

TELLURIDE NEWS LETTER

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CONVENTION ARRANGEMENTS

Of the seventy-one Association members, thirty-five are definitely planning to attend the Deep Springs Convention, thirteen are doubtful, fifteen are certain they cannot attend, and eight have not yet returned the form sent out by the Arrangements Committee. Probably several of the doubtful group will be able to go to Convention; and it is likely that a few of the eight who have not yet answered will be present at least part of the time, since four of them live in California. In addition there will be at least eight non-members from Cornell Branch and possibly some applicants from the East. Inquiries were mailed to one hundred alumni of whom five indicated that they would attend. A more detailed survey of the probable attendance is enclosed with this issue of the News Letter.

There is no possibility of obtaining rate concessions on the regularly scheduled runs of the airlines, buslines, or railroads because the I. C. C. will not permit special rates without agreement on the part of competitors. This would not preclude the possibility of chartering a bus for the Salt Lake City—Deep Springs trip. For those living in the East who are not driving, the most satisfactory arrangement appears to be to take advantage of the World's Fair—Treasure Island special rate on the train or bus. The names of those who plan to drive are designated on the accompanying list, but as yet this information is not complete.

The work of the Arrangements Committee in planning transportation is temporarily stopped for lack of information from those driving automobiles. We need to know as soon as possible from members, alumni, and friends: 1—place and time of departure; 2—probable route; 3—space available.

The cooperation of everyone in supplying this information will help to reduce the traveling expenses to a minimum. The May issue of the News Letter will contain detailed information on transportation.

CONVENTION PROXIES

The proxy blanks for the 1940 Convention have been distributed to Association members. It is hoped that members will select their proxies as far as possible from the list of members planning to attend Convention. If members wish to indicate relative preference for their representatives, they should number their lists accordingly.

OUR SOUTH AFRICAN REPRESENTATIVE

Timothy G. C. Henderson from Natal, South Africa is a resident guest at the House this term, having been invited by the Branch at mid-semester time. "Tim" is a junior in the Agricultural College and is doing special work in agronomy and animal husbandry. He plans to return to South Africa after graduation to enter the government service.

ADVERSE DECISION IN LOAN ASSOCIATION CASE

By Harvey R. Wellman

On February 8, 1940, the California Supreme Court handed down a decision of importance to Telluride Association.* The Association held investment certificates, unsecured short-term debentures, bearing a fixed interest rate of 5 to 7%, in the Pacific Coast Building-Loan Association of Los Angeles. These certificates were entitled to full payment in liquidation before any payment was made to stockholders or shareholders. On January 11, 1932, the association became insolvent, and the California Building and Loan Commissioner took possession of its assets. Investment certificate holders were paid the principal and interest up to the date of insolvency. But there was accrued interest due on the certificates for the period of liquidation, amounting to \$500,000. The commissioner asked the court what he should do. The Supreme Court, reversing the District Court of Appeals, and restoring the decision of the Superior Court of Los Angeles county, directed that the membership shareholders be paid the principal before these interest payments were made on the investment certificates. Since the remaining assets are insufficient to pay the principal of the shareholder's obligations, the investment certificate holders will receive nothing further. The petition for rehearing has been denied, so that the issue is closed. Since *Erie v. Tompkins*** , it would be of no avail to go to the federal courts, for they would follow the highest court of California.

It is agreed that creditors of a corporation are entitled to be paid in full before anything is paid to stockholders. But the question whether security holders in an unincorporated association, authorized by California statute, are creditors or stockholders is one to which high court judges give different answers. The capital structure of the association consisted of guarantee stock at the bottom, then membership shares, and investment certificates at the top. The guarantee stock was certainly common stock and the investment certificates, bonds, but the membership shares were hybrid securities.

The Supreme Court majority, finding the shares to be non-assessable, withdrawable, subject to forced retirement, and available as security for loans, concluded that the shareholders were inferior creditors. Therefore, the investment certificates received only the statutory preference as to principal. Thereafter the shareholders must be paid their principal.

