

Bottles on the Border: The History and Bottles of the Soft Drink Industry in El Paso, Texas, 1881-2000



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Chapter 8b

Chapter 8b

Magnolia Coca-Cola Bottling Co.

When Hope Smith captured the Coca-Cola contract in 1911, it changed the entire direction of the company. Soon, Coca-Cola was the best selling non-alcoholic drink in El Paso. It was an idea that would last – all the way into the 21st century.

Magnolia Coca-Cola Bottling Co. (1911-present)

History

Introducing Coca-Cola

In 1911, Smith made the decision that set him on his life's path (Figure 8-42). He obtained the Coca-Cola franchise and began selling the first bottled Coke in El Paso. Along with Charles Rainwater, secretary/treasurer for Coca-Cola, Hope Smith signed the contract with the parent company on June 21. The corporation president validated the contract on June 30. The contract gave Magnolia Bottling Co. "the right to bottle and sell bottled Coca-Cola in all of El Paso County, Texas." Smith was required to "prepare [the beverage] and put [it] in bottles using the decorated Coca-Cola crown thereon" and agreed to purchase no less than 500 gallons of Coca-Cola syrup per year at a price of \$1.22 per gallon delivered to El Paso (Coca-Cola Contract).

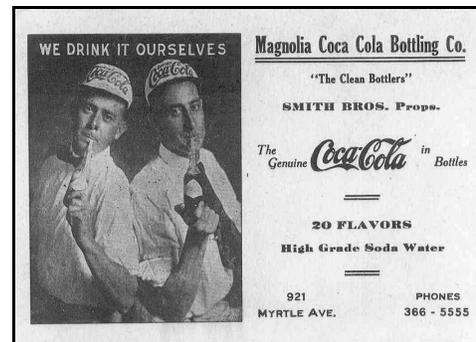


Figure 8-42 – Early Magnolia business card (Courtesy of Tom Lucky)

Magnolia was further required to "properly equip a plant at El Paso and keep same in active operation and push the business with vigor at all times and shall from time to time make necessary additions to said bottling works to meet the requirements of the increased business." The parent company was very concerned with "vigor" and threatened that "failure on the part of the second party to properly and vigorously push the sale of bottled Coca-Cola in every manner shall be deemed a violation of this contract." On their part, the main company promised to provide "ten cents worth of . . . advertising matter" for every gallon of syrup purchased by Smith, although Magnolia had to pay shipping charges (Coca-Cola Contract).

Smith also had a syrup franchise, an unusual arrangement in those days. Hope was very close to management in Atlanta – “they loved him” (Goetting interviews). Although hard to imagine today, people in El Paso were completely unaware of Coca-Cola in 1911 – and were mostly uninterested. The only way Smith could get people to try the new drink was to slip two or three bottles in a case of mixed flavors. Customers eventually sampled the new drink and liked it. Before long, Coca-Cola outsold the flavors. The cola problem was apparently common, at least in the west. A letter from the Illinois Brewing Co. (also a bottler of soft drinks) outlines the same difficulty a decade later:

Of the barrel that you first shipped us, we still have quite a little of the syrup left. Most of our soda trade around here is among the Mexican people and they do not take much fancy to either Chic Chic [a cola drink that did not survive] or Coca Cola, and consequently the reason for our not selling more. Most of the American trade is confined to the soda fountains, and it has been with great difficulty that we have been able to induce these fountains to even handle some Chic Chic. However, we are pushing it the hardest we can and hope by next season, we shall be more successful” (Illinois Brewing Co. letter 9/10/1923).

The popularity of the new drink caused sales to boom to 1,500 cases for the year 1911. Although small by today’s standards, the increased business probably caused Smith to instigate the move to larger quarters at 921 Myrtle Ave. (corner of Angie St.) the following year (Lucky interview), and Smith began a marketing campaign, having ads painted on brick walls all over the city (Figures 8-43, 8-44, & 8-45). C.A. Goetting, Hope’s future brother-in-law, moved to El Paso in 1915 (Goetting interviews).

G.E. Connor recalled the days of Coca-Cola in the city. He remembered that “Coke was then a fountain drink sold only at such places as the Elite and Pacific Ocean confectioneries. Hope Smith bottled orange, lemon and lime crush at a small bottling works on Myrtle across from St. Mary’s School” (Connor 1980:72).

