

**Colonial  
Is Good Bread**



# **Carl W. Skogsberg and the Beginning of Colonial Bakery**

*By Howard Meredith\**

Hot homemade bread, fresh from the oven, is one of the frontier's most endearing images of self-reliance and wholesome goodness. And until world War I it was an accurate image, with only a few urban housewives buying their fresh bread at a neighborhood bakery. During the watershed decade of the 1920s, however, urban growth, improved transportation, and changing eating habits encouraged the expansion of wholesale bakeries that could produce enriched bread with greater efficiency at a lower price. In Oklahoma

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*When Skogsberg opened Colonial Bakery in 1928, Oklahoma City was a boomtown growing in all directions. This panoramic shot was taken from about N.W. 2nd and Walker before the tracks were removed (Courtesy OHS).*

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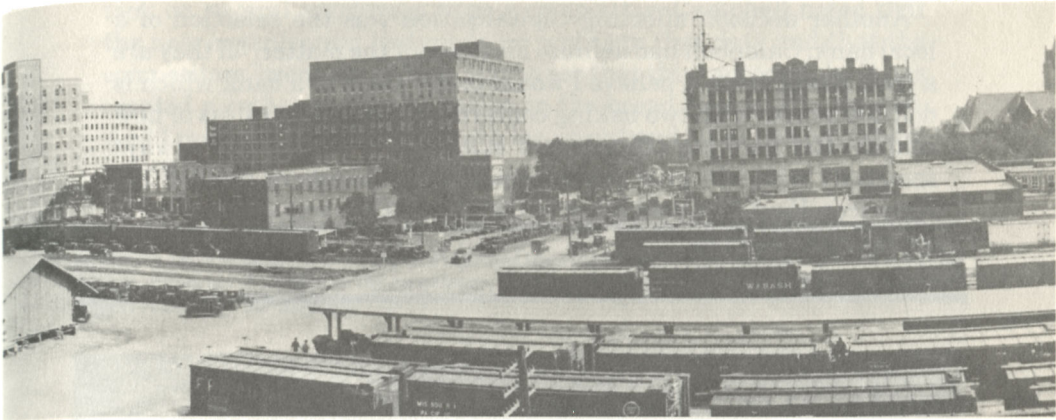
City, the first locally-owned wholesale bakery was the Colonial Baking Company—the creation of Carl W. Skogsberg.

Skogsberg was born August 16, 1894, in Cola, Iowa, the son of a Swedish immigrant who had come to the United States in late 1885 or early 1886. After completing his common education, he attended Drake University while he worked in a Des Moines bank. In 1915 he found a job with Campbell Brothers' Baking company, which used him as a trouble shooter in bakeries from Missouri to Texas. After learning the business, he moved to the Campbell Brothers' Bakery in Oklahoma City in 1920. Although the plant was soon sold to the Continental Baking Company, Skogsberg remained as general manager until 1927.<sup>1</sup>

Win Campbell, principal owner of the former Campbell Brothers' Bakery Company, decided to create a federated system of independently owned wholesale bakeries. The new service company, named Campbell-Taggart, would purchase products in bulk, carry on research, and provide a continuing education program for the various independently owned bakeries.<sup>2</sup>

With the umbrella firm established, Campbell sought young men who wanted to own bakeries but had little capital. Campbell approached Skogsberg in 1927 with the idea of starting a privately owned wholesale bakery in Oklahoma City. Skogsberg was interested, so he resigned from his position with Continental Baking

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and began planning his new enterprise, the Colonial Baking Company.<sup>3</sup>

Skogsberg had good reason to expect success in the venture. In 1920 only about 35 percent of all bakery products were produced by large wholesale bakeries, and the majority of those sales were to hotels and restaurants. By the end of the decade, approximately 70 percent of all bread was produced by wholesale bakeries.

There were several reasons for this change in the buying habits of American families. Foremost was the lower cost of transporting raw ingredients and the finished product, in large part a result of paved highways and efficient delivery trucks. Also, a growing public awareness of nutrition convinced many housewives that they could purchase better, more wholesome bread at less expense than it could be made in the home.

