

TELLURIDE NEWS LETTER

Publication of Telluride Association

VOL. XXIV, No. 6

ITHACA, NEW YORK

POST-CONVENTION, 1938

1938 CONVENTION AT ITHACA

The 1938 Convention opened on schedule at 10 a. m. on the 20th at Telluride House with a quorum present, and it adjourned at 5:30 p. m. on the 25th. Fifty-one members of the Association attended all or part of the sessions of the Convention, and all of the remaining 20 members were represented by proxy, with the exception of W. F. Sullivan. President Bailey presided, and R. M. Gorrell and Harry Scott assisted Secretary Bonham Campbell.

Convention Visitors

Dr. E. E. Day, President of Cornell University, was a luncheon guest of the Convention.

Other guests of the Convention, identified with Deep Springs and the Association, were C. M. Ashley, W. L. Biersach, Sr., H. W. Briggs, Professor G. L. Burr, Harry Caplan, David Durand, Walter French, E. M. Johnson, J. R. Johnson, D. S. Kimball, L. A. Kimpton, P. O. Reyneau, C. H. Schaaff, I. L. Scott, E. A. Thornhill, H. R. Waldo, and C. N. Whitman. Numerous Association candidates attended Convention.

Convention Committeemen

The Chairmen of the Convention Committees were: Anderson Pace, Arrangements and Credentials; P. H. Reinhardt, Cornell Branch; C. H. Yarrow, Deep Springs; A. W. Kelly, Finance and Investment; W. B. Kuder, Judiciary; D. D. Matson, Membership; E. W. Ohlinger, New Branch and Endowment; C. C. Colingwood, Resolutions.

The number of candidates was so great that the Preferment Committee was divided into two sections. Morgan Sibbett was Chairman of Division I, which interviewed men without previous Association experience; C. L. Dimmler was Chairman of Division II, which interviewed men with previous Association experience.

Officers Elected

President Parker Bailey, Vice-President J. H. Burchard, and Secretary Bonham Campbell were re-elected for the coming year. The Custodians elected by the Convention are J. H. Burchard, J. S. deBeers, F.

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GEORGE LINCOLN BURR

ASSOCIATION MEMBERSHIP

The 1938 Convention admitted seven new Association members. It declared vacant the membership of six men, and this, with the vacancy caused by the death in April of Milton H. Wright, Jr., left the Association membership at 72 at the close of the Convention.

The memberships declared vacant were those of Carl G. Allen, Robert T. Falconer, John M. Newell, Robert D. Richtmyer, William F. Sullivan, and Simon N. Whitney. The new members are:

Robert W. Anderson, of Falconer, N. Y. Anderson was graduated by Cornell in 1935, taught at Deep Springs during 1936-37, and received his M. A. this June while a resident scholar at Cornell Branch. Thesis: *The Powers and Authority of the Securities and Exchange Commission*. Anderson is an assistant in the Department of Government.

William J. Bowman, of Richfield, Utah. A resident scholar at the Cornell Branch for two years in economics and government, Bowman expects to enter law school.

Vincent W. Cochrane, of Macedon, N. Y. For one year a resident scholar at the Cornell Branch, Cochrane will next year be a senior in the College

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PROFESSOR BURR DIES

Professor George Lincoln Burr, since 1915 resident scholar at Cornell Branch, died at the Ithaca Memorial Hospital the afternoon of Monday, 27 June, in his 82nd year. Stricken by apoplexy at Telluride House early Saturday morning, the final day of the Convention, Professor Burr died without regaining consciousness.

Professor Burr spent most of the past two years in the Henry C. Lea Library at Philadelphia getting ready for the press his notes on the history of witchcraft, and he returned to Ithaca in May rather worn and tired from the great labor he had completed. He spent the last month of his life quietly working in the quarters designed for Mr. Nunn. He met numerous of his old faculty colleagues during this time, and he enjoyed much the renewal of friendship with Association members and Alumni returning to Convention.

The body was cremated, and burial services the afternoon of the 29th at the Lake View Cemetery were in accordance with Professor Burr's written instructions, "simple and without flowers."

J. R. NUTT FUND

Treasurer Biersach announced to the Convention that Mr. J. R. Nutt, of Cleveland, had mailed a check for \$100.00 for the use of the Association. This gift, one of a series covering almost 20 years, was added to the J. R. Nutt Fund as part of the endowment of the Association. The J. R. Nutt Fund with this addition now amounts to \$12,579.96, the most substantial gift received by the Association since the original endowment.

PROXIES DISCUSSED

The Convention Credentials Committee brought to the floor the old and perplexing problem of apportionment of proxies of absent members.

The Constitution specifies that each member may hold not more than two proxies, thereby raising at once the question of whether two

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TELLURIDE NEWS LETTER

PUBLISHED BY
TELLURIDE ASSOCIATION
ITHACA, NEW YORK

Editor J. S. Niederhauser
Post-Conv. Editor E. M. Johnson

POST-CONVENTION, 1938

"LIBERTY IS A LIFE . . ."

