

The Piel Family

The door was locked and the rambling old house was deserted. So I punched out a glass pane, reached in, and opened the back door. Maybe I shouldn't have. But it was the only way I could get in.

The corridor was dimly lit by the faint sun of a cloudy summer's day in northern Maine. Stepping over the broken glass into that corridor, I was aware of everything—my steps, the filtered light, the objects around me. Even now, nearly fifty years later, I can still recall every minute of my hour in that house back in the summer of 1968. For I wasn't just breaking into a house. I was breaking into my family's past.

Along that corridor were small, sparse rooms with single brass bedsteads clean and ready for a summer staff long gone. At the end, off to the left, the kitchen seemed abandoned in the middle of a meal. Great steel pots were stacked in a sink filled with grease-covered water. Plates had been left on the dining room tables. The anteroom at the front of the house was, by contrast, immaculate. Even in the faint light, the colors of the old Turkish carpet still glowed. Upstairs, there were more bedrooms with more brass bedsteads. Everything else had been cleaned out.

Climbing the last flight of stairs, I came into an attic that ran the length of the house. At both ends were small dormer windows. Streams of daylight showed a bare wooden floor stripped clean of the clutter from better days.

Beneath a shaft of light at the far end, I saw a single piece of furniture, a small chest of drawers. As I approached, there was a letter lying on that bureau. The handwriting had the distinctive left-hook angles of my mother's hand. It was written in the blue ink she always favored. On the back, it was signed Margarita, my mother's name. Clipped to the back was a small snapshot. I pulled open the drawers, looking for more papers, other photos. Nothing. These were the only papers in the dresser, in the entire attic, in the whole house.

The photo showed the front veranda with five women seated comfortably, smiling into the camera across the span of three generations. At the center, I could recognize my mother's grandmother Maria Piel, the matriarch then in her eighties, seated on a chaise lounge, hands knitting a sweater, white hair pulled back into an austere bun. Seated on the railing was my mother's older cousin, Marie-Luise. To her left on the railing was Mother herself, just seventeen and radiant, wearing a white dress, saddle shoes, and her hair long with the gentle curls of the early 1940s. Seated to the right were two of her grandmother's German relatives.

That letter was a formal thank-you note, gracious and chatty. "Dear Grandmother," it began, "I want to thank you for the wonderful time I had in Maine. I enjoyed every minute of it—you've no idea how much I think of Lake Parlin thru out the year & just being there is wonderful."

As I went down the stairs and retraced my steps through those corridors, I glanced about for other letters or papers. There were none. A half-century's clutter had recently been cleaned out to prepare the property for sale to a real estate speculator.¹

Finding that letter and photo churned emotions I still cannot describe. It was, to say the least, an unsettling coincidence. Why just that letter in this enormous house with dozens of empty rooms, lying, almost waiting for me on that bureau? Adding to this eerie aura, just a few years after my visit this house, which had stood for nearly a century, burned to the ground.² If I believed in such things, I would call it fate, an invitation, even a summons.

The photo's smiles and the letter's genteel prose resonated with the wondrous tales my mother had told me, as a child, of her larger-than-life family, their Brooklyn brewery, and this grand estate up in the Maine woods. Back then I suspected my mother was embellishing a bit to make a good story better. But even her most fabulous tales had a kernel of truth that later provided me with important leads for writing this history.

There was her mother's uncle Willy Schmidt, the gunrunner, who started a revolution in Haiti to better sell rifles to both sides at a hefty markup. Visiting a sugar plantation in Brazil, he ran off one night with the planter's wife, horses and hounds in pursuit through the moonlight. Uncle Willy brought Consuela back to New York, where he moved her in with his wife and children. Since there were just so many slots in the family crypt, the real competition between the two women was to die first and claim the burial spot. Then there was Uncle

Erwin, a U.S. diplomat in Turkey during World War I who was sent home for trying to get America into the war—on the side of Germany.

Mother's best and, frankly, most imaginative stories were about her father's parents, the saga of their migration to America and the fabulous life they lived in their adopted land. Grandfather Michael Piel had been the strongest man in his village back in Germany, so strong he could lift a loaded hay wagon on his back. So strong that, when he struck his stepfather for hitting his mother, the man was crippled for life. Michael fled to New York, one step ahead of the law. There he built a successful brewery and sent ample funds back home to pay for his beloved Maria's migration to America.³

But, said Mother, her imagination now in full flower, Maria had taken vows in a Catholic convent. So her family split the cash with the mother superior who told Maria that it was God's will for her to go to America and marry Michael Piel. Their brewery was so successful that Michael and Maria soon had a mansion in Manhattan, an ocean-going yacht with dinner service embossed with the ship's name *Meridrud*, and a summer estate up in Maine with a retinue of servants, tutors, and musicians. There, Mother said, ladies in their white gowns would repair to a gazebo for strawberries and cream to chat while a small orchestra played invisibly in the woods nearby.