Confident a market existed for mass-produced bread, Skogsberg first had to secure the necessary capital. Stock was issued, with Skogsberg owning the largest personally held block of stock, and Campbell-Taggart controlling the largest block of corporate held stock.<sup>4</sup>

The Colonial Baking Company was capitalized at \$250,000, which was increased to \$275,000 in early 1928 to cover all starting costs. An additional note for \$42,300 was signed by Skogsberg before construction was complete.<sup>5</sup> The stock issue included 1,650 shares of First Preferred 7% Cumulative at a value of \$100 per share; 1,100 shares Second Preferred 7% Cumulative at a value of \$100 per share; and 2,750 shares of Common Stock with no par value.<sup>6</sup>

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Another decision affecting capitalization was the selection of a local bank. Campbell had definite ideas about the matter: "If they are a good strong bank, I believe I would prefer them to a bank which is doing business with two baking concerns, because regardless of how confidential banking officials are supposed to be there is always somebody who will give out information."<sup>7</sup> Skogsberg decided the American First National Bank of Oklahoma City was the best bank for his new business.

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*Skogsberg built his bakery on N. Broadway between 18th and 19th streets in Oklahoma City. The architecture was Southwest Colonial (Courtesy the author).*

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With money in the bank Skogsberg purchased land for the plant. For efficient shipments of bulk ingredients and the delivery of baked goods, he located his new bakery near the Santa Fe rail right-of-way on Broadway Avenue between 18th and 19th streets. G. A. Nichols, the developer of the Lincoln Terrace Mansion District and the Nichols Hills subdivision, served as the realtor on the transaction. With final conclusion of the contract made in December of 1927, Skogsberg began construction.<sup>8</sup>

In the spring of 1928, as the new facility was nearing completion, some of the men who had worked under Skogsberg's management at the Continental bakery approached him about work at the new plant. Campbell warned Skogsberg of the possible difficulties, using the example of what had happened in Dayton, Ohio, where a new bakery

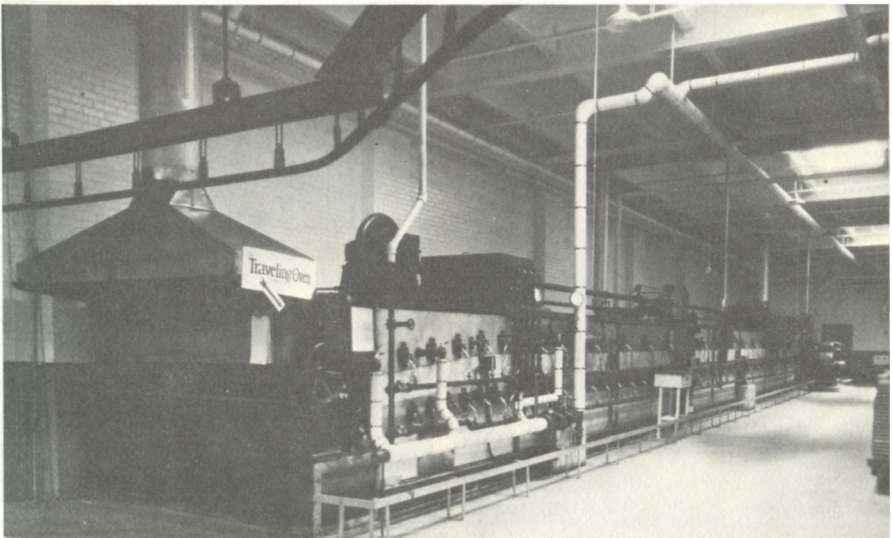


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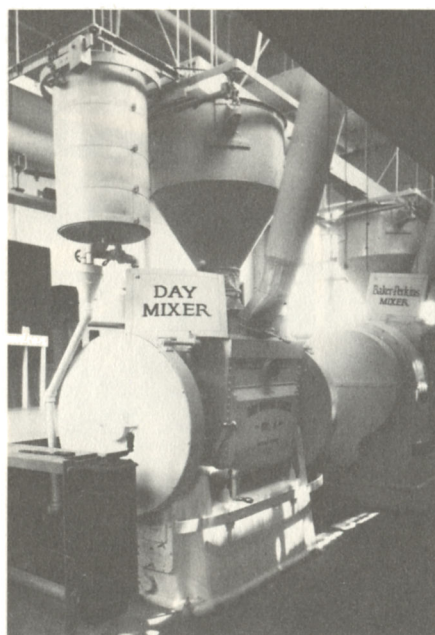
took on several employees from a competitor. Campbell noted that the new organization had made no profits to that date and that the competitors “went out of their way to see that this was possible. It has created a rather serious situation in the bread business in Dayton. And I really believe they are both losing out and other companies are benefiting.”<sup>9</sup>

