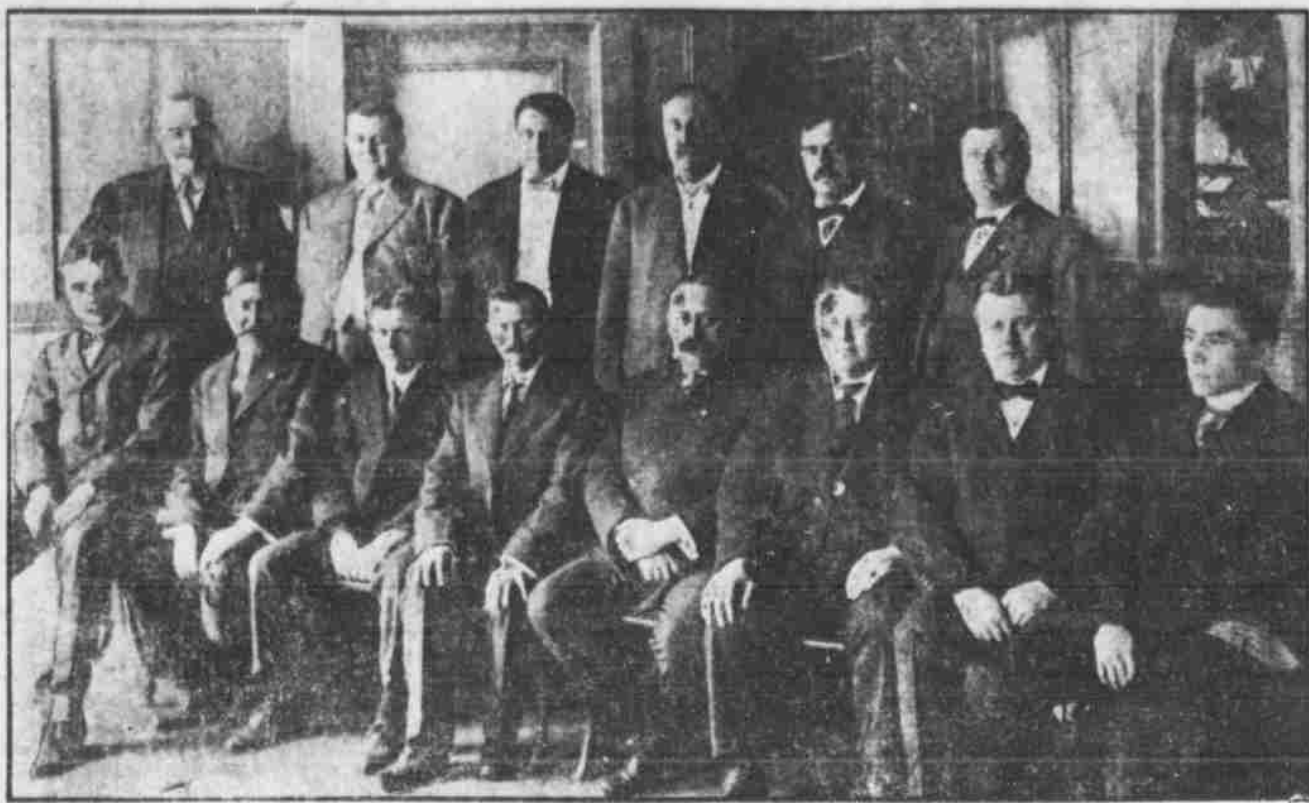


FIFTIETH ANNIVERSARY OF THE FRED KRUG BREWERY

Fred Krug, Founder and Head of Fred Krug Brewing Company, Celebrates This Week, His Fiftieth Year, as an Omaha Builder. Interesting Reminiscences and Facts Connected with His Long Career.



KRUG BREWING COMPANY OFFICE AND SALES FORCE.



WORKING STAFF OF KRUG BREWERY.