A few days before his death, Professor Burr autographed his picture for the "boys of Telluride" and added a line from his *Loyalty and Liberty*—"Liberty is a life: Live it!" Perhaps no Association member who has lived in the Cornell Branch with Professor Burr during the past 23 years could express so succinctly the essential quality of spirit and mind as Professor Burr has himself written it—and lived it, too, every day of his life. Freedom of expression, freedom of mind, freedom of spirit were more to Professor Burr than mere subject-matter for academic editorializing: they were the inflexible governing force of his life. He was one of those rare human beings who combined qualities of personality and intellect and character, but these qualities were dominated and spiritualized by his crusading love for freedom. All of us can recall his flashing anger and vehement eloquence when he saw about him attacks upon the freedom of man by bludgeoning force or by stealthy intrigue. Never in the life of the Association are we ever likely to have another like Professor Burr. He stands next to the Founder of the Association himself in the influence he has exerted in the shaping of those qualities which we cherish as the principles of Telluride Association.

"Liberty is a life: Live it!"

1939 Convention

The 1939 Convention will convene at Telluride House, Ithaca, at 10 a. m., on Monday, 19 June.

H. R. Waldo, on behalf of the Trustees of Deep Springs, extended the invitation of the Board to the Association to hold the 1939 Convention at Deep Springs. This generous invitation was discussed by the Convention, but it was decided, in view of the greatly added cost of holding Convention in the West, to meet in Ithaca.

ASSOCIATION MEMBERSHIP

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of Agriculture, specializing in plant pathology.

Robert J. Huffcut, of Buffalo, New York. Huffcut was graduated this spring from Cornell in economics. He intends to work a year or so, probably with the Federal Trade Commission, returning to the university for graduate study.

Austin H. Kiplinger, of Washington, D. C. Kiplinger has completed three years of work at Cornell, the last as resident scholar at the Branch, preparing for work in journalism.

Bruce C. Netschert, of Little Falls, N. J. After one year at the Branch as resident scholar, Netschert was advised by the 1937 Convention to work a year before continuing his undergraduate study in paleontology. He spent the year as a payroll clerk, supplementing his income by giving lessons on the French horn.

Robert Lamb Sproull, only candidate this year who has attended Deep Springs, comes from Morris, Ill. Sproull intends to major in physics.

Toss-Out Amendment

The Convention passed the following resolution: That the Permanent Judiciary Committee be instructed to bring before the 1939 Convention of Telluride Association a suitable constitutional amendment providing for the vacation of membership by a majority of the Association.

Membership Requirements

In his report to the Convention, Chancellor Johnson expressed the opinion that the constitutionally required papers in fulfillment of membership do not give information on candidates commensurate with the amount of work spent on them by either candidates or Membership Committeemen.

The Constitution at present calls for a "thesis" on the purpose and plan of the Association and an "essay" on the general principles of democracy and government. The Convention instructed the Permanent Judiciary Committee to submit at the 1939 Convention an appropriate amendment eliminating the essay on democracy as a requirement for membership.

TRACKSTER SCOTT SAILS

Member Harry Scott will sail on the *Normandie*, July 13, with the Cornell-Princeton track team for the bi-annual meet with Oxford and Cambridge in London on July 23. He is one of nine Cornellians making up the combined Cornell-Princeton team of 20.

Two other Association members, Sam Levering and Robley Williams, made the trip in 1930. The team travels as a group to Paris after the meet, and then the individuals are free to return as they choose. Scott plans a four or five weeks' trip through Germany, Italy, and France.

E. L. G. Zalinski, alumnus of Deep Springs and former guest at the Cornell Branch, has been granted the degree of Master of Business Administration by Harvard University. Zalinski has begun work with the New York Life Insurance Co. as Organizing Agent. Office, 60 E. 42nd St., New York City. He plans to continue his education by studying law at night school in New York City.

1938 CONVENTION AT ITHACA

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S. Laise, and S. R. Levering. J. S. Niederhauser was elected Editor of the *News Letter*.

1938-39 Committees

Cornell Branch Guest Committee: E. M. Johnson, Ch.; Asst. Prof. W. H. French; Prof. L. C. Petry; and President and Vice-President of Cornell Branch, *ex officio*.

Suspension Committee: Christopher Morley and F. J. Rarig.

Permanent Finance Committee: A. B. Campbell, Ch.; T. S. Dunham, Vice-Ch.; W. J. Bowman, E. B. Henley, A. H. Kiplinger, B. C. Netschert, Harry Scott, R. L. Sproull, G. S. Stewart, and E. P. Swatek.

Permanent Judiciary Committee: W. B. Kuder, Ch.; A. E. Arent, W. A. Bannister, and H. G. Hayes.

Endowment Committee: C. C. Collingwood, Ch.; V. W. Cochrane and R. M. Gorrell; and Parker Bailey, E. M. Johnson, *ex officio*.

Redecoration of Telluride House: H. E. Atkinson, Ch.; C. C. Collingwood, Christopher Morley, and E. C. Rust.

Committee to Cooperate with the Trustees of Deep Springs in Filling Vacancies on the Board: Parker Bailey, Ch; R. B. Aird, and J. H. Burchard.

PROXIES DISCUSSED*(Continued from Page 1)*

proxies are considered desirable or merely allowable if necessary. The Committee pointed out the natural tendency for proxies to be duplicated year after year, especially those proxies which represent older men who have not attended Convention in some years. This effectively results in a small group of the older and better known men retaining a voting power of two or three times that of their fellows in this democratic organization. The Committee felt this practice open to criticism, particularly where the proxy-holder has not seen or heard from his proxy in a number of years.

