public Law 89-92, 91st Cong., 2nd sess. (April, 1970), accessed February 24, 2017, <https://www.gpo.gov/fdsys/pkg/STATUTE-84/pdf/STATUTE-84-Pg87.pdf>; U.S. Department of Health and Human Services, “Laws/Policies,” accessed February 24, 2017, <https://betobaccofree.hhs.gov/laws/>

competition between these two companies alone would greatly impact the rest of the industry. They both spent hundreds of millions of dollars building new plants around the country, which meant their output would only increase in coming years and they would market that beer even more aggressively.⁴⁴ The conclusion to his stockholders was that they faced serious challenges, but Schmidt underlined that the long-term goal remained to make Olympia “a fully competitive national brewer.”⁴⁵

However, the next year offered the same bleak picture. Schmidt conceded that “industry growth continues at a moderate rate, the number of new brands grows while the number of producers diminishes, marketing expenditures soar, [and] industry volume continues to consolidate.” The overall objective withered from becoming more competitive nationally to “remain[ing] a profitable and viable competitor in the malt beverage business.”⁴⁶ The subsequent three years proved much the same and while the OBC struggled to find a way to stay significant, the leadership of the company seemed to be crumbling.

After Peter G. Schmidt’s death in 1957, multiple Schmidt family members ascended to the top of the company, first titled president, and then in the position of chairman and/or CEO. Adolph “Bump” Schmidt, Jr. succeeded Peter, but he died young in 1964 of brain cancer.⁴⁷ After Bump, Robert “Bobby” Schmidt took over as President until 1975, when he was elected chairman and CEO (transitioning into full retirement in 1977), and Leopold “Rick” Schmidt

⁴⁴ Schmidt, President’s Annual Message, 1977, 3.

⁴⁵ Ibid, 8.

⁴⁶ Schmidt, President’s Annual Message, 1978, 3, 8.

⁴⁷ “Death Takes Adolph D. Schmidt, Jr.,” *Seattle Daily Times*, July 27, 1964.

replaced him as president. Rick oversaw the acquisitions of Hamm's and Lone Star, but an incident abruptly ended his career at a most unfortunate time in the brewery's history. In early 1980, Schmidt and two other men in public positions (a state legislator and the head of a state agency) were arrested in a public bathroom on lewd conduct charges for engaging in homosexual acts.⁴⁸ Schmidt and the two men posted bail, resigned from their jobs, and immediately faded from public life. Bobby came out of retirement and James Senna became president. Arguably, the Schmidt family was running out of qualified individuals who wanted to run the business, but many people attributed the demise of the brewery to the bathroom incident, when in reality the external competition overwhelmed the company after years of struggle.

Sale to Pabst, 1983

All good things must come to an end, and unfortunately for Olympia, the massive corporations won. Pabst bought the brewery in 1983, ending an eighty-seven-year run of the family business. Years of fierce competition, rising operating costs, declining sales, and leadership crises all played roles in Olympia's ultimate failure to compete on a national level. Yet for the decade preceding the bathroom incident, as far as the public knew, the OBC was still climbing. True, the company had not yet lost money, but Pabst had their eye on Olympia and its brands.⁴⁹

⁴⁸ "Lewd Conduct Charges Face Trio in Olympia," *Spokesman Review* (Spokane, Washington), February 16, 1980, accessed February 24, 2017, <https://news.google.com/newspapers?nid=1314&dat=19800216&id=juURAAAIAIAJ&sjid=Oe4DAAAIAIAJ&pg=6750,318940&hl=en>

⁴⁹ Knight, interview.

As a publicly traded company, stockholders owned the Olympia Brewing Company. The Schmidt family ran the business, but ownership belonged to over six thousand stockholders.⁵⁰ Pabst began to purchase shares of the company. If Pabst bought enough shares, they could take over Olympia without negotiating a deal with the board of directors.⁵¹ Instead of allowing a hostile takeover of the business, the two companies negotiated. Pabst purchased 1.27 million Olympia shares, at twenty-eight dollars a share, or forty-nine percent of the OBC's stock. Pabst split up Olympia's assets, transferring the San Antonio plant, and seven different Pabst and Olympia brand products to the G. Heileman Brewing Company, in Wisconsin. The OBC shareholders became Pabst shareholders, and a new board of directors for Pabst was created which included three members from the Olympia Brewing Company.⁵² Because the corporate headquarters moved to Milwaukee, nearly 100 salaried Olympia employees lost their jobs. Although the abrupt changes seemed to spell bleak times for the company, the brewery continued to produce beer at the Tumwater plant. Many in the local community blamed Rick Schmidt for the sale but employees remained faithful and consumers stayed loyal. But the Pabst sale marked the end of an era for Olympia beer, from which it has never bounced back.