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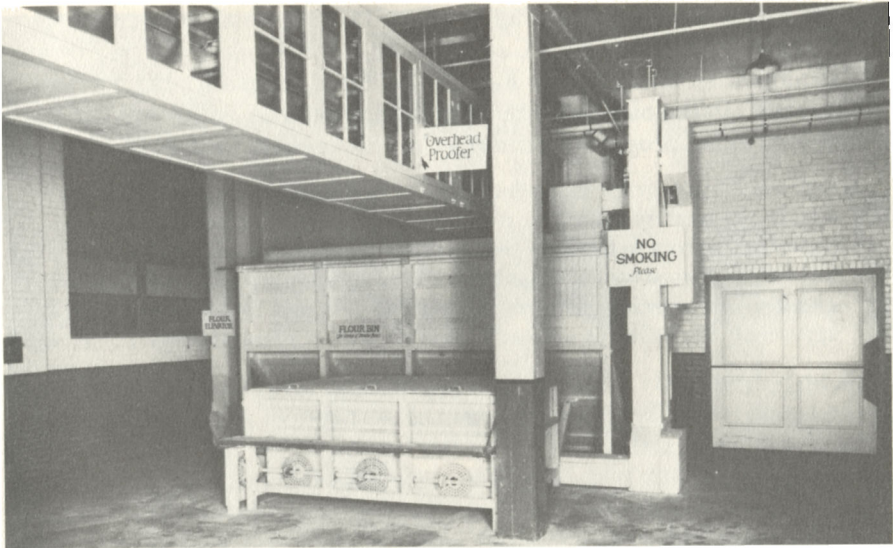
*In May of 1928 Skogsberg announced the grand opening of his new plant and invited the public for a tour (below). To enhance the experience, he posted explanatory labels (bottom and next two pages) (Courtesy the author).*



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In May of 1928 the Colonial Baking Company began operations. Skogsberg, brimming with the promise of going into business for himself, wrote: "my regard for Oklahoma City grows with our bakery. My faith in the city increases each day. Personally, I am glad I am a resident of the community and glad to find myself establishing this bakery in Oklahoma City, where I have lived for seven years and found a multitude of friends. Here, I am confident, an effort to render a real service will be encouraged and our business venture meet with the success it may deserve."<sup>10</sup>

After the first few weeks Skogsberg continued his optimistic outlook, but he expressed the frustration of a man in a hurry:

Business is good. However, not as fast as I would like to see it. Our Net Sales last week were, \$2827.49. For the first four days of this week, we show a \$178.29 increase. Our increase for the week, last week, was \$210.00. The spirit of the organization is very fine and every one is very much interested and we have had very wonderful bread. I do not see any thing to stop us from steadily gaining more business. However, as stated above, it seems to me that our increase should be larger. However, I have had no experience in opening a new plant and may be I am a little impatient. Below is the way we have increased each week over the previous week: Second week, \$307.97, Third week, \$573.73, Fourth Week, \$619.80, Fifth week, \$23.26, Sixth Week, \$210.03 and it looks like about a \$200.00 increase this week.<sup>11</sup>

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As part of the Campbell-Taggart firm's effort to build a network of associated bakeries, Win Campbell began a cooperative reading scheme called the "Happy Family Reading Program" among the executives in the baking system. In 1928 there were twenty-five men involved in the program, including Carl Skogsberg. Campbell wrote:

After reading a great many biographies and autobiographies of great men of the past and present, it is apparent to me that one of the very important factors in their success in life is that they have been thoughtful readers of good books. It has been said that reading a good book is like spending an evening with an author himself and, of course, we all appreciate the value of personal contacts with successful men.<sup>12</sup>

Skogsberg quickly joined the effort because he personally loved to read good books. By 1929 the group of twenty-five were recommending books within the network to the benefit of all the rest.<sup>13</sup>

Early in 1929 Colonial Bread began making a recognizable impact on retail marketing in Oklahoma City. In February the Oklahoma Publishing Company completed a special story on consumer preference for bread in the Oklahoma City market area. For white bread, on the basis of 100 calls, Wonder Bread was chosen first 50 times and second 40 times. Colonial was first choice 25 times and second 45 times. Holsum was first 10 times and second 5 times. Other competing breads, such as Luxury, Tom's Dandy, Blue Ribbon, and Butter Nut received fewer votes.

