

MINUTES OF THE UNIVERSITY SENATE
Nov. 23, 1931

The University Senate met in the Lecture Room of McVey Hall, Monday, November 23, with President McVey presiding.

The minutes of October 12 were read and approved.

The chairman of the Committee on Duplication of Courses stated that he had received from two colleges requests for changes in courses and new courses and that these had not been sent to the faculty in accordance with the action of the Senate October 12. President McVey ruled that the action of the Senate should be affective December 1. The Committee then presented the following courses and changes in courses, which were approved:

Drop Animal Industry 112, Advanced Boultry Production, 4 credits and substitute for it Animal Industry 134, Advanced Poultry Production, 3 credits, and Animal Industry 135, Artificial Incubation and Brooding, 2 credits. The prerequisite for each of these courses is Animal Industry 22.

In Animal Industry 130 and 131, the laboratory periods were changed from two hours each, with no change in credit.
to three hours each

Commerce 211 - Advanced Money and Banking. 3 credits; second semester.

Mr. Peak as Chairman of the Book Store Committee, made the following report on the history and the present status of the Book Store, which was approved:

"While most of the members of the University staff may have full or partial knowledge of the story of the University of Kentucky's struggle with the problem of supplying books to students, some members of the staff and nearly all members of the student body have little or no knowledge of the facts relative to the rise of what is now known as the "Campus Book Store". The University's first direct connection with the book store was through a contract with J. Frank Battaile owner of the University Book Store, then operating on Short Street in Lexington, which business, under the same name, is now owned and operated by Mr. Frederickson. The University Book Store, at that time and at the present time, is solely a private enterprise. It has no connection whatever with the University of Kentucky. The contract with Mr. Battaile provided that he conduct on the Campus a book store in order that a more satisfactory service in the supply of books to students might be established. In that contract the University agreed to furnish the storeroom, with light, heat and water, and the books were to be sold at

B
C
D
E
F
G
H
I
J
K
L
M
N
O
P
Q
R
S
T
U
V
W
X
Y

Minutes of the University Senate - Nov. 23 - 1931

a profit to the manager of ten per cent on cost and carriage. Under this contract the operation of the store began in September 1919. It was located in the basement of the Administration Building but was moved later to the basement of the Gymnasium, Miss Carrie Bean having charge of the sales division. The University's interest was looked after by a committee of which I was a member.

Of course there were complaints both from students and members of the staff. In most instances the complaints were that too much was being charged for books. This is the usual grievance, due principally to lack of information on the subject. Two or three thorough examinations of the business were made in which students assisted and the complaints were shown to be unfounded. However, for other reasons, the arrangement proved to be unsatisfactory and it was decided that the University take over the business. I may state the two most important difficulties and objections that influenced the taking over of the store. First, the business was operated jointly with the city store and whatever difficulties the owner had with his finances in general were reflected in the accounts due for University books. Failure to meet obligations made it difficult to obtain books for University use and affected the credit standing of the University. Second, the margin of profit was too small. Even though subsidized by the University in furnishing heat, light, water and storeroom, ten per cent was not sufficient to meet overhead and losses. The extent of these losses was made evident when the inventory showed several thousand dollars worth of books that could be taken at not more than twenty-five per cent of the first cost. The transfer was made by the Trustee in bankruptcy, May 8, 1926, the estate of Mr. Battaile having been thrown into bankruptcy by the creditors.

In running the business the University has been confronted with many obstacles and discouragements. The rooms in the gymnasium were inadequate for housing the book store and the post office, and this seemed to be the cause of more than the usual deterioration and leakage in the stock. The great flood of June 28, 1928, ruined nearly all the stock and caused a loss of about \$25,000.00. That loss is not being carried on the University books, but no part of it has been paid from book store profits. The accumulation of surplus books and supplies rapidly increased as shown by each inventory. The extent of this is evidenced by the fact that the inventory at the time of transfer of management last January showed a total value of \$3,282.11 in books alone, the use of which had been discontinued, and this notwithstanding the fact that many orders were cutt at the risk of severe criticism by instructors. Then, as now, we continually faced much unfavorable criticism (most of it unfounded, all of it unjust) of a few students and faculty members. Opposition has gone to the extent of faculty members ordering books from book concerns for distribution among students and to the establishment of a rival book store financed we are informed, by a member of the staff. Profits were not sufficient

Minutes of the University Senate - Nov. 23, 1931

to meet expenses and losses. The cause of this was probably due to several things, but more particularly to too small a margin of profit on cost price.

