

Cooperative Buying Makes Farm Dollars Go Farther *(the original publication is not known but looks to be a newspaper article written by R. J. Ackley which was dated 1931. The first page of the article is missing, but it is still an interesting article.)*



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(First part of the story is missing.)

We would have been in position to have demanded more for the things we have had to sell, and to have purchased to better advantage. To increase our purchasing power, we must work together and in large numbers. A few of us cannot build a big Cooperative organization, but the cooperation of many of us is what we need.

If we are to increase materially, the value of the things which we purchase, it will take the united effort of all of us. On the other hand, we must buy in large quantities to make our purchasing dollar go as far as possible to produce at the least possible cost - and this all means BUYING COOPERATIVELY. Long enough we have paid the other fellow his price for the things we buy, and likewise have taken the other fellow's price for the things we produce and sell. Let us use our farm machinery as an example. The manufacturers of farm machinery have produced in enormous quantities. They have consolidated small firms and have exercised every effort to bring their cost down to the minimum by mass production, but they have not and are not passing this savings on to the farmer. He has been forced to continue to buy at a high price, and no part of the large margin of profit has been passed on to him. The same thing is true of other things as well as farm machinery. The farmer has had nothing to say about what he should pay.

Farmers can work together in many ways with the view of helping themselves and increasing their buying power. Not least among these is the organization and operation of Co-operative oil companies. Not in the slightest degree would I infer that Cooperative oil companies will solve all of the farmers' troubles, but they will help by the amount of savings farmers are able to make by working together. The

purchase of petroleum products has come to be a large expense in the production of our yearly crops, and by working together in large numbers, and pooling our volume, we can very materially decrease the cost of our gasoline, oils and greases.

At Garden City where we have operated our Cooperative Oil Company for the past two years, we have made a very successful record. I am sure you will pardon the pride I take in telling you of our accomplishments. When I tell you about what we have done, I do not do it boastingly, for there are many territories where outstanding, successful records are being made and hundreds of places where these records can be duplicated. There are many smaller territories where the same records can and are being accomplished, in proportion to the volume they handle. The first twenty months we operated our company, we saved \$57,000 for the consumers in our territory. Besides making this large savings for our members, we have supplied our customers with products of very high quality. Putting it another way, we have given our community a \$15,000 plant fully paid for and \$42,000 for taking it in exchange for their patronage over a period of twenty months.

From the very beginning, we have distributed Union Certified products manufactured by the Union Oil Company (cooperative) North Kansas City, Missouri. The Union Oil Company is as purely cooperative as is our own local company. We attribute much of the splendid increase in our volume to the quality of Union Certified. We had a few shareholders in our company when we began operating. This number has increased very materially. Today, we have approximately 900 customers, most of them members and every one of them a booster for the Cooperative Oil Company at Garden City and Union Certified products.

The success of our company at Garden City is such that we are very proud of it. We feel that this success has been increased because we have worked with Cooperative Oil Companies in many other territories through our central organization - Union Oil Company (Cooperative). It has also made us money to pool our volume. Last year, our patronage refund from the Union Oil Company (Cooperative) amounted to \$1,135.58. In other words, this means that we received this much that we would not have received had we not bought from a cooperative company. We would no doubt have made a fairly good record operating independently and alone, but our buying power and volume have been increased because we are pooling our volume with other Cooperatives and distributing the Cooperative brand, Union Certified. Also, we have more confidence in the future than we would have were we operating independently and alone.

Let us suppose for a moment that we were distributing the products of an Old-Line Company. Certainly we have a volume which would be very attractive to them. It would be quite natural for them to want to handle this volume themselves and for them to be inclined to take the distribution of their products away from us and to market them in the Garden City territory themselves. I understand that certain Old-Line Companies in other territories have done this thing. On the other hand, since we have built up a trade on Union Certified, our own Cooperative brand, there is no company that can take it away from us. While we do not list this as one of the assets of the company, I feel that it is worth a very large sum to us.

I have been President of our local company since it was organized, and during all our dealings with the Union Oil Company (Cooperative) have had a very high regard for the management and operation of the company. The past five months, I have served as a member of the Union Oil Board. Since becoming acquainted with the other twelve directors and the officers of the company, I can heartily recommend them to all Cooperatives in the United States. We have laid the foundation for a large, nation-wide cooperative oil organization and with the united support of those who are interested in the cooperative purchasing of petroleum products, we can have much to say in the future about what farmers shall pay for their petroleum products, the cost of which enters so largely into the production cost of his crops.

The recent situation created by the introduction of "blue" gasoline by the Majors, furnishes a vivid example of why we must cooperate. It is known that the Majors have become alarmed at the large volume being handled by the Cooperatives, and we do not doubt for one minute that they would go almost any limit to gain back this volume lost to them because the farmer is purchasing cooperatively and in large quantities. In offering their cheap, blue gasoline, is it not just "poisoned bait" for the farmer, to lead him back to the Majors and destroy his own Cooperative? Once this was accomplished, would they continue to be enough interested in the farmer to sell him gasoline at a low price? Or would they shoot the prices back up to the former high levels before the Cooperatives appeared on the scene?

The farmer has paid too much to the other fellow for years. At the same time, he has not received enough for the things he has had to sell. The situation has gradually become more acute until today farmers as a class are financially embarrassed. They do not have a bank account, they cannot borrow money, and not even do they have an income on which they can depend to buy the things they need.

This situation has not come about in a day. It has been gradual, while everywhere outside interests and big interests and big businessmen have become wealthier and wealthier at the farmers' expense-and most outstanding among these are the big oil capitalists of the East.

For several years, farmers have been using petroleum products in large quantities. There has been a constant drain on rural communities, for on every gallon purchased from an Old-Line Company, a wide margin of profit has gone to those who are already wealthy. The chain gasoline stations have grown faster than any other chain system in the United States. Today, there is a total of over 71,000 of these stations.

Several years ago, farmers began organizing and operating Cooperative oil companies. They did so not to get into the oil business, but to protect themselves against the enormous amount of profit they were paying someone else. Today, Cooperative oil companies offer one means of keeping more money in the rural community where it is needed more than ever before.

If you are operating a Cooperative oil company and are not distributing Union Certified, the Cooperative brand, I want to appeal to you to investigate the Union Oil Company (Cooperative) North Kansas City, Missouri. We need your volume to

pool with ours and the more than 100,000 other farmers who are buying through their own company and saving the profits for themselves. To the farmers who are not patronizing a Cooperative oil company, but are buying from one of the Chain oil companies, may I appeal to you to patronize the Cooperative oil company in your community. If there is not a Cooperative oil company in your territory, there is a splendid opportunity for you and the other consumers in your territory to save money and help to build the Cooperative movement. The Union Oil Company (Cooperative) North Kansas City, Missouri, will give you full information about organizing and the possible savings you can make. Cooperative buying will increase the purchasing power of the farmers' dollar not only in our splendid state of Kansas but throughout the Middle-west.

In Garden City, we do business a little differently than most other so-called farm organizations. We open the doors to any and all users of petroleum products. At the end of the year, we send all who buy from us their prorated profit. Thus, they have their dividends thrust upon them. Our friendship is established. They come again.- R.J. Ackley