For whole wheat bread, Wonder was first choice 50 times and second 25 times, while Colonial received 25 first choices and 15 second choices. Holsum was first choice 10 times and second 40 times. Colonial led the others in choices of rye bread with 75 first votes and 5 second votes. Wonder received 15 first choices and 5 second choices for rye. In every instance, shoppers indicated that they bought their bread by name.<sup>14</sup>

While Colonial was making great strides in capturing a share of the retail market, competition kept business lively for Skogsberg. In early 1929 the Colonial Cake Company of Forth Worth, Texas, moved into Oklahoma as far as Chickasha, so it became imperative to secure the "Colonial" trade-mark to avoid confusion. Both companies had registered the Colonial name with the State of Oklahoma, one with cakes and one with bread. By February of 1929 the Colonial Cake Company pulled its service area back into southern Oklahoma, so further confusion was averted. It was just not worth a trade-mark legal fight for the Texas-based firm. From that time forward, the Colonial Bread trade-mark was secure with Skogsberg's company.<sup>15</sup>



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*Seen here with what must have been his first delivery crew, Skogsberg established close bonds with his employees (Courtesy the author).*

There was no difficulty in getting Colonial bread products into stores because Skogsberg knew the routes and the retailers throughout the metropolitan area. The strategy was to offer the best service possible. In one instance, a store owner in El Reno called collect because one of his customers needed another loaf of bread and they had run out of it on the shelves. The call received immediate attention and additional bread was expressed to the grocery that day. The Colonial Baking Company was known as the one that would bend over backwards for retailers.<sup>16</sup>

This was not to say that Colonial would do anything for a sale, because it would not. The manager of one chain called Skogsberg and told him that another bread manufacturer was giving a discount to chain groceries. The manager insisted that Skogsberg follow that lead or the chain would not order any more bread from Colonial, even though Colonial had taken a large share of the market in Oklahoma

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City. Still, Skogsberg refused to give the discount to the chain. In two weeks, the chain store manager called Skogsberg and told him he would start ordering bread again and to have it in the store the next morning. Skogsberg filled the renewed order, but not for several days. The question of discounts for chain stores never surfaced again for Colonial.<sup>17</sup>

This commitment to fairness for all customers, large or small, paid in increased sales. In 1929 Skogsberg projected average sales of \$5,750 per week during the first twenty-eight weeks. From July to the end of the year, he projected an average of \$6,500, representing a total sales figure of \$317,000 for the year.<sup>18</sup>

In the spring of 1929 the affiliated bakery owners met with Campbell-Taggart in general conference in Kansas City, Missouri, to share ideas and project future changes. It was an interesting collection of men, all of whom had many years of experience in the baking business. Skogsberg recorded when and where most of the participants got into the baking profession. Among them were:

