

Jefferson Smurfit Corporation–Container Corporation of America

Founded: 1890

Location: 455 West Factory Street [Edsall Street], Wabash (1890–)

During Indiana's natural gas boom of the late 1880s the Diamond Match Company of Chicago decided to build a plant somewhere in the northern part of the Hoosier State to take advantage of what was then considered an inexhaustible supply of energy. The city of Wabash offered the Diamond Match Company fifty acres of free land and guaranteed them access to natural gas if the firm would build their planned strawboard and manila paper complex in the Indiana city. The inducement worked, and in 1889 construction began on a complex of two-story buildings that faced Edsall Street.

The new factory, completed in 1890, was to be powered by natural gas, but the company's executives took no chances and also included a steam-powered engine room in the original plans. The company used the strawboard made at the Wabash plant as packaging material for the matches produced at the firm's other plants. The manila paper, once logos or a company's name had been printed onto it, was used as wrapping for a set number of matchboxes. Although the Diamond Match Company owned the plant, all the printing for the manila paper was done at the Wabash factory.

When the gas boom turned to bust in the late 1890s the Chicago company sold the building and its contents to the Wabash Paper Company, a branch of the United Paper Board Company of New York. The Wabash Paper Company continued to employ the older techniques used to make paperboard (strawboard) up to the time it sold the plant to Container Corporation of America in 1933. Before the sale to Container Corporation, paperboard was made at the Wabash building by using straw and old cotton rags. Horses

hauled the straw into an area where huge vats boiled the straw until it reached a liquid consistency—only then could it be used and pressed into paper after several other processes. Total production reached forty tons of strawboard per day with this method, which used 240 workers to accomplish the task. Sometime after 1898 the presses used with manila paper printing were discarded.

After Container Corporation purchased the concern the straw process was dropped in favor of using recycled paper products. The Great Depression and then World War II interrupted management's implementation of improvement plans for the Wabash plant, but the postwar boom affected the paper factory. Beginning in 1946 and stretching into the 1960s, several upgrades were made to the facility. Electricity replaced steam power in the first year after World War II. Beginning in 1949 the company spent \$2 million to improve its ability to produce better quality paperboard—a series of projects that did not end for a decade. Also in the 1950s the firm started installing a wastewater treatment plant.

By the early 1960s production at the plant had increased and more room was needed. In 1963 a new addition rose over Factory Street, followed a short time later by a new boiler building. In 1965 the company spent \$750,000 to again expand the mill, adding a \$350,000 storage area eight years later. Always on the lookout for new materials or production methods, in 1968 Container Corporation bought an ultraformer paper machine from a Japanese concern, which gave the company a competitive advantage. That same year Container Corporation merged with Montgomery Ward, forming Marcor, a subsidiary of Mobil Corporation.

During the 1970s the Wabash facility began jointly to operate a wastewater treatment plant with the city. The company's ecological record earned it the Raindrop Award for water purity from the Wabash Valley Association in 1970, a distinction it shared with the city of Wabash. In addition, in the same year it also received the city's Chamber of Commerce environmental award. By 1976 the Wabash facility employed 281 people and produced 100,000 tons of paper products each day, selling 40 percent of the total to outside sources, thus generating significant revenue for the corporation. At that time every truck it sent out with paperboard returned to the plant with wastepaper.

During the late 1970s and 1980s the company purchased more modern paper machines, improved the press section, upgraded the coating equipment, and installed computer process control systems. Each step helped to improve the quality of the paperboard. In October 1986 Jefferson Smurfit Corporation, a St. Louis-based concern, purchased a 50 percent share in Container Corporation of America, and Morgan Stanley Leveraged Equity Fund bought the other half.

During the 1990s the company continued to improve the quality of its paperboard and was in 1999 one of the leading paper and paper packaging companies in the United States. In 1996 the company undertook a \$12.3 million expansion. The firm installed new machinery that took out metal and other pollutants in paper, which allowed the concern to use a less expensive, lower grade of paper for producing food packaging. The Wabash plant employed 350 people and had approximately \$100 million in sales in 1999.