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The Material Supporting the Agenda includes all documentation sent to the Regents for their study ten days prior to the meeting. It does not necessarily include items that are on the Supplementary Agenda as it would be an impossibility to keep the record accurate as some material does not reach the Secretary's Office until weeks thereafter.

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567	March 14-15, 1958
568 There was no supporting material.	April 9, 1958
569	April 26, 1958
570	May 29-30, 1958
571 There was no supporting material.	June 21, 1958
572 There was no supporting material.	July 23, 1958
573 There was no supporting material.	August 17, 1958

**Material Supporting Agenda**

October 10-11, 1957

**THE BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS**



Name: Official Copy

FOR REGENTS' USE - NOTES

## CALENDAR

MEETING OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS  
October 10 and 11, 1957

Thursday, October 10

Place: Southwestern Medical School  
5323 Harry Hines Boulevard  
Dallas, Texas

- 10:00 a. m. - Meeting of the Buildings and Grounds Committee -  
Regents Lockwood, (Mrs.) Devall, Johnson and Hardie  
(Room 163)
- Meeting of the Medical Affairs Committee - Regents  
Minter, Sorrell, Bryan and Thompson  
(Room 118)
- 12:00 m. - Lunch (Library)
- 1:00 p. m. - Meeting of the Land and Investment Committee -  
Regents Sorrell, Johnson, Bryan and Thompson  
(Room 163)
- Meeting of the Academic and Developmental Affairs  
Committee - Regents (Mrs.) Devall, Lockwood,  
Minter and Hardie  
(Room 118)
- 3:00 p. m. - Meeting of the Committee of the Whole with  
Administrative Heads of Units Individually  
(Room 28)

Friday, October 11

Place: Republic National Bank  
Conference Room, 8th Floor  
Dallas, Texas

- 9:30 a. m. - Meeting of the Board - 8th Floor
- 12:00 m. - Luncheon - 35th Floor  
Followed by tour of the bank
- 2:00 p. m. - Meeting of the Board - 8th Floor

AGENDA  
 BOARD OF REGENTS  
 OF  
 THE UNIVERSITY OF TEXAS  
 COMMITTEE OF THE WHOLE

*Administrative  
 Confidential*

Southwestern Medical School - Room 28  
 Dallas, Texas  
 October 10, 1957 - 3:00 p.m.

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## AGENDA

BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS  
Republic National Bank  
Conference Room, 8th Floor  
Dallas, Texas  
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## COMMITTEE OF THE WHOLE

I. REPORTS OF STANDING COMMITTEES

## A. EXECUTIVE COMMITTEE

No interim actions to be reported to the Committee of the Whole. See report for open meeting, p. 79.

## B. ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Documentation on following page.

To: Board of Regents (Special Reports  
to Committee on Academic and  
Developmental Affairs,  
October 11, 1957)

Via: President Wilson  
From: L. D. Haskew

For: Information

### PROGRESS ON 75TH YEAR

Committee of 75. Developmental work by this committee has been most encouraging. The zeal and interest of committee members are remarkable. The committee's work is well organized, apparently, and actually moving so rapidly that it is difficult for the staff to keep abreast of it.

On September 6-7 the Committee of 75 met for a two-day discussion of the mission of The University of Texas system. The meeting went off in good fashion, and was productive of some significant tentative conclusions. An expected, but nonetheless gratifying, by-product of the meeting was education of committee members on problems facing the University. A tentative report from this meeting is now being edited, and all Regents will receive a copy. However, this is not a final or official report of the Committee of 75 on this subject.

Task Forces are now at work--meetings of all of them being scheduled for the near future--and they will make progress reports to the Committee of 75 by December.

The Committee of 75 has raised a little more than \$10,000 from private donors to finance its work. This is being used chiefly for the salary of an assistant, Mr. Roy Cates, in Mr. Blunk's office.

Large volumes of informational material and working plans are going out constantly to the Committee of 75, and meetings of one sort or another are occurring practically every week. We have been very selective in sending copies of materials to members of the Board of Regents and in suggesting that you be involved in the meetings. We shall appreciate your judgment as to whether you are being kept sufficiently informed and involved.

"Observance" Activities. Formal opening of the 75th Year will occur on Friday, January 10, with a processional, dedication of a permanent exhibit, and a luncheon honoring guests having symbolical connections with the University's history (ex-Regents, Presidents of the Student Assembly, etc.). At the luncheon Justice Ruel Walker will deliver an

appropriate address. We hope all members of the Board of Regents can be present. The hours are from 10:00 a.m. to 3:00 p.m.

In April we shall have a large conference on Texas resources, enlisting cooperation from some twenty state-wide organizations. Special radio and television series are scheduled throughout the year. A program of visitations to many communities is being set up by the Ex-Students Association. Twenty feature articles in trade magazines have been scheduled already. Many campus conferences for professional groups are set up. The 1958 Summer Session has been designated as a special one honoring the elementary and secondary school teachers of the state. A major national conference on "Issues Facing the State University" is set for November, 1958.

The foregoing is only a sample of events and enterprises definitely in prospect. We have just about everything we can manage now, and other good ideas keep coming.

Individual Component Unit Plans. Both the Main University and Texas Western have plans for studies and advisory groups, modeled somewhat after the Committee of 75 approach. These will be kept subordinated to the Committee of 75 activities, of course, but should get some beneficial results. So far, we have not been able to get anything organized for the other units, but negotiations are in progress.

For: Action

#### VACANCY ON COMMITTEE OF 75

Mr. L. H. Cullum of Wichita Falls has resigned from the Committee of 75, upon advice of his physician. A successor should be named.

Geographical distribution of committee membership now appears quite satisfactory, although it might not be wise to increase the representation from Austin, Dallas, and Houston. Following are some names you might consider:

Mrs. John W. Hampton  
Wichita Falls, Texas

Mrs. Hampton is a Texas-Ex. She has been very active in supporting the University. Her husband, an independent oil operator, is a past-president of the University Dads' Association.

Mrs. J. A. Gooch  
Fort Worth, Texas  
A. B. 1928. Very active in civic affairs.  
Husband is on Development Board.

O. S. Petty  
Petty Geophysical Engineering Company  
San Antonio, Texas  
B. S. in Chemical Engineering 1917, Quite  
active in assisting College of Engineering.

John W. Biggs  
Manager, The Waggoner Estate  
Vernon, Texas  
Not a Texas-Ex. Nominated by Hulon W.  
Black and Joe B. Wolverton.

Richard G. Miller  
President, White House Department Store  
El Paso, Texas  
B. B. A. 1941. Nominated by President  
Holcomb.

To: Board of Regents (Special Report  
to Committee on Academic and  
Developmental Affairs,  
October 11, 1957)  
Via: President Wilson  
From: L. D. Haskew

For: Information

## NUCLEAR SCIENCE EQUIPMENT

Major Research Reactor. The project is still alive to secure a large grant from the Atomic Energy Commission, or some other source, for construction and operation of a major research reactor as a joint undertaking of The University of Texas, Rice Institute, Texas A. and M., and the Welch Foundation. All efforts connected with the fiscal 1957 appropriations to AEC and governing legislation for AEC produced no tangible results. New angles are now being explored.

A request by the cooperating institutions to the Texas Atomic Energy Research Foundation (Electric Utilities) was turned down, but the door was left open to discuss possibilities at some later date.

Teaching Equipment and Research. On February 20 the University-- along with Texas A. and M. and Rice Institute--submitted a grant request to the Atomic Energy Commission covering teaching equipment for courses in nuclear science. Included was an item for a teaching reactor. Subsequent review of the application by AEC revealed the fact that we could not house a teaching reactor, even if granted, before Fall, 1958. At their request, and upon their assurance that funds would be reserved for us in the fiscal 1957 appropriation, we omitted the teaching reactor from our funds request. On May 16, we received from AEC a grant of \$74,500--our full request--for purchase of other equipment and this grant is being expended by the appropriate departments of the University. Then, on August 27, 1957, Vice-President Boner transmitted a request to AEC for supplemental equipment funds in the amount of \$283,966 of which \$185,000 is for an "Argonaut" Teaching Reactor. This reactor is more powerful than the ones purchased by A. and M. and Rice with AEC funds. It is planned to house it in the second Engineering Building. We have reasonable assurance that approval of our request will be forthcoming.

