



Iowa's Independent Oil Companies

by Jack Lufkin

FROM 1910 TO 1930, as the popularity of automobiles soared, many locally owned oil and gasoline companies opened across Iowa. The town filling station became as commonplace as the town livery stable and blacksmith shop had once been.

Iowa's independent oil dealers helped fill the insatiable demand for petroleum products by automobile owners, especially those who lived on farms. Discovering the practicality of driving their low-priced Model Ts or flivvers to town for business and pleasure, farmers came to view automobiles as a necessity; by 1926 over 98 percent of Iowa's farmers owned cars. Registration of cars in Iowa rose from about 10,000 in 1910, to over 407,000 in 1920, to 716,000 in 1929, ranking Iowa among the highest in the United

Above: Etched milk glass globe, c. 1926, Iowa Oil Company, Dubuque.

Special thanks to John Chance and Scott Anderson, owners of the artifacts and station photos. The signs and cans, photographed by Chuck Greiner, are from the Society's recent "Out of the Mud" exhibit.

States in per capita ownership.

The growth of the oil industry coincided with the emergence of the automobile industry. In fact, merchants of gasoline, motor oil, and other automotive lubricants assumed the position as the largest subsidiary industry to automaking. Independent oil companies aggressively carved out a small but significant slice of the nation's oil business. The term "independent" first applied to virtually all oil companies not affiliated with the mammoth Standard Oil Company. Soon after its founding in 1870 by John D. Rockefeller, Standard Oil developed an efficient system for exploring, drilling, refining, producing, marketing, and distributing petroleum products (specifically kerosene, which was replacing whale and coal oil for lighting). By the time the automobile created a huge demand for gasoline, Standard Oil (despite the Sherman Anti-Trust Act) controlled some 90 percent of the nation's refining capacity and 85 percent of the petroleum market. Larger national independents — including Shell, Gulf, Pure, Texaco, Cities Service, Mid-Continent Oil, and Phillips Petroleum

— came to be known as "major" oil companies because they explored for and produced crude oil. The term "independent" evolved to mean small oil companies engaged only in refining or distribution.

Local Iowa oil companies generally bought oil and gasoline from independent refiners in Pennsylvania, Oklahoma, or Texas. Until pipelines became more widespread in the late 1920s, refiners shipped their oil by rail. Independents might add a few ingredients to their oil, give it a creative name, glue company labels onto standardized, mass-produced cans, and market the oil as a unique product. Distributed in large barrels, five- and one-gallon cans, or smaller containers, the product was generally delivered to service retailers or directly to customers by industrious sales representatives until service stations appeared in most every community.

Today these colorful oil and grease cans and signs are silent reminders that dozens of independent oil companies existed in Iowa in the early twentieth century, promoting their products



Below and left: Side panel of a Liberty Oil can reveals a range of products offered by the Des Moines company until its demise in 1930. International Oil was also founded in Des Moines during the automobile industry's dramatic growth. International operated seven local service stations until it became a Mobil Oil distributor in 1930.

with creativity and pride. Some companies began business before the automobile age, selling other petroleum-based products such as kerosene and household lighting oils, and lubricating fluids for harnesses and other leather products. Others were founded during the early years of the automobile era. Companies used various advertising strategies in their struggles to survive in a growing, highly competitive national market. Profiles of four companies can offer examples of what was once a thriving marketplace of independent oil companies in Iowa.

MARSHALL Oil Company typified a number of Iowa oil companies that began operations before automobiles affected the oil industry. Founded in 1897 by Marshalltown partners Leroy R. Willard and George H. Ruth, the company refined and sold Roseine, a kerosene-type product for oil lamps. Marshall Oil also sold several brands of axle grease, oil-based medicinal products, and Peroline sweeping compound. When automobiles entered American life, Marshall Oil adapted to the auto-

mobile market by adding four grades of French Auto Oil and Monarch Gasoline to their product line. By 1907, Marshall Oil had stations in Oskaloosa and Mason City, Iowa, and in Lincoln, Nebraska. A sales force of thirty-two covered a ten-state area, from Iowa to Montana.

In a local advertisement from 1907, Marshall Oil tossed barbs at the greatest threat to small independents, the "terrible Standard octopus." The Marshall Oil ad proclaimed, "Few have known the fierceness of that competition or the energy that has been expended . . . in educating the public to demand quality every time in the oil it uses. . . . Every artifice of a competitor whose methods have become a national sensation has been met and overcome." The same advertisement reminded Marshalltown residents of the importance of the company's \$32,000 payroll to the local economy.

