



*Nebraska History* posts materials online for your personal use. Please remember that the contents of *Nebraska History* are copyrighted by the Nebraska State Historical Society (except for materials credited to other institutions). The NSHS retains its copyrights even to materials it posts on the web.

For permission to re-use materials or for photo ordering information, please see:

<http://www.nebraskahistory.org/magazine/permission.htm>

Nebraska State Historical Society members receive four issues of *Nebraska History* and four issues of *Nebraska History News* annually. For membership information, see:

<http://nebraskahistory.org/admin/members/index.htm>

## Article Title: Petroleum, Politics, and Prices: Omaha's Gas War of 1924

Full Citation: L Robert Puschendorf, "Petroleum, Politics, and Prices: Omaha's Gas War of 1924," *Nebraska History* 87 (2006): 54-81

URL of article: <http://www.nebraskahistory.org/publish/publicat/history/full-text/NH2006GasWar.pdf>

Date: 7/24/2012

Article Summary: Outrage at high gas prices isn't new—in 1924 the governor threatened to open state stations, the attorney general took fifteen oil companies to court, and a gas war was good news to Omaha drivers.

### Cataloging Information:

Names: H M Michel, W H McMaster, Charles W Bryan, Ora S Spillman, John H Hopkins, Charles Sutherland, James C Dahlman, B S Elrod, E E Howell, G A Steele, J F Ligget, T J McGuire, William G Hastings, A H Richardson, John P Breen

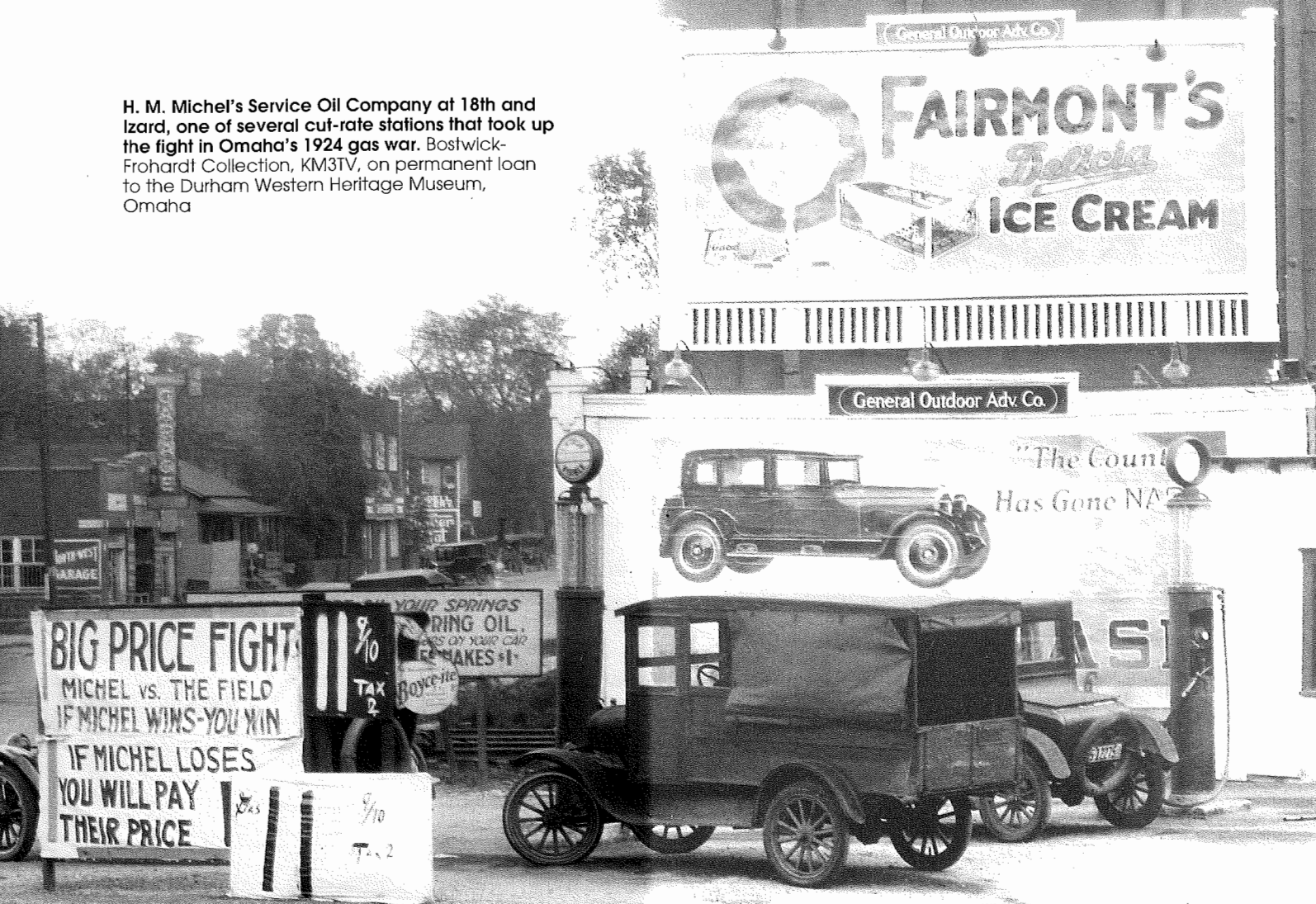
Nebraska Place Names: Omaha

Keywords: gas war, Standard Oil Company (Nebraska), Standard Oil Company (Indiana), National Petroleum Marketers' Association, Nebraska Independent Oil Men's Association, Omaha Muny, Petroleum Club, 1905 Junkin Anti-Trust law, 15-Cent League, "Square Six," Consumers Gasoline Company ("Mystery Station"), *National Petroleum News*, Anderson-Johnson Oil Corporation, Nicholas Oil Corporation, Sinclair Refining Company

Photographs / Images: H M Michel's Service Oil Company, Eighteenth & Izard, one of several cut-rate stations that took up the fight in Omaha's 1924 gas war; 1929 Standard Oil of Nebraska road map; Nebraska Governor Charles W Bryan, 1923; "quarter" token issued by the Standard Oil Company of Nebraska; Omaha's Muny station, Sixteenth & Izard streets, 1924; municipal gas station opened by Omaha Fire Commissioner John H Hopkins in February 1924; "Dealers Say Sale of Muny 'Gas' Illegal" (inset *Omaha Bee* article, February 19, 1924); Omaha municipal station; Nebraska Attorney General Ora S Spillman; Omaha dentist Dr Felix J Despecher, founder of the 15-Cent League; first independent cut-rate station to challenge the Muny, opened by B S Elrod and E E Howell next door to the city's operation; H M Michel's cut-rate station; Consumers' Gasoline Company, named the "Mystery Station" by the press, the fifth cut-rate station to open (inset *Omaha World-Herald* photo, June 8, 1924); U S Oil Works station; the "Price War District" (inset *Omaha World-Herald* map, June 8, 1924); Governor Charles Bryan paying for gas at a cut-rate station in the state Public Works Department, Lincoln; "It's Your Fight Now," a sign enlisting public support for J F Ligget's station at Sixteenth & Charles streets (inset *Omaha World-Herald* photo, June 22, 1924); pledge and windshield sticker of the 15-Cent League; Omaha municipal station; H M Michel's second cut-rate Omaha station

# Petroleum, Politics,

H. M. Michel's Service Oil Company at 18th and Izard, one of several cut-rate stations that took up the fight in Omaha's 1924 gas war. Bostwick-Frohardt Collection, KM3TV, on permanent loan to the Durham Western Heritage Museum, Omaha





## *Omaha's Gas War of 1924*

# & Prices

When the first automobiles began to appear on streets of Nebraska at the turn of the twentieth century they were curiosities. Within twenty years, however, the automobile was no longer a curiosity. Between 1911 and 1924 motor vehicle registrations in the state increased more than fifteen fold, and the automobile had become a necessity to the one in four Nebraskans who took to the road.

BY L. ROBERT PUSCHENDORF



WITH THE GROWING ACCEPTANCE OF THE automobile, gasoline became the leading product of the oil industry. In a 1926 case the Nebraska Supreme Court declared, "In the past decade, in some form, the use of gasoline has steadily increased until its use has now become well-nigh universal."<sup>1</sup> Oil companies, both large and small, scrambled to serve the automobile, and the competition was fierce. In 1924, a great gas war erupted in Omaha, generating political wrangling and corporate intrigue.

### The Breakup of Standard Oil

The gigantic Standard Oil Company, founded by John D. Rockefeller, had long dominated the petroleum industry. From 1882 to 1899 Rockefeller's Standard Oil, a huge combination of companies, controlled 90 percent of the nation's production, shipping, refining, and sale of petroleum products, a feat accomplished by eliminating competitors, cutting price, creating mergers, controlling pipelines, and negotiating favorable rates and rebates from the railroads. "Trust busters" fought Standard Oil's monopoly, but it was not until 1911 that the United States Supreme Court ordered Standard Oil broken into thirty-four separate companies.<sup>2</sup>

Despite the breakup Standard companies remained the industry leaders. The automobile was coming of age, opening vast new markets for gasoline and other petroleum products, and the new Standard Oil companies became the leading competitors among the huge number of new companies entering the business.

The Standard Oil Company (Nebraska), chartered in the state in 1906, was one of the former Standard Oil companies. Although it was restricted to marketing operations within the state, Standard Oil of Nebraska had inherited its parent company's marketing system and dominated Nebraska's petroleum market, selling more than 77 percent of the state's naphtha and gasoline. By 1923 the Standard Oil Company of Nebraska still held nearly 36 percent of the state's gasoline sales, although it shared the market with hundreds of jobbers and retailers. Its products came from the Standard Oil Company (Indiana), its "big brother" in the greater Midwest.<sup>2</sup>

### The Biggest Frog in the Puddle

In March 1923 a scathing report released by a U.S. Senate investigation led by the powerful Senator Robert M. LaFollette, a progressive Republican from Wisconsin, charged the Standard Oil group of companies with price fixing. LaFollette reported,

The dominating fact in the oil industry today is its complete control by the Standard companies. ... Standard Oil today fixes prices the price which the producer of crude oil receives at the well, the price which the refiner receives for his gasoline and kerosene, as well as the retail price paid by the consumer.

A careful examination of the evidence taken in this investigation will show... the same conditions exist as when the decree of the Supreme Court was entered, and that in some respects, the industry as a whole, as well as the public, are more completely at the mercy of the Standard Oil interests now than when the decree of dissolution was entered in 1911.<sup>3</sup>

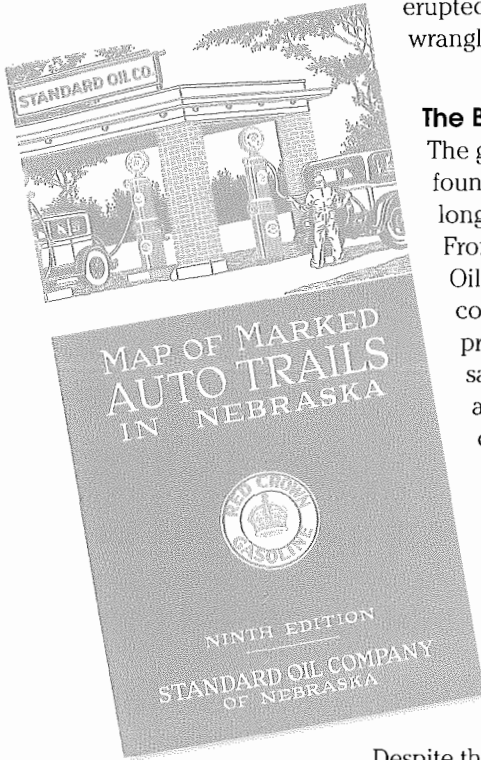
Colonel Robert W. Stewart, the head of Standard Oil of Indiana, denied that his company had any affiliation with other Standard Oil companies. With independents assuming an increasing share of crude oil production, refining, and marketing, he contended that it was impossible to dominate the entire industry in his territory: "Though we are the biggest frog in the puddle, we are not the puddle."<sup>4</sup>

### War Begins in South Dakota

On the heels of the Senate report retail prices in South Dakota climbed to 26.6 cents per gallon. Governor W. H. McMaster protested. South Dakota was buying gasoline for state vehicles at 14 cents per gallon, suggesting that Standard's retail price was nearly double the wholesale cost. But Standard Oil of Indiana, the marketer for South Dakota, refused to lower prices. McMaster responded by purchasing 160,000 gallons of gasoline on the open market and, in August 1923, opened a state-operated station in Mitchell, South Dakota, selling gasoline for 16 cents per gallon.

Standard Oil of Indiana matched the state's price. Small oil companies had to follow the Standard Oil price as a matter of cut or lose. To the small independent companies, Standard's price reductions meant disaster. McMaster contended,

Standard Oil claims it has reduced the price to 16 cents a gallon to meet state competition, but they do not tell the full truth. They, therefore, have taken to [the] state price,



In 1924 the Standard Oil Company of Nebraska continued to dominate gasoline sales in the state despite the court-ordered breakup of the Standard Oil Company in 1911. 1929 Standard Oil of Nebraska road map, NSHS Museum of Nebraska History

which is the cost price, as an excuse to move out and crush the independent oil dealers.

"I had two objects in selling 16-cent gasoline," McMaster said. "First to demonstrate the excess profits being made in the business and secondly, to bring about a reasonable reduction in price."<sup>5</sup>

At a convention of independent petroleum jobbers McMaster defended his action, telling his audience that "the interests of the public and the interests of the Independent oil industry are inseparable, that he is for the Independent jobbers of South Dakota unequivocally and ready to exercise the full authority of his office to protect them from retaliation by the Standard Oil Co."<sup>6</sup>

L. V. Nicholas, president of the National Petroleum Marketers' Association, an organization of independents, charged that Standard's decision to cut prices in South Dakota had been made

brutally and cold bloodedly...to a point where, not only will they lose money on every gallon they sell, but they will force an incalculable loss on the independent oil industry of that state—a loss which the Standard Oil company well knows is crippling to the industry and will tend to farther place the oil industry in the state completely and irrevocably at the mercy of the Standard Oil company."<sup>7</sup>

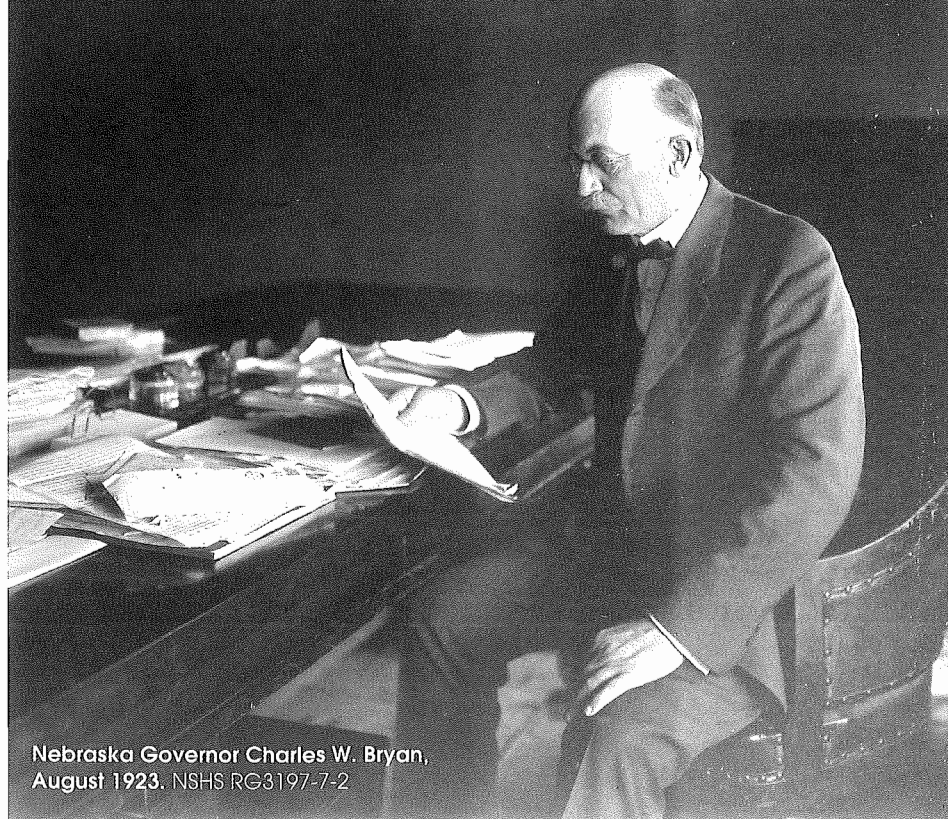
But Standard Oil of Indiana defended its price reductions:

The Standard Oil Co. of Indiana does not wish to put any competitor out of business because it feels that competitors are necessary to the successful conduct of its business. It will welcome a change of attitude on the part of all parties concerned resulting in a reasonable price for gasoline which will enable not only it but all of the competitors to enjoy a reasonable profit.

