



“Everything Seems to be Going Backwards These Days”: The Knights of Ak-Sar-Ben in Omaha

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Article Summary: Founded in 1895 to promote Omaha, Ak-Sar-Ben was modeled after organizations in St. Louis and Kansas City, but soon followed its own path, leaving a legacy of elite society, community philanthropy, political influence, and, of course, horse racing.

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Photographs / Images: at the starting gate, Ak-Sar-Ben Field; early version of the Ak-Sar-Ben crest; pin commemorating the landing of the first airmail flight from Chicago at Ak-Sar-Ben Field, May 15, 1920; cover of “Songs of the Ak-Sar-Ben Pageant: ‘Coronado in Quivira,’” Henry Fonda signing his Ak-Sar-Ben membership papers, 1941; aerial view of Ak-Sar-Ben field and track, 1932; grandstand and field, 1930s; Ak-Sar-Ben Coliseum; Terry Carpenter; 1940 Coronation Ball; Douglas County and Omaha city officials discussing possible county purchase of Ak-Sar-Ben, January 8, 1991

Table 1: Occupations of the Board of Governors of the Knights of Ak-Sar-Ben

*“Everything Seems to be Going
Backwards These Days”:*

Knights of Ak-Sar-Ben in Omaha

BY THOMAS M. SPENCER



At the starting gate, Ak-Sar-Ben Field,
undated. NSHS RG3882-2-638-1



An early version of the Ak-Sar-Ben crest. Its diversity of crops (wheat, corn, alfalfa, sugar beet) emphasizes the organization's statewide agricultural ties. NSHS RG2341-111



Like much of the nation, Omaha in 1895 was struggling in the doldrums of the Panic of 1893, one of the worst and longest economic downturns in the nation's history. Some Omahans were genuinely concerned that nearby Lincoln—already the state capital and site of the state university—might overtake Omaha in population and prosperity. These fears were heightened by Omaha's disastrous experience hosting the state fair in 1894, when hundreds of people were stranded at the fairgrounds each night, unable to arrange transportation. The state fair board threatened to cancel Omaha's five-year contract to host the event, but in January 1895 allowed the fair to remain in the city after listening to promises from city leaders.¹

The 1890s were a pivotal time in Omaha's history. In addition to problems related to the economic depression, Omaha was also competing for agricultural commerce with two major Midwest trade centers, Kansas City and St. Louis, Missouri. By 1895 those two cities already had their own fall harvest celebrations. St. Louis had the older of the two festivals, the Veiled Prophet celebration, founded in 1878. Kansas City's Priests of Pallas had been organizing parades and debutante balls since 1887. City leaders in Lincoln, Nebraska, had even attempted their own parade with a mythical creation story, the short-lived Tartarrax Pageant, in 1889. While Omaha leaders probably knew they were not in the right location to compete with Chicago and St. Louis, the two largest Midwestern cities at the time, they clearly saw Kansas City as a potential rival. And like Kansas City and St. Louis, Omaha leaders wanted a fall celebration to do economic battle with their regional rivals.²



Ak-Sar-Ben Field, whose hangars were located on the southeastern corner of the Ak-Sar-Ben grounds, was used extensively during the early development of U.S. Postal Air Mail Service. The first airmail flight from Chicago landed there on May 15, 1920. NSHS 109-43

The celebrations in St. Louis, Kansas City, and Omaha were all originally designed to boost attendance at fairs in their respective cities. Fall was a crucial time for the mercantile elite. Omaha merchants, for example, wished to draw farmers to sell their crops to them rather than to merchants in Kansas City or Des Moines. While often cloaked in philanthropic or altruistic language, these celebrations were viewed by city leaders primarily as a way to increase the profits of the mercantile elite and other businessmen who would benefit from the influx of tens of thousands of tourists.

In response to the state fair board, in 1895 Omaha's Commercial Club committed resources for an adequate transportation system and for improving buildings for the fair. They even built a "White City" at the fairgrounds, evoking the memory of the World's Columbian Exposition in Chicago two years earlier. In March 1895 the Commercial Club's executive committee proposed that Omaha create its own Mardi Gras-style celebration. A few weeks later, like their counterparts in St. Louis nearly twenty years earlier, several of these men went to New Orleans to secure floats and parade costumes from one of the Mardi Gras Carnival Societies. (Contemporary newspaper accounts do not specify which Krewe sold the Omaha businessmen the floats.) The committee arranged for these floats to be shipped to Omaha via

a special fifteen-car train. Thus the celebration was literally a second-hand Mardi Gras.³

Many newspaper accounts and histories of Ak-Sar-Ben erroneously claim that its members visited the pageants of the Veiled Prophet and the Priests of Pallas on their train ride back to Omaha in April 1895. In fact, both celebrations took place in October, but it's possible that on the return trip the Omaha men visited their counterparts in St. Louis and Kansas City, and from them learned the basics of putting on such spectacles, and began to ponder their use of mythology.