The lower court and one dissenting Supreme Court justice thought that the membership shareholders were really owners, along with the guarantee stockholders, although their rights were different. They had received dividends of 8% and 9% equally with the stockholders.

(Continued on Page 4)

TELLURIDE NEWS LETTER

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Editor WILLIAM J. BOWMAN
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LOUIS MACNEICE

For the second semester, the Branch has as its guest Louis MacNeice, the well-known Irish poet. During this time, as visiting lecturer, Mr. MacNeice is giving courses at the university in poetry and literary criticism. A son of the Rt. Rev. the Lord Bishop of Down and Connor and Dromore in Ireland, he was educated in England, graduating from Merton College, Oxford in 1930, with highest honors, after which time he has lectured in classics at the University of Birmingham, and in Greek at Merton College in London University.

Mr. MacNeice's name is associated with the group of contemporary poets which includes W. H. Auden and Stephen Spender, and he has written a book in collaboration with Auden, *Letters from Iceland*, in 1937. Among his published works are *Blind Fireworks*, undergraduate verse; *Poems*, 1935; *Out Of The Picture*, a verse drama; *The Earth Compels*; *Modern Poetry*, a critical work; and *Autumn Journey*, 1939. A critical study of W. B. Yeats has recently been completed by Mr. MacNeice for the Oxford University Press, and an edition of his complete poems to date is being prepared by Random House.

Last year, Mr. MacNeice visited America for a month, lecturing at such universities as Harvard, Princeton, and Wellesley. During his stay at Cornell, in addition to a series of public lectures here on various aspects of modern poetry, he has made short trips to lecture at Vassar, Buffalo, and Northwestern. Expressing himself as liking America very much and finding New York and its people most exciting, he feels that American literature has greater potentialities than English, since it is not so set in tradition and social patterns. Mr. MacNeice has been a welcome addition to Branch life, entering into interesting discussions of literature, English undergraduate life, and of his friends, Auden, Isherwood, and Aldous Huxley.

FELLOWSHIPS AND JOBS

Ward Goodenough will work during the coming year as research assistant at the Institute of Human Relations, Yale University. His work begins July 1.

Robert Sproull has been granted a \$600.00 President White Fellowship for graduate study in Physics at Cornell next year. Graduate student Bill Spalding is the recipient of a \$600.00 fellowship for study in History at Harvard.

Paul Swatek will go to work for the Carnegie-Illinois Steel Corporation at their Edgar Thomson Works in the Pittsburgh District on August 1. Swatek graduates as top man in the Cornell Civil Engineering School this June.

Bill Bowman has accepted a job in the Personnel Department of the Aluminum Company of America's Massena, N. Y. plant and goes to work on July 15. Bowman is graduating from the Arts College in June.

BRANCH ENTERTAINMENT

The past six weeks have been marked by a steady and varied program of entertainment. An informal tea was held March 18 for Mr. Paul Hindemith, the noted German composer, who is living at the Branch while in Ithaca for his weekly lectures. Gilbert and Sullivan's "Princess Ida" preceded an informal dance on March 23. Post vacation entertainment began with a faculty-student beer and poker party on April 20, and a Sunday evening entertainment the following night in which Mr. Louis MacNeice told us of his experiences in Barcelona just prior to the end of the Spanish Civil War. On the evening of April 28, Walter Barlow presented his piano recital.

Mr. Thomas D. Kendrick, curator of British and medieval antiquities in the British Museum, is the Messenger lecturer for this year; his subject is "The Art of the Anglo-Saxons." Mr. Kendrick arrived on April 6, and is the guest of the Branch during his stay at Cornell. Dean Kimpton arrived in Ithaca for his annual spring visit on March 21. President Robley Williams visited the House on the week-end of the 23rd to confer with Dr. Kimpton and Branch members on Convention plans.

Gustaf Munthe, an authority on Scandinavian Arts and Crafts, Mr. Remark, a German refugee studying at Queens College, and Schiff Foundation lecturer M. Leiber-ton visited the House recently. John Niederhauser and Robert Sproull entertained their parents at the Branch during March.