It recognizes that the majority of its competitors are fine business men, entitled to the nicest treatment both by the public and by the company.<sup>8</sup>

### The War Crosses the Border

The price war in South Dakota immediately crossed the border into Nebraska. Governor Charles W. Bryan, brother of William Jennings Bryan, telegraphed an ultimatum: "Oil companies doing business in Nebraska must reduce the retail price of gasoline to the minimum existing in South Dakota or the state will go into the oil business."<sup>9</sup> The move was certainly in line with the governor's political sentiments. Earlier, as mayor of Lincoln, Bryan had championed for public ownership of utilities and had opened a municipal coal yard,



Nebraska Governor Charles W. Bryan,  
August 1923. NSHS RG3197-7-2

selling direct to Lincolmites at wholesale prices. As governor he continued the practice, selling coal to Nebraska towns at cost.

Like Lincoln, Omaha also sold low-cost coal and ice to its residents. When Bryan delivered his ultimatum, Omaha City Fire Commissioner John Hopkins called for the governor to open enough state-operated stations to meet Omaha's gasoline needs. If the governor refused, Hopkins would open municipal stations. He expected to offer gasoline within the week if he could get a shipment, and announced that he was negotiating for a railroad tank car of fuel. His plan was to sell the gasoline directly from tank cars or at fire stations, where pumps were already installed to serve city vehicles.<sup>10</sup>

The Standard Oil Company of Nebraska, the state's "biggest frog in the puddle," reacted by lowering gasoline prices statewide by 6.25 cents, bringing the cost down to between 15 and 20 cents per gallon. In Omaha the price was 16.5 cents. Lower prices were met by "many cheerful toots of horns" as other Omaha filling station operators announced the new price and reported a "rushing business."<sup>11</sup>

As a matter of course, Standard Oil of Nebraska adopted the prices set by its major supplier, Standard Oil of Indiana. Standard Oil of Nebraska Company President A. H. Richardson released a statement saying, "The Standard Oil Co. of Nebraska has made the reduction in the retail price of gasoline following a reduction in price to them from the



**"Quarter" token issued by the Standard Oil Company of Nebraska.** NSHS Museum of Nebraska History

---

We need a Moses  
to lead us out of  
the Wilderness.  
The politicians are  
getting ready for  
their onslaught.

---

companies from whom [it] purchases its supply. The Standard Oil Co. of Nebraska neither produces crude oil nor refines it; it is a distributing company only." But a representative of Nebraska's independents said, "When they take their snuff up there, we sneeze down here."<sup>12</sup>

### **Independents in Nebraska**

Nebraska's independents had long feared for their survival among the major oil companies, and in 1918 they organized the Nebraska Independent Oil Men's Association to consolidate their influence. By 1924 the association had seventy-five members and a paid executive secretary, Charles M. Sutherland. He became the watchful eye for the organization. The independents realized that they were in trouble. "Conditions are looking mighty chaotic for the oil men. We need a Moses to lead us out of the Wilderness. ... The politicians are getting ready for their onslaught. Everyone is up in the air—waiting for something to happen."<sup>13</sup>

The association invited Governors McMaster and Bryan to Nebraska Independent Oil Men's Day at the Nebraska State Fair, set for September 6, 1923. They asked the governors "to address the Oil Men on how they can best serve the public and make a fair return on their investment." Despite several letters and telegrams, their invitations were met with silence.<sup>14</sup>

### **Oil-baiting Governors**

The gasoline price situation came before the National Association of Attorneys General meeting in Minneapolis just weeks after Governor McMaster's price cuts in South Dakota. A resolution adopted by the association called for action,

---

**"Radicals and fanatics sometimes  
do more harm than good.  
The Dakota deal has given us all  
an example of what misguided  
enthusiasm can do."**

---

declaring, "a situation now exists with regard to petroleum and its products that is of interest to the public, particularly so in that a wide variance and spread of prices now appears in petroleum products which leads to the charge of price manipulation."<sup>15</sup>

Nebraska Attorney General Ora S. Spillman was asked to head a committee and call for a meeting of attorneys general representing the states served by the great "Mid-Continent" oil fields and refineries of the central United States. In preparation for the meeting Spillman asked the Nebraska Bureau of Securities to investigate the gas situation in Nebraska. In the findings delivered to Spillman was a confidential letter attributed to a "very prominent independent dealer:"

Small dealers make their price so far as has been my observation to meet the Standard Oil price. As soon as the Standard Oil raises the price the small dealer raises and when he goes down the small dealer goes down. ... You can see of course why the small dealer follows the Standard Oil, it being his only salvation. It seems to be the opinion of a good many oil dealers that Standard Oil would welcome a condition all over the country such as exists in South Dakota, it being the opinion of a great many that such a condition as this would enable the Standard Oil Company to force out of business the small jobber and would be able to raise the price and operate all of their stations at a handsome profit. I am not in the least opposed to the investigation and would welcome it when conducted by broadminded business men. Radicals and fanatics sometimes do more harm than good. The Dakota deal has given us all an example of what misguided enthusiasm can do.<sup>16</sup>

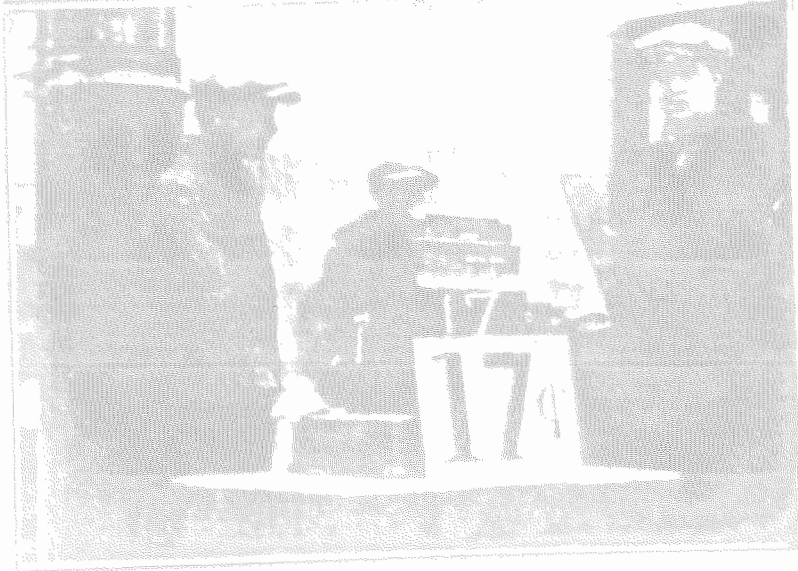
A statement by the Nebraska Independent Oil Men's Association was even more pointed. "All we ask is for oil-baiting governors and their meddling investigating committees to keep their hands off and their mouths shut and the industry will soon be on a legitimate basis, selling gas for a fair price."<sup>17</sup>

### **The Omaha "Mun"**

In November 1923 Standard Oil's price in Omaha dropped to 14.25 cents per gallon. After Christmas it edged up to 16.25 cents, and Standard announced that in January 1924 the price would rise to 18.25 cents. Omaha's gas war of 1924 had been set in motion.<sup>18</sup>

Omaha Commissioner John Hopkins immediately tried to open a municipal station, but could not buy fuel at an advantageous price. "I was told all companies here are increasing the price." He announced that he would travel to "points south"—Oklahoma and Texas—to check refinery prices and obtain a supply of gasoline for his stations. "I can't get the information I want by telephoning or wiring, so I'm going to go to the

## Steady Stream of Autoists Buying Muny Gas



Omaha's Muny station, operating from a curbside pump at the Omaha fire station at Sixteenth and Izard streets, sold 2,860 gallons of 17-cent gas its first day of business. *Omaha Bee*, Feb. 19, 1924



Omaha Fire Commissioner John H. Hopkins opened the municipal gas station in February 1924. The Muny price, 17 cents per gallon, undercut the prevailing price by about three cents. *Nebraskans 1914-1924*, Omaha Bee Publishing Co., 1925

---

The word 'Muny' is not to be found in any dictionary but in Omaha it has a meaning.

---

seat of the situation and see what I can find."<sup>19</sup>

He returned discouraged, saying "I visited Tulsa and other cities and I am convinced that the Standard companies have the crude oil supply cornered." But he had received some satisfaction from one refinery: "I am negotiating with a refinery for a supply of gasoline, but I don't know whether it will work out. If I can get a supply even at the prices quoted now I could sell it at 2 cents less than the oil station prices here in Omaha."<sup>20</sup>

In February Hopkins announced that he could buy gasoline at 13.9 cents delivered to Omaha, and had other offers at 14 cents. A tank car of "southern gasoline" had been procured and was waiting for the word to go. Hopkins set up business at the Omaha fire station at Sixteenth and Izard, using its

sixteen thousand gallon tank and a single curbside pump. He built a small shed next to the pump as an office.<sup>21</sup>

The station opened on February 18, and another tank car of gasoline sat waiting at trackside. The prevailing price in the city was 20.25 cents, but at Hopkins' municipal station the price at the pump was 17 cents per gallon. On the eve of the opening, Hopkins said, "I am going ahead with my plans the best I can. ... If the people show a willingness to buy the gasoline, I shall replenish the city supply if possible." The municipal station soon acquired the nickname "Muny." "The word 'Muny' is not to be found in any dictionary but in Omaha it has a meaning," reported the *National Petroleum News*.<sup>22</sup>

Opening day sales far exceeded Hopkins' expectations. By midmorning automobiles were lined up for blocks. By closing time that evening the Muny had sold 2,860 gallons of gas. "The patronage of the city pump shows that the people of Omaha are with me" Hopkins declared. The following day, reported the *Omaha Bee*, "long lines continued to obstruct traffic."<sup>23</sup>



# Dealers Say Sale of Muny "Gas" Illegal

## Charge Hopkins Violating City Ordinance and Station Is Fire Hazard to City.

In spite of political influence to force the city of Omaha out of the filling station business, Commissioner John Hopkins was vending his 17-cent gasoline at the city's pump at Sixteenth and Izard streets all day yesterday. He said when the present car of 10,000 gallons is exhausted, another car will be placed on sale at the same price.

Other filling stations were selling gasoline at 20 1/4 cents. They reported a good volume of business.

Early this morning cars began to line up at the city's station. By the middle of the morning, the line reached from Izard almost to Burt street. Commissioner Hopkins was on the job at 7:45.

### First Customers.

First gallon of the city's gas was sold to Paul Nagy, 2314 South Twenty-first street. Nagy bought 10 gallons. The next customers, in order, were L. Boock, 4615 Camden avenue; Mark Bell, patrolman; Morris Freidel, 316 South Fifteenth street, and Roy Hald, 2019 St. Marys avenue.

Bernard Timmers and Edward Reed were employed by Hopkins to conduct the sale of the city's gas.

Hopkins said that local dealers, in an effort to force him out of business, are alleging that he is violating city ordinances. They declare that the city pump is a 10-gallon pump, whereas the ordinance relating to the sale of gasoline requires a five-gallon pump to be used.

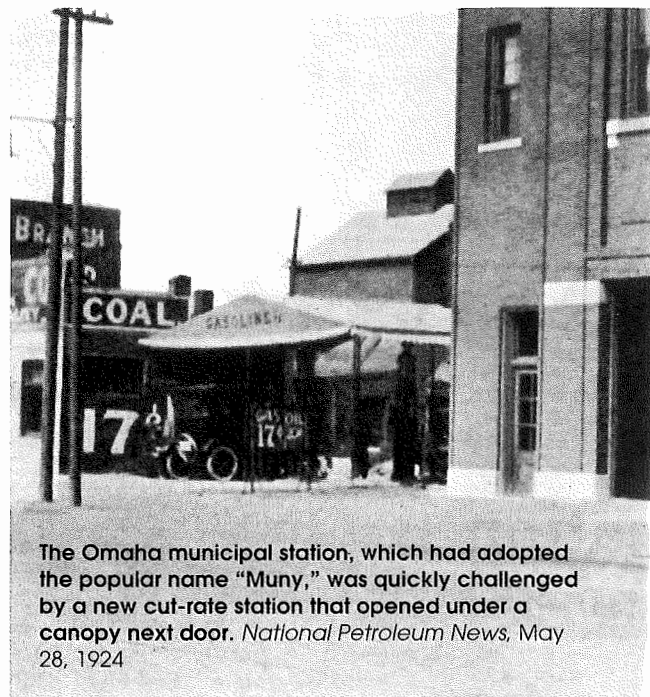
### Fire Hazard, Claim.

They also claim that the city has buried a 16,000-gallon gasoline tank

at Sixteenth and Izard streets, within the city fire limits, while ordinance restricts the size of such tanks to 2,000 gallons.

"I knew they would start something," Commissioner Hopkins said, "but I want to talk to the city attorney before I make a statement."

Report had it that filling station men were to hold a secret meeting sometime during the day.



The Omaha municipal station, which had adopted the popular name "Muny," was quickly challenged by a new cut-rate station that opened under a canopy next door. *National Petroleum News*, May 28, 1924

Hopkins threatened the commercial dealers with more municipal gas pumps at other fire stations, municipal icehouses, and other city locations if their prices did not drop soon.<sup>24</sup> But Hopkins remained uncertain of his ability to obtain a reliable supply of gas. He refused to name the dealers who had supplied him, "in order to protect them from complications that might follow." He declared, "Local oil men claim to know my source so they will probably try to shut it off," but despite those fears he succeeded in contracting for 45,000 gallons from an Oklahoma refinery and expected to hear from his "pet" refinery for an additional supply.<sup>25</sup>

Governor Bryan telephoned Hopkins to congratulate him on his success: "I'm with you. ... You are doing a thing no other city official ever dared to start," he said, and offered to assist Hopkins in obtaining supplies of gasoline. "The governor stands ready, he says, if he can get gasoline, to supply co-operative organizations and

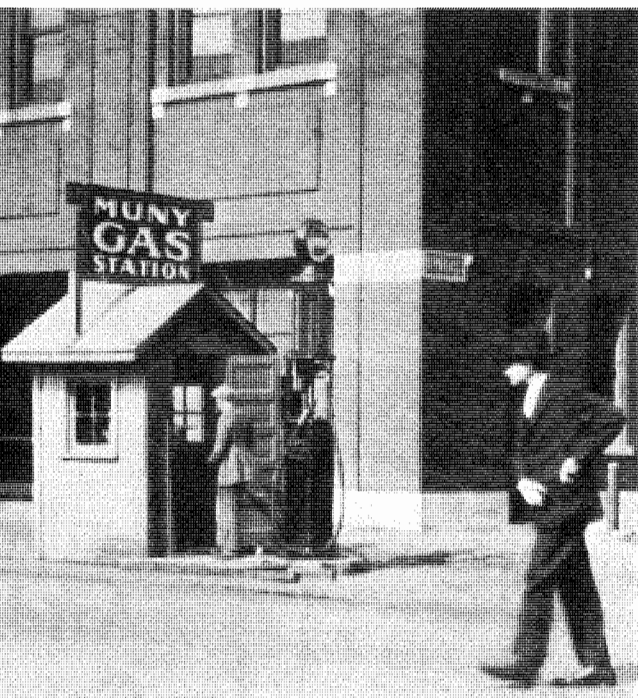
Local dealers challenged the Muny on legal grounds, but Hopkins claimed they were also secretly warning businesses not to patronize the city station. *Omaha Bee*, Feb. 19, 1924



municipalities in the same manner that he handles coal," said the *Omaha World-Herald*. Omaha Mayor James C. Dahlman said, "I am heartily in favor of other stations as long as the people are satisfied."<sup>26</sup>

### Intrigue...

On opening day local dealers challenged the sale of Muny gas, claiming it to be illegal. "Hopkins said that the local dealers, in an effort to force him out of business, are alleging that he is violating city



ordinances," reported the *Omaha Bee*. "I knew they would start something," Hopkins said. Charles Sutherland of the Nebraska Independent Oil Men's Association visited the station looking for irregularities. He noted six violations of city regulations, including fire ordinances. Rumors flew that injunctions against the city were imminent, and the *Bee* reported that oilmen were planning a secret meeting.<sup>27</sup>

When he opened the station Hopkins saw that "outside influences" had posted "checkers" to record the license numbers of automobiles at the station:

I was told...that this information was used to find who owned the cars and that if the owners proved to be in business they were seen and influence was used with them to prevent them from buying more Muny gas!

I was told that one man, an employe [*sic*] of a local insurance company, bought gaso-

line of the Muny station and was warned by his employer not to do so again. He repeated and I am told that he lost his position.