The Welch Foundation on June 6 made a grant of \$50,000 to the University for research in nuclear chemistry. Similar grants were made to Rice and A. and M. Doctor Wilson has delegated supervision of expenditures under this grant to Doctor Norman Hackerman, Chairman of the Department of Chemistry.

To: Board of Regents (Special Report  
to Committee on Academic and  
Developmental Affairs,  
October 11, 1957)

For: Information

Via: President Wilson

From: L. D. Haskew

### COMPUTATION LABORATORY

By securing extra grants from Doctor Roger Williams, the small computation laboratory established in 1956 managed to break even financially in 1956-57, and funds are in sight to pay equipment rental in 1957-58. In May, 1957, the University Research Institute was placed in full charge of the computation laboratory and has now formulated plans for the establishment and operation of an effective computer center.

The need for such a center grows more acute each month. An IBM 650 type of installation, with suitable personnel to operate it is what we simply must have. This calls for an additional expenditure of not more than \$30,000 to \$40,000 a year and chances are high that two-thirds of this amount would be received as income from research contracts.

We have tried to get federal government subvention without success. The Development Board is supposed to be working on private funds for this, but the only tangible results so far are two pledges of \$3,000 a year for three years each from Convair and Texas Electric Service, contingent upon securing eight other similar pledges.

D. Medical Affairs Committee

1. Medical Branch

a. Contract with City of Galveston

Below is a copy of a proposed agreement between the Board of Regents of The University of Texas and the City of Galveston. This contract has been negotiated with the City Council of Galveston and is recommended by the administration for approval by the Regents.

\* \* \* \* \*

KNOW ALL MEN BY THESE PRESENTS, That this agreement and contract is this day made by and between the Board of Regents of The University of Texas, hereinafter called "Regents" as party of the first part and the City of Galveston, hereinafter called "City" as party of the second part, superseding the agreement entered into by the same parties on March 11, 1941, and amended on May 20, 1947, and the agreement entered into by the same parties on June 14, 1956.

WITNESSETH:

That whereas, Regents maintain, conduct and utilize a State hospital in connection with and as a part of the Medical Branch of The University of Texas at Galveston, known as the John Sealy Hospital, said hospital existing primarily for the care of the sick under conditions designed to ensure the highest standards of professional practice and of education of students in the health fields;

That whereas, City acknowledges both the contributions of The University of Texas faculty and staff of the John Sealy Hospital to the medical care of the indigent of the City of Galveston, and the fundamental importance to students in the health fields of student-teacher association in the actual care of the sick;

Now therefore, Regents and City mutually agree to the following promises, covenants and obligations:

1.

Regents agree that there shall be admitted to and suitably treated in the John Sealy Hospital, insofar as beds are available, and in outpatient clinics conducted in connection therewith, all indigent sick persons of the City of Galveston in need of medical treatment or hospitalization; provided, however, that Regents, upon examinations made by a member or members of the medical staff of the Hospital designated by Regents, shall have the exclusive right and authority to determine whether or not

an applicant for admission to the Hospital is in need of hospitalization or an applicant for treatment in the outpatient clinics is in need of such treatment; and further provided that full responsibility for medical care and treatment of all patients, both inpatient and outpatient, accepted for hospitalization or for treatment shall reside in a member, or members, of the medical staff of the Hospital designated by Regents. The obligation of Regents does not and shall not extend to treatment of patients except at the outpatient clinics or hospital facilities of the John Sealy Hospital; nor shall it extend to patients requiring only nursing care and not requiring hospitalization for acute medical or surgical treatment and thus not suitable for privileged care in the hospital of an educational institution. Treatment of inpatients shall include necessary drugs and medications. Outpatients who are totally indigent shall not be denied essential drugs and medicines.

## 2.

City, in consideration of the agreement of Regents to treat its indigent sick, agrees to pay to Regents or to such agency or officer as Regents may direct, \$200,000 during each fiscal year (October 1 -September 30) of City beginning October 1, 1957, this amount being payable in equal installments of \$50,000 on or before December 1, March 1, June 1, and August 31 of each such fiscal year. City agrees to pay an additional sum of \$18,750 on or before March 1, 1958, this being the unpaid amount due to Regents from City under the previous contract between the parties.

## 3.

It shall be the obligation of City through designated officers or employees to determine and certify in writing what persons are residents of the City of Galveston and indigent. A person shall not be certified as indigent by the City unless both the patient and the immediate family of the patient are without financial resources to make any payment for medical services. If either the patient or the immediate family of the patient have resources sufficient to make partial payment for medical services, the amount of such partial payment shall be certified by the City. On failure of City properly to screen patients for determination of residency and indigency, Regents may file with the governing body of City a written protest specifying wherein City has failed to meet its obligations, and if thereafter City continues to fail to screen patients properly, Regents may, through their designated officers or employees, assume this task until such time as City is able and willing to perform properly this obligation.

## 4.

Either party shall have the privilege of terminating their obligations hereunder upon giving written notice to the other at least twelve months in advance of the beginning of a fiscal year of City.

IN WITNESS WHEREOF, The Board of Regents of The University of Texas has caused its name to be hereto subscribed by its Chairman, attested by its Secretary under its seal, and the City of Galveston has caused its name to be hereto subscribed by the Mayor-President of the Board of Commissioners of the City of Galveston, attested by its Secretary under its seal, this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1957, executed in duplicate originals.

ATTEST:

BOARD OF REGENTS OF  
THE UNIVERSITY OF TEXAS

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Chairman

ATTEST:

CITY OF GALVESTON

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Mayor-President of the Board  
of Commissioners of the City  
of Galveston

**D. MEDICAL AFFAIRS COMMITTEE (Continued)**

## 1. Medical Branch

## b. Progress Reports

- (1) Services of James A. Hamilton and Associates
- (2) Rogers' Case
- (3) Special Committee re Proposal of Dr. Harris  
for Space for Psychiatric Patients

(There is no documentation; these will be oral reports.)

c. Psychiatric Hospital (Proposed)  
(No documentation)

## 2. Dental Branch

Nutrition Instructor - Termination of Appointment  
(No documentation - An oral report)

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## 3. M. D. Anderson Hospital and Tumor Institute

Income Tax Return, University Cancer Foundation,  
and Augmentation Plan (Documentation of this item  
is in process and will be distributed either before or  
at the meeting.)

## 4. Medical Affairs Council Recommendations

- a. Medical College Admission Test and Student  
Performance in Undergraduate Medicine  
(No documentation)
- b. Establishment of a Part-pay Psychiatric Teaching  
Service at Southwestern Medical School  
(No documentation)

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 12

21

August 27, 1957

Dr. J. V. Olson, Dean  
The University of Texas Dental Branch  
P. O. Box 20068  
Houston 25, Texas

Dear Dean Olson:

Recently Miss Evelyn Fatty addressed a letter to all members of the Board of Regents, bringing to their attention an alleged vagueness of reasons given concerning termination of her appointment as Nutrition Instructor at the University Dental Branch. She stated that when you spoke with her last January, advising her that her contract would be terminated at the end of this month, you gave as the reason that the nutrition program was being discontinued. She further stated, "He told me at this time that (1) he was not sure he liked my Nutritional Analysis and (2) he was not sure that I should not diagnose nutritional deficiencies."