Win M. Campbell of Kansas City, Missouri; A. L. Taggart of New York City, New York (Indianapolis, 1908); J. W. Carence of Kansas City, Missouri (New Orleans, 1917); I. E. Madsen of Kansas City, Missouri (Kansas City, 1918); O. W. Miller of Kansas City, Missouri (Dallas, 1919); Carl W. Skogsberg of Oklahoma City, Oklahoma (Des Moines, 1914); Rex Pinson of Tulsa, Oklahoma (Wichita, 1913); Frank Dickson of Fort Smith, Arkansas (Great Bend, 1887); A. C. Jones of Little Rock, Arkansas (Kansas City, 1913); J. M. Byrd of El Dorado, Arkansas (Shreveport, 1919); Charles J. Fehr of San Antonio, Texas (Kansas City, 1905); Bryan Betts of Hutchinson, Kansas (Kansas City, 1927); Louis Bernhardt of Springfield, Missouri (Kansas City, 1918); H. N. Stevenson of St. Joseph, Missouri (Kansas City, 1921); A. F. Wells, Sr. of St. Louis, Missouri (Kansas City, 1912); J. A. Walsh of Cedar Rapids, Iowa (Kansas City, 1919); J. H. Ghrist of Des Moines, Iowa (Des Moines, 1916); A. B. Lee of Atlanta, Georgia (Oakland, 1902); George O. Jones of Waco, Texas (Kansas City, 1909); William Trammell of Harlingen, Texas (Harlingen, 1928); J. C. Koetting of Houston, Texas (Kansas City, 1916); W. L. Taggart of Grand Rapids, Michigan (Indianapolis, 1910); William Diedrich of Grand Rapids, Michigan (Kansas City, 1929); Fred Reichert of Saginaw, Michigan (Kansas City, 1908); George A. Krug of Jamaica, New York; Elmer Cline of New York City, New York (Indianapolis, 1919); Albert Meyer of Muncie, Indiana (Kansas City, 1929); Frank Grout of Tulsa, Oklahoma (Minneapolis, 1921); Phil Archer of Kansas City, Missouri (San Antonio, 1910); J. M. Tucker of Kansas City, Missouri (Kansas City, 1927); O. R. Able of Kansas City, Missouri (Kansas City, 1916); Orvis Strudy of Kansas City, Missouri (Kansas City, 1916);

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Clyde O. Beck of Kansas City, Missouri (Great Bend, 1884); C. H. MacIntosh of Kansas City, Missouri (Kansas City, 1925); Hugh Wasson of Kansas City, Missouri (Kansas City, 1915); C. R. York of Kansas City, Missouri (San Antonio, 1926); and I. N. Fehr of Kansas City, Missouri (Kansas City, 1913).<sup>19</sup>

The principal topics discussed at the conference included central organization, purchasing service, inventory, sales and advertising, suburban route obstacles, meeting chain store competition, meeting the discount competitor, group insurance, management through accounts, and controllable cost figures. Skogsberg spoke on the subject of merchandising.<sup>20</sup>

Colonial's around-the-clock operations centered on the production and distribution of bread. Ingredients such as flour, sugar, shortening, yeast, salt, eggs, and milk were shipped to the plant in train car loads. For the first year, whole milk was used in the process, but that changed to powdered milk in late 1929. The dough was kneaded and divided into loaf size segments. These, in turn, were baked in the moving oven, inspected, and cooled for wrapping. After each run,



*By 1934 Colonial's delivery crew had grown from six to twenty men, evidence that the company was prospering despite the Depression (Courtesy the author).*

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everything was accounted for and the seconds were used for shop samples or for distribution to the poor through St. Anthony's Hospital.

Distribution followed rapidly upon the heels of production. Route men, ready for packing and shipping by 3:30 AM in the morning, knew the geography of their trade territory, the probable demand, and possible consumption. An important part of their morning routine was fifteen to thirty minutes inspirational reading, study, or conference. Strong personal relationships were made along the route with retail grocery store owners and managers.

Although managing these operations was a full time responsibility, after the conference in May Skogsberg agreed to work as a consultant to the management of the wholesale bakery in Tulsa associated with Campbell-Taggart.<sup>21</sup> Skogsberg worked directly with the Tulsa owner, Rex Pinson, to develop a strategy that started with cleanliness of the plant. Both owners walked their plants twice daily, inspecting every corner and aspect of production. They also demanded perfect order in the stock room and in every department of the operation. Route books were kept up to the minute, morale was maintained, and all delivery trucks were kept in excellent condition to enhance the company's image and serve as advertising.<sup>22</sup>

By the middle of 1929 Skogsberg began retiring sizeable amounts of the firm's loan to the Patterson Corporation and the American-First National Bank in Oklahoma City. The rate of interest was 6.5 percent, but with the regular payoff of the note, Skogsberg planned to reduce the interest rate to 6 or 5.5 percent.<sup>23</sup> Additional stock was issued in early 1930. This was held in total by the Patterson Corporation, although Skogsberg was optimistic about placing Colonial securities on the market through the American First Trust Company despite the worsening economic situation spreading across the nation.

