

# TELLURIDE NEWS LETTER

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## DEEP SPRINGS NOTES

*May 18, 1941 by Earle D. Mason*

The Deep Springs school year ends with the close of examination week on May 31. The most important remaining event is the meeting of the Board of Trustees scheduled for May 23-25. It is expected that many problems of vital concern to the Institution will be discussed by the Board. These will certainly include the effects upon the school of the present national and international crises.

The tentative budget for the fiscal year 1941-42 includes a number of major items to be purchased. A new sedan and pick-up will probably be bought because of the expected price rises in the automobile market. A new hay bailer will be a revolutionary addition to our farm equipment. This fairly expensive piece of machinery should pay for itself in a few years because of its labor saving features. Replacement of the familiar "smoke ring" diesel auxiliary power plant by a gasoline driven one is expected. A new refrigeration unit at the Boarding House and a power driven lawn mower to cut the one and a half acres of grass around the circle conclude the list of mechanical improvements. Some new furniture and lighting fixtures should do much to brighten up the Main Building.

Next year's incoming class of nine men has been selected by the Dean and the applications committee. An enlarged faculty is also expected for next year. Dr. and Mrs. Kurt Bergel, both holders of doctorate degrees from Berlin University, will make possible the study of four or five modern foreign languages and two ancient ones. A new instructor to replace Mr. Lavatelli will carry on work in physics, chemistry, and mathematics. Messrs. Kimpton, Kelly, and Gorrell will complete the staff with work in philosophy, economics and English.

The Ranch has been functioning very well under Mr. Uhlmeyer's direction. This year's water runoff in the White Mountains is one of the heaviest ever remembered. The present flow at the junction of Wyman and Crooked Creeks is estimated at five thousand gallons per minute. Our pressure boxes and ditches are capable of handling only two thousand gallons per minute at the most. Needless to say the desert is being well watered. Compilation of valuable data on water storage and conservation has been carried on by the labor committee and Mr. Kelly. Investigations show that great losses of water occur from seepage in unlined ditches and stream beds. Proposals are being made to the Board of Trustees regarding possible development of our water supply in the Valley.

The range cattle have thrived on good pasture conditions in the upper part of the Valley and at the Lake. The annual spring roundup, count, and drive will be held from June 12 to 15. The reason for its comparative lateness this year is due to the wish of the Forest Service to

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## ASSOCIATION FINANCE

*by Edwin M. Cronk*

This year, more than ever before, the Convention Finance Committee will face investment problems on which there seems to be no agreement among the financial wizards of the country. Economists are known for their lack of agreement in normal times, but the material they are publishing now is so confusing—at least to a novice such as myself—that only one definite statement can be made: "These are uncertain times."

One question for which we must endeavor to find an answer is, "What is likely to happen to stock prices as our national defense effort requires more and more industrial expansion?" Since last convention, the Federal Reserve Index of Industrial Production has increased about fifteen percent to a point well above that of the 1929 boom days. But now the Dow-Jones stock averages are about five percent lower than they were during the last convention. Will stock prices remain at this low level in spite of increased production or will the investing public regain its "confidence" and force prices up? Investors have doubtless been reluctant to bid up stock prices because they visualize "threat" of increased taxation.

This lack of confidence is clearly seen in the fact that the Dow-Jones stock price index averaged almost twenty percent lower during the first quarter of this year than in the same period a year ago, and that at the same time corporate profits were up five percent. If stock prices can go down twenty percent while earnings increase five percent, what is likely to happen if a new tax program brings a decrease in corporate net profits?

The second imponderable for this year's Finance Committee is inflation. Since last Convention, wholesale commodity prices have risen about nine percent. We must ask ourselves whether this trend is likely to continue, and if it does, whether it will have any effect on equity values. It seems likely that Leon Henderson's power over prices will be increased as time goes on and that he will be able to prevent a run-away inflation. By increasing taxes and by selling bonds to the small investor—a device to get money out of the consumer market—the government can do much to prevent inflation.

If prices rise in spite of the government's efforts, we must look around for a type of investment which will go along with prices. It is doubtful whether common stocks will be an effective hedge if inflation does come. We all know that decreased efficiency due to the strain on our productive facilities and increased labor and raw material costs will keep much of the inflationary tendency out of the stock market. Increased taxation—or even the threat of it—will also keep stock prices from "going along" with inflated commodity prices. We might investigate the purchase of some real property as a way to preserve our

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## PREFERMENT APPLICATIONS

*by R. B. Henderson*

The ordinarily difficult problem of selecting men for Branch preferment will be complicated this year by the uncertainties of the draft. This will affect not only those who are old enough to have registered, but also those who may be included when and if the age limit is lowered. Probably we can reasonably expect that deferment will be granted to those students in the sciences who are relatively far along and to almost all our engineers, but we may assume that some will be called from the others. Of the group in the House probably three have a good chance of being drafted this summer, and, if the age limit is lowered, several more may have to go. As insurance against depletions in the House membership due to the draft the Convention very likely will award preferment to a greater number than is usual.