In order to meet these conditions it was decided to separate the management of the Book Store and Post Office, especially since the Post Office had grown in size and importance. It was then that the application of the present manager, Mr. James Morris, was considered. He came well recommended, with years of experience and success in the book store at Marshall College, Huntington, West Virginia. The contract with him is based on the same sale price as we had previous to his management, viz, twenty per cent mark up on supplies and list price on books. The phrase, "mark up", as used herein, means the amount added to cost price to make sale price. Here let me say that I made a study of this question, and this study convinced me that such a mark up meant an income barely sufficient to meet the expense of running the business. The manager of a book store in Lexington told me that it requires a mark up of at least forty per cent to insure an income of six per cent on investment. The manager of a book store in a leading State University in the West told me that he was barely getting by with sale prices similar in amount to ours. The manager of a college Cooperative Store said that the average mark up was nineteen per cent, and that the business of the previous year showed a nominal loss. This was in spite of the fact that losses on books, which are sold by the Cooperative Store, had been charged to the budgets of the departments making excess orders. This study, I think, shows the primary cause of increased inventory and consequent probable loss.

When Mr. Morris proposed to take the store he frankly stated that it would be impossible to run it on such a mark up. Therefore he asked two concessions: one, the sale of candy at customary sale prices; the other, the purchase and sale of used books. He discouraged the handling of novelties and suggested that such as were on hand be disposed of at once. The sale of used books had previously been discouraged, by experience and observation indicated that students were inclined to make efforts to buy ^{used} books and that most student promptly disposed of books not needed. There was a constant demand that the Book Store buy such books. The lack of a sales market for used book encouraged the agents of such concerns as the Missouri Book Store to come here and buy books, and the purchases were made at prices much lower than the Campus Book Store is now paying. The purchase of books at one third cost and sale at two thirds cost operates to the student's advantage both in the instance of sale and that of purchase. This plan also means a further mark down on subsequent sales of books that are kept in marketable condition. Objection that the profit is too great is met by the fact that the book store buys used books at the risk of being unable to resell them to students. Those not sold to student have little or no market value and consequently are almost a total loss.

Minutes of the University Senate - November 23, 1931

It now seems that the sales of the Campus Book Store, from January 1, 1931, to December 31, 1931, the first year under the management of Mr. Morris will approximate \$84,000.00. The average mark up on supplies and new books was probably less than twenty per cent, the list price of books being from fifteen to twenty five per cent more than cost price, in some instances only ten per cent. Assuming however that it was twenty per cent, the cost price of the goods sold was \$70,000.00 and the gross profit \$14,000.00. This is offset by the following primary expense: freight, express and petty expense, \$4,600.00; loss on books \$1,000.00 and ten per cent on gross sales to the University, \$8,400.00, making a total of \$14,000.00. Whatever the expense of salaries may be must come from the special concessions which I have mentioned before, and a small profit that is allowed for handling University supplies.

It may be asked why ten per cent of sales, or, say \$8,400.00 per year is paid to the University. The book store owes the University \$40,000.00 which is covered by the inventory at cost price. This debt plus the interest thereon must be paid. In addition to this a fair rental for the rooms should be charged. Putting the rental at \$1,200.00 per year and the interest at \$2,400.00, total \$3,600.00, the debt would be reduced the first year by \$4,800.00. Computed in like manner, it will take seven years at \$8,400.00 income per year to pay the debt, interest and rental. At such time the store could be run on its own capital, the stock value being about \$30,000.00; \$10,000.00 less than present inventory, due to loss on books ordered in excess of those sold, those on hand now being inventoried at \$3,282.11; loss on supplies and novelties estimated at \$4,000.00 and decrease in value of furniture and fixtures now inventoried at \$3,132.05.

Under Mr. Morris' management for the first year the Book Store has been a success. That it may continue to be a success he must have the backing of the Book Store Committee, and the Committee and Mr. Morris must have the loyal support of the University staff. Individual and group effort of the University staff will do much for the management in the endeavor to satisfy and please the student body. If a member of the staff is loyal to the University he will be loyal to its enterprises. We consider the Campus Book Store a necessary part of the University organization. Adverse criticism of it is adverse criticism of the University. The Book Store Committee asks that all problems that can not be solved satisfactorily by Mr. Morris be presented to it. The members of the committee are no more interested in the problems than the members of the staff should be, and they feel that, inasmuch as they are willing to devote their time to it, each member of the staff should be loyal enough to the institution to take up adjustment of complaints and difficulties with the management or the committee.

Minutes of the University Senate - November 23, 1931 - con't.

The same consideration is asked from students. The University's effort to establish the Book Store is solely for students' good, to provide students with books promptly at lowest possible prices. Bear in mind that the Book Store must be self sustaining, there being no provision made for its support by the authorities that control the University.

D. H. Peak
Chairman of Book Store Committee

President McVey presented the matter of refunds of student fees and suggested the following scale of refunds:

80% for one week	40% fifth week
70% second week	30% sixth week
60% third week	20% seventh week
50% fourth week	10% eighth week

The Senate voted to recommend the suggested plan to the Board of Trustees.