As the story goes, it was on the train ride back from Kansas City that the men came up with the name of their organization. Dudley Smith observed, "Why not reverse the name of our beloved state, since everything seems to be going backwards these days? Nebraska hyphenated and spelled backwards is Ak-Sar-Ben." They consulted with a Catholic priest on the train, Father Enright of Kansas City, who told them that "Ak" was the word for "head of household" in Syrian, "Sar" was the word for "household" in Arabic, and "Ben" was the word for "brother" in Hebrew. Thus, Enright contended that the whole word stood for the King, his Domain, and his Retainers. Enright and the Omaha men also decided that the proposed "domain of Ak-Sar-Ben" be known as the Kingdom of Quivira, named after the mythical golden kingdom that Coronado had sought in the Great Plains in 1541. And thus was created the Knights of Ak-Sar-Ben, which still exists to this day. With these preliminaries out of the way, the new organization began to prepare in earnest for their celebration.⁴



Although Coronado never got north of central Kansas in his search for the fabled city of Quivira, his story was adapted for Ak-Sar-Ben's pageant mythology. The lyrics were written by Hartley Burr Alexander, best known as the "iconographer" who developed the unifying historical and mythological themes expressed in the Nebraska State Capitol's artwork. NSHS 367/AK7ps
Digitally restored

Like the Priests of Pallas

In Kansas City, the Knights of Ak-Sar-Ben was not really a secret organization. Although it had a "secret" initiation ritual, the names of the Board of Governors and of the hundreds of members were printed in the newspapers each year. The original initiation fee was ten dollars and apparently more than 550 members joined during the first year. The organization was also not particularly exclusive, frequently initiating members from local conventions visiting Omaha. Out-of-town visitors were initiated for free because, it was believed, they would be more likely to return for business or pleasure if they were members of Ak-Sar-Ben. Membership therefore grew rapidly to more than 20,000 by the early twentieth century. Of these, 3,000 lived in the Omaha area. Membership grew to more than 40,000 by the 1950s and to nearly 69,000 in 1982. Early members included two U.S. presidents: Theodore Roosevelt, initiated in

April 1903; and William Howard Taft, initiated in September 1909. Roosevelt reportedly said of the ceremony: “Bully! That’s the best time I’ve had in many months!”⁵ Unlike the person chosen to be St. Louis’s Veiled Prophet, whose identity is still kept secret, King Ak-Sar-Ben’s name is announced to the public every year.

Who were the men who founded the Knights of Ak-Sar-Ben? The first Board of Governors was comprised of prominent Omaha businessmen and politicians who were convinced the celebration would grow their city. Like their counterparts in St. Louis and Kansas City, these men would have considered themselves “city fathers,” and many are featured in contemporary city and county histories as well as recent scholarly city histories. In 1895 half of the board members were merchants (see Table 1). The next three largest occupational categories were, predictably, agricultural commerce, public communication, and transportation. As in St. Louis and Kansas City, the founders had self-interested reasons for joining the organization and hoping the week’s festivities would be a success.

Reflecting the changing economy, membership of the Knights’ Board of Governors saw major changes from 1895 to 1930. The numbers of merchants and of those involved in public communication declined sharply, but in contrast to their St. Louis and Kansas City counterparts, Ak-Sar-Ben still had a large number of influential members involved in agricultural commerce. However, as in the other cities, one sees a rise in board membership of those involved in the insurance, financial services, and real estate categories—from none in 1895 to nearly a third of the board by 1910. Bankers and members of the newly formed Omaha



Chamber of Commerce (formerly the Omaha Commercial Club) played prominent roles in the organization by the 1920s. The number of board members involved in manufacturing was never very large, comprising less than a tenth of the membership, for unlike St. Louis and Kansas City, Omaha never became a major manufacturing center.

The Board of Governors membership reflects other changes in the Omaha economy over the following three decades. Increasingly, Ak-Sar-Ben leaders came from the financial and insurance sectors and from media companies. The number of governors who were merchants or involved in agricultural commerce declined by 1967, though a fair number still engaged in transportation and public utilities. Omaha continued to be an important regional center for agricultural commerce, but the city’s “movers and shakers” now came mostly from finance and insurance rather than from large industrial firms.

Hollywood actor and Nebraska native Henry Fonda signs his Ak-Sar-Ben membership papers during a visit to Omaha in April 1941. NSHS RG2341-2-736-2

TABLE 1 - Occupations of the Board of Governors of the Knights of Ak-Sar-Ben⁶

Category/Occupation	1895		1900		1910		1920		1930		1940		1950		1967	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Merchants	6	50	5	42	6	46	2	17	2	15	2	17	1	13	1	7
Professionals	1	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agricultural Commerce	2	17	3	25	1	8	3	25	6	46	2	17	2	25	1	7
Insurance, Financial Services & Real Estate	0	0	1	8	4	31	2	15	2	15	3	25	2	25	4	27
Public Communication	2	17	2	17	0	0	0	0	0	0	0	0	0	0	3	20
Industry and Manufacturing	0	0	1	8	0	0	1	8	1	8	1	8	0	0	0	0
Transportation	1	8	0	0	2	15	1	8	1	8	2	17	2	25	2	13
Public Utilities	0	0	0	0	0	0	2	17	1	8	2	17	1	0	1	7
Other	0	0	0	0	0	0	1	8	0	0	0	0	0	0	2	13
Totals	12	100	12	100	13	100	12	100	13	100	12	100	8	100	13	100



Aerial view of Ak-Sar-Ben field and track, 1932. The University of Omaha campus is visible near the top of the photo. NSHS RG3882-626

As in St. Louis and Kansas City, the Knights' celebration originally included both a parade and a ball. In all three cities, the parade was viewed as integral to the city's economic development, and was designed to be an annual celebration for the entire city and a draw for tourism. The Omaha parade was discontinued in 1926. The Ak-Sar-Ben Ball, like the Veiled Prophet Ball in St. Louis, remains an exclusive social event. From 1895 to 1943, Ak-Sar-Ben also put on weekly "Den Shows" for members from June through August. Early titles of these original theatrical comedies included *East Indian Romance*, *The Discovery of the North Pole*, *Paprika Schnitzel*, *Halley's Pug-Nosed Comet*, and *Coronado's Hysterical Bull*.

