

Harry Cabot
Owner, Pine Cone Public House (brewpub in planning stage)
Friendship St.
Waldoboro, Maine 04572
(207) 832-6337

[Mr. Harry Cabot, 35, and his wife Laura, 33, own and operate the Pine Cone Public House, a vegetarian and seafood restaurant and bar overlooking the Medomak River in Waldoboro, Maine 04572 (207-832-6337). Mr. Cabot has owned the restaurant since June 1985; his wife had been in the baking business since she was 18, at the Grateful Bread Bakery in Philadelphia, and met Harry when she applied for work at his restaurant a few years ago. Harry also had attended the Fourth National Microbrewers Conference last year in Boston. This interview took place the morning of September 1, 1988.

The Cabots are planning to open an on-premise brewery in the basement of their restaurant. They have already purchased the brewing equipment, but cannot set it up until the state approves their license under the new laws allowing brewpubs to operate in Maine. Harry, a small-framed man, eccentric in demeanor and speech, with a pony-tail and goatee who smokes a pipe, says that he led the successful campaign to get the state law changed in 1985 (from the time he first opened his restaurant he envisioned having an on-premises brewery). There were no provisions in Maine laws to operate a brewpub, although microbreweries were already legal.

The arguments Harry used to lobby for the law change illustrate his New England version of New Age philosophy about brewing beer. He argued to state legislators that "it was both patriarchal and matriarchal to produce and offer beer on premises." He argued the nutritional and ecological benefits of local brewing. He gave to legislators copies of the 10 summary points of the "1979

Dietary Goals of the United States Federal Govt. Senate Select Committee on Human Nutritional Needs," which included as point #1 the need for increased consumption of complex carbohydrates. The following are comments made by Harry.]

Beer carbohydrates are so complex that some of them are impossible to digest except with the saliva in our mouths. That is part of the connection between drinking beer and having good conversation. Talking is important in increasing mouth sweat, which helps digest the beer.

I used to think beer was liquid bread that would by itself sustain the organism and prevent malnutrition. Malnutrition is a disease, you know, that destroys nervous tissue, and barley sprouts create special proteins that can bring back wasted brain tissue. I want to be Louis Pasteur in my brewkettle to cure malnutrition. I had visions of dropping beer from airplanes to stop world famines.¹

My forefathers had beer brewing experience, I can feel it in my genes, just as my wife has baking in her genes. Laura will come to the next brewing conference with me. We'll be brewmasters together. Brewing is an ancestral part of keeping the family together--a thing that's in my genes. My genes say to bake bread, too.

The thing I've learned at these conferences is that everyone has their own unique reasons for getting involved in brewing and all the answers point to the fact that there is no standard, no perfect beer. The White Pine Tree,

¹Harry's use of "used to think" and "had" in these comments signaled that he realized now that some of his earlier ideas were a bit overstated, but he held firmly to his views of beer as a nutritional substance laden with spiritual qualities.

which is the symbol of our restaurant, was the flag--the standard--for all the New England Indian Tribes--the flag united all of them.²

The Pilgrims learned from the Indians. The Indians taught us everything we know today--they taught us about representative government and selectmen from the individual tribes. I want to bring back colonial style brewing, using white pine cones, spruce, or maybe even balsam as flavorings in my beer. I want to brew every kind of beer that they talk about here and then some that I create myself. We could have 30 beers on tap, and get rid of most of the bottled beers we sell now.

I don't know how much beer we will brew, but I have more interest in quality than quantity. Quantity will be driven by quality. I plan to hand-bottle very expensive special beers. It will all be fresher than what I now sell. The more local you can get the better. It's better to take food, water, and air from the soil where you live, and locally made beers are a part of that benefit.

[Have you found the conferences useful?]

The microbrewery conferences have been tremendously beneficial. The first conference I attended was on the personality of the brewing industry, and I learned how big an ocean it was and how small a boat I have. Now hearing the sessions at this conference, for example, I am no longer afraid to consider a consultant to help us.

I also have learned that there is little emphasis on making original American beers. The emphasis here is on copying European traditions. I don't dare tell anybody here but sooner or later we will turn against those

²Harry explained how the Pilgrims stopped in Massachusetts instead of sailing on down to Virginia, which was their original destination, because they had run out of beer and had to brew some more.

traditions--after all we are using American barley and it is different.

Francis W. Cattani
Marketing Manager
William Penn Brewing Company (contract brewer)
680 Middletown Blvd.
P.O. Box L-565
Langhorne, Bucks Co., Pennsylvania 19047
(215) 781-9771

[Fran Cattani and I met during the first few minutes of the conference, the afternoon of August 31, 1988, as we were picking up our registration packets. He quickly agreed to an interview, since no other activities had yet begun. We went to a lounge in the Drake, where he bought me the first beer of many I was to have in the next four days: an Old Style. Fran is 32 years old, a very gregarious and friendly man of considerable girth. He gave me the slick promotional material produced by his company extolling the heritage of his brand new beer, only on the market since August 1, as well as insisting on giving me a bottle of his beer, which I carried around for the rest of the day in my zippered note book. He set up a Wm. Penn table tent at our table so that his beer's logo and label were visible during our talk. He considered leaving it in the lounge when we left, but when I pointed out no one could buy that beer there, he put it away, saying it wouldn't be fair to the customers. Several people I spoke to at the conference mentioned his beer as an example of excellent marketing through naming and label design. When I later opened the beer, I found it to be a very high quality light amber lager.¹ The following are his comments:]

The Cattini family have been beer wholesalers in Bucks Co., Pennsylvania,

¹A friend later pointed out to me that there were no colonial period lagers.

for 73 years. My grandfather Guiliamo [sp?] established Modern Brewing Co. in 1915 in the Bristol, Pa., area. He had been a butcher first, then bottled beer from casks. During prohibition trucks from Canada were the source of beer distributed by the family. My father after prohibition continued the business legally, holding the local wholesale franchises for Schaeffer, Pabst, Peel's, and Rolling Rock. [At some point the business name was changed to Cattani Beverages Co.]

I have 17 years of experience in the beer business.² I went to marketing school at Villanova University. I have two brothers in wholesale, too. Everybody knows everybody's job, from the floor sweeper on up. My father handled one million cases of beer annually, but with the consolidation of the wholesale industry, it's hard to make it without the big franchise. We recently sold the wholesale business out.

People come to me because of my marketing background. Most new brewers have a shallow background, but I know and love the business, which is critical in this day and age.

Two lawyers and an advertising company came to me. They had a beer and the name--a contract brew and an idea--and said, 'What do we do now?' My purpose is sales. I can take this idea and make it blossom.