The Senate approved the recommendation of the University Council that the rule regarding senior residence be changed so as to read: "The last semester must be done in the college in which the degree is to be obtained."

The following calendar reported by the Social Committee was adopted:

HOUSE DANCE	
<u>Date</u>	<u>Organization</u>
November 28	Lambda Chi Alpha
December 12	Triangle
December 12	Phi Kappa Tau
December 12	Kappa Alpha
December 12	Sigma Chi
January 9	Delta Chi
January 9	Phi Delta Theta
January 9	Campus Club
January 9	Kappa Sigma
January 16	Sigma Beta Xi
January 16	Phi Sigma Kappa
February 6	Phi Kappa Tau
February 27	Pi Kappa Alpha
April 9	Phi Psi Phi
April 16	Campus Club
April 16	Sigma Beta Xi
April 23	Triangle
April 23	Kappa Alpha
April 23	Lambda Chi Alpha
May 14	Delta Chi
May 21	Sigma Chi

Minutes of the University Senate - November 23, 1931 - con't

DINNER DANCE

<u>Date</u>	<u>Organization</u>
November 20	Sigma Alpha Epsilon
November 27	Alpha Gamma Rho
December 4	Pershings Rifles
December 11	Omega Beta Pi
January 15	Sigma Alpha Epsilon
February 5	Kappa Sigma
February 19	Sigma Alpha Epsilon
March 18	Alpha Gamma Rho
April 1	Kappa Sigma
April 29	Sigma Alpha Epsilon

TEA DANCE

<u>Date</u>	<u>Organization</u>
November 21	SuKy
November 28	Newman Club
December 5	Tri-Delt
December 12	Cadet Hop
January 9	Cadet Hop
January 16	Chi Omega
February 6	Kappa Delta
February 13	Cadet Hop
February 20	Alpha Delta Theta
February 27	Cwens
March 4	Boyd Hall
March 12	Delta Zeta
March 19	Cadet Hop
April 9	Cadet Hop

GUEST DANCE

<u>Date</u>	<u>Organization</u>
November 21	Nat. College Press
November 26	Alumni
November 28	Strollers
December 5	Kentuckian
December 17	Pan-Hellenic
February 6	Alpha Gamma Delta
February 6	Delta Tau Delta
February 13	Kappa Alpha
February 13	Alpha Xi Delta
February 20	Lambda Chi Alpha

University Senate - November 23 - con't

GUEST DANCE (con't)

<u>Date</u>	<u>Organization</u>
February 26	Military Ball
February 27	Campus Club
February 28	Zeta Tau Alpha
March 5	Sigma Beta Xi
March 5	Triangle
March 12	Phi Sigma Kappa
March 12	Sigma Alpha Epsilon
March 19	Delta Chi
March 19	Kappa Kappa Gamma
March 19	Alpha Delta Sigma
April 1	Junior Prom
April 2	Alpha Gamma Rho
April 2	Pi Kappa Alpha
April 9	Phi Delta Theta
April 16	Sigma Nu
April 30	Sigma Chi
May 6	SuKy (Mayday dance)
May 7	Strollers
May 14	Phi Kappa Tau
May 21	Delta Sigma Pi
May 21	Kappa Sigma

Dean Boyd requested that action on the recommendation of the Arts and Sciences Faculty of changes in the requirements for the degree of B. S. in Music be postponed until the next meeting.

The following recommendation of the College of Arts and Sciences was approved:

"The faculty also voted to recommend the following as a substitute for the present practice of giving Military Science credit for Band work: 'Band work shall carry Music credit and not Military Science credit. Credit in Band shall excuse from a corresponding part of the required Military Science'."

The special committee appointed to adjust the controversy existing in the Board of Student Publications made the following report which was accepted:

Minutes of the University Senate - November 23, 1931 - cont

"At a meeting of your committee composed of the undersigned appointed by the Chairman of the Senate with power to act in the matter of the controversey between contending elements in the Board of Student Publications concerning the recent appointment by that Board, of editor and business manager, respectively, of the 1931-32 Kentuckian, and editor of the Kentucky Kernel, your committee hereby reports:

That for the best interests of all concerned, it has decided to approve the action of the Board of Student Publications in which the following appointments were made:

Editor of the Kentuckian - Frank Stone
 Business Manager of the Kentuckian - W. F. Hilliard
 Editor of the Kentucky Kernel - William Ardery

This action was taken after due consideration and thorough discussion of the claims of both sides in the controversy.

Signed - Enoch Grehan, Chairman
 C. R. Melcher
 V. R. Portmann

Doctor Vandebosch made a report on the present status of the Faculty Club and urges that members of the Senate support the club.

Ernest G. Gillis
 Secretary