Another advertisement for Marshall Oil appeared in 1910 as a waltz — "French Auto Cylinder Oil," by A. A. Holthaus and Charles L. Johnson. On the cover of the sheet music two men in gog-



Royal Auto Oil
Pacific Red Engine
Snow Drop Gasoline
Lifeguard Kerosene

Acme
Steam Cylinder
White Clover Hand Separator

Liberty
Castor Machine
Liberty
Transmission Grease
Liberty Floor Oil
Liberty Harvester
Liberty Gas Engine
Liberty Harness Oil
Liberty Cup Grease
Liberty Axle Grease





gles and dusters speed across the countryside. The lyrics are pure advertising:

“The craze of the nation
the best recreation
is whirling around in an auto

With sister with wifey or your
girl so sweet,
A pleasure believe that’s hard to
beat,
But pay strict attention
to a matter I’ll mention
And a great deal of trouble you’ll
save —
For many a good time an auto
can spoil
No fault of the auto, not the right
kind of oil.

I’ll venture to say
That in passing each day
you will notice some auto in
trouble
With chauffeur frowning on
bended knee,
He’s trying to find what the
matter can be
A pointer to you sir and a good
pointer too sir,
Don’t blame the poor auto, it’s
you —

Now don’t fuss and fume as you
lay in the soil
Use good lubrication, French
Cylinder Oil.”

Around 1920 the Marshall Oil payroll had climbed to \$200,000 for 172 employees. After the death of co-founder Leroy Willard that year, the company remained independent four more years. Marshall Oil then merged with Diamond Products Company, a Chicago paint company. Within a few years, the production and sale of oil products ceased.

HAWKEYE Oil Company of Waterloo marketed its products in handsome green cans bearing a side profile of a hawk. Formed in 1908 by R. S. Caward in Waterloo, Hawkeye Oil sold its own Faultless Auto Oil, to accompany Pennsylvania-refined Crescent Gasoline, in its own Faultless Service Stations.

Standard Oil and other large companies had first opened filling stations in 1907, and stations had quickly become the site of greatest sales volume and the most intense competition. (Some companies still sold gasoline from curbside pumps, but the pumps were outlawed in some Iowa towns because of the potential danger and were slowly phased out.) Gulf and Shell Oil designed stations whereby cars drove off the street into an area beside a gas pump. Other companies also standardized the design of their filling stations to

promote their image. Hawkeye Oil opened stations in sixty communities, most of them in Iowa. From 1919 to 1922, their sales increased 150 percent and more filling stations opened in Iowa and South Dakota.

Hawkeye Oil considered a faultlessly managed station as a key to success. In March 1922 the company instituted a newsletter, the *Hawkeye Weekly* (later the *Hawkeye Gusher*) for agents and filling station managers. A rich historical record, the newsletter provides insight into the workings of an independent. Instead of wailing about the unfair competition in the oil industry, the newsletter urged employees to improve their appearance and performance. Its first issue directs station attendants to lift up the hood and “Snap off in a courteous manner, ‘You need a quart of oil,’ and we will guarantee that the

Below: This Hawkeye Oil station in northeast Iowa mimicked an early design for major service stations, the canopy, popular until the 1930s.

Upper right: A half-gallon Faultless Motor Oil can bears Hawkeye Oil’s hawk logo. Herring Motor Company originated in Atlantic, Iowa, where Clyde Herring (later governor of Iowa) sold model Ts for his friend Henry Ford. Herring moved to Des Moines in 1914 and sold oil products, including Hermoline.





reply seven times out of every ten will be, 'Alright, let's have it.'"

The newsletter continued: "You are not a competent agent or employee, unless you sell every automobile owner just a little more than he intended to buy when he came in. It does not take much ability or brains to sell gasoline, as that is sold as soon as the autoist turns into the station." In April 1922, Hawkeye Oil announced that service station attendants would wear a uniform with a cap and shirt with a "Faultless Oil" logo and matching trousers.