In January of 1930 Skogsberg's attitude was buoyed by increasing sales figures, particularly the impact of sliced bread sales.<sup>24</sup> In 1929 sliced bread was a controversial issue among the wholesale bakers of bread in the nation. By the end of the year, it was so popular among customers there was no longer any question of its use.

Despite the challenges of the Great Depression, war, and changing consumer tastes, Skogsberg and Colonial Baking Company survived and prospered during the coming decades. Taking advantage of opportunity, Skogsberg started with a dream and a plan to start a company; through hard work, honesty, and service, he made that dream a reality.



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Carl W. Skogsberg, the son of a Swedish immigrant, died in 1949, but the company continued under the name of Rainbo. Today, at 18th and Broadway in Oklahoma City, Rainbo bread is still manufactured at the plant established by Carl Skogsberg.



*For years this Colonial sign at the corner of North Broadway and Broadway Circle was a well known landmark in Oklahoma City (Courtesy the author).*

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## ENDNOTES

\* Howard Meredith holds the Ph.D. in History from the University of Oklahoma, Norman. He currently is on the faculty at the University of Science and Arts of Oklahoma, Chickasha.

<sup>1</sup> Interview with Virginia Skogsberg Milam, November 15, 1983; *Polk's Oklahoma City Directory, 1928* (Kansas City: R. L. Polk and Company, 1928), pp. 621, 935.

<sup>2</sup> Interview with Milam, November 15, 1983.

<sup>3</sup> *Ibid.*

<sup>4</sup> Win M. Campbell to Carl W. Skogsberg, Oklahoma City, Oklahoma, September 22, 1927, Skogsberg Papers (Unless noted otherwise, all letters and documents cited are in the Carl W. Skogsberg Papers in the possession of the family, Oklahoma City); H. C. Martin to C. J. Patterson, Oklahoma City, Oklahoma, November 7, 1927; G. W. Smith to C. J. Patterson, Oklahoma City, Oklahoma, November 7, 1927; C. J. Patterson to Carl W. Skogsberg, Kansas City, Missouri, November 12, 1927; Memorandum of Agreement, signed by Carl W. Skogsberg and Stanley A. Draper, Oklahoma City, Oklahoma, November 9, 1927.

<sup>5</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, June 22, 1928.

<sup>6</sup> Colonial Baking Company, Oklahoma City, Oklahoma, Balance Sheet, December 30, 1929.

<sup>7</sup> Win M. Campbell to Carl W. Skogsberg, Oklahoma City, Oklahoma, September 22, 1927.

<sup>8</sup> C. J. Patterson to Carl Skogsberg, Kansas City, Missouri, November 28, 1927; Patterson to Skogsberg, November 30, 1927; H. C. Martin to C. J. Patterson, Oklahoma City, Oklahoma, November 30, 1927; C. J. Patterson to B. M. Hart, Kansas City, Missouri, November 29, 1927; H. C. Martin to C. J. Patterson, Oklahoma City, Oklahoma, December 5, 1927; Martin to Patterson, December 10, 1927.

<sup>9</sup> Win M. Campbell to Carl W. Skogsberg, Kansas City, Missouri, April 5, 1928.

<sup>10</sup> *Oklahoma News* (Oklahoma City), May 21, 1928.

<sup>11</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, June 22, 1928.

<sup>12</sup> Win M. Campbell to Carl W. Skogsberg, Kansas City, Missouri, August 3, 1928.

<sup>13</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, August 8, 1928; Win M. Campbell to C. W. Skogsberg, Kansas City, Missouri, November 5, 1928; Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, November 8, 1928; Win M. Campbell to C. W. Skogsberg, Kansas City, Missouri, December 14, 1928; Win M. Campbell to C. W. Skogsberg, Kansas City, Missouri, February 19, 1929.

<sup>14</sup> "A Special Investigation in the Oklahoma City Market on Bread," compiled by the National Advertising Department of the *Oklahoman and Times*, February 12, 1929.