The company involved in William Penn Brewing is Royal Brands Ltd³, a marketing and licensing company out of New Jersey across the river from Langhorne. Wm. Penn Co. is not licensed because of state laws. We have to have a warehouse elsewhere and Royal is legally an importer. The brewery

²That implies he began working in the family business at 15.
³Royal Brands, Ltd., Inc., Beverage Sales and Marketing Agents, Charles O. Struse, President, Suite 104, 451 High Street, Burlington, N.J. 08016 (609) 387-7311

office is in Langhorne. Royal Brands has Pennsylvania licensing permits for Pa., Delaware, and New York. I went to Charles Struse at Royal Brands to get the licensing. Struse used to work for the big wholesaler guys.

We make one kind of beer: William Penn Colonial Lager beer. Back in the 1600s Wm. Penn was a famous brewer. His brewhouse still stands. We have reconstructed his roots here. Before Penn, the colonists used molasses, sassafras, and pine in the old beers. Penn wanted to make a better beer--he used malt instead of molasses and made a much superior product. According to tradition, the price fixed for his beer was higher than for previous beers--making it America's first premium beer [see attached promo sheets].

Hudepohl Brewery in Cincinnati is making it. We had connections with them in the wholesale business because Cattani Beverages handled Hudepohl. I set up appointments between them and Struse and gave them a presentation. We tried different formulas with customer sampling, and selected this recipe. It's not as heavy as Samuel Adams or Dock Street⁴ but has the same color, is more palatable and has a broader spectrum of taste. It doesn't taste as dark as it looks, but is very flavorful. It conforms to the German purity laws of the 1500s. The product took 2 years to develop.

We introduced it in the Scranton and Wilksburg area the first week in August. We're the new guys on the block. We expect to produce 40,000 cases by next August, which will be about 1800 barrels for the year, to be distributed in East Pennsylvania, New Jersey, and Delaware.

On September 12 we will introduce it into Philadelphia. We will go not with one but with 3 wholesalers who are strong in different sections or

⁴Dock Street Amber Beer is popular in Philadelphia. According to M. Jackson, it has done well in the consumer preference category at the Great American Beer Festival. It is produced under contract by F.X. Matt.

pockets of the Philadelphia market. Our conclusion is to split it up 3 ways-- each will have a different geographical location in Philadelphia--the north, the northeast, and the south sections of the city [here he drew a map on a napkin]. Wm Penn's statue stands atop city hall in Philadelphia.

We will use a different marketing strategy for this beer: small distributors who are strong in certain areas for on-premise sales-- restaurants, hotels, yuppie places. There now is no brewer left in Philadelphia after Schmidt closed and Heileman bought its brands. No other beer has a Philadelphia identity.

Philadelphia will be a good place to do business. Philadelphia is #4 in the U.S. in per capita beer consumption, and #10 in imports. Philadelphia consumes 31,000 cases a month--Delaware 31,000,000 cases a year.

[What was the source of the design or form for your business?]

I know the ins and outs of the business. You may have the best product in the world and people never hear about you. I put it together like selecting a dinner from a Chinese menu: a piece from column A, B, and C. They have the product at Wm. Penn. I coordinated with Charles Struse for the licensing. The packing is made by another firm in the Philadelphia area. Everything fits together so there's no down time, which alleviates production costs. Because these same people had worked with Hudepohl on a regular basis, I knew the labels, packing--everything would fit together.

[How did you finance your brewery?]

The lawyer Michael Gerhardt, Jeffery Garton III, a prominent Bucks Co. attorney, and the advertising company, Direct Strategies--they financed it. They have a love and ambience for beer--it was their motivation for going into beer, and Jeff knew me. Struse knew the licensing and permits and could

85

eliminate a bunch of steps. They tried to take the idea to the bank, and the bank said to forget it, 'You gotta be fuckin' kidding. But I give you credit for having enough balls to ask.' So they financed it themselves.

It took more than \$200,000--from the packaging designs to the bottling. They used Studio M for design work--part of Matthews Intl., a big marketing firm [related, I think, also to International Paper] who does packaging design for Heinz catsup. We got top bottling design. [he placed a bottle of his beer next to the long-necked Old Style bottles we were drinking.] Look at how the Wm. Penn is taller and has a gold foil top wrapping. They gave it a parchment -look label, an historical look. The picture of Wm. Penn comes from an old 17th century lithograph print, circa 1686. It's the Crown Royal of beer--the product says quality. It gives the customer a justification for paying an import price.

See the 'Three Gills' on the label--a clever marketing aspect. Like we used to read cereal boxes as a kid, now yuppies read beer labels. They want to be an expert on what they do. Gills gets an interaction going between people. It's an old colonial unit of measure equal to 4 oz. But the customers will talk to one another and to the bartender about what it means. We put it there for the uniqueness aspect. Once it was cereal boxes--now they are drinking in bars.

[What do you think of the microbrewers association itself?]

It's my first time here. A lot of these people I know. Karl Strauss and Arnie Winograd are old friends. They used to be bigwigs in Pabst. Don't burn any bridges, I say. Make friends and you'll meet up again. The association will blossom out, but I'm not too familiar with the organization. I feel Americans can brew better beer than Europeans and this will help. These are

beer trendsetters who drink beer like wine at dinner.

[What do you think is behind the microbrewery movement in general?]

You can see that it's growing. The beer industry as a whole has been flat. Bud and Miller control 70% of the business. There is very little difference left in the big brewers--it's all generic. Between you and me, all the big beers [here gesturing at our Old Styles] are all the same. It's the MacDonald's hamburger syndrome--mass marketing 70 billion of the same thing. They have brainwashed the public. Look at what they have done with light beer. People are looking for something different and unique, not necessarily for their regular beer but something for special occasions--like Michelob Dark.

[What do you see as the future of demands in the industry and the structure of the industry?]

Everybody comes out with a brewery and it all gets sorted out and the best survive. It's the same in this business as with peas, tomato juice, and newspapers. Microbrewers are the consciousness and conscience of true beer connoisseurs today. They want a better product and one that is better produced in the Old World tradition.

It's gonna be a segment of the market that is strong in small regional pockets. Like the hometown boy makes good--like Anchor in San Francisco--there will be good local beers, reflecting individual preferences like grapes grown around a country.

[Are you recruiting customers away from the majors or are you making new customers for beer?]

Customers come from the major beers--they get kinky and try something different: 'I can't afford it all the time, but I'll have it tonight.' It's

a home-grown product that gives pride. The microbrewers are more interested in making a better beer than in making a profit.