Even so, Grandmother Maria was bedeviled by the sin of leaving the nunnery, breaking her marriage vows to Jesus, and marrying Michael Piel. The specter of eternal damnation haunted her household. She extracted daily confessionals from her children. Most of them later refused to have anything to do with religion. So in the fading fall light, as our car twisted through the Pennsylvania hills toward the Catholic convent where Maria was spending her last years, Mother told us that we two, me then nine and my sister just seven, were the few among her dozens of descendants being raised in any church. Great-Grandmother was ninety-seven and growing frail. The ghosts were gathering. Seeing us, Mother said, would soothe her fears.

For reasons never explained, our own family never vacationed at that estate up in Maine. I only knew of it from Mother's stories—enchanted stories that portrayed the past as a wondrous place full of extraordinary events and adventurous characters that made me, without thinking much about it, grow up to become an historian. So, with my profession's love of paper, I saved that letter and photo, putting them in an album that I carried with me through moves to Asia and Australia and back again to America.

In 1998, some thirty years after my visit to Maine, the family business marked its centennial, though brewing beer had given way to managing money. At a meeting of the board of directors, I suggested a short history might be in order. Everyone looked at me, the family's only historian. So I started this project by recording my mother's memories of her family, their Brooklyn brewery, and those summers up in Maine. Mother recalled that, in later years when times turned tough for the brewery, her father ran a poultry breeding business, shuttling chicks between rented barns on Long Island and a hatchery on a hill behind the big house in Maine.

Though it wasn't all that relevant, I turned our interviews to that long-ago visit in the photo, sometime in the summer of 1940. "Well," said Mother into the tape recorder, "I remember I went up with my father, it was hot, and my mother said 'why don't you go up to Maine with Daddy,' who was going up for his chickens, 'and stay up there a while.' It was a long day's drive to get from Boston to Lake Parlin and I was not invited to stay over. I stayed overnight, I think, and went home the next day with Daddy. I don't remember the reason. *Tante* Louise was busy or there just wasn't room for me. 'What? In that barn!' My mother was really livid. It didn't faze me because it's family. And I don't know what was behind all that."⁴

Some months after that interview, one of Mother's many cousins gave me all the business's surviving papers, which had been deposited in a storage locker after the Brooklyn brewery was sold in the 1960s. Midst those boxes filled with eighty years of mortgages, contracts, and corporate minutes was a sworn statement, signed by Mother's father and dated July 1940, just a few weeks after that unfortunate visit to Maine.

"Know all men by these present that I, Rudolf A. Piel," my mother's father had written, "in consideration of the sum of One (\$1.00) dollar . . . paid by Maria Piel of Lake Parlin, Jackman Station, Maine . . . do hereby . . . sell and convey and forever quit claim unto said Maria Piel, her heirs and assigns forever all of his right, title, estate, and interest in . . . [a] certain lot or parcel of land situated in . . . Lake Parlin Farm, and owned by Maria Piel."⁵

Put simply, Mother's father was signing over his piece of land on the family estate to his mother Maria for a dollar. In a second document, he reserved "all my rights in and to approximately ten poultry range shelters . . . which are now on said Lake Parlin Farm, and which are my property and are to be returned to me." Her father was taking his poultry equipment and leaving the family estate at Lake Parlin, forever.⁶

A few years ago when I began writing these words, I telephoned Mother to make sure the photo and letter were indeed from that visit in the summer of 1940. To prod her memory, I summarized her father's legal declarations, documents she had never seen. After mulling it over for a few minutes, Mother added some missing details. By then, her father's chicken coops on a hill behind the big house created an incessant noise and horrible smell that detracted from the efforts of Grandmother Maria and her daughter, Mother's *Tante* Louise, to run the Parlin farm as a fancy inn for travelers on the road to Quebec City.

But Mother was now nearly ninety. She just didn't remember writing that letter or seeing the photo. So, recalling her uncanny memory for clothes, I asked her if she could remember what she was wearing seventy-three years ago during that summer's day in 1940.

"It was a white dress, with red lines that came together to make a pattern of squares," she said.

"Hmm," I replied. The old black-and-white snapshot only showed the dress as a whitish blur. "What about the cut of the dress?"

"There were buttons down the front," she said.

Right. "What about the collar?" I asked.

"It was a shirt collar," she said. Right again.

"What about the sleeves?" she now asked me. "I believe they were either half- or three-quarter length."

"Half," I replied, "just above the elbow."

"Yes," she said, "that's the dress I wore for that visit."⁷

So during that day at Lake Parlin there must have been a bitter family fight. Though my Mother had expected to stay for the summer, the next day she got in the car with her father and did not return for many years. And that breach never healed. For the next fifteen years, her father never saw or spoke to his mother again until she died in 1956 at the age of 99.⁸ Now I knew the reason why our family never visited Lake Parlin.

During my decade of research into this family history, turning up a wealth of documents in New York, Washington, Düsseldorf, and Zurich, the fables faded, replaced by some uncomfortable truths. The titans of family legend touched earth. The outlandish, often amusing characters of my mother's childhood stories became a bit too real as I learned the details of their complex, compromised lives.

With success and affluence had come bitter sibling rivalries over the brewery of the sort that often occur inside a family business. Some of these maneuvers were ruthless. The anger among the family lasted for years. Compounding

these conflicts, the family's assimilation from Germans into Americans was extraordinarily painful, marked by state surveillance, accusations of treason, and personal betrayal.