The Knights hosted their first celebration in September 1895. Tens of thousands of Midwesterners turned out to view the spectacle. The parade was called the "Feast of Mondamin" after the "Indian King of Corn" or "Good Spirit of Harvest" made famous in Longfellow's *The Song of Hiawatha*. Omaha newspapers ran an entire page of verse written by Carl Smith of Omaha describing the

parade floats and establishing Ak-Sar-Ben as a benevolent ruler of the Kingdom of Quivira (which clearly was meant to be the state of Nebraska). The floats in the first parade generally followed an agricultural and mythological theme. Among many other things, they included a Nebraska corn-fed steer, King Ak-Sar-Ben, the Feast of Mondamin, Mondamin's Castle, the War of Elements, and even a float in which Mondamin drives insects, particularly the grasshopper (scourge of the farm), from Quivira.⁷

By all accounts the celebration was a rousing success. The *Omaha Excelsior's* editor wrote:

The Knights of Ak-Sar-Ben is a secret society, founded on the lines of the Veiled Prophets of St. Louis, the Priests of Pallas of Kansas City, and the great society of New Orleans, Rex, Proteus, and Comus, that have been accomplishing so much in attracting vast crowds of strangers annually to their gorgeous parades. The success of this year's entertainment has been so great that the Knights of Ak-Sar-Ben will become a

permanent institution of city life and they have leased the coliseum, the largest building in the city for five years, as their den, and here will be given from year to year, the greatest and most splendid balls ever attempted in Omaha.⁸

As in St. Louis and Kansas City, the Knights of Ak-Sar-Ben celebration fulfilled its members' goals of social control. Harvest was a pivotal time of year and business leaders wanted to make the best impression possible on incoming farmers. Such celebrations often provided a distraction for a city's rowdier elements during a time when their activities would embarrass local businessmen, and possibly—so the leaders believed—harm the city's economy. Like Comus's Mardi Gras flotilla, the Veiled Prophet's parade, and the Priests of Pallas parade, the Knights of Ak-Sar-Ben parade was probably intended to "awe the masses toward passivity" with its symbolic show.⁹ However, unlike the Veiled Prophet Celebration (which was formed soon after the St. Louis General Strike of 1877, which in turn grew out of the Great Railroad Strike of 1877), there does not appear to have been a class control or power issue behind the Omaha organization's founding and celebration. The Omaha elite had never lost control of city streets as St. Louis did for a week in 1877, so the need to claim symbolic control was apparently not as important to the Knights.

Like Kansas City, Omaha did not have the fervent working-class activism and class antagonism that existed in St. Louis at the same time. Without a prominent manufacturing economy, class relations were never as antagonistic in Omaha as they had been in St. Louis. Furthermore, also as in Kansas City, most of Omaha's industrial growth during this era was in the meat packing industry, which generally employed the most vulnerable, most easily-replaced, ethnically divided, and least radical workers of any industry. In other words, an important ingredient in the founding of the Veiled Prophet Celebration simply did not exist in the class relations of Omaha.¹⁰ This shaped the themes and goals of Omaha's celebration in important ways. Whereas the St. Louis parades consciously reified the social order and the legitimacy of the city's business class, the Knights' parades made no such emphasis—in fact, some featured marching bands between the floats, meaning they were decidedly less stately affairs.

While the Knights did occasionally present history and civilization in their parades, their lack of obsession with social order and control is shown by their parade themes, which included the "Feast



Grandstand and field, 1930s.
NSHS RG2341-115

of Olympia," "Feast of Quivira," "The Alhambra," "Gems of Grand and Comic Opera," "Isles of the Sea," "When Knighthood was in Flower," "Tales of Childhood," "Shakespeare," and "Famous Love Stories." All these parade themes, plus the floats themselves, were designed and built by Gustave A. Renze, a German immigrant who had lived in St. Louis and had seen the Veiled Prophet celebration several times before he moved to Omaha. He was employed as Ak-Sar-Ben's full-time "artificer" and wrote most of the Den Shows. He died in 1933. Illustrated float descriptions (sometimes in verse) appeared in newspapers from the 1890s to the early 1900s, when they were replaced by a mere list of parade floats. The same rapid decline of press interest in the parade occurred in the St. Louis and Kansas City newspapers.¹¹

For the Priests of Pallas, by 1920 it was obvious that the important event was no longer the parade but the ball. As in similar celebrations, the ball became vitally important to organization members and received pages of newspaper descriptions even after parade coverage had declined to a brief list of floats. According to cultural historian William Beezley, such life cycle events as a debutante ball were "staged for the public to witness, but only from a distance."¹²

The Knights, too, viewed their ball as a way to be good fathers to their daughters and to control their daughters' courtships. As Samuel Kinser has put it, these spectacles were "less a place for successful men to strut than for their wives, daughters, and fiancées to display their charms." Women in a prominent man's family acted as public "symbols of wealth" for him. These men would also have desired to control

Completed in 1929, Ak-Sar-Ben Coliseum was the region's largest arena for decades. It was demolished in 2005. NSHS RG3882-2-644



their daughters' courtships by controlling the situations in which they would meet members of the opposite sex. The goal was for a daughter to meet the "right" kind of man—someone from the same financially stable social class. The young man's father might even be a potential business partner; thus, the fathers stood to gain financially from the ball as well.¹³ In all three cities these debutante balls performed a similar function, providing a way for their members to fulfill paternal roles both toward their children and toward their communities.