⁵⁰ Robert Schmidt, President's Annual Message, April 8, 1975, 1. Olympia Brewing Company Papers, Olympia Tumwater Foundation, Tumwater, WA.

⁵¹ Knight, interview.

⁵² "Olympia Shareholders OK Takeover," *Seattle Times*, March 20, 1983.

Epilogue: Olympia's Significance

Pabst purchased the Olympia Brewing Company in early 1983, but the Tumwater plant was not closed until 2003. For the intervening twenty years Olympia beer continued to flow from its plant along the Deschutes River. The atmosphere was not the same as it had been, but the community still featured the brewery as the largest private employer in the county. Locals could smell the hops and malt while driving past on the freeway, and they could hear the whistle at the end of the day shift. That all ended in 2003, when then-owner SABMiller deemed the plant too small to be profitable and shut it down. Since then, the Olympia/Tumwater area has struggled both to come to grips with the brewery leaving, and to determine what to do with the infrastructure left behind.

1984-Present

After the Pabst acquisition, the Tumwater plant continued brewing, but at a significantly smaller scale. According to one former employee, production dropped from its peak 1970s barrelage of over seven million barrels to around half a million barrels annually.¹ For a short time, the plant brewed what was referred to internally as “HOP” beer, or Hamm’s, Oly, Pabst. Because the plant itself could only produce so many barrels and still had the responsibility of brewing multiple products, the beers started as the same recipe and were blended differently and altered with carbonated water.² For the few years under Pabst control, employee morale suffered.

¹ Kevin Frost, interview by author, Olympia, January 3, 2017.

² Ibid; Paul Knight, interview by author, Olympia, December 28, 2016.

As a huge corporation, the executives cared less about employees than running a successful business. If something needed to be fixed at the plant, a handful of unions had to be involved, taking up time and resources to solve even simple problems.³ Pabst was on the decline as well, despite its position as one of the corporate giants. Much of the money made at the Tumwater plant went directly to support the Pabst headquarters in Milwaukee, to maintain their infrastructure, snow-ploughing, and to support various unions. The company also raided the pension fund of those who worked in office positions and many people lost money they had earned over long careers while working at the Olympia brewery.⁴

In 1985, General Brewing, a subsidiary of the S&P Company, owned by Paul Kalmanovitz, purchased Pabst and altered their business model, slashing advertising.⁵ Until 1999 operations continued without major upgrades or changes. Under General Brewing there was more money to maintain machinery and keep the plant operating. A convoluted series of mergers continued through the 1990s and in 1996 Pabst contracted its operations out to the Stroh Brewing Company, but after a few years Stroh's folded. In 1999 Stroh's closed the Rainier Brewery, a plant it owned, and Pabst purchased their brands. At the same time, Pabst sold the Hamm's label and Olympia plant to the Miller Brewing Company.⁶ That meant that Miller owned the Olympia

³ Frost, interview.

⁴ Ibid.

⁵ Michael F. Rizzo, *Washington Beer: A Heady History of Evergreen State Brewing* (Charleston, SC: History Press, 2016), 82. In 1970, Polish immigrant Paul Kalmanovitz merged his company, Maier Brewery with Lucky Lager out of Vancouver, Washington to create the General Brewing Company with S&P Company as its parent. Kalmanovitz went on to purchase Stroh's, National Bohemian, Pearl before acquiring Pabst.

⁶ Ibid, 102.

plant and Pabst owned the Olympia brand. Other brands were also produced at the Tumwater plant, including those of Rainier and Blitz-Weinhard. Olympia beer continued in production, but with different owners the atmosphere was never the same in the community or for employees.