FIFTY years ago this summer Frederick Krug was selling the first brews from his brewery, which he built and opened in Omaha early in 1859, and after half a century of successful business is celebrating its golden jubilee, with the old brewer still at the helm.

One thing which Mr. Krug, a hearty German with four years' residence in America, could scarcely have anticipated when he crossed the river to enter Omaha fifty years ago, was that in the year of 1909 he would still be living, surrounded by his wife and children; that the boy of a few months, who crossed the Missouri river with him, would be the actual head of a brewing company, capitalized at \$1,000,000, which has stamped the name "Krug" on the history of the brewery business of the world.

It is scarcely possible that Mr. Krug looked into the future and believed, from seeing things which were not, that the institution which he started in such a humble way would be one of two big enterprises in Omaha which would outlive half a century in the hands of the same master.

Yet this is the case, and when February and March of the present year were passed, the Fred Krug Brewing company had a right to celebrate a birthday with the man who laid its foundation still active in its interests. More than a generation of business men have passed away since Mr. Krug began his career. Most of the big business enterprises which had their beginning back in the old steamboat days before the war now rest on the shoulders of the new generation. Some have fallen by the wayside when the hand which guided them was pulled from the wheel. Almost all have had an injection now and then of new blood in the shape of eastern capital; few have remained in the hands of one family, as an old estate in a foreign land. But the brewery of Fred Krug remains in the Krug family, with the founder present and the man whose advent into Omaha as a baby of nineteen months, who worked with his father during all the years of his boyhood, young manhood, and is with him in his prime, is manager of the business—William Krug.

Came With the Kings

The remarkable career of Fred Krug may be realized when it is known that he came to Omaha in the same year with the late William Paxton, with David H. Moffat, later banker and railroad builder of Denver; in the year that Edward and John Creighton selected Omaha as their future home; in 1859, when a string of men began careers here such as have been lived by Andrew J. Simpson (still in business at the old stand), Charles J. Karbach, Andrew Poppington, George B. Lake, Joseph Millard, Peter Frenzer, J. W. Van Nostrand, Thomas Swift, A. J. Hanscom, Albert Naat, Elijah Allen, John B. Kuony, Eleazar Wakeley, William Doll and others who have since departed this life or may yet be in the land of the living, with an Omaha advent, in either case, probably antedating that of Frederick Krug.

These men and a full hundred more whose names are well known in the history of the city were the men with whom Mr. Krug cast his lot when he established the brewery on Farnam street, between Tenth and Eleventh streets, and selected Rudolph Seizer, a shoemaker, as a partner.

The brewing business was a success from the start, undergoing the usual difficulties of frontier life, operating under the disadvantage of a small capacity with grain not too easy to secure, and some of the materials necessary to the brewer's art positively hard to secure.

The Mormons were making a temporary "Zion" near Florence; the prairie schooners made a continuous line across the great plains; the steamboats snorted and raved behind the "red squaw's birch canoe" and thrifty young men were staking city lots for sale "over old Indian graves."

The very first years of Mr. Krug's career in Omaha were the golden era of steamboating on the Missouri river, from the breakup in 1859 to the freezeup of 1860. It was the period just before the advent of the railroads. No other period before it nor after approached it in the splendor of its boats. It was an era well calculated to give encouragement to an enterprise such as Fred Krug launched in Omaha—something which offered to the comfort and luxury of the passengers who traveled on the boats in the heyday of that most important passenger—the Missouri river pilot. The American Fur Trading company was conducting an extensive business through well paid agents. Such men as Captain LeBarge were yunning boats, twenty to thirty landing at Omaha during the season, and their well paid men made business brisk.

Known Through Wide Region

As strange as it may seem, the first brewery opened in Nebraska, which was that of Mr. Krug, was known from Fort Benton to the sea, from Pittsburgh to Last Chance gulch, long before some breweries with a national reputation gained since had grown to proportions worthy of recognition.

