

THE FALSTAFF BREWERY, ST. LOUIS

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Founding a brewery

It's been 10 years since venerable Falstaff Beer has been available in stores. Once the third largest brewery in the United States, the Falstaff Brewing Corporation now exists only in memory. The brewery's final plant in St. Louis, on Gravois Avenue, has been closed since 1977. But the story of how one family, the Griesediecks, took a failing brewery on Forest Park Avenue and turned an extinct label owned by the ill-fated Lemp family into a multi-million dollar company traded on the New York Stock Exchange still resonates. And in a time when corporate mergers have diminished the economic prestige of our region, the Falstaff story teaches valuable lessons to a new generation of St. Louisans.

Through interviews with remaining Griesedieck family members who worked for Falstaff in the mid-20th century and examination of corporate records in the Missouri Historical Museum collection, a fascinating portrait of one of St. Louis's most important brewing families emerges. Consummate gentlemen, but also frank in their honesty, Monsignor Ed Griesedieck and Joseph 'Joe' Griesedieck Jr., provide invaluable information and analysis of both the rise and collapse of their family's most successful brewery. Monsignor Griesedieck is the grandson of the founder, Joseph 'Papa Joe'. Joe Griesedieck is the Monsignor's nephew, and the final Griesedieck president of Falstaff. *The Falstaff Story*, written by Papa Joe's son Alvin Griesedieck (Fig. 1) in 1952, further gives the reader a window into the brewery's humble beginnings and rise to prominence after World War II.

The Griesedieck family's roots in the brewing industry stretch all the way back to the 18th century in

Stromberg, Germany (interestingly, just a short drive from Adolphus Busch's hometown). Anton Griesedieck (Figs. 2 & 3) arrived in St. Louis in 1866, and plunged into the local brewing industry. Never wedded to a particular location, unlike the Busches or Lemps, Anton and his sons worked for multiple breweries around the city. Coupled with a rapidly expanding population and cheap refrigeration in the cave systems below the South Side, there was ample room for many German-American families to make their fortunes.

Anton's three sons followed their father to St. Louis. Among the breweries the family operated was the brewery on Gravois Avenue that would eventually become Falstaff Plant No. 10. Known by various names over the years, and owned by the Griesedieck family several different times over the years, the former Stumpf/Consumers/Griesedieck Bros./Falstaff Brewery still sits empty. As with many early breweries in St. Louis, the plant features an extensive cave system just below the surface. Interestingly, the memory of these caves rapidly disappeared after the introduction of artificial, steam-powered refrigeration in the late 19th Century. Joe Griesedieck, despite working at this location for many years, recalls only visiting the historic cave on one occasion; his uncle, Monsignor Griesedieck, was not aware of their existence. They were both surprised to hear that many urban explorers are now obsessed with exploring their family's old property in search of these fabled caves, even to the point of hauling in a rubber raft in order to reach their more remote depths.

As the inexorable rise of Anheuser-Busch and Lemp continued at the end of the 19th Century, smaller breweries, backed by English capital, attempted two

infamous mergers of smaller breweries in St. Louis: the Independent Breweries Company (IBC) and the St. Louis Brewing Association (SLBA). Anton Griesedieck served on the board of the SLBA in 1890; Henry Griesedieck Jr, served as the president of the IBC at its inception in 1907. However, as Alvin Griesedieck explains in *The Falstaff Story*, the family was never terribly impressed with the compensation or the work ethic of their fellow brewers, now lumped together in the two ill-fated consortia. Each brewery president in the consortia kept his previous salary, regardless of his competence. After several years of attempting to work within the constraints of a constellation of small, inefficient breweries, the family struck out on their own.

By the turn of the 20th Century, the Griesediecks could look back to a successful and profitable run in the brewing business. Henry Griesedieck owned a beautiful mansion at 3250 Hawthorne Avenue (Fig. 4) in the exclusive Compton Heights subdivision, counting among his neighbors some of the most prominent German-American businessmen in St. Louis. Anton bought a sizeable plot in Bellefontaine Cemetery, adorning the center with a grand monument featuring a portrait bust of himself. Despite legends of old St. Louis society rejecting the supposedly uncouth German beer brewing families of the South Side, neither Griesedieck interviewed recall any animosity from more established families. Monsignor Griesedieck credits his father Alvin and grandfather Papa Joe's friendly and good-natured personalities; their ability to make friends assured their family a prominent place in the St. Louis business community.