I know that when the station opened, we had a heavy truck trade but this suddenly fell off.<sup>28</sup>

### ...and Politics

The gasoline industry's reaction to the Muny station was simple: refuse to reduce prices. G. A. Steele of the Manhattan Oil Company said: "[Hopkins] cannot make money on that basis. We are not going to meet his price." Omaha's Petroleum Club "jokingly referred to" the municipal sale of gas and did not consider it seriously. Standard Oil representatives simply said they were paying no attention to the city's sale. Others, too, had plenty to say:<sup>29</sup>

The [independent] oil companies are sitting tight...waiting to see the experiment gradually fade out of the picture as a factor in the marketing situation in Omaha. Their policy is to give the commissioner plenty of rope.

Charles M. Sutherland,  
Nebraska Independent  
Oil Men's Association<sup>30</sup>

The thought comes to me, how about the other commodities of life, say the butcher, grocer, shoe man, lumber, coal and auto dealers and a good many more whose percentage of profit is as much or a good deal more than the oil service station man's profit? Why pick out the oil man?

B. F. Mowry,  
Jackson Oil Company,  
Jackson, Minnesota<sup>31</sup>

Of course, a municipality can bankrupt any enterprise within its corporate limits, so long as that industry and other industries continue to assume the city's overhead by paying taxes and carrying its operating costs.

Stockton Heth,  
General Manager,  
Nicholas Oil Corporation<sup>32</sup>

Why shouldn't he be able to sell gasoline at 17 cents? He doesn't have to pay taxes, he can get firemen to help with the work and he is getting his own salary, so he doesn't have to make a living.

I think Hopkins is trying to ruin millions of dollars of business in order to be re-elected.

Morris Milder, President,  
United States Oil Works<sup>33</sup>

# The Boys' Club

*In June 1924 a group of Omaha oilmen formed the "Petroleum Club."*

Its president, E. H. Blakely of the Tidal Refining Company, described it as a "boys' club" that met weekly over lunch in the tea-room of the Brandeis Department Store. "Why could not we boys within the oil industry here in the city of Omaha, have a little Petroleum Club so we can meet once a week or occasionally and get better acquainted within our own line. Other professionals have their little clubs, and so forth."<sup>1</sup>

Blakely refused to characterize the club as an organization to establish prices, or even to admit that prices were discussed at its meetings. But following their

meeting on the same day Omaha opened its municipal station, a delegation including Morris Milder, Stockton Heth, and G. A. Steele, representing the large Omaha gasoline suppliers, went to city hall to meet with Mayor Dahlman. The mayor later recalled, "They represented themselves to be friends of the city administration," and requested him "to advise with Hopkins and dissuade him from further engaging in the gasoline business."<sup>2</sup> ■

<sup>1</sup> Statement of E. H. Blakely, June 26, 1924, *State vs. Standard Oil Company et.al*, 30, RG003, NSHS.

<sup>2</sup> "Dahlman a State Witness in Gas Anti-Trust Suit," *Omaha World-Herald*, July 25, 1924, 3:2.

*There is a monopoly. It is so plain as  
hardly to need proof.*

John Hopkins  
February 1924

Perhaps there was some truth in Milder's suspicion of Hopkins' political motivations. He was up for re-election to the Omaha City Commission, and his gasoline gambit would no doubt be a boost in the primary election, a scant two months away. After all, fellow commissioner Dan Butler's popularity rose after he promoted a municipal coal yard. Moreover, Hopkins had gained national attention when the *National Petroleum News*, a publication supporting the independents, claimed Hopkins was trying to make himself the "McMaster of Omaha."<sup>34</sup>

### Spillman Takes on Big Oil

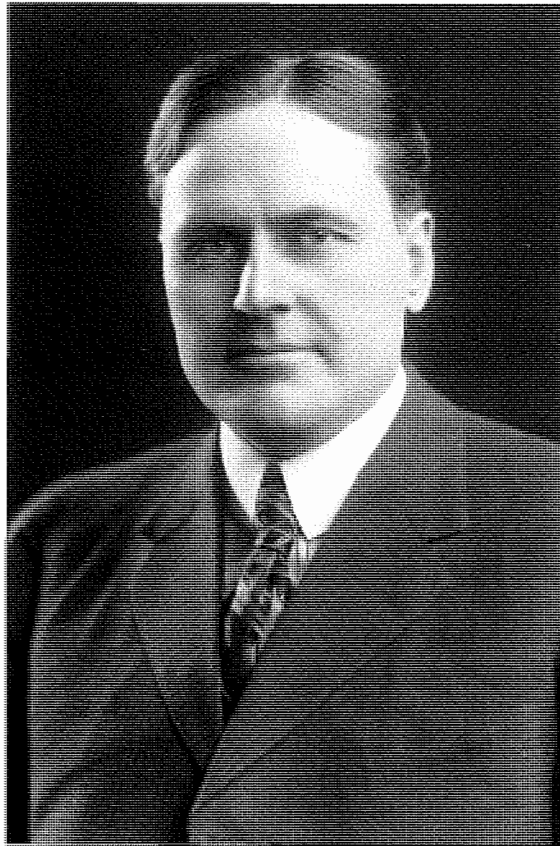
In the week after the Muny opened, local jobbers refused to deliver gasoline to Hopkins' station. The *World-Herald* quoted Hopkins as saying,

"I was greatly hampered and impeded in the operation of the municipal station for the reason that they have prevailed upon refineries, brokers and people otherwise engaged in the gasoline business to refrain from selling me gasoline, and they have carried on a campaign of propaganda throughout the oil districts branding me as being unfair to people engaged in the business; that I was a menace to the business, and asking them not to sell me gasoline or give me information as to where I might purchase it."<sup>35</sup>

Spurred by Hopkins' predicament, Nebraska Attorney General Ora S. Spillman took action. A few days after Hopkins reported his plight, Spillman filed suit in the District Court of Douglas County. His action was precipitated by the stalling tactics and "long-winded interviews with public officials," he said upon his return to the state capitol from Omaha.<sup>36</sup>

Spillman's petition charged that the Standard Oil Company of Nebraska and fourteen other oil companies "were and have been engaged and are now engaged in a combination, confederation, conspiracy and trust, and have combined to fix and control the price of gasoline in restraint of trade." The basis for Spillman's action was Nebraska's 1905 Junkin Anti-Trust law, which allowed the courts to enjoin guilty companies from doing business in the state and impose other penalties.<sup>37</sup>

Spillman further asserted that the defendants had, "upon the false and fraudulent representation," claimed to have no gas to sell Hopkins, and that their "sole reason was that Hopkins was engaged in selling gasoline at retail in Omaha at a price below their agreed price. These oil companies



**Nebraska Attorney General Ora S. Spillman, spurred by an apparent conspiracy to prevent the municipal station from buying gasoline, filed suit against Standard Oil of Nebraska and fourteen other oil companies.** NSHS RG2411-5257

controlled all the available oil supply in Douglas County, and as a result Hopkins was unable to purchase gasoline for his own use and for resale." Hopkins declared, "My experience trying to get gasoline convinces me there is a monopoly. It is so plain as hardly to need proof."<sup>38</sup>

In response the Nebraska Independent Oil Men's Association released a statement:

The scandal, sensation and political bunk at Washington and the attitude of the daily press has so inflamed the public mind that it has indicted the oil business with all the crimes and misdemeanors in the calendar. Public officials have been driven by popular clamor to do something.

This suit is the only way to disclose to the public the real situation. ... The oil men are always glad to sell gas as cheaply as they can and make a fair return upon their investment. So we will all have to await the outcome of this suit. If charges of the attorney general



**Omaha Dentist, Dr. Felix J. Despecher, founder of the 15-Cent League.** *Omaha World-Herald*, Feb. 8, 1924

*We have pledged our patronage to any station that has the nerve and enterprise to cut prices.*

Dr. F. J. Despecher  
March 1924

can be proved, then let a remedy be found and applied.<sup>39</sup>

The oilmen declared the charges "ridiculous," "laughable" and "absurd." Among other responses to the suit were these:

"I know of no combination. ...I don't care to discuss the case further."

A. H. Richardson, President,  
Standard Oil Company  
of Nebraska

"As far as I am concerned, I never met a competitor and talked prices. ...I am going to forget this suit and see how far [Spillman] gets."

C. S. Bowman, Partner,  
Nebraska Oil Company

"I shall have to consult with my lawyers about it. ...There is no combination."

Morris Milder, President,  
U.S. Oil Works

"I know nothing of any such trust. I assure you we have not talked to any companies regarding the fixing of prices."

G. H. Seawell, Superintendent,  
Omaha District,  
Texas Oil Company

"Everyone is picking on the oil companies because they're little and can't take their own part."

H. R. Lloyd, General Accountant  
and Office Manager, Manhattan  
Oil Company<sup>40</sup>

### **The 15-Cent League**

The price situation caught the attention of an Omaha dentist, Dr. Felix J. Despecher, and in late January 1924 he organized the 15-Cent League. His brainchild was a grassroots organization that would force the oil industry to cut prices to 15 cents or less per gallon. Despecher called for the organization "to get all gasoline users into the organization, and raise our united voices until they are heard. Now is the time. We users of gasoline must strike while the iron is hot. Let us show them what we, the common people, can do."<sup>41</sup>

Soon the league claimed a thousand members. For their one-dollar dues, members received eleven pledge cards, buttons and windshield stickers to give or sell to others to encourage them to become members, "the general effect, theoretically, being like the ever widening ripples from the stone thrown in the millpond."<sup>42</sup>

Presented a 15-Cent League button, Mayor James C. Dahlman replied in a letter to Despecher, "My Dear Doctor - Received the 15-cent league button for which please accept my thanks. You can be sure I will do all I can to get the gas prices down. You are moving in the right direction and I sincerely hope it will bring some good results."<sup>43</sup>

By March 1924 membership had risen to three thousand. Despecher announced his goal of ten thousand members, so that "its demands could be expected to bring definite results."<sup>44</sup>

In late March it was reported that a cut-rate station soon would open. Despecher declared, "We have pledged our patronage to any station that has the nerve and enterprise to cut prices. Two or three other men have told me they stand ready to open cut-price stations if they are assured the patronage of the league. They will get it."<sup>45</sup>

### **The Price War District**

As reported, B. S. Elrod and E. E. Howell had broken ground for Omaha's first cut-rate commercial station. Howell was an insurance broker and coal dealer. Elrod was said to have been introduced to the gasoline business by Hopkins, and *National Petroleum News* described him as

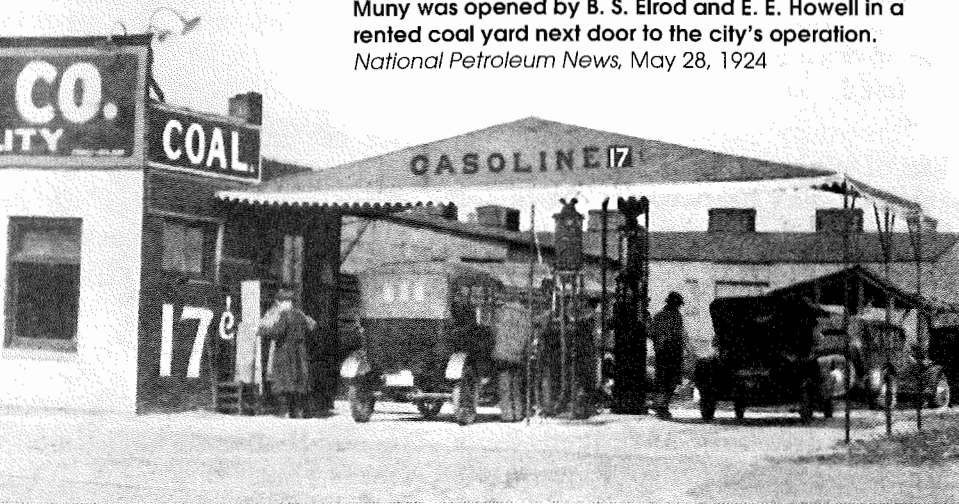
"recognized locally as a philosopher... internationally known as an inventor, and smilingly calls himself an opportunist. He is independently well-to-do. He is the inventor of the Elrod casting machine, used in most sizable print shops. The life of ease, cashing and spending royalty checks, has been too inactive for him. He entered the business mostly for his health."<sup>46</sup>

Their station was located beside the Muni in a rented coal yard and office. Elrod and Howell buried a 14,500-gallon gasoline tank and installed two pumps under a canopy made of cheap brown army tent cloth. "[Elrod] boasts that his overhead is small, his initial expenditures all earned back in profits, and declares that if margins get too small and make his business unprofitable he will shut up shop and go fishing, until times get better." He told the press that his venture was "purely a business proposition. ...If we can sell gasoline cheaper than the competitors...why shouldn't we do it [?]" When the station opened, its price for a gallon of gas was 17 cents.<sup>47</sup>

John Hopkins released his first financial report for the Muni, showing total sales of 189,717 gallons of 17-cent gasoline from opening day through April 30. When Elrod reduced his price to 15 cents per gallon, Hopkins said:



The first independent cut-rate station to challenge the Muny was opened by B. S. Elrod and E. E. Howell in a rented coal yard next door to the city's operation.  
*National Petroleum News*, May 28, 1924



*If we can sell gasoline cheaper than the competitors why shouldn't we do it?*

B. S. Elrod  
 March 1924

"We have no desire to put other filling stations out of business. ... We are proceeding on the theory that these filling stations can make a profit selling gas as low as 15 cents. The fact that this price reduction applies only to Omaha indicates a big victory for us. ... Priced at 15 cents a gallon, gas is selling about as it should."<sup>48</sup>

In late April another competitor had entered the fray. H. M. Michel of the Farmers Paint and Oil Company opened the Service Oil Company at Eighteenth and Izard, a block from the Muny. Michel boasted, "We have a contract which extends over a long period, by which we will be able to buy gasoline at present prices. We expect to maintain the 15-cent price for an indefinite period." Michel refused to name his supplier or the names of the company's officers.<sup>49</sup>

In May J. F. Liggett opened a third 15-cent station just two blocks from the Muny, and soon the area would be called the "Price War District." With other stations citywide reducing their prices to 17 cents, a full-blown gas war exploded. "The epidemic of price cutting has started," reported the *National Petroleum News*. "Now it is spreading like a plague."<sup>50</sup>

#### Politics, Politics, Politics...

Hopkins was one of Mayor James C. Dahlman's "Square Six," a handpicked slate of candidates on the Mayor's ticket for the Omaha City Commission. "Mayor Jim," as the popular mayor was known, first entered office in 1906, and held office until 1930, with only a brief hiatus between 1918 and 1920 when reformers briefly ousted him. In the primary of April 8 Mayor Dahlman's Square Six carried the election.<sup>51</sup>

In May the Square Six, also called the City Hall Six, swept the general election. A writer for *National Petroleum News* described Hopkins' successful "pet campaign enterprise."

"If a candidate can get the word 'Muny' linked with his name in the public mind, he is as good as elected. Charles W. Bryan ... became governor with a majority of 50,000 votes because of his work in behalf of a municipal coal yard. So it is no wonder that Commissioner John Hopkins got more votes in the recent city election than Jim Dahlman, Omaha's idol cowboy mayor, because he founded a 'Muny' gasoline station. He figured it would take something 'Muny' to elect him and he hit upon the gasoline idea. Oil was an industry heretofore unraped by the municipality." By encouraging others to enter into price-cutting "he has probably immortalized himself in the hearts of the Omaha people."<sup>52</sup>

#### ...and More Intrigue

Before Attorney General Spillman's lawsuit came to trial in June 1924, Charles Sutherland of the Nebraska Independent Oil Men's Association was called to make a statement by Assistant Attorney General T. J. McGuire. Sutherland admitted that he had spoken to the operator of the Liggett station, who said: "You buy some gasoline [*sic*] and you will then find out the price." Sutherland was also alleged to have said, "If this thing continues, we are just going to have some 13 [cent] gasoline." Sutherland denied the substance of the conversation: "No, I did not talk with him at all in any way, because he seemed to resent my interview."<sup>53</sup>

Before H. M. Michel opened his station, he had received several visits from Sutherland. In his statement Sutherland admitted having talked with Michel about prices:

Q: Did you tell [Michel] that you were going to ask him, are you going to be a regular oil man and charge the regular price; did you say that to him?