Slowly I learned a hard truth that had somehow eluded me for forty years as a professional historian. The past is a dangerous territory.⁹ Family history is not just some genteel diversion for elderly retirees. Asking questions runs the risk of unexpected, even unsettling answers.

Three Generations

Even knowing all that I now know about them, there is still something interesting about my mother's family, these Piel. They were not powerful, with generals or politicians whose doings supposedly changed the course of history. They were not really rich, although they built a business that sustained them for several generations. Once famous for their beer and its advertising, they are now largely forgotten.



1.1. Lake Parlin, Maine, Summer of 1940 (left to right): Margarita “Peggy” Piel; Marie Luise Piel; “Grandmother” Maria Piel; “Agi” Heermann; Maria Heermann.

Yet these Piel families lived their lives grandly for three generations, as if actors in some unfolding family saga. They were intense, overblown, almost operatic. They did everything that everyone else did. But they did it just a bit more passionately, as if a skein of madness that ran through their lineage infected them all. For over a century, they had sufficient capital to finance ambitious ventures, lifting them above the daily grind for more adventurous lives. Yet they were never wealthy enough to join the ranks of the idle, uninteresting rich. Even at their peak of prosperity on the eve of Prohibition, they were never beer barons, more like beer baronets.

Some of their pursuits were self-indulgent—hunting or fishing relentlessly, dabbling in the arts, collecting kitschy German paintings or costly vintage violins. But their careers were often exceptional. Innovative industrialist. Brilliant litigator. Pioneering publisher. And they built things. A brewery that became one of the biggest in America. A scientific publishing company that reached four continents in a dozen languages. And, above all, a family business that has survived, at this writing, for more than 130 years.

Two brothers, Gottfried and Michael Piel, arrived in America from Germany over a hundred years ago, started a brewery in Brooklyn, and struggled to survive amidst relentless competition that could easily have crushed their upstart venture. By the 1880s, New York was already the brewing capital of America, with more breweries producing more beer than any other city, including Milwaukee or St. Louis. Through quality and innovation, Piel Bros. grew from Brooklyn's smallest brewery in 1884, making just 850 barrels, into the sixteenth-biggest brewery in America producing over a million barrels by 1952. During Madison Avenue's golden age in the 1950s, Piel families tried to compete with the national brands by creating "soft sell" advertising for its famously funny "Bert and Harry" beer ads.

By the 1960s, however, New York's regional brewers could no longer match the vast advertising budgets of the big Midwest brands that were fast becoming national conglomerates. For not only was New York the nation's premier market, producing and consuming more beer than any other, it was also the most parochial. Unlike the Midwest shipping brewers Anheuser-Busch, Miller, or Pabst, New York's biggest, whether Ehret in the nineteenth century or Ruppert and Rheingold in the twentieth, were usually absorbed in their own regional market, making them vulnerable to national consolidation. By 1976, the Piel families' plant was demolished, leaving rubble where their model brewery once stood. Brooklyn's last brewers, Rheingold and Schaefer, also closed, leaving New York City without a brewery for the first time in more than 300 years.

Though their company had survived both Prohibition and Depression to become, under its second generation, one of the country's biggest brewers, Piel Bros. had faded like all the rest—like all the thousands of German breweries once found in cities across America. After the business was sold in the 1960s, the cousins of the third generation managed the proceeds prudently, supplementing their incomes from professional careers for the next half-century. Through it all, a family of German farmers became middle-class Americans.

But there is much more to the Piel's story than this simple, synoptic narrative. The history of the family and their business brushes up against many of the forces, large and small, that have shaped New York and the nation for more than a century.

By tracing this company's changing fortunes from rapid growth in the Gilded Age, through the travails of Prohibition, to the relentless competition from national brands after World War II, we can explore the economic forces that erased over 2,000 family-owned regional breweries from cities across America and ended all brewing in New York City for several decades. And by intertwining the history of this company with the intimate story of its family, we can weave some disparate strands—ethnic assimilation, economic change, and state surveillance—into the tapestry of a rising metropolis and a changing country.

Above all else, the story of the Piel Bros. brewery illustrates the tensions embedded in that commonplace term “family business.” Combining “family” with “business” creates a company riven by an underlying contradiction between the irrational intimacies of any family versus the rational demands of the modern marketplace. As psychologists and consultants have learned recently through voluminous research, the fusion of family and business must be carefully managed to avoid corrosive conflicts.

To capture this clash between family and business found inside every family firm, this history operates simultaneously at two levels: the corporate and the personal. Thus, each chapter of this book moves between the Piel households, where emotional tensions were usually suppressed, and their brewery, where these personal issues were fully expressed—a destructive pattern often found inside a family business.

These tensions introduce a twist into every chapter of this history, with commercial success at the brewery unleashing divisive emotions inside the family. Among the dozen surviving children of the family's second generation, childhood resentments grew up to become boardroom battles that contributed to the brewery's slow decline and ultimate sale. Throughout the three generations

chronicled in this book, these conflicts drive the history of the Piel and lend some larger significance to their story.