In other respects this year is fairly representative from point of view of number and quality of applicants. There are at present 148 applications on file, of which 20 are for preferment only. Of these 46 will not be considered either because the application is inactive or because the applicant is attending or planning to attend Deep Springs. Included are 12 who were rejected by the 1940 Convention, and two who are applicants to future Conventions. The remainder, 88, comprises the list up for consideration at this Convention. Of this group eight are House resident, 29 are Deep Springs rejectees, six are from Deep Springs, and 18 are preferment applicants from this campus.

The policy followed by the Cornell Branch Undergraduate Guest Committee has been to interview the interested students on the campus before giving them application forms, and to discourage all the less promising applicants before they have filled out a formal application. This should expedite the work of the Preferment Committee by eliminating beforehand the poorer students from this campus. This procedure has not been used, in most cases, with those applicants not on this campus because of the difficulty of arranging interviews and obtaining information without the use of application forms. It has been Chancellor Johnson's practice for some time to request Association applications of all men encouraged by Dean Kimpton to apply for Deep Springs. Thus all Deep Springs applicants are also on our files as applicants for membership. First the Deep Springs freshman class is selected, then those rejected come up for preferment consideration at the Convention. This arrangement assures us a large class of high school applicants and one composed of rather outstanding boys. But it does not mean that the individual applicant necessarily is interested in Cornell Branch, because his initial application was for Deep Springs and not the House.

## ASSOCIATION FINANCE

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capital value.

Amid all this confusion about the financial future, two principles stand out in my mind which I should like to see adopted as guides during our discussions at convention.

1. In so called "normal times", there is enough uncertainty in the financial future of the country to make it advisable for every investor to diversify his holdings so that one or two unforeseen events will not make a significant difference in his total invested capital. Telluride Association, with almost one-half of its holding in the Telluride Power Company has always had more need for diversifying its "controllable capital" than has the average investor. Now the future is almost totally unpredictable, and I should think that the most important thing for us to do would be to spread out our investment as much as possible so as to minimize our risks. As I said, we always have tried to do this to some extent, but this year we should work on this problem even more.

To be more specific, I should like to see our commitment in F. S. L. A. reduced—even as good as these investments seem to be. Regardless of their apparent soundness, it doesn't seem good financial practice to me to have almost twenty percent of our controllable portfolio in any one type of investment. Further I should like to see a more substantial investment in consumers' goods industries and less emphasis placed on the capital goods class. If the post war depression, which many people think is inevitable, actually comes, the capital goods industries will certainly be harder hit than the more stable consumers' goods industries. It is unfortunate, I think, that we approach this depression with about twice as much invested in the former group than in the latter.

2. In normal times, we try to invest our funds in such a way that our capital will be fairly secure and that our income will be adequate to carry on the work of the association. This dual-purpose policy—capital preservation and income—should be shelved, I think, for the duration of this "period of uncertainty", and we should replace it with a single-purpose policy—capital preservation. We are much more interested in the earning power of our capital ten and twenty years from today, than next year or the year after.

This does not mean that I have a "pet plan" which I think will insure the safety of our capital. I wish I had one. I simply mean that we should forget about our income for the next few years and invest our income in the safest way possible. If it means cutting our income in half, I suggest we do it. During the three years, 1932-34, Telluride Association spent an average of \$27,000 a year out of income. Appropriations for 1940 were exactly twice that amount. I feel quite confident that if we found it necessary to make drastic reductions in our budget for 1941-42 in the interests of capital preservation, we could do it without too much difficulty.

## JOHNSTON WINS AWARD

Bruce Johnston recently was awarded the Sherman Bennett prize for his essay "America, Democracy, and 1941." The Sherman Bennett Prize was founded in 1905 by Philo Sherman Bennett of New Haven, who, by provision in his will, bequeathed to William J. Bryan of Lincoln, Nebraska, a fund to endow prizes in twenty-five colleges or universities to be selected by him. The prize, consisting of \$35, is awarded yearly.