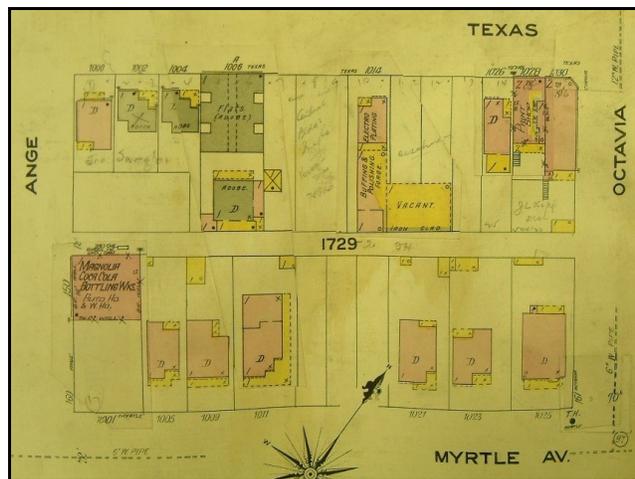


Figure 8-43 – 921 Myrtle Ave. (Sanborn Fire Insurance map, 1927)



Figure 8-44 – Coca-Cola ads ca. 1912 – note a second ad in the distance – upper right corner (M.G. McKinney collection)

There were often difficult times in beginning. Not only was the work hard, the company almost went under during a law suit. A Magnolia driver had hit a pregnant woman, who then lost her baby. A meeting was held between Smith, his lawyers, and the woman's family to settle the issue out of court. The negotiations were just about over, and a settlement had almost been reached, when Clopton came in drunk and almost ruined everything. After Clopton was ejected, an agreement was made.

With no insurance, Hope (and the fledgling company) would not have been able to withstand the law suit (Goetting interviews).

Smith married somewhat late in life for the time period (Figure 8-46). When he was thirty-five (1918), he wed Milda Connolly after dating for eight years (Figure 8-47). It was a union that lasted the rest of Smith's life, and Milda continued to operate the company after Hope's death. The couple had no children.



Figure 8-45 – Inside of the plant at Myrtle ca. 1913 (Courtesy of Curt Goetting)



Figure 8-46 – A Mature Hope Smith (Courtesy of Curt Goetting)



Figure 8-47 – Milda Conolly as a girl (Courtesy El Paso County Historical Society)



Figure 8-48 – Magnolia Coca-Cola ad (*El Paso Herald* 6/3/1920)

The company name was officially changed to the Magnolia Coca-Cola Bottling Co. in 1916 to reflect the commitment to the new product that was boosting sales, and the ads continued (Figure 8-48). By 1922, the young company had grown enough to purchase three new trucks to improve its delivery service (Figure 8-49). The expansion was a harbinger of things to come. Hope Smith was awarded membership in the Knights of the Golden Bottle in 1930 for cleanliness and excellence of plant operation. The presentation was a special honor that had only been awarded four times previously (EPCD 1916, 1932-1933; *El Paso Evening Post* 12/15/1930 10:2; EPT 6/28/1977 G13:1).

Two years later, Smith bought all the Magnolia stock owned by his brother, Clopton. Clopton, a victim of the disease of alcoholism, had been becoming more and more of an



Figure 8-49 – Three new trucks in front of the Myrtle St. plant (Courtesy of Curt Goetting)

embarrassment to the company. After several years of bailing Clopton out of trouble, Smith was forced to take action and dismiss his brother. In 1935, Clopton found employment at the Harry Mitchell Brewery as the superintendent of the bottle department, but he lasted less than a year in the position. The family sent Clopton to California for treatment in 1937, and he died there that year. Another brother, Eugene F Smith, a sales manager for Crombie & Co., became the corporation's secretary, although he did not take an active part in the corporation. He continued to work for Crombie & Co. (Lucky interview; Goetting interviews; EPCD 1932-1937).

The stock market crash of 1929 and the following depression struck everyone a hard blow, although El Paso was relatively unaffected until late in 1931, and reduced profits were not reflected in Magnolia's sales until later. In 1931, Smith employed seventeen workers in the plant during the peak sales period and retained seven to eight of them during the slack winter months. Plant employees labored ten hours a day, six days a week to enable seven one-ton capacity trucks to make deliveries. That year, the company sold 95,473 cases of six-and-one-half-ounce bottles at 78¢ per case (U.S. Census of Manufactures, 1931).

Just two years later, in 1933, the picture altered. Now the plant only employed eight workers during the highest sales month with a reduction to only four as early as October. Although the case price remained the same, sales plummeted to 65,216 cases during the year – a reduction of 31.7%. Even with that drastic decrease, Coca-Cola, the most popular brand in El Paso, suffered the least loss of any bottler in the city. Competitors found their sales reduced by as much as 62.7%! Many of the smaller bottlers could not withstand the loss and went out of business (U.S. Census of Manufactures, 1933).