Mr. H. H. Lamberton and Mr. C. B. Murray, Paul Smith trustees, paid another visit to the House on April 12. Hary Laidler and Roger Baldwin, guest participants in a "conference on native liberalism," stayed at the Branch on the week-end of April 13. Member John Edgerton visited Ithaca on the same week-end.

Prospective Deep Springers Ralph Dressel, Charles Keene, and Michael Moss visited the House on April 18, and Alumnus C. H. Shaaff and Member Bob Huffcut were here during the same week.

ENDOWMENT COMMITTEE

In spite of the generous response of numerous members and alumni of the Association, the Endowment Committee has been forced to extend its previously announced deadline of April 1 on contributions to the Deep Springs cottage. The Committee has in the bank or definitely pledged almost \$3,200.00, a little over three-fifths of the minimum desired by the 1939 Convention.

All those who have made pledges are urged to redeem them on the dates promised; this will save time and money of the Committee and of local area chairmen.

The Committee also asks that all who have not yet indicated that they will contribute, but who would like to give something to the fund, do so soon. Checks will be receivable until Convention time, and should be made payable to the Endowment Committee of Telluride Association, not to any one of the persons serving on it.

Lieutenant-Colonel Rufus W. Leigh has been retired from active service in the U. S. Army. Early in May he will make an extended trip to California. His address will be 1015 Orilla del Mar, Santa Barbara.

Michael Norton Yarrow was born at 11:05 p. m. on 8 March, to Dr. and Mrs. C. H. Yarrow. Weight: 8 lbs. 6 oz.

DEEP SPRINGS NOTES

By Herbert Gustafson

After a restful and refreshing spring vacation the Student Body settled down to the intensely busy period preceding the end of the school year with renewed enthusiasm. While academic work suddenly seemed to accumulate, other activities have received a proportionate amount of attention. Sufficient time was found to take a three day trip to Saline Valley April 20-23.

Saturday night, April 13, the photographic committee showed the sound movie, "Show Boat," at the school. There was some difficulty securing permission to show commercial movies, since the producers' union felt it would be competing with the Bishop theatre; but after it was demonstrated that Deep Springers rarely attend Owens Valley theatres, permission was granted. Along with the feature picture was a short reel of skiing with Hans Schneider.

In his capacity as gardener Jack Green launched an ambitious tree and shrub planting program this spring. The labor crews cut down the old apple orchard at the lower ranch, and new apple and peach trees bought from a nursery will replace them. In addition pear, locust and Siberian elm trees were placed along the main roads, and along some of the irrigation ditches as well. The supervisors of two power plants in the Sierra Nevada Mountains have cooperated by giving Green a number of tree shoots and shrubs. Several varieties of flowers have been planted at different places around the school buildings, and Kentucky Blue Grass placed in the circle in front of the main building. Faculty members Gorrell and Kelly spaded the ground around the front of their cottages, also putting in grass and flowers, and some cactus shrubs. Not to be outdone by their neighbors, Ranch Manager Rust and Instructor Lavatelli have been landscaping the lower ranch. Several students are experimenting with a small tract of land opposite the dairy barn, seeding it with various types of vegetables and flowers.

Dr. John Olmsted and Mrs. Olmsted accepted the Student Body's invitation to visit the school on the weekend of April 6th, bringing along Professor and Mrs. Charles Mowat. Both men talked on various phases of "The Enlightened Despotism of the Eighteenth Century." Professor Mowat is the son of R. B. Mowat, well-known English Historian.

Dr. Joel Hayden and family visited Deep Springs on March 7. Dr. Hayden, as Headmaster of Western Reserve Academy, located in Hudson, Ohio, recommended for admission to Deep Springs several members of the present Student Body.

Mr. Boothe and Mr. Coulter from the Inyo National Forest Service were scheduled to give talks on Sunday, April 14. Unfortunately, while looking over the range down by the lake, their car stuck in a water bog, where they remained for the rest of the day. They made a more successful trip later in the week, however, at which time they discussed phases of forest service work. Captain Otto Buer of the State Highway Police made another strictly friendly call at Deep Springs, showing several films as part of an automobile accident prevention drive. During the last week of April Mr. Lecky of the Department of History at U. S. C. visited the school and lectured to some of the classes.

