

Mr. John A. Rush, Los Angeles, Calif.
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The other two items in the budget, namely; furniture and property maintenance, and reserve fund, are as you realize, variable items which can be controlled. Since the mortgage contract called for a principal payment of only \$500 this year, but hereafter \$1,000 per year, we set the budget for the mortgage reduction at \$500 with the thought in mind of using an additional \$500 of the reserve fund to apply which would make a total mortgage reduction during the year of \$1,000. The mortgage balance, or any part thereof, can be paid at any interest paying date.

There are some repairs to the house and property which need to be done, and if all of them were made, the figure of \$2,000 would not be too high. To the casual observer, \$2,000 a year for repairs may seem like a lot of money for this item, however, in the past few years there have been so many needed repairs and replacements to keep the chapter in good condition, that we have been unable to pay for them all out of that particular year's budget. Last year was the first year that the chapter paid the full \$6,300 in rent, previously they were able to pay only about \$5,000 or \$5,500 in rent. Since the great majority of these repairs are made during the summer months, and further since we will not know whether the chapter can pay the full \$6,300 until the last month of the school year, the actual amount of repairs which will be made is uncertain. Incidentally, a portion of this \$2,000 has already gone to pay for repairs made last summer over and above the budgeted amount for last year. I might explain that the attitude of the chapter toward the reduction of the mortgage is this; they feel that the money they pay to the Building Association as rent, should go primarily to keep their house in an up-to-date condition in line with other fraternities on the campus. Their attitude is that they do not feel they should deny themselves the advantages of a modern house and up-to-date equipment for the sake of reducing the mortgage so that the boys ten or fifteen years from now can have a fine new house. In other words, they want to spend their money on themselves rather than on some future class. This attitude is prevalent among undergraduates in every fraternity, although for the most part, they are quite reasonable in going along with the alumni toward the mortgage reduction.

Your thought that the reduction of the mortgage is most important is entirely in agreement with our views. We have for the past several years paid as much as we possibly could toward the mortgage reduction, while at the same time paying other bills that were incurred and keeping the furniture and property in good condition. Our plan is to make repairs and replacements as they are