<sup>15</sup> C. J. Patterson to C. W. Skogsberg, Kansas City, Missouri, January 7, 1929; C. W. Skogsberg to C. J. Patterson, Oklahoma City, Oklahoma, January 16, 1929; C. W. Skogsberg to C. J. Patterson, January 24, 1929; C. J. Patterson to C. W. Skogsberg, Kansas City, Missouri, January 24, 1929; C. W. Skogsberg to C. J. Patterson, Oklahoma City, Oklahoma, January 29, 1929; C. W. Skogsberg to C. J. Patterson, Oklahoma City, Oklahoma, February 2, 1929; John F. Butler to Carl Skogsberg, Oklahoma City, Oklahoma, February 5, 1929; C. J. Patterson to C. W. Skogsberg, Kansas City, Missouri, February 6, 1929; C. W. Skogsberg to Graves Leeper, Oklahoma City, Oklahoma, January 16, 1929; Application for Registration of a Trademark in the State of Oklahoma, *Oklahoma News*, January 16, 1929.

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<sup>16</sup> Interview with Luther Roach, Oklahoma City, Oklahoma, December 6, 1983.

<sup>17</sup> *Ibid.*

<sup>18</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, March 4, 1929; *ibid.*

<sup>19</sup> Notes on the "Sequence of Program Topics and Papers," Kansas City, Missouri Meeting, May 28–30, 1929; Win M. Campbell to Carl W. Skogsberg, Kansas City, Missouri, April 9, 1929.

<sup>20</sup> *Ibid.*

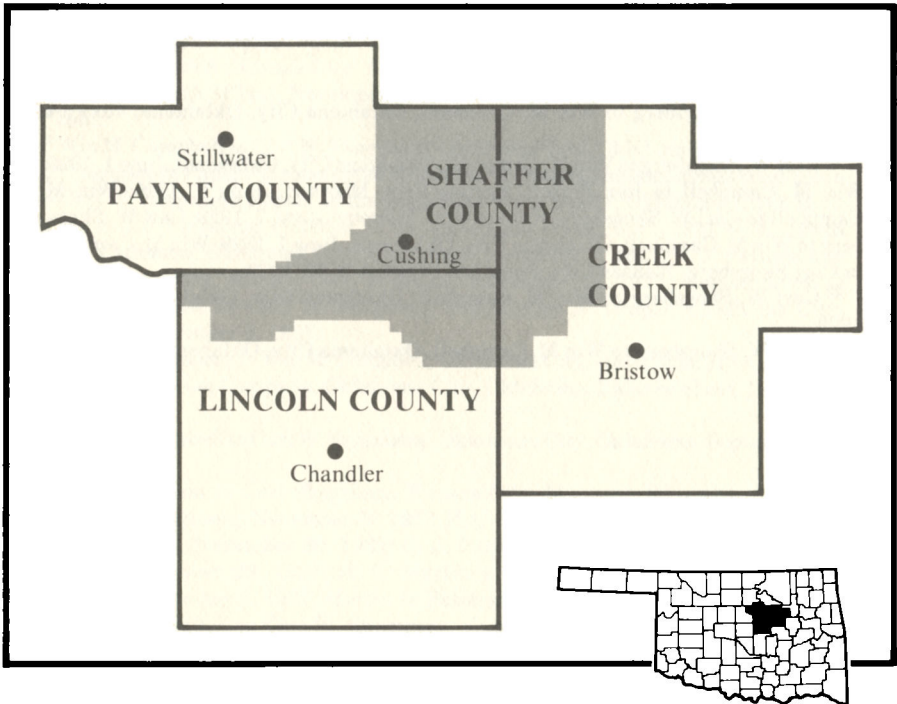
<sup>21</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, June 14, 1929.

<sup>22</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, June 1, 1929; Win M. Campbell to Rex Pinson, Kansas City, Missouri, June 5, 1929; Win M. Campbell to Carl W. Skogsberg, Kansas City, Missouri, June 7, 1929; Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, June 7, 1929; Win M. Campbell to Carl Skogsberg, Kansas City, Missouri, September 30, 1929.

<sup>23</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, July 13, 1929,

<sup>24</sup> Carl W. Skogsberg to Win M. Campbell, Oklahoma City, Oklahoma, January 4, 1930.

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*Shaffer County , if it had been approved by voters, would have taken land from three counties. Although changed periodically during the legal battle, the approximate boundaries of Shaffer County are represented in the shaded area.*

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