The newsletter repeatedly prodded station managers to keep their stations clean — specifically to sweep the station four times a day, clean the grease and oil off the drive daily, keep their offices tidy, and avoid leaving buckets and cans around. "See that the ladies' rest room at your station is a place that any lady would not hesitate to enter," the newsletter reminded managers, "and be very strict to see that it is a ladies' rest room." Even the globe atop gasoline pumps affected a station's image, according to the *Hawkeye Weekly*, which reported, "We

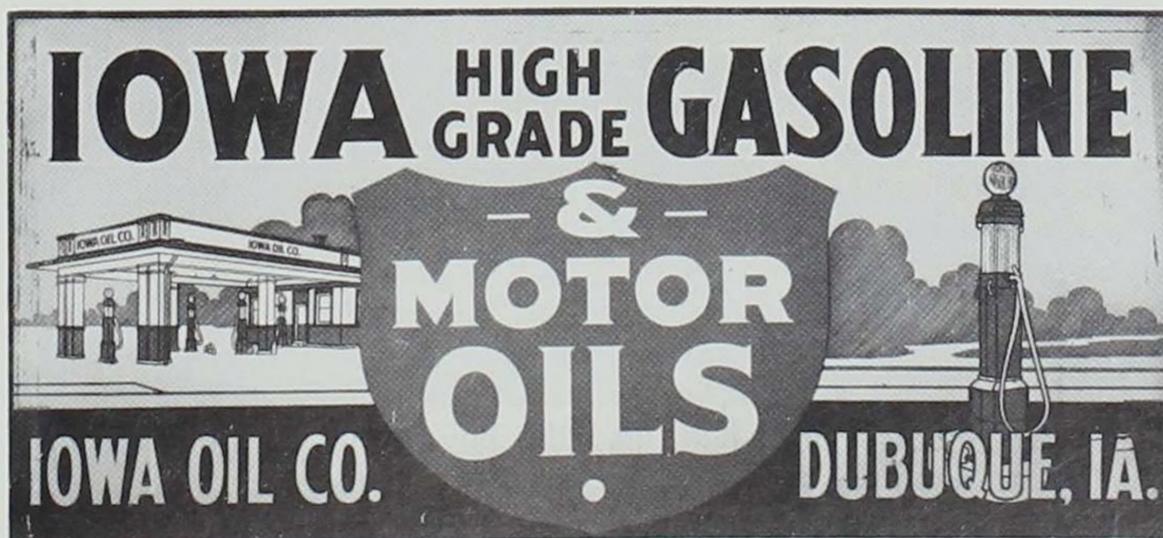
regret to say that we have seen stations where the globes . . . were nearly half full of gnats and flies. . . . This looks bad at night and it shows that the attendant is taking very little pride in the neatness of the station."

As a promotional device, Hawkeye Oil gave twelve thousand free Faultless ink blotters and several hundred large desk blotters to students and teachers in the Waterloo schools. "We believe that within the next thirty days every home in Waterloo will be using Faultless blotters," the April 1922 newsletter announced. "Everyone is highly commending

The Hawkeye Oil Company for such a plan of advertising."

In 1926 Hawkeye Oil became Blackhawk Oil, under new management and a new slogan, "All Over Iowa." A year later the company was bought out by Mid-Continent Petroleum Corporation (later known as Diamond or Sunray D-X). It became another casualty of the forces of centralization in the oil industry.

IN COUNCIL BLUFFS, brothers H. A. and F. H. Searle founded Monarch Manufacturing Company in 1894. The



This Iowa Oil Company sign probably dates from 1925. Founded in 1906 for motorists and boaters, the Dubuque company still operates today.



A late 1920s filling station in Webster City shows the extensive use of the triangular "Independent Oil" insignia and globe-top gravity pumps. (Gasoline-pump companies began to use globes atop gas pumps for advertising purposes about 1910.) A Custer Battlefield sign directs early auto campers to continue their westward trek.

company manufactured oil and grease for a variety of uses, including Sun Light Axle Grease and lighting fuel. In response to their primary customers, automobile drivers, the Searles changed the company name to the Mona Motor Oil Company in 1925.

That year Mona Motor Oil built a modern plant to handle a burgeoning business. Its new regional headquarters in Council Bluffs housed a laboratory and space for compounding a paraffin-base lubricating oil. The plant had the capacity to annually manufacture more than fourteen million pounds of Sun Light Axle Grease.

