

WORLD'S LARGEST SIX PACK



G. Heileman Brewing Company

La Crosse, Wisconsin

March 14, 1999---

LA CROSSE, Wis. Rick Radloff sits alone at Ski's Sports Bar, a small corner tavern across the street from the G. Heileman Brewing Co. in downtown La Crosse.

The 43-year-old former Heileman forklift mechanic seems downcast. The sky is cardboard gray and the noon report on the television above the bar says that Joe DiMaggio has died.

Radloff gently twirls his can of Old Style Light.

Even on a cloudy day it is difficult to escape the dark shadows of the 127-year-old Heileman plant. "I was there for 18 years until this year," Radloff says, nodding toward the brewery, "when I was laid off."

Last month Stroh Brewery Co. of Detroit, having acquired the Heileman facility in 1996, announced the sale of its operations. In a deal struck with Miller Brewing Co. of Milwaukee and Pabst Brewing Co. of San Antonio, Texas, privately held Stroh is selling off all its brands and one of its six working breweries. Unless a new tenant can be found, the G. Heileman plant will close sometime between April and the end of the year.

According to published reports, Pabst Chairman Bill Bitting estimates the entire deal is worth \$500 million, most of which comes from the buyer's assumption of supplier and bank debt. Miller gets Henry Weinhard's and the hard-core Mickey's malt liquor. Pabst will buy most of the Stroh labels, including Stroh's, Old Milwaukee, Lone Star, Schlitz, Special Export and Old Style - a staple of Chicago beer culture.

"Are they going to make Old Style and Special Export the same way we do?" asks Ronald Buschman, head of the Teamsters local that represents most of the brewery workers. "That's one of our concerns. We krausen it (a secondary fermentation process that produces natural carbonation). And now we won't be part of that."

La Crosse Mayor John Medinger is a native of La Crosse, pop. 52,000. During an interview in his office, Medinger says, "A lot of people think alcohol is a terrible thing, the Women's Christian Temperance Union and stuff. But it's been part of who we are as a community for over a century. People took great pride in Heileman's

becoming big players in the national scene. The fact that it appears Heileman's will be gone hasn't sunk in yet."

Buschman, 57, has also lived in the La Crosse area his entire life. He has spent 39 of those years at Heileman. Buschman worked 20 years in the brewhouse. His 30-year-old son Patrick was a brewery mechanic who was laid off in August. His daughter Mary Ann, 29, worked at Heileman every summer.

"Budweiser makes more beer in a month than we do in a year," Buschman says, sighing. "All of Stroh's does 8 to 10 million (a Stroh representative said total '98 production was 16.5 million barrels). Budweiser makes 80 million. We've had some good times and hard times. Right now it looks like it may be the end.

"It's very sad."

Stacks of warm Old Style six-packs line the floor of Buschman's Brewery Workers Local 1081 office, a couple of miles south of the World's Largest Six Pack at the Heileman plant.

Built in 1969, the World's Largest Six Pack (of Old Style, of course) is La Crosse's biggest tourist attraction.

The 54-foot-tall stainless-steel tanks signify a bygone era, back when beer was equated with style and when Joe DiMaggio appeared on television in black and white.

The Old Style beer is aged in the tanks. A sign says the tanks fill 7,340,796 cans of beer. Those cans would provide one person a six-pack a day for 3,351 years.

Radloff tugs at his gray Green Bay Packers sweatshirt and pushes his tiny can of Old Style away from Ski's bar. "I feel bad because I have a lot of friends over there," he says. "People are on edge. But I understand Stroh has to do what they have to do."

Radloff is a native of Janesville, Wis., who moved to La Crosse when he was 2 years old. He's been married 14 years, with children ages 14 and 3 1/2. What will he do? "Right now I'm kind of hanging out," he answers with a light laugh. "I'm looking for work. I've got a couple leads."

The Heileman plant employs 575 people, 495 of whom are hourly workers. The workers average \$17 an hour with excellent benefits. Buschman says 100 employees have been laid off. About 90 percent of

the workers were born and raised in the area.

"There's some hostility," Buschman says. "Some people are coming to reality and are trying to make the best of it. The problem is that the average age in the plant is 48 years old. What do you do?"

Stroh has said it will offer severance pay and state money will be available for retraining. But some employees might have difficulty landing on their feet because their brewery work is so specialized.

How did this happen near the beautiful deep bluffs along the Mississippi River in what Heileman's calls "God's Country"?

Most people point to the 1987 sale of the brewery to Australian industrialist Alan Bond. He paid a heady \$1.3 billion for the Heileman plant, sinking the operation into an abyss from which it never recovered.

"That was the start of our downfall," Buschman says. "Bond was a paper tiger. He paid twice or three times what it was worth. Had he waited 30 days when the stock market crashed in October 1987, it would have been worth less than half of what it was at that time. It made a lot of millionaires here."

Sales tumbled and, encumbered by the debt Bond had accumulated, Heileman filed for Chapter 11 bankruptcy protection in 1990. It was purchased in 1995 by Hicks, Muse & Co., a Dallas investment firm, then by Stroh in 1996.

"The real problem at Heileman's goes back to the Justice Department," Buschman says. "When Heileman's tried to buy Schlitz, Pabst and Stroh's, it was always antitrust. More than one acquisition for Heileman's was blocked. They always considered us as monopoly. At one time we almost controlled Chicago. Evidently the brewery industry has changed."

Heileman workers have a sympathetic soul in Mayor Medinger, who formed a task force to save the brewery. Medinger's father was a tool and die worker at Allis-Chamber, which closed in La Crosse in the late '60s.

"He lost his job in a plant closing," Medinger says. "So I'm familiar with how this can affect families, workers and the community. I understand the anger. My father lost his job when he was 42 - union man. He had spent 24 years there. And when they were

young, Mom and Dad were big drinkers of Peerless beer, another brewery in La Crosse that closed up."

Peerless came from John Gund Brewing Co. of La Crosse, which in the early 1900s was the largest brewery in the Midwest outside of Milwaukee.

Medinger says the city will give it its "best shot" to bring a new brewery into town, but he admits it is a long shot. "You want to do it for the workers, but there ain't no labels left," he says.

"I've had people talk to me about using the plant for ethanol, cranberries, water and pop. But you just don't need a facility that large. You don't need 7 million barrels of cranberry juice."

Medinger looks out his window at downtown La Crosse, which is making a comeback. "I understand the frustration," he says. "Everybody wants to be mad at somebody when life gives them a raw deal. It's hard to respond to it, other than to be empathetic. People want this to stop. They want life to go back the way it's been. And you can't do that."