[What will you do if and when the major brewers come back at you?]

You see it already. G. Heileman started Val Blatz in Milwaukee, but I hear it's not working. Anheuser-Busch has a new product called 'Anheuser'--they're not advertising it yet but it's a better product. In a flat industry a lot of brewers have labels sitting on the shelves and the big guys are eating themselves. Microbrewers have the biggest overall percentage of growth last year. There's not a growing consumption in the U.S.--that's flat.

[What about the specific strategy of your firm?]

We are seeking a strong niche in the Philadelphia marketing area--where William Penn is the patron saint--as a superior product as an alternative to Coors, Bud, and Miller. Nobody is beating the door down for our product but it's a better-tasting product.

[What is distinctive about what you are doing that keeps anyone else from imitating and stealing your market?]

There's no question that other microbrewers will compete with us--Samuel Adams, Dock Street, and new ones. But the market is big enough for that, too. We help one another. People will try more brands and expand their horizons. 'Gee, I didn't know beer was that good anymore.' It's like wines--people are trying different styles of wine. Discovering variety is the spice of life.

Mass marketing by the big 3 helped us in getting our niche by becoming so generic that people became tired of being roboticized. 'I want something better.' You can see that with the growth of imported beers. But our costs are higher because packaging costs are higher. We buy by the hundreds instead of the billions. Ninety percent of the cost is packaging. That's why

FACTS

The History. When William Penn, the founder of Pennsylvania, began construction on his mansion estate at Pennsbury Manor over 300 years ago, he had a brew house built next to his main residence.

"I will have. . . . a brew house." William Penn, 1685

William Penn's love for brewing beer and notoriety for entertaining visiting dignitaries earned him the title of "pioneer brewer".

Being a perfectionist in everything he did, Penn wasn't happy with the quality of the beer brewed in the area at that time. He therefore decided to use barley malt rather than molasses as a base for beer, and thereby developed a better tasting beer. In the later 1600's the First Assembly of the government of Pennsylvania fixed the price of William Penn's beer at 2 pence per quart, and the standard molasses beer at 1 pence per quart. This made William Penn's Manor Beer the first "premium" beer brewed in America. Before long the bustling little brewery on Penn's manor estate became the center of social activity, and William Penn's beer became a favorite among the folks who frequented the pubs and inns of the small surrounding settlement often referred to as Philadelphia.

TODAY'S BEER

In the tradition of William Penn's original brew, today's flavorful beer is truly world class. Using imported Hallertau and Yakima prized cluster hops, the finest malted barley, cultured lager yeast, and cool, clear, crystal water, William Penn's Colonial Lager is carefully hand-blended with the same care, patience, and pride that William Penn took over 300 years ago. And there are no artificial additives, preservatives or fillers that you will find in most American beers. This all natural brew has a deep golden amber color and a distinctively clean taste.



THE PACKAGING

The traditional logo on the label was created from a 1600's lithograph of William Penn, eager and determined to colonize this new land. The 12 ounce non-returnable long neck brown bottle is topped with a gold foil cap and carries rich picturesque colors on neck and body labels. The neck label also carries William Penn's quality story and background. A specially designed case carton and six pack basket carrier use the same traditional design and colors as the label. Draft beer is also available in 15-1/2 gallon American Sankey kegs.

MARKETING AND SALES

This select quality beer is supported by a variety of point-of-sale materials, including table tents, counter cards, easels, sell sheets, cooler stickers, posters, distributor banners, bar coasters, menus clips, and prestigious tap knobs. Specially designed tee-shirts and caps will also be provided for promotional nights. The brand will be positioned in advertising and promotional programs with imported beers and other fine beverages to retailers and consumers who support these types of products and want a better American product.



Brewed and bottled by the William Penn Brewery Company, Langhorne, PA. Distributed nationwide in the U.S., along with Ram's Head and Valley Forge Beer and Valley Forge Ale, by Royal Brands, Ltd., 451 High Street, Burlington NJ 08016 (609)387-7311.

brewpubs do so well--they are a self-supporting part of restaurants.

Craig J. Chaitoff
Part Owner
The Cleveland Brewing Company (contract brewer)
2456 Lakeside Avenue
Cleveland, Ohio 44114
(216) 694-ERIN
(216) 668-1480

[Craig Chaitoff, 29, is one of three partners in this new contract brewery, which was established January 1988 and began making beer on May 20, 1988. Other partners are David B. Lowman, 28, and Edward Feighan, 40, who, as explained below, is more of a silent partner because of his political position. I thought Craig a bit naive for so freely telling a reporter about his congressman partner's role in the company. The above address is from his business card; the address of the company itself is 31885 Round Head Dr., Solon, Ohio 44139. Craig spoke with me beginning at 5 pm, Thursday, Sept. 1. The following are his comments.]

We make a lager, Erin Brew, contracted through Pittsburgh Brewing Co. The name is from Erin Brewing Company, an old Cleveland name label for the Standard Brewing Co. since 1905. It was the best-selling beer in Cleveland in the 1940s and 1950s. They sponsored the Cleveland Indians in 1948--the last year they won the World Series. The company has been in process for over a year.

Erin Brew is a full-bodied lager similar to others made by microbreweries--no preservatives, all natural. It came in second this year at the Great American Beer Festival in the Consumer Preference Panel. We have brewed twice so far--500 barrels each time. We are bottling it all. We will probably make 20,000 cases this year. We project 50,000 cases next year.

We have 2 distributors in and around Cleveland, and we will bring on a 3rd distributor in October. We cover about 8 counties in all. By the end of the year we want to distribute in Akron and 7 more counties--the 15 counties will cover all of Northeast Ohio.

We started out distributing only to bars and restaurants ourselves--that's where our market frequents. Imported beer drinkers are our first market. Then beverage and grocery stores asked for it, but we only had one truck. There was a pent-up demand--we wanted that so when it hit the grocery stores it would sell out quickly.

The three of us in partnership all had separate careers. David, the other man my age, and I went to Miami U. in Oxford, Ohio. We traveled Europe together and talked about getting a business together. We looked into dozens of businesses over the last several years. Then a friend of David's opened up the Massachusetts Bay Brewing Co. in Boston.

After one of David's first exposures to it, he told me about this business. At that time, about 2 years ago, we read all the articles about microbrewing beginning to appear. David worked for the First National Bank of Chicago for 7 years. He was an MBA at the University of Chicago and researched opening a microbrewery in Chicago.

