A retrospective look at The Pabst Brewing Company

K Austin Kerr

In 1948, New York University Press and Oxford University Press jointly issued Thomas C Cochran's *The Pabst Brewing Company: The History of An American Business*. Still available in a reprint by beerbooks.com, the volume stands as a most significant history of an individual American brewing firm. The book is a scholarly achievement that readers have admired for well more than a half-century. Historians interested in beer and brewing can learn from Cochran's work much about the substance of American brewing history, and they can apply to their own work the qualities that lend it an enviable stature. This retrospective essay explores those qualities while cautioning readers today about the book's limitations.

The initial response to *Pabst* presaged the favour it has held among beer historians for decades. In the *American Historical Review*, Harrison John Thornton observed the excellent sources that the firm made available to Cochran and urged other writers to seek similar access. Lewis Atherton, writing in the *Mississippi Valley Historical Review* (then the leading journal in US history) commented on the breadth of Cochran's approach to his subject, and on his ability to remain detached from his subject even as the firm cooperated with him. Chester Wright, in the *Journal of Economic History* agreed, and applauded the thoroughness of Cochran's work. These comments, made decades ago, still provide insight into the qualities of *Pabst* that have allowed it to endure and have a such a long-standing impact on the writing of history in ways that other business histories have not always done.¹
$Pabst$ appeared at the cusp of a flowering of business history in the United States in which Cochran was a significant figure. Born in 1902, Cochran, after receiving a bachelor's and master's degree from New York University, in 1930 earned his doctorate from the University of Pennsylvania with a dissertation in economic history, an economic study of New York under the Articles of Confederation. Over the next decade, Cochran's interest in business history flourished as he sought to understand American business as a set of social and political institutions and practices much broader than the story of an individual firm. His second book, co-authored with William Miller, was *The Age of Enterprise: A Social History of Industrial America* (New York: Macmillan, 1942). This interest in and knowledge of the social history of American business clearly influenced his work that resulted in *Pabst*.

Cochran, who had returned to his *alma mater*, New York University, as a historian and professor in the Graduate School of Business, published *Pabst* as the first of a series of monographs launched by the university to promote the preservation of historical memory inside business firms and, especially, the understanding of business in the larger American culture. Although the business history series that the book launched proved short-lived, Cochran remained a pioneer in the field, having a prolific career as a publishing scholar. (He died in 1999.) He was closely linked with efforts to encourage American firms to preserve their historical records and with other scholars interested in the history of business, including those historians associated with the Business School at Harvard University. After 1950 Cochran served on the faculty of the University of Pennsylvania, and he continued to publish important work in retirement.

The sensibility of the importance of business history in its larger social setting, combined with a breadth of knowledge that Cochran brought to his examination of *Pabst* is the principal reason why the book has had such a long and useful life. One learns much more from the book than the biography of an individual company. Its reader understands the evolution of the brewing industry as a whole, as a set of profit-seeking firms interacting and shaping the larger American social, business, political, and scientific systems.

There are some particular examples to illustrate this point. When Cochran sought to understand why a Milwaukee brewer might rise to such national prominence in his industry, he arrived at his answer in part through the application of location theory from the field of economics. When he discussed *Pabst* as a manufacturer shipping beer over long distances, Cochran brought to bear his knowledge of the chaotic condition of railroad freight rates during the latter decades of the nineteenth century. This background knowledge aided an understanding of the business conditions *Pabst* faced and the skill of the firm's managers in dealing with those conditions.
Cochran enjoyed unusual access to the records of Pabst. The company cooperated with him. (I had occasion to converse with Professor Cochran about his experience, when he told me that only once did Pabst attorneys interfere with his use of a source; his response was to retain his narrative while changing the documentation to publicly available materials.) The company had retained a very substantial volume of records from the time of its incorporation in 1873 until 1920, when national prohibition fundamentally or temporarily altered its business. Those records included correspondence, minutes, and other materials that revealed the strategic, technological, marketing, and competitive problems the firm faced. Without having those records available, the book would have been much less substantial and much less important for understanding both Pabst in particular and the American brewing industry in general. Cochran mentioned the active cooperation of the firm’s top officers in his Preface but cited no specific interviews with any individual.

Cochran demonstrated considerable resourcefulness in studying the other periods of the firm’s story. From the founding of the company as a family enterprise by Jacob Best in 1844 until 1873 the author seems to have exhausted available printed primary sources, such as newspapers, as well as the other work about the early history of Milwaukee and Wisconsin. In this regard, Cochran’s knowledge of the social history of American business was clearly beneficial, as he knew the types of material to uncover in order to piece together his narrative. For the period of prohibition (1920-1933) Cochran was able to use some sketchy company materials, legal documents, as well as newspaper and magazine reports. The same was true for the last period of the firm’s history, as it revived, expanded and changed after the manufacture and distribution of alcoholic beverages became legal again.

Although Cochran enjoyed the cooperation of Pabst’s leaders in the 1940s, he did not allow himself to become overly attached to the company. This book is neither a celebration nor a condemnation of business practices but a studiously neutral analysis in what sometimes is a controversial field. In the writing of American history during the 1940s and beyond, there were authors who approached business history with a sometimes self-righteous condemnation. In contrast, Cochran and other scholars argued that business leaders must be understood in the context of the ethics and practices of their time. This was not an apologetic view but one that sought understanding and perspective. The only place where Cochran may have fallen from this methodological approach was in his brief comments about the prohibition reform. He was clearly of the view that prohibition was misguided and showed no particular knowledge of or sympathy with the dry viewpoint. This stance, so common among American scholars of the time, limited Cochran’s ability to understand or even fully explore the inter-
actions of Pabst with the rising prohibition movement prior to 1920.