Miller intended to invest ten million dollars in the Tumwater plant to modernize and expand it, but after talks with the City of Tumwater over wastewater management failed, the plans were canceled.⁷ In 2002 South African Brewing (SAB) purchased Miller, renaming itself SABMiller. The next year, the behemoth beverage company closed the Tumwater plant completely.⁸ Since then, the former Olympia brewery has sat vacant, falling into disrepair. It is a source of local pride, but its future is still unclear, more than a decade after shutting down.

Since 2003, portions of the property have been sold off piecemeal, machinery has been auctioned, and vast warehouses left to decay. Ownership has changed hands and deals with possible developers have fallen through repeatedly. At different points in time the old 1906 brewhouse and newer complex have been the center of grand ideas as well as lawsuits. A constant theme is that the community would like to see something constructive done with the buildings, including connecting them back to their original purpose.

In 2010 the 1906 brewhouse and surrounding properties were purchased by a businessman from Centralia, Washington named George Heidgerken.⁹ A year later, Heidgerken sued a previous owner of the brewery property owner after discovering the advanced state of

⁷ Ibid, 103.

⁸ Some accounts state that the plant closed because when Miller canceled the plans it lost its rights to the artesian wells. Others argue that SABMiller deemed such a small plant unprofitable.

⁹ Rolf Boone, "Plans Solidify for Brewhouse," *The Olympian*, September 2, 2010, accessed January 8, 2017, <http://www.theolympian.com/news/business/article25263475.html>

disrepair of the brewhouse; at this time it lacked a water supply and a working sewer system.¹⁰ Despite the poor condition of the building, Heidgerken kept the property but did nothing to initiate re-development. In 2011, the local sewer utility in the area, LOTT Clean Alliance, considered purchasing the post-Prohibition brewery for a reclaimed-water treatment site.¹¹ Three parcels of land were purchased, but the utility company deferred plans to create a reclaimed-water treatment plant, as they already have operational plants that are sufficient.¹² Again, the brewery sat vacant with an uncertain future.

In early 2015, developers almost completed a deal to purchase the newer complex, but the deal collapsed. At the end of the year, however, four parcels of land, comprised of about thirty-one acres, were purchased by Tumwater Development LLC.¹³ Currently, the Olympia brewery property has been divided into thirty parcels owned by nine different groups. The majority (thirteen parcels) are owned by two different groups owned by George Heidgerken. Until April 2016, his Falls Development LLC also owned the parcel that contained the 1906

¹⁰ Matt Batcheldor, "Lawsuit Filed Over Brewery," *The Olympian*, March 30, 2011, accessed January 8, 2017, <http://www.theolympian.com/news/business/article25293511.html>

¹¹ Rolf Boone, "It's Still the Water if LOTT Deals," *The Olympian*, February 18, 2011, accessed January 8, 2017, <http://www.theolympian.com/news/business/article25285282.html>

¹² Rolf Boone, "Tumwater Brewery Puzzle: 9 Owners, 30 Parcels, Lots of Ideas but No Action Yet," *The Olympian*, May 15, 2016.

¹³ Rolf Boone, "Another Deal in the Works to Buy Olympia Brewery Property," *The Olympian*, January 7, 2015, accessed January 8, 2017, <http://www.theolympian.com/news/local/article26100580.html>; Rolf Boone, "Hotel, Convention Center Emerge as Possible Ideas for Former Brewery Property," *The Olympian*, December 31, 2015, accessed January 8, 2017, <http://www.theolympian.com/news/business/article52508210.html>

brewhouse. Four parcels are owned by Tumwater Development, three by LOTT, four by the City of Tumwater, and the rest by other groups on the outskirts of the property.¹⁴