Over the past century, Veiled

Prophet members have frequently claimed that their organization has always done many good things for their city and region. Unfortunately, one could contend that neither the St. Louis nor the Kansas City coronation spectacles provided much more than an evening's diversion for the community at large. Furthermore, though both events cost their respective cities untold thousands of dollars for additional police protection and use of city facilities, the festivities themselves were enjoyed only by a select few—the few thousand who received tickets. By the 1960s and 1970s, the St. Louis organization found itself under constant attack from civil rights activists representing the group ACTION. The activists contended that such unabashed elitism, subsidized by city tax dollars, was outrageous and should not be tolerated. In the eyes of many St. Louisans, the organization's ball and parade was a selfish display of conspicuous consumption that served no useful community purpose.

While the St. Louis and Kansas City organizations claimed to benefit all, they remained exclusive and focused on elite rituals that flaunted their members' social status. In contrast, the Knights of Ak-Sar-Ben—though retaining the elitist ball and exclusive leadership and governance structure—became a genuine philanthropic organization. This may explain why it was supported by most Omahans and why, despite Omaha's large African American community, there were no protests against elitism or racism at Ak-Sar-Ben's ball.

As Sherman Berg, then president of the Knights, put it in March 2004: "The organization was founded with the idea of economic stimulus in mind. After the first few decades they quit focusing so much on economic stimulus and moved on to trying to help the community at large." By the beginning of the twentieth century, local officials recognized the Knights as a charitable organization, granting tax-exempt status to its property—a decision that may have been at odds with state statutes. This designation attests to the belief of many prominent Nebraskans (especially those involved with the organization) that the Knights were doing great things for Omaha and for the region.¹⁴

A new revenue stream funded Ak-Sar-Ben's philanthropy. In 1919 the organization bought a large tract of land, naming it Ak-Sar-Ben Field and opening a horse track there the following year. When in 1921 the state legislature created a state racing commission and permitted pari-mutuel betting, the cash cow for the organization's philanthropic efforts was born. By the mid-1920s the racetrack was



State Senator Terry Carpenter of Scottsbluff, shown here on the floor of the legislature, vigorously opposed Ak-Sar-Ben's tax-exempt status. NSHS RG809-0000

a popular regional attraction, holding two short racing seasons each year until a single long season was adopted in 1927.¹⁵

Unfortunately for the Knights, the state law legalizing pari-mutuel wagering was declared unconstitutional in 1929. After several years of struggling to fulfill the organization's obligations during the Great Depression, members led a successful petition drive in 1934 to amend the state's constitution to allow pari-mutuel betting. In keeping with its charitable mission, the Knights presented to the legislature a bill that established a horse racing commission and allocated a portion of license and tax fees to the State Department of Agriculture so that these funds would be distributed among all county fairs in the state. The bill passed and Ak-Sar-Ben track resumed racing in 1935.¹⁶

During the twentieth century, the Knights pursued numerous outreach efforts to help farmers in Nebraska and provided more than ten thousand Nebraskans and lowans with college scholarships. The scholarships were first offered to agriculture students at the University of Nebraska but were later expanded to include undergraduate work in agriculture and other subjects at Iowa State, Creighton University, and the University of Omaha. By the late 1950s the organization also gave a small number of scholarships annually to graduate students in agriculture and education. Ak-Sar-Ben awarded three hundred scholarships annually by 1960, and nearly four hundred annually by the early 1980s.

The organization also provided service to the region. In 1938 the Knights of Ak-Sar-Ben purchased the two bridges spanning the Missouri River at Omaha and paid for improvements. By 1947 the bridges no longer required tolls. For decades the Knights sponsored a large regional 4-H Livestock Show and Rodeo as well as numerous smaller 4-H livestock shows. From 1946 to 1989 the organization also provided popular summer musical entertainment packages free to members, consisting of four to five live events. For three decades it managed the region's largest arena, Ak-Sar-Ben Coliseum (which closed in 2002), and the Ak-Sar-Ben Arboretum as well.¹⁷

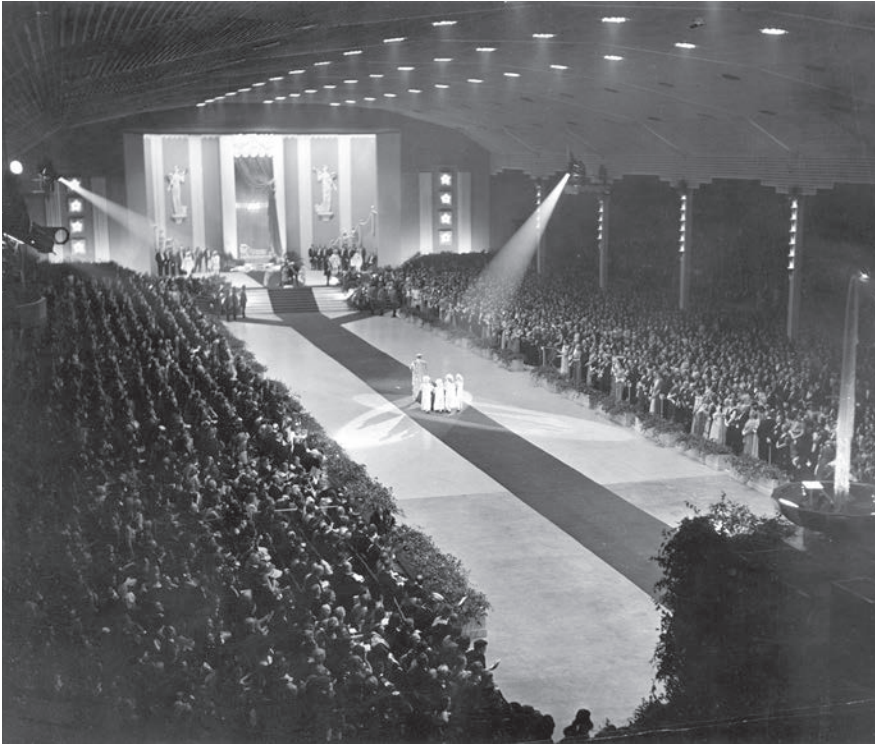
However, not all Nebraskans agreed with a tax exemption for an organization that received a large portion of its income from gambling, regardless of the good things it did with the proceeds. Despite some opposition, Nebraska Attorney General William H. Wright ruled in June 1936 that the organization would keep its tax exempt status as a nonprofit agricultural society. Regardless, some in the state legislature argued in the 1950s that a