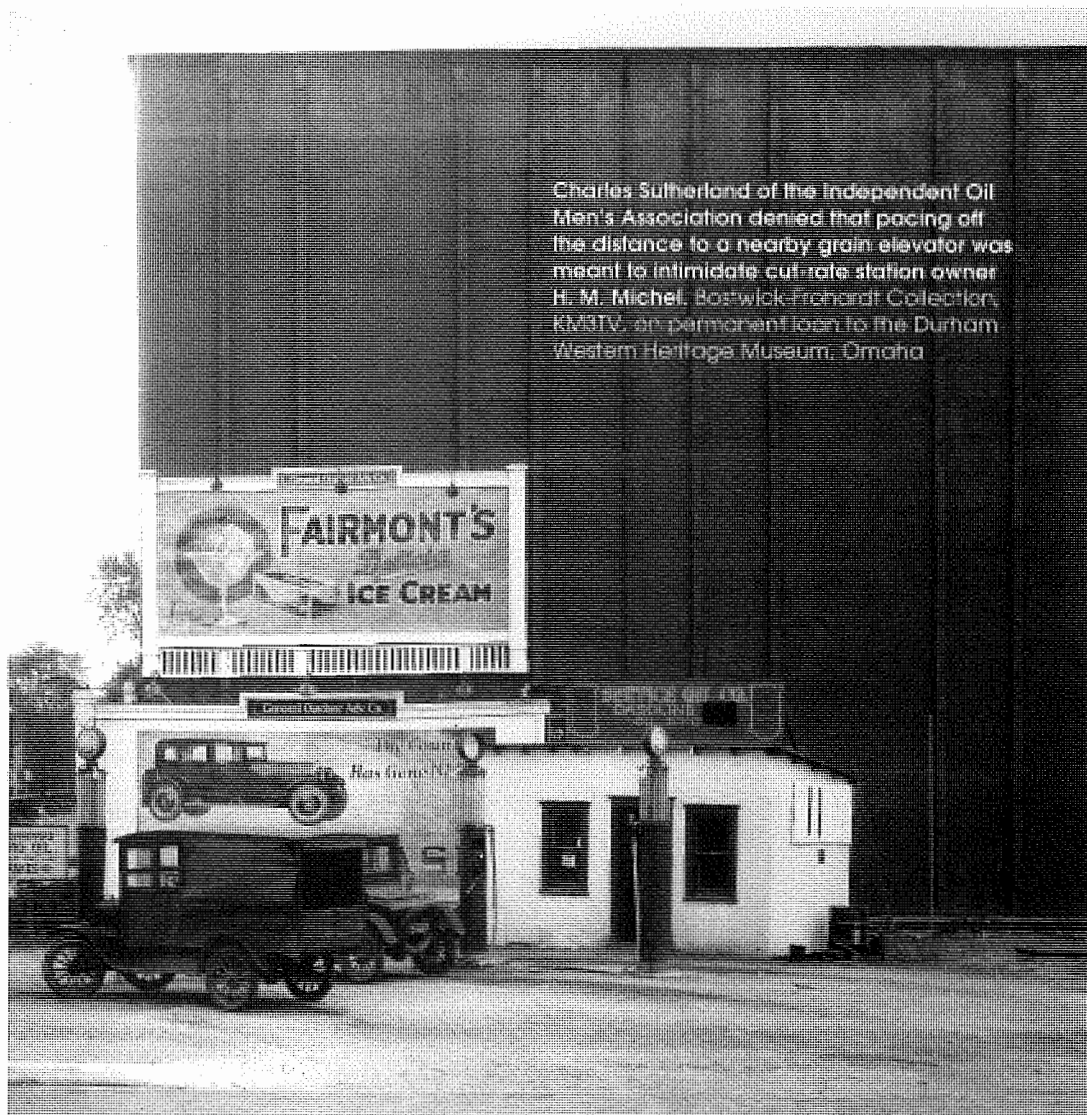
A: Words to that effect, yes sir.

He also admitted having stepped off the distance

---

If a candidate can get the word "Muny" linked with his name in the public mind, he is as good as elected.

---



Charles Sutherland of the Independent Oil Men's Association denied that pacing off the distance to a nearby grain elevator was meant to intimidate cut-rate station owner H. M. Michel. Roswick-Frensdorf Collection, KMTV, on permanent loan to the Durham Western Heritage Museum, Omaha

Q: What interest did you have in the fire insurance on the elevator?

A: I just wanted to know whether or not it would affect that, whether the receiver knew that putting in that station there would affect the rate they would pay on the insurance.

Sutherland characterized Michel's reaction to a possible injunction saying, "It was only in Mr. Michel's mind, and of course he had an egotistical idea, as the Kaiser had, that all the World was sitting up and paying attention to what he was doing, when of course, we were not paying attention to him at all."<sup>54</sup>

Sutherland later denied that he had made certain statements to Michel:

I never stated to him that 'if you open a cut-price station here, it won't do.' Nor did I say in answer to one of his questions, 'We are spending a lot of money on our stations; you fellows go around and put tanks in here and cut down expenses and kill the

gasoline business. We won't stand for that.' Nor did I say, 'If you've got the money to lose, go ahead and open up, but you will never be able to open that station. We are not only going to stop you, but we are going to get an injunction against this place. ... You had better become a regular oil man'.

I never in any manner threatened him nor used any coercive language. I never said that during the all the various conversations I had with him. Upon no occasion and at no time did he ever order me from the premises or warn me to keep off. Our relations were, apparently, friendly. He treated me cordially wherever I met with him, and I treated him likewise.<sup>55</sup>

### The Mystery Station

At about the time Liggett's station opened, a suspicious new player entered the Omaha price war district, opening an outlet the press called the "Mystery Station" across the street from the Muny

from Michel's station to an adjacent grain elevator, saying,

A: Mr. Michel seemed to get it in his head very seriously that I and all the members that I represented were trying to get an injunction against him, and at one time he saw me stepping off just how far his tanks were from the alley. I was getting that information for another reason. He says "Well, are you going to get an injunction?"

Q: What reason, Mr. Sutherland?

A: I wanted to know the affect [*sic*] on the fire insurance, the fire insurance on that building.

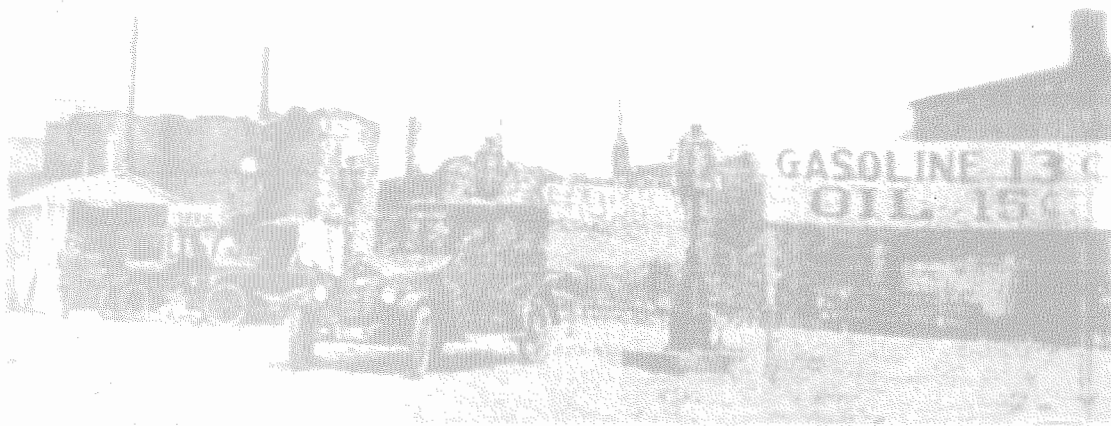
Q: That elevator?

A: Upon the elevator, yes sir.

Q: You did not represent the elevator company?

A: No.

## 13c Gas Station and Price War District



The 13c gas station, shown here which was opened last Sunday, is the center of Attorney General Spillman's investigation of alleged discrimination. Two owners of 15c stations assert that G. A. Steele called upon them and advised them to raise their price or the 13c station would be opened.

The fifth cut-rate station to open, calling itself the Consumers' Gasoline Company, was named the Mystery Station by the press. Rumors said established Omaha oil dealers had opened it, not for profit, but as a "war machine." *Omaha World-Herald*, June 8, 1924

and the Elrod and Howell stations. Mystery indeed surrounded its entry into the price war, and it elicited more suspicion of intrigue than any other event in the Omaha price war.

Liggett said that before the Mystery Station opened G. A. Steele, vice-president and general manager of the Manhattan Oil Company and vice-president of both the Nebraska Independent Oil Men's Association and Omaha's Petroleum Club, visited him to serve "notice on Liggett that a 13-cent station would be opened soon."<sup>56</sup>

Shortly after that encounter with Liggett, Steele was invited to meet with Michel and Elrod in Michel's office—where he had cut a hole through the wall behind a filing cabinet. In the adjacent room a district court reporter and a stenographer recorded the conversation, which began congenially:

Michel: Mr. Elrod, this is Mr. Steele.

Steele: Glad to see you. Steele is my name. ... I want to say this—I suppose you know what has been transpiring in the oil business. I don't want to harm anybody, everybody is entitled to what they see fit, this is a free country, but we are getting into a deplorable condition. I wondered if something can't be done to meet this situation around here.

Then Steele offered a deal:

Steele: This other station opens up this afternoon. If you people had 16 cents this afternoon and should go to another 17 cents

before Tuesday a.m. you won't be interfered with at that price.

Michel: What will they sell for if we go up?

Steele: It will never open if you make it 17. ... No sir, that station will never open if you make it 17. We are talking it over here right now.

Michel warned Steele that there would be a fight:

Steele: I will never fight a man for using his judgment but it means an unsatisfactory situation.

Michel: There will be fight all right.

Steele: There will be a fight all right and I realize it will draw us in.

Steele and Elrod left. After ten or fifteen minutes Steele telephoned Michel. With the court reporter and stenographer listening in, Steele said that if the Michel station opened at the agreed-upon price hike "they" would not open the station:

Michel: You won't open up the station then?

Steele: That is what they have agreed. They won't open up the station; they won't open up if your price goes to 17 cents Monday.<sup>57</sup>

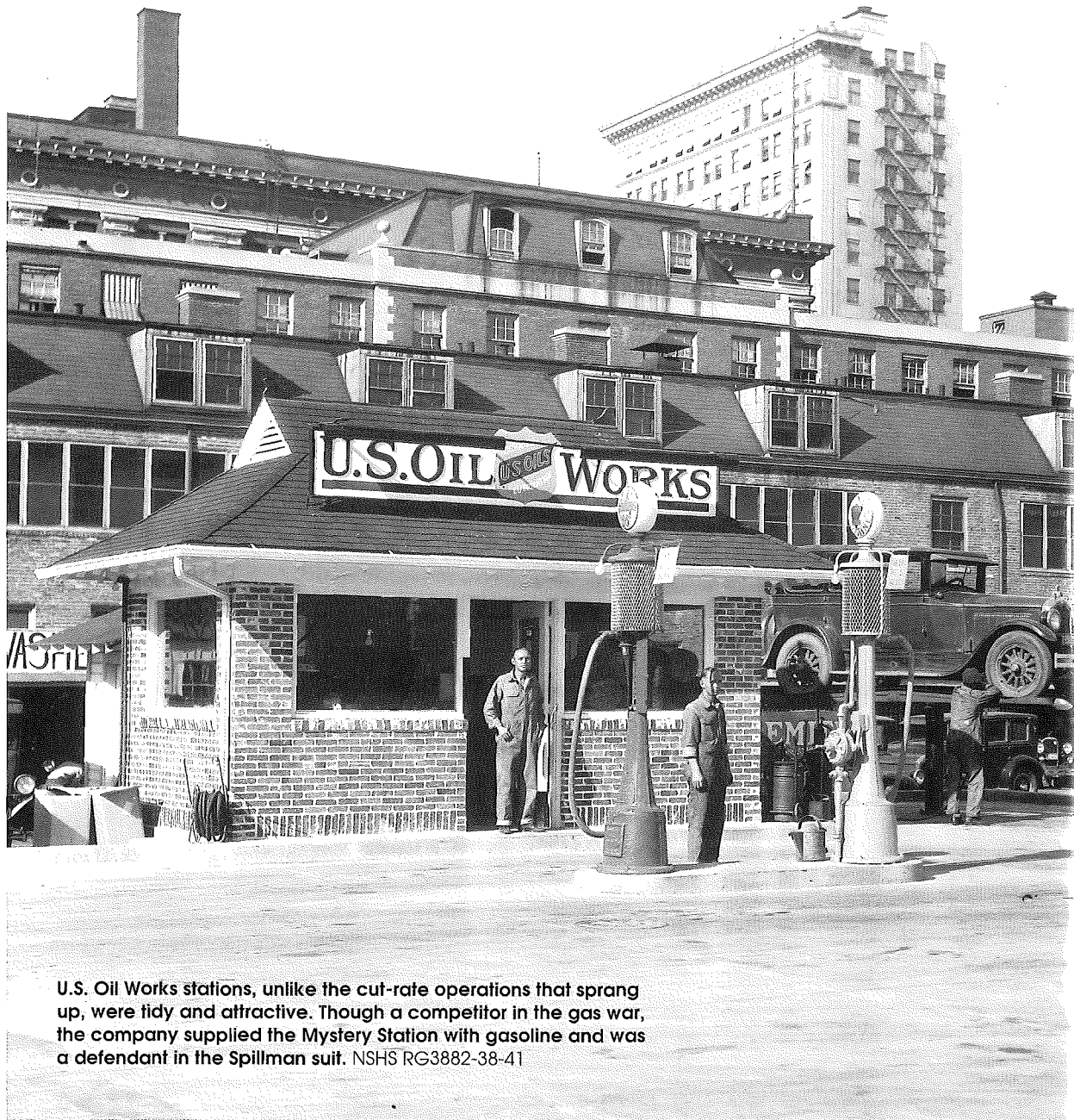
The day after springing the trap Steele telephoned Michel again, but Michel refused to raise his price.

That same day the Mystery Station opened.

---

The newspapers  
call it the  
Mystery Station;  
the flivver owners  
say it's Our Station  
because it sells  
8,000  
gallons daily.

---



**U.S. Oil Works stations, unlike the cut-rate operations that sprang up, were tidy and attractive. Though a competitor in the gas war, the company supplied the Mystery Station with gasoline and was a defendant in the Spillman suit. NSHS RG3882-38-41**

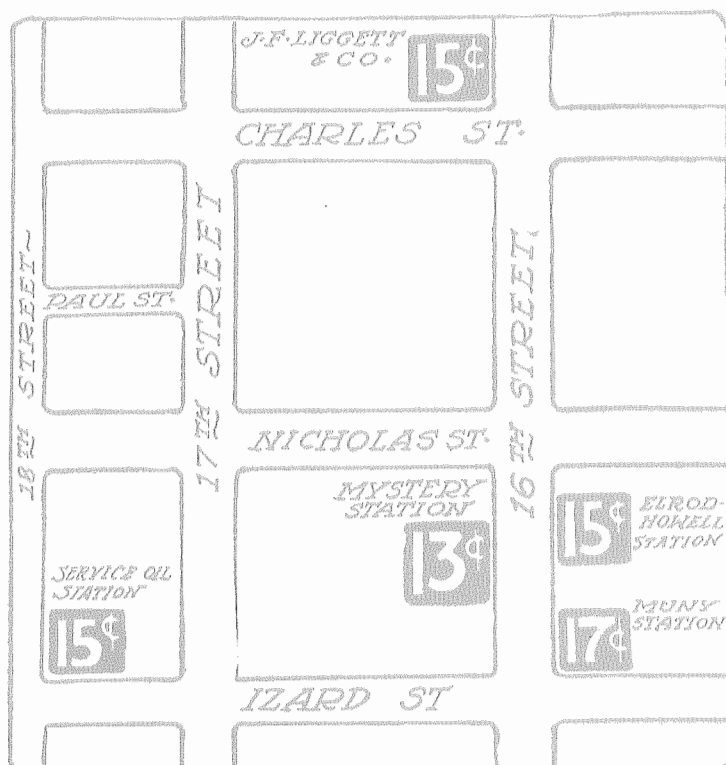
Called the Consumers' Gasoline Company, it began selling gasoline at 13 cents per gallon from four pumps and with eleven employees. The *National Petroleum News* described the station as a "rough wooden shack with one open side," under which "sits a cash register with a girl behind it and she is pretty busy."<sup>58</sup>

The U.S. Oil Works, located just behind the Mystery Station, supplied it with gasoline. That company, in turn, received its supply from the Omaha Refining Company, and both companies were defendants in the Spillman case. As Morris Milder of the U.S. Oil Works told a *World-Herald* reporter, "I have sold two tank cars of gasoline to the new station. I will sell cars of gasoline to anybody, including Elrod, Commissioner Hopkins and Governor Bryan, if they pay the price. The whole-

sale price today is 10 cents a gallon plus 2.21 cents freight. The Omaha Refining Company has plenty of it and we are anxious to get rid of it. Nobody is barred."<sup>59</sup> Milder claimed no connection with the new station.