The Yandell Years

In August 1935, Smith obtained a city building permit for \$3,000 to start construction of the new Magnolia Coca-Cola plant at 2720 East Yandell Blvd. (corner of Birch St.). C.A. Goetting (Smith's brother-in-law) designed and built the structure. The new plant was expected to cost \$20,000, but, by the time the new plant opened in September 1936, the cost had risen to \$60,000. The plant was visited by 15,000 people at its grand opening (Goetting interviews; EPT 8/14/1935 1:6; 4/17/1936 14:1; 9/19/1936 9:4; EPCD 1936-1938).

After the opening, Magnolia may have continued to use the old building for a while. City Directories do not confirm the move to Yandell until 1938 (although the directories may simply have been slow with their updates. The new structure was “a modern building . . . especially

designed for a bottling plant” (EPT 6/28/1977 G13:1). The plant was tastefully landscaped – so well done that it won the commercial division of the Annual Yard and Garden contest, jointly sponsored by the *Herald Post* and El Paso Garden Club (EHPH 11/18/1938 5:5). When the plant was finished in 1938, it was one of the best in the country (Goetting interviews). Four years later (1940) the company built a garage and stockroom extension at an additional cost of \$20,000 (Figure 8-50). The architecture of the new structure conformed to that of the existing building (EHPH 4/30/1940 2:1; EPT 4/30/1940 7:8).

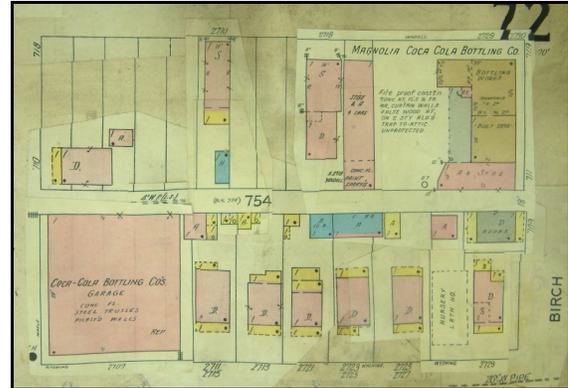


Figure 8-50 – Map of the Yandell plant, 1941 (Sanborn Fire Insurance map, 1941)

The new garage and stockroom contained sufficient additional space for forty railroad cars of bottle cases, or 96,000 cases for Coca-Cola bottles. Goetting, the builder of both structures, described the building as “a modified and streamlined form of Pueblo architecture which has all its share of beauty combined with utility.” At the same time, the company installed “new filler and bottle washing equipment which will almost double present mixing and bottling capacity” (EPT 10/7/1940 10:2). Concurrent with the 1936 move, Smith discontinued all other bottling (including Hope’s flavors) to concentrate the firm’s energy exclusively on Coca-Cola. The timing of the discontinuance is interesting. The previous year (1935), Woodlawn Bottling Co. obtained the Pepsi-Cola franchise and provided the first serious competition to Coke. Smith may have been reacting to the new product (EPT 11/28/1959 1:2).

	DEBIT	CREDIT
Coca-Cola 2 Disc.		360
Coca-Cola Cartons		
Coca-Cola Cooler		
2 Disc. Cases Bottles Out	350	
Coca-Cola Cartons	910	
2 Disc. Cases Bottles Ret.	49	350
Coca-Cola Cartons		
TOTAL		360

Signature: *Chas. A. Goetting*

Coca-Cola logo and text: "Coca-Cola Every Bottle Sterilized", "Visitors Are Welcome in Our Factory", "Come and See How We Safeguard the Quality", "When Cases Are Empty Phone Main 365, 366, 367, 368", "You Need the Rebate We Need the Bottles".

Figure 8-51 – Coca-Cola receipt – 1943

During World War II, world-wide sugar shortages restricted the operation of Magnolia as well as the rest of the bottling industry, although sales and advertising continued (Figure 8-51 & 8-52). Despite the shortages, Smith planned an expansion program for the plant that included an enlargement of the existing works, a \$30,000 warehouse to be built by Charles A. Goetting, a new bottling unit at \$50,000 that would double the capacity of the plant, and “\$75,000 for trucks,

bottles and cases” – a total estimated at \$205,000. Smith remained optimistic, telling reporters, “I just can’t see anything but a great future for our business in El Paso.” Smith was very clear about how he felt toward his adopted town. “I want to give El Paso the best,” he told reporters, “El Paso has been good to me” (EPHP 6/14/1945 7:1).