But I was newly married in Cleveland, so I said that I'd love to go into business but I can't move now. So we decided that Cleveland was better because in Chicago there were new breweries starting up. I worked for Procter & Gamble and then for Xerox Learning Systems. I have a sales and marketing background. David has a finance and accounting background. We both had the chutzpa to get into business.

That led us to Cleveland. David commuted from Chicago to Cleveland to

research the business. He had taken off a year to finish his MBA, and he was married too. As we were researching the marketplace, we heard of dozens of others wanting to establish microbreweries in Cleveland. We researched them all. We talked to distributors and followed rumors and all of them were a bust. No one would take the risk.

One guy, Edward Feighan, we thought would take the risk, and he would be the worse guy to go into business against us. We called him and he said, yes, he was going to open a microbrewery. We were all very friendly and kept running into Ed everywhere we went. We were obviously duplicating our efforts, even down to the company we wanted to contract brew with and the consultant we were using. So we called him back and said, let's get together, and he agreed. David and I quit our jobs last November.

Edward Feighan has been a congressman since 1981. He may be the next governor of Ohio. Ed is a very valuable partner for us as well as the partnership knocking out a major competitor. He couldn't run the business-- had to be a silent partner, so there were compelling reasons for him, too, to go into partnership with us. His motivation was that his family once owned Standard Brewing Co. He wanted to bring back the family tradition of his grandfather and father, who had sold the brewery to Schaeffer in 1971.

Ed also brought important connections to the business. Together we created a pretty strong company. But Ed's not active in it; David and I manage it and we are equal co-owners. We are the operating managers. Alcohol and politics is a touchy issue.

David and I took our college and MBA experience to the job of writing a business plan--we worked night and day. We wrote the 'private placement memorandum' ourselves--that's usually a \$25-30,000 legal document. So we did

it ourselves and had lawyers review it for \$7500. Including product and packaging it cost \$420,000 to start the contract brewing company. We have 23 investors. Dr. Joseph Owades was our brewmaster consultant. He developed Samuel Adams, New Amsterdam. We did a taste testing of 250 Cleveland people to make the recipe reflect the city--so it has a true regional popularity and character.

So, no, we didn't use the Association of Brewers or Institute of Fermentation to put this company together--we didn't know they existed. But we did talk to other contracting microbrewers to help us out, and now we have joined the Association. Most definitely we want to expand--do a brewpub in Cleveland. Well-known restaurateurs want us to build brewpubs because of our award winning. It's most feasible to move into brewpubs. We could still contract brew in Pittsburgh and have a local presence in Cleveland with brewpubs.

96

Thomas M. Burns, Jr.
President & Brewmaster
Ambier Brewing Systems (brewing equipment supplier)
1228 Wayburn
Grosse Pointe Park, Michigan 48230
(313) 823-4638
(313) 963-1600

[I had first spoken with Tom Burns at the National Restaurant Association show in Chicago last May. When we met again at the conference, he said his business affiliation had somewhat changed, and that he would be happy to talk with me about the industry. In his mid 30s, he is a very personable, well-dressed man who appears to know everyone in the brewing business. He carries both a business card listing himself as President and Brewmaster of Ambier, and a business card identifying himself as an Attorney and Counselor. Like Karl Strauss and Arnie Winograd, he has been involved in selling brewing systems in association with Gary Bauer of Milwaukee, Wisconsin, who is the father of Ambier, a highly rated contract microbrewed beer. We met for the interview at 2:45 pm Thursday, September 1, 1988. The following are his comments.]

I first went to one of these conferences in 1981. It was then a home brewers conference and there was a one-hour slot for microbrewers. I had gone out to Portland to go to law school in 1980, and my second year in law school I began working for Cartright Brewery in Portland. It was the third microbrewery in the U.S.--New Albion was the first and DeBaker in Novato, California was the second.

I had made some home brew and I was looking for part-time work in law school and I walked in and met the owners, Chuck and Shirley Coury.

'Hallelujah!' said Chuck. 'I've been praying for help!' They were born-again Christians. I started the first day he bottled. It was totally ill-conceived--only one out of four bottles were properly capped, but the atmosphere was amazing. He called it beer 'made without hypocrisy.' The employees used to joke about where they kept the hypocrisy--that we should 'get some hypocrisy on the loading dock.'

I moved to Boulder, Colorado, in 1981 and went to work for Boulder Brewing Co., which was located near a little community called Hygiene. There was a goat shed not far from the brewery and the employees called it 'Goat Shed Brewery,' and the motto was 'No Hairs in Our Beer.' Boulder Brewing Co. was top heavy in management in its first years [it was founded in 1979]--there were 15 vice-presidents. It was financed by a rinky-dink investment house in Denver and they all put themselves on the payroll. But it went public in 1984. I left there in 1983.

I thought I'd get another job in brewing--otherwise I was afraid I might have to practice law. But I found a job at Vermont Castings [?] in marketing. Then I was licensed to practice law in Michigan. One and a half years ago I went full-time back into servicing brewpubs. But I'm making no money, so I put 20-30 hours a week into my law practice.

Gary Bauer and I at Ambier have helped a lot of these brewpubs get going. We represent Elmira Brewing Equipment of Vacaville, California. We did the Weinkeller in Berwyn here.¹ But we are getting fucked repping equipment. You

¹Scuttlebutt during the Saturday, Sept. 3, brewpub tour had it that owner Udo Harttung of Weinkeller Brewery had a nasty falling out with Gary Bauer, and Udo himself mentioned disagreements with Gary over equipments and procedures as he was explaining his set-up--saying that he had become his own brewmaster. Udo has long been a very successful bar owner, supposedly having the largest selection of beers in the Chicago area. That same day we saw Gary Bauer working with the brewing equipment at Tap & Growler in Chicago. T & G

98

get caught in the middle when there are problems with the brewpub owners and the equipment, and you can't get your dough out of it.

So we have refocused to be strictly a consulting company. We aren't tied to any manufacturer or supplier. Only one other brewing consultant firm in the U.S. is not tied to equipment--it's in Seattle. We should break down and open our own brewery.

Gary Bauer started Ambier Brewing Co. Ambier beer is contract brewed with Huber. He is also Ambier Brewing Systems.

[What do you think is behind the microbrewery movement in general?]

Initially they were hobbyists trying to make a living with their hobby. Now we are seeing a greater level of professionalism. It can be profitable, like Maytag. There is also a certain charm, a romantic quality, a fraternal element, in the industry. You can know everybody worth knowing. If a bomb went off in the Drake Hotel right now, the American brewing industry would suffer a serious setback.