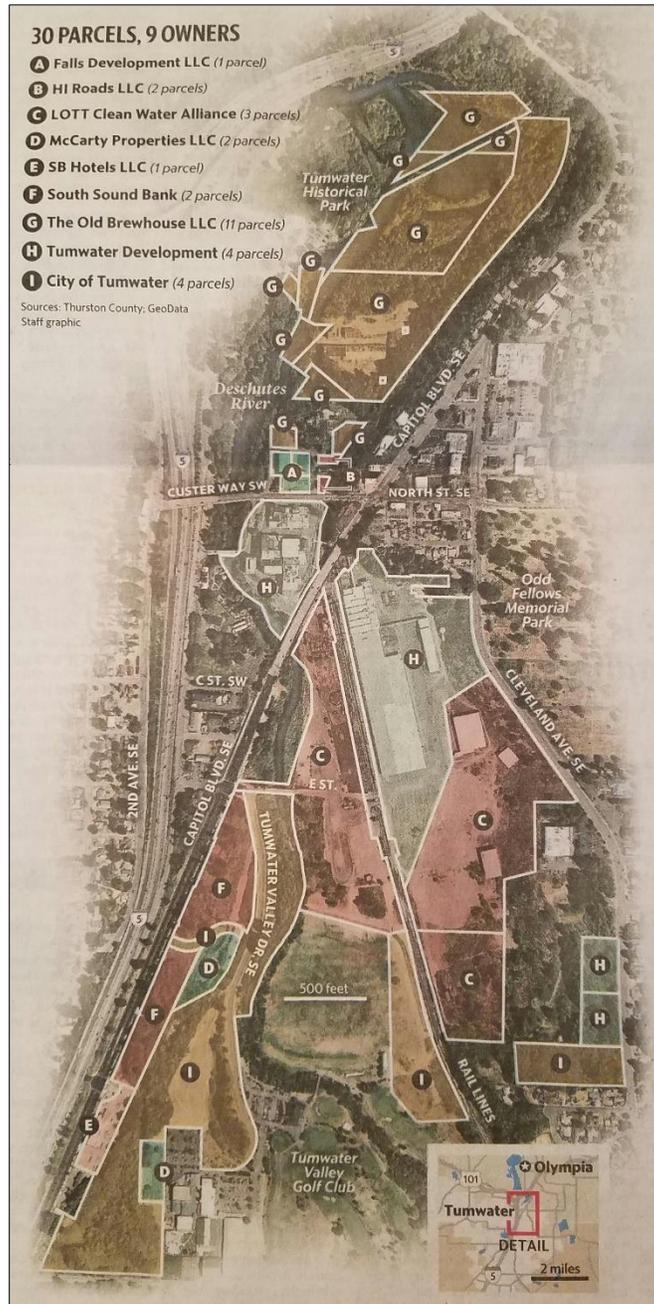


Figure 4.1: Brewery lots and owners. Image by author.

¹⁴ Boone, “Tumwater Brewery Puzzle.”

Ideas for redevelopment have included a water treatment plant, hotels, a convention center, retail spaces, and community housing. Another possible use that recurs frequently in planning is to redevelop the property in ways related to Washington’s craft brewing and distilling industry.

In April 2016, Heidgerken’s Falls Development LLC donated the historic 1906 brewhouse to the City of Tumwater. The city plans to remodel and preserve the building, safeguarding it from seismic activity. Other improvements would include a new roof, greater accessibility, and connecting it to the county’s trail system.¹⁵ While there are some people who worry about the cost of such a project, there are even more who see the brewhouse as not only a cultural symbol of the area, but an economic one. The city leadership envisions projects to “create a craft brewing and distillery center that turns the area into an economic hub and job generator – and capitalizes on one of the state’s hottest industries.”¹⁶

The OBC continued as a regional brewery longer than almost any other. But regional breweries no longer exist in America. The beer industry currently is comprised of large corporations and micro-breweries, but not regional breweries. In the Pacific Northwest, production and consumption of craft beer is popular. In Thurston County, there are multiple micro-breweries and brewpubs, not including private members of the community who make small-batch home brews. One newspaper article discussed an Olympia man making a documentary about abandoned breweries across the nation in which locals suggested that

¹⁵ Andy Hobbs, “Tumwater Accepts Donation of Historic Brewhouse,” *The Olympian*, April 6, 2016, accessed January 8, 2017, <http://www.theolympian.com/news/local/article70227232.html>

¹⁶ *Ibid.*

Olympia could potentially be a beer destination, and the brewhouse could become a place of tourism.¹⁷ At the time of this writing, plans have not materialized. If Tumwater can bring brewing on a larger scale back to the community, Olympia's legacy will come full-circle.