In the folk wisdom of many societies worldwide there is a recurring belief that any family enterprise experiences a similar cycle of rise and decline. “There are but three generations in America from shirt sleeves to shirt sleeves,” industrialist Andrew Carnegie observed famously in his 1886 book, *Triumphant Democracy*. Compared to Britain, wealth matters far less in America where, he said, “it is much more easily acquired and, what is more telling, much more easily lost,” bringing families back to the worker’s symbolic shirt sleeves by that third generation.¹⁰

Carnegie’s maxim seems a translation, into the American vernacular, of an old Lancashire proverb: “There’s nobbut three generations atween a clog and clog.” That English wisdom resonates with the old Italian saying, “dalle stalle alle stelle alle stalle” (“from stalls to stars to stalls”). Writing in the fourteenth century, the historian Ibn Khaldun observed a three-generation cycle in the life of Arab dynasties, from the hardened desert warrior who captures the crown to his effete grandson who loses it. More recently, the head of the U.S. Family Business Council observed that, in this world of accelerated change, “it just makes sense that family businesses might only last 50 to 60 years on average.”¹¹ Indeed, as they struggle through transitions from founding patriarch, to a sibling partnership and, finally, to a consortium of cousins, only 10 percent of America’s family firms survive to the third generation.¹²

But there are more basic reasons for this three-generation cycle. After the third generation, with new marriages complicating kinship and diversifying genes, the family’s coherence, shared identity, and common attributes are rapidly diluted as first cousins become second or second once removed. For many if not most of us, our lived experience of family is often just that—three generations. With luck, we are born into a family circle with parents and grandparents. As elders fade and children appear, we in turn become parents, then grandparents, sustaining that succession. Without much reflection, this three-generation cycle is often what many mean when they speak, conversationally, of “family.”

Beyond that tight family circle, personal choice and particular experience shapes what or even whether we think about those distant cousins. Anything beyond three generations means the clear ties that bind a family business dissolve into a spreading pool of ever-more-distant cousins. Anything beyond the clear bounds of nuclear family necessarily involves imagination. Cultural invention thus determines how whole societies consider kinship, whether patrilineal,

matrilineal, or bilateral. Among human kind's many creations, family is thus uniquely paradoxical in its Janus-faced character—enduring and ephemeral, fixed and fluid, real and invented.

Let us consider that basic tool of genealogists and family historians, the “family tree.” It usually shows a stylized lineage descending from two founders without antecedents, our very own Adam and Eve, and then grows branches that represent three, four, or even five generations. Yet we should use these trees cautiously, aware they are an illusory cultural convention that denies our biological reality. For even among first-generation Piel, no Piel was ever more than half a Piel. To state the obvious biological fact that family trees often ignore, every child is the product of two families, one depicted in that lineage and the other's ancestry often ignored.

We do not descend neatly down the branches of a single family tree. We move through a vast, spreading web of kinship impossible to depict visually and difficult to grasp conceptually. A more appropriate metaphor might be an hourglass with myriad grains, or genes, moving through each human body from countless antecedents to infinite descendants. Beyond three generations, our ancestry grows almost exponentially in complexity, blurring family ties, blending us into all humanity, and complicating any human institution, whether business or monarchy, built upon such shifting foundations.¹³

So it is not too surprising that the Piel's brewery founded by two jealous brothers in the 1880s would be sold by their feuding children in the 1960s, leaving a legacy of conflict for the cousins of the third generation. Even the most prominent family firms have had similar experiences. In their inveterate infighting, the Piel of New York have revealing parallels with better-known family firms in cities worldwide—the Agnellis of Turin, the Krupps of Essen, the Bingham of Louisville, the Pritzkers of Chicago, and the Bronfmans of Los Angeles. The fusion of blood and business can, in some instances, foster stable management over the span of several generations. But often this same combination produces bitter struggles for assets or corporate control—something seen in recent years among the Agnelli, Bingham, Bronfman, and Pritzker families.¹⁴

Managerial Revolution

Apart from these endemic personal conflicts, there is a broader economic trend of corporate consolidation that has influenced the course of family businesses

in America—a change particularly evident in the brewing industry. At the peak of U.S. economic power after World War II, mainstream American scholars, exemplified by Alfred Chandler’s Pulitzer prize-winning study *The Visible Hand*, celebrated the country’s “managerial revolution” that replaced family firms with modern corporations. Starting in the mid-nineteenth century, “entrepreneurial or family capitalism” yielded, in sectors requiring funds for growth, to “financial capitalism.” As both family- and financier-controlled firms expanded after the 1880s, they needed the skills of professional managers who had first appeared in the railroads. During the 1920s, “new accounting, budgeting, and forecasting methods were becoming normal” at major firms such as DuPont, General Electric, and General Motors. Through the sum of these changes, Chandler argues, “managerial capitalism soon replaced family or financial capitalism.”¹⁵