It is always difficult for the Credentials Committee to satisfy explicit orders of preference, the Committee pointed out, since no man may hold more than two proxies. This means that if a given man is chosen as No. 1 proxy-holder by four absent members, the Committee must decide upon the two members who cannot be represented by this particular individual. It was specially difficult for the Committee to decide upon order of preference this year, since the proxy form stated that "any one of the following" might represent an absent member. In those cases where members had not taken the pains to specify order of preference on the forms, or in those cases where the members took literally the wording of the forms, no systematic order of listing could be decided upon in Committee, which was faced with the alternative of attempting to spread the proxies evenly or of letting the proxies concentrate as the statistics directed.

After discussion on the floor, the Credentials Committee was instructed to consider the proxy forms as indicating a two-column list, with the order of preference to be taken from this listing.

TRUSTEE SUHR RESIGNS

At the May meeting of the Trustees of Deep Springs, Mr. O. B. Suhr resigned because of ill-health, thus creating the first vacancy since the establishment of the Board. Mr. Suhr was for many years connected with the Nunns in their various activities, and it was only natural that Mr. L. L. Nunn should select him

*(Continued on Page 4)***PREFERMENT**

The privileges of Telluride House were granted to 29 men for the academic year 1938-39, as follows: (Additional cash preferment is indicated, if granted)

W. G. Barlow, \$200; F. H. Bird; W. J. Bowman, \$400; Professor George L. Burr, who was stricken on the final day of the Convention and died 27 June; Bonham Campbell, \$400; Walter Cerf; V. W. Cochrane; C. C. Collingwood, \$400; T. S. Dunham, \$200; J. D. Edgerton; W. H. Goodenough; R. M. Gorrell; R. B. Henderson; E. B. Henley, \$200; R. J. Huffcut; Gordon Kiddoo, selected by Cornell Branch Guest Committee with tuition paid by Cornell University; A. H. Kiplinger; Teh-chang Koo; Professor H. D. Laube, selected by Cornell Branch Guest Committee; I. R. Merrill; Christopher Morley; Professor P. E. Mosely, selected by Cornell Branch Guest Committee; B. C. Netschert, \$400; J. S. Niederhauser, \$200; Morrison Rutherford; Harry Scott, \$200; R. L. Sproull; G. S. Stewart, \$200; E. P. Swatek, \$300.

In addition to the foregoing at Telluride House, the following cash scholarships were granted:

R. W. Anderson, to attend Princeton University, \$200; H. E. Atkinson, for travel and study in Europe, \$800; Walter Balderston, to attend Cornell University Graduate School, \$250; F. H. Bullen, to attend Harvard University, \$400; J. H. Burchard, to attend Yale University, \$500; W. J. Fellows, to attend Union Theological Seminary, \$250; R. N. Kleps, to attend Cornell Law School, \$200; George Manner, for travel and study in Europe, \$600; D. D. Matson, to attend Harvard Medical School, \$600; F. J. Rarig, to attend Cornell Law School, \$250; P. H. Reinhardt, to attend Stanford Medical School, \$200; O. J. Sweeting, to attend Cornell University Graduate School, \$300; R. C. Williams, to publish papers on stellar spectroscopy, \$300.

The privilege of summer residence at Telluride House was granted Walter Balderston, Michael Barton, Bonham Campbell, and George Manner.

Henley, Kleps, and Rarig receive half their tuition from the Association and the remainder from the Cornell Law School.

DEEP SPRINGS

"The past year at Deep Springs has been one of achievement and effective work," said the Chairman of the Deep Springs Committee in his report to the Convention, "and the major problems it confronts are not those of the actual operation of the school. According to all reports, management, faculty, and students have worked together with a minimum of friction to complete a good year. We commend the initiative and sense of responsibility of the Student Body as evidenced by the efforts of the Application and the Lecturer Committees. We also highly commend the improvements made in Deep Springs' physical property, in its administration, and in its curriculum, due to the efforts of Dean Kimpton and Mr. Kelly. Although criticisms might be made, the record justifies our confident expectation that Deep Springs will continue to make good use of its possibilities.

"Further physical improvements are considered necessary, in addition to the heating system and redecoration done last year. Deep Springs will require \$10,000.00 from Telluride Association if the projected boarding house heating unit, the filtering system, and other projects are to be completed. We therefore recommend that Deep Springs be granted \$10,000.00. The financial situation is still serious. To keep the physical plant in condition, and to foster academic work by enlarging the library and providing more adequate salaries for the nucleus of permanent faculty members which Dean Kimpton desires to create, more funds are needed."

The Convention appropriated \$10,000.00 for the use of Deep Springs.

INCOME

The 1937-38 income of the Association was \$64,078.27. Seventy-five per cent of this sum (\$48,058.70) added to the \$34,352.82 in the Reserve Account at the opening of the Convention, made \$82,411.52 available for appropriation. The 1937-38 income was about two thousand dollars less than that for the preceding year.

In his report to the Convention, Treasurer Biersach admonished caution in making appropriations and suggested additions to Reserve "to prepare for future reverses."