Plans included an increase in vending machines, an industry still in its infancy. Coolers, such as wooden syrup barrels that were sawed in half and filled with ice and water, had been in use for many years prior to the

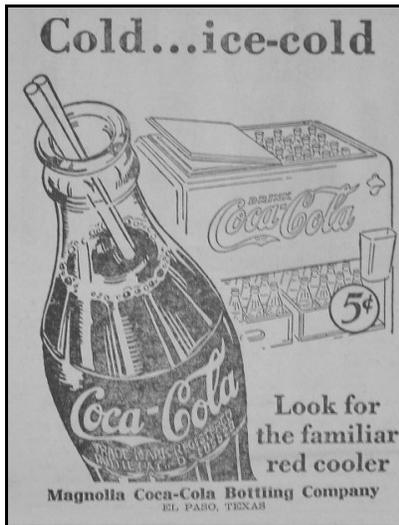


Figure 8-53 – Ad showing a “box” vending machine (Alamogordo News 3/14/1940)

addition of a coin

mechanism. Many of the early machines were little more than cooling boxes with a device to restrict removal of individual soft drinks until after the insertion of a coin (Figure 8-53). These boxes were horizontal, rather than the vertical configuration familiar to everyone today. Although mechanically refrigerated coolers had been available since 1930, the Coca-Cola Co. began nationally recommending the use of vending machines by its franchisers in 1937 (Woodroof & Phillips 1974:342-343). By 1941, Magnolia had placed the then state-of-the-art vending machines made by the Mills Novelty Co. of Chicago very sparingly in El Paso. Just over a year later, however, contracts with the Army, at that point escalating the war effort, caused Smith to radically increase the placement of Coca-Cola machines at Fort Bliss (Lucky interview).

Because gasoline was rationed for war use during the early 1940s, Smith decided to pull a publicity stunt. He borrowed a horse to pull an old wagon that he loaded up with Cokes. He then called the newspapers and told them to come take a picture of how Coca-Cola was saving gas for the war effort (Lucky interview).

When insulted, Smith could be very stubborn. During WWII, the general at Fort Bliss told Smith that he could not sell Coca-Cola to anyone but soldiers. Smith became angry and cut



Figure 8-52 – Magnolia ad with unusual carrier (El Paso Times 8/1/1944)



Figure 8-54 – Coca-Cola war advertisement – note the admonition to buy war bonds in the upper right corner (*Alamogordo News* 9/25/1941)

off all sodas to the army. He would only resume relations after much negotiation (Goetting interviews). Despite this disagreement, both Magnolia and the Coca-Cola home office supported the war, advertising strongly during a period when most soft drink advertisements (at least in the Southwest) had virtually ceased (Figure 8-54).

Apparently Smith’s stubbornness sometimes paid off. In 1942 or 1943, he received recognition from Coke for selling 200,000 gallons of syrup in one year. He was presented with a diamond-inlaid gold money clip

DATE	REF.	QUANTITY	CHARGES	REF.	CREDITS	BALANCE
BALANCE FORWARDED						
MAY 2-46	11 00		1 3.00	NET	2.00	1.00 00
MAY 9 46	00	1 0	1 3.00	NET	3.00	1 9.00 00
MAY 16 46	00	1 0	1 3.00	NET	6.00	2 6.00 00
MAY 23 46	00	1 0	1 3.00	NET	9.00	3 4.00 00
MAY 30 46	00	1 0	1 3.00	NET	4.00	4 3.00 00

Figure 8-55 – Magnolia receipt – 1946

which he carried the rest of his life (Goetting interviews). By this time, Magnolia employed between forty and fifty men and expected to provide jobs for all former employees returning from the war. The sugar shortage primarily affected the civilian population (Figure 8-55). In June 1945, Smith delivered a message to El Paso citizens, saying that he:

regrets to inform civilian Coke drinkers that they’re facing another reduction. Production of Coca-Cola for civilians has been 65 per cent of the 1941 base year, but about July 1 a 15 per cent cut will take effect, so that civilians thereafter will get only half the 1941 supply. About half of the company’s output has been going to the Armed Forces. The Army quota is based on the amount of sugar the Army can provide. Each case of Coca-Cola represents 1.14 pounds of sugar (EPHP 6/14/1945 7:1).

Although they had no way of knowing at the time, relief was on its way. The war would soon be over, and a new boom period of prosperity would end the rationing of sugar and other staples. The company grew from six routes in 1941 to ten routes by the end of the war in 1946, and route drivers looked great in white uniforms with green pinstripes. And soon the production of carbonated beverages would reach a new high.