Economist John Kenneth Galbraith popularized this idea in his famous 1958 book *The Affluent Society*. Tycoons such as Rockefeller, Morgan, and Hearst were, he said, “the undisputed masters of the business concerns they owned” until the 1920s. Although their sons and grandsons might still have the wealth, “the power implicit in running the firm has passed to professionals,” that is, “the professional manager or executive.”¹⁶ Indeed, by 1963, none of the top 200 non-financial companies were still privately owned, whether by families or individuals.¹⁷

By the 1970s, large corporations seemed so dominant in the U.S. economy that federal policymakers tried to protect the “little guy” by fostering small businesses, often family firms, “as vibrant sources of renewal.” Over the past forty years, similar tensions have recurred in the mature market economies of Japan, South Korea, and the United Kingdom, where large corporations remain prevalent through a mix of market advantage and state support (the ten largest firms produced 79 percent of South Korea’s GDP in 2011). Meanwhile, governments struggle for strategies to assist the welter of small, often family-owned firms (4.8 million in the UK, 4.3 million in Japan), leaving large corporations with professional management dominant in the world’s more dynamic economies.¹⁸

Yet examined more closely, the shift to the managerial corporation, long celebrated as a hallmark of U.S. economic history, was less common and more complex than this literature imagined. Absent any explanation, Chandler and Galbraith apparently assumed that, through sheer force of market rationality, the managed corporation not only superseded but somehow erased the family business.

Even at the start of the twenty-first century, however, family firms still comprised over 80 percent of all U.S. companies and a full third of the Fortune 500

roster. At a time when family business was supposedly superseded, the *New York Times* business section carried three contrary reports in a single week, April 2015, about family fights at the apex of global capitalism. A first-generation proxy battle pushed the chief executive's ex-wife off the board of Wynn's Resorts, operator of a half-dozen leading Las Vegas casinos. Struggling to fulfill his father's legacy, the second-generation chief executive of Comcast failed to acquire Time-Warner in the century's biggest telecommunications bid. The chairman of Volkswagen, the founder's grandson, was ousted after bitter wrangling among third-generation cousins for control of the world's largest auto manufacturer.¹⁹

Through such conflicts, however, only 30 percent of family businesses survive into the second generation and less than 10 percent into the third. Specialists have argued that this poor succession rate is "caused when the business system and family system overlap," producing disputes as "family members act out the intense personal and interpersonal issues of the family agenda in their behavior in the family's business." Such volatility in an essential sector that accounts for 40 percent of the U.S. economic activity and nearly half its employment is a significant problem, for both individual families and the wider community. So intractable and important are these issues that there are, at this writing in 2015, family business therapists practicing in every major U.S. city, specialist journals publishing hundreds of articles, and special courses at leading business schools. The Center for Family Business at Northeastern University is devoted to solving "complex interpersonal and family business issues." Similarly, the program for Families in Business: From Generation to Generation at Harvard University offers a week-long seminar, with a registration fee of \$39,000, teaching "practices that drive high performance . . . and healthy family relationships."²⁰

Clearly, Chandler and Galbraith overstated their argument. The managed corporation eclipsed, but did not erase the family business. We need to correct this literature's predetermined causality with case histories, trying to understand the mix of interpersonal pressures and macroeconomic trends that pushed individual family firms toward professional management and entire industries toward consolidation.

Through a rare combination of business and family documents covering a full century, the Piels provide an apt cameo of these changes. Indeed, their brewery suffered from many of the "unique problems" that psychotherapists have since found inside family-owned companies. The father founder is often a "larger-than-life figure" who blocks development of "healthy conflict negotiation skills" among his heirs. Working in the family firm "may impede the child's

ability to establish independence.” Sibling rivalries among the founder’s children can “transfer into the business arena” where “disputes become intensified and confused.” The Piel businesses studied here, a brewery and a mutual fund, follow this literature’s typical three-generation progression: first, domineering patriarchal founders; next, a troubled sibling partnership; and, finally, an effective consortium of cousins. Through their close parallels with this generational pattern, the Piel families allow us a century-long perspective on the personal tensions that therapists have only recently identified inside contemporary family firms.²¹ In sum, the study of this single brewery can illuminate both the creativity of family businesses and their endemic personal conflicts—offering insight into the micro-level dynamic driving the macroeconomic change studied by Chandler, Galbraith, and others.

As the history of Piel Bros. demonstrates, the terms “family business” and “corporation” are not mere words or static categories. They are dynamic social formations with the power to shape both individual identity and collective behavior. Corporations are, of course, impersonal institutions, created by law and governed by rules that merge diverse employees into a cohesive organization. Each family business, by contrast, bears the idiosyncratic imprint of the individuals who created it. Family firms can inspire enormous dedication and self-sacrifice as their founders struggle throughout the day and decades to build a company that expresses their creativity and secures their children’s future. Yet families, with all their irrational intimacies, also nurture slights, hurts, and jealousies that can spill into their business as the second or third generations succeed parents and grandparents. Although Carnegie, Ibn Khaldun, and sages across the centuries are probably right about that three-generation cycle in family fortunes, the actual dynamics, as the history of Piel Bros. illustrates, are more complex and more contingent upon social context than they might have imagined.