Mr. Jeffers advised her that she should have communicated with me instead of the Board of Regents, and subsequently Miss Fatty did write to me. Dr. Minter has suggested "for the information of the Board," that you discuss this matter with the Regents Medical Affairs Committee, and Mr. Jeffers has approved. By sending a copy of my letter to you to Miss Fatty, I am advising her that this will be the procedure followed. Accordingly, I am placing this item on the agenda for the next meeting of the Medical Affairs Committee and should appreciate it if you would be prepared to present the case at the October meeting.

Sincerely yours,

Logan Wilson

LW:vt

Copies: Mr. Jeffers  
Dr. Minter  
Dr. Casberg  
Miss Fatty  
Miss Thedford ←

THE UNIVERSITY OF TEXAS  
THE BOARD OF REGENTS

**Copy**

August 23, 1957

OFFERS CHAIRMAN  
BUILDING  
AUSTIN 2, TEXAS

PRESIDENT'S OFFICE, U OF T
ACKNOWLEDGED _____ FILE _____
REC'D AUG 24 1957
REFER TO _____
PLEASE ANSWER _____
DATE RECEIVED _____

Miss Evelyn Patty  
5206 Westchester  
Houston, Texas

Dear Miss Patty:

I have received your letter of August 21 concerning your not being reappointed at The University of Texas Dental Branch for the fiscal year beginning September 1, 1957. The Board of Regents as a matter of policy cannot undertake to review the merits of individual determinations made by an institutional head as to the continuance of programs or as to reappointments. It is also our policy for any review of such a matter sought by an individual to be channeled to the President of the University instead of directly to the Board of Regents. However, since each member of the Board of Regents has been sent a copy of your letter, any member desiring to do so will be free to inquire into the matter at the next meeting of the Board scheduled to be held in early October.

Very truly yours,

LJ:m

cc: All Members of the  
Board of Regents

Dr. Logan Wilson  
Office of the President  
The University of Texas  
Austin 12, Texas

THE UNIVERSITY OF TEXAS

DENTAL BRANCH

P. O. BOX 20066  
HOUSTON 25

August 21, 1957

Mr. LeRoy Jeffers, Chairman ✓  
Mr. J. P. Bryan  
Mrs. Charles Devall  
Mr. J. Lee Johnson III  
Mr. Thornton Hardie  
Mr. Lee Lockwood  
Dr. Merton Minter  
Mr. J. R. Sorrell  
Mr. Joe C. Thompson

Board of Regents  
The University of Texas  
Austin, Texas

Gentlemen:

The purpose of this letter is to bring to your attention the vagueness of my dismissal as Nutrition Instructor at The University of Texas - Dental Branch.

When the Dean called upon me in my office in January 1957 to notify me that my contract would terminate in September 1957, his reason of dismissal was that he is discontinuing the nutrition program. He told me at this time that (1) he was not sure he liked my Nutritional Analysis and (2) he was not sure that I should not diagnose nutritional deficiencies.

The Dean's statements were a complete surprise to my immediate superiors and to the doctors on the clinic floor with whom I work. Furthermore, I would lose my membership in The American Dietetic Association if I diagnosed.

I feel that if the Dean had given me any valid reason as to why he could not support my program, I would have had an opportunity to make every effort to meet his approval by making any changes he advised. Since the Dean is not my immediate superior, I wonder if he is justified in discouraging me in any such manner.

The fact that I am one of the few applied nutritionists trained in preventive dental medicine in the United States has aroused much interest and comment from visiting doctors throughout the country, particularly the Council on Dental Education when they approved the School of Dental Hygiene this Spring.

I have worked for 20 years to establish myself in this field. It has required long hours of frank endeavor, a humane understanding, education and research to become a Nutritionist in this advanced work.

My purpose in stating the above facts is to give you the proper insight into my problem. I am offering all of my planned work to anyone interested in reviewing this situation as it now stands. It would be most encouraging to me to have someone qualified to find the real reason for this state of affairs. I am indeed sorry that I cannot accept the questionable dismissal by my Dean. I cannot believe the rumors concerning the interference on the part of the Dean's wife in this work, which she could not be qualified to judge.

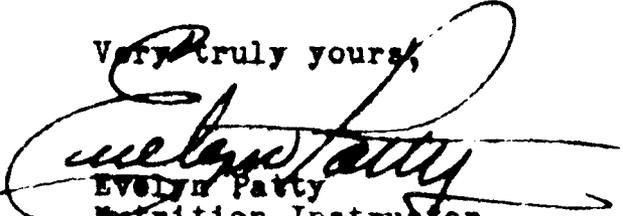
I did not trust the Dean to allow me to finish my contract through August, if I exposed this unfairness on his part. I am self-supporting, and I needed my salary during the interim to seek a position.

I was in private practice in the Hermann Professional Building in 1950 when Dr. Bertner, President of The Texas Medical Center, contacted Dr. Frederick C. Elliott, Dean, to engage my services as part-time Nutrition Instructor. Naturally, it would seem unusual that men of their reputation would place their confidence in a person whom the Dean casually dismissed.

If you care to contact me, I have the consent to submit the names of some of our doctors who were with us this year and are now in private practice in Houston, and who would like very much to have a conference with you. My telephone number is MOhawk 7 - 4955 during my present vacation.

I am trusting that you will keep the above information in confidence. Your cooperation and advice would be most encouraging.

Very truly yours,

  
Evelyn Patty  
Nutrition Instructor

D. MEDICAL AFFAIRS COMMITTEE (Continued)

4. Medical Affairs Council Recommendations

- c. POLICY re TRANSFER OF PERSONNEL. --The Medical Affairs Council at its meeting June 27, 1957, approved the policy listed below concerning the Transfer of Personnel between Branches of The University of Texas System.

It is recommended by the Administration to the Board for approval.

Policy

In such procurement of personnel no approach should be made by one branch for the employment of a person in another branch of The University of Texas system without prior notification of the branch head involved. In case of professional personnel, where agreement between the branch heads cannot be satisfactorily negotiated, before any action becomes final it must be recommended to the Board of Regents by the President and receive its formal approval.

- d. Buchanan Foundation Grant

(Documentation on following pages)

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 12

20

July 3, 1957

Dr. Merton M. Minter  
Minter Clinic  
1734 Nix Professional Building  
San Antonio 5, Texas

Dear Merton:

Attached is a memorandum drawn up by Dr. Bill concerning the Buchanan Foundation grant, together with a copy of a covering letter from him to me. At a meeting last week, the Medical Affairs Council made the following recommendation:

1. The principal (\$500,000), on maturity of the present bonds, be reinvested by the Endowment Officer of the University and the principal sum be kept intact as an endowment, with the understanding that the endowment arrangement be reviewed whenever this is deemed advisable.
2. The allocation of the annual income be made upon the recommendation of a standing committee composed of the President of the University or his representative, the Director of The University of Texas Medical Branch in Galveston, the Dean of The University of Texas Southwestern Medical School, and the Dean of the Postgraduate School of Medicine.
3. Institutional proposals for allocation of the annual income be submitted in writing to the committee each year.
4. The annual income be made available and distributed at a specified time each year.
5. Inasmuch as the terms of the gift specify that \$38,000 shall be made available for the continuation of certain work in the field of tuberculosis and related diseases of children at Southwestern Medical School, the first \$38,000 of accumulated income from the endowment be allocated for this purpose.

I am bringing this to your attention now for inclusion on the agenda of the Regents' Medical Affairs Committee at their next meeting.

Sincerely yours,

Logan Wilson

LW k  
Encl.

cc:→ Miss Thedford

THE UNIVERSITY OF TEXAS  
SOUTHWESTERN MEDICAL SCHOOL  
8323 HARRY HINES BOULEVARD  
DALLAS 19, TEXAS

OFFICE OF THE DEAN

May 22, 1957

Dr. Logan Wilson, President  
The University of Texas  
Austin, Texas

REC'D  
MAY 22 1957  
LKW

Dear Dr. Wilson:

I have a proposal to make in connection with the Buchanan Foundation Grant presently held by the University. I have talked about this with Dr. Dolley and the enclosed proposal embodies my views with some suggestions which Dr. Dolley thought might be good.