Mona Motor Oil used a new

form of communication to promote its image. In February 1925 H. A. Searle began building a \$35,000 radio station in Council Bluffs, appropriately called KOIL. First an affiliate of CBS and later of NBC, the station reached a nationwide evening audience with a standard menu of music and entertainment. KOIL served as one of forty official farm information radio stations for the U.S. Department of Agriculture. In 1927 it became an official voice of the Boy Scouts of America, sponsoring its "American scout tribe of the air."

In 1932, Searle was forced to resign from Mona Motor Oil in the

wake of charges of evading state gasoline taxes. Barnsdall Corporation of Oklahoma, a large stockholder whose oil products Mona had been marketing, took over the smaller company. (Barnsdall also marketed Quaker State products, a name still recognized today.) Radio station KOIL was sold to another company.

ONE COMPANY that survived longer than most independents may have succeeded because, in the owner's words, it tried to play "the big man's game." In 1925 Roy C.

Smith began with three hundred dollars to found the American Petroleum Company in Davenport. He concocted his own oil called American Motor Oil, claiming that it reduced the "chatter" or violent shaking common in Ford Model Ts. His secret ingredient was castor oil. In 1928 Smith began opening stations and selling gasoline, attracting customers from his former employer, independent Central Oil and Grease Company of Rock Island, Illinois.

Smith's autobiography, *I Wasn't Like the Cautious Man* (1987), provides some eye-opening accounts of how sales representatives hawked their oil products. "Let's say we come across a farmer," Smith recounted. "We see he has all the oil he needs. So we make up a story. 'Yeah,' my partner tells him, 'we were taking this barrel of oil to another farmer over in the next county. Come to find out he just bought himself a new tractor. Can't use this grade now. So we're kind of stuck. We'd rather just sell it at a loss than ship it back. Hate to lose money on it, though. What d'ya say to this? We'll sell it to you at carload price. That's what we pay for it when we get it from the refineries. Now, you can't beat that!'"

"Likely as not the farmer would buy from us," Smith continued. "They found it hard to turn down our bargains, and we really did sell at bargain prices. It's just that we liked to make the bargain seem better than it actually was."

According to Smith, Standard Oil salesmen told "cock-and-bull stories" about how competitors' oil would ruin motors. "This didn't stop us though. . . . I caught on good to the tricks of the trade." In 1932 Smith adopted a sales tactic he hoped would offset Standard Oil's attempts to discourage the public from buying other companies' products. Smith priced his kerosene at half what Standard charged. Customers who came to

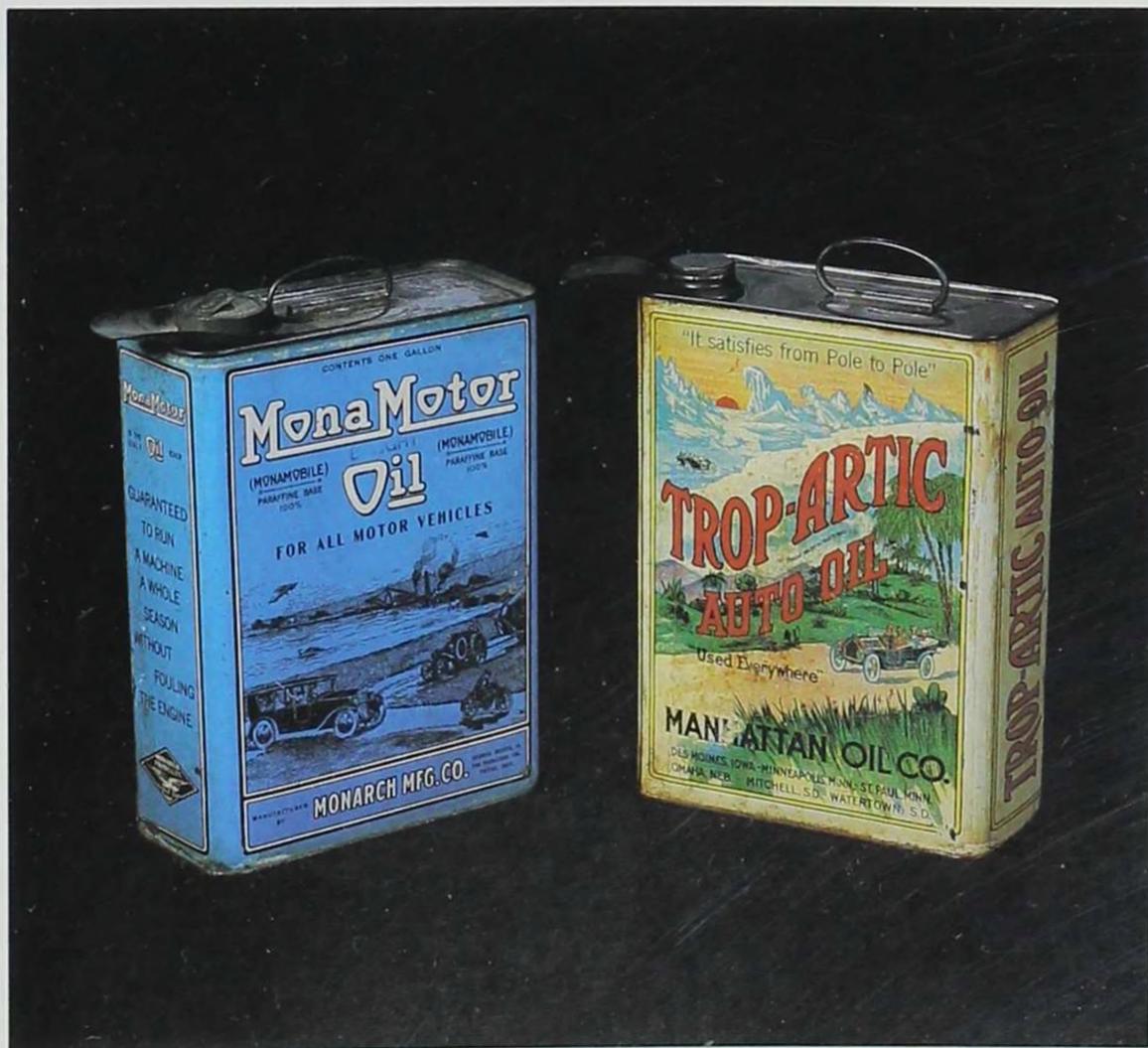
his stations to buy kerosene ended up buying gasoline there, too.