Thomas C. Lucky

Thomas C. Lucky had joined the firm in 1941 at a salary of \$3.00 per day. Lucky had just turned 18 when he was hired to answer the telephone at the plant. Because he did not speak Spanish, lucky had some problems with the job but managed to survive. He served in the Navy for over three years during World War II but returned to work for Magnolia. Because of the manpower shortage caused by the war, there had been no one available to relieve the route drivers; therefore, no one had had a vacation in three years. Lucky became the route manager with specific duties to relieve routes and give the regular salesmen a hard-earned rest. The drivers got their vacations, while Lucky learned all the routes and became acquainted with all the company's customers (Lucky interview).

Magnolia had maintained a warehouse at nearby Alamogordo, New Mexico, since World War II, although the firm had trucked Cokes to the town since 1935 (Figure 8-56). Smith decided that it was time to open an actual bottling operation at the town. He sent Lucky to Alamogordo in 1955 to supervise construction of the new installation. When the plant opened, Lucky became the manager and held that position for the next five years (Figure 8-57). Magnolia sponsored more satellite bottlers in Monahans, Marfa, and, later, Alpine



Figure 8-57 – The opening of the Alamogordo plant; Hope Smith to the right, Tom Lucky center (Courtesy of Tom Lucky)

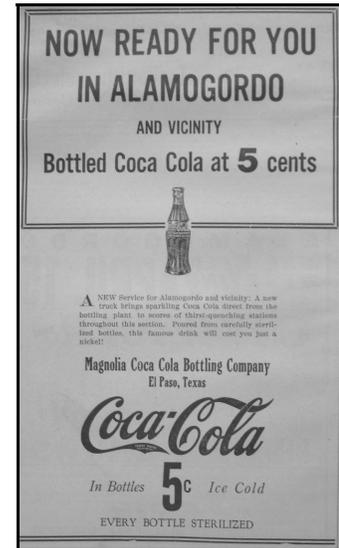


Figure 8-56 – Magnolia ad for delivery of Cokes to Alamogordo (*Alamogordo News* 11/1/1935)

(all in Texas), and each bought syrup from the parent company in El Paso. Smith's brother, C.A. Goetting (who built the Yandell Blvd. plant in El Paso), also designed and built the plant in Monahans (Lucky interview; Goetting interviews; EPT 4/25/1954 E11:2; see Lockhart 1998:8-12 and 2001 for the story of Coca-Cola in Alamogordo, New Mexico).

In 1960, Lucky returned to El Paso to become sales manager, then vice president, and finally general manager of the El Paso plant in 1967. Lucky was also in the advertising section for a while and became an integral part of the

plant's operation. Lucky liked people, and the job with Magnolia gave him a chance to get to know a variety of customers from different walks of life. A loyal company man, Lucky was once informed that a tabloid had gone into print with an article claiming Coca-Cola caused cancer. Enraged at the unfounded claims, he bought all copies of the edition and burned them. At one point, Lucky had the opportunity to buy the Seven-Up franchise but instead remained loyal to the company that had provided for him so long (Lucky interview).

Lucky even attempted to buy Magnolia when Milda Smith sold it in 1975, but his bid was slightly too low; he decided that he was ready for retirement instead. He had remained with Magnolia for thirty-four and a half years before he retired in mid-November of 1975. The decision was a wise one. Like so many other EL Paso bottlers, Lucky was beset by physical ailments that included gall bladder problems in 1985, four heart bypasses performed in 1987, and an aneurism in 1995. If he had bought Magnolia, Lucky may well have joined the other El Paso bottlers whose widows followed them into the presidential chair. Lucky and his wife, Dorothy, enjoyed retirement in El Paso until his death on February 10, 1997 (Lucky interview).¹

Another important employee was Miss Amaker, a Mexican American woman who served as Smith's secretary from the 1930s to the 1950s. She was "his right hand," privy to all his information. "Hope adored her," and she took care of him (Goetting interviews).

The Booming 1950s

By the early 1950s, the bottling industry was booming, and El Paso was serving an ever increasing area. Eugene F. Smith had left the firm in 1949, and the corporation was now a major industry in El Paso. The *El Paso Times* boasted on April 4, 1954, that "nine beverage bottling companies located in El Paso go far to make this city the soft-drink capital of the Southwest," and Magnolia was the top-selling company of them all. The firm bottled more than 1,000,000 cases of Coca-Cola in 1953, more than six hundred times the sales in 1911 when the company first obtained its franchise (EPT 4/5/1953 B13:4; 4/25/1954 E11:2).