TRUSTEE SUHR RESIGNS*(Continued from Page 3)*

from among his old associates when he made up the Board of Trustees for Deep Springs. For some years, Mr. Suhr was Director at Deep Springs, in addition to being on the Board of Trustees, and during the year 1926-27 Mr. Suhr was Acting Chancellor for the Association as well as Director.

The Convention passed the following resolution in connection with Mr. Suhr's resignation: "Whereas, Mr. O. B. Suhr has for many years given faithful and untiring service to the promotion of the purpose of Deep Springs and Telluride Association, and, whereas, his friendship for and interest in the successive groups of members has been a constant inspiration, be it resolved, that the members of Telluride Association hereby express their gratitude to him and assure him of their hope that his friendly counsel will continue to be available, despite his formal relinquishment of his duties as a member of the Board of Trustees of Deep Springs."

The successor of Mr. Suhr on the Board has not been named. In its report to the Convention, the Deep Springs Committee said that "the close relationship of Telluride Association and Deep Springs naturally affects us with a concern in the selection of a man to fill the place of Mr. Suhr. For the last two years the President of the Association or his representative has at the Trustees' suggestion attended at least one of their annual meetings, and it might appear that the President could serve as our envoy in this matter. However, the task of suggesting and investigating a possible successor and conferring with the Trustees is one more adequately handled by a committee." The report of the Deep Springs Committee was discussed on the floor and the following resolution passed:

Be it resolved that a Committee of three be created, composed of the President of Telluride Association and two elective members, said Committee to have full powers to cooperate with the Board of Trustees of Deep Springs in the selection of suitable successors to fill vacancies in said Board.

R. B. Aird and J. H. Burchard are the members to serve on the Committee with President Bailey.

LAW NOTES

Members Ralph N. Kleps and Frederick J. Rarig, second-year law students at Cornell and members of the Cornell Branch, were married at the close of the Convention.

Kleps and Miss Patricia S. Prescott, of Sandy Creek, N. Y., were married Saturday, 25 June, at the Episcopal Church, Skaneateles, N. Y. Mrs. Kleps was graduated from the College of Home Economics this June.

Rarig and Miss Reva M. Schoenberg, of Rochester, N. Y., were married Sunday, 26 June, at Rochester. Mrs. Rarig has just completed her second year at the Cornell Law School. The Rarigs will live in Ellis Hollow, near Ithaca, and will continue their law work next year.

CONVENTION EXPENSE INVESTIGATION

"The time has come," said President Bailey in his report to the Convention, "to reconsider the arbitrary by-law which provides that members in attendance at Convention be reimbursed only to the extent of three-fourths of their traveling expenses. Strange as it may seem, I believe there is still a misapprehension in some quarters to the effect that even the appropriation of this portion of the expenses may be at the whim of a given Convention. A mere reading of the language of the provision in question will remove any doubt on this point. The language is mandatory as far as the Association is concerned. No member who does not feel disposed to put in an expense account could be compelled to do so, but on the other hand no member should have any qualms about putting in an account pursuant to the above provision."

"Before presenting the arguments for amendment," continued Bailey, "it may be well to review briefly the history of the provision for payment of convention expenses." At this point, Bailey reviewed the history and development of the Association policy up to 1925 when the present provision was enacted.

"The present provision purports to treat every member alike," said Bailey, "yet the inference of such treatment necessarily presupposes that all members incur equal traveling expenses. In other words, the apparent 'equality' of treatment consists only in paying to each member in attendance the same fraction of

the expenses incurred. The results are grotesquely unfair to all the members who reside in the West, as long as we maintain our usual practice of holding most of our Conventions in Ithaca. A member residing in San Francisco is compelled not only to expend far greater time and effort in attending a convention than any of his Eastern brethren are required to contribute, but he must also expend an amount of money which would be sufficient to pay the traveling expenses of at least two or three of his Eastern brethren. The matter is even more serious when an occasional convention is held in the West, since the members residing in the East (who happen to make up the greater part of the active membership) must make similar contributions of time, effort, and money. It has, of course, been argued that there is some sort of moral benefit in making such contributions. Reduced to dollars and cents, the moral benefit would appear to be properly expressed in a fraction with a pretty small numerator and a very large denominator.

"Even if we provide that the entire traveling expenses of members be paid, there will still be disproportionate contributions of time and effort by members at great distances from the place where a given convention is held. But we can at least remove everything but geographic barriers. I strongly recommend that this Convention empower a judiciary committee to submit an appropriate amendment to the by-laws for consideration by the 1939 Convention. The committee will not find its work especially burdensome, since the amendment will merely involve deletion of three or four words."

In connection with President Bailey's suggestion, the Convention passed the following resolution: Be it resolved, that Telluride Association instruct the Permanent Judiciary Committee to submit an appropriate amendment to the By-Laws of the Constitution for consideration by the 1939 Convention of Telluride Association concerning the equalization of traveling expense reimbursements.

J. S. Niederhauser remains in Ithaca this summer to work for the New York State Seed Improvement Association. He is traveling about New York inspecting and certifying potatoes for use as seed.

ENDOWMENT

Chairman E. W. Ohlinger of the Convention Endowment Committee presented a plan which involves doing the necessary preparatory work toward an active endowment campaign when financial conditions warrant.