## BRANCH GUESTS

Branch guests of the late spring seem to fall into a musical motif. Two of the most charming guests of the entire year were Mr. and Mrs. Roy Harris who were at the Branch the week-end of April 27. Mr. Harris is generally recognized as one of America's really outstanding composers and his recent Symphony No. 3 has been enthusiastically received. His wife, Joanna Harris, is an accomplished pianist and has frequently recorded with the Coolidge string quartet. The Harris's were in Ithaca for the purpose of finding quarters for the coming year when they will both join the Cornell department of music. Accompanying Mr. and Mrs. Harris were a Mr. Anderson and Mr. Lemer, friend and pupil respectively who will also be in Ithaca next winter.

The musical phase of the dance was represented by Mr. Louis Horst, the very original musical director of the Martha Graham dance group, was the guest of the House at the time of the Martha Graham program in late April. The two important male dancers with group, Merce Cunningham and Erich Hawkins, also stayed at the Branch. Mr. Hawkins' 6 ft. 2 in. and Drahos-like physique forestalled any disparaging thoughts about professional male dancers.

The academic guests consisted of two professors from other countries. Professor G. E. Moore, the eminent Oxford philosopher who is lecturing at Princeton this year, visited Cornell in company with Mrs. Moore while giving a lecture on "Some Forms of Skepticism." Professor E. K. Brown of the University of Toronto English department stayed at the Branch for two days while lecturing on modern poetry. Mrs. Charles E. Moore was guest of the Branch for a few days following house party, seeing Cornell, a husband, and recuperating from the exacting duties of chaperoning the Spring Week house party.

## CORNELL DAY

The week-end of May 3rd and 4th Cornell Branch entertained several men who are applicants for preferment or for Deep Springs. They participated in all of the activities usually arranged by the University for Cornell Day visitors and in addition were able to learn something more about Deep Springs and Telluride Association. Those at Cornell Branch at this time were: Jean M. Evans of Burlington, Vermont; John C. Dieffenderfer of Wilmington, Delaware; Richard Frost of Norristown, Pennsylvania; Quentin Gibson of Massena, New York; and Frank Swingle of Washington, D. C.

## PUBLIC AFFAIRS COMMITTEE

The Public Affairs Committee of Cornell Branch is planning to present another broadcast over radio station WHCU. Like the last broadcast which this committee sponsored this one will be planned to present the various shades of opinion which prevail among different student groups concerning the present European War. Jose Encinas and Pedro Pi-Suner have gathered a mass of material on this subject from the numerous South American sources which are available to them. The purpose of the program will be to acquaint the American public with the views held in South America concerning the war, and particularly, to show what various groups of South American students think the United States policy should be in regard to World War II.

## PIERRE COT

The Public Affairs Committee of Cornell Branch cooperated with the Forums Committee of Willard Straight Hall to sponsor M. Cot's lecture on "Present Day Conditions in France" which was delivered on the Cornell campus the evening of May 8th. The lecture was very well-attended and well-received and was surpassed as a portrayal of contemporary France only by the extremely interesting informal discussions in which he freely engaged with the members and guests of the Branch.

Although Dr. Cot attempted to refrain from pleading a specific course for American foreign policy, he did willingly present his interpretations of the factors important in the present European crisis. "If Britain is defeated, the war will not end, it will only begin. Hitler cannot stop, he needs war and must keep Germany in a state of perpetual general mobilization. A negotiated peace will not be a peace at all, it will be only an armistice." France, he repeatedly maintained, is essentially democratic and pro-British opposed to the policy of collaboration with the "new order."

Dr. Cot has an impressive background in both theoretical and practical spheres. He holds doctorates in law and in political science and economics and was Professor of International Law at the University of Rennes. His practical experience has included participation in the work of the League of Nations, membership in the French Chamber of Deputies, and service as Under-Secretary of State, Minister of Aviation and Minister of Commerce. He at present is conducting a seminar group at Yale. All in all the members of the Branch found M. Cot one of the more stimulating guest lecturers of this spring term.

## HOUSE PARTY

Cornell Branch's annual spring performance of "Hotel L.L." or "The Fifteen Flunkees", directed by Al and Frances Arent and Professor and Mrs. Moore, produced by Jim Tucker, opened Thursday, May 15, to a capacity house (Ted Howes orch.) Director Moore contributed much (one case) to the high spirits prevailing throughout the opening scene, stimulating an atmosphere of discrete revelry.

Despite the curious indisposition of one of the over-strenuous star performers (The B.S.A. of Minn.), the supporting cast brought the second act to even greater heights of hilarity (not so discrete). Possible dullness was forestalled by a swift change of scene from the House (dinner) to Barton Hall (Ball) and back to the house to see in the dawn with sandwiches and coffee, & etc.

Act Three. Scene: Upper Buttermilk, was found to be stimulating, if somewhat chaotic jumble of stein songs, limericks, and alma maters. It closed with an incredible solo performance by the House's promising young architect.