Prohibition-and the glory years that followed

The mood in William J. Lemp Jr.'s office was tense. The Lemp brewery had closed the year before, and now, in 1920, his friend Joseph 'Papa Joe' Griesedieck and his son Alvin were sitting in front of him, offering to buy his family's legacy. As Alvin recounted later in *The Falstaff Story*, Lemp finally calmed down and agreed to sell the Griesediecks the rights to the Falstaff label for a paltry \$25,000. Later that year, Lemp would commit suicide in the same office where the deal with his friend was sealed, despondent over the recent undervalued sale of the brewery buildings to the International Shoe Company.

Papa Joe had made full use of his charisma and social connections after buying the Forest Park Brewing Company in 1917, renaming it the Griesedieck Beverage Company. As soon as Prohibition arrived, he first attempted to market a non-alcoholic beer called Hek, named after a supposed Egyptian beer. As Alvin admits decades later in *The Falstaff Story*, perhaps it was not the most eloquent name for marketing purposes. When the money ran out, Papa Joe realized the future lay with a time-tested, de-alcoholized brand name, Falstaff. Turning to his friends, the Griesedieck scion raised enough money to capitalize his brewery and pay off the Lemps, changing the name to the Falstaff Brewing Corporation. The location on Forest Park Avenue became Plant No. 1 (Figs. 5 - 9).

Because of the Griesediecks' long experience with brewing, they knew that the commonly used 'check fermentation' process-which halted fermentation just before the alcohol surpassed legal limits-was a poor way to brew good beer. So Falstaff, just like Anheuser-Busch, brewed their beer all the way through, then at the end removed the alcohol with a special 'de-alcoholizer' machine. This decision proved to be of critical importance, as Falstaff had beer ready to sell to the thirsty, rowdy crowd that formed outside of the brewery the night beer became legal. As Alvin related, all Falstaff had to do to immediately dive into the post-Prohibition world was to simply turn off the 'de-alcoholizer'. The breweries using check fermentation missed the boat, so to speak. To further cement Falstaff's reputation, Papa Joe secured the first permit to brew beer after Prohibition; the smile on his face in the photo commemorating the moment shows a vindicated man (Fig. 10).

Plant No. 1 quickly grew too small to meet the demands of Falstaff's growing sales. Fortunately for the survivors of Prohibition, St. Louis in the 1930s was littered with the vacant hulks of failed breweries. For instance, the Union Brewery at Gravois and Michigan was previously owned by Otto Stifel, who committed suicide when his brewery failed during Prohibition; it became Plant No. 2, beginning a Falstaff practice of buying up old production facilities in lieu of raising the capital to build brand-new breweries (Fig. 11).

Papa Joe revolutionized the brewing industry when he purchased the Krug Brewery in Omaha, Nebraska in 1935, christening it Plant No. 3 and making Falstaff the



Figure 1. Alvin Griesedieck. Courtesy of Missouri History Museum.



Figure 2. Anton Griesedieck's grave, Bellefontaine Cemetery. Photograph by Chris Naffziger.