property must be used exclusively for charitable or educational purposes in order to receive the tax exemption. In December 1957 State Senator Terry Carpenter of Scottsbluff introduced a resolution seeking a Nebraska Supreme Court ruling on whether or not the organization should receive such an exemption. Ak-Sar-Ben responded by producing a detailed (and in spots rather caustic) report to Carpenter detailing the organization's finances and charitable contributions to the community over the prior twenty years. In the report's conclusion, President of the Board of Governors Melvin Bekins maintained that the entire controversy must be the result of a misunderstanding of the group's good deeds and mission:

In the light of all the above we ask you to consider the good that Ak-Sar-Ben is doing for Nebraska, the uncompensated efforts of the people who make these benefits possible, the harm that would result from the draining away in the form of taxation of the monies which Ak-Sar-Ben is now able to channel to the purposes outlined in the Statute which justifies its tax exempt status and the futility of going into any long and detailed inquiry. If possibly you have been misinformed with reference to Ak-Sar-Ben's purposes, objectives and activities, we believe that the foregoing will clear up any erroneous ideas that you may have obtained. We can not believe that you want Ak-Sar-Ben to discontinue the worthwhile activities and contributions in which it has been engaged over the years and is now engaged.

Not surprisingly given the political pull of the Knights, Senator Carpenter's resolution never made it out of committee.¹⁸

Carpenter and other western Nebraska critics continued to question Ak-Sar-Ben's tax exempt status. In response, in March 1964, Douglas County Assessor Joseph Stolinski recommended to the county board that the tax exemption be revoked. The County Board of Equalization overruled Stolinski a month later. According to Nebraska law, the state tax commissioner could review county decisions. In September 1964 Ak-Sar-Ben representatives argued at a public hearing that the organization's tax exempt status had already been upheld by the State Attorney General's office in 1936 and by the Internal Revenue Service in 1958, and that State Tax Commissioner Forrest A. Johnson should therefore follow precedent. In the closing weeks of his term, in late November 1964, Johnson ruled that all Ak-Sar-Ben



The 1940 coronation ball, held inside Ak-Sar-Ben Coliseum. NSHS RG2341-112

properties were exempt from taxes. Reflecting the animus between Omahans and western Nebraskans, in 1967 western Nebraska legislators mockingly crowned Senator Carpenter “King Terry I of Ak-Sar-Ben.” Carpenter had famously quipped in 1959 that he would not be using his invitation to the Knights of Ak-Sar-Ben ball because his “silk pants [were] soiled” and he therefore couldn’t afford to go.¹⁹

Despite these rulings, the issue of the organization’s tax exempt status was not dead. In the 1980s Governor Robert Kerrey’s administration demanded that the organization collect sales taxes on memberships and use fees. The Knights refused and took the state government to court, but lost the case and began paying sales taxes in 1987.²⁰

Like their counterparts in St. Louis, the Knights’ inability to adapt to changing times nearly ended their organization. Ak-Sar-Ben faced two major crises in the 1980s. The first involved declining horse racing revenues, which funded nearly all of Ak-Sar-Ben’s philanthropy. The track had been profitable for fifty years, hosting more than a million fans a year by the mid-1980s. The total amount wagered peaked in 1985 at more than \$154 million, providing the state government with nearly \$8 million in revenue from the pari-mutuel tax. Despite the record handle, Ak-Sar-Ben took on a significant expense in remodeling the racetrack and ran a \$1.5 million deficit that year.

By 1986 the organization was in dire financial straits, with a looming annual deficit of more than \$3.5 million because of the renovations. Meanwhile the regional market for pari-mutuel wagering, which Ak-Sar-Ben had monopolized for decades, suddenly became crowded. A new racetrack, Canterbury Downs, opened in Minnesota and a dog racing track opened across the river in Council Bluffs, Iowa. In response to its problems, Ak-Sar-Ben announced major cutbacks in activities, including the phasing out of the scholarship program, a reduction of support for county fairs, and the end of the coronation ball.

The second major crisis involved declining membership during the 1980s. Apparently many Omahans decided that the entertainment was not worth the thirty dollar price tag—and many people began to complain that the shows were pitched to a decidedly older population. Many began to feel, as John Boyd wrote in a letter to the *Omaha World-Herald* in February 1988, that the organization was “owned, operated, and dictated to by people who are almost entirely over the age of 50.” Boyd went on to suggest that Ak-Sar-Ben tailor its product to a younger crowd.²¹ In St. Louis during the same period, the Veiled Prophet organization faced a similar situation when choosing performers for its “VP Fair.” In the early 1990s the VP organization began choosing a more diverse and “up-to-date” slate of entertainers for their fair. Ak-Sar-Ben did not make such changes. Claiming that skyrocketing fees for entertainers made it impossible to continue, the organization cancelled the concert series in the mid-1990s. This led, predictably, to a disastrous drop in membership.