Local Impact

The Olympia Brewing Company is absent from many histories on brewing in the United States, and even in the Pacific Northwest. Books and articles on the history of beer in America focus on East Coast establishments and may mention Olympia only in passing. But the OBC had close- and far-reaching impacts on its immediate community and at one point, over half the nation. Over the course of 107 years, the Olympia Brewing Company affected the Olympia/Tumwater area in innumerable ways. The imprint the Schmidt family left on Tumwater and Olympia is everywhere, yet many people would not recognize the name nor the contributions. Some of the company's legacy can be seen in local businesses, parks, and in popular culture.

OBee Credit Union

Olympia impacted the community directly by being a large employer, and also prompted development of additional businesses in the area. One of the most notable of these is the OBee Credit Union. In March of 1955, about forty OBC employees attended an open forum at Tumwater's City Council to learn about operating credit unions from two local, established credit union treasurers. By April, membership reached 271, or over half of the employees

¹⁷ Andy Hobbs, "Documentary May Boost Olympia's Beer Profile," *The Olympian*, May 22, 2014, accessed January 8, 2017, <http://www.theolympian.com/living/article26070073.html>

working for the brewery.¹⁸ President, Ben Hazlitt, did the preliminary leg work to organize the enterprise. Ted McGill had the idea of creating a credit union for employees and started persuading his co-workers to join. He ran the company's credit union first on the bottle house floor, then from of his home's dining room table. It soon moved to its first offices nearby the Schmidt House and the new brewery complex.¹⁹ Originally called "The Olympia Brewing Company Employees and Families Credit Union," McGill wisely shortened it to OBee.²⁰ Throughout the company newsletters, McGill, the treasurer, wrote columns to update the members on its progress. Especially during the 1960s and 1970s when Olympia was at its most popular, the credit union thrived. Today, there are five branches and over 20,000 members. Anyone who lives within the state of Washington can become a member.

Former OBC employee, Joe Reder, credits Lee Wojner with bringing life back to the credit union. He described it as stagnant until Wojner, who previously had a marketing job at Intel, began working for the credit union and managed to revitalize the look of the branches and cards. Today, the credit union's debit and credit cards, as well as the location branches themselves, are decorated with the Olympia logo. Because in its later years the brewery produced Rainier, Lucky Lager, Henry Weinhard's, and Pabst Blue Ribbon beers, these brands also are included in the décor around the branches. Some credit and debit cards feature the horseshoe

¹⁸ Ted McGill, "Your Credit Union," *It's the Water News*, May 1955, 6.

¹⁹ "Our History," *OBee Credit Union*, accessed December 29, 2016, <https://www.obee.com/About/Our-History>; Joe Reder, interview with author, Olympia, December 28, 2016.

²⁰ "Our History."

logo, while others include only the name and slogan. Branch offices are decorated in old photographs and breweriana.

An annual tradition is the OBee calendar. Every year the credit union chooses photographs from the Olympia Tumwater Foundation's private collection and creates a calendar illustrating OBC history. Calendars are distributed at no cost to the public at the bank branches and other local businesses. The calendars are popular and they help keep the brewery alive in the minds of those who grew up nearby. It's apparent that people have a thirst for their local history.

Continental Can Company

Another lasting enterprise owing its start to the brewery was the Continental Can Company, now called Crown Beverage Packaging. The American Can Company was the first to package beer into metal cans in 1935. The Olympia brewery did not switch to cans until 1950, after problems with air entrapment from can seams, can linings affecting flavors, and wartime shortages were resolved. For four years, the company contracted with American Can to make their tin plate for canning at the brewery.²¹ In 1959 the Continental Can Company built a plant in east Olympia for the express purpose of making cans for the OBC. For ten years, the can manufacturer worked solely on orders for the brewery. To cut shipping costs, in 1970 a new can fabrication warehouse was built at the brewery complex. This new addition benefitted both the brewery and the Continental Can Company; the OBC built and owned their new warehouse, but

²¹ "American Can Can," *It's the Water News*, July 1955, 5-6.

kept their contact with Continental Can, which leased the space, and supplied the equipment and employees to fabricate the parts of the new tin-free cans.²²

Building a fabrication plant at the brewery meant that the company could package their products for less cost, and also freed up the older Continental Can Company plant to take orders from other customers. It produced cans for brands such as 7-Up, Shasta, Pepsi, and Molson Coors. At its peak the plant employed around 500 workers and did work for 500 brands. By the twenty-first century, the plant produced products for about 440 brands, employed over 100 people, and produced nearly 4.5 million cans a day. As of 2009, the starting hourly wage for a worker was nearly sixteen dollars, making the business one of the higher-paying ones in the community, and also provided opportunities for advancement and fringe benefits.²³ If not for the business opportunities afforded by the Olympia brewery, this employer would have never come to the area.