I shall be very glad to hear your opinion of the suggestions for use of this fund and, if your opinion is favorable, I hope that we can begin to implement them as soon as possible.

With best good wishes, I am

Sincerely yours,



A. J. Gill, M.D.  
Dean

AJG/cs  
Encl.

## BUCHANAN FOUNDATION GRANT

The University now holds \$500,000 in bonds representing a grant from the Buchanan Foundation to The University of Texas. As we understand the terms of this grant, these monies can be used for teaching, research, and other purposes within The University of Texas, subject to approval by the Board of Regents and by the Buchanan Foundation's Trustees. It is further stipulated that \$38,000 shall be made available to The University of Texas Southwestern Medical School for continuation of certain work in the field of tuberculosis and related diseases of children. It is also stipulated that the major portion of the monies shall be made available to The University of Texas Southwestern Medical School.

In my opinion, it would be highly desirable, and in the long run most contributory to the University and its program of development, for the entire principal (\$500,000), on maturity of the present bonds, to be reinvested by the Endowment Officer of the University at the best obtainable yield and the principal sum be kept intact as an endowment, with the understanding that the endowment arrangement could be reviewed whenever it was believed desirable. I would like to suggest further that the annual income should be made available and distributed for use at a specified time each year. I believe that the best method of allocation of the annual income would be upon recommendation by a standing committee composed of the President of the University or his representative, the Dean of The University of Texas Medical Branch in Galveston, and the Dean of The University of Texas Southwestern Medical School. I believe that proposals for allocation of portions of the annual income should be submitted in writing to the committee each year and the distributions made as specified by the terms of the gift, which stipulated that the major portion of the funds should be made available to The University of Texas Southwestern Medical School.

Inasmuch as the terms of the gift also specify that \$38,000 shall be made available for the continuation of certain work in the field of tuberculosis and related diseases of children at Southwestern Medical School, I would propose that the first \$38,000 of accumulated income from the endowment be allocated for this purpose upon request to the allocations committee.

I believe that the creation of an endowment fund of this type, with an annual income available, would be far more valuable to the University and its program of teaching, research, and service than could possibly be accomplished by a piecemeal utilization of the principal.

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 18

July 9, 1957

Dr. Merton M. Minter  
1734 Nix Professional Building  
San Antonio 5, Texas

Dear Merton:

Somehow there was a slip in not getting regental action at the last meeting regarding the Jeane B. Kempner Fund, and I think that the over-all action can be delayed until the next meeting. As a matter of fact, we were already presented with a fait accompli in the selection of the first recipient, who was either already in Europe or on his way by the middle of June.

You have noted, I am sure, that the University has nothing to do with the administration of the Fund itself and that selection is made by a board or committee consisting of the President of the University, the chief executive officer of the Medical Branch, and the Dean of the Medical Branch. Dr. Truslow had informed me orally of his desire, as well as the desire of Mr. Kempner, to get the first recipient named without delay. He also indicated that Mr. Kolmen, the student who got the award, was unquestionably a very outstanding individual.

Sincerely yours,

Logan Wilson

LW k

cc: Miss Betty Anne Thedford

THE UNIVERSITY OF TEXAS  
THE BOARD OF REGENTS

**COPY**

**July 8, 1957**

MERTON M. MINTER, M. D., F. A. C. P.  
NIX PROFESSIONAL BUILDING  
SAN ANTONIO, TEXAS

**Dr. Logan Wilson  
President, The University of Texas  
University Station  
Austin 12, Texas**

**Dear Logan:**

**Referring to your letter of July 3, 1957 regarding the Jeane B. Kempner Fund and to the letter from Dr. Truslow on June 14, 1957 regarding the same Fund I have noted that Dr. Truslow expressed an "immediate urgency in requesting board action..... application of an extraordinarily worthy student for a year's work at the University of London beginning July 1."**

**So far as I know action was not taken at the June 29 meeting.**

**Does this refer to July 1, 1957 or July 1, 1958?**

**If it refers to July 1, 1957 and we failed to take action should we try to do so by correspondence?**

**Sincerely yours**

**MMM:emc  
CC: Miss Betty Anne Thedford**

31

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 12

July 3, 1957

Dr. Merton M. Minter  
Minter Clinic  
1734 Nix Professional Building  
San Antonio 5, Texas

Dear Merton:

For your information, I am attaching some communications regarding the Jeane B. Kempner Fund. At their last meeting the Medical Affairs Council made the following recommendations:

In reference to the Jeane B. Kempner Fund it is the recommendation of the Medical Affairs Council that The University of Texas:

1. Accept the provisions of clause four of the will pertaining to the Medical Branch of The University of Texas in Galveston.
2. Approve the principle governing the selection of the scholarship recipient as outlined by the special committee of the Medical Branch on the Jeane B. Kempner Fund.
3. Approve the candidate, Dr. Samuel N. Kolmen, selected by the special committee.
4. Approve payment of available scholarship fund in monthly installments.

My suggestion is that this whole matter be put on the agenda for the next meeting of the Regents' Committee on Medical Affairs for formal approval.

Sincerely yours,

Logan Wilson

LW k  
Encl.

cc:→Miss Betty Anne Thedford

THE UNIVERSITY OF TEXAS — MEDICAL BRANCH  
GALVESTON

32

THE SCHOOL OF MEDICINE  
THE SCHOOL OF NURSING  
THE TECHNICAL CURRICULA  
THE POST-GRADUATE PROGRAM

THE JOHN SEALY HOSPITAL  
THE CHILDREN'S HOSPITAL  
THE PSYCHOPATHIC HOSPITAL  
THE ROSA AND HENRY ZIEGLER HOSPITAL

June 14, 1957

President Logan Wilson  
The University of Texas  
Austin 12, Texas

PRESIDENT'S OFFICE, U OF T  
ACKNOWLEDGED \_\_\_\_\_ FILE \_\_\_\_\_  
REC'D JUN 18 1957  
REFER TO \_\_\_\_\_  
PLEASE ANSWER \_\_\_\_\_  
PLEASE READ AND RETURN \_\_\_\_\_

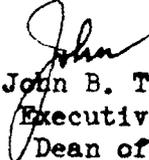
Dear President Wilson:

Attached are five copies of a letter received some time ago from Mr. Lee Kempner which indicate that you also had received a copy at that time. You will note that it arrived in the middle of the Rogers trial and the only thing I did was to appoint a committee to make recommendations on the establishment of the Scholarship Fund. A copy of their report of May 27<sup>17</sup> is also attached for your information.

To tell the truth there are several reasons for my failure to report this directly to you. I wasn't quite sure whether this was a gift of money or a promise of a gift of money or just exactly what transaction was involved in the offer itself. I had it vaguely in mind to discuss this rather thoroughly with the Kempners but have not gotten around to it up to this point.

The immediate urgency in requesting board action has to do with the application of an extraordinarily worthy student for a year's work at the University of London beginning July 1. His application and the committee's recommendation on him will be available for you to peruse next week. In the meantime anything you can do to expedite board acceptance of the gift will be greatly appreciated.