As a company that was born at the peak of family-owned business and died amidst corporate consolidation, Piel Bros. exemplifies sweeping changes in both the brewing industry and the wider U.S. economy. Between 1850 and 1914, foreign, largely British, financiers invested \$3 billion in American industries—ironworks, railroads, and factories—that remade a pastoral land of farms and plantations into an industrial nation of smoking factories and steel-ribbed cities. By 1890, technological innovation had transformed brewing from a traditional craft into an efficient industry—raising annual production at the biggest breweries from just 8,000 barrels in 1860 to 800,000 by 1895. With the exception of a few giants such as Anheuser-Busch and Pabst, however, brewing largely resisted the U.S. “organizational revolution that gave rise to . . . vertically integrated,

bureaucratically managed corporations” in other consumer industries such as cigarettes, canned meat, flour, soap, or sugar. Among the thousand plus breweries operating in 1917, only two, Anheuser-Busch and Schlitz, ranked among the country’s top 278 corporations.²²

The Piel brothers founded their Brooklyn brewery at the dawning of America’s great industrial age in the 1880s when consumer goods benefited from technologies that cut costs and expanded sales. The U.S. brewing industry was in the midst of rapid expansion through refrigeration, pasteurization, and mechanized malting that was revolutionizing this ancient craft.²³ Hence Michael Piel, with a flair for innovation in food processing, founded his new model brewery at Brooklyn in 1883 with novel methods that balanced quality and a quest for industrial efficiency.

Starting in the 1920s and accelerating after World War II, financiers expanded U.S. corporations into conglomerates that produced the country’s iconic brands, mass produced and mass marketed through network advertising—first on radio, later on television. As “previously separate spheres of industrial, commercial and bank capital are now brought under the common direction of high finance,” wrote former German finance minister Rudolf Hilferding about finance capital, “the masters of industry and of the banks are united in . . . the elimination of free competition . . . by the large monopolistic combines.”²⁴ But not for beer, at least not at first.

Beer and Brewing

Both the character of beer and its ambiguous status in America made brewing the last major consumer industry to be consolidated and heavily capitalized. Beer is mankind’s oldest manufactured beverage, dating back 6,000 years to the ancient Egyptians. Though time alone should have allowed its mastery, beer’s complex, still mysterious microbiology makes brewing capricious. Unlike rum from fermented sugar, wine from grapes, or grain alcohols such as scotch and sake, beer is susceptible to spoilage. This delicacy kept its distribution localized within the ambit of the brewery and beer wagon until the late nineteenth century.²⁵

Reflecting their British origins, colonial Americans drank Scotch-style whiskey or, as a secondary choice, English-style ales served warm and often bitter. After the 1840s, however, a tide of German immigrants introduced their cool, smooth-tasting lager beers, which soon supplanted hard liquor as the nation’s

summer beverage. Between 1850 and 1860, the number of U.S. breweries tripled to nearly 1,300. Meeting the swelling demand required a massive harvest of winter ice from rivers and lakes. Once pasteurization and refrigeration allowed long-distance shipping in the 1880s, there were other problems. Sunlight spoiled the shelved beer until brewers introduced tinted bottles. Tin cans cut shipping costs for condensed milk, fish, fruit, and countless consumer products. But beer's chemistry reacted to the metal, precipitating unpotable salts, until vinyl coating was perfected in the mid-1930s. Beer also has an aura of authenticity—evoking the craft, land, and waters of a particular place—that resisted commodification.²⁶

Even as these problems were being solved, the spreading temperance movement stigmatized beer, making major banks reluctant to invest and slowing the consolidation that came to almost every other consumer industry in the Gilded Age. Moreover, the “managerial revolution” of the 1920s coincided with the Prohibition of all alcoholic beverages, stalling any modernization of the nation's breweries for nearly fifteen years.²⁷

Once Prohibition was repealed in 1933, change and consolidation came to brewing with extraordinary force. With limitless capital and lavish advertising, the rising national brewers—Anheuser-Busch, Miller, Schlitz, and Pabst—cut costs and expanded markets, undercutting long-established regional companies and unleashing a relentless consolidation. In little over a half-century, hundreds of family-owned breweries were amalgamated into national and then transnational conglomerates. In 1962, when Piel's was finally sold to a larger company, the top 200 industrials, many of them conglomerates, controlled 56 percent of all U.S. manufacturing.²⁸

By the turn of the twenty-first century, brewing had become the most concentrated and globalized of all consumer industries, largely controlled by just two transnational conglomerates. And these two were among the 35,000 transnational corporations that dominated world trade, many of them funded by a financial sector which produced nearly half the profits in the entire U.S. economy.²⁹

A few figures can illustrate the transformative impact of finance capital on the brewing industry. At the peak of the industrial age in 1900, all of America's 1,816 breweries had a combined capitalization of \$415 million that was, when adjusted for inflation, still only 17 percent of the \$52 billion that a multinational conglomerate paid for just one company, Anheuser-Busch, in 2008.³⁰ By 2012, two transnationals, the Belgian InBev and London-based SAB Miller, controlled nearly 80 percent of U.S. beer sales and over 200 brands in 42 countries worldwide.³¹

In this almost Darwinian process, regional brewers like Piel bought out local breweries until the national brands swallowed them all—disgorging the family’s third generation into the ranks of America’s striving middle class. At the same time that it transformed the brewing industry, the rise of finance capital also reached deep inside the Piel family, rupturing personal relations and nearly ripping the family apart. Not only was their brewery extinguished, but the process was painful as once-close siblings responded to these relentless market pressures with bitter infighting over the future of their family firm.

