

17 Years of Student Service--Creating a Sound \$31,000 ASUO Business

SO many misconceptions have been circulated on this campus about the University Cooperative store and so many complaints are heard which are often ill-founded and unjust that it seems worthwhile to review the history and outline the present status and business methods of the Co-op.

Before 1916 books were purchased for students and dispensed to them by the University library. The library undertook this function as a service—it had no budget or employee allotment to further the work.

As Oregon grew need was felt on the campus for a student book store. Librarian M. H. Douglass declared the library could no longer extend the service—it had become too much of an additional task for its staff to bear.

In 1916 the associated students voted to establish a book store. It was set up, as an activity, in what is now the University Pharmacy.

WAR years disrupted the student body. The athletic programs were financially very unsuccessful. Coach Hugo Bezdek had an offer of a better position at the University of Pennsylvania. Coach Bezdek wanted to leave but the ASUO owed him \$3500 and saw little possibility for paying him off.

So the ASUO sold its first store to private investors, paid off the coach, and agreed not to go into the book store business for a period of two years.

Private ownership was not a success, however, and in 1920 the executive committee of the ASUO voted once more to enter the field. The present University store was formed, this time as a separate corporation to prevent its sale to meet athletic or other debts. A downtown Eugene bank financed the venture without security, granting a "blue sky" loan of \$5000.

In 1920 Marion F. McClain was graduate manager of the associated students. At the request of President Prince G. Campbell, Manager McClain also became manager of the cooperative store. The books owned by the private firm were purchased for \$3000 and the ASUO was once more launched in the store business.

MEMBERSHIPS valued at \$1.00 were sold to students to obtain capital to run the firm. The investors were given a 5 per cent return on their purchases through cash register slips redeemable at the close of the year. Manager

McClain said the total sum paid out in this manner amounted to more than the total amount gained from memberships but that the Co-op was able thus to obtain the use of the money for the year.

Because it soon became apparent that the business could not be run on a \$5000 basis, the University Supply company was formed in 1921. In order to raise money, faculty members were solicited and the "supply company" turned \$10,000 over to the Co-op to enlarge the working capital.

The student store was, until 1923, housed in the structure at the rear of its present home which is now occupied by a beauty parlor. Manager McClain owned the lot, as he had intended to open a store of his own on the location when he was offered the position as manager of an ASUO store. With outside help, he built the structure which is now in use. First rent was \$100 per month, set by President Campbell. The property was purchased by Dean George Rebec in 1931.

AFTER the first "generation" of students had graduated, discontent was manifest with the "disappearing dollar" membership, for despite the fact that the sum returned to purchased in the 5 per cent on cash register receipts exceeded the amount collected, students who did not save receipts or who did not purchase enough at the store to get back \$1 felt they had been gypped.

The membership system was also unsatisfactory because it was difficult to determine whether non-members should receive a return for receipts. Non-members believed that their patronage made profit and returns possible and that they, too, should get the refund.

The system under which the Co-op now operates was installed at that time. Price of articles were determined before sale to make them available at the lowest possible figure.

Taking the purchase price as a base, cost of selling and a sum for the increase of the store's capital were added and the article was sold at that figure. No profit was taken, except that some money was used to pay off indebtedness and to increase the capital and stock of the store.

During the heyday of prosperity, the turnover once reached \$85,000. Last year it was closer to \$50,000. The "markup" system is still in use.

THE 17 years the present store has been in business have enabled it to grow from nothing to a sizeable and practically a debt-free concern. During the period of growth, the University Supply company investors were paid off and a working capital stock was built up. Doing this necessitated selling articles at higher figures than would have been necessary had the Co-op been an established and well-capitalized business.

Today the Cooperative store could handle a considerably large volume of business than it does. If and when such volume is once more available, the markup figure will be reduced.

The greater volume of business the Co-op handles, the lower are prices since it has now established itself on a permanent sufficiently capitalized basis.

MANAGEMENT of the store has been efficient. An investigation of the books by interested students earlier this year showed an exceedingly close similarity between the markup figure, volume of business, salaries, and other expenses, and rent. Although they fluctuate greatly with years of prosperity and depression, the curves of all these items—compiled by certified public accountants annually—are remarkably the same.

Complaints of students have usually been without background of facts, the perusal of the store's books earlier this year revealed. They are best explained with illustrations of a few of the store's policies.

PAPER, notebooks, folders, and the school supplies most generally in use are sold at the lowest possible figure so that the Co-op can serve the largest number of students most.

This results in low prices on these articles throughout the campus area because commercial firms must meet the Co-op's price on these popular articles to keep the customers coming in.