Very truly yours,

  
John B. Truslow, M. D.  
Executive Director,  
Dean of Medicine

JBT/mjs

THE UNIVERSITY OF TEXAS—MEDICAL BRANCH  
GALVESTON

33

THE SCHOOL OF MEDICINE  
THE SCHOOL OF NURSING  
THE TECHNICAL CURRICULA  
THE POST-GRADUATE PROGRAM

THE JOHN SEALY HOSPITAL  
THE CHILDREN'S HOSPITAL  
THE PSYCHOPATHIC HOSPITAL  
THE ROSA AND HENRY ZIEGLER HOSPITAL

June 14, 1957

Mr. Lee Kempner, Chairman  
Harris and Eliza Kempner Fund  
U. S. National Bank  
Galveston, Texas

PRESIDENT'S OFFICE, U. OF T.
ACKNOWLEDGED _____ FILE _____
REC'D JUN 16 1957
REFER TO _____
PLEASE ANSWER _____
PLEASE READ AND RETURN _____

Dear Mr. Kempner:

I am deeply distressed to discover that I have not acknowledged in writing your letter of April 15, 1957 although we have had one or two conversations about it and although I immediately took steps to appoint a faculty committee to advise me on the establishment of an appropriate set of directions for the awards at the Medical Branch of The University of Texas to be known as the Jeane B. Kempner Scholarships. This Committee, composed of the following individuals, Dr. Milton R. Hejtmancik, Associate Professor of Internal Medicine, Dr. T. G. Blocker, Professor of Surgery, Dr. Don W. Micks, Chairman of our Research and Fellowship Committee, and Dr. Carl A. Nau, Professor of Preventive Medicine and Public Health, reported back to me on May 17th the results of their several meetings.

The major recommendations are ones in which I heartily concur. All members agreed that the general interpretation of specified fields of internal medicine and surgery should not merely be limited to individuals with M.D. degrees and with appointments in those specific departments of the Medical School; and that the terms "students attending the Medical School of The University of Texas" therefore would include students in the basic sciences as well, provided that the field of special investigative or scholarship interest is related rather directly to internal medicine and surgery. As you know some of the greatest contributions in the fields of internal medicine and surgery have come from the allied disciplines and these are areas in which we have a great need for strengthening in the faculty at the Medical Branch at this time.

The second recommendation was that particular favor should be given to applicants who indicate an interest in returning to this institution in a teaching capacity upon the completion of their training program. It is clearly interpreted from the will that the scholarship funds may be applied to individuals during a training period away from the University.

The attached notice was placed on all bulletin boards on May 20 with my approval recognizing that it was necessary to post incomplete information at this time. Three applications were received and studied very carefully. One of them was of such merit in our minds as to justify every effort to expedite the award if possible. Therefore, attached is a specific letter recommending a candidate for a Jeane B. Kempner Scholarship beginning July 1, 1957.

June 14, 1957

34

The clause in Mr. Kempner's will setting up this fund specifies that the selection board be composed of the President of The University of Texas, the chief executive officer of the Medical Branch and the Dean of the Medical Branch. For the time being I hold both the title of Executive Director and Dean although within two years these jobs will certainly be divided. This is to request you to accept the action of the President of the University and of myself on the advice of this faculty committee in lieu of the specific wording of the will until such times as these two offices at the Medical Branch are held by two individuals.

I cannot close this letter without expressing on behalf of the University of Texas a deep sense of appreciation of the wisdom of Mr. Kempner in designing the Jean B. Kempner Fund for application in those areas so promising of reward and so critical in terms of need. It has been said that every year in the United States there are 300 or 400 men and women well equipped and disposed for careers of teaching and research who are forced out of this area for purely financial reasons during those critical years between graduation and establishment in faculty positions.

Very truly yours,

John B. Truslow, M. D.  
Executive Director,  
Dean of Medicine

JBT/mjs  
cc: President Logan Wilson  
Mrs. Dan Kempner

June 5, 1957

35

Minutes of "Jeane B. Kempner Fund" Committee

This Special Committee met at 9:30 A.M. on June 5, with Dr's Micks, Nau, and Hejtmancik present. Dr. Blocker was out of the city.

The purpose of the meeting was a decision as to what recommendation should be made to the Executive Director regarding the award of a Scholarship for the coming year. Three applications had been received, from: 1) Wesley Alexander, M.D.; 2) Kenneth S. Axelsen, M.D.; 3) Samuel N. Kolmen, Ph.D.

It was decided to use as a basis for decision the proposed ground rules which were discussed and revised at a previous meeting, and which will be submitted in the near future to the Executive Director.

After considerable discussion, the Committee unanimously voted to recommend that the Jeane B. Kempner Scholarship be awarded to Samuel N. Kolmen, Ph.D. to support his proposed research studies at the London Hospital Medical College. This should be for \$5,000 (or the amount available), to be awarded at monthly intervals over a period of 12 months. Dr. Blocker had previously expressed a similar opinion.

Although Dr. Alexander has proved himself a brilliant student, the feeling was that this fund should not be used to support an individual through an internship. It was decided that Dr. Axelsen would not qualify under our interpretation of the will, as he had no undergraduate training or degree from this institution.

Several important questions were discussed. Our interpretation of the will was that the recipient must have received a graduate degree (M.D. or Ph.D.) from this institution. The problem arose as to whether applicants must hold the M.D. degree. It was again the feeling of the Committee that students with Ph.D. degrees should not be excluded, but that in general the policy should be to favor those with the M.D. degree. However, this must be an individual decision each year, depending upon the qualifications and projects of the applicants.

Respectfully submitted,

/s/ Milton R. Hejtmancik,  
MILTON R. HEJTMANCIK, M.D.  
Chairman

Copied: 6/15/57--mjs

THE SCHOOL OF MEDICINE  
THE SCHOOL OF NURSING  
THE TECHNICAL CURRICULA  
THE POST-GRADUATE PROGRAM

May 20, 1957

THE JOHN SEALY HOSPITAL  
THE CHILDREN'S HOSPITAL  
THE PSYCHOPATHIC HOSPITAL  
THE ROSA AND HENRY ZIEGLER HOSPITAL

JEANE B. KEMPNER FUND

Applications are now being received from applicants for the Jeane B. Kempner Fund" Scholarship. The income and revenues from this fund are "to be used and expended for the purpose of giving financial aid to exceptionally brilliant students attending the Medical Branch of The University of Texas, in Galveston, Texas, to assist and encourage them in pursuing advanced studies in the fields of internal medicine and surgery, such assistance to be given following the student's normal undergraduate years of study, and through the grant to each recipient of a "Jeane B. Kempner Scholarship".

The details of awarding this Scholarship have not yet been fully completed. It is expected that about \$5,000.00 per year will be available for such purposes.

A Committee composed of Dr's. Truman Blecker, Don Micks, Carl Nau, and Milton Rejtmancik (Chairman) has been appointed by Dr. Truslow to make recommendations to him regarding the administration of the Fund. Recommendations regarding a possible recipient for the next year will probably be made in early June, 1957.

All individuals interested in being considered for such an award are requested to contact one or more of the Committee members and to make application prior to June 1, 1957.

May 17, 1957

Minutes of Special Committee Regarding "Jeane B. Kempner Fund."

This Special Committee had its first meeting at 5 P.M. on May 17, 1957, with all members (Dr.'s Blocker, Micks, Nau, and Hejtmancik) present.

It was decided that a general plan of action regarding the administration of the Fund and selection of recipients be drawn up and presented as a recommendation to Dr. Truslow. The administrative plans of McLaughlin Fellowships and others are to be studied, and a suggested plan of action for the future is to be discussed and formulated in more detail at the next meeting.

Several general principles regarding the Fund were discussed at some length, and all members were agreed on several general attitudes: The general interpretation of the specified fields of "internal medicine and surgery" should be in the broad sense, and not merely limited to individuals in those departments. The interpretation of "students attending the Medical Branch of the University of Texas" would include not only medical students but students in the basic sciences, and thus an M.D. degree would not necessarily be a prerequisite. It would seem that individuals selected as recipients of the scholarships should show intent of continuing in academic work, with particular favor shown to those who intend to return to this institution in a teaching capacity. In that manner the Fund could be utilized to provide specialized training to future members of our teaching staff, and improve the qualifications of our future faculty members.