The Knights tried to right their fiscal ship while continuing to do some philanthropic work for the community. While Ak-Sar-Ben didn’t face the outright hostility encountered by the Veiled Prophet in the 1970s and 1980s, many Omahans began what can only be characterized as a deathwatch for the organization. However, the scholarship program was revived in 1989, although with fewer scholarships than before. The ball was revived in 1988 and continues to serve double-duty as both a coronation and a fundraiser for the scholarship program. Since then, Ak-Sar-Ben members pay all costs of the ball (which used to be funded, like most things, from racetrack proceeds) and are expected to chip in a hefty donation to the scholarship fund. Therefore, the organization contends that even the seemingly frivolous ball serves a constructive purpose.²²

Meanwhile, racetrack crowds kept shrinking, reaching an average of only 3,524 patrons daily

in 1995. In 1990 the organization fired fourteen staff, including the general manager, to lower overhead and reduce long-term debt. The market for Midwesterners' gambling dollars became even more glutted when the Woodlands horse track in Kansas City, Kansas, opened in 1991. By the early 1990s Ak-Sar-Ben was nearly \$10 million in debt and continually asking for financial help from the state legislature, which responded by reducing the various taxes placed on the track's pari-mutuel betting handle.²³

In the late 1980s some members of the Douglas County Board suggested that the county could buy the entire Ak-Sar-Ben complex and run it more efficiently as a public entity. In response, in 1990 the Knights announced that their property was for sale to any public body or university.

Some city leaders thought the idea dubious. Omaha Mayor P. J. Morgan, at the time a rising political star in the Republican Party, publicly characterized the sale as a "fraud" and a "sham." He went on to say, "Frankly, I'm just sick and tired of a small handful of people who think they can control this city and county without regard to the feelings, sentiments and desires of the honest, hard-working people who are the real foundation of this community." When asked about the sale in 2004, Morgan—a licensed real estate appraiser and president of the Independent Fee Appraisers—said his objection was more about being fiscally responsible:

What I saw was that it wasn't really the responsibility of city or county government to make that purchase and my feeling was we needed to be certain about a value. Regardless of what you're buying, whether its government dollars or personal dollars you always like to be sure there's a real value and try to make that value commensurate with some appraisals and income, those kinds of things. I was concerned it would put an extra burden on the taxpayers if they were to make the purchase at the numbers that were being discussed.

They wanted to have the city also involved in that purchase. I think it was a partnership they talked about and I didn't feel it was the right thing and we needed to be certain about numbers and not just pull a number out, you know, without having more of an understanding of what kind of commitments we could get with the university, with some businesses to locate there and make it a tech park or something.

I just didn't feel the plan that was brought forward of us making that purchase without commitments was the right thing to do. Now at the same time I'm appreciative of what Ak-Sar-Ben's done. They've done a lot great things for this community and state for a long, long time. But at the same time you have to be very responsible when you have taxpayer dollars involved.

Morgan tried to convince others that the sale was unwise and made certain that the city had nothing to do with it. The county board, however, negotiated with Ak-Sar-Ben; the sale was made final in late 1992 for \$25 million. Ak-Sar-Ben received \$10 million in cash (with which it paid off all its debts) and \$15 million in promissory notes.²⁴

The track's financial situation did not improve under Douglas County management. Nebraskans and Iowans now had even more venues in which to gamble. The Nebraska Lottery started in 1993 and the first of several Omaha-area casinos opened in 1995. It also appears that RaceCo, the county's corporate entity to run the track, was poorly managed. A 1994 *World-Herald* examination of the track's financial records (which were public records now that the track was county-owned) uncovered more than \$14,000 in personal expenses such as carwashes, coronation ball tickets, and restaurant bills being paid for by RaceCo. Two of the track's executives were apparently using their company vehicles for personal travel and billing the track for the expenses. Several other expenses had no explanation. When asked about it, one of the executives responded, "We'll have receipts for everything from now on." Although the Knights no longer owned the track, most track employees were holdovers from the prior ownership. Many Omahans had long

Seen through a window of the mayor's office on January 8, 1991, Douglas County and Omaha city officials discuss possible county purchase of Ak-Sar-Ben. From left: Mike Friend, John S. McCollister, Steve Rosenblatt, Mayor P. J. Morgan, and city attorney Herb Fittle. Bob Paskach/ Omaha World-Herald



Dr. Thomas M. Spencer is the director of Honors Student Affairs at the Sandra and Jack Pine Honors College at Eastern Illinois University. He is the author of *The St. Louis Veiled Prophet Celebration: Power on Parade, 1877-1995* (University of Missouri Press) as well as numerous other articles about Midwest history.

been suspicious of the track's management, dating back to 1985 when it ran a deficit despite a record year of revenues. As one county commissioner put it at the time, "The perception in the public is that things are not on the up and up at Ak-Sar-Ben."