The biggest loss when textbooks are changed is to the Co-op, contrary to popular belief. The University book store carries the volumes from year to year. When they are changed the books become valueless on this campus. If it is known that they are to be changed a year ahead of the change, the books are taken in at a lower price at the end of the next to the last year of their service—and sold at a lower figure the following fall.

Although their usefulness to the store ends the next spring, they are bought from the students at the figure they can be sold for elsewhere by the Co-op. Changes in books are expensive to the store because they thus involve great changes in the stock.

A survey, made off this campus with figures submitted from the six similar stores on the coast doing a business of more than \$50,000 showed Oregon's operating expenses to be the lowest proportionally. In salaries and every bracket except rent the Co-op was low—and its markup was below that of any of the other six.

RENT, it is to be admitted, is the most expensive item, proportionately. The other five stores had lower rents in percentages but all of them are either occupying their own buildings or housed in a student union.

For this and other reasons Manager McClain has always been more than willing to back a student union building—even to the extent of offering to pay for the building over a thirty-year period.

Last year on a \$50,000 (or more) turnover the Co-op, with markup subtracted, sold its stock for about \$50 less than it cost to bring it to the students. This year the markup has been slightly higher, as the Co-op board is building up a reserve fund with which to purchase new furnishings in the event space in a student union becomes available.

ALL in all, the students have little kick coming. In 17 years Manager McClain has built a fairly strong business from nothing at all.

And during that time student needs have been served much more efficiently than they could have been by an independent concern.

The Co-op is a student owned corporation. Prices cannot be greatly lower, it is true, than they can be in privately owned stores on the present volume of business.

But since the period of building capital stock and repaying debts has been passed, increased trade will mean decreased markups and lower prices.

A careful study of the facts prove the business is sound. And its most efficient years are before it.

From where I SIT

By CLARE IGOE

THOUGHTS ON THURSDAY
I hate thursdays.
I always have felt that way.
Wednesdays, now, aren't bad
because
the week is half over, and besides
lots of things happen on wednesdays.
Fridays, of course, are wonderful.
no one could possibly complain about Fridays.
but look at Thursday,
it's too late to get all the things done you had planned for the first of the week, and it's too early to excuse yourself from doing them because you have to get started on the things you had planned for the weekend
and then it always seems to rain on thursdays.
it may not rain on any other day of the week, but on thursdays a cold grey, disheartening drizzle is sure to greet you as you climb unhappily out of bed, you're probably sleepy, too, because you've had to get up for three days, and it's two more till you can sleep in.
nothing ever happens on thursdays except committee meetings and assemblies.
if you feel like going to a show at night you're foiled, because it's bank night and there'll be a mob at the show, besides there's never anything good on bank night.
anyway, on thursdays you feel that you really should study, because you know you won't get anything done over the weekend and there isn't anything else to do anyway.
nothing sensational or unprecedented ever happens on Thursday, either, because if anyone were going to do something sensational or unprecedented they wouldn't pick Thursday to do it on.
there is only one good thing about thursdays, during the assembly hour it is absolutely justifiable to while away the time one might spend sopping up words of wisdom drinking coffee or playing bridge.
but, even that's not so good because the gnawing of conscience, except to those who are absolutely conscienceless, is definitely annoying.
oh, well, by the time you read this it will be Friday, and I'll be all right,
but I always feel this way on Thursday.

SIDE SHOW

By Bill Cummings and Paul Deutschmann

National

In Biblical times when the people became great in power, so the Bible says, they aspired to build a tower to heaven. But the gods got together and confused the people, and the name of the place became Babel, for the people were confounded and understood not one another.

Yesterday the small business men, 1000 of them, found themselves in much the same position as the worthy tower-builders had some 6000 years ago.

However, it was not because they had too much power, nor yet because the political gods decided to confuse them. The confusion in Washington was brought there by the thousand, and merely represented 5000 different ideas on what to do for, about, and with the small business man.

Only one thing stood out in

the meeting. Every small business man wanted something, just what, perhaps even he did not know, but some of them wanted their plans so severely that they had to be thrown out when they became overly vociferous.

Among the manifold programs desired by the "thousand" are the following strange bedfellows:

1. Establishment of a method to encourage and aid small business in getting loans; curtailment of federal expenditures and balancing of the budget.
2. Ending "unwarranted and malicious attacks" on business by the administration; clarifying the anti-trust laws and increasing the penalties for violations.
3. Making both employer and employe responsible for abiding by mutual labor agreements; repealing or amending the Wagner labor relations act.