About this time, the company began using local water. Previously, Smith had imported water from Deming because of its high quality and good taste. Their new fully automatic

¹ This should serve as a lesson for historians who conduct interviews. I visited Tom Lucky a total of three times. He died just three months after our last meeting. Do not put off interviewing people.

bottling machines were capable of turning out as many as three hundred filled bottles per minute. All bottles and the crown caps used to seal them were purchased directly from the manufacturers. The firm now employed seventy-three full-time employees and had a fleet of thirty-five cars and trucks that served El Paso, Hudspeth, and Culberson Counties in Texas along with Otero and Lincoln Counties in New Mexico. The franchise continued to grow and eventually served twenty-two counties in west Texas as well as the two in New Mexico (EPT 4/25/1954 E11:2; 11/28/1959 1:2; EPHP 4/24/1954 39:1).



Figure 8-58 – Hope M. Smith – a man of character (Courtesy of Curt Goetting)

Smith was honored for being continuously active in the bottling industry for fifty years and was happy to inform the public that Magnolia only bottled a single product – Coca-Cola. He was proud that Coca-Cola had not raised its wholesale prices. Smith told the Times, “I still believe that a kid’s nickel should be good for a Coca-Cola. The kid’s nickel has made our business” (EPT 4/5/1953 B13:4). Just four years later (1957), the business lost money for the first time. Although it almost broke his heart, Hope had to raise the price of Coke to ten cents (Goetting interviews).

The “Man of Character”

Smith’s friends described him with words like “great individual” or “man of character” (Figure 8-58). Florence La Belle, the nurse who attended Smith during the last few years of his life, called him “one of life’s true noblemen” (undated handwritten letter from Florence La Belle). He loved people. Although businesses are usually run on contracts, Smith believed in handshake deals. He was noted as a man who always kept his word, and his employees felt he was a good man to work for (Lucky interview). Perhaps his greatest public tribute came from W. W. Bridges in the *El Paso Herald Post*:

Among these [splendid people] is Hope Smith, a blunt man of no pretensions but of wonderful deeds. No seeker after glorification of any sort, not pompousness (*sic*), not rich but fair and honest and always steadfast, he has made his way among us as a friend of every right principle and foe of every wrong. To live and let live, I would say, is consciously or unconsciously his method of life. He has never touched anything that was sordid, has taken undue advantage of no man, is a builder, a helper, and a model citizen (EPHP 9/22/1936 4:4).

Kurt Goetting also recalled how Hope “loved the plant and loved the employees.” After World War II, Hope called his employees in and asked how many owned homes. Most did not. He then arranged loans for those employees who wanted to buy homes (Goetting interviews).

Smith loved people, especially children, and would spend thousands of dollars on Christmas decorations every year, always including Santa Claus, sleigh, and reindeer for the Yandell plant. One year he even had a revolving Santa shipped in from New York. The animated Yuletide figure had a recorded voice that greeted passers-by. Smith always started preparation on the first of December, and carloads of kids would come by to see the display. The experience made such a big impression on the children that many of them still recalled the episode as adults. For the Christmas of 1941, plant employees went to Cloudcroft and cut a forty-foot Christmas tree. It took Tom Lucky and other employees until 10:00 o’clock that night to finish decorating the tree. Lucky recalled that “we couldn’t get done fast enough to suit [Smith]” (Lucky interview).

Competitors respected Smith but called him “tough competition.” For years, he kept the price of Coke at 80¢ per case – when others were practically pleading for a price increase.² Other bottlers had frequent meetings to discuss important issues of the trade, topics such as when and how much to raise the deposit on bottles. Smith remained aloof from the meetings. At the same time, he kept an eye on the competition. He used to frequent the Haufbrau, where he would set the drinks up for the patrons – while carefully positioning himself where he could watch the Barq’s trucks unloading across the street and get an idea of how well his competitor was selling (Lucky interview). But even while he was a tough competitor, he played fair. Often, he helped other bottlers, even going so far as to make sure that others had sufficient shelf space at the grocery stores (Goetting interviews).

Smith drank heavily. C.A. Goetting’s wife would not even visit him after lunch because of it. He would frequently buy drinks for everyone in the bar. Sometimes people took advantage of Smith's well-known generosity. Employees (and probably others) tried to guess what bar Smith might visit in order to take advantage of the free drinks he always offered. Drinking probably hastened his death. He almost died in the Spring of 1954. When Hope was in the hospital, he was worried about paying off the \$300,000 worth of new equipment. Milda told him that she had the cash and would pay it off if he died. Milda was frugal. According to Kurt

² The 10¢ soft drink became the industry standard in 1964, replacing the 5¢ beverage that had been the norm for so many years (Woodroof & Phillips 1974:339-341).