As the track's financial situation deteriorated, some county board members suggested that the property be sold for casino development. Eyebrows were raised further in 1995 when the Knights offered to buy back the property by forgiving the county's debt—for by then, the county owed the Knights \$16.45 million. Many people began to wonder if the entire transaction had been a taxpayer-funded bailout of the socially and politically well-connected organization. Ak-Sar-Ben had benefitted greatly by having its debts erased and by unloading an unprofitable property on the county, and the buy-back offer seemed to confirm a growing public belief that only one side had benefitted from the transaction.²⁵

After a last-ditch attempt to keep the track afloat, track officials announced in February 1996 that there would be no live racing that year. The track never held another race. Later that year a complicated deal was reached between the city and Ak-Sar-Ben to sell the property to First Data Resources, Inc., and to the University of Nebraska-Omaha. UNO built student apartments on the site while First Data, at the time Omaha's largest private employer with eight thousand employees, built an office building there and moved into the facility in 1998. At the time of the deal—which received tax increment financing from the county—First Data promised to bring two thousand new jobs to Omaha. Many critics have contended that First Data never fulfilled its obligations under the deal; by 2014 it had fewer employees in Omaha (around five thousand) than it had in 1998.²⁶

Demolition of the grandstand and several other buildings began in the summer of 2004. The following year the site's remaining seventy acres were incorporated into what became known as Aksarben Village, a mixed-use development primarily financed, like the First Data deal, by significant tax incentives. Many retail businesses, restaurants, bars, and corporate offices have been built on the site, which has become a successful shopping area. In December 2013 the property's promoters contended that \$650 million worth of spending had gone into the site. While it is often hard to measure the true fiscal "success" of tax-increment financing, predictably this public-private partnership is cited by local politicians as a model for development ventures nationwide.²⁷

In comparison to the St. Louis

Veiled Prophet organization, the Knights of Ak-Sar-Ben took a very different path. While the Veiled Prophet focused exclusively on public spectacles that catered to their members' interests, the Knights supported extensive philanthropic efforts in their state and region. However, one could argue that the Knights may have evolved into a sort of "shadow government" reminiscent of the Veiled Prophet of the mid-twentieth century. The Knights' political influence is obvious in the ill-fated (for Douglas County) sale of the Ak-Sar-Ben property in 1992. Despite public skepticism and repeated protests by public officials such as Mayor P. J. Morgan, the sale went through. More than a decade later, the sale looked like a bad deal for the county, though the successful development of Aksarben Village has probably changed some minds on this issue.

Nonetheless, one must try to judge the Knights on their overall contributions to the region and city. The Knights have arguably done a great deal more for their region and their city than the Veiled Prophet organization has done for St. Louis. The Knights have been intimately involved in the community for nearly 120 years now, which may help explain why the organization did not have the same struggle to justify its existence that the Veiled Prophet faced in the 1970s and 1980s. After all, many Omahans had been to the racetrack, attended a concert at Ak-Sar-Ben coliseum, or knew someone who had received a scholarship. In contrast to the average St. Louisan, who still has trouble understanding just what the Veiled Prophet does for the city, the average Omahan knew who the Knights were and what they were doing for the community, and had no trouble concluding that the Knights were accomplishing good things for the city and for the region as a whole. 🍷

NOTES

¹ Arvid E. Nelson, Jr., "The Formation and Early History of the Knights of Ak-Sar-Ben as Shown by Omaha Newspapers," (Master's Thesis, Municipal University of Omaha, 1962), 3-4. See also *The Omaha Excelsior*, Sept. 21, 1895.

² For more on the St. Louis celebration, see Thomas M. Spencer, *The St. Louis Veiled Prophet Celebration: Power on Parade, 1877-1995* (Columbia: University of Missouri Press, 2000). For more on the Kansas City celebration, see Thomas M. Spencer, "The Parade Time Forgot: While the Royal procession marches on, KC's once-mighty Priests of Pallas celebration has faded away," *Kansas City Star Magazine*, Oct. 6, 2002, 20-21; Thomas M. Spencer "Priests of Pallas: Kansas City's Forgotten

Fall Festival," *Jackson County Historical Society Journal*, Autumn 2003; and Thomas M. Spencer, "'A Bit of Mardi Gras in Kansas City': The Priests of Pallas Celebration, 1887-1924" (unpublished manuscript, 2002). Lincoln, Nebraska's "Tartarax Pageant" is discussed in Chapter 24 of Sam D. Cox and A. B. Hayes, *History of the City of Lincoln, Nebraska* (Lincoln: State Journal Company, 1889).

³ Nelson, "Formation and Early History," 6-10; see also Arvid E. Nelson, Jr., *The Ak-Sar-Ben Story: The Seventy-Year History of the Knights of Ak-Sar-Ben* (Lincoln, Nebr.: Johnsen Publishing Company, 1967), 3-5.

⁴ Nelson, "Formation and Early History," 10-12; see also Nelson, *Ak-Sar-Ben Story*, 6.

⁵ *Omaha World-Herald* (hereafter, *OWH*), Sept. 20, 1895 and Sept. 25, 1897; *Omaha Bee*, Sept. 30, 1906; Nelson, *Ak-Sar-Ben Story*, 50. The Theodore Roosevelt quotation is from the *OWH*, "35 years of Ak-Sar-Ben," undated article, Douglas County Historical Society archives, Omaha, Nebraska (hereafter DCHS). Membership figures are from an unattributed manuscript, "The History of Ak-Sar-Ben," DCHS, 71; and "Ak-Sar-Ben Draws Record Memberships," *OWH*, Feb. 19, 1982.

⁶ This table is compiled from lists of the Board of Governors in the years indicated at the top of the columns. These lists came from Appendix D of Nelson, *Ak-Sar-Ben Story*, and from an article about the organization's early years published in the *Omaha Bee*, Sept. 30, 1906. Since the organization had more than 20,000 members by the early 1900s, the membership of the Board of Governors is the only group that one can effectively analyze.

⁷ *OWH*, Sept. 20, 1895; Nelson, "Formation and Early History," 31-65; and Nelson, *Ak-Sar-Ben Story*, 23-32.

⁸ *Omaha Excelsior*, Sept. 21, 1895.

⁹ Sam Kinser, *Carnival, American Style: Mardi Gras at New Orleans and Mobile* (Chicago: University of Chicago Press, 1990), 90; and Spencer, *The St. Louis Veiled Prophet Celebration*, 16.