Both Michel and Elrod alleged that the Mystery Station was "packed by the 'regular' oil dealers to drive them out." An article in the *National Petroleum News* quoted Elrod and Hopkins as saying they beleved the station was a "war machine financed by one or more Omaha oil men who select that means of bucking the cut-rate game." The article went on to say, "it is generally whispered about that this 'Mystery Station' is only a device of the older companies to show the public that anybody can sell cheap if they do it in the 'worst way.' This 'Mystery Station' has become





On June 8 the *World-Herald* printed a map of the "Price War District." Prices continued to plunge through the summer, reaching a low of 8.75 cents per gallon in September. *Omaha World-Herald*, June 8, 1924

the man of mystery. "The attorney general without doubt would like to see R. H. Radcliff, who opened the 13-cent station. Radcliff lived in the Paxton hotel but is reported to have gone back to his home in Kansas City. Oil men heard a report that he operated a station in Kansas City in the gasoline war there about a year ago under much the same circumstances as here."<sup>62</sup>

The manager of the station also said that Morris Ferer of Aaron Ferer & Sons, Omaha junk dealers, had acquired exclusive control of the Mystery Station from Radcliff just days after the station opened. "Ferer...is buying gasoline at 12.21 cents a gallon and is retailing it 'at a profit' at 13 cents, and has pledged to open other 13-cent stations as soon as he gets better acquainted with the business and can be assured of buying more gasoline and oils at the same price he gets them now."<sup>63</sup>

The Mystery's profit was indeed questionable. A statement from the 15-Cent League pointed out, "No station, no matter how economically operated, can run on less than a 2½ ¢ per gallon margin. When you pay less than 15 ¢, you are inviting trust prices." But the *National Petroleum News* reported that Spillman had visited the station and its new

daily more mysterious. It grew up unexpectedly overnight."<sup>60</sup>

The mystery of the Mystery Station quickly dissolved. Attorney General Spillman launched an investigation, about which the *National Petroleum News* editorialized "He brought a few statisticians and other experts, not to mention a corps of clerical persons down from the capital to Omaha and quartered them in Mr. Eppley's best hotel—the Fontenelle. They doped out everything necessary to the ultimate of 'taking of more steps.'"<sup>61</sup>

Spillman served a summons on the young woman who worked as cashier at the Mystery Station. She said she had seen receipts signed by a Mr. Radcliff. Testimony of the manager revealed that one R. H. Radcliff of Kansas City had opened the station. Spillman expressed definite interest in

*I publicly ask [Spillman] to take immediate action so that we can see whether Nebraska is bigger than the oil companies.*

Governor Charles W. Bryan

*[The Governor is] a tinhorn politician.*

Attorney General O. S. Spillman

owner told him, "I expect I'm making more than you are Mr. Spillman. I am making \$40 a day."<sup>64</sup>

The Mystery Station obviously drew a significant number of customers from both the 15-cent stations and the Omaha Muny: "The newspapers call it the Mystery Station. The flivver owners say it's Our Station because it sells 8,000 gallons daily." The *National Petroleum News* editorialized, "Mystery is good advertising. Everybody wants to know what is withheld. Fakes, frauds and fortune tellers have used mystery to advertise their business and increase their revenue, as far back as history records human weaknesses. Now it has been introduced into the oil business. It was draped with 'shush stuff' and its fame traveled through Omaha like a secret through a sewing circle."<sup>65</sup>

The Mystery Station's 13-cent fuel put immense pressure on its competitors. "With a man at each pump, the four pumps at the new 13-cent gasoline station...were kept busy today supplying a steady stream of automobiles, while across the way at the Elrod & Howell 15-cent station, customers were comparatively few and far between." In another newspaper report, "The 13 cent station continues to keep its four pumps going almost continuously while the 15-cent stations nearby are not doing more than half what they did before. Meanwhile the Muny gas station with its lone pump and 17-cent sign stands sentinel over the activity of the oil men and the snorting cars."<sup>66</sup>

Elrod could only offer passing motorists an impassioned appeal, with signs that proclaimed, "IT'S YOUR FIGHT" and "WE PUT DOWN THE PRICE, HELP US KEEP IT DOWN."<sup>67</sup>

With the ownership of the Mystery Station out in the open, Spillman began his campaign. "All these tangled facts are being placed at the disposal of Attorney General Spillman." And according to the *Omaha World-Herald*, "Information has begun to flow into Attorney General Spillman's office con-

cerning the 'habits' of the regular oil companies in Omaha and elsewhere in Nebraska...which may yet lead to some lively scrambling in more places than one."<sup>68</sup>

### **Bryan vs. Spillman**

By May Governor Bryan had yet to fulfill his promise to obtain supplies of gasoline and put them on sale across the state. The *Omaha Bee* editorialized,

"From time to time Governor Bryan takes the oil octopus and shakes it till its teeth rattle. One of his stunts is to set up the state distribution of gasoline. ... Fortunately no one let his gas tank go dry while waiting for the governor to wheel into action. ... What the gasoline users insist upon is that he shall put up or shut up. If he can make good on his proposition, even to half the saving he mentions, he is a wizard. But if he tries to use a lot of tall yarns about cheap gasoline to carry him back into the state house, he may find himself stranded on the highway far from home."<sup>69</sup>

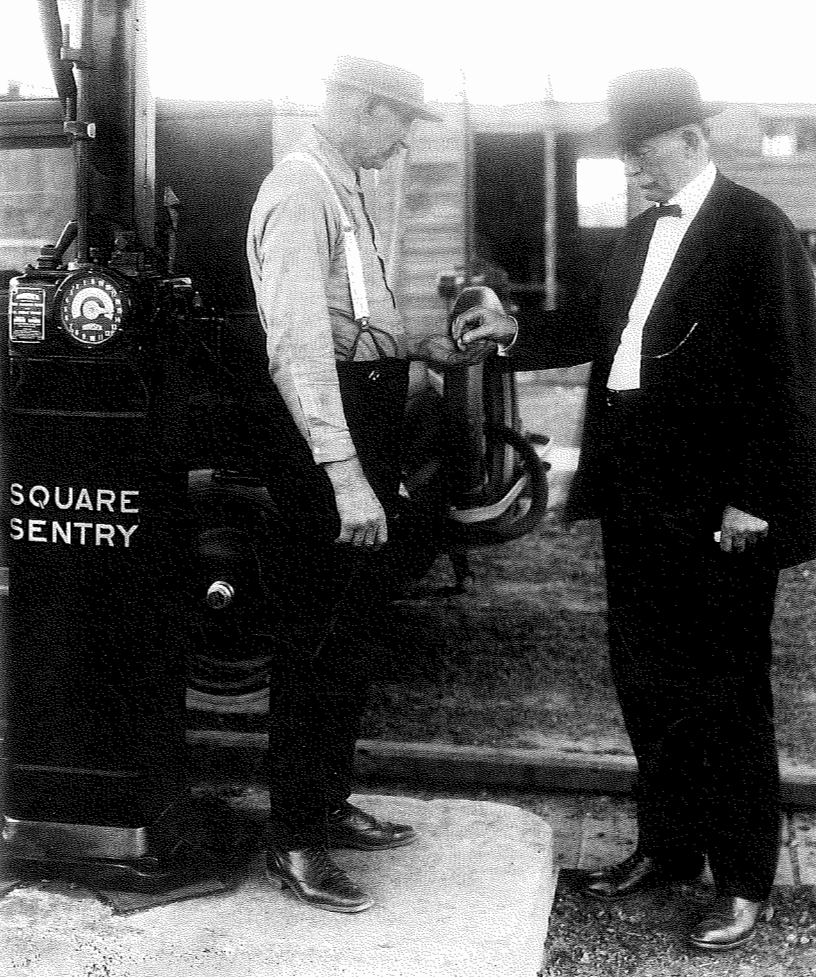
That month a sparring match broke out between Governor Bryan and Attorney General Spillman. Both faced reelection. Bryan was a staunch Democrat and Spillman was a solid Republican.

Bryan stood on a reform plank already adopted by the Nebraska Democratic Party:

"The coal industry and the oil industry of the nation are national monopolies in two of the important necessities of life and business. They have outgrown the laws of the nation and have overawed the government and bribed national officials. These great industries should taken over by the government and operated in the interest of all concerned, unless means can be speedily found to effectually regulate them, and prevent further imposition on the public."<sup>70</sup>

Bryan delivered the first punch. He attacked the attorney general for not taking steps to prosecute the oil companies for price differences in Omaha and other parts of the state, alleging price discrimination.

Spillman dismissed a letter from the governor, calling him a "tinhorn politician," "Why doesn't the Governor bring me some evidence," Spillman raged, stamping the floor of his office. "He hasn't brought me a particle of evidence that the law is being violated. He is content to sit in his office making a grand stand play to the voters of the state and the voters are laughing at him. I received his letter in Valentine and opened it in the hotel lobby there. I showed it to a number of men in the lobby and they laughed at the governor."<sup>71</sup>



Gov. Charles Bryan pays the attendant at a cut-rate state station in the materials yard of the state Public Works Department at Sixth and South streets in Lincoln. NSHS RG3197-27-1

### Still More Politics

In June 1924 Governor Bryan finally fulfilled his pledge and opened a state-operated station. Located in the yards of the State Department of Public Works in Lincoln, the station sold gasoline at 15 cents per gallon.<sup>76</sup> In a telegram Bryan said, "I am glad gasoline is selling well and is forcing down prices. If combine does not reduce price throughout the state by time I get home, I will put gasoline on sale throughout Nebraska and protect the public."<sup>77</sup>

Even before the Democratic National Convention started Bryan was favored for nomination for U.S. vice presidency, and John Hopkins was mentioned as a possible candidate for governor

should Bryan be nominated. Hopkins was invited to attend the convention, but he declined. "He declared that he is 'too' busy and laughingly averred that he was afraid the price of gas might go up if he left," reported the *Omaha Bee*.<sup>78</sup> Bryan received his party's nomination for vice president; Hopkins remained at his post on the Omaha City Commission.

### A Price Cutting Orgy

The orgy of price-cutting had begun.<sup>79</sup> In June, the big interests joined the 15-cent price bandwagon. W. D. Stelk reduced the price to 15 cents at his five filling stations and reported that business had doubled. The Tidal Refining Company reduced its price to 15 cents, calling it a matter of "either cut or close." The Manhattan Oil Company, Sinclair Refining Company, with fourteen stations in Omaha, the Nicholas Oil Corporation, the Shaffer Oil and Refining Company, and the U.S. Oil Works followed suit. Several officials said: "We are not cutting the price, we readjust meeting competition," according to the *Omaha Bee*. "Most of them were very curt in their replies to questions." The big companies who had not already "hung out the white flag" were expected to lower prices. "The general drop is looked upon as a 'surrender' on the

The next day, Bryan hit back, threatening action by his own office. "I hereby serve notice upon the oil companies and the state legal department that I will, if necessary, make use of the right given me by the constitution, to commandeer supplies of gasoline in transit for the protection of the people of the state, unless action is taken to enforce the law and bring about justice."<sup>72</sup>

Spillman landed a direct hit, releasing to the press a letter he sent to Governor Bryan that concluded, "Let me advise that as constitutional law officer of the state of Nebraska, I shall continue to prosecute anti-trust cases and combinations in restraint of trade, not for the purpose of political advertisement, but for the purpose of securing actual relief in prices for the people of the state."<sup>73</sup>

Again Bryan swung: "I have asked the attorney general through constitutional channels to take action...and now I publicly ask him to take immediate action so that we can see whether Nebraska is bigger than the oil companies."<sup>74</sup>

Spillman countered, "Governor Bryan is three jumps behind on the gasoline question. When he hears that I am investigating something, he directs me to investigate that very thing. If it works out all right he wants the credit, and if it does not prove successful, he blames my department."<sup>75</sup>

Both combatants were bloodied but unbowed.

---

In Omaha we have an orgy of price cutting. You buy gasoline at 12 places for 15 cents and at two places for 13 cents and all the regulars are selling for 17 cents. Shades of the Rockefellers. What are we coming to?

---

## Gas Price Gets Another Shave



**"It's Your Fight Now" reads a big sign, erected in front of the Liggett Oil company's filling station at Sixteenth and Charles, urging motorists to buy gas at 12 9-10 cents a gallon. This station, which had been selling at 13 cents, shaved the price down another notch Friday night.**

When gas fell to 13 cents per gallon, J. F. Liggett shaved the price at his Sixteenth and Charles streets station to 12.9, and put up a sign enlisting public support. *Omaha World-Herald*, June 22, 1924

*We are going to protect the buying public and independent dealers.*

Dr. F. J. Despecher  
June 1924

part of the big companies," wrote the *Omaha Bee*. Standard Oil held out at 17 cents.<sup>80</sup>

Other independents fell into line with the 15-cent price, and one independent operator explained, "We weren't able to get the business at 17 cents a gallon. We're not in league with any oil companies, but we had to reduce to sell our gasoline. Business is good now." Forty-six stations citywide had cut their prices, and a "fresh crop of cut-rate dealers was building stations and burying tanks."<sup>81</sup>

Competition in the price cut district was keen. As refineries began offering better prices the Mundy soon met the 13-cent price of the Mystery Station. Michel, too, went to 13 cents. Liggett "shaved" his price to 12.9 and posted a sign reading, "ITS YOUR FIGHT NOW."<sup>82</sup>

The competition hit the Elrod & Howell station hard. Still holding out at 14 cents, their sign reading, "WE CANNOT, WHILE SURROUNDED BY 13 CENT GAS STATIONS, SELL ENOUGH AT 14 CENTS TO MAKE EXPENSES." Soon Elrod hung out the "white flag" and held a 10-cents-per-gallon "bargain sale" on three thousand gallons of gasoline. Once the bargain gasoline was sold he would close temporarily. He had an additional fifteen thousand gallons, but said he would hold it until the price situation "righted" itself.<sup>83</sup>

### Still More Intrigue

Charles Sutherland of the Nebraska Independent

Oil Men's Association again emerged, meeting with Burton Jennings, an independent operator of another station intending to cut prices. Jennings later testified,

Sutherland then asked me if I could obtain gas as a cut price station. About that time I had written various refineries. As a matter of fact, I had received only one or two answers, and they gave me no satisfaction at all. Mr. Sutherland assured me that the letters to the refineries had been turned over to him for his consideration.

Then Mr. Sutherland asked me if I was not aware that I would encounter trouble in obtaining gasoline, and I replied that I expected more or less opposition.

However, about the time I opened my station, I began to get assurances from refineries that they would sell to me on the basis of the fact that I was opening as a cut price operator. At this juncture, Mr. Sutherland produced a letter from some refining company—I could not say whether a broker or refining company, as he folded the letterhead down so I could not see—and showed me only such paragraphs as he wanted me to see.

In one of these paragraphs, the company apologized to Sutherland, as secretary of the Nebraska Independent Oil Men's association, for the fact that gas from their company got through to Elrod.

The whole tenor of the conversation was that it would be necessary for me to obtain gasoline through subterfuge; that Elrod and Commissioner Hopkins had to resort to it.<sup>84</sup>

Perhaps so. The president of an Oklahoma City oil company admitted that his company had sold two or three carloads to Elrod "until we learned the true situation and after getting our information we have not made Elrod any further quotations nor have we made him any further shipments."<sup>85</sup>

### The 15-Cent League Aims High

In a short talk before the 15-Cent League John Hopkins said "It is not the aim of my department or the '15-Cent Gas league'...to deprive the gasoline filling stations of a reasonable profit. The '15-Cent Gas' league is the gasoline price regulator of the city. It is the aim of the league and of my department to stabilize the price of gasoline in the city between 15 and 17 cents, a price that allows a reasonable profit to the retailer. We do not intend to cut the price below this, because doing so, would allow only a smaller margin of profit than we think the retailers are legitimately entitled to."<sup>86</sup>

The 15-Cent League formally incorporated in



T. J. McGuire  
Assistant Attorney  
General, July 1924

June 1924, with Dr. Despecher as president and John Hopkins as vice-president. Dues dropped to twenty-five cents, and members pledged to buy gasoline only from 15-cent stations.

The 15-Cent League opened an office and had a corps of solicitors canvassing the city for memberships. Dr. Despecher stated, "We are going to protect the buying public and independent dealers, but our membership must include the greater per cent of the 30,000 automobile drivers in the city." Motorists proudly displayed windshield stickers and the league gave its stamp of approval to cut-price dealers. Operators at 15-cent stations began to display signs claiming affiliation with the league and the Central Labor Union extended a

The state filed a "large bundle" of the affidavits of twenty-two witnesses. T. J. McGuire, Assistant Attorney General, promised that they would be "interesting."<sup>88</sup> They were indeed interesting. Among those deposed was Mayor Dahlman, who testified about visits from members of the Petroleum Club of Omaha; the manager of the Mystery Station; and Charles Sutherland of the Nebraska Independent Oil Men's Association. Also filed was the transcription of Steele's notorious visit to Michel's office.