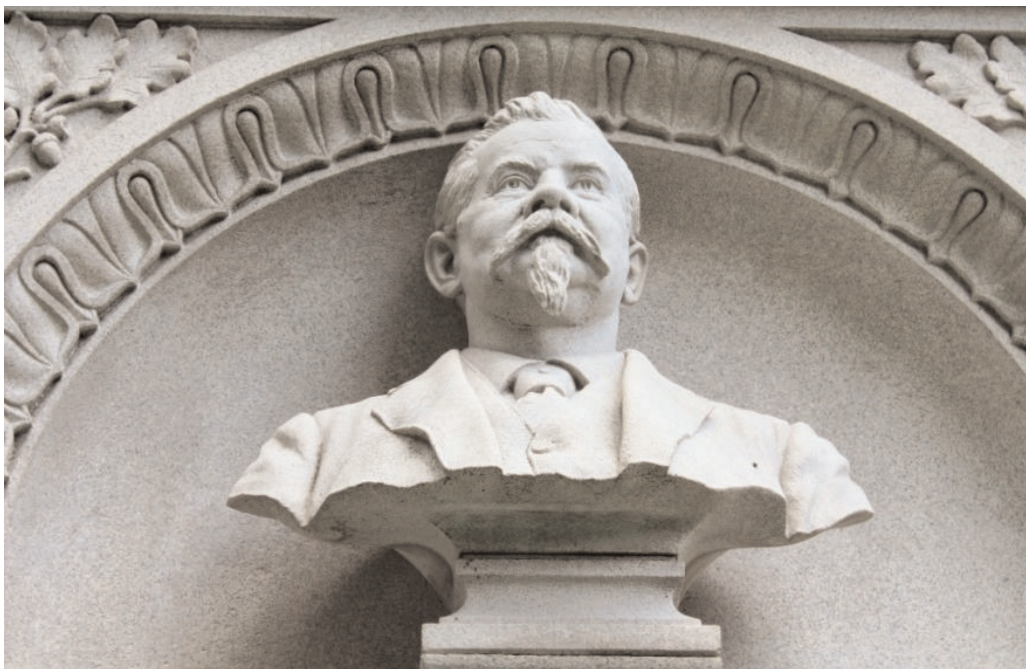


Figure 3. Anton Griesedieck's grave, Bellefontaine - detail Cemetery. Photograph by Chris Naffziger.



Figure 4. Henry Griesedieck House, 3250 Hawthorne, Compton Heights. Photograph by Chris Naffziger.



Figure 5. Old Forest Park Brewery, Falstaff Plant No. 1, now Six Row Brewery. Photograph by Chris Naffziger.



Figure 6. Old Forest Park Brewery, Falstaff Plant No. 1, surviving stained glass window above office door. Photograph by Chris Naffziger.



Figure 7. Old Forest Park Brewery, Falstaff Plant No. 1, now Six Row Brewery. Photograph by Chris Naffziger.



Figure 8. Old Forest Park Brewery, Falstaff Plant No. 1, now Six Row Brewery. Photograph by Chris Naffziger.



Figure 9. Old Forest Park Brewery, Falstaff Plant No. 1. Photograph by Chris Naffziger.



Figure 10. Papa Joe Griesedieck (right) receiving the first permit to brew beer from the Internal Revenue Officer, Louis Becker. Photograph from the collections of the St. Louis Mercantile Library at the University of Missouri-St. Louis.

first brewery to own production facilities in two states. Anheuser-Busch would respond in 1951 by building a wholly new brewery in Newark, New Jersey. New Orleans' National Brewery joined the company in 1936 as Plant No. 4. The purchase of the Columbia/Alpenbrau Brewery in St. Louis Place came in 1948. Now known as Plant No. 5, the old brewery unfortunately was already beginning to show its age (Fig. 12).

Monsignor Griesedieck still remembers working for the family business during this heady time. Originally, before constructing the office building on Oakland Avenue, Falstaff occupied the top floors of the Continental Building, the tallest skyscraper in Grand Center, located a couple of blocks from Plant No. 1 (Fig. 13). As a further sign of their prosperity, his father Alvin purchased a house at 19 Squires Lane in Huntleigh, living literally across the street from the von Gontards and other members of St. Louis' brewery elite (Fig. 14). Eschewing sun-soaked party schools, the Griesediecks sent their sons to the academically challenging Cornell University. Monsignor Griesedieck worked in the warehouse at first; he then moved on to the corporate offices for a couple of years, 'hiring secretaries', in his words. However, the priesthood called, and he left Falstaff at the age of 28 in 1958.

Under the leadership of Papa Joe and his son Alvin, who took over as president following his father's death in 1938, prospects never looked brighter. The family estate, Rock Alva, in what is now Sunset Hills, hosted huge parties for Falstaff employees (Figs. 15 & 16). Monsignor and Joe Griesedieck Jr. both fondly recount time spent out in the countryside along the Meramec River. The large castle-like barn contained a skeet-shooting platform on top of its tower, while a stable and hayloft occupied the lower levels. It also provided commanding views of the beautiful resort area in the valley before suburbia moved in during the 1950s. Interestingly, the actual house with a separate dining room and kitchen is surprisingly modest; it seems the family never had much of a need for ostentatious displays of wealth. Sadly, the land was later subdivided and the original buildings sit hidden amongst McMansions.

Surprisingly, and despite the thrall the Lemp family still holds in the collective imagination of St. Louis history buffs, neither Griesedieck interviewed had any memories of interacting with members of that ill-fated beer

dynasty. William Lemp, Jr. actually had lived just to the south of Rock Alva at Alswel, while Edwin Lemp, his brother, lived to the north of the Griesedieck estate at Cragwold until 1970. Admittedly, the Lemp family of pre-Prohibition fame were from a previous generation, but it is fascinating to learn how fast their memory faded in the collective consciousness of mid-20th century St. Louis.