Figure 8-59 – Hope and Milda in their later years together (Courtesy of Curt Goetting)

Goetting, she saved “everything she got.” (Josselyn interview).

Smith suffered a long illness in 1959 and finally died in the hospital on November 27. His life had been physically hard. His 36" arms had scars all over them from injuries received in the early days while filling bottles on the old hand-operated machines. He had been active in El Paso business outside the beverage industry as well as civic affairs prior to his hospitalization. By the time of his death, he had been a director of the State National Bank of El Paso, an officer in the El Paso Chamber of Commerce, Chairman of the Board of the Coca-Cola Co. of Alamogordo, New Mexico, and even a volunteer fireman (Lucky manuscript; Goetting interviews; Wulfjen letter; EPHP 11/27/1959 1:6; EPT 11/28/1959 1:2).

Smith was a member of the Elks and Kiwanis Lodges and was active in St. Clements Episcopal Church. He was a 32nd degree Scottish Rite Mason, a participant at El Maida Shrine, and a member of the Pioneer Association. If civic involvement were not enough, Smith was also an anonymous philanthropist, making contributions to the Red Cross, El Paso General Hospital (later Thomason General Hospital), Providence Hospital, and other worthy organizations in El Paso (Wulfjen letter; EPCD 1960; EPHP 11/27/1959 1:6; EPT 11/28/1959 1:2).

Milda Smith Takes Charge

Milda Smith became president of Magnolia upon her husband's death (Figure 8-59), with W. Frank Smith as vice president. Frank was not a relative and was described by one source as “a real jerk” (EPCD 1960; EPHP 11/27/1959 1:6; EPT 11/28/1959 1:2). Hope and Milda Smith had rarely discussed the operation of Magnolia throughout their marriage, and Milda did not want to be involved in the corporation. She only continued because Hope had wanted the business to go to his brothers and sisters. Although few besides the family were aware, Forrest (Hope’s younger brother) actually made most of the business decisions – Milda called him almost every day (Figure 8-60). Forrest was the president of the Bank of Commerce in San Antonio (and later the Chairman of the Board of Directors), so he had a lot of business

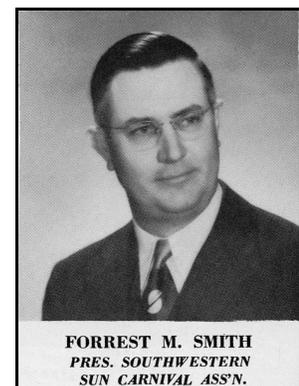


Figure 8-60 – Forrest M. Smith (Sun Carnival 1951)

acumen (Goetting interviews).

Milda was described as “a great lady . . . friendly, outgoing . . . full of stories.” She trusted her employees and truly enjoyed working with them. She would get so excited after sales meetings that she would “drive ninety miles an hour” while talking to her terrified executives. The officials became so alarmed that there was practically a stampede at the end of meetings to beat Mrs. Smith to the steering wheel (Lucky interview).

Despite (or maybe because of) her antics behind the wheel, the company flourished under Milda Smith. On July 15, 1966, Magnolia built a new \$200,000 warehouse with 22,000 square feet of storage space. The new facility was designed by Nesmith-Lane & Associates to accommodate both empty and full cases of bottled product. Built by the Croom Construction Co., the opening ceremonies were officiated by Mayor Judson Williams who fittingly “christen[ed] the building with a bottle of Coca-Cola” (Blurb written for newspaper by W. Frank Smith). Things were going well (Figure 8-61)

Magnolia was respected by its competitors on both sides of the Rio Grande and generally kept up good relations with them all. Friendly feelings became strained, however, when Tom Lucky noticed just how much business was going across the river into Ciudad Juárez, Mexico. Because Mexican wages were lower, the Juárez Coca-Cola dealers were selling Coke for less. In an attempt to regain some of the lost revenue, Plant Manager W. Frank Smith put up a billboard readable from the bridge going into Juárez warning travelers driving in that direction that Magnolia Coca-Cola used better and cleaner processes in bottling than were practiced by plants in Juárez. The Juárez Coca-Cola manager became understandably angry and ceased friendly relations with Magnolia. A few years later, when the sign came down, Lucky was able to reestablish a closer relationship with his Mexican counterparts (Lucky interview).

it's
the real
thing

Enjoy
Coca-Cola
TRADE MARK

Sprite
TRADE MARK

FRESCA
TRADE MARK

T&B
TRADE MARK

Fanta

565-1451

PRE-MIX POST-MIX
DRAFT SYSTEMS

SODA
FOUNTAIN
SUPPLIES

SALES & SERVICE
EQUIP. & SUPPLIES
ICE MAKING EQUIPMENT

VENDING
MACHINES

FOR SERVICE & REPAIR
565-1454

DAY OR NIGHT
7 DAYS
A WEEK!

