

"Mr. Co-operative" in Our Section Lived on Farm All His Life (*published in the High Plains Journal - Volume 12 Number 28 on Oct. 31, 1957. Looks to be an interview with R. J. Ackley about his life and the start up of the Garden City Co-op.*)



"Mr. Co-operative" in Our Section Lived on Farm All His Life

Robert J. Ackley was 84 years old on the tenth of this October, which is Co-operative Month throughout practically the entire nation. Born in 1873 in Winchester, in Jefferson County, Kansas, Mr. Ackley has never lived out of the state. He says, "I've lived on a farm and have farmed all my life."

As a boy of 17, (Robert was an orphan), he worked for an uncle at Mount Olivet, seven miles west of Leavenworth. This uncle ran the Post Office and a farm. Though we do not know the name of the man who exerted such a widening influence, the uncle suggested that Bob start a small cooperative general merchandise store to handle binders. The uncle came from Ohio, where he got his background in cooperatives.

After two years, Bob went to school at Effingham, Kansas attending high school and prep there for three years. He farmed there for five years and there he married his wife, Delia.

The couple moved in a covered wagon to Nemaha County, 40 miles west of Effingham. Ackley farmed there for four years, and it was during this time that his one son, Floyd, was born. Once again, the family climbed into the prairie schooner; this time to move to Osborne County.

There Mr. Ackley helped organize a local cooperative telephone company. This was about the turn of the century.

About 1906, or to be exact, the year the sugar factory was built, the family got into the covered wagon for a final move to Garden City.

He was in the real estate business at Garden for three years. He then bought a farm northwest of town, and went into the purebred shorthorn cattle business for 20 years. He built a herd of 250 registered shorthorns.

Then came the "dirty thirties" says Ackley. Nevertheless, he kept the herd through storms, feeding them for five years. "With no debts, and money in the bank", says Mr. Ackley, "I thought I was in good shape." Finally, however, he had to sell the balance of the herd to a buyer in Indiana. But he kept his ranch, and purchased an irrigated farm of 40 acres, one mile west of Garden City.

"Lean Years" and Good

By way of contrast to the "lean years" experienced, nearly all farmers must suffer at one time or another. Mr. Ackley mentioned the time when "wheat hit", (about 1945). He had decided to pick up some land here and there, and he raised 10,000 bushels of two-dollar wheat.

He bought 80 acres for \$5,100 which he was able to sell for three times the amount after two years.

He then purchased 160 acres at \$500 which he was able to sell later for \$4,500. He bought a half-section at Tennis for \$3,000 for which he turned down an offer for \$32,000.

Continuing to illustrate the possibilities of good years, he stated that he bought land in Colorado, and in one year, the crop on one half the land, paid for the land itself.

Farmers First Attempt

Ackley recalls that there was a time "... here in Garden, when we farmers might come to market with hogs or wheat and one would buy."

In 1915, a group formed the Garden City Co-op Exchange. The three farmers who were most active were Tom Jones, Charley Adams, and Bob Ackley. "We were organized," he tells, "by C.O. Drayton," co-op leader from Illinois.

"To make a long story short, we had very little money to put up." \$210 was the membership price. Five people put up cash, some paid \$25.00, others gave notes. "Our total capital was \$1,900."

The group bought the elevator on time. This elevator was just a little wooden structure with no storage capacity, but equipped to handle grain. Bob Ackley didn't think the amount was enough money for proper capitalization. Drayton called him a "knocker." Ackley recalls that "we bought flour, coal, and grain by the carload."

The group needed money to operate and things moved along for two years until finances became so involved the banks wouldn't lend any more.

It was then that Bob Ackley and T.M. Jones went to a bank and signed a personal note for \$13,000. "After that, I didn't sleep so good," Bob reminisces.

Meanwhile, a Ball Manufacturing company came in with "some silver-tongued promoters" who sold the various members of the Co-op stock for \$4,000 cash. These same members owed the Co-op organization. When Ackley found this out, he told Tom Jones who had also signed the note.

They spent five days but were unable to collect a dime - Ball Manufacturing company was all ready to take over the Co-op's organization and pay off the note to Ackley and Jones.

Bob called a meeting and put the proposal to a vote. All voted to move over to Ball Manufacturing company except T.M. Jones and Ackley.

The Ball company built a small brick building, set forth a little merchandise, and folded in 60 days.

They had paid off the \$13,000 note, and obtained another \$15,000 from the membership, a total of \$28,000. "They quit in sixty days, \$12,000 to the good - real salesman."