Family and the State

Beyond this central problem of economic change, the experience of the Piel family also reveals a great deal about two broad themes that, though secondary in this study, are nonetheless central to the country’s modern history: the forced assimilation that virtually erased German American identity from public life in New York and cities across America during World War I; and the impact of U.S. internal security on private lives, starting in that same period and reviving during the Cold War.

The Piel family’s fortunes were shaped, to a remarkable degree, by the growing strength of the U.S. state, both its regulatory powers and its covert surveillance. Starting in 1919, the federal prohibition of alcohol meant hard times for the Piel, just as its repeal in 1933 gave the family prosperity midst the Depression. During World War I, moreover, the creation of the country’s first internal security apparatus subjected the second-generation Piel, along with many prominent German Americans, to pervasive surveillance—stigmatizing the entire family and slowing their acceptance into New York society. A generation later during the Cold War, several family members found themselves fighting accusations of “disloyalty” within a spreading fog of state surveillance that enveloped their private lives for nearly twenty years. Looking back, it seems both surprising and significant that this clandestine dimension of U.S. state power intruded so forcefully and so frequently into the lives of an ordinary American family.

This internal security apparatus also played a central role in the forced assimilation of German Americans. For decades, scholars have pondered the conundrum that the country’s largest ethnic group is also its least visible. In 1910, Germans were the nation’s most numerous foreign-born, with a proud presence of

German-language newspapers, churches, civic groups, and beer gardens. A century later, German was still the largest ancestry given in the U.S. Census—cited by 58 million Americans in 1990, 43 million in 2000, and 50 million in 2010. Yet any visible display of German ethnicity has been utterly erased through what one scholar has called the country's most "spectacular case of collective assimilation."³²

The U.S. government achieved this accelerated assimilation through a raw coercion that has generally eluded historians. Although created to protect the home front during World War I, Washington's internal security apparatus also became a powerful engine for breaking German American identity. Compounding the pressures of mass conscription and formal proscription of alien loyalties, wartime counterintelligence enveloped German Americans in a suffocating surveillance.

This sudden flight from German identity prompted scholar Russell Kazal to ask "where did they go," what kind of Americans did they become, and what were the consequences of their assimilation for this country? Some historians argue that German Americans sought cultural refuge in a "monolithic whiteness," an American nationalism, or mass consumerism. "When looking for answers to large questions," Kazal suggests, "it sometimes helps to dig in small places." For him such a small place is Philadelphia, where he finds a German American retreat into a generic ethnic identity as "old stock" Europeans.³³

Yet we might find other answers if we look in still smaller places, inside a single family. The Piel's experience suggests this cultural response to forced assimilation was not found in any broad communal identification, such as white or old stock European, but instead in a retreat into family, its affluence and acceptance becoming the strongest marker of personal identity. German heritage has thus become a minor inflection, along with class, college, or profession, in a multifaceted Americanized persona.

So, we might say that the Piel's were ordinary in an extraordinary way. Their story is more than the usual immigrant saga of overcoming adversity to achieve success, though they certainly did that. Their history, across the span of three generations, reveals much about the making of the country's middle class and much more about the changing character of a rising city and its brewing industry.

Family History

Through the exploration of these three broad themes—ethnic assimilation, state surveillance, and, above all, economic transformation—this book attempts to

reconcile the disparity between the universal importance of family in human history and the parlous state of its study. There is, of course, a seemingly irreconcilable conflict between social history that, in searching for general trends, reduces individuals to the norm versus family history that emphasizes, even celebrates, unique attributes. Indeed, many of the prominent civic associations based on lineage—the Daughters of the American Revolution, Holland Society of New York, Mayflower Society, or United Daughters of the Confederacy—are inherently exclusive.³⁴ The whole field of family history, encapsulated in those quasi-fictional family trees, is an exercise in drawing boundaries for exclusion, saying we are somehow different, we are in some way better.

Yet there is nothing more universal than family. With the exception of foundlings or orphans, the entire human community is founded upon some form of family. Through child rearing, shared labor, and inheritance, family is arguably the single most important human institution across cultures and centuries. Clearly something so central, so literally seminal, for human history merits serious study.

At the dawn of the twenty-first century, millions of Americans were actively engaged in some form of family history. Yet the scholarly yield from this massive effort seems somehow slight.³⁵ Almost all these histories are privately published or circulated exclusively among family members. Offering a possible corrective, the few professional historians who write about individual families usually treat their subjects, unless particularly prominent, as exemplars of larger trends.³⁶ That, in essence, is what I have tried to do in this history of the Piel family and their brewery, embedding this method within the text of every chapter.