The beginning of the end

As the 1960s dawned in America, Falstaff stood at the height of its success. It was the third largest brewery in America after only Anheuser-Busch and Schlitz. Meanwhile, the decline of regional breweries around the United States provided Falstaff with a steady supply of old production facilities to pick up at a seeming bargain. Its two larger competitors kept up their own strategy of building brand-new breweries from the ground up. Increasingly, the largest breweries in America relied on aggressive advertising to national audiences on the now-popular medium of television and radio. Falstaff's commercials became familiar to even non-beer drinkers. The final years of the 1950s had solidified Falstaff's stature in the national beer market. The purchase of several more breweries around the nation brought the company's constellation of plants to a dozen. In St. Louis, the company added the last of its hometown breweries, buying out their cousins at Griesedieck Brothers at Shenandoah and Gravois avenues in 1957, christening the newly acquired property Plant No. 10. By then, Plants No. 1 and 2 had been closed, too small to warrant further investment. No. 1, partially demolished, would go on to become Six Row Brewery, while No. 2 was largely demolished. Its once soaring 285-foot smokestack came down, its power plant converted to a cat sanctuary; its office building across the street still shows the monogram of its former life as Otto Stifel's Union Brewery. The Griesediecks then proceeded to build a dashing Modernist office building on Oakland Avenue across from Forest Park to house the burgeoning corporate offices that had since outgrown the Continental Building in the then-declining Grand Center.

But a Falstaff company document found in the archives of the Missouri History Museum portended serious problems in the future as early as 1962-63. On a hand-annotated spreadsheet, the realities of the inefficiency of

many of Falstaff's breweries become clear. Plant No. 5, the former Alpenbrau/Columbia Brewery, had production costs of \$1.13 per barrel in 1963. Conversely, Galveston, the most efficient brewery in the Falstaff world, produced at \$0.38 per barrel—a shocking difference of \$0.75. Not surprisingly, the aging Plant No. 5 was ranked last in efficiency, but perhaps even more perplexing was that the recently purchased Plant No. 10, the old Griesedieck Brothers Brewery, was in third to last place in efficiency, despite being one of the largest breweries in the company.

In 1961, Alvin's oldest son, Joseph Sr. (older brother of Monsignor Griesedieck and father of Joe Jr.), had taken over reins at the brewery office at 5050 Oakland Avenue. His arrival as president came at a time when the frailties of the company's aging brewing facilities had become acute. Back in the 1950s, Falstaff had begun negotiations with the Miller Brewing Company for a possible merger that would have bought time and capital for both breweries. Unfortunately, negotiations came to an end when President Frederick C. Miller Sr. died in a plane crash. To this day, both Monsignor Griesedieck and Joe Jr. wonder aloud at what could have been possible if a merger between those two companies would have occurred. Would Falstaff have survived? Would Miller have defeated Anheuser-Busch? In a letter to company employees dated 30 December 1963, Joe Sr. further warned that rising labor costs and price cuts were threatening the success of the company.

Falstaff was facing other challenges as well. As Joe Jr. explained, the company suffered severe losses due to labor negotiations in California. Unlike most states, where each company independently negotiated with unions, in California unions collectively bargained with all breweries. So when one company had union troubles, all other breweries in the state had to 'take it on the chin' for their competitor and face strikes at their plants. Likewise, Falstaff began its attempt to expand into the Northeast United States, purchasing Ballantine in New York and the Narragansett Brewery in Rhode Island. Disappointing sales of Ballantine and an expensive, if ultimately successfully defended, anti-trust lawsuit in Rhode Island further sapped Falstaff's finances. Monsignor Griesedieck also recalled that Falstaff was perhaps not ready to face the strong, no-nonsense unions of New York City. He also believes that drinking problems among some Falstaff executives clouded their

judgment at a critical moment in the company's history. Perhaps most infamously, though, were the kegs. The Falstaff Tapper keg came with its own plastic tapper, but the promotion proved to be a financial disaster. Perhaps not grasping how much of a throw-away society America had become, Falstaff executives were soon horrified to discover that huge numbers of customers were not returning the kegs to receive their \$1 deposit. The problem? The kegs cost \$48. Estimates at company losses due to unreturned kegs topped \$12 million. In fact, unreturned kegs are still being found in the basements of old bars throughout St. Louis. Griesedieck family members interviewed for this series confirm the kegs really were as financially disastrous as legend claims (Fig. 17).