Second Try at a Success

Nature now took a hand. The country was loaded with Black Amber Cane Seed. Used for dye, it was worth \$7.50 cwt. A Mr. McDonald who ran a line elevator purchased the seed at \$1.50 cwt.

Farmers found out about it, and in 1919 came back to Tom Jones and Bob Ackley. The farmers wanted them to reorganize. This time Bob would only put up \$219. They all raised enough money to pay for an elevator costing \$11,000. The group went into business with the same old board of directors.

The cooperative operated successfully for several years until People's State Bank closed with all the organization's money in it.

"We then went to Garden National Bank," Ackley retells, "and the cooperative hired a new manager. The next thing I heard was, "the co-op had blown up."

"We owed the bank about \$6,000 and they said they didn't want our business. The banker was from Indiana, and not yet acquainted the Western Kansas' way of doing business. They then went over to the First National Bank, where they contacted Mr. Frank Dunn, a Western Kansas man.

They told him they might need up to \$30,000 to handle accounts. Mr. Dunn agreed to lend funds. They've never had financial troubles since.

In one year after opening their account at the new bank, the Co-op had twice as much money on deposit as the bank was capitalized for.

Business Pitfalls

Sometimes cooperative organizations escape pitfalls of conducting regular business by sheer luck and grace - sometimes, but not always. The Garden City Cooperative had at one time, a manager who got to speculating in wheat. Lucky enough it was successful, but we got that stopped right away."

"In the dirty 30's, wheat got up to \$1.16 a bushel at one time. Our manager sold all the wheat and we didn't have any to sow." They bought seed wheat at a high price, and had to borrow \$40,000. The bank wanted 8 percent-they could get the funds in Wichita for 3½% interest, and finally got a local bank to lend the needed funds at a rate of 4%.

"Wheat went way down. We lost \$40,000. When wheat went down to 78 cents, we sold at that price, but wheat continued to go down." By the time the Annual Meeting came, the cooperative had made back one-half of the \$40,000 loss.

Meet Marketing Needs

"One of our big problems was marketing our grain. We went down to Hutch about 1920, and we asked to purchase a seat on the Board of Trade. They refused. After a time, we got a seat for \$100, and we now have \$12,000 worth of stock in Farmers Commission Company at Hutchinson." The cooperative also owns a considerable interest in the 20 million bushel storage elevator at Wichita. These two firms have paid the cooperative back as much as \$200,000 in a single year.

The Garden City Cooperative Equity Exchange has paid back a total of two million dollars to its patrons, and had retained another two million in elevator assets.

Bob Ackley has never been off the board of directors of that organization since its beginning. He was the Chairman until seven years ago, when he fell off a granary cart nearly breaking his back. He began to feel it was time for a less active part. But not before the cooperative had built more than three million bushels of grain-elevator storage, including six concrete elevators.

Bob Ackley muses that it is hard to see into the future. He is not much in favor of building a lot more storage space in this area. "We build storage and the government fills it up." This has to stop sometime, somewhere, he says.

"Of course, we may build a little more. Let's wait and see what the country is doing."

One of the Shapers of CCA

Originally from Northeastern Kansas himself, Mr. Ackley served on the CCA board almost from its inception. The CCA wanted the Garden City Co-op to put up a \$500 share. "We agreed." At the first annual meeting, there were 17 of us. At the 25th annual meeting, more than 3,000 persons were seated to eat dinner."

At the second annual meeting, Bob put a motion to dissolve the organization as it existed under Missouri statutes, and to re-organize under the laws of the State of Kansas. The motion carried, and this was done.

Another motion made by Bob Ackley at the second annual meeting, was for the organization to cease to require any entrance fee from local cooperatives. This action too carried.

Howard Cowden, now general manager of the CCA, said those two things have done more for Consumer's Cooperative Association through the years than any other motions.

"We have had a lot of reverses," Bob tells. "One trouble was letting merchandise out on a 60-90 day credit basis."

Bob recalls that the fourth year of CCA's existence met some money difficulties in the way of operating costs.

When the time was ripe, Bob fought for getting into the refinery business - which later became another success of CCA.

"On our 25th birthday, we owed banks 22 million dollars. We cut our overhead expense by more than \$100,000 a month." The CCA organization since has made every payment for cash on time or ahead of time.

"Garden City, alone, sent down \$100,000 to the CCA for stock in the organization," presumably to meet current needs. Other local cooperatives gave assistance.

Last year, the CCA made \$5,400,000 and was able to pay off bank loans. Bob Ackley chose this time to announce to CCA that he was going to retire from active participation. The organization responded by voting him an honorary life membership.