Sales ploys such as these worked well for Smith. Adopting a cash-only policy in the 1930s, he survived the Great Depression. Beginning in 1947 his son Marshall carried on the business, liquidating the service stations and selling only propane gas for several more years.

BY THE LATE 1920s, most of Iowa's independent oil companies had been swallowed up by larger, regional independents and emerging national companies whose names are familiar to motorists today. Although Standard Oil was clearly the biggest enemy of independents, other major companies helped

squeeze the smaller companies out of the Iowa gasoline and oil market. The centralization of the oil industry followed suit with centralization occurring in many other industries, such as automobile making. Major companies could afford to advertise on billboards, radio, and television, increasing customer identification. They attracted the growing tourist business by allowing easy use of credit cards at thousands of outlets and covering large regions well beyond the scope of the small independent.

By the 1930s competition heavily favored the major oil companies that owned most of Iowa's bulk stations and service stations and, hence, could control prices. In 1935, two thousand Iowa oil merchants crowded into the state capitol to press for a chain-store



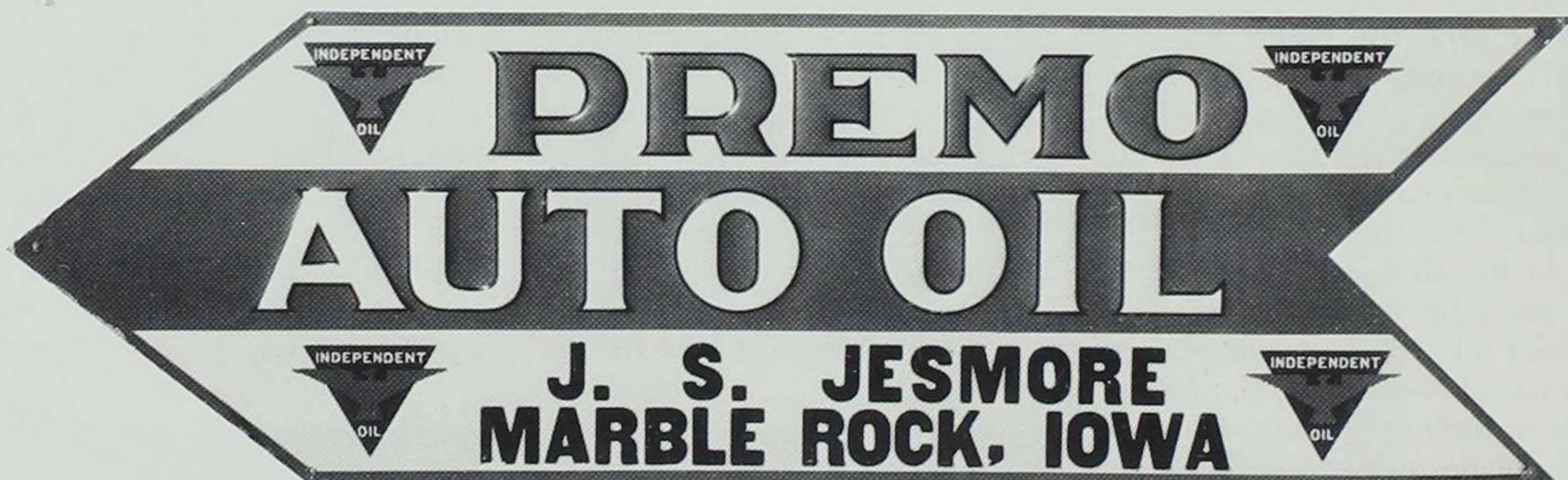
Rare today, the once ubiquitous one-gallon can, often with its own spout, was mass-produced for a throw-away society. Mona Motor Oil Company was based in Council Bluffs. Manhattan Oil Company, founded in Des Moines in 1905, patented Trop-Artic in 1912. (In 1930, after three buy-outs, the Trop-Artic name was bought by Phillips Petroleum.)

tax on the large oil companies. The legislature passed one of the highest such taxes in the nation. Reeling from this legislation, Standard sold three hundred stations in Iowa and released eight hundred workers. Nevertheless, Standard remained as visible as ever in Iowa — and avoided the tax — by extending leases to dealers of Standard stations. This strategy became known nationally among

oil executives as the “Iowa Plan” and was used in other states.

Still hoping to protect and promote common interests, in 1937 the independents formed the Iowa Independent Oil Jobbers Association in Manchester, Iowa, comprising 135 members. (The association later changed its name to Petroleum Marketers of Iowa.) Many of the independents that survive today are franchisees and

