Book Reviews


In the past twelve months nearly a dozen books have been published on various aspects of the petroleum industry, several of them major works by mature scholars. The range of these studies encompasses almost every phase of the industry, from the history of individual units and oil-producing regions to specialized monographs dealing with the economics of oil production, distribution, marketing, and transportation. The result of this major addition to our knowledge of the development, structure, and operation of one of the world's leading industries has caused historians, economists, and educated laymen generally to pause and re-appraise some of their long-accepted views on the growth of the industry and its relationship to the operation of the American and world economies. One of the works which will contribute materially to our knowledge of the American oil industry is Paul H. Giddens' history of the Standard Oil Company (Indiana).

Here is a notably comprehensive record of a major midwestern industrial enterprise. Though the theme is the growth of a business, Giddens' concept of business history is far from a narrow one. There is valuable material here for the social, political, and economic historian as well as for the specialist in business and entrepreneurial history. Indeed, some specialists may question the wisdom of having included so much that is not specifically the primary domain of the business historian. Although everyone may not agree with the author's choice of material and allocation of space, everyone will profit from reading this work carefully.

Organized in 1889 as a manufacturer of refined petroleum products for the Standard Oil combination, Standard of Indiana continued almost exclusively in this capacity until the 1892 reorganization of the Standard Oil Trust. One of the immediate effects upon the Indiana company of this regrouping of interests was to increase the company's capi-
tal stock, thus facilitating its acquisition of several companies with marketing agencies in Minnesota, Chicago, northern Illinois, and northeastern Wisconsin. From that time until 1911, when the Standard Oil combination was dissolved by the United States Supreme Court, Standard of Indiana experienced a period of remarkable growth and rapid expansion. At the time of the Trust's dissolution the Indiana company owned three refineries and marketing facilities representing investments of $11,725,000.00 and $7,956,508.32 respectively, but it did not own one piece of crude oil-producing land or any pipeline facilities.

The history of Indiana Standard since 1911 is largely the story of physical growth, corporate expansion, and functional diversification. By mid-twentieth century the Company had become a great, almost totally integrated oil company “engaged in every phase of the oil business from drilling wild cat wells to selling gasoline.”

In the limited space available here it is impossible even to begin to cite the many fresh insights and acute observations which Giddens sets down on internal corporate changes, industrial developments, and public policies. What was the actual effect of the 1911 dissolution upon the constituent companies? How was separation achieved? What problems did it involve? To what extent were the former members of the combination “independent” after 1911? Why did “active competition” among the newly independent companies take so long to materialize? These are just a few of the important questions that are raised and answered in this book. Herefore much of the evidence on such questions as these was incomplete, and the commonly accepted explanations not always based upon careful research. By judicious use of private company sources and the extant public record, Giddens supplies, often for the first time, a more complete, certainly more realistic, understanding to many of these long-debated questions.

One of the more interesting sections of this history is Giddens' description of early petroleum technology and the role of pure and applied science in the development of the modern industry. The problem of manufacturing Lima crude, “pole cat oil,” as it was often called because of its offensive odor, is an example of the author's ability to make a techni-
cal and complex subject interesting and informative. In dis-
cussing the various important technical and scientific inno-
vations in the petroleum industry, Giddens is always careful
to avoid technical jargon which can easily confuse the gener-
al reader. The style is always lucid, often interesting.

The new material and interpretations which the author
sets forth in this work are of wide import and of vital signifi-
cance not only to the specialist, but to everyone who is in-
terested in coming as close to the truth as possible. The
history of the Standard Oil Company (Indiana) is a good
eexample of the important information that can be derived
from a judicious and discriminating use of a large collection
of private papers, augmented and checked by a careful survey
and evaluation of the public record.

Giddens has written a careful and detailed account of
the second largest oil company and the fourth largest manu-
facturing corporation in the United States. Within these
pages there is much valuable information on many of the
problems and issues involved in the administration of a large
corporation. Certain of these are treated more fully than
others. It is difficult, for example, to get a clear picture
of the various financial policies employed over the years and
their total effect upon the expansion of the business. Costs,
profits, and the employment of capital resources are not al-
ways clearly set down. More tables and charts graphically
pointing out such matters would have been very helpful.
Although the author is careful to indicate how much Stand-
ard of Indiana's success resulted from the high quality of its
management, the evolution and formulation of long-range
policy is often not readily apparent. While labor relations in
the oil industry have been far more tranquil than in many
others, the reason for this might have been more fully de-
veloped. But these are minor criticisms, and are in no wise
meant to detract from the overall high quality of this work.
Most readers will find what they are looking for in this
book. The combination of a fascinating story and a felici-
tous pen disciplined by careful research has produced a
good book well worth the reader's time.

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