More people see it as strictly a business venture, especially with the brewpubs. A brewpub can be a rational business venture, but getting into bottled beer . . . Granted, some are successful, but even looking at Anchor Brewing Co.--you could make more money investing in defense stocks.

Ken Pavichovich is opening a microbrewery in Chicago. He raised a bunch of money. But there's lots of ego there--he's putting his own name on it. Who the hell is going to order a bottle of Pavichovich?

People are more irrational in microbreweries. You can see it here at the conference. There are only 10 genuinely qualified prospects here and I saw

has had several turnovers in brewmasters and is considered to be in trouble. M. Jackson and the home brewing officials I was drinking with indicated that it was good they had brought in Bauer as a consultant.

150 qualified prospects at the NRA show--mostly restaurateurs. People here can barely afford to come.

[How many prospects finally get into the business?]

I wouldn't be surprised if less than a dozen of the 150 get into it. Many don't know which way to go [microbrewery or brewpub]. Bottling beer is a pain in the ass. It's technically difficult. Big brewers do it very, very well. The freshness of brewpub beer covers up flaws in beer. Even Wonderbread smells good when its fresh.

[How do they tend to finance their breweries?]

Finance it? I don't know. Everybody has his own angle. Some have family money. It's hard to get investors to sign a \$50,000 check. Weinkeller Brewery [a brewpub], for example, spent \$92,000 for its equipment package. He [Udo Harttung] was incompetent to act as his own contractor, but he did the remodeling for under \$15,000. The cost of installing a pub brewery is really comparable to putting in a decent kitchen in a 150-seat restaurant.

A microbrewery has to make a minimum of 5000 barrels a year to make it worthwhile. A decent bottling line costs \$150,000-200,000 just for new machinery. People buying used or soft drink stuff are looking for problems. There is less need for sanitation in soft drink bottling because you are only handling carbonated water--the syrup is added later. Some of them even have leather gaskets.

Most of these people do not have a background with major breweries, although Bert [Herbert L.] Grant [president] of Yakima Brewing Co. in Washington has a background in Carling O'Keefe, and Arnie and Strauss had long careers in Pabst.

100

[What do you think of the microbrewers association itself?]

Udo at Weinkeller is not associated with the Institute, but this association has filled a void. The Brewers Association of America (BAA) is the only other group. Older, small family brewers are mostly in the BAA--it's a regional brewers association, a more social thing. They don't provide technical assistance.

Jeff Mendel [of IFBS] does a good job of keeping on top of new legislation, and it's beneficial to listen to the technical and marketing sessions. You don't get it anywhere else. People can rub shoulders and get friendly with one another--networking.

In today's climate the association is a response to anti-trust laws. Only here can you set and talk to competitors without risking violating the anti-trust laws.

I see lots of brewpubs starting up but not as many microbreweries. This is because brewpubs are efficient producers of beer, and if something is economically feasible, people will do it. Without packaging and distribution and retailing overhead, brewpubs are freed of much costs. The Michigan Wholesaler's Association is opposed to change in laws allowing brewpubs. I have nothing nice to say about them.

Innovation in business can take place in the product or the distribution end, and brewpubs have tinkered with the distribution end. You can literally have them everywhere. I'm surprised the big hotels haven't gotten into it. Big hotels have cash, space, and the expertise to do it.

We had one guy come by at the NRA show who said he was from Holiday Inn International, but later when I called Holiday Inn headquarters, they said they had never heard of him. A Walt Disney World guy has inquired about

101

brewpubs. He's doing the Paris Disney World and was interested in having one there. But it was only the barest inquiry.

[What will be the eventual extent of the market?]

I could see a city like Chicago supporting 30 or 40 brewpubs. We could have 1000 breweries again across the U.S. Microbreweries--no--there will always be a few but they will be the exception.

[Are you recruiting customers away from the majors or are you making new customers for beer?]

There are all kinds--look around at Sieben's or Goose Island--you see more young people there. Around Berkeley the brewpubs are getting the college crowd.

[What will you do if and when the major brewers come back at you?]

They are interested enough to look. Twenty-five percent of Miller's production last year was new products. I don't know if they shipped all that. Miller has caught on that there is potential for getting into tied house restaurants, and Anheuser-Busch and Stroh's are getting it too. If Miller wants to buy taverns and relicense them and put in a 5-gallon token brewery to get the license, they will do it.

I'm not sure if they would be successful at it because a brewpub is a retail food and beverage business. For Miller and Stroh's to get into retail, a dramatic change in thinking is required, and they may not be competent at it. There is no departmental infrastructure as in the big British breweries to deal with retail.

102

Dan Levy
America's Great Little Beers (Distributer of "Selection Packs")
SVF, Inc.
Madison, Wisconsin
(608) 276-9600

Several association officials recommended I look at Dan Levy's "new concept" packaging of microbrewery beers in a six-pack assortment for sale in retail grocery and liquor stores. I met with him Thursday morning, Sept. 1, 1988, in his hotel "hospitality suite" where he had his slick promotional material on display, including an easel with printed paperboard displays extolling the virtues of his product. He was unprepared or unwilling to step outside his rehearsed spiel for the most part, and after I listened to about 10 minutes of it and politely refused a complementary 6-pack of his products (I couldn't carry it around with me the rest of the day), he gave me his promotional folder and I thanked him and left. He had hoped I would plug his concept in the Times, but he had little to offer in the way of analyzing the microbrewing industry. I think we both ended the meeting dissatisfied.

I have his printed advertising material if we want to refer to it. It is done in a marketing style aimed at retailers and extols the individual qualities of each beer sold (at the moment Catamount Amber, Catamount Brewing Co, Vermont; Collin County Pure Gold, Reinheitsgebot Brewing Co, Texas; Geary's Pale Ale, D.L. Geary Brewing Co., Maine; Kessler Centennial Lager; Montana Beverage, Ltd., Montana; Oldenberg Premium Verum, Oldenberg Brewing Co., Kentucky; St. Stan's Amber Altbier, Stanislaus Brewing Co., California). It also lists the advantages of the entire concept, which include: being the first of its kind in the industry, bringing together in one 6-pack beers from around the country, putting together several styles of beers, the possibility of varying the beers according to season and market, etc., etc. There is also

a sheet of promotional blurbs by happy retail liquor store owners, some of which indicate that there is heavy advertising for the product in areas where it is marketed.