Tumwater Valley Athletic Complex

The Tumwater Valley is located just south of the post-Prohibition complex. Home now to a beautiful, twenty-hole golf course and athletic club, the city's largest recreational center came about because of the brewery. In 1968 the company designated 260 acres for the course, which is situated along the Deschutes River and contained the artesian well fields for the brewery. Prior to the procurement of land, the federal government planned to build Interstate-5 through the well

²² "A New Industry for Tumwater: Can Fabrication to Begin This Coming Spring," *It's the Water News*, October 1969, 6-8.

²³ Rolf Boone, "Can Makers Recall Days of 5-Cent Raise," *The Olympian*, November 22, 2009, accessed January 8, 2017, <http://www.theolympian.com/news/business/article25242661.html>

fields, effectively cutting through the entire brewery complex and threatening to end the company. In a savvy move, the company decided to repurpose the land to suit their needs and benefit the public. By making it recreational land, the federal government could not build the highway through it, and were forced to build west of the Deschutes River.²⁴

The Tumwater Valley Development Company, a subsidy of the OBC, was created to manage the construction and the operation of the two-million-dollar project. In addition to the golf course, the complex featured tennis courts and swimming pools for the public.²⁵ In 1969, the newsmagazine *Business Week* recognized private businesses that involved themselves with “finding solutions to the nation’s most pressing environmental problems.” The awards were given for efforts in human resources or in the physical environment. Out of over 200 firms to be nominated, Olympia was one of four to receive the honor, recognizing Tumwater Valley Development’s work on the course.²⁶ Today the golf course, tennis courts, and swimming pools still exist, in addition to the Tumwater Valley Athletic Club, a gym offering a range of fitness and wellbeing classes.

Olympia Tumwater Foundation

The Schmidt family charitably gave back to the community in many ways, but by establishing the non-profit Olympia Tumwater Foundation (OTF) they created a way to honor the brewery’s past and contribute to future generations. The Foundation began as an organization

²⁴ Frost, interview.

²⁵ “Tee Off Time at Tumwater Valley Golf Club,” *It’s the Water News*, December 1968, 10-11.

²⁶ “Tumwater Valley Development Wins High Award,” *It’s the Water News*, November 1969, 1.

designed for “general philanthropy” in 1950. In 1949, Peter and his wife, Clara Schmidt, visited Europe, and saw the Tivoli Gardens and Fountain in Copenhagen. The couple found the fountain so beautiful that they decided to replicate it in Olympia on the Capitol campus grounds, a project that became the first charitable endeavor of the OTF.

The OTF now runs an education program that awards grants and scholarships to school districts and college-bound students; it owns and maintains Tumwater Falls Park, providing free walking tours July through September; and it owns, maintains, and makes significant use of the Schmidt House (also known as Three Meter), the home that Leopold Schmidt had built for his family on a hill above his brewery. The park encompasses fifteen acres on the Deschutes River, just across from the post-Prohibition complex, on land donated by the brewery. According to Joe Reder, whose father, Carl, was the first vice president of the OTF and general manager for the park, the company purchased the land to provide a real estate buffer for the brewery, to help protect their resources as well as to create a community asset.²⁷ Construction of the park, including footpaths, bridges, an observation platform, picnic tables, and a playground was completed in the Autumn of 1963.²⁸ The park is free to the public and relies on private donations to operate and maintain the grounds.

The Schmidt House serves as the hub of the brewery’s history. It was gifted to the foundation after Pabst purchased the brewery, along with \$700,000 for its perpetual care and maintenance.²⁹ The house holds the offices of the Foundation’s public history manager and

²⁷ Reder, interview; “Tumwater Falls Park,” *It’s the Water News*, March 1962, 11.