The final scene, perhaps better referred to as epilogue, staged for the benefit of those yet surviving, wound up with a three o'clock Sunday dinner.

S. E. N.

## NATIONAL DEFENSE

William B. Kuder has left San Francisco to contribute to national defense by training at Fort Knox, Kentucky.

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give what promises to be excellent summer grazing conditions a good start.

The various committees of the Student Body have been working hard this semester. Two of them which deserve mention are the phonographic and photographic committees. The former has completely revised the card catalogue system of albums using a new student-built cabinet to hold many of them. The new automatic phonograph is almost assembled in its home made cabinet. We all await its debut. The photographic committee has shown several interesting educational films obtained with the work of adding to and cutting from the Deep Springs motion picture.

Plans for the annual spring trip of the Student Body given in the last News Letter were seriously disrupted by inclement weather encountered at the Grand Canyon. Reports of ten feet of snow at Zion National Park convinced the group that they should head south and west. The sun shone throughout the rest of the itinerary which included Phoenix, Yuma, the Imperial Valley, and the Salton Sea as points of interest. The trip despite the dampness and cold of a few rainy days was considered very successful.

At 11:00 P.M. May 15 the community was aroused by the ringing of the fire bell. The newly built brooder house at the lower ranch was in flames. In spite of the presence of all the fire fighting equipment on the ranch, the conflagration was too well started and the building burned to the ground. This has been the only serious disturbance of what has probably been one of the most successful spring semesters ever had at Deep Springs.

## CONVENTION ARRANGEMENTS

The Secretary has received proxies for the 1941 Convention from forty-nine of the seventy-five Association members. Only thirty-nine have indicated whether or not they plan to attend. To assist the Arrangements Committee it is urged that all members send their proxies to the Secretary as soon as possible. Information received by the Secretary concerning Members' plans for Convention attendance will be transmitted to both the Arrangements Committee and to President Williams, to assist him in forming Convention committees.

Alma Richards has been teaching for 19 years in the high schools of Los Angeles, mostly science, and sometimes military and athletics. Older Association men will recall that Richards in 1912 won the running high jump at the Olympics. His eldest daughter is graduating this spring from the Univ. of Southern California; she is, but not incidentally, "Miss U. S. C."

## AWARDS AND ELECTIONS

Bruce Johnston and Bruce Netschert were among the members of the senior class recently elected to Phi Beta Kappa. Johnston has majored in Government while Netschert has been a geology major. At the initiation banquet, Monday, May 19, Prof. Harold W. Thompson of the English department, a guest of the Branch this year, gave the address for the evening.

Edwin Cronk has recently been elected President of Willard Straight Hall and Chairman of the Board of Managers for the next school year. Cronk has served as a member of the Board of Managers of Willard Straight throughout the present year.

## BRANCH ENTERTAINMENT

Two Sunday Evening Entertainment highlighted Branch entertainment activities in recent weeks. Early in the month Professor Moore and Professor Weaver showed some color slides and color movies of the Hawaiian Islands. The slides were especially interesting displaying Professor Weaver's very considerable skill as a photographer and eliciting gasps from the audience with the striking beauty of the Island scenery.

On the evening of May 25 Roland Ball presented his piano recital for the year, and handled a very difficult program with polish in and an extremely pleasing performance. The program included Scarlatti's "Cat's Fugue," the Bach "Fugue in A Minor", Chopin's "Ballade in G. Minor", the Brahms "Variation and Fugue on a Theme by Handel," and concluded with two Debussy numbers, "Les Collines D'Anacapri" and "Jardins Sous La Pluie."

The annual Public Speaking Banquet is scheduled for May 28 with Professor Harold Thompson taking care of the role of toastmaster. Picnics completed the informal side of Branch entertainment activities. A regular House picnic was held at Treman Lake the first week in May, and more impromptu picnics have been engineered from time to time.

## RECEIVED FOR HISTORICAL FILES:

Electronic Switch for the Simultaneous Observation of Two Waves with the Cathode-Ray Oscillograph, by Dr. H. J. Reich, pub. in April 1941 issue of Rev. of Sc. Instruments.

Dimensions and Shape of the Andromeda Nebula, publication of the Observatory of the Univ. of Mich., Vol. 8, No. 7, by President R. C. Williams and W. A. Hiltner.

Dr. Ledger Wood of the Department of Philosophy at Princeton will be on leave the first term of the next academic year on a Sterling Fellowship at Yale to write a companion book to the one written three years ago during a similar leave at Harvard. Professor Wood was the guest of the Cornell Branch for one year about fifteen years ago while doing graduate work.