The administration is still receiving bids and esti-

mates for the new faculty cottage from contractors on the west coast. Final decision on the cottage will be delayed until the May meeting of the Trustees when the Board will thoroughly discuss the plans.

Pictures of this year's spring trip have been on display, and surpass in both quantity and quality those taken in past years. Several hundred feet of film were taken with the institution's movie camera, as well as a number of colored still pictures by Dave Spalding.

The outside labor of the students has been confined to finishing the projects mentioned in the last News Letter. The tedious task of cleaning irrigation ditches by hand has been eliminated to a certain extent this year. Instead, a plow-shaped scraper and team of horses are used, doing the job much more efficiently, and allowing the students to concentrate on more individual projects.

Dr. Kimpton returned to Deep Springs April 22, completing his eastern tour. He met a number of very good applicants, and the selection of next year's first year class will begin around May 1st.

ADDRESS CHANGES

David Bonnett, 1360 E. So. Temple, Salt Lake City Utah.

J. F. Brauner, Columbia Broadcasting System, 485 Madison Ave., New York City.

D. J. Carnes, 723 Brighton Ct., San Diego, Calif.

Paul Cadman, American Bankers Assn., 22 E. 40th St., New York City.

E. B. Henley, 125 Heights Court, Ithaca, N. Y.

Barclay M. Hudson, 190 East End Ave., New York City.

R. J. Huffcut, 1601 Ohio St., N. W., Washington, D. C.

Lt.-Col. R. W. Leigh, 1015 Orilla del Mar, Santa Barbara, Calif.

L. P. Lumpee, Payette, Idaho.

R. H. Mansfield, 2218 D. St., Bakersfield, Calif.

D. H. McAllister, State Building, Los Angeles, Calif.

Dr. Michel Pijoan, 995 Memorial Dr., Cambridge, Mass.

F. J. Rarig, 402 Oxford St., Arlington, Va.

Morgan Sibbett, Group Health Assn., 2808 28th St., N. W., Washington, D. C.

Stanley Stokes, Union Electric Co. of Missouri, 315 N. 12th Blvd., St. Louis, Mo.

Talma Tanner, 1040 N. El Molino Ave., Pasadena, Calif.

C. N. Whitman, Whitman, Dey & Nier, 915 Genesee Valley Trust Bldg., Rochester, N. Y.

Ward Goodenough led student liberals here at Cornell in preparing and holding a conference on Native Liberalism. Distinguished liberals who participated in the round-table discussions included Roger N. Baldwin, Ralph Borsodi, Harry W. Laidler and Alfred Snyder.

Ed Cronk and Jim Tucker represented the Cornell Debate Club recently in a debate with students from Washington and Jefferson College.

ADVERSE DECISION IN LOAN ASSOCIATION CASE

(Continued from Page 1)

They had voting power; that their interest was ten times that of the stockholders, and that 29 out of 50 stockholders were membership shareholders gave them the power to control the association despite the provision that 5 out of 9 directors must be guarantee stockholders. The right to withdraw, which gave them the power to convert their interests into creditors' interests was lost when insolvency intervened.

It would seem that the dissent has the better of the argument; the shareholders appear to be owners, not creditors. They cannot control the association and share its profits in rich years, and then claim to be creditors when the business fails. But the facts are presented; let the reader judge.