The request of Dr. H.G. Swann in regard to the award of the Scholarship for the year beginning July 1 to Mr. Samuel Kolmen was considered in some detail. All members regarded this candidate as qualifying for the Scholarship under the terms of the will. However, it was felt by all that a notice of the availability of the Scholarship should be posted and circularized, in order that other possible candidates be given an opportunity to be considered before a final decision regarding recommendation to Dr. Truslow be made. In addition, Mr. Kolmen should be questioned regarding his future plans regarding academic work, and his desire to return to this institution.

Since Mr. Kolmen must have an early decision regarding his application, it is recommended that the enclosed notice (or modification) be posted and circularized in the very near future. It is planned to consider applicants and make a recommendation to Dr. Truslow in June.

The Committee is to meet again on May 21 for further discussion.

Respectfully submitted,

*Milton R. Hejtmancik*

Milton R. Hejtmancik, M.D.  
Chairman

May 20 1957  
*Agnes J.S.*

April 18, 1957

RETURN TO HT

Mr. R. Lee Kempner  
Chairman  
Harris and Eliza Kempner Fund  
Galveston, Texas

Dear Mr. Kempner:

Thank you for sending me a copy of your recent letter to Dr. John B. Truslow concerning the "Jeane B. Kempner Fund." I appreciate your thoughtfulness in this regard and am sure you will be hearing from Dr. Truslow at an early date.

Sincerely yours,

Logan Wilson

LW k

cc: Dr. John B. Truslow

# HARRIS AND ELIZA KEMPNER FUND

GALVESTON, TEXAS

April 15, 1957

Dr. John B. Truslow  
Executive Director  
University of Texas Medical Branch  
Galveston, Texas

Dear Dr. Truslow:

Clause Four in the will of Mr. D. W. Kempner reads as follows:

"I give and devise in trust to the Harris and Eliza Kempner Fund eight hundred (800) shares of beneficial interests in the trust association, SUGARLAND INDUSTRIES, and seven hundred and fifty (750) shares of the capital stock of IMPERIAL SUGAR COMPANY, to be held and administered under the designation "JEANE B. KEMPNER FUND", and the income and revenues therefrom to be used and expanded for the purpose of giving financial aid to exceptionally brilliant students attending the Medical Branch of the University of Texas, in Galveston, Texas, to assist and encourage them in pursuing advanced studies in the fields of internal medicine and surgery, such assistance to be given following the student's normal undergraduate years of study, and through the grant to each recipient of a "JEANE B. KEMPNER SCHOLARSHIP". Students to whom the scholarships shall be granted hereunder shall be selected by a Board composed of the persons who, from time to time, shall occupy the offices of President of the University of Texas, the Chief Executive Officer of the Medical Branch of the University of Texas, and the Dean of the Medical Branch of the University of Texas. That Board shall have full power, in its discretion, to select students to whom JEANE B. KEMPNER SCHOLARSHIPS are to be awarded, and the institutions at which their advanced studies are to be carried on. The amounts awarded to each student shall be such as the Board deems reasonable, and shall be expended in such manner and at such intervals as the Board may determine, but, except in exceptional cases, the assistance shall not be given for a longer period than three (3) years.

Dr. John B. Truslow - 2

April 15, 1957

Written directions concurred in by at least a majority of the Board addressed to, and filed with, the trustees of the Harris and Eliza Kempner Fund, concerning the expenditures to be made from the income of the property of this trust shall be conclusive authority for making the expenditures as so directed.

If any positions, the occupants of which are designated as members of the Board above created, be abolished, the vacancy so caused shall be filled by such officer on the staff of the Medical Branch of the University of Texas as may be designated by the Board of Regents of the University of Texas.

If at any time, it shall be determined by the Board above created, with the concurrence of the Attorney General of Texas, that there is no further need or desirability for the continuance of this trust for the purposes above specified, it may be terminated by the written declaration of the Board and Attorney General, and thereupon the trust property then on hand shall be delivered to the Board of Regents of the University of Texas, to be used for the best interests of the Medical Branch of the University of Texas as that Board may determine.

Since the will was written there has been a stock split in the Imperial Sugar Company, so that the Jeane B. Kempner Fund now owns 2,250 shares of this company.

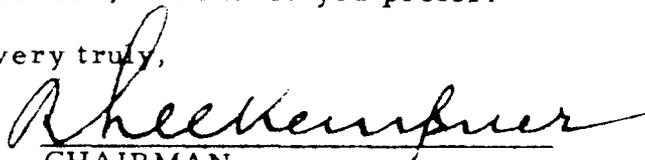
Further there has been a reorganization of Sugarland Industries, so that the 800 shares of this association has now become 4,000 shares of the Sugarland Industries, Inc. and 4,000 shares of Foster Farms, Inc.

There is on hand some \$5,000.00 in cash belonging to the Jeane B. Kempner Fund arising from dividends received from these corporations.

It is, of course, impossible to state with any certainty what dividends will be paid by these corporations in the future, but we think that you can reasonably count on receiving \$5,000.00 to \$6,000.00 a year of income from the holdings of these corporations.

The purpose of this letter is to inform you that we are ready to receive the directions for expenditures of this income in accordance with the will and so will be glad to discuss this subject with you at your convenience or to hear from you with any specific directions, whichever you prefer.

Yours very truly,

  
CHAIRMAN

cc: President of the University of Texas  
cc: Dean of the Medical Branch of the University of Texas

D. MEDICAL AFFAIRS COMMITTEE (Continued)

- 5. Texas Medical Center, School of Nursing  
(Documentation by Doctor F. C. Elliott in process and  
to be distributed either before or at the meeting.)

*Page 42.*

E. BOARD FOR LEASE OF UNIVERSITY LANDS

No meeting in Dallas; therefore no documentation.

F. LAND AND INVESTMENT COMMITTEE

No documentation.

II. SPECIAL COMMITTEE ON DEVELOPMENTAL AFFAIRS

No documentation.

III. SPECIAL ITEMS

A. Central Administration

- 1. BOARD REPRESENTATIVE, COMMITTEE ON TEACHER RETIREMENT PROCEDURES. --Chairman Jeffers has appointed to the Committee on Teacher Retirement Procedures Mr. J. Lee Johnson, III, to fill the place of former Regent Voyles. This committee is composed of representatives of the governing boards of all the State Supported Institutions of Higher Learning for the purpose of implementing SCR 78, 54th Legislature R. S.

This action is reported to the full Board for ratification.

- 2. ADMINISTRATIVE REORGANIZATION AMENDED (VICE-PRESIDENT AND PROVOST). --It is recommended for ratification, in accordance with informal approval by the Board earlier, that the office of Vice-President for Academic Affairs in Central Administration be abolished, effective September 1, 1957. It is further recommended that in the Main University the title "Vice-President of the Main University" be changed to "Vice-President and Provost" effective September 1, 1957, and that the Rules and Regulations of the Board be conformed thereto.

Since this action is an amendment to the Rules and Regulations of the Board, it will be necessary, in accordance with Part I, Page 13, Chapter V, Section 2 of the Rules and Regulations, for this matter to lie over for thirty days for final approval.

*Miss Theford*

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 12

42

October 3, 1957

Memorandum

To: Regents' Medical Affairs Committee

Dr. Merton M. Minter  
Mr. J. P. Bryan  
Mr. J. R. Sorrell  
Mr. Joe C. Thompson  
Mr. Leroy Jeffers

Attached are Verifax copies of the materials  
Dr. Elliott has sent forward regarding the proposed  
School of Nursing in the Texas Medical Center.