Although the publication of Pabst was a signpost in the flowering of American business history, the book is also limited because it was written at such an early stage of that flowering. American business history had begun as a serious academic endeavor at Harvard University's Business School in the early twentieth century, in part as a means of providing material for that school's famous ‘case study’ approach to teaching business. In its first decades, business history was largely confined to the study of particular firms; there was little attention to the larger systems of society, government, and business of which firms were a part. Cochran, as we have seen, represented one successful effort to broaden the field. There were other efforts, however, and ones that not long after the publication of Pabst would make it seem a narrow study.

In 1948, the same year that Pabst appeared, the Harvard Business School announced a new initiative in establishing a Research Center in Entrepreneurial History that would bring together scholars to promote new directions in melding the blossoming social sciences of post-war America with business history. Cochran was a founding father of this effort, and one of the new directions was the study of business and society that he had already done so much to promote. Another direction, however, was the study of business systems, of an effort to observe patterns among firms. This direction achieved enormous stature in 1962 with the publication of Alfred D. Chandler's *Strategy and Structure: Chapters in the History of American Enterprise*. Chandler's work, which in 1977 resulted in the prize-winning *The Visible Hand: The Managerial Revolution in American Business*, had enormous impact far beyond the field of history. Chandler's approach, by implication, reveals some of the shortcomings of Pabst, if those shortcomings are only apparent in retrospect.

From the perspective of Chandler's writings, Pabst seems to have been something of an anachronism among large American manufacturing firms during the period 1873-1919, when the company records are most complete and Cochran's account is the fullest. Pabst remained a family-controlled firm, in itself unremarkable, but it seems to have retained a comparatively primitive and informal management system. Most firms, like Pabst, which processed agricultural goods into consumer products, grew by becoming large managerial and technical systems that integrated acquisition, manufacture, and distribution in operations controlled by functional managers and coordinated carefully by middle managers. A reader obtains no hint of this situation in reading *Pabst*. Successful manufacturing firms like Pabst usually adopted cost accounting techniques pioneered by American railroads in the 1850s in a dispassionate attempt to evaluate performance and
provide information on which to base strategic and managerial decisions. Although Cochran analyzed changing costs and profits, he presents no evidence that management did so, much less base managerial decisions on such analysis. Cochran’s history reveals that the company, large and prosperous as it was, did not have even professional outside accounting of its business results until 1904. Similarly, large successful manufacturing firms usually developed functional departments early in their growth and developed middle management systems of coordination among departments. Pabst instituted functional departments in 1894 after it had grown substantially but we learn little about how they operated or coordinated activities.

The point of these remarks is not to condemn Cochran for failing to understand literature written more than a decade after his own publication, but to remind today’s brewery historian of the need to set one’s analysis in the framework of the larger understanding of business systems that Chandler and his followers did so much to create. Moreover, we have learned, subsequent to Cochran’s writing, more about the market structure for beer in the United States before 1920. There was a secular decline in the number of breweries while medium sized firms gained strength in the early twentieth century.

Similarly, a revolution occurred in the understanding of American prohibition about thirty years after Pabst appeared.

Although few American historians writing about prohibition eschew the pleasures of drinking alcoholic beverages, prohibition historians have examined that movement as part of the larger efforts of reform in the early twentieth century. The brewing industry played the most significant part in fueling the dry crusade after 1890, when beer came to provide the majority of beverage alcohol in the United States. The marketing practices of brewers, including Pabst, enraged growing numbers of Americans and led them to support the dry cause. Prohibition emerges in this view as primarily an effort to control the marketing of alcohol, from which would result diminished consumption. Cochran like others of his day did not see this situation. A scholar today would want to use the historical record to explore the ways the brewers responded to the rise of prohibition and ultimately failed.

A fully successful business history of an American brewery written today will depend in part on the quality of the records available. Cochran benefitted from having access to records during the firm’s initial growth that went well beyond accounts and profit and loss statements, that included correspondence and records of meetings that revealed the basis for strategic decisions. Such ‘policy level’ records are an important ingredient for the history of any organization, public or private. The records Cochran used are now preserved at least in part in archives maintained by the University of Wisconsin at Milwaukee. Comparable
records maintained by Anheuser-Busch when it was still a family-controlled business were not open to independent scholars. Historical organizations and archives have collected records of brewing firms, and opportunities for scholarly work remain. Historians writing the history of a business that is still active find it helpful to have a current high-level officer as a sponsor who can assist in locating records and provide respondents for interviews.

In summary, the qualities that make Cochran's *Pabst* stand out, combined with the brief summary of the work of business and alcohol historians after 1948, indicate is that the proper agenda for a brewery historian today is different from what Cochran faced. His book was laudatory because it stood out at the time as a successful effort to transcend the history writing of his day that focused on a single firm. Today's historians will be well-advised to follow in that path of placing any history of a particular brewery (or other firm, for that matter) in the larger setting of social, political, and technological developments with the business system. But in doing so, they need to realize that the understanding of the business system today is much more substantial than what was available to Cochran in the 1940s. And so too is the understanding of the efforts to control the marketing and consumption of alcoholic beverages.

**References**

3. (1977) Cambridge, Massachusetts: Harvard University Press; this work won the Pulitzer prize, among others.