Fred Krug was born near Cassel, Germany, in 1833. When he was but 19 years of age he sailed for America. New York was his first stopping place, but cannot be said to have been his first home. It was not a city to his liking and the "far interior" was held out to all young emigrants as a far more inviting land than that along the Atlantic coast.

St. Louis was selected by Mr. Krug as a place in which a young man would have an opportunity to move around and get into business. It proved a good move, for though he did not remain in the city a great length of time as a brewery worker, he was there long enough to make the acquaintance of Miss Anna Wittig, who afterward became his wife, and with him celebrated in Omaha September 13, 1866, a golden wedding anniversary, surrounded by eight children and hundreds of friends.

From St. Louis Mr. Krug went to western Missouri, where he became superintendent of a small brewery, and later came to Council



FREDERICK KRUG.

Bluffs, where he accepted the position of superintendent of the brewery of Hagg Bros.

After a short term in the employ of the Council Bluffs company Mr. Krug became convinced that Nebraska needed a brewery as badly as a neglected garden needs hoes. Omaha was on the path to success and he put his foot across the river in 1859—the books say February 13, never to retreat. The brewery which he erected was "completed in six weeks" and was a one-story frame affair 22x40 feet, on the tract which would now be the lots with numbers 1013 and 1015 Farnam street.

Rudolph Seizer, the shoemaker partner, conducted a retail establishment in the front part of the brewery, while by hard work Mr. Krug managed to make from twelve to eighteen barrels each week to supply the trade, which increased rapidly.

"Fred Krug used to wheel beer around the city in a wheelbarrow," is a remark frequently heard by business associates who have a vague remembrance of the early life of the young brewer.

Why He Delivered It.

It was a part of Mr. Krug's business, however, to deliver the beer which he made. Omaha had four saloons. Someone had to do the delivering, and if Mr. Krug wheeled his brew around in a wheelbarrow his friends explain that it was because "it was so good he could not trust any of the boys of those wild days to deliver it for him."

After the first few years Mr. Krug bought the interest of Mr. Seizer, the latter going to Sioux City, where he made as great a success in his various lines as Mr. Krug continued to make of the brewery. It is a coincidence that Mr. Seizer never returned to making shoes. His brief acquaintance with Mr. Krug convinced him of the future of the brewery business and in Sioux City he built up an estate which has left his sons in possession of large business interests, including stock in a brewery of that city.

Little by little the business of Fred Krug developed and in 1868 the malt house and plant at Tenth and Jackson streets was erected. This served for a number of years and thousands of barrels of the Krug brew were manufactured in the plant near which the company still maintains an uptown office, the old malt house in the rear being used by a refrigerating company and the Omaha Bottling works.

Thirty years after the little brew house opened at Tenth and Farnam streets the business demanded a larger home and Mr. Krug bought the present site of the brewery in the early '90s. The tract consists of eighteen acres on South Twenty-sixth street, near Vinton, the South Omaha line. While the big buildings have been erected on one end of the grounds, the balance is retained as a big lawn, which shows Mr. Krug's appreciation of open places and natural landscapes. Around the brewery are the homes of many workmen who have shared the prosperity of the business with the founder and become opulent in service.

The plant cost originally \$750,000. About 100 men are employed in all of its departments and it originally made some 65,000 barrels annually.

After the reorganization of the company in 1902, when Mr.

Krug's sons, William and Albert, entered the business as incorporators of the "Fred Krug Brewing company," with an authorized capital of \$1,000,000, the business, as well as the brewery, has been enlarged. The capacity of the plant of today is over 200,000 barrels annually. This is a remarkable contrast to the capacity of the first brewery which Mr. Krug erected in Omaha, which might be said to have a capacity of 750 barrels annually, provided the grain could be secured and boats bringing hops from Bohemia were not destroyed enroute or the river did not freeze before the cargo could be brought to Omaha on Missouri river boats.

Besides the brewery, which has been an influence in the commercial history of Omaha, as well as encouraging in early days the growing of malt-making grains, Mr. Krug has been a builder of other things and a heavy investor in Omaha property.