*W*  
Logan Wilson

LW k  
Encl.

cc: Dr. M. A. Casberg

PRESIDENT  
MR. W. LELAND ANDERSON  
VICE-PRESIDENT  
COLONEL W. S. BATES  
SECRETARY - EXECUTIVE DIRECTOR  
DR. FREDERICK C. ELLIOTT

# TEXAS MEDICAL CENTER, INC.



TREASURER  
MR. W. A. KIRKLAND  
ASSISTANT SECRETARY - TREASURER  
MR. CARROLL D. SIMMONS

43

406 JESSE H. JONES BLVD.

HOUSTON, TEXAS

JA 8-5321

October 2, 1957

PRESIDENT'S OFFICE, C. OF T.	
ACKNOWLEDGED _____	FILE _____
REC'D OCT 3 - 1957	
REFER TO _____	
PLEASE ANSWER _____	
PLEASE RETURN TO _____	

## BOARD OF DIRECTORS

MR. W. LELAND ANDERSON  
MR. HOWES H. BAKER  
COLONEL W. S. BATES  
MR. W. S. BELLOWE  
MR. DAN S. BULLARD  
MR. BERNARD CLAYTON  
MR. RAY L. DUGLEY  
MR. JOHN H. FREEMAN  
MR. EARL C. HANLANER  
MR. JOHN T. JONES, JR.  
MR. I. N. KEMPER, JR.  
MR. W. A. KIRKLAND  
MR. DOUGLAS S. MARSHALL  
MR. R. A. SHEPHERD  
MR. J. BARRY YORK

Dr. Logan Wilson, President  
The University of Texas  
Austin, Texas

Dear President Wilson:

We appreciate the opportunity to present to the Medical Committee of the Board of Regents and briefly to the Board of Regents a proposal concerning a college of nursing in the Texas Medical Center. I am enclosing some information relating to the proposal. Please feel free to edit by deletion or otherwise to suit your needs.

I will be in Dallas to meet with the Medical Committee and the Board of Regents in Room 118, Southwestern Medical School Building, at 10:00 a.m. on Thursday, October 10.

With warmest personal regards.

Cordially,

  
Frederick C. Elliott  
Executive Director

Ear

Enc.

## LIFE MEMBERS

MR. J. S. ABERCROMBIE  
MR. H. R. CULLEN  
THE RIGHT REV. C. S. QUINN

THE UNIVERSITY OF TEXAS  
OFFICE OF THE PRESIDENT  
AUSTIN 12

September 27, 1957

Mr. W. Leland Anderson  
President  
Texas Medical Center, Inc.  
406 Jesse H. Jones Building  
Houston, Texas

Dear Mr. Anderson:

In view of the urgent need not only in Houston but also throughout Texas for more nursing personnel, The University of Texas is naturally concerned with any proposal intended to help remedy the situation. I have talked with Mr. Leroy Jeffers, Chairman of our Board of Regents, and Dr. Merton Minter, Chairman of the Regents' Committee on Medical Affairs, and we are all agreed that a place should be made on the agenda of the next Regents' meeting to give Dr. Frederick C. Elliott an opportunity to make a presentation of your plans. The next meeting will be in Dallas, Thursday, October 10, at the Southwestern Medical School, and Dr. Elliott is cordially invited to appear at that time.

Dr. Minter has suggested that Dr. Elliott prepare in writing a brief summation for advance study by the Regents' Committee on Medical Affairs and has further suggested that Dr. Elliott first appear before this committee for discussion of the whole matter in the morning at 10:00 a.m., in Room 118 of the Southwestern Medical School building. There would be time for more detailed discussion on the part of this whole group than there would be at the meeting of the entire Board, but Dr. Elliott will also be given an opportunity to appear briefly before the entire Board that afternoon.

I am sending a carbon copy of this letter to Dr. Elliott, and, if he is agreeable, should appreciate it if he would send me the written summation as promptly as possible, so that I may distribute copies to the Regents' Committee on Medical Affairs for their study prior to the Dallas meeting.

Best wishes to you.

Sincerely yours,

Logan Wilson

LW k

cc: Dr. F. C. Elliott  
Mr. Leroy Jeffers  
Dr. Merton Minter

bcc: Messrs. Bryan, Sorrell, Thompson, Dr. Casberg, Miss Thedford

MR. W. LELAND ANDERSON  
PRESIDENT  
COLONEL W. B. BATES  
SECRETARY  
DR. FREDERICK C. ELLIOTT

TREASURER  
MR. W. A. KIRKLAND  
ASSISTANT SECRETARY-TREASURER  
MR. CARROLL D. SIMMONS  
EXECUTIVE DIRECTOR  
DR. FREDERICK C. ELLIOTT

# TEXAS MEDICAL CENTER, INC.



406 JESSE H. JONES BLDG.

HOUSTON, TEXAS

JA 8-5221

September 25, 1957

## BOARD OF DIRECTORS

MR. W. LELAND ANDERSON  
MR. NILES H. BAKER  
COLONEL W. B. BATES  
MR. W. S. BELLOWE  
MR. EARL R. BULLARD  
MR. BENJAMIN CLAYTON  
MR. RAY L. DUBLEY  
MR. JOHN H. FREEMAN  
MR. EARL S. HANSLAMER  
MR. JOHN T. JONES, JR.  
MRS. J. H. KEMPTNER, JR.  
MR. W. A. KIRKLAND  
MR. DOUGLAS S. MARSHALL  
MR. R. A. SHEPHERD  
MR. J. BARRY YORK

Dr. Logan Wilson, President  
The University of Texas  
Austin, Texas

PRESIDENT'S OFFICE, U OF T  
ACKNOWLEDGED \_\_\_\_\_ FILE \_\_\_\_\_  
REC'D SEP 25 1957  
REFER TO \_\_\_\_\_  
PLEASE RETURN \_\_\_\_\_  
PLEASE RETURN \_\_\_\_\_

## LIFE MEMBERS Dear Dr. Wilson:

MR. J. S. ABBECROMBIE  
COLONEL JAMES ANDERSON  
MR. H. B. CULLEN  
MR. JESSE H. JONES  
THE RIGHT REV. C. S. QUINN

One of our most urgent needs in this Medical Center is a School of Nursing. We now think that a building to house such a school and to house student nurses could be financed by a local organization which is very much interested in this project. We, of course, realize that in order to be successful a school of nursing needs good academic standing and we frankly hope that the plans here would be of interest to the University, partly because of the University's institutions in this area.

Our Executive Director, Dr. Frederick C. Elliott, would like to have the opportunity of discussing these plans by making a verbal presentation to the Board of Regents at the next opportunity. If you are willing to request that this item be added to the Agenda for the next meeting of the Board of Regents it would certainly be helpful, since things of this nature can best be handled if they are kept moving forward.

If you think well of this idea will you kindly let me know the date on which Dr. Elliott might appear before the Board of Regents.

Yours sincerely,

*W. Leland Anderson*  
President

WLA:EB

cc: Dr. F. C. Elliott

### A Summary

1. Nursing needs in the State of Texas and in the nation are acute.
2. Additional educational facilities are needed.
3. Recognizing this need, the Good Samaritan Club of Houston has raised \$5,000,000 and is committed to raise an additional \$2,000,000 for the Texas Medical Center to provide nursing training facilities in the Center.
4. Recognizing the role of leadership which the University of Texas has taken in nursing education throughout the State, it is the desire of those in the Texas Medical Center that the University of Texas establish a school in the Texas Medical Center, utilizing the funds available.

A UNIVERSITY OF TEXAS COLLEGE OF NURSING  
IN THE TEXAS MEDICAL CENTER

(Proposed)

Background Information

1. The Texas Medical Center was founded as a public trust and received its Charter in October, 1945. Article II of the Charter states:

"This corporation is formed exclusively for benevolent, charitable and educational purposes, and to such extent as may be proper to achieve any of the above stated purposes:

To promote and provide for or assist in the establishment, support and maintenance of facilities for medical, dental and nursing education and other phases of health and medical education, for hospitalization and treatment of the sick and afflicted, and for research in the field of health and science of medicine and dentistry;

To promote and provide for or assist in the establishment, support and maintenance of medical schools, dental schools, schools of public health and nursing, hospitals and clinics; and to provide facilities and financing for housing of students, faculty members and employees, of all and any of such institutions;

To promote, provide for, or assist in the establishment, support and maintenance of a general health program for the State of Texas, as well as special health programs for the State of Texas;

To join with and assist other institutions organized and operated exclusively for any one or more of the purposes herein stated;

To make awards, give prizes, grant scholarships, publish reports and engage in research;

To accept and administer gifts, donations and bequests, whether of money, personal property, or real estate, and otherwise to accumulate, administer and disburse funds to advance or achieve any of the above stated purposes."