²⁸ “Tumwater Falls Park History,” *Olympia Tumwater Foundation*, accessed December 31, 2016, <http://www.olytumfoundation.org/tumwater-falls-park-history/>

²⁹ Rizzo, *Washington Beer*, 81.

curator of the brewery's and family's archives, which are housed in the basement. The home is listed on the National Register of Historic Places and regular tours are offered. As a historic home, the house doubles as an event venue for weddings, supplying beautiful views of the Puget Sound and Olympic Mountains, with picturesque grounds and rose garden. The Foundation also sponsors free historic talks at the house once a month, and these are aired on a local TV station.³⁰

Throughout the company newsletters, photos and stories about presentations of awards and scholarships appear regularly. Many of these scholarships were memorial scholarships named after various Schmidt family members. Leopold started the tradition of giving back to the community, and the company carried on the tradition. By establishing the Foundation and Tumwater Falls Park, the brewery cemented their place in Olympia/Tumwater history and are still giving back to the community even though their doors are closed.

Popular Culture

One could argue that Olympia beer is a national icon. Ultimately that is a matter of opinion, but those who believe it can point to popular culture as proof of the brand's significance in American history. Especially from the latter half of the twentieth century through today, Olympia makes regular appearances in pop culture, from movies to sports and music.

In movies, particularly during the golden days before the Pabst merger, the brew made numerous appearances. It can be seen in *The Graduate* (1967), where Dustin Hoffman's character drinks some Olympia beer; multiple characters in *The Hollywood Knights* (1980) treat

³⁰ *Olympia Tumwater Foundation* website, accessed December 31, 2016, <http://www.olytumfoundation.org/>

themselves to the beer; in *The Blues Brothers* (1980) the band drinks Olympia in a tavern; and the beer appears in a handful of Clint Eastwood films, including *Magnum Force* (1973), and Stephen King's *Cujo* (1983). Neon Oly beer signs make appearances as well, in films like *The Promised Land* (2012) and *Deadpool* (2016). No scholarship exists commenting on Olympia appearances in popular culture, but with a keen eye one can see that the logo lives on.

Olympia is less prominent in popular music as far as being referenced in songs go, but still has some notable connections. Nirvana front man and Northwest legend, Kurt Cobain, is shown in multiple photographs wearing a red Olympia beer t-shirt. The Aberdeen, Washington native is best known for being a leader of the grunge music genre of the early 1990s, and is usually incorrectly labeled a Seattleite. Cobain spent much of his early musical career in Olympia and supported local businesses, Olympia beer included. It is rumored that some of Cobain's ashes were spread in Olympia's Capital Forest.

The popular band Creedence Clearwater Revival's name traces its origins to an Olympia commercial. The "clear water" beer commercial from the mid-1960s aligned with the band's environmental leanings so they included a reference to it when they decided on a name change from the "Golliwogs."³¹ With hindsight, it is hard to imagine the hugely popular band with a name like the Golliwogs.

The deepest tie of Olympia to the music world had to do with the best-selling solo artist of the twentieth century, Bing Crosby. Henry "Bing" Crosby was born in Tacoma, but moved to

³¹ Hank Bordowitz, *Bad Moon Rising: The Unauthorized History of Creedence Clearwater Revival* (Chicago: Chicago Review Press, Inc., 2007), 64; David V. Moskowitz, ed., *The 100 Greatest Bands of All Time: A Guide to the Legends Who Rocked the World* Vol. 1 (Santa Barbara: ABC-CLIO, 2015), 167.

Spokane, Washington at a young age. His love for the brewery may be linked to the fact that his father worked as a bookkeeper at Inland Brewing and Malting Company in Spokane, and Bing worked there as a teenager during prohibition when the brewery made pickles.³² Back in western Washington, his paternal great-grandfather, Jacob Smith, established one of the first homes in Lacey, Washington. His other paternal great-grandfather, Nathaniel Crosby II, delivered provisions to New Market (later renamed Tumwater) as a sea captain. Two of Nathaniel's sons settled in Tumwater, building and operating a flour mill.³³ His grandmother, Cordelia Jane Smith, then married Nathaniel Crosby III Tumwater in 1860.³⁴ His great-uncle, Clanrick Crosby, sold his property across the Deschutes from the flour mill to the husband of Fannie Biles in 1870; this is the site where the Biles and Carter Tannery was built. Fannie Biles then sold it to Leopold F. Schmidt in 1895.³⁵ Crosby, then, had indirect familial ties to the brewery.