Many substantial brick business buildings scattered all over Omaha and South Omaha were erected by the Omaha brewer. Some were built before the vacant blocks had another building on them and their presence caused other buildings to go up, generally of a better type than would have been erected had not the Krug buildings made an appearance which subsequent builders took into consideration. Some of the buildings were sold not long after they were erected and later a corporation buying Omaha property for investment bought the last of the Krug buildings, except the theater, which had developed from a building erected at Fourteenth and Harney streets.

The theater is only one of numerous enterprises which Mr. Krug launched in Omaha. It is an evolution of Transmississippi exposition days. When this exposition enterprise was proposed to mark the beginning of a new epoch in Omaha's history and the close of a period dark with industrial depression, Mr. Krug was one of its enthusiastic supporters.

A modern music hall and summer garden was built at Fourteenth and Howard streets, and after entertaining exposition visitors for two years, it becoming evident that the public would support a theater in the same location, the Krug theater was built. Its architecture adds to the variety in a city like Omaha. Its German style is quaint and it is one of the attractive buildings of the city.

Building of Krug Park

Again turning to the old country for ideas, Mr. Krug conceived the idea that an American city with such a cosmopolitan population as Omaha possesses would enjoy a beautiful park with entertainment, high-class musical and refreshment features.

A tract beautifully located on high ground far above the city was bought. It consists of eighteen or twenty acres. One of the best landscape gardeners of Germany was secured and the grounds were laid out for the "Krug Park." This was in 1901, and for eight years the park has been one of the most popular places in Omaha. Some of the best bands in the world have been brought to Omaha by Mr. Krug's amusement manager and they have played engagements lasting for a week to several months, furnishing concerts seldom heard outside of the largest cities in the United States.

While some of the park tract was developed in its highest possibilities with flowers, shrubbery and gravel walks, a part of it was

left "wild," as it were, just as it was formed in the beginning and as it was when Mr. Krug first looked over the "Great Plains" when he came to Omaha in 1859. It has been a recreation ground for thousands and a cool breathing place for untold hundreds who during the day suffer with heat.

When, in September, three years ago, Mr. and Mrs. Krug arrived at the anniversary of their golden wedding, almost all of their fifty years of married life having been spent in Omaha, one of the most remarkable of celebrations was held. In response to the demands of friends a reception was held from 2 to 6 o'clock, when Mr. and Mrs. Krug received their old friends and acquaintances. The public took advantage of the opportunity to visit the home and for three hours a stream of people passed in and out of the beautiful home. Telegrams were received by Mr. and Mrs. Krug from all parts of the country and many cablegrams came from the old world, congratulating the man and woman who had succeeded so well in America.

Now comes the golden anniversary of the business institution which Mr. Krug founded in Omaha. It's something like another golden wedding anniversary and celebration to Mr. Krug and his business associates. It started in an era when the country was prosperous; when government exploration was being pushed with vigor in all directions into the country beyond the Missouri; when a stream of people across the plains had continued practically unchecked for a decade; when more steamboats left St. Louis for points on the Missouri river than for both the upper and lower Mississippi.

Half a Century of Effort

In 1909 the Krug interests are celebrating the golden jubilee of the founding of the institution amid similar conditions. The country has been developed, but the lands beyond the Missouri are receiving another line of emigrants and the country is entering a second period of intense and complex development. Fifty years have passed. There have been hard times between the two eras, the one in which the Fred Krug brewery was founded and the one in which it celebrates its fiftieth anniversary. Long Indian wars of the Missouri valley were the first clouds on its horizon. Since then the north and south fought out their differences and have become one in spirit as well as in name; financial crashes have shaken the very foundation of the republic; droughts in the summer gave the country west of the Missouri the reputation of a sun-baked desert; storms of winter which picked the snow from the earth and drove it across the plains in a death-dealing cloud gave the west the name of a blizzard-cursed waste, but the men of the west have conquered and brought their business institutions through into another prosperous era. But not many of them, like Frederick Krug, founded them in the golden era of 1859 and remained with them to see the bright days of 1909.