*National Petroleum News*, which derided Spillman throughout the trial, said the witnesses had been "sworn, examined, cross-examined, teased and pumped." Numerous exhibits that included photographs, newspapers, and magazines backed Spillman's affidavits. The *Petroleum News* claimed they were "sufficient to constitute a load for a Rocky Mountain burro. It was worth the price of admission to see Mr. McGuire lug the stuff into the courtroom."<sup>89</sup>

Spillman had changed his battle plan, choosing not to prosecute under Nebraska's anti-trust law, and he now sought a temporary injunction to stop the "irreparable wrong" posed by the defendants. Spillman said the "the people are suffering" because in Omaha gas was selling for 15 cents, while people in other parts of the state were paying 20 cents.<sup>90</sup>

The defendants entered Judge William G. Hastings's court charging that the suit was "scandalous. ...The companies selling gasoline in Nebraska object to having

their corporate 'characters'" besmirched by an injunction to "prevent them from doing what they claim they are not doing."<sup>91</sup>

Both Spillman and John P. Breen, special counsel for the state, argued that if they were not doing what they were enjoined from doing they would not be harmed by the temporary injunction. That comment brought one of the defendants'



Members of the 15-Cent League displayed windshield stickers and buttons declaring their intention to control gas prices and pledged to buy only at fifteen cents per gallon, a fair price, they said, for both consumers and dealers. *National Petroleum News*, March 12, 1924.

## Pledge of the 15c League

□□□

As a member of the 15c League, I promise that I will use as little Gasoline as possible, dispensing with all unnecessary use of my car.

That I will do all I can to induce my neighbors and my friends to be members of the 15c League.

That I will exert all my influence to convince our Legislators that the price of gasoline should be stabilized.

That I will help organize 15c Clubs and take active part in any efforts made to reduce the price of gasoline to 15c or better.

That I will continue in my efforts until the price of gasoline has been brought down to 15c per gallon or lower.

Presuming that everybody wants 15c gas, the success of the League is placed in the hands of the public.

If you want 15 cent gasoline write your name and address on the space below. Put this ordercard in an envelope and enclose one dollar (\$1.00.) Mail it to the 15 Cent League, Omaha, Neb. We will send you 11 pledges, buttons and wind shield posters.

Write Plainly

Organize a Club Without Delay

If you sell ten membership cards, and each one of these send in \$1.00, thus an endless chain will be started, and at the sixth cycle will reach 1,000,000.

vote of thanks to officials of the 15-Cent League for their efforts in the price war. Letters inquiring about the league soon began "pouring into the office." There were even indications that the league planned to go nationwide.<sup>87</sup>

### Spillman Takes Big Oil to Court

In July Attorney General Spillman prepared for trial.

Membership 10 Cents To Cover Cost of Distribution of Pledges.

Use this card in ordering, it will be placed on file for future reference.

# COMBINATION, CONFEDERATION, CONSPIRACY

On February 28, 1924, Ora S. Spillman, attorney general for the State of Nebraska, filed suit in the Douglas County District Court charging that the Standard Oil Company of Nebraska and fourteen other oil companies "were and have been engaged and are now engaged in a combination, confederation, conspiracy and trust, and have combined to fix and control the price of gasoline in restraint of trade." The defendants named in Spillman's petition (Appearance Document No. 209, District Court of Douglas County) were:

- **Anderson-Johnson Oil Corporation**
- **Manhattan Oil Company**
- **National Refining Company**
- **Nicholas Oil Corporation**

The Nicholas Oil Corporation was formerly the L. V. Nicholas Company of Omaha. Nicholas left the business in 1922 to become president of the National Independent Marketers' Association, and the oil company was taken over by the White Eagle Oil and Refining Company. The reorganized Nicholas Oil Corporation was formed to serve the Omaha market.

- **Shaffer Oil & Refining Company**  
Shaffer operated as the Deep Rock Oil Company and Derby Oil Company.

- **Stelk Oil Company**
- **Sinclair Refining Company**
- **Standard Oil Company of Nebraska**
- **The Texaco Oil Company**

The Texaco Oil Company was named in error. "Texaco" was the brand name for the gasoline sold by the Texas Company, which had only recently entered the Nebraska market.

- **The Texas Company**
- **Tidal Refining Company**
- **United States Oil Works**

Three defendants in the case later were dismissed because they were not marketers of gasoline:

- **Nebraska-Iowa Oil Company**  
Nebraska-Iowa Oil Company (or Nebraska Oil Company) handled only lubricating oil, grease, and fuel oil.
- **Omaha Refining Company**  
The Omaha Refining Company was a refiner only and sold its output to the United States Oil Works.
- **Standard Oil Company of Indiana**  
Standard Oil of Indiana was the major supplier of products to the Standard Oil Company of Nebraska. The company was later dismissed as a defendant after showing that it did not conduct business in Nebraska as a jobber or retailer.

EVERYONE IS PICKING  
ON THE OIL COMPANIES  
BECAUSE THEY'RE LITTLE  
AND CAN'T TAKE THEIR  
OWN PART.

H. N. Lloyd  
Manhattan Oil Company  
February 1924

attorneys to his feet: "Suppose someone asked the court for an injunction to keep you from annoying your wife when, in fact, you were not annoying her." Breen responded, "Oh, that would be scandalous—if I had a wife."<sup>92</sup> The court denied the temporary injunction, and the case was to continue in September.

## Michel vs. Mystery

At the end of July the big companies—Standard Oil with twenty-three stations in Omaha, Sinclair, the Nicholas Oil Corporation and the Anderson-Johnson Oil Company with six Omaha stations—reduced prices to 13 cents "just to meet competition."<sup>93</sup> It was the highest gasoline price in Omaha.

As the gas war heated citywide the keenest price fight developed in the price war district between H. M. Michel and the Mystery Station. With reports of lower refinery prices, Michel reduced his price to 12.5 cents. The Mystery Station followed the next day, announcing a cut to 12 cents. Less than two weeks later Michel further reduced his price to 11.75 cents. "I am just breaking even at this price...but I am in this to gasoline fight to the finish," he said. The Mystery Station immediately went to 11.5. "I was not getting enough business and decided to cut to 11½ cents," Ferer said. The Munny remained at 13 cents per gallon.<sup>94</sup>

The Michel vs. Mystery fight continued in August with Michel charging that the tactics of the Mystery Station were being used as a whip "to make gasoline dealers behave as good children, or else close their doors." On August 6 Michel announced he would sell gas at 10.9 cents and according to Michel's expression "was rushed to death" with sales of five thousand gallons.<sup>95</sup>

That day the Munny closed, blaming "violent competition":

The Munny station fell by the wayside. Commissioner Hopkins announced there was no business to be had at a price higher than 11½ cents and that represented a loss for the city so he quit. But in the "swansong" of the Munny station it was reported that it could come back whenever it wanted to. Now there is a lock on the door of the city's wooden shanty.<sup>96</sup>

Two days later the Mystery Station, now with a signboard declaring it the "People's Gas Station," lowered its price from 11 cents to 10 cents. At 10 cents it was said, "How it is done, is a mystery in itself." But as he smiled to a newspaper reporter, Ferer predicted that the market would go even lower.<sup>97</sup>

The price fight was called when Michel issued a statement that at 10 cents he would be unable to meet the Mystery station price, and he issued an appeal to his customers: "I hope the public realizes it is their war by supporting those who have brought the low figure." As other independents looked for an end to the gas war soon, Michel was declared that it would continue for a long time, that he could not be crushed, and if he won "it will be the first that the 'oil combine' has ever lost."<sup>98</sup>

### Spillman's Injunction

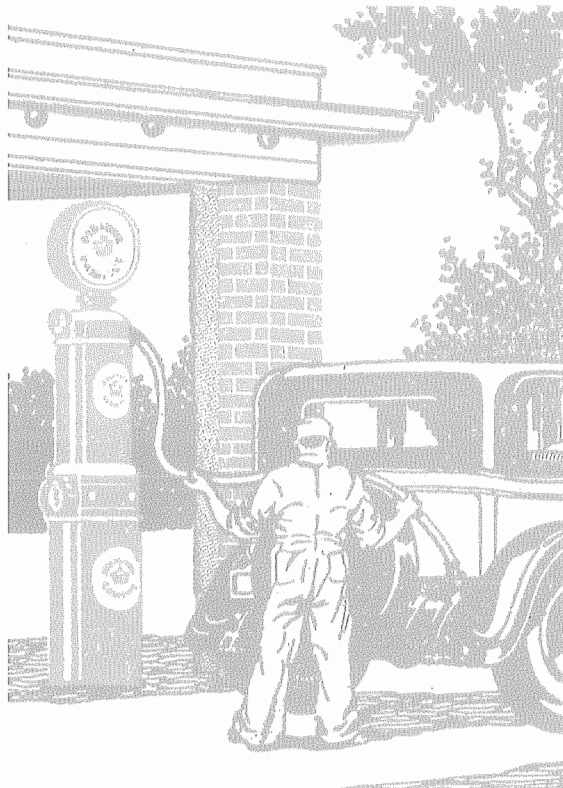
In September 1924, the Spillman lawsuit continued before Judge Hastings. Both litigants had turned over more than fifty affidavits to the court. The documents were so voluminous and minutely detailed that Judge Hastings called off a vacation in order to go over them.

On September 8 six attorneys representing the state and some fifteen representing the defendant companies entered the courtroom. Noticeable among the onlookers at the hearing were B. S. Elrod, John Hopkins and "the man with probably the most at stake, A. H. Richardson, president of the Standard Oil Co. of Nebraska."<sup>99</sup>

The defendants requested a postponement, but Hastings denied it saying, "We will proceed with the hearing...and if it can be shown that the law has been violated I will stop it." The state contended that with the decrease in prices the defendants had "conspired to fix prices and restrain trade and stifle competition." An attorney for the defendants claimed that the state failed to prove "irreparable injury" to the people. Hastings said: "Gasoline prices have gone down. If the gasoline prices had increased, causing hardships and trouble, then the hearing on the temporary injunction could proceed."<sup>100</sup>

Assistant Attorney General T. J. McGuire opened the state's case with the massive reams of evidence. The reporter for the *National Petroleum News* glibly noted that McGuire "selected just what he wanted from all that mass of information; he pruned off all that did not suit his purpose; twisted the remnants into suitable shapes, pasted them all together with insinuations, and rhetoric; and in the presence of the court erected a beautiful house of cards."<sup>101</sup>

McGuire charged Sutherland and the Nebraska Independent Oil Men's Association with forcing independents who wanted to open cut-price stations to have Sutherland's approval before they could get gasoline. The *National Petroleum News*, however argued that McGuire, "by innuendo, tried to prove that Sutherland carried the big stick and



*We are pleading the cause of the common people.*

*T. J. McGuire  
Assistant Attorney General  
September 1924*

forced oil men hold to uniform price structure."<sup>102</sup>

"McGuire's remarks continued for two days. McGuire is a master of his craft," said the *National Petroleum News*. "It took two months to plan it and two days to recite it. When it was finished the man was exhausted. He wilted into his chair by the table and nobody in the court room breathed aloud."<sup>103</sup>

When John P. Breen, special counsel for the state, rose he called the alleged price fixing an "oil octopus":

These defendants did not fix prices by meeting in a room somewhere and some member rising and saying 'I move that the price of gasoline in Omaha be fixed at 17 cents for the coming week.' They don't operate that way in these times. Nor did they do it by sending out a letter. But we know that it was done just the same and that the price was fixed by these defendants headed by the arch conspirator, the Standard Oil Company of Nebraska.<sup>104</sup>

Breen ridiculed the Nebraska Independent Oil Men's Association by quoting its bylaws, which defined the purpose of the organization as the

promotion of "good fellowship" and "mutual social intercourse." He laced his argument with poetry, describing what Breen contended was the organization's "oily smoothness:"

With smooth dissimulation, skilled to grace;  
A devil's purpose with an angel's face.<sup>105</sup>

Attorneys for the defense interrupted Breen, asking if it was not entirely appropriate to cut

impassioned plea that the people were being "trodden upon by this monstrous combination of oil industries."

Judge Hastings interrupted:

What do you want the oil companies enjoined from doing?

Spillman replied:

From organizing into a monopoly.

Hastings said:

Then you'll have to wait until you have established by evidence that there is a violation of the law on the part of the oil companies, and there is no such legal evidence at this time.

McGuire then leapt to his feet:

Be patient, your honor, we are pleading the cause of the common people. Do not make a ruling until the people are entirely heard.

The Judge responded:

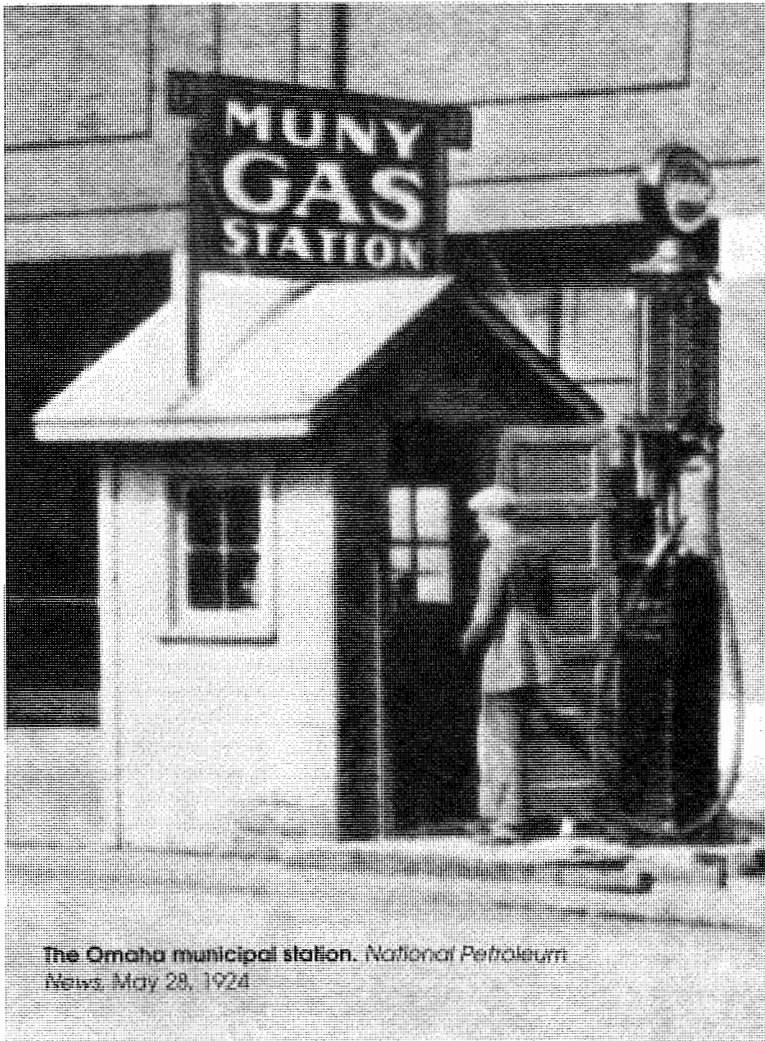
But there isn't a hint of evidence that that the price is unjust or high.