¹⁰ This argument is similar to that advanced in my book, *The St. Louis Veiled Prophet Celebration*, 8-9.

¹¹ Nelson, *Ak-Sar-Ben Story*, 414-15. The observations about the decline of press coverage come from reading through the September and October issues of the *OWH* from 1895 to 1910.

¹² William H. Beezley, "Porfirian Smart Set Anticipates Thorstein Veblen in Guadalajara," in *Rituals of Rule, Rituals of Resistance: Public Celebrations and Popular Culture in Mexico* (Wilmington, Del.: Scholarly Resources, 1994), 179.

¹³ A similar argument is advanced by Samuel Kinser about New Orleans Carnival societies in his *Carnival, American Style: Mardi Gras at New Orleans and Mobile*, 120-22, and about the Veiled Prophet organization in my book, *The St. Louis Veiled Prophet Celebration*, 53-55.

¹⁴ Sherman Berg interview by author, Mar. 23, 2004, Omaha, Nebraska. Notes and tape recording in author's possession. For more on the organization's tax exempt status, see Nelson, *Ak-Sar-Ben Story*, 60-61.

¹⁵ Nelson, *Ak-Sar-Ben Story*, 103-06, 114-15.

¹⁶ Unattributed manuscript, "History of Ak-Sar-Ben," DCHS, 17-18.

¹⁷ For more information on scholarships, see Nelson, *Ak-Sar-Ben Story*, 204, 243, 292, 302-03, and 312-13, and Anne Morrow Sampson, "There is No Place Like Ak-Sar-Ben," *Omaha Magazine*, October 1980, 41. All of these activities are referenced in Nelson's *Ak-Sar-Ben Story* as well as in The Knights of Ak-Sar-Ben Organization, *Ak-Sar-Ben Memories* (Omaha: Knights of Ak-Sar-Ben Foundation, 2003). The latter is a picture book describing the many different activities sponsored by the organization over the prior century.

¹⁸ Nelson, *Ak-Sar-Ben Story*, 301-02; "Ak Exempted from Taxes," *OWH*, June 10, 1936; "Ak-Sar-Ben Terry Target," *OWH*, Dec. 19, 1957; "The Tax Exemption of Ak-Sar-Ben," Melvin Bekins, (president, Board of Governors, Knights of Ak-Sar-Ben), Omaha, to Senator Terry Carpenter, Lincoln, Jan. 17, 1958, DCHS.

¹⁹ "Ak Defends Tax Position," *OWH*, April 8, 1964; "Board Rules Ak Remains Not Taxable," *OWH*, April 17, 1964; "Ak-Sar-Ben Holdings Are Tax Exempt," *OWH*, Nov. 23, 1964; "Terry Blasts Ruling on Ak," *OWH*, Nov. 24, 1964; "Now He's King," *OWH*, Apr. 12, 1967; and "Carpenter Won't Attend Ak's Ball," *OWH*, Oct. 15, 1959.

²⁰ Sharon Rosse, "Tax Bills Leave Groups Unhappy," *OWH*, no date given [1987?], DCHS Vertical File.

²¹ John Boyd, "Why Ak-Sar-Ben's Hard to Sell," *OWH*, Feb. 24, 1988. For more on the similar situation faced by the Veiled Prophet organization, see Spencer, *St. Louis Veiled Prophet Celebration*, 145-58.

²² Terry Henion, "Ak-Sar-Ben Coronation Ball Bounces Back," *OWH*, Aug. 14, 1988; "Ak-Sar-Ben Scholarships to Resume," *OWH*, Apr. 20, 1989; and Berg Interview, Mar. 23, 2004.

²³ Eric Olson, "Ak-Sar-Ben Dismisses 14, Including General Manager," *OWH*, Jan. 6, 1990, and Mike Patterson, "Live Horse Racing Not Ruled Out for '97," *OWH*, Feb. 18, 1996.

²⁴ Robert Dorr, "Ak-Sar-Ben Put Up for Sale To Public Body or University," *OWH*, Nov. 20, 1990; Mike Reilly, "Harper: Governors Aren't 'Darth Vaders' in Ak-Sar-Ben Effort," *OWH*, Nov. 7, 1990; P. J. Morgan interview by author, Aug. 9, 2004, notes and tape recording in possession of author; and John Heaston, "The Great Land Give-Away," *The Omaha Reader*, Dec. 27, 1997.

²⁵ Mike Reilly, "Carwashes, Meals Among Ak Expenses," *OWH*, Nov. 18, 1995; "Twists, Turns of Ak-Sar-Ben Snarl Future," *OWH*, Oct. 16, 1995; and "Knights Study Offer to Kill Casino Plans," *OWH*, Oct. 20, 1995.

²⁶ Ed Russo, "First Data to Expand at Ak," *OWH*, May 15, 2000; Chris Olson, "FDR Layoffs Leave Workers Shell-Shocked," *OWH*, Aug. 13, 2000; and Cole Epley, "First Data's Job Cuts Called an 'Ongoing Process,'" *OWH*, Oct. 9, 2014.

²⁷ Steve Jordan, "\$50 Million Aksarben Village Project to Feature 8-story Office-Retail Building, Garage," *OWH*, Dec. 15, 2013; Cindy Gonzalez, "Aksarben Village Has Another \$82 Million in Development Planned," *OWH*, June 4, 2014; and "Spirit World's Move Hints at Urban Future of Aksarben Village," *OWH*, June 9, 2014. For more information, see "History," <http://aksarbenvillage.com/about-us/>