do not own stations bearing their individual names. Today the names of the old independents and their products still emblazon the oil and grease cans held in private and public collections — colorful documentation of Iowa’s early independent oil companies. Their past reflects local energies and creativity in competing against what became an inevitable economic situation. □



The triangular “Independent Oil” logo, symbolizing an individual owner’s pride, borders this metal sign. Premo Oil was a leading product of the Mason City Oil and Grease Company in north-central Iowa and south-central Minnesota. Founded in 1917, the company had 22 filling stations, 40 delivery vehicles, 75 employees, and a 150,000-gallon storage tank. In 1926 Champlin Refining Company of Oklahoma bought the company.

NOTE ON SOURCES

This article has its roots in research for the recent “Out of the Mud” museum exhibit, about the early automobile age in Iowa. No comprehensive history or survey of petroleum sales and activities in Iowa has been written. Select secondary sources about the industry nationwide include Scott Anderson, *Check the Oil* (1986); Michael Berger, *The Devil’s Wagon in God’s Country: The Automobile and Social Change in Rural America* (1979); John Jakle, “The American Gasoline Station, 1920 to 1970,” *Journal of American Culture* (Spring 1978); Christine A. Pyle, “America Hits the Road and the Road Loves It,” *Postcard Journal* (Spring/Summer 1986); and *Then and Now: Journal of the Historical Society of Marshall County* (August 1988). Sources dealing with petroleum his-

tory in Iowa include *Petroleum Marketers of Iowa* (1987); *I Wasn’t Like the Cautious Man: The Life of Roy C. Smith* (1987); “The Automobile Age,” *Goldfinch 4* (Nov. 1982); Joan Halloran, “Effects of Changes in Communication Upon Business Services of Iowa Agricultural Villages, 1920–1935,” *Iowa Journal of Business* (Nov. 1937). Iowa newspapers provided valuable information about specific companies located in the same cities (*Marshalltown Herald*, *Mason City Globe*, and *Council Bluffs Nonpareil*). The author wishes to acknowledge members of the Oil Products and Ephemera Collectors Club (OPEC) for valuable suggestions and assistance, especially John Chance, Scott Anderson, and John Logsdon.