The Convention selected C. C. Collingwood as Chairman of the Endowment Committee. Collingwood, former Deep Springs student, will finish his pre-law work at Cornell next year and at the same time be able to devote about half his time to the work of the Endowment Committee. To serve on the Committee with Collingwood will be President Parker Bailey, Chancellor Johnson, and Cornell Branchmen Gorrell and Cochrane.

The Committee proposes to build up, through the aid of members, Alumni, and other friends of the Association, a list of prospective donors who may later be approached for endowment contributions in the form of cash, insurance, scholarships, books for the Deep Springs library, equipment, a new branch, and other necessities of the Association and Deep Springs. The Committee will begin its preliminary studies during the summer and actively begin work in the autumn.

The Convention again endorsed the principle of the establishment of a new primary Branch of the Association in connection with a profitable self-sustaining agricultural enterprise, and it authorized the Custodians to accept on behalf of the Association gifts or pledges of gifts satisfactory to the Judiciary Committee.

The Convention appropriated money for secretarial aid to both the Endowment Committee and Chancellor Johnson, with the intention of freeing the latter of much office detail so that he can devote more of his attention to the endowment work.

The Committee does not plan a campaign which will resort to widespread advertising and ballyhoo. It proposes a quiet and unobtrusive approach to prospective donors and will base its appeal to them strictly upon the accomplishment of the Association and Deep Springs and upon their necessities to carry on successfully their purpose.

BURR SCHOLARSHIP

The 1937 Convention at the suggestion of Chancellor Johnson passed a resolution establishing the George Lincoln Burr Scholarship, providing subsistence at Cornell Branch for a freshman to be selected by joint action of Cornell University officials and the Cornell Branch Guest Committee selected by the Association. The University provides the tuition of this scholar.

The first holder of the Burr Scholarship is Gordon Kiddoo, of Winnetka, Ill., a graduate this spring of the New Trier Township High School. Kiddoo will enter Cornell this autumn in chemical engineering.

The Cornell Branch Guest Committee was "authorized to represent Telluride Association on a joint committee with officials of Cornell University to select and invite an entering freshman as George Lincoln Burr Scholar to reside at Telluride House during the academic year 1939-40, the tuition and fees to be provided by Cornell University."

Graduate Guests

The Cornell Branch Guest Committee was authorized by the Convention to select, recommend, and invite at its discretion two graduate scholars to reside at Telluride House during the academic year 1939-40.

The scholars selected and invited by the Committee for the coming academic year are Professor Herbert D. Laube, of the Cornell Law School, and Assistant Professor Philip E. Mosely, of the Department of History.

FINANCE AND INVESTMENTS

The Finance and Investments Committee through Chairman Armand Kelly expressed the opinion that the Association should adopt a more definite and sound long-range policy of investment. Kelly pointed out the report of the Committee to the 1932 Convention, which contained a statement of the logical principles for the management of our Trust Fund.

"This policy recognizes that the Association has a large investment in Telluride Power Co. and Utah Fire Clay Co. which presents a special case," reported Kelly. "Considering the balance of our Trust Funds, at least 60 per cent should at all times be invested in high-grade bonds or similar fixed income securities or in cash or its equivalent. Such securities should be widely recognized and ac-

tively traded on the New York Stock Exchanges. Since marketability, however, is not altogether necessary for all of our Trust Fund, we believe it desirable to make an occasional exception in case of recognized high-grade securities not listed on the New York Stock Exchanges. The income from this portion of the Fund, called Part I, plus the income from special investments noted above would provide for the normal expenditures of the Association and should fluctuate relatively little. New funds becoming available for reinvestment through call or redemption of securities in Part I should be reinvested in securities of similar type. All purchases should be made with a view of being held to maturity, but should be subjected to regular review in the light of the prospects for the companies and industries involved. When these considerations indicate that shifts should be made, the securities purchased should also be of the highest grade, even when this entails some loss in principal. When this policy requires the purchase of securities at a price greater than par, this premium should be amortized by applying part of the income received in succeeding years to write down part of the cost of the security, thus avoiding principal losses in the Trust Fund.

"Part II of the funds other than special commitments should never exceed 40 per cent of the total of such funds. The purpose of Part II is to recuperate losses inevitably sustained in Part I and to protect the total of the fund against changes in purchasing power. Securities in Part II should be selected in a manner best calculated to take advantage of successive periods of prosperity and depression, and should consist chiefly of common stocks, of leading companies in fields which give promise of profiting most by increased business activity. Issues selected should be actively traded on the New York Stock Exchanges and should be chosen on the basis of the companies' prospect for growth. At the same time this should not eliminate consideration of leading banks and insurance companies whose stocks are actively traded, but unlisted.