Unfortunately, the continued financial losses at the beginning of the 1970s saw Joe Sr. forced from his position as president of Falstaff in 1972. To his daughter Judy, who contacted this author after the first installment of the original series ran, her father was much more than the president of Falstaff during some of its darkest times. Judy recalls that Joe Sr. was

an incredibly sweet, unassuming, humble man, not the typical corporate president, working around the yard, putting on projects in his basement workshop, and also a very loving father, very patient with his four rambunctious daughters.

In fact, throughout the research for this article, nary a bad word for a single member of the Griesedieck family could be found. Company employees remember a close-knit, family-like environment where loyal and hard workers rose up through the ranks over the years. Perhaps in this cynical age such talk sounds naïve, but at one time in America, working for a corporation in St. Louis perhaps really could be that enjoyable. Reading old memos in the archives reveal an almost surreal level of politeness as Falstaff executives communicated with each other.

Regardless, Falstaff needed capital badly, and in 1975 it turned to Paul Kalmanovitz, whom the company knew from operating in California. The infusion of cash that gave Kalmanovitz controlling interest in Falstaff was greeted with polite optimism in a corporate memo from 1975, quoting the Polish-American executive: 'I am 69 years old. I don't gamble with \$20 million, and I've invested in a company and in an industry in which I have great faith!'



Figure 11. Former Union Brewery, Falstaff Plant No. 2, Former power plant. Photograph by Chris Naffziger.



Figure 12. Columbia Brewery, then Falstaff Plant No. 5. Photograph by Chris Naffziger.



Figure 13. Continental Building. Photograph by Chris Naffziger.



Figure 14. 19 Squires Lane. Photograph by Chris Naffziger.



Figure 15. The stone tower, Rock Alva, dating from 1910. Photograph by Chris Naffziger.



Figure 16. The possible site of the main house, Rock Alva. Photograph by Chris Naffziger.



Figure 17. From a newspaper article, dated 30 December, 1966: 'Swinging a 75-year-old mallet from the Falstaff Museum of Brewing, President Joseph Griesedieck seals the 7,000,000 barrel of beer produced by the company in 1966. (Since the standard of measure in the brewing industry is a 31-gallon barrel, it takes two like the half-barrel pictured to equal a barrel.) Observing the event is Charles Mitchell of the brewing department at Plant Ten, one of Falstaff's two breweries in St. Louis. The shipment of the 7,000,000th barrel on Dec. 29 (which includes sales of the firm's Narragansett subsidiary) marked a new high in annual barrelage sales for Falstaff, which operates nine breweries and a malting plant, and sells its products in 40 states and numerous overseas markets'. Courtesy of the Mercantile Library at the University of Missouri-St. Louis.



Figure 18. Stumpf, Consumers, IBC, Griesedieck Bros, Falstaff Plant No. 10. Photograph by Chris Naffziger.



Figure 19. Stumpf, Consumers, IBC, Griesedieck Bros, Falstaff Plant No. 10. Photograph by Chris Naffziger.



Figure 20. Literally the writing on the wall. Photograph courtesy of the St. Louis Mercantile Library at the University of Missouri-St. Louis.

The death of a great American brewery

The final chapter of the Falstaff story is a difficult one to write. It involves thousands of people losing their jobs, a family losing the company they had built for generations, historic breweries going dark forever, and the further diminishment of St. Louis as a major industrial center. This section will not be another rehashing of what has become almost an iconic story in St. Louis brewing history, but will rather look at new perspectives provided by Joe Jr., the last Griesedieck president of Falstaff, and Monsignor Griesedieck, who while serving as a priest through this tumultuous period, still kept close tabs on his family's business.

The last act begins with the much-needed infusion of cash—\$20 million that Paul Kalmanovitz, the San Francisco investor and fellow brewery owner, provided to an ailing Falstaff in 1975. Monsignor Griesedieck recalls Boatmen's Bank telling the company that they needed a capital infusion to save Falstaff. Joe Jr. further explains that Falstaff was completely overleveraged; the company had no money to pay their creditors, who were now coming for repayment. The business mistakes of the past decades now finally revealed their true costs, aging breweries that had become far too inefficient to keep up with Anheuser-Busch's brand new 'super breweries', among them. Likewise, just as in nature, the brewing industry was facing a 'mass extinction' in the 1970s; not even former No. 2 Schlitz survived, imploding after a quality control scandal. But family loyalty was still strong; Monsignor Griesedieck said his fellow family members held onto their stock, even as it plunged in value, out of a sense of duty to their employees. Selling would have been a betrayal.