And after more exchanges by McGuire and Breen, Hastings continued:

We have not here legal evidence to consider... We have *ex parte* affidavits, [*ex parte*: On behalf of only one party, without notice to any other party] and they don't show grounds for specific interference with specific transactions at any specific point in the state today in my opinion.<sup>107</sup>

The *National Petroleum News* reported that the defense hinged on four of the oil company lawyers. Standard Oil's attorney was experienced in petroleum litigation and "took hold of his subject like the veteran he is, and defended every established act of which the Standard Oil Co. was accused." Another attorney was said to have "walked into the muzzle of the state's biggest gun and proved that it was not loaded." Yet another "took hold of the question from its legal side and blistered his opponents, sparing nobody." When the fourth attorney rose "he handled the subject as an economist would," stating, "The big Standard Oil Co. can make their gasoline or buy it cheaper than we Independents can get it. What does the state want us to do? Shall we price our goods higher than Standard and sell none; or shall we sell it lower than the Standard can, and go broke!"<sup>108</sup>

Judge Hastings found for the defense, ruling "There is no evidence before me at this time to show there has been a combination in restraint of



The Omaha municipal station. *National Petroleum News*, May 28, 1924

prices to meet competition. Breen responded, "That is entirely proper...but were you cutting prices to meet competition, or to drive the price cutter out of business?" The *National Petroleum News* said Breen "succeeded in emphasizing a lot of weak points in the state's contention and made openings for oil company lawyers to use later in tearing up the playhouse."<sup>106</sup>

The handwriting was on the wall for Spillman. The next day he made his final arguments with an



trade, on the part of the defendants at some time in the past, and if there were it would not get you a temporary injunction at this time.” Hastings went on to say that he could find, “no allegation nor proof that any of the defendants at the present time are engaged in, or threatening to engage in, any practice which in itself...would be deemed unlawful or to threaten injury to any public or private interest. The court therefore denies issuance of any temporary injunction at this time.”<sup>109</sup>

Putting his best spin on the outcome, McGuire said to the *Omaha-World Herald* the next day, “The state regards the cut in the price of gasoline in Nebraska by the old line companies as one of the indications of the success of its suit against them. We shall file nothing else. Our case is made and we shall stand on the record. We believe we have supported our contentions perfectly.”<sup>110</sup>

Even the writer for the critical *National Petroleum News* recognized the state’s “supreme effort” saying “The office of attorney general of Nebraska was thoroughly entrenched, and armed with the heaviest artillery ever trained on the ethics of the petroleum industry. No fair minded man who heard the arguments will question the sincerity of Attorney General Ora Spillman or the earnestness of his chief spokesman T J. McGuire.”<sup>111</sup>

The independents cheered the outcome. According to *National Petroleum News* the “Victory, clean and decisive, rewarded the oil men of Nebraska in a hard-fought legal conflict. A district court has heard all about how Standard and Independent companies sell gasoline at the same figure until a bootlegger starts a price war.”<sup>112</sup>

## Epilogue

In late September the Mystery Station lowered its price to 8.75 cents lowest price of the 1924 price war.<sup>113</sup> The question of whether or not there was, indeed, collusion among the oil companies, and the identities of those involved, may well remain one of the mysteries of the Mystery Station.

Michel, the “trust busting” dealer, survived the war and even acquired another station in Omaha. When the Mystery station raised its price there were said to be “chortles of glee” from the vicinity of Michel’s two stations. Michel himself flagrantly celebrated 120 days since the opening of his archrival, the Mystery Station, by selling gasoline at 9.9 cents a gallon and giving away a quart of oil with every purchase. He was even reported to have gathered \$100,000 from investors and planned to open a chain of twelve cut-price stations. In 1926 he purchased the Omaha Refining Corporation

*Gasoline may be said to be a most obedient servant.*

*Judge James R. Dean  
Nebraska Supreme Court  
1926*

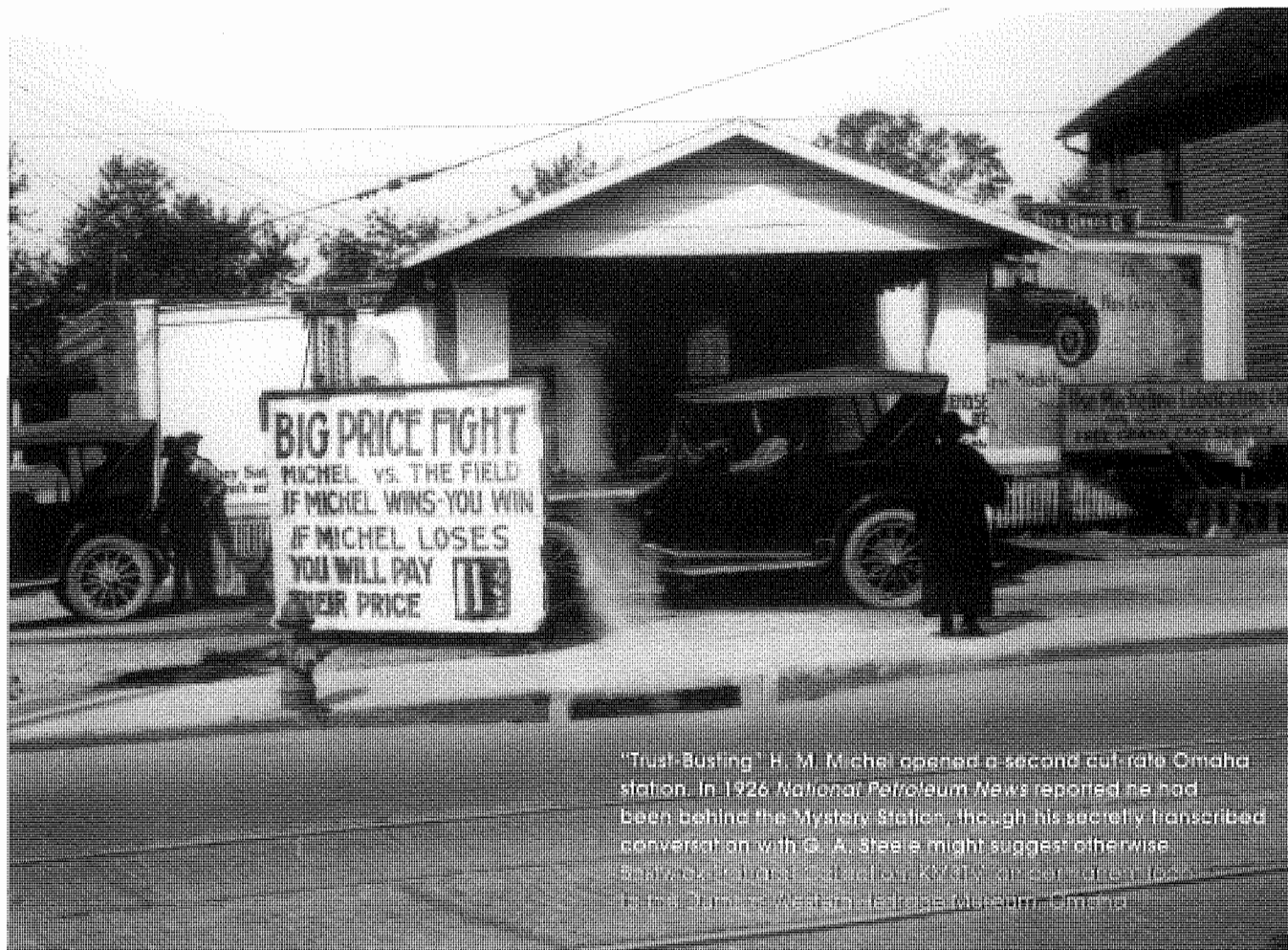
and opened the H. M. Michel Oil and Refining Corporation. Most mysterious of all was the report, published two years later in *National Petroleum News* that Michel himself was behind the operation of the Mystery Station.<sup>114</sup>

Vice presidential nominee Charles W. Bryan and his running mate John William Davis were soundly defeated by Calvin Coolidge and Charles Gates Dawes in the November presidential election. Bryan was elected to a second term as governor, serving from 1931 to 1935, and then to a second term as Lincoln’s mayor, 1935–37.

Ora Spillman, the Republican-Progressive attorney general was re-elected in November 1924, receiving the largest majority of any candidate for state office. Spillman’s crusade had not ended. In 1926 he would take a similar case to Nemaha County against the Standard Oil Company of Nebraska where he won under Nebraska’s “Junkin Anti-Trust” law. The company was enjoined from selling gasoline below cost except to meet fair competition. One of his witnesses was H. M. Michel. Spillman served as Nebraska Attorney General until 1929, then returned to private practice in Norfolk.<sup>115</sup>

The 15-Cent League became the Consumers’ Gasoline League in November 1924, its “15-Cent” name no longer appropriate after gasoline prices dropped below the 15-cent mark.<sup>116</sup>

By 1926 seventy-five jobbers and retailers were allied with the Nebraska Independent Oil Men’s Association, representing more than four hundred



outlets across state.<sup>117</sup> The organization became the Nebraska Petroleum Marketers, incorporated in 1932. Today it is the Nebraska Petroleum Marketers & Convenience Store Association.

Charles Sutherland, the Independent Oil Men's Association executive secretary, remained with the Nebraska Petroleum Marketers until 1935, served as a state committee code authority for the petroleum industry at the time of the New Deal's National Recovery Act, and established a service bureau for the petroleum industry. He ran for both Nebraska Secretary of State and the Nebraska Legislature.<sup>118</sup>

During the year of Omaha's price war, prices across the state fluctuated widely. As in Omaha, dealers elsewhere in the state cut prices, and gasoline wars erupted. The Muny concept spread to other towns, and municipal gas pumps remained a fixture in Nebraska for years to come.

The names of many of the oil companies charged in the Spillman suit would eventually disappear. Some, such as Sinclair, the National Refining Company, the Nicholas Oil Corporation,

(which was operated statewide by the White Eagle Company), and the Texas Company (Texaco) remained large operators in the state.

By 1930, the Standard Oil Company (Nebraska) operated stations in some 130 Nebraska towns. In 1939 it had a total of 207 service stations including forty in Omaha.<sup>119</sup> That year, after a series of business difficulties and losses, it was acquired by its "big brother," the Standard Oil Company of Indiana.

Lincoln entered the Muny business in November 1924 when voters approved an amendment to the city charter.<sup>120</sup> The Standard Oil Company of Nebraska challenged the public sale of gasoline by Lincoln's Muny in the District Court of Lancaster County, and when the case was decided in Lincoln's favor, appealed to the Nebraska Supreme Court. In 1926 the court affirmed the District Court's decision, noting:

It may be observed generally that gasoline has become one of the indispensable commercial commodities of our time. It is well known to everybody that there is scarcely a man, woman or child anywhere who is not

directly, or indirectly, either a user of or materially affected by the use of this modern day necessity. In the past decade, in some form, the use of gasoline has steadily increased until its use has now become well-nigh universal. ... Gasoline may be said to be a most obedient servant. ... It follows that a commodity, of use so universal, may come within the purview of "public purpose," as distinguished from "private purpose," as the expression is used in the decisions of the courts which have to do with the use of utilities and necessities of the public generally.<sup>121</sup>

As the Omaha gas war of 1924 clearly shows.

## NOTES

<sup>1</sup> *Standard Oil v. City of Lincoln*, 114, Nebr., 25045, 251 (1926); *Standard Oil Company of New Jersey et al. v. The United States*, 398 U.S., 221, 1 (1911).

<sup>2</sup> Nebraska Independent Oil Men's Association, "Nebraska Gasoline & Kerosene Gallonage, Year of 1923," nd, Nebraska Attorney General, Investigations of Oil and Gasoline Prices, RG003, Nebraska State Historical Society (hereafter NSHS); Ralph W. Hidy and Muriel E. Hidy, *Pioneering in Big Business, 1882-1911* (New York: Harper & Brothers, 1955), Table 42, 474-475.

<sup>3</sup> A. E. Heis, "LaFollette Prepares Way for Attempt at Government Regulation," *National Petroleum News* XV no. 10 (Mar. 7, 1923): 17.

<sup>4</sup> R. W. Stewart, "Fairness Aim of Standard Oil (Indiana)," *National Petroleum News* XV no. 20 (May 16, 1923): 25; Paul H. Giddens, *Standard Oil Company (Indiana): Oil Pioneer of the Middle West* (New York: Appleton-Century-Crofts, 1955), 316.

<sup>5</sup> "State Sale of Gasoline Considered," *Omaha Bee*, Aug. 13, 1923, 2:3.

<sup>6</sup> "South Dakota Governor Says He'll Protect Independent Jobber," *National Petroleum News* XV no. 33 (Aug. 15, 1923): 19.

<sup>7</sup> "State Sale of Gasoline Considered," *Omaha Bee*, Aug. 13, 1923, 2:3.

<sup>8</sup> "Indiana Standard Slashed Tank Wagon 6.6 Cents; Other Districts Cut," *National Petroleum News*, XV no. 33 (Aug. 15, 1923): 18-19.

<sup>9</sup> "Gas' Price Slash or State Supply, Bryan's Demand," *Omaha World-Herald*, Aug. 13, 1923, 1:6.

<sup>10</sup> "State Sale of Gasoline Considered," *Omaha Bee*, Aug. 13, 1923, 1:4; "Says a Slash Coming Over State Today," *Omaha World-Herald*, Aug. 14, 1923, 1:8.

<sup>11</sup> "Bryan to Keep Up His Campaign for 15 Cent Gasoline," *Omaha World-Herald*, Aug. 15, 1923, 1:3; "Automobile Men Ready to Sell Gasoline if the Price Doesn't Stay Low," *Omaha World-Herald*, Aug. 15, 1923, 1:2.

<sup>12</sup> Statement of Charles Sutherland, June 30, 1924, Nebraska Attorney General, *State vs. Standard Oil*.

<sup>13</sup> Sintek, Ellen L. *50 Year History of the Nebraska Petroleum Marketers* (Henderson, Nebr.: Service Press, 1970), 16.

<sup>14</sup> "Night Letter" to Governors McMaster and Bryan. Quoted by Sintek, *50 Year History*, 19; "Talks on Gasoline Drop," *Lincoln State Journal*, Sept. 7, 1923, A-7:1.

<sup>15</sup> "Resolution of National Association of Attorneys General," adopted Aug. 28, 1923 at Minneapolis, Nebraska Attorney General, Investigations of Oil and Gasoline Prices, RG003, NSHS.

<sup>16</sup> Ross S. Thornton, Report, Nebraska Bureau of Securities, Oct. 11, 1923, 6, Nebraska Attorney General, Investigations of Oil and Gasoline Prices, RG003, NSHS.

<sup>17</sup> Quoted by Sintek, *50 Year History*, 10.

<sup>18</sup> "Price of Gas is Advanced in Nebraska," *Omaha Bee*, Jan. 12, 1924, 1:4.

<sup>19</sup> "Munty Gas Sale Again Planned," *Omaha Bee*, Jan. 13, 1924, 9A:8; "Price of Gas Advanced in Nebraska," *Omaha Bee*, Jan. 12, 1924, 1:4.

<sup>20</sup> "Munty Gas Sale Now Doubtful," *Omaha Bee*, Jan. 18, 1924, 10:1.

<sup>21</sup> "Hopkins to Sell 'Gas' at 17 Cents for Motors Only," *Omaha World-Herald*, Feb. 17, 1924, 1:3; "City Starts Selling 'Gas' Today at 17 Cents Gallon; Oil Companies Won't Cut," *Omaha World-Herald*, Feb. 18, 1924, 1:5.

<sup>22</sup> "Hopkins to Sell 'Gas' at 17 Cents for Motors Only," *Omaha World-Herald*, Feb. 17, 1924, 1:3; "City Starts Selling 'Gas' Today at 17 Cents Gallon; Oil Companies Won't Cut," *Omaha World-Herald*, Feb. 18, 1924, 1:5; Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924): 50.

<sup>23</sup> "Dealers Say Sale of Munty 'Gas' Illegal," *Omaha Bee*, Feb. 19, 1924, 2:2; "City Gas at 17 Cents, 2,860 Gallons in Day," *Omaha World-Herald*, Feb. 19, 1924, 1:4; "Governor Says 'Gas' Sale May Be Statewide," *Omaha Bee*, Feb. 20, 1924, 2:2.

<sup>24</sup> "Omaha Embarks in Gasoline Business Like McMaster," *National Petroleum News* XVI no. 9 (Feb. 27, 1924): 21.

<sup>25</sup> "Hopkins to Sell 'Gas' at 17 Cents for Motors Only," *Omaha World-Herald*, Feb. 17, 1924, 1:3; "City Gas at 17 Cents, 2,860 Gallons in Day," *Omaha World-Herald*, Feb. 19, 1924, 1:4.

<sup>26</sup> "Governor Says 'Gas' Sale May Be State-wide," *Omaha Bee*, Feb. 20, 1924, 2:2; "Bryan Offers Hopkins Aid in Gasoline Fight," *Omaha World-Herald*, Feb. 20, 1924, 4:4; "Councilmen for Munty Gas Sale," *Omaha Bee*, Feb. 21, 1924, 13:2.

<sup>27</sup> "Dealers Say Sale of Munty 'Gas' Illegal," *Omaha Bee*, Feb. 19, 1924, 2: 2-3; "Omaha Embarks In Gasoline Business Like McMaster," *National Petroleum News* XVI no. 9 (Feb. 27, 1924): 21; "Dealers Say Sale of Munty 'Gas' Illegal," *Omaha Bee*, Feb. 19, 1924, 2:3.

<sup>28</sup> "Hopkins Says Gasoline Buyers Feel Influence," *Omaha World-Herald*, June 21, 1924, 7:5-6.