Crosby hosted his first annual charitable golf tournament in 1937. In 1955 Adolph “Bump” Schmidt, Jr. was invited to play at the Bing Crosby National Pro-Am Tournament at Pebble Beach in California. Olympia beer was the “featured” beer at the California event.³⁶ From

³² Rizzo, *Washington Beer*, 55.

³³ “The Crosby/Olympia Tradition,” *On Tap*, November 1977, 4.

³⁴ “Jacob Smith House,” *City of Lacey Parks and Recreation Community Buildings*, accessed December 27, 2016, <http://www.ci.lacey.wa.us/city-government/city-departments/parks-and-recreation/parks-and-facilities/community-buildings/jacob-smith-house>

³⁵ Thurston County Auditor, Warranty Deed from Clanrick and Phebe Crosby to James Biles and H.K. Carter, April 9, 1859, Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA; Thurston County Auditor, Warranty Deed from Fannie Biles to Leopold Schmidt, File No.12937, September 17, 1895 Leopold F. Schmidt Papers, Olympia Tumwater Foundation, Tumwater, WA.

³⁶ Adolph Schmidt, Jr., “Report to Fellow Employees,” *It's the Water News*, March 1955, 2.

then until Crosby's death in 1977 an Olympia representative was invited to play in the annual Crosby tournament.³⁷

Breweriana itself, or beer collectibles, is a huge market. Online sites like Etsy and Ebay sell items such as vintage beer signs, glasses, patches, hats, steins, and coasters. Antique stores in and around the Northwest as well boast impressive arrays of beer memorabilia. Taverns and bars also tend to decorate their walls and ceilings with neon signs, taps, and posters or wall art of the beer they sell or defunct brands. One would be hard pressed to go into an antique store along the West Coast and find nothing related to Olympia beer. Olympia remains in the minds of many as a working-class, cheap, and reliable beer that is rife with nostalgia.

From humble beginnings, the Schmidt family developed a hugely successful business, noteworthy for sustained sales of a well-known product that earned a place in popular culture. The business managed to hold on as a mid-sized brewery longer than nearly all others. Brewing in America began as a local affair, truly craft brewing. In the decades after Prohibition, this came to an end. Brewery conglomerates absorbed or bankrupted companies and today we have two options: macro-brews or artisan beers. However, the surge in craft brewing is not quite a return to the pre-Prohibition brewing. Several companies remain small brew-pubs, but many are small, yet publicly owned and nationally distributed by the industry leaders. Regardless, it is obvious that people all over the country and from all generations approve of the wide assortment of regional beers that are now available.

The Schmidt family balanced running the company as if it were a major corporation with staying faithful to their local community – not expanding until it was an absolute necessity. In

³⁷ “The Crosby/Olympia Tradition,” *On Tap*, November 1977, 4.

the end, as many family-owned breweries confronted after numerous generations passed, industry giants easily moved in to take over. Both Leopold and Peter Schmidt were humble souls known for their generosity. Leopold established many breweries predicated on quality, cleanliness, and superior ingredients. Peter continued this and further funneled money into advertising to keep up with growing trends in marketing. Plant tours, billboards, radio, television, and later sports sponsorships advertised the Olympia name. Combined, this created an image of a reliable and cheap product that had a fiercely loyal consumer base throughout the American West. But the father and son also dedicated time, energy, and resources into the Olympia/Tumwater communities. Later generations of family members continued to involve themselves in local affairs and supported the community. The later Schmidts were responsible for bringing a variety of new businesses and industries to the area, many of which still thrive in town. They stressed environmentally-friendly business practices, a key facet of locally-owned businesses today. The Olympia Brewing Company was an early enterprise in the area, and in many cases led the way on how companies should be operated. It was a beloved institution and the best privately-owned company to work for in the county for the entirety of its time in the Puget Sound.

By the 1970s, Olympia the city had become a middle-class enclave that supported the arts, the environment, and local businesses. Olympia the city was shaped in large part by Olympia the beer. Today, with a handful of emerging, successful craft breweries, the community proudly embraces its historic identity as a brewery city.

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