Dan Levy is in his 30s, and his glad-handing style is consistent with his marketing background. He said he had been in marketing research at Oscar Meyer before starting this company in June 1988. He said the beers he distributed this way were "all success stories, no contract breweries." He pointed out that the labels were different for each beer, the styles were different, but that the style of the 6-pack carton (with American symbols of eagles, stars, and grain and 19th century lettering) proclaiming "America's Great Little Beers, A Unique Collection of Beers from America's Finest Small Breweries" stayed consistent while the beers inside could change.

He said the concept is intended to introduce curious beer drinkers to various styles and products in a low risk sampler (buying only one 6-pack instead of 6 to taste them), and to be followed or accompanied by selling the beers individually in their own packaging. It was good to bring to a party for an instant beer tasting, or for a beer lover to have a different one each night, or for gift-giving. His spiel and promo literature stressed that this manner of marketing beer discouraged over-indulgence, and one of his company's mottos is "Experience America in Moderation."

So far, he said, the product is being sold in Milwaukee and Southern Wisconsin, but that he soon hopes to enter the Chicago market and eventually sell it throughout the midwest and both coasts. He does, I admit, have an idea with good potential--I could see buying them for a few Christmas gifts, say for the dorm janitor instead of the bottle of Scotch I usually give him. He has a flair for advertising, too. On his first day of business in

Wisconsin, he dressed up like a 19th century saloon keeper and personally delivered his product by horse and wagon. That got him in the papers.

University of Chicago
204 Max Mason Hall
1215 East Hyde Park Blvd.
Chicago, IL 60615

(312) 753-3517

November 21, 1988

Professor Glenn R. Carroll
School of Business Administration
350 Barrows Hall
University of California
Berkeley, CA 94720

Dear Glenn:

As I wrote up the interviews, I was also reading about the microbrewing industry as it is portrayed in the newspaper articles you sent--very helpful and will keep me from reinventing the brew-kettle--and in the various publications now at hand. They include of course, the 1988 Microbrewers Resource Handbook, but also copies of The New Brewer, Zymurgy (the homebrewers mag Charlie Papazian started and which gives the cottage industry viewpoint of brewing), and Buffalo Bill Owens' quirky American Brewer, out of Hayward, Ca. There are also the assorted copies of Modern Brewery Age and The Brewing Industry News that I picked up at the conference. I have also recently located a few books on beer and beer making that have some interesting sections on the microbrewing business and trends in the brewing industry, including William Mares' Making Beer (Knopf, 1984), and Howard Hillman's The Gourmet Guide to Beer (Facts on File, 1987).

Mares cites an article by Harold O. Davidson ("The Bell Doesn't Toll for All Small Brewers," Beverage World, March 1981, pp. 29-33) in which Davidson, in turn, cites a "study by the Stanford Research Institute" (done in 1981 or earlier, obviously) that he uses as a basis for forecasting a "micro-segmentation" within the industry. Do you know anything about the SRI and if that early study is obtainable (or worth obtaining)?

This reading and my own research seems to have momentarily clogged my pipes on thinking about this subject, and I have lately turned to working on other things from my dissertation research. I prefer to think that I am in a time of mashing the initial sprouts, although festering might be a more apt metaphor. I have tried to outline all the relevant themes I see about the microbrewing industry, but that has led to some confusion about what to concentrate on in the Times article. After seeing how the April 1988 Time's article skipped lightly across several themes, I am now thinking that my best hook will be the neo-prohibitionist angle--taking the movement to fit nicely in both the current anti-alcohol climate and the taste diversification

movement. I also want to comment on the paradoxical situation of microbrewers claiming to be making uniquely regional American beers while--with the exception of Maytag and perhaps Larson of the Alaskan Chinook Brewery--in fact most of them are trying to recreate perfect examples of classic European beer styles. The draft I have now is much too long and I need to shorten and tighten it some. They are in no hurry about it since they seem to want a report on the conference not on the movement itself. My friend Bob Clark in Berkeley sent in an article to them on a conference of Pinot Noir winemakers he attended in August in Oregon; they sat on the article so long that when they finally got back to him two months later, he had to completely rewrite it to get away from focusing on the now stale news of the conference--boy, was he pissed.

Anyway, here are a few more ruminations and dribblings that might be of some interest. Look at this quote from Harvey Steiman, executive editor of The Wine Spectator (June 15, 1988) for what parallels there might be to what is happening with American beer drinking habits:

American's drinking habits are changing. A few years ago it looked as if wine was going to become the adult beverage of choice, as it is in Europe. Per capita consumption had doubled. Then it slowed. Now it's shrinking slightly. Per capita wine consumption in the United States has been stuck around 12 or 13 bottles a year for most of the 80s. . . .

At the same time, premium wines are gaining sales and jug wines are losing. In general, Americans are drinking less wine but moving up to better wine. . . . This is not exclusively [an] (sic) American phenomenon. Similar statistics are showing up in Europe, where per capita wine consumption is off by as much as one-third in Italy and France. It's the same story there. People are drinking less but drinking better.

What's happening with wine parallels what's happening with food in America. In major cities, you can't get a reservation at the latest nouvelle American cuisine restaurant. At the same time, McDonald's keeps selling more and more rubber-stamp hamburgers. Americans buy cookbooks full of fancy recipes yet stock their freezers with frozen dinners. We are buying more subscriptions to fancy cooking magazines than ever, but a new survey, reported in The Wall Street Journal, says that Americans eat more than half their meals standing up.

There is an explanation. It's the phenomenon of the weekend cook. . . . There's not much opportunity to drink a glass of wine at McDonald's. Fast food or stand-up food does not lend itself to a leisurely sip of wine. Nor do most people think of opening a good bottle with a takeout salad or a frozen dinner. That leaves the weekends.

In that context, consumers' shift to better wine makes sense. If the occasions for drinking wine tend to be those when we are eating particularly well, we tend to choose better wines. That's why there's so much demand for the more expensive wines. That is, if we choose wine at all.

The following sections assemble some preliminary findings and some lengthy quotations that might be of use on the background and nature of the microbrewing industry. I copied most of these down during fits of boredom or fatigue from more creative work, in case we wanted to use snippets of them later.

1) Technology of Microbrewing Industry

Around 1983 Mares (see cite above) made the pilgrimage to William Newman's brewery in Albany, N.Y., to Anchor and New Albion--interviewing Maytag and McAuliffe--and visited Matthew Reich of New Amsterdam (a contract brewery whose F.X. Matt-produced beer was developed by Joseph Owades). His chapter on these visits in Making Beer, titled "Many Are Called ..." gives some interesting stuff on their thinking at that date. A common theme is that beer making is a more complicated technology than wine making.