"As we have already noted," said Kelly, "the policy outlined in this report has been considered sound by many previous Conventions and Fin-

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FINANCE AND INVESTMENTS

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ance Committees. A glance at our securities list, however, shows at once that we have not adhered to this policy, but have reduced our holdings of bonds to about 25 per cent, and many of these bonds are not high grade. Granted that this deviation from policy in the past was perhaps justified by special circumstances such as the threat of extensive inflation, your Committee feels that it is time to begin an investment procedure designed to establish the bond-stock ratio called for by investment policy outlined. This retrenchment should not be in the nature of a panicky retreat into high-grade bonds, but rather a carefully considered move over a period of years, taking every possible advantage of market conditions. Your Committee feels that present conditions make it ill-advised to consider a major shift at this Convention, but we are recommending, in our resolutions, that such investments as are made this year be directed toward bringing about the proper relation of high-grade bonds to stocks in our portfolio.

"Without intending to use hindsight to pass judgment on the acts of past Conventions, we offer the following criticisms of the investment procedure of the past few years in the hope that they may offer guidance for the future:

1. Too small a proportion of the Trust Fund has been kept in high-grade bonds. This mistake was due partially to the desire to take a profit on them and unwillingness to buy them on a low income basis at prices above par because 'we would be buying a capital loss.' Another factor was the fear of reduced purchasing power of bond income through inflation.

2. "Dividend-paying" stocks were often purchased when stocks with greater capital appreciation possibilities should have been selected. This has limited our capital gains on stocks.

3. Stocks and bonds of relatively little-known companies often were purchased. On the average these have so far proved less desirable than widely recognized securities.

4. Second-grade bonds have sometimes been purchased, giving neither real safety nor the best opportunity

for capital appreciation.

5. There has been a tendency to pay too much attention to cost prices of our securities instead of considering the present market worth and the future possibilities."

The Committee strongly recommended to the Convention that the Finance and Investments Committee for the 1939 Convention be appointed at least a month before the Convention meets in order to facilitate the work of reviewing investments.

The Convention adopted the usual resolutions which authorize the Custodians to take certain measures to conserve the Association resources and other routine resolutions were adopted. The list of Association depositories remains unchanged except that the Union Bank of Commerce Co., of Cleveland, O., has been added.

Other Resolutions recommended by the Committee and adopted by the Convention:

Be it Resolved, that in the event the Custodians judge that a process of inflation threatens to become uncontrolled, they are hereby authorized to convert the assets of the Association into real or other tangible property, or to take such other measures as will in their judgment best conserve the assets of the Association.

Be it Resolved, that the President of Telluride Association appoint a Permanent Finance Committee, composed of members of the Association residing at Cornell Branch, to make reports concerning the investments of the Association to the Custodians, and through the *News Letter* to keep the membership informed of financial developments.

The Convention appropriated \$49,000.00, which covers such items as the operation of Cornell Branch, cash scholarships, salaries of employees, Convention expense, redecoration of Telluride House, and the \$10,000.00 for Deep Springs.

CENTRAL ADV. COMMITTEE

The Convention authorized the President of the Association to designate as a Central Advisory Committee not more than 15 members of the Association who are, in the President's opinion, "peculiarly fitted to discuss problems arising during the year." This Committee may be called by the President to meet in Ithaca, and its deliberations are to be circulated to all members of the Association.

TA HOUSE IMPROVEMENTS

The Convention continued its policy of maintaining the appearance and efficiency of Telluride House. The 1934 Convention appropriated money for a slate roof; the 1935, for a new heating plant and water-heater; the 1936, for redecoration of rooms on the third floor and for installation of hot-water pipes; the 1937, for redecoration of the living-room, the music-room, and the opening of the Association office.

The 1938 Convention appropriated \$1,000.00 for the redecoration of the guest-rooms on the second floor and for the completion of the Association office. The wall coverings and most of the furniture in the guest rooms have been in use for almost 30 years and are in corresponding need of attention. The portion of this appropriation for the office will be spent on paint, additional filing cabinets, and other equipment.

Another appropriation was made and a committee appointed to negotiate with Christian Midjo for the purchase of a group of eight paintings which for the past month have hung on the walls of the living-room. These paintings are all on the single theme of spring in the desert. The committee appointed to consider the purchase of the paintings consists of H. E. Atkinson, Chairman, C. C. Collingwood, Christopher Morley, and E. C. Rust.

The Convention appropriated an additional \$500.00 for the preparation of suitable working drawings of a plan for a new entrance to Telluride House submitted to the Convention by Atkinson and Alumnus I. L. Scott. The plan involves placing the porte cochere on the east side, so that those arriving by automobile will enter directly into the main hall. The fireplace on the first floor would be removed and the door to the porte cochere substituted. This door can be reached by a flight of seven steps. The plan contemplates glassing over the areaway running along the east side of the building. The present south entrance, with its narrow hall and unsatisfactory cloakroom, would become merely a secondary entrance to the office, with the larger portion of the hall nearer the door becoming a filing room.

J. A. Whittle was designated by the Convention to represent the Association on the Board of Directors of Telluride Power Company.

CORNELL BRANCH

Convention this year threw fewer dead cats and bricks than usual at Cornell Branch which, quite probably, deserved fewer. From the consolidated report of Cornell Branch President Kleps, some of the more outstanding paragraphs are printed.

Advisory Committee

"Throughout the past year this committee has endeavored to maintain a vigilant watch over the progress and deficiencies of house members. It has been guided by the careful recommendations of last year's Convention. The customary personal bull-sessions with new men were a part of its program, but there is reason to criticize the present system of individual time-consuming sessions which extend throughout the year. They are of great value to the new men, and are a necessary part of a man's introduction to the House, but many of the new men felt especially the need of advice and counsel in the ways of life at the House at the outset of their visit at Cornell Branch. It is recommended that some official meeting of the entire group of new men with the Advisory Committee be held early in the school year.