*Drapeau v. Custodians of Telluride Association. 99 Pac. (2) 25 (1940) reversing 84 Pac. (2) 260 (1938)
**304 U. S. 64 (1937)

SIBBETT IN GROUP HEALTH ORGANIZATION

The News Letter is pleased to report that it has at last dissipated the mystery of the whereabouts of Member Morgan Sibbett. Sibbett returned from his oil-digging ventures in Arabia last September, and on January 1 accepted an executive position with the Group Health Association in Washington, D. C., the cooperative organization formed to provide medical services and hospitalization to Federal employees in Washington. He writes: "You probably wonder what a one-time 'plumber' is doing in this field. Just reflect, however, that this is nothing more than a modest business venture, with typical problems of accounting, statistics, and business administration that should interest any engineer. It is furthermore a pioneering type of co-operative, a general field, by the way, which I would heartily recommend to any Tellurider." Sibbett's Washington address is 2808-28th St. N. W.

ADDITIONS TO THE ASSOCIATION HISTORICAL FILES:

Oil and Gas Interests in New York: Statutory Conflicts, by Parker Bailey, from Cornell Law Quarterly, Vol. XXV, No. 1.

Changes in Shoshonean Indian Culture, by Dr. J. H. Steward, Senior Anthropologist, Bureau of American Ethnology, in The Scientific Monthly, Dec., 1939.

Photograph of members of Boise Branch of Telluride Association with background of the 140 Main St. home, taken 2 March, 1913. Presented by Olof Swenson.

Spectrophotometric Determinations of Stellar Temperatures, IV; An International Comparison of Standard Lamps, by Dr. R. C. Williams. Publications of the Observatory of the University of Michigan, Vol. VIII, No. 2.

President Robley Williams spoke at a Cornell Club of Michigan luncheon on March 14. His subject: "Where in the World Are We?" !

Alumnus Tom McFadden, he too a loyal Cornellian, was arranger and toastmaster for the Cornell Club of Washington's Founder's Day celebration on January 11.

SOFTBALL HOLIDAY

Twelve branch members traveled south during the Cornell spring vacation as part of a team playing softball. The University granted permission for the team to represent Cornell, and games were played at Orangeburg, S. C., Savannah, Ga., St. Petersburg, Fla., and Charleston, S. C. Three of these games were rather discouraging losses by one run; the 6-1 loss at St. Petersburg was to a championship team.

The trip was made in four cars driving about 3,000 miles. A share of the gate receipts at some of the games paid about a third of the expenses. The team spent time sight-seeing in five states and enjoyed an afternoon of swimming in the Gulf at St. Petersburg. The sun and warm weather was very welcome after an Ithaca winter.

The team was royally entertained at Orangeburg by the Wannamaker family and their friends. Mrs. Marian Burfoot of the Cornell Geology Department had told them of the trip, and they arranged a very enjoyable stay there. Through their efforts the team was invited to spend two nights at the Citadel in Charleston and was privileged to attend their Senior Hop.

NECROLOGY

Older members of the Association will be sorry to learn of the death on 10 February of Mrs. Joseph Campbell, wife of Mr. Joseph Campbell, the contractor who built Telluride House for Mr. Nunn. Mrs. Campbell, who had not been in good health for several weeks prior to her death, died at the age of 73. Mr. Campbell on 1 January became the Mayor of Ithaca.

Orin Ashton, 63, manager of the American Fork district of the Utah Power & Light Co. and prominent Utah County Democrat, died in Salt Lake City 10 February following a throat operation. Mr. Ashton worked for a number of years with the Telluride Power Co. at Lehi and Mercur and will be remembered by many Association Alumni. He is survived by Mrs. Ashton, three sons and a daughter, and four grandchildren.

Constitutional Member Stanley Stokes is Consulting Electrical Engineer with the Union Electric Co. of Missouri, at St. Louis.

Robert Mansfield continues his work with United Geophysical Company, at Bakersfield, Cal. He is working over seismic data to get a regional map of structures under the southern end of the San Joaquin Valley, for use in exploration and lease of oil lands. He is mapping up hills and valleys around 14,000 feet below the flat floor of the Valley.

James H. Moore, Jr. participated in the 46th annual '94 Memorial Prize Debate. The topic: "What change in the foreign policy of the United States is most needed?"

Bruce C. Netschert was one of the seven musicians who survived the regional competition, in Ithaca, for the all-American student symphony orchestra which Leopold Stokowski will conduct on a tour of Central and South America this summer.