Maytag says that making beer "takes more art and science. The biggest difference from wine is that beer lacks what I call the participation and risks of nature. Classic wine is made from grapes in one location. In good years they're great and in bad years they're bad. When you drink that wine, you participate in that risk" (Mares, 1984: 121). Mares goes on to say, "Probably the most important lesson Maytag learned from all his reading and experimentation was to have near operating-room cleanliness in his brewhouse" (pp. 121-122).¹ Mares also mentions that Maytag learned much about sanitation from people in the dairy industry (presumably related to his Iowa dairy that makes Maytag blue goat cheese; Maytag is president of that company as well).

Maytag echoed these sentiments in my interview with him:

I quickly realized that it was going to be impossible for us² to work together. I thought we had values in common, but I was growing out of his tradition. He was anti-technology, a Wobbly in spirit, anti-establishment, a Luddite. . . .

I had an epiphany. I realized I couldn't make beer with someone who believed keeping things clean around a brewery

¹Compare to Buffalo Bill Owen's comment that "I know where I have to be clean in a brewery and where I can be dirty."

²Maytag bought controlling interest in 1965 from Lawrence Steese, who had bought Anchor with a group of investors about 6 years earlier.

was an anal-retentive function. He thought a thermometer was a work of the devil. . . .

You can't believe what it takes to brew, bottle, package, and distribute it--beer spoils! It's much more complicated than making wine.³ You can make wine on a dirt floor, you can be sloppy with wine and still succeed. Aerobic bacteria and malolactic bacillus [check accuracy] will destroy wine, but keep air away from wine and the problem is over. You can dip into a barrel, taste the wine, and pour the rest of the ladle back in! Beer spoils like that! [He snapped his fingers.]

Bob Clark writes that "Anchor seems to be run through a mixture of nineteenth-century common sense, a family feeling born of a staff in which everyone has worked everyone else's job, and an idea--perhaps more sensed than intellectually grasped--of the rightness of things informed by an oriental sense of paradox and harmony: 'You can't be making a good beer if you don't make a bad batch now and then' is a dictum at the brewery; another is, 'You can't make beer. You get everything together as best you can. Then you let the beer make itself.'"⁴

Mares stresses McAuliffe's "shade-tree mechanical skills" and how he built much of New Albion from scratch and government surplus materials (rather like a bricoleur), but that above his desk "was a row of technical manuals, accounting and management texts" (p. 123). And he has this wonderful quote from McAuliffe: "farmers make wine and engineers make beer" (p. 125).

2) Media and Publicity Environment

One thing that the new microbrewers have that earlier small brewers did not is publicity: both an intense interest on the part of business and food journalists and a goodly amount of marketing expertise within the ranks of microbrewery investors and entrepreneurs. On this point, Mares (p. 126) says: "In seven years [MaAuliffe] never produced more than 350 barrels a year. That was despite tens of thousands of dollars of free publicity, early entry into the market and, from all I had heard, an excellent if sometimes inconsistent product."

³Since Maytag is a serious vineyard grower and winemaker as well, on his York Creek Ranch, we should trust his expertise on this. Two obvious reasons I can think of for the delicacy of beer is its low alcohol content and low acidity compared to wine. Acidity (as in pickling vinegars) is a strong bacterial inhibitor.

⁴Robert Clark, "Fritz Maytag: A Profile," Journal of Gastronomy, Vol. 3, No. 4 Winter 1987/88: p. 66.

Matthew P. Reich, a corporation executive, started New Amsterdam Amber Beer (contract) utilizing press releases, benefitting from a profile in the New Yorker about him: "Reich's public relations firm was not malingering, I thought" (Mares, p. 126).⁵ And Daniel Bradford (p. 4)--a PR person himself--told me that the publicity generated by the microbreweries have benefitted the whole brewing industry: "We are the best thing to have happened to domestic brewing since the end of Prohibition. We create more ink per bottle. Look at what the major brewers bring to the press compared to what we do."

(Clark, p. 66): "Anchor does not advertise and markets itself only through recognition that its products have what Maytag calls 'a good story' behind them."

3) Filling Empty Niches: trend to consolidation and then away; standardized brewing becomes an exact science at the time (or is it prior to?) of merger and takeovers in brewing industry; regionalism

You may have looked already at the relevant passages from Chandler's Visible Hand on the rise of the brewing industry, but since most of the literature I have seen uses Budweiser as the main example, his focus on Pabst was refreshing, if a bit predictable from his perspective:

Coal and railroad transportation [after the Civil War] permitted enormous expansion in the output of individual breweries producing beer and ale. In 1860 the largest breweries averaged an output of 5,000 to 8,000 barrels a year. By 1877 they were producing over 100,000 and by 1895 from 500,000 to 800,000 barrels a year. Careful use of piping and then assembly-line bottling machines helped to make the process more continuous. In the making of beer and distilled liquors, as in the production of sugar and margarine, taste requirements demanded sets of skills by the brewmaster, sugar master, and their counterparts. Such requirements put a constraint on the volume permitted by the application of new technology, the intensified use of energy, and improved plant design.

The history of these distilling and refining industries demonstrates the basic axiom of mass production. Economies and lower unit costs resulted from an intensification of the speed of materials through an

⁵Did this firm go out of business despite rosy projections in Mares' book? The beer is reviewed in the new Pocket Guide to Beer but is not in the 1988 Microbrewers Resource Handbook or their updated 6/20/88 list of North American Micros and Brewpubs. If so, and because Newman now apparently exists only as a contract brewer (making "the pleasant but less challenging Albany Amber Beer" because, Jackson [p. 140] says, it was "ahead of its time, especially with authentic ales that were too sophisticated for the market") also went kaput, then three of the four new breweries he profiles in 1984 no longer exist in original form.

establishment rather than from enlarging its size. They came more from organization and technological innovations that increased the velocity of throughput than from adding more men and machines. (Chandler, 1977, VH, pp. 256-257)

Improved transportation also encouraged several brewers to enter the national market. In the 1880s a new pneumatic malting process increased speed and improved control in the process of brewing beer. At the same time the development of temperature-controlled tank cars made it possible to distribute their product nationally. In the 1870s brewers sold only within a relatively small radius of their plant, relying on traveling men to sell the product by the barrel to wholesalers. In the 1880s Pabst, Schlitz, and Blatz of Milwaukee, Lamp and Anheuser of St. Louis (the able Adolphus Busch took over Anheuser in 1880), and Moelin of Cincinnati all began to build a nationwide distributing network and to use advertising agencies to reach the national market. For example, in early 1879 Pabst had only one branch, in nearby Chicago. That year a second was set up in Kansas City. Between 1881 and 1894 the company built thirty more branches in every part of the country. Although Pabst used wholesalers in some cities, an increasing proportion of sales came to be made through company offices that stored, distributed, marketed, and advertised the Pabst product. In 1887 Pabst went one step further by moving into retailing and purchasing saloons, which were rented to operators. In the same years Pabst and the other national brewers expanded their purchasing organization, using them to buy high-quality malt, barley, rice, hops, and other materials in large quantities with precise specifications. They also set up barrel-making plants and purchased timberlands. By the 1890s these integrated enterprises were, like those of the meat packers, among the largest businesses in the land. (Chandler, p. 301)