Monsignor Griesedieck recalls that his family members, still working for the company, were under the impression that business operations would continue largely as they had before. In fact, he says Kalmanovitz promised as much. But the reality was much different; now controlling the company, Kalmanovitz proceeded to fire most of the Griesedieck family and the office staff at 5050 Oakland Avenue. A 'For Sale' sign went up, tellingly informing potential buyers to call a San Francisco number if interested in buying the now-empty building. Joe Jr., who had been assigned to San Francisco by Falstaff before the 1975 takeover, survived the mass lay-offs. Kalmanovitz continued his cost-cut-

ting by slashing the famous Falstaff advertising budget. Likewise, in almost exact order of efficiency, he began closing plants around the country, laying off what would eventually be thousands of workers. For the first time in years, Falstaff was not losing money, and was even making a small profit. Regardless, Monsignor Griesedieck said his family was 'devastated' and felt they and their employees had been betrayed.

Not surprisingly, the overall reputation of Paul Kalmanovitz is not particularly good around St. Louis, and in the former cities where Falstaff once owned breweries. Monsignor Griesedieck's perspective on the end of Falstaff strongly reflects his religious background as a Roman Catholic priest; from his viewpoint, Kalmanovitz was a brutish, immoral character.

'The old story about Kalmanovitz is that he got his start in the junking business, and then just continued to do that with companies for the rest of his career', he jokes. In the eyes of the Monsignor, Kalmanovitz's perceived betrayal of trust, and image as someone less than a gentleman, weighs heavily on his appraisal of the infamous investor's reputation. Another story recounts how Kalmanovitz once showed up to a Falstaff board meeting contemptuously wearing a dirty white t-shirt in a room full of executives dressed in business suits. Whether the story is true or not, it certainly fits with the popular image of Kalmanovitz.

But Kalmanovitz is a more complex character than the one portrayed in countless articles and books on the brewing industry. Joe Jr., who survived the axing of his fellow Griesediecks in the mid-1970s, went on to become the final family president in its new headquarters in San Francisco. He is still an executive out in that city, and offers an interesting view on what it was like to work for Falstaff's new owner. He also offers a much-needed, practical perspective of the famously reclusive Kalmanovitz. While acknowledging that many of his fellow Griesediecks might view Kalmanovitz as a 'son of a bitch', Joe Jr. credits him with saving the company. In his eyes, the company was overleveraged, and had very few options left. Without Kalmanovitz's money, Falstaff was doomed anyway.

He was certainly 'ruthless' in Joe Jr.'s eyes, but Kalmanovitz was also extremely intelligent, making shrewd business decisions that earned him hundreds

of millions of dollars. Joe Jr. is one of only a handful of people who spent considerable time around the reclusive millionaire. Surprisingly, he even angered Kalmanovitz when he finally quit after a couple of years as president. Joe Jr., with that same sense of Griesedieck loyalty, worked to find new jobs for some employees laid off by plant closures, such as the last St. Louis brewery, Plant No. 10, in 1977. Interestingly, despite all of the vitriol against Kalmanovitz, it seems that few people, if any, blame or hold a grudge against the Griesediecks; their family's strong emphasis on loyalty has endured to this day.

Sadly, Plant No. 10 still sits empty, slowly rotting away; Falstaff beer was brewed by contractors into the new millennium until finally ceasing production in 2005 (Figs. 18 & 19). All that remains now perhaps is to debate what went wrong. In the eyes of this author, a crippling problem was the strategy of buying up old and soon inefficient breweries in lieu of raising the massive capital for new production facilities. Several family members, while proud of the Griesedieck reputation for being well-educated, well-liked gentlemen, believe their family could have been a bit more ruthless in the shark tank of American brewing.

And ultimately, the end of Falstaff prompts an important question: for what purpose do corporations exist? Do

they exist for the employment of good, hard-working people, with profits taking a second place? After all, in the end, former employees' glowing reviews of how well the Griesedieck family treated them still resound to the present day. Or do corporations exist first and foremost to generate profit for their shareholders, creating good jobs in the process of making fortunes for their owners? For others, accepting the reality that the brewing industry was shrinking in the 1970s was the moral decision. Was Paul Kalmanovitz only guilty of doing the dirty work that no one else was willing to do? (Fig. 20)

Ultimately to this author, the Falstaff story is the story of how one family, the Griesediecks, through hard work and treating people with dignity and respect, created one of the most successful breweries in the United States. And even if it ended in failure, it is still a story worth celebrating.

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