"The policy of placing younger men in positions of responsibility on House Committees should be continued to the limit, as should the policy of changing those committee appointments which do not appear to have been wise.

"The Advisory Committee was granted the power to make certain changes in rooming arrangements at mid-year, and such a policy of variety would seem to have much to recommend it. Contentment, if not enthusiasm, seems to have followed the experiment this year. During the second semester the Committee spent much of its time doing the spadework to assist President Bailey in preparing for the Central Advisory Committee meeting held in Ithaca on April 23rd. The practice of requiring House Committees to file reports of their activities was inaugurated this year and should be continued."

Books and Periodicals

"This Committee had for its function the selection of new books for the Branch library and the purchase of newspapers and magazines for the House. New books were purchased from the dividends accruing from Co-op and Triangle Bookshop slips contributed to the Committee by

the members of the Branch." Twenty-three new books were added to the library by this Committee.

Entertainment

"Entertainment this year was marked by the innovation of Sunday evening programs, usually supplemented by refreshments. These informal affairs were very successful, and an extension of their scope and subject matter is a worthy project for next year. It was found that victrola programs, informal talks by persons in the House, moving pictures, and especially a piano concert by Parker Bailey, were very well received.

"The informal dance program was carried on as usual, but it could have been improved by better cooperation. The house party this year was longer than usual and took place on Spring Day Weekend. Sunday dinner entertainment was quite good Failure to sign out for Sunday dinners created awkward vacancies on several occasions, and pleas for better cooperation failed.

"Two teas were held during the year, one in the fall for the faculty in general, and the other in the spring for Professor Burr. Both were well attended.

"It is suggested for the future that the division of responsibility among the members of the Committee is the most important consideration. It is felt that the expansion and development of the Sunday evening programs represents the most fertile field for improvement. On the whole however, the success of this phase of Branch activity was unusual during the past year."

Property Committee

"In addition to its customary functions of repair and rehabilitation, this Committee during the past year acquired certain new equipment for the House. A glass top was purchased for the leather-covered desk in the Chancellor's office. Reorganization of the music files was made several times during the year, but a more complete reform is needed than can be made during the year from house funds. Through the contributions of members of the House a new radio was purchased and installed."

Public Affairs

The Public Affairs Committee was recognized and encouraged by the 1937 Convention, and some of the

minor expenses of the Committee were paid from Branch funds.

"This Committee acts as an agency through which the House may take action on current social issues. Its effectiveness is to be measured in terms of its effect upon the House and in terms of its effect upon the issues which are the subject matter of its considerations. If it has stimulated thought and discussion, its effect upon the House may be held to have been good. If it has served as an efficient medium through which members of the House might express to the government their opinions on current social issues, its effect outside the House may be held to have been good."

The Committee directed the larger part of its energies toward improvement of the student medical service at Cornell. "The Committee conducted an investigation of the local situation, made a survey of services in other institutions, formulated recommendations, and submitted the results in the form of a report to the Trustees of the University. In all this work the Committee has had the helpful cooperation of administrative officials, local doctors, and members of the university medical and academic staff."

The action of the Committee on national and state issues was limited to communication of the opinions of members of the House to their representatives.

"A valuable activity which was originated, directed, and participated in by members of the Committee was the presentation of a series of eight 15-minute radio programs designed to present to the public the most important problems which it was felt would arise in the New York State Constitutional Convention. This work was carried on in cooperation with the Department of Government.

"The Committee, it is felt, has justified its existence. There is much that it can do that was not attempted. Above all it can bend every effort toward defeating the proposed \$25.-00 athletic tax and toward the obtaining of an improved medical service at Cornell."

E. M. Johnson has been elected to the National Council of the Consumers Foundation, Inc. The Foundation seeks, through research and education, to promote consumer interest.