The pioneering firms long remained dominant in their industries. The names of the leading [meat] packers and brewers of the eighties are still familiar today. In both industries the new giants were financed from within. Cash flow generated by high-volume turnover and throughput provided nearly all the funds needed for working or fixed capital. As in the case of the new entrepreneurial enterprises in semiperishable industries, the founders and their families in meat packing and brewing continued to hold almost all the stock. (Chandler, p. 302)

Recall Smith Hall's comments, p. 14:

People in the industry are buying existing buildings and names of defunct breweries, for example Boston Beer

Co. and Sieben's here in Chicago. Pennsylvania Brewing Co. is reviving their old brewery building themselves. It's a nice trend that takes it full circle--going back to pre-Prohibition names and buildings. The economy after Prohibition led to there being just a few breweries, but now the movement is filling those empty niches. But it's also a result of our gourmet society and our turning toward local pride.

And from Jackson, The World Guide to Beer, 2nd ed., 1988, p. 7:

The first beer made with the intention that it be a mass-market product was the American Budweiser, launched in 1876 and still growing in sales. Almost a century later, Dr. E.F. Schumacher's book Small Is Beautiful captured a new mood in Western society. One manifestation of this was a new generation of micro-breweries. They first emerged in Britain, and spread with astonishing speed. The movement gained momentum against a background of other social changes: more leisure and travel, a more widespread interest in the everyday culture of other countries, including their food and drink, a desire to conserve the best of Britain's heritage, and a more eclectic attitude toward behaviour and status. In 1976, the first micro-brewery in the United States fired its kettle. That was New Albion, in Sonoma, Northern California. Sad to say, New Albion did not survive--but in both Europe and the New World the memory of small-scale craft brewing had been roused from its slumbers. It is now wide awake.

Beer drinking in colonial times was considered an act of temperance. According to Howard Hillman's The Gourmet Guide to Beer, (Facts on File, 1987, \$12.95), Prohibition took effect on January 16, 1920 and was repealed December 5, 1933. Of the 1,500 breweries existing just before Prohibition (and the number was down from several thousand because of consolidation since 1870s, fewer than half reopened).

The average beer brewed in the few years after Repeal typically contained 50% more malt and 250% more hops than its current counterparts. (In fact, the ordinary beer of that period was as flavorful as the super premiums of today. Over this same half-century span, the body of the average beer has thinned only slightly and the alcoholic strength has remained relatively stable (pp. 250-251).

Hillman also blames the "insipid and uniform 3.2 generic beer that came in olive drab cans" in WW II as having "accelerated the trend toward blander and lighter beers" (p. 251). "Also contributing to the growth of the national brands as the growth of the supermarket chain system. Major chains that sold beer found it easier to merchandise a few national brands than a lot of regional or local ones. Another factor was the increasing mobility of the

American society." (Ibid.) (same true of national brands of foods compared to local ones)

Since the repeal of Prohibition, the number of brewing firms plummeted from about 750 to forty, and the top ten firms now brew 95% of the domestic output. The top two, Anheuser-Busch and Miller, have cornered more than half the market (Ibid.).

. . . what distinguishes one taste-alike national brand from another is largely product image created by sleek television commercials. In recent years, Anheuser-Busch alone spent about \$100 million per annum on advertising. . . . (p. 252).

The case of the demise of Schlitz, however, shows that people did recognize a loss of quality: "sales dropped by more than half in five years" when it "decided in the mid-70s to cut ingredient costs and to abbreviate its brewing process" (p. 253).

On lite beer: "Few heavy beer drinkers were concerned about their weight, and few calorie-conscious individuals would even consider beer in their weight-reduction diets. Someone came up with a dandy strategy: Why not create a TV advertising campaign featuring aging sports heroes promoting the theme that you can drink more of Miller's Lite because it is less filling? The macho-oriented commercials were targeted at young, adult males who loved watching sports in front of the tube" (Hillman, pp. 252-53). With Bud Light it is the young trendy party type, with the yuppie bars and Spuds MacKenzie, but the idea is the same--you can drink more of this stuff before you plop, and even if you look like an ugly dog, you can attract gorgeous babes.

Causes for 1970s takeoff in imported beer sales:

[T]he gourmet food and wine boom set the stage for the appreciation of fine beers; college students became imported beer aficionados and continued to be so in their postschool lives; travelers to Europe developed a liking for the flavorful European beers; beer drinking became more socially acceptable in fine restaurants because imported beers have cachet; ethnic restaurants spurred interest in imported brews; and the new generation of women beer drinkers expanded the market for quality beers. Also, let's not overlook the fact that most imported beers are superior to most domestic ones (Hillman, p. 253).

Well, there may be nothing new for you in all this, but these bits and pieces have helped me understand the background to the microbrewing movement. I will try to have the Times piece out of the way before I see you next month. If there is anything specific you would like me to prepare beforehand, let me know, and I will do what I can.

I'm embarrassed to admit that in the hubbub of applying to gazillions of business schools and sociology departments the last month, I have misplaced my note on the position at Santa Clara you recommended I apply for. Could you give me the name of who I should write again?

I am flying to Oklahoma tomorrow to spend Thanksgiving with my dad. Last week my only nephew--my older brother's grown son--was killed in a truck accident in New Mexico, where he worked as a surveyor. He was very close to his paternal grandparents and his body was brought back to Oklahoma to be buried next to our mother, who died earlier this year--it's been a rough year for the family. My wife Sue came close to having a miscarriage a couple of weeks ago following amniocentesis--a rare complication--and she had to stay in bed two weeks, so I couldn't easily get away for the funeral. She seems fine now. As it turns out, I may be of more comfort visiting Dad after all the other relatives have gone and he is alone again. None of this has helped my concentration and work lately. We are looking forward to a pleasant Christmas vacation to end the year on a more upbeat note.

*Best Wishes,
Dennis*

Phone # in Berkeley

486-0926

or

486-0129