Also in keeping with the plan to balance the budget, the "small" men decided that the government ought to take away the capital gains and losses tax, reduce the unemployment tax in stable industries, and base property tax on business on the amount of income. Not to mention the plea that congress set up a body to provide loans for the purchase of machinery, equipment and buildings.

It would seem that the little business men might just as well have written in their ideas to FDR. They would have achieved as much unanimity as they have up to date. And in addition they would not have become the laughing stock of their friends by all trying to talk at once.

IRWIN BUCHWACH,
Gamma Hall.
(Editor's note: The University Cooperative Store is a \$31,000 business at present, although stock turnover exceeds that figure.)

The Co-op pays rent at the rate of \$2400 yearly, not \$3600. It has not paid that sum during the 17 years of its existence, rent having been fluctuated more or less with business conditions.

The \$2400 figure also includes heating the entire building.)

MYSTERY to HISTORY

By GLENN HASSELROOTH

"The Devil and Daniel Webster," by Stephen Vincent Benet, which won the O. Henry memorial award for the best short story of 1937 is now available in two collections, "Thirteen O'Clock," which contains 13 of Mr. Benet's stories, and the O. Henry prize collection, edited by Harry Hansen.

Mr. Benet writes poetry as well as fiction, but his stories bear a stamp of honesty and reality that is not hindered by the poetic influence. Frequently, when a poet turns from verse to prose, he finds himself unable to escape the metrical flourishes he has developed. Mr. Benet, however, tells his tales like a born story teller.

To prove to you that most people will be interested in "The Devil and Daniel Webster" we might tell you that it was the Saturday Evening Post that first published it on October 24, 1936. It still may be out in the woodshed, tucked away in that pile of dusty, rain-soaked magazines. You never can tell.

Alexander Woollcott, who frequently goes "quietly mad" over the books he reads, is turning temporarily to a new field. He will act—yes, act!—a role in a forthcoming Broadway play by S. N. Behrman. Mr. Behrman has written a number of hits, and if the Town Crier turns out to be as good an actor as he is a critic, Mr. Woollcott may not get back to his business of read-and-recommend as soon as he intends.

Prospective writers will find it to their advantage to read two articles published last month in the Saturday Review of Literature. "Those College Writing Courses" by Edith Mirrieles in the January 15 issue discusses trends and effects in the writings of amateurs.

This article is not exactly heartening to the novice. Nor is "The Professional Writer" by W. Somerset Maugham in the January 29 number. Miss Mirrieles teaches English at Stan-

ford, and Mr. Maugham has contributed at least one classic to world literature, so what they have to say can be relied upon.

Now that the shouting about the "best books of 1937 is almost over, we should like to offer our choice, not for the best novel, biography, history, or memoirs published last year, but for the "most funniest book of 1937"—"The Education of Hyman Kaplan" by Leonard Q. Ross.

Vote an adjucashun! Ve big de potment, ve gattin' voice. You should readink abot Hymie Kaplan ven he go to night night school with all kinds antu-insiasm. Van he go dere he lounk how to spall, makink rasitations, prectice vocabulery in book and goink to blackboard and puttink on, saying ok, how to comparink a high-class man like Shakspeer mit a Tante vat's de minnick from "A room is goink arond."

He making som mistakes, bot he ask plenty kvestions. He making fine frans, netcheral! He writink mit two fountain pans the hardest kreises by dip tinkink. Absolutel magnifict!!! (And ve puttink three hexalimination points for Hymie.) He desioves dem.

Ve dont vantink tall you too much abot Mr. Kaplan, bot he's got vot it takes. He knowink lots bettar dan voids, bot he's pratty foist-class, ufeawass. Now dat you have readink de noose-peppers, vy not readink bot Hymie? Hau Kay!

In the Mail

ECONOMICAL CO-OP

To the Editor:

In 1920 the executive committee of the ASUO incorporated a student "Co-op" store. The function of this "Co-op" store was to furnish a convenient and economical organization for the distribution of text books and other classroom supplies.

Although all students have a voice in this cooperative organization, which according to Barney Hall, our student prexy, has an investment of approximately SIXTY THOUSAND DOL-

LARS, it is certainly impossible for this organization to furnish the students economical distribution of supplies at present.

If this organization is going to continue to pay the illustrious dean of the school of philosophy the modest rental fee of THIRTY-SIX HUNDRED DOLLARS a year which, Mr. Frank Drew, the student "Co-op" board president, informs me is the approximate rental fee paid to Dr. George Rebec, it certainly cannot be considered to function on an economical basis. This sum

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