STOCKS IN TA PORTFOLIO

	Cost
25 Shrs. American Can Co. Com.	\$ 3,048.00
500 " Am. Rad. & Standard San. Corp. Com. Cap.	10,338.50
50 " Am. Tel. & Tel. Co. Com.	10,483.75
50 " Atlantic Ref. Co. Com. \$25.00 p. v.	1,116.07
100 " Bankers Trust Co. N. Y. C. \$25.00 par, cap.	6,201.19
53 " Buffalo, Niagara & Eastern Pow. Corp. \$5.00 pref.	5,194.20
100 " Carborundum Co. Com. no par	10,502.00
99 " Central New York Power Corp. Pfd. 5% series	8,897.39
200 " Connecticut Power Co. Com.	11,026.67
50 " Consol. Edison Co. of N. Y. Com. no par	5,325.00
600 " Consol. Invest. Trust \$1.00 p. v. and sub. warrant for 875 shrs. void after Aug. 1, 1938	51,750.00
200 " Crows Nest Pass Coal Co. Cap. stock \$100.00 p. v.	10,400.91
5 " Christiana Securities Co. Com.	10,150.70
50 " E. I. Dupont deNemours & Co. Com. \$20.00 p. v. ...	5,431.25
50 " Eastman Kodak Co. Com. no par	8,461.17
80 " Engineers Public Service Co. Com. \$1.00 p. v.	36.00
200 " Eureka Pipe Line Co.	9,908.29
100 " First Nat. Bank of Baltimore	6,403.24
100 " General Electric Co. Com. no par	(
100 " General Electric Co. Com. no par	(6,143.60
100 " Glidden Co. Com.	4,393.89
300 " Hanover Fire Ins. Co.	12,427.75
200 " Hartford Fire Ins. Co.	15,407.30
500 " Haloid Co. Com.	11,501.48
300 " Internatl. Nickel Co. of Canada Com., no par	8,228.28
57 " Johns-Manville Co. Com.	6,118.50
43 " Johns-Manville Corp. Com.	5,449.00
200 " Kennecott Copper Corp. Cap.	11,998.00
200 " Landers, Frary & Clark	10,576.16
250 " Lincoln Building Corp. Com.	0.00
100 " Lone Star Cement Corp. Com.	4,852.85
100 " Lone Star Cement Corp. Com.	5,667.75
200 " Manhattan Co. Com. \$10.00 p. v.	15,000.00
100 " Morris & Essex R. R. 7 3/4% stock	6,700.42
200 " National Fire Ins. Co.	14,894.75
200 " N. Y. Title & Mtg. Corp. \$1.00 p. v.	0.00
100 " New York Trust Co. Com.	9,882.36
234 " North American Co. Com., no par	5,130.23
100 " Owens-Illinois Glass Co. Com.	8,009.36
30 " Public Service Co. of N. J. Com., no par	4,572.50
200 " Pullman, Inc. Cap. Stock	11,423.00
500 " Pittsburgh Metallurgical Co.	8,002.30
100 " Scovill Mfg. Co. Com. \$25.00 par	(3,350.61
20 " Scovill Mfg. Co. Com. \$25.00 par	(700.00
80 " Scovill Mfg. Co. Cap. Stock	3,440.00
150 " Sears, Roebuck & Co. Cap. Stock	13,922.50
10 " Sierra Pacific Power Co. Com. \$15.00 p. v.	82.50
135 " Springfield Fire & Marine Ins. Co.	17,217.49
100 " Stanley Works, Com. \$25.00 p. v.	4,250.55
40 " Standard Oil Co. of N. J. Com. \$25.00 p. v.	1,810.60
500 " Standard Oil Co. of Nebraska	7,001.68
100 " Stone & Webster Com., no par	7,889.00
277,917 " Tellu. Pow. Co. 6% 2nd pfd. Cumul. St. \$1.00)	
55,584 " Tellu. Pow. Co. Com. \$1.00 p. v.)	268,306.85
150 " Torrington Co. Com., no par	4,639.52
150 " United Carbon Co. Com., no par	6,859.44
25 " U. S. Steel Corp. Com. \$100. p. v.	4,078.00
30 " U. S. Steel Corp. Com.	3,486.70
50 " U. S. Steel Corp. Com.	5,975.50
951 " Utah Fire Clay Co. Com. \$50.00 p. v.	68,003.01
200 " Westinghouse Air Brake Co. Cap.	8,647.00
100 " Westinghouse Elec. & Mfg. Co. Cap. Com.	15,257.00
	\$805,969.76

George Manner received a grant of \$600. He will use this grant, together with the President White Fellowship of Cornell University, for foreign study. He plans to work with Professors Victor Bruns in Berlin and Hans Kelsen in Prague. In addition he will do research in the libraries of The Hague and Geneva. The purpose of his travels is to complete his doctoral thesis dealing with "The Position of the Individual in International Law."

P. P. Ashworth, Salt Lake City Alumnus, has been elected to membership on the National Council of the Boy Scouts of America. Ashworth has been active in Utah and national Scouting for over 20 years.

NEW PINHEADS

The following preparatory school graduates have been invited to Deep Springs for admission this autumn: Bruce I. Granger of Philadelphia; John W. Green, Jr., of Washington, D. C.; Earle Mason of Beverly Hills; James N. O'Gorman of Flushing, New York City; James R. Olin of Kenilworth, Ill.; Christian S. Rondestvedt of Minneapolis; Robert P. Sullivan of Minneapolis; James B. Tucker of Santa Ana, Calif.; Howard G. Turner of Omaha.

Member Charles Dimmler, graduated from Harvard Medical School this spring, has placed in the Association files his study, made under the direction of Doctor M. H. Power, *The Effect of Orange Juice on Gastric Acidity*, printed in the April issue of *The American Journal of Digestive Diseases*. Doctor W. C. Alvarez wrote an introduction to the paper. Conclusion: it seems probable that one need not worry about giving orange juice to patients with peptic ulcer. Dimmler is now an interne at the Peter Bent Brigham Hospital.

HOSPITABLE ALWAYS

Convention Resolution No. 1 was that which extends the hospitality of Cornell Branch "to members of Telluride Association, Alumni, the Trustees of Deep Springs, members of the Deep Springs Student Body, and officers of this organization upon visits to Ithaca" during the coming academic year. Visitors are requested to notify the Secretary of the Branch so that proper arrangements may be made in advance of their arrival.