Complicating matters in my case, historians, unlike creative writers, usually strive to suppress any personal feelings that might bias their role as detached interpreters of the past. The complexities of treating the intimate history of any family redouble when historians try to write about their own ancestors with the same objectivity demanded for more distant scholarly topics, such as my own earlier work on elite Filipino families.³⁷ The discipline, as an essay in a leading journal explained, has long harbored “the fear that an autobiographical project may destabilize the professional historian’s hard-won authority as a reconstructor of the past.” In recent decades, however, historians have embraced their position as privileged observers and started venturing into this forbidden terrain. Indeed, recent work on historical memory has subverted the old standard for objectivity, now requiring, argues Pierre Nora, that the historian “acknowledge the close, intimate, personal liaison he maintains with his subject. Even more,

to proclaim it, to meditate on it, to make it, not the obstacle, but the means of his understanding.”³⁸

So instead of the historian’s usual self-effacing stance, found in countless academic monographs, I will, when relevant, presume to the first-person pronoun and intrude into the narrative. If objectivity, elusive under the best of circumstances, is not possible in such autobiographical projects, then accuracy and understanding seem not just substitutes but, in a sense, even sterner standards. Writing such intimate history thus presents unique challenges, forcing me to set aside the ingrained loyalties and antipathies found in any family, and struggle for balance, particularly in treating the boardroom battles among relatives. Instead of glossing over these bitter, often demeaning personal disputes, their insertion in a wider social context, as tensions endemic to almost any family business, seems to allow a more even-handed approach.

This problem of balance begins with the kind of documentation available for the century of family and corporate history covered in this book. For the first twenty years after their arrival in 1883, the Piels were building a business, with little time for personal letters or company records. Absent direct, detailed documentation, I had to recover fragments of their past from scattered sources—census records, building permits, insurance maps, residential directories, and trade journals. Then, through the artifice of historical narrative, I tried to make all that mute data somehow sing through the first two chapters of this book. Writing about this more distant past from such standard sources resonated comfortably with the kind of “objective” historical research I was trained to do.

After the brewery’s incorporation in 1898 brought the family modest wealth, the trickle of data becomes a torrent of more intimate information—voluminous corporate minutes, hundreds of personal letters in German and English, thousands of photographs, a thousand pages of diaries in tight copperplate penmanship, and several oral histories, one reaching seven hundred pages. While psychiatrist and historian David Musto needed years to tease out the elusive traits of the famously reserved Adams family of Massachusetts, the Piels were not shy about expressing their rivalries and resentments.³⁹ Indeed, the word intimate cannot begin to describe the passionate interior lives revealed in the rich fund of Piel family papers. Love/jealousy, loyalty/betrayal, self-sacrifice/bitter resentment, sibling rivalry/incestuous longing are just some of the dueling emotions that spring from these pages. From chapter 3 onward, therefore, the tenor of my writing changes from an impersonal forensic reconstruction of times past into a self-portrait of lives in full. As these chapters move toward the present, involving

my grandfather then my mother and their family fights, I tried for balance by seeing events from multiple perspectives, trying to present all sides.

Yet this wealth of family documentation also carries an embedded bias, exemplified by a Piel family tree compiled by matriarch Maria's middle son Paul. As a trained artist, Paul used perspective to lead the viewer's eye to a fundamental difference between the two brothers who founded the brewery, Michael and Gottfried Piel. On the left side of this family tree we see Gottfried and his wife Sophie, shown clearly as first cousins, begetting five children who all married without issue—a withered branch without fruit. On the right side, by contrast, the marriage of Michael and Maria, Paul's own parents, multiplies many times over to a second generation with seven surviving children, a third with fifteen, and a fourth with forty-six—a strong trunk with many flowering branches.

Interviews with family members confirmed this interpretation. “According to Paul,” recalled his nephew Gerard Piel, “Grandmother [Maria Piel] thought that that was a proper rebuke from the Lord for the almost incestuous marriage of Gottfried to the mother of all those sons and that one daughter. That they were all sterile and not begetters of children.”⁴⁰ When we peel away its artifice, this family tree reveals the ingrained infighting that makes the Piel's business history often seem the sum of such conflicts. And it exemplifies the almost primal bias that makes a balanced account of this family, or any family, so difficult.

For a family historian such as myself, who requires generational continuity as the prerequisite for writing, the failure of Gottfried's children to reproduce also raises complex issues, emotional and analytical. Their extinction breaks the three-generation cycle, creating a disconcerting void in family memory. By their extinction, the Gottfried Piel's indicate the importance of family not only as the repository of human memory, but also as the vehicle that moves humanity from past to future. Without descendants, there are no family stories, no collective memory. Without heirs, treasured heirlooms become estate sale bargains. The photos from Michael's side of the family show, in countless gestures captured within the camera's frame, parents handing on their assets, emotional and material, in a cycle of continuous renewal. By contrast, the album of one of Gottfried's children, Walter Piel, saved serendipitously by an in-law after his suicide, has photos without captions—Walter as a pilot in World War I, Walter at a fishing camp in some woods. Instead of the joy of recognition, these images seem a sad artifact of memory without meaning, a past without a future.

Though allowing a remarkably frank look at the lives of Michael Piel's descendants, these rich sources thus incline us to tell the story from their perspective, priv-