The firm of Fred Krug Brewing company is, if anything at all, aggressive. Its business ramifications extend from the Mississippi to the Pacific coast. Branch offices and agencies have been established and maintained in such cities as Des Moines, Lead, S. D.; Denver, Salt Lake City and San Francisco. Their advertising expenditures per annum are enormous, exceeding at times even that spent in a year by an average Omaha department store. Their employees were invariably happy in their employment, because the Fred Krug Brewing company are generous employers.

On their sales staff they have men whose length of service runs from eight to twenty years. At the brewery there are at least three men whose continuous employment averages twenty-eight years, and there are many others averaging ten years of service and over.

As a result of deliberate, painstaking and vigorous effort, having quality and fair dealing as watch words and principles, this old-established firm, but one of two founded fifty years ago, with the founder still at the head, has to its credit many gold medals and diplomas for high grade quality and purity of products, one product having carried off at the Transmississippi exposition (the one and only successfully financed exposition ever held in America), two coveted gold medals offered by the exposition authorities.

One of the remarkable characteristics of conduct to the credit of Mr. Fred Krug is that he never mingled in politics personally, and all through his long business career he has always vigorously opposed his employees doing so.

Importance of State Insurance in Germany

MUCH is heard in this country from time to time about the compulsory insurance and pension laws of Germany applying to the industrial classes, but probably comparatively few Americans are aware of the great extent of the system—a triple system embracing insurance on lives and against accidents and sickness and the payment of old-age or incapacity pensions. For the year 1906 the number of persons insured against sickness throughout the German empire was 12,408,706; against accidents, 19,227,213, and against old age and invalidity, 14,142,790. The entire receipts of the sickness and insurance fund during the same year were 314,461,891 marks—or, say, approximately \$80,000,000; the receipts of the accident fund were 189,708,567 marks, and those of the old age and invalidity fund, 263,340,791. The expenditures for the same year were 282,487,163 marks paid in sick relief, 16,596,421 marks paid in compensation for accidents and 182,353,360 marks paid in old age and invalidity pensions. The accumulated funds exceeded two milliards of marks. These figures are a trifle staggering,

and especially when one considers that the vast cost of these indemnities and pensions is not borne alone by the beneficiaries of them, but is large part by their employers. For instance, the law requires that all persons who are regularly employed for wages and do not earn more than 2,000 marks yearly must be insured against sickness, the employer paying one-third of the amount of the premiums and the employee the other two-thirds; the accident insurance laws embrace the same classes of wage earners and the same terms; but here managing officials and overseers are liable to insurance. So, during the year 1906 German employers of labor were compelled by the law of the empire to pay out of their own pockets about \$21,000,000 for the insurance of their employees against sickness alone. On the face of the thing it looks to us Americans something like an imposition, for we are not accustomed to paternalism and governmental "regulation" such as mark the industrial life of some European countries.

Being added to the cost of production, the insurance and pension taxes paid by German employers are in reality and in the last analysis paid in largest part by the consumers of German products—and, inasmuch as German wage-earners are themselves enormous consumers of these products, they pay a large measure of the employers' tax as well as the direct premiums collected from them by law. So the system cannot properly be charged with imposing undue burdens on the German employers of labor—the cost being very generally distributed and the beneficiaries of the funds contributing much the larger portion of it.

Some interesting suggestions are proffered by the system, however. For example, the Krupp steel works spent no less than 3,000,000 marks for this purpose in 1906-'07—that is, say, \$750,000 for insurance and pension payments in behalf of the company's employees. The product of the works is largely guns and other instruments of warfare. German employers cannot "consume" these products, of course, and the enhanced cost of them due to the compulsory system of industrial insurance is borne by every purchaser of a Krupp gun or other warfare instrument.—New York Commercial