MAGNOLIA
Coca-Cola
BOTTLING CO.
2720 E. YANDELL

Figure 8-61 – Magnolia ad – Yandell location (El Paso City Directory 1969)

Change: A New Owner and a New Plant

Forrest Smith was elected vice president in 1972 and became executive vice president when Mrs. Smith died on May 28, 1973, at nearly ninety years of age. Forrest retained the executive vice president position until he placed the company “up for bids.” Goetting wanted to bid on the plant but was restricted due to his relationship to the Smith family. The high bidder, the Coca-Cola Bottling Co. of Fort Worth, took over the company in November 1975. Forrest Smith was replaced by J. Mike Bates the following year, as the Fort Worth firm prepared for another move (Goetting interviews; EPCD 1972-1976; EPT 5/30/1973 A8:2; 6/28/1977 G13:1).

The magnificent building of 1936 was no longer sufficient to service the 400,000 people who now lived in the growing metropolis of El Paso. In June 1977, Magnolia opened a new plant at 11001 Gateway West near Lomaland Dr. The *Times* proudly proclaimed that “the new plant is approximately 180 times as large as its pioneer predecessor. . . . In 1911 the plant here used four barrels of syrup. Today that four barrels would only be sufficient for about 10 minutes of production time” (6/28/1977 G13:1). The new facility included a second bottle line and the first can production line in El Paso under its 200,000 square feet of space. By this time, the five cent bottle was a thing of the past. Cans and bottles from vending machines now cost twenty-five cents each, although 85% of sales were still in returnable bottles.



Figure 8-62 – Key chain commemorating the new building

The company made key fobs, probably given to employees of the company, on November 6, 1977, commemorating the new building. These fobs are made of cast lead with a silver (colored) key retainer. The front of the fob bears the Coca-Cola trade mark and the date, NOVEMBER 6, 1977. The back bears the message: MAGNOLIA / COCA-COLA / BOTTLING / COMPANY / 11001 GATEWAY / WEST / EL PASO, TX. (Figure 8-62)

Coca-Cola had traditionally been a believer in the idea that a one-size, one-product format would insure better service to the customer. The home office began diversifying that policy in 1955 with the introduction of ten, twelve, sixteen, and twenty-six ounce bottles to supplement their familiar old standby, the six-and-one-half ounce returnable container. The main office added Fanta and Sprite in 1960, followed shortly by Tab. Six years later Fresca joined the product line (Munsey 1972:60).

In 1980, Swire Coca-Cola acquired Magnolia and placed Sam Dell'Olio in the leadership role. One of Dell'Olio's first official acts was to purchase the Dr. Pepper Bottling Co. of El Paso from Joe W. "Dub" Yowell in May 1980. Although the actual plant was excluded from the agreement, Magnolia acquired the bottling rights for Dr. Pepper and the firm's other brands, Big Red, Lipton Tea, Dad's Root Beer, and Squirt, giving Magnolia control of sixty per cent of the carbonated beverage bottling business in El Paso (Figure 8-63). The new owner continued to employ twelve of the eighteen former employees of the Dr Pepper Co. (EPCD 1980; EPT 5/1/1980 B1:1).



Figure 8-63 – Ad including Dr Pepper (El Paso City Directory 1983)

The Magnolia Coca-Cola Bottling Co. has changed ownership twice since Sam Dell-Olio signed the agreement to buy Dr Pepper. American European Associates (A.E.A.) purchased the company in 1983, with Peter Dixon as manager, then sold the firm to J.W. and Josephine S. Wolslager, owners of the Las Cruces Coca-Cola Bottling Co., in 1988. The family retained ownership with J.W. Wolslager, Jr. as Chairman of the Board of Directors in El Paso until the senior Wolslager divested himself of all his Coca-Cola holdings to Coca-Cola Enterprises in December 1998 (Wolslager interview).

The Wolslager family also set up the Wolslager Foundation, a funding organization that has been making “gifts to colleges and universities, health care facilities, community development programs such as the Boys and Girls Clubs, and social causes including domestic violence awareness and homelessness” (Ramirez 2003). In 2010, the plant remains at 11001 Gateway West, and the Magnolia Coca-Cola Bottling Co. is the only distributor in El Paso that currently bottles its own drinks.