<sup>29</sup> "City Starts Selling 'Gas' Today at 17 Cents Gallon; Oil Companies Won't Cut," *Omaha World-Herald*, Feb. 18, 1924, 1:5; "Oil Dealers Joke at Omaha Gasoline Sales," *Omaha World-Herald*, Feb. 19, 1924, 2:7; "Bryan Offers Hopkins Aid in Gasoline Fight," *Omaha World-Herald*, Feb. 20, 1924, 4:4.

<sup>30</sup> "Omaha Embarks in Gasoline Business Like McMaster," *National Petroleum News* XVI no. 9 (Feb. 27, 1924): 21.

<sup>31</sup> B. F. Mowry, Jackson Oil Company, Jackson, Minn., Letter to the editor, *National Petroleum News*, XVI no. 11 (Mar. 12, 1924): 66.

<sup>32</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924): 53.

<sup>33</sup> "City Starts Selling 'Gas' Today at 17 Cents Gallon; Oil Companies Won't Cut," *Omaha World-Herald*, Feb. 18, 1924, 1:4-5.

<sup>34</sup> "Omaha Embarks in Gasoline Business Like McMaster," *National Petroleum News* XVI no. 9 (Feb. 27, 1924): 21. *National Petroleum News* was founded in 1909 to report on the independent oil industry, oil exploration, and refining. Its articles on marketing are sometimes highly editorialized in support of the independents.

<sup>35</sup> "Many Affidavits Filed in Gasoline Anti-Trust Suit," *Omaha*

*World-Herald*, July 2, 1924, 2:6.

<sup>36</sup> "More Oil Firms May Be Included in Suit," *Omaha Bee*, Mar. 1, 1924, 1:4.

<sup>37</sup> "Alleged Members of Oil Trust Jeer at Spillman Suit," *Omaha World-Herald*, Feb. 29, 1924, 18:2; See *Nebraska Revised Statutes*, Chapter LVI, Sections 12027 through 12030.

<sup>38</sup> "Alleged Members of Oil Trust Jeer at Spillman Suit," *Omaha World-Herald*, Feb. 29, 1924, 18:2.

<sup>39</sup> Quoted by Sintek, *50 Year History*, 15.

<sup>40</sup> "Alleged Members of Oil Trust Jeer at Spillman Suit," *Omaha World-Herald*, Feb. 29, 1924, 1:1, 18:2-3

<sup>41</sup> "Organizes 15c Gas League," *Omaha World-Herald*, Feb. 8, 1924, 3:2-3

<sup>42</sup> "1000 Members Enrolled," *Evening Telegraph* (North Platte, Nebr.), Feb. 8, 1924, 1:3; "Organizes 15-Cent Gasoline Club and Exhorts Buyers Strike," *National Petroleum News* XVI no. 11 (Mar. 12, 1924): 24.

<sup>43</sup> "Says 15-Cent Gasoline League Gains Ground," *Omaha World-Herald*, Feb. 15, 1924, 8:1.

<sup>44</sup> "Private Gas Station Built to Cut Prices," *Omaha World-Herald*, Mar. 25, 1924 1:7; "Offers Cheaper Gas to '15-Cent League,'" *Omaha World-Herald*, Mar. 21, 1924, 1:7.

<sup>45</sup> "Private Gas Station Built to Cut Prices," *Omaha World-Herald*, Mar. 25, 1924 1:7.

<sup>46</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924) 53, 54.

<sup>47</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924) 53, 54; "Ground is Broken for New 15-Cent Gas League Pump," *Omaha World-Herald*, Mar. 28, 1924 1:1.

<sup>48</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924) 53, 54; "Gas Price War Under Way Here," *Omaha Bee*, May 21, 1924, 1:1.

<sup>49</sup> "New 15-Cent Gas Station Begins Operations Here," *Omaha World-Herald*, May 24, 1924, 1:6.

<sup>50</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924) 53, 51.

<sup>51</sup> "Dahlman is High Man, Corrected Figures Show, With Hopkins Now in Fourth Place," *Omaha Bee*, Apr. 10, 1924, 1:6.

<sup>52</sup> Ward K. Halbert, "Cut-Rate Gasoline Stations Welcomed by Grateful Omaha Folk," *National Petroleum News* XVI no. 22 (May 28, 1924) 53, 53.

<sup>53</sup> Statement of Charles Sutherland, June 30, 1924, Nebraska Attorney General, *State vs. Standard Oil Company et.al*, 68, 69, RG003, NSHS.

<sup>54</sup> *Ibid.*, 70, 72, 74.

<sup>55</sup> "More Affidavits Deny Oil 'Trust' Exists in State," *Omaha World-Herald*, July 17, 1924, 1:6, 5:2.

<sup>56</sup> "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 1-N:7.

<sup>57</sup> "Stenographic Record of Oil Meeting Filed," *Omaha World-Herald*, July 3, 1924, 8:1.

<sup>58</sup> Statement of Harry Churchill, nd, Nebraska Attorney General, *State vs. Standard Oil Company et.al*, 27-28, RG003, NSHS; Ward K. Halbert, "Mystery Station Attracts Patronage Also Official

Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 73.

<sup>59</sup> "13c 4-Pump Station Busy; Others Quiet," *Omaha World-Herald*, June 6, 1924, 14:3.

<sup>60</sup> "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 3:1; Halbert, W. K., "Mystery Filling Station Thrives in Omaha On 13 Cent Price," *National Petroleum News* XVI no. 25 (June 18, 1924): 29-30.

<sup>61</sup> Ward K. Halbert, "Mystery Station Attracts Patronage Also Official Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 73.

<sup>62</sup> Testimony of Rose Bialac, June 6, 1924, "Exhibit 1," Nebraska Attorney General, *State vs. Standard Oil Company et.al*, np, RG003, NSHS; Testimony of Harry Churchill, June 6, 1924, "Exhibit 1," Nebraska Attorney General, *State vs. Standard Oil Company et.al*, np, RG003, NSHS; "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 1-N:7.

<sup>63</sup> "Omahan Controlling 13 Cent Gas Station," *Omaha World-Herald*, June 9, 1924, 2:1

<sup>64</sup> Charles W. Bryan papers, RG001, SG28, NSHS; Ward K. Halbert, "Mystery Station Attracts Patronage Also Official Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 73.

<sup>65</sup> Quoted by Sintek, *50 Year History*, 12; Ward K. Halbert, "Mystery Station Attracts Patronage Also Official Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 71.

<sup>66</sup> "13c 4-Pump Station Busy; Others Quiet," *Omaha World-Herald*, June 6, 1924, 14:3; "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 2-N:2, 4.

<sup>67</sup> "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 2-N:2.

<sup>68</sup> W. K. Halbert, "Mystery Filling Station Thrives in Omaha On 13 Cent Price," *National Petroleum News* XVI no. 25 (June 18, 1924): 30; "Spillman Would Like to See R. H. Radcliff," *Omaha World-Herald*, June 8, 1924, 1-N:7.

<sup>69</sup> "Governor and Gas," *Omaha Bee*, May 13, 1924, 4:2.

<sup>70</sup> Works Projects Administration, *Nebraska Party Platforms (1858-1940)* (Lincoln: University of Nebraska, 1940), 420.

<sup>71</sup> "Spillman Refuses 'Gas' Prosecution," *Omaha World-Herald*, May 28, 1924, 5:1.

<sup>72</sup> "Bryan Says Spillman and U.S. Fail to Act," *Omaha World-Herald*, May 29, 1924, 3-2.

<sup>73</sup> "Spillman Asserts Oil Suits Filed Already," *Omaha World-Herald*, June 1, 1924, 8-N:1.

<sup>74</sup> "Bryan Renews Urging for Oil Prosecution," *Omaha World-Herald*, June 6, 1924, 1:7.

<sup>75</sup> "Spillman Opens 'Gas' Query Here," *Omaha Bee*, June 7, 1924, 15:1.

<sup>76</sup> "State Gasoline Station is Open to the Public," *Omaha World-Herald*, June 26, 1924, 1:2.

<sup>77</sup> "Bryan Repairs 'Gas' Fences," *Omaha Bee*, July 4, 1924, 11:1.

<sup>78</sup> "Hopkins to Run If Bryan Goes on National Ticket," *Omaha Bee*, June 23, 1924, 7:4

<sup>79</sup> Quoted by Sintek, *50 Year History*, 16.

<sup>80</sup> "Another Gas Station Announces Price Cut," *Omaha World-Herald*, June 15, 1924, 3-N:3; "46 Stations Cut Gasoline Price to 15 Cents a Gallon," *Omaha Bee*, June 18, 1924, 1:7.

<sup>81</sup> "Another Gas Station Cuts Price to 15 Cents," *Omaha World-Herald*, June 11, 1924, 8:2; W. K. Halbert, "Mystery Filling Station



Thrives in Omaha On 13 Cent Price," *National Petroleum News* XVI no. 25 (June 18, 1924): 29.

<sup>82</sup> "Gas Price Gets Another Shave," *Omaha World-Herald*, June 22, 1924, 16-N (photo).

<sup>83</sup> "Elrod Sells Gasoline In 10-Cent 'Bargain,'" *Omaha World-Herald*, June 26, 1924, 3:1.

<sup>84</sup> "Dahlman a State Witness in Gas Anti-Trust Suit," *Omaha World-Herald*, July 25, 1924, 1:6, 3:1.

<sup>85</sup> L. H. Prichard, President, Anderson-Prichard Oil Corp., Oklahoma City, Letter to the editor (June 2, 1924), *National Petroleum News* XVI no. 25 (June 18, 1924), 50.

<sup>86</sup> "Plan Prosecution of Omaha Oil Concerns," *Omaha World-Herald*, May 5, 1924, 1:4.

<sup>87</sup> "Munty Gas Station Meets 'Mystery' at 13-Cent Price," *Omaha World-Herald*, June 20, 1924, 1:3; W. K. Halbert, "Mystery Filling Station Thrives in Omaha On 13 Cent Price," *National Petroleum News* XVI no. 25 (June 18, 1924): 30; "Union Labor Thanks Gas League Officials," *Omaha World-Herald*, June 21, 1924, 1:8; "15C-League Here Gets Queries," *Omaha Bee*, July 6, 1924, 8-A:1.

<sup>88</sup> "Judge Asks Oil Answer in Ten Days," *Omaha Bee*, July 2, 1924, 1:3; "Many Affidavits Filed in Gasoline Anti-Trust Suit," *Omaha World-Herald*, July 2, 1924, 1:4; "Call No Witnesses in Gas Suit Today," *Omaha World-Herald*, July 1, 1924, 1:3.

<sup>89</sup> Ward K. Halbert, "Supreme Efforts of State's Attorneys Fails to Damage Industry," *National Petroleum News* XVI no. 38 (Sept. 17, 1924): 1.

<sup>90</sup> "Judge Asks Oil Answer in Ten Days," *Omaha Bee*, July 2, 1924, 1:3.

<sup>91</sup> "State Injunction Suit 'Scandalous,' Oil Firms Charge," *Omaha Bee*, July 30, 1924, 1:2.

<sup>92</sup> Ibid.

<sup>93</sup> "Same Price for Gas to Dealer and Public," *Omaha World-Herald*, July 29, 1924, 1:7; "Big Oil Companies Cut Gas to 13 Cents," *Omaha World-Herald*, July 31, 1924, 11:4.

<sup>94</sup> "Another Cut in Gasoline Price," *Omaha Bee*, July 8, 1924, 1:5; "Gas at 11 1/4 Cents in New Michel Price," *Omaha World-Herald*, July 18, 1924, 6:5; "Mystery' Station Below Michel Price," *Omaha World-Herald*, July 19, 1924, 12:8.

<sup>95</sup> "Munty Gas Station Closed; Price Cut Given as Reason," *Omaha Bee*, Aug. 7, 1924, 2:6; "Michel 'Rushed' as He Sells Gas at New Low Price," *Omaha World-Herald*, Aug. 7, 1924, 1:5.

<sup>96</sup> "Munty Gas Station Closed; Price Cut Given as Reason," *Omaha Bee*, Aug. 7, 1924, 2:6; Ward K. Halbert, "Mystery Station Attracts Patronage Also Official Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 72.

<sup>97</sup> Ward K. Halbert, "Mystery Station Attracts Patronage Also Official Suspicion," *National Petroleum News* XVI no. 35 (Aug. 27, 1924): 71; "Gas Down to 10 Cents at 'Mystery Station,'" *Omaha World-Herald*, Aug. 9, 1924, 6:1.

<sup>98</sup> "Gas Down to 10 Cents at 'Mystery Station,'" *Omaha World-Herald*, Aug. 9, 1924, 6:1.

<sup>99</sup> "State Oil Suit Arguments On," *Omaha Bee*, Sept. 9, 1924, 2:3; Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *National Petroleum News* XVI no. 38 (Sept. 17, 1924): 30.

<sup>100</sup> "Gasoline Injunction Hearing to Proceed," *Omaha World-Herald*, Sept. 9, 1924, 1:7; "State Oil Suit Arguments On," *Omaha Bee*, Sept. 9, 1924, 2:3.

<sup>101</sup> Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *National Petroleum News* XVI no. 38 (Sept.

17, 1924): 1.

<sup>102</sup> "Gasoline Injunction Hearing to Proceed," *Omaha World-Herald*, Sept. 9, 1924, 1:7; Ward K. Halbert, "Hearing Starts on Nebraska Suit to Oust Oil Companies," *National Petroleum News* XVI no. 37 (Sept. 10, 1924): 28.

<sup>103</sup> Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *National Petroleum News* XVI no. 38 (Sept. 17, 1924): 1, 26.

<sup>104</sup> "Oil Octopus' In State, Says Breen," *Omaha Bee*, Sept. 11, 1924, 3:2.

<sup>105</sup> "Breen Says Oil Men Guilty of Hypocrisy," *Omaha World-Herald*, Sept. 11, 1924, 4:4. The quotation is a slight paraphrase of lines from "Table Talk" by English poet William Cowper (1731-1800): "If smooth dissimulation skill'd to grace/ A devil's purpose with an angel's face."

<sup>106</sup> Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *Petroleum News* XVI no. 38 (Sept. 17, 1924): 26.

<sup>107</sup> "Temporary Writ Against Oil Men Refused by Court," *Omaha World-Herald*, Sept. 12, 1924, 1:3.

<sup>108</sup> Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *National Petroleum News* XVI no. 38 (Sept. 17, 1924): 28-29.

<sup>109</sup> Ibid., 1.

<sup>110</sup> "Says Gasoline Price Cut Shows Success of Suit," *Omaha World-Herald*, Sept. 14, 1924, 7-N:2.

<sup>111</sup> Ward K. Halbert, "Supreme Effort of State's Attorneys Fails to Damage Industry," *National Petroleum News*, Vol. XVI, No. 38, Sept. 17, 1924, 1.

<sup>112</sup> Ibid.

<sup>113</sup> "New Low Price Announced in Gasoline War," *Omaha Bee*, Sept. 27, 1924, 16:1.

<sup>114</sup> "'Mystery' Not Meeting Michel's Latest Slash," *Omaha World-Herald*, Sept. 20, 1924, 1:7; "Mystery Oil Station Raises Price To 9 1/2 C," *Omaha World-Herald*, Oct. 8, 1924, 5:1; "H. M. Michel Kept Busy Giving Away Oil," *Omaha World-Herald*, Oct. 2, 1924, 3:6-7; "Michel Plans to Add Twelve Gas Stations," *Omaha World-Herald*, Oct. 23, 1924, 1:7; E. L. Barringer, "Supervisor of 'Munty' Station Defeated for Mayor of Lincoln," *National Petroleum News* XIX no. 20 (May 18, 1927): 81.

<sup>115</sup> Final Decree, *State of Nebraska, ex rel. vs Standard Oil Company of Nebraska*, Complete Record No. 35, NSHS. *Who's Who in Nebraska*, (Lincoln: Nebraska Press Association, 1940): 807.

<sup>116</sup> "15-Cent Gas League Modifies Its Name," *Omaha World-Herald*, Nov. 4, 1924, 1:6.

<sup>117</sup> Nebraska Independent Oil Men's Association, "Official 1926 Guide & Directory of NIOMA Nebraska Service Stations with Map," np, nd.

<sup>118</sup> *Who's Who in Nebraska*, (Lincoln: Nebraska Press Association, 1940): 745.

<sup>119</sup> Records of Buell F. Jones, General Counsel of Standard Oil Company (Indiana), Box B0101167, "Standard Oil Company (Nebraska): Acquisition and Purchase by SOCO (Ind.)," 1939, Archives of bpAmerica, Inc.

<sup>120</sup> "Lincoln Opens Up New Municipal Gas Station," *Omaha World-Herald*, Nov. 21, 1924, 21:2.

<sup>121</sup> *Standard Oil v. City of Lincoln*, 114, Nebr., 25045, 251-52 (1926).