2. At the present time the following institutions are operating in the Texas Medical Center: A medical school; a dental branch (which includes the dental school, college of dental hygiene, and post-graduate school of dentistry), a cancer hospital and tumor institute (300 beds), a postgraduate school of medicine (University of Texas institutions); three general hospitals (1,269 beds) (this does not include the City-County Hospital which is available for nursing education with 407 beds or the Veterans Administration Hospital with 1,171 beds); a children's hospital (115 beds); a crippled children's clinic (36 beds); a clinic for brain-damaged children; an Institute of Rehabilitation, with which the present Speech and Hearing Center will be amalgamated, under construction now (54 beds); a medical library.

3. Plans are being developed for the Institute of Psychiatry (60 beds). Also, plans are being developed for an Institute of Cardiology and a cardiovascular hospital (350 beds).

4. A brochure, "The University of Texas in The Texas Medical Center", published by the University of Texas in 1946 indicated the scope that was planned for the University of Texas in the Medical Center.

5. From the beginning of the establishment of the Texas Medical Center, the University of Texas was considered to be the university which would play the largest part in the development of the Center.

The Need for Another State-operated College of Nursing

1. Based upon United States Census Bureau population estimates of January 1, 1956, there were 257.5 nurses for every 100,000 members of the population.

2. Information available reveals that the approximate ratio in Texas is 150 nurses for every 100,000 members of the population.

3. A conservative ratio of 300 nurses for 100,000 population has been set as the immediate goal of the national group interested in nursing education.

4. The need to meet this minimum standard is apparent. To meet the future need for Texas, the population growth of Texas needs to be included in the determination, as well as the ever-increasing use of nurses by doctors, because doctors in private practice, in tax-supported institutions (Veterans Administration hospitals and State hospitals), in public health, and in industry recognize that nurses not only provide bedside care that is necessary but also that nurses who are properly educated serve as an extension of the doctor's right arm for providing many of the rote services that have usually been performed by doctors. This permits an increase in the spread of good medical care for the patient.

5. The rapid growth and future possibilities of the Gulf Coast area indicate that in this area alone a larger number of properly educated nurses will be needed than the present University-operated college in the Gulf Coast area can supply.

6. The programs of the University institutions located in the Medical Center would be decidedly improved by the presence of a University-operated college of nursing in the Medical Center.

#### The Recruitment of Students

1. With no recruitment program other than the present scholarship program, which would be continued, the hospital-training schools in the Medical Center have been filled. One of them has turned applicants away because of the limitations of their facilities.

2. Filled now nearly to capacity, nursing schools face an era of expansion, if they are to accommodate more students. The present national shortage is due primarily to the need for better and larger facilities for educational purposes.

3. At the present time 4% of the high school graduates enter nursing schools. The attrition rate for these colleges of nursing in the United States is approximately 50%, (students who do not complete the course).

4. In Texas fewer than 4% of high school graduates enter colleges of nursing. The attrition rate in Texas is approximately 60%.

5. The ratio of nurses to population on the East coast is 336 to 100,000 population. The ratio in the South is less than 200 nurses for 100,000 population. The high ratio in the East is attributed to the better quality of the nursing colleges.

6. The large increase in the number of students who will be applying to universities in the near future is due to the skyrocketing national birth rate and should apply equally as well to the colleges of nursing, if they are of university standard.

7. The number of high school girls graduating in Houston alone each year is approximately 1,824.

8. A University-operated program in the Medical Center with facilities provided for the housing of student nurses and with educational opportunities provided, equal in quality to those which are provided for medical and dental students, would serve to be a stimulating force in increasing interest in nursing as a career just as it has done in medicine and dentistry.

9. The institutions of the University of Texas which are located in the Medical Center now, because of their reputation, would also serve as a stimulus to recruitment.

10. The directors of the hospital-training programs for nurses in the Medical Center state that if a university-type institution accepting 100 students to a class were in the Medical Center, the class could be easily filled.

Why the University of Texas?

1. The education of young women for careers in nursing is as much a public responsibility as is the education of others in careers of teaching, medicine, dentistry, and so forth.

2. The dignity and morale of a university education is as essential for nursing education as it is to the other educational endeavors of a university.

3. Nursing education needs sustained financial support, which can be provided best by a tax-supported institution.

4. Nursing education needs to develop basic research programs.

5. In the beginning, the established branches of the University of Texas in the Medical Center can be used by the college of nursing for the development of its educational program. Also, other facilities of the Medical Center which the college of nursing wishes to use will be available.

6. In the beginning, procurement of faculty members for the college of nursing will not be difficult because basic science teachers and nurses trained in nursing education are available now in the Medical Center.

7. Texas Medical Center resources are available to the University of Texas for the extension of the teaching program of its excellent nursing school in Galveston. These resources would represent a substantial economic saving and, at the same time, would afford greater opportunities for recruitment of students, more fully utilize the University of Texas facilities in the Texas Medical Center for teaching purposes, and supply their nursing needs.

8. The original intent of the Texas Medical Center to look to the University of Texas as the guiding influence for the development of the Medical Center for Texas indicates the high degree of interest that the philanthropists of Houston have in the University of Texas. The Good Samaritan Club has announced that they have approximately \$5,000,000 from philanthropic sources and approximately \$1,000,000 from an estate available for building dormitories for nurses and other undergraduate and graduate students, as well as for building facilities needed for a college of nursing. They have announced that they will increase the total to \$7,000,000 by a campaign which they will conduct in the immediate future. From the time of its founding, the Good Samaritan Club has devoted its interest to furthering and advancing the profession of nursing. It provides scholarships, student loans, and money for other purposes pertaining to recruitment and the support of nursing programs. Its interest and support will continue in this important field.

III. SPECIAL ITEMS (Continued)

A. Central Administration (Continued)

3. Vacancy, Land and Trust Attorney

(No documentation)

4. System Personnel Office

(Documentation on following pages)

August 10, 1957

Memorandum

To: Dr. Logan Wilson  
 From: J. C. Dolley *J.C.D.*  
 Subject: System Personnel Office

I believe we are agreed that it is desirable to provide definite staff responsibility at the System level for the classified personnel program at all component units. At the present time, Dr. C. T. Clark serves informally in this capacity, but he looks only at the items specifically referred to him by your office. Formal recognition in this staff function at the System level will assure that all classified personnel matters, whether presented by letter or by docket, will be reviewed by Dr. Clark and further, this arrangement will materially strengthen Dr. Clark's effectiveness in advising unit personnel officers as to operational and policy problems.

With these objectives in view, I recommend:

1. That Dr. C. T. Clark be appointed as System Personnel Advisor in the budget of the Office of the President but with none of his salary to be paid from that budget.
2. That the System Personnel Advisor report to the President through the Vice-President for Fiscal Affairs.
3. That the following duties and responsibilities be assigned to the System Personnel Advisor:
  - a. Advise the President concerning the operation of and all proposed changes in the classified personnel program at the component institutions.
  - b. Advise the chief executive officers and the personnel officers of the component institutions concerning any phase of the local personnel programs. In this connection, he will not only respond to requests for advice, but he will initiate suggestions designed to improve the efficiency of the local personnel programs.
  - c. Inform branch personnel officers of all developments which affect their personnel programs. He will arrange for periodic meetