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Quick, Timely Reads
On the Waterfront

Bay Rat Marketing: Pour a Koehler Collar

By David Frew

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Editor's note: Dr. David Frew, JES Scholar-in-Residence, is taking a brief break from his "On the Waterfront" series while vacationing in California. While he's away, we welcome you to revisit his classic "Bay Rat Marketing: Pour a Koehler Collar," which was first published in April 2021.



One of the defining characteristics of my west bayfront neighborhood was its astonishing array of bars, taverns, and clubs. My own short block had four: two bars and two clubs. During the 1950s, almost every bar or club was adorned with a neon sign proclaiming Erie's Koehler Beer, the local choice. And by the middle of the decade all of us were being entertained by Koehler jingles on radio and

television: “Pour a Koehler Collar,” “There is no Better Beer,” “Brewed with the Dutch Touch,” and other slogans became so popular that everyone repeated them. And for those who had the good fortune to find themselves inside one of those esteemed neighborhood establishments there were many more Koehler artifacts to be seen. Koehler clocks, bar trays, glasses, and advertising signs were everywhere.

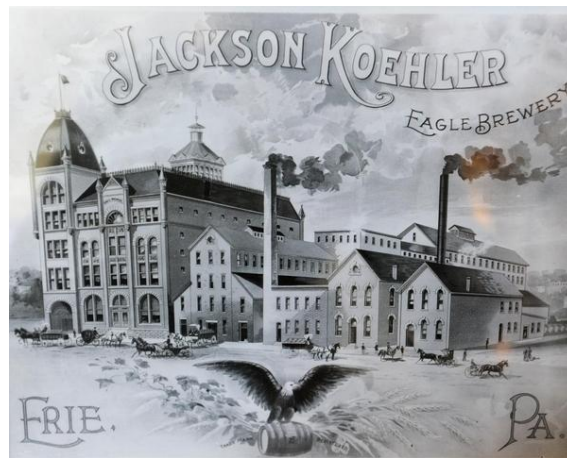


It was obvious that beer was some kind of magical drink and that we were lucky to have our very own local brand. Koehler Beer had a long Erie history, even back then. The familiar brand, whose signs adorned every drinking establishment, was almost 100 years old by the time we were noticing the signs. Koehler's amazing recent history began in 1883 when Jackson Koehler purchased the Eagle Brewery at 21st and State streets, a business that had struggled after it purchased and rebuilt a small burned-down brewery that had been at that location. The beer business was totally different during pre-Civil War days. Local beer was provided by more than 25 small neighborhood breweries. Most had been created by German immigrants whose culture was intimately linked with beer. Germans were the most prosperous of Erie's ethnic immigrants, most having arrived with the financial resources required to begin business ventures.

Charles Koehler and his two sons, Fred and Jackson, came to Erie from Holland (not Germany) before the Civil War and entered the brewing business. Fred, the oldest son, developed one of Erie's largest breweries on Erie's east side, where he experienced great success. After the Civil War, his brother, Jackson Koehler, also entered the business, purchasing a share of Eagle Brewery in 1883. Eagle had built its success on the manufacture and sale of lager beer, a relatively new style for Americans that was rapidly becoming enormously popular. The chief problem that local brewers had with the production of lager beer was that they were not experienced with making it. By purchasing a controlling share in Eagle, which was already brewing lager, Jackson Koehler had a head start. This was the first in a series of brilliant strategic moves by Jackson Koehler.

In 1891, he made two more important strategic hiring decisions: a German architect and a German brewmaster. Sensing the exponential growth in the beer drinking market, he hired an architect to design and build a grand new headquarters and brewery building on the site of the old Eagle Brewery. He knew that such a building would create an ongoing visual advertisement for his beer and that grand buildings would project the image of a quality product. To solve the puzzle of not knowing exactly how to brew a lager he sent to Germany for an experienced brewmaster to design and lead production.

The ultimate State Street architecture of the Koehler Building was lavish and stunning. Jackson Koehler understood that the growth of beer drinking would support the extra effort and expense of an ambitious building. He also knew that the Koehler Building complex would stand as a powerful and lasting symbol of the lager beer that he planned to produce. German-born architect Lois Lehle, of Chicago, was hired to design and build the Germanesque-Tutor building in 1891 near the peak of Erie's Gilded Age. The original building contained a brewhouse, grain tower, rack room, and a filtering area. In later years, there were several additions as well as a second building on the opposite side of State Street. The local favorite was the huge rathskeller reception area added after World War II.



Lithograph of Erie's Koehler buildings on the west side of State Street, south of 21st Street (Jerry Skrypzak Collection)

New brewmaster Henry Herbst arrived from Germany with the skills needed to produce the highly demanded lager beer with quality and in large quantities. When Herbst arrived, he hoped to build a mansion-style home on Erie's developing West Sixth Street "Millionaires Row." Unfortunately for him, he was too late because the most of the row's lots had been taken. Determined to live on West Sixth Street, however, he commissioned a home at the corner of Sixth and Plum on the west side of Gridley Park. While his new home was separated from

the Mansion District by Gridley Park, it was his hope that upscale development would continue to the west and beyond his new home. Ultimately it did not.

The primary reason Koehler's brewmaster wanted to design his own new home is that he had planned to include a large billiard room. Herbst, a European billiard champion, had hoped to include a tournament-quality pool room venue in his new house. As kids, we were aware of the seemingly misplaced mansion adjacent to Gridley Park and we had heard rumors of things that had gone on there, including late-night international billiard tournaments and famous international championship players who had frequented that house. Gridley Park was the southern boundary of Bay Rat territory, and the northwest corner of the park contained one of our regular ballfields, so we saw the mysterious wooden mansion each time we visited. We often made expeditionary trips into the driveway, which leads east from the back of the house to Plum Street, to "borrow" drinking water from an unattended hose. Herbst had a second important impact on our neighborhood. In the late 1800s, he expanded his business enterprises by opening the "Sailors' Inn" on the corner of West Fourth and Cascade, or the "Bayview Tavern," an important component of our bayfront neighborhood.



Herbst-Wagner House, a beautiful Queen Ann Victorian, at West Sixth and Plum streets

In recent years, the beautiful Queen Ann style Victorian mansion was purchased (1967) and restored by Don and Karen Wagner. While many neighborhood homes have fallen victim to "modern" restoration techniques and an abundance of vinyl, the Wagners were meticulous and traditional in their efforts. They slowly and painstakingly sanded, repaired, and replaced original cedar shingles (some of which were curved) and boards, even though that approach was slow and expensive. Shingle by shingle and board by board, they restored and painted the original siding, window trim, fascia, and soffit. As a result, the stately old home stands proudly as an architectural example of its time and type.

In 1899, Jackson Koehler merged with his brother, Fred, and changed the name of the overall business to Erie Beer Company. Soon after the merger, Jackson and Fred Koehler purchased two of Erie's other large breweries, creating a four-facility business complex. Their market timing was exquisite as the national and local beer-drinking market was expanding geometrically. Average annual consumption

in the United States rose from 3.4 gallons per year in 1865 to 20 gallons per year in 1910*, a growth factor of almost six. Interestingly, the national (and local) industry also shifted toward fewer, larger producers (typical of dynamic growth stage markets in most industries). Between 1865 and 1910, the number of American beer producers fell from 2,252 to 1,568*, a loss of about one third of all producers. The statistics in Erie were similar.

The growth of beer drinking, especially in the lager markets, continued uninterrupted until the 1920s and Prohibition, which changed everything. While the sudden 13-year interruption in American drinking was fatal for many of America's smaller producers, Koehler survived by compressing into a single location (Jackson's State Street building complex) and shifting production. They perhaps continued to produce and illegally sell some of their beer products but that history is based more on rumors than business records, for obvious reasons. Like several other producers, Koehler assumed that Prohibition would not last long. As it turned out, Prohibition continued for much longer than he or his optimistic brewing colleagues had predicted. During the painfully protracted period, Koehler used proceeds from the sale of its other three-location properties to retool.



Prohibition Era ice harvesting for near-beer production (Jerry Skrypzak Collection)

Koehler invested in both canning and bottling technologies during Prohibition. The new canning line was used to package and sell a new line of malt sugar, a product that could be used for cooking or for making home-brewed beer (which was legal). Prior to Prohibition, almost all beer was sold in kegs, but Koehler knew that the delivery mode was going to change to bottles. The new bottling line was used, at first, to produce a new product line featuring "near beer," a beverage that tasted like beer but had no (or little) alcohol content. Bottled or canned beer as we know it today was unheard of before Prohibition. Koehler and other brewers also perfected ice-making operations during Prohibition, shifting production from the packaging and delivery of beer kegs to large volumes of ice, a product that had been tangential to beer-making. Ice delivery also provided the "cover"

needed to send contraband beer into the local market. There are many unofficial stories regarding the beer that continued to flow secretly from the Koehler plant during the 1920s. Most seem believable since Prohibition was terribly unpopular, and local law enforcement were known to purchase and drink beer as they “looked the other way.”

Meanwhile, there was significant alcohol smuggling from across Lake Erie. It was perfectly legal to produce, deliver, and sell alcohol in Ontario, just a few miles from Erie by boat, but rum runners concentrated on hard liquor since the volume of that product was so much smaller than an equivalent value of beer, and it was much more profitable. The end of Prohibition in 1933 found the State Street Koehler facility still at work, doing reasonably well, and positioned to return to beermaking with a local market that was more than ready for them to return to production. Post Prohibition years were among Koehler’s best and, until World War II, production, sales, and profits climbed steadily. It was during this period that the company added several buildings and its famous rathskeller room.



The rooftop Koehler sign was a State Street landmark for decades. (Skrypzak Collection)



The more memorable contemporary sign was the one with the changing beer bottle and glass at 10th and State streets. (Skrypzak Collection)

The two world wars brought a new problem to Koehler. The family had passively allowed its market to assume they were German since that seemed to be the nationality that had been most associated with the beer business in general and with lager in particular. But growing anti-German sentiments motivated Koehler to try to change that perception. North of Erie, the town of Berlin, Ontario changed its name to Kitchener in response to anti-German social sentiments. And in Erie east of State Street, the name German Street was changed to American Street.

Koehler launched a publicity campaign, touting the family's Dutch heritage, since Holland was an important U.S. ally during the wars. Perhaps its most consistent message was contained in an advertising campaign touting the slogan, "Brewed with the Dutch touch." For almost two decades, Koehler rolled out bar signs, clocks, billboards, and television advertising featuring the family's Dutch heritage.



The Dutch Touch advertising campaign

While Koehler was able to survive and thrive for more than 100 years, weathering storms of early competition, Prohibition, and anti-German bias, it could not survive changes in modern national media. As the 1970s wore on and giant national beer companies began to leverage sporting events with television advertising, Koehler was unable to compete. Too big to redefine itself as a niche or craft beer (and before that trend had matured), and too small to enjoy the economies of scale forthcoming giant companies like Budweiser, Koehler eventually failed in 1978. There have been several attempts to rescue the building or at least the property by converting it to a downtown development project, but they all failed. In a last bit of business irony, Hallman Chevrolet purchased the State Street property where Koehler once served the Erie community for its Hyundai headquarters, a Korean automobile company.

Was it progress or fate?



The Koehler building near the end, painted white with red trim (Skrypzak Collection)

One of the Koehler beer recipes was purchased by a large beer company, which currently offers Koehler Lager as an upscale niche beer. Ironically, two brothers named Koehler, who were originally from Pittsburgh and had spent time in Erie when they were young (but do not seem to be related to the original family) have resurrected the Kohler name and are currently producing and distributing Koehler Beer from a brewery in Grove City, Pennsylvania.

* Industry data from The United States Brewers Association: Washington, D.C.

** Thanks to Jefferson member, Jean Keegan, for suggesting the topic.

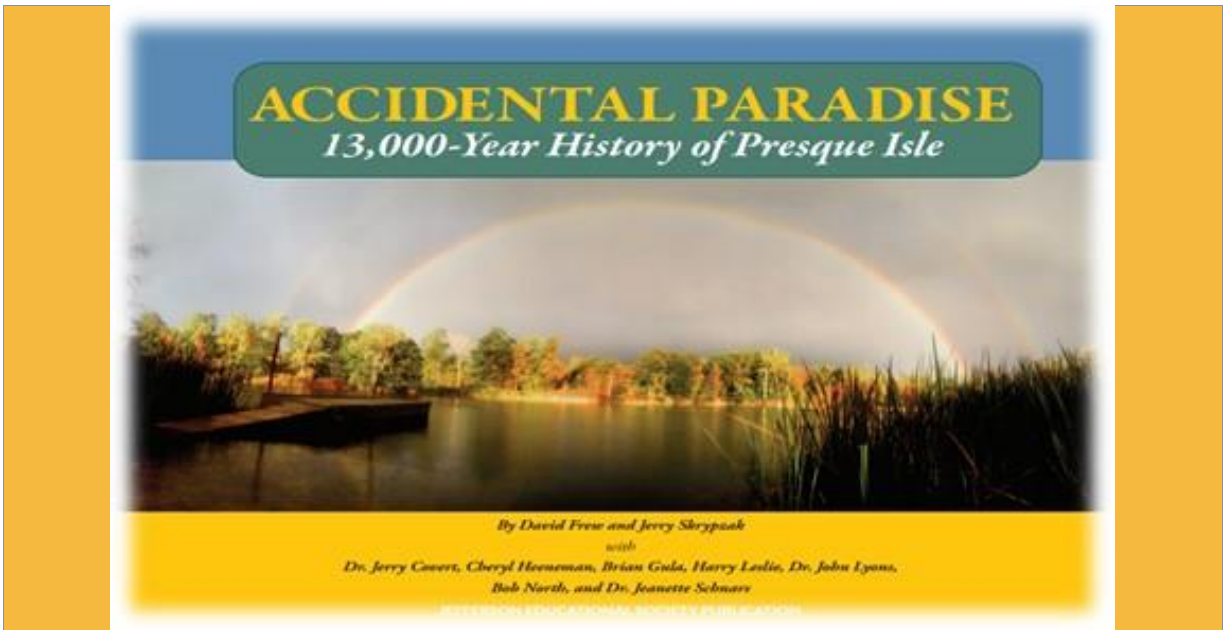
*** Don and Karen Wagner generously provided the information regarding their home as well as Mr. Herbst.

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ABOUT THE AUTHOR

Historian and author David Frew, Ph.D., is a Scholar-in-Residence at the JES. An emeritus professor at Gannon University, he held a variety of administrative positions during a 33-year career. He is also emeritus director of the Erie County Historical Society/Hagen History Center and is president of his own management consulting business. Frew has written or co-written 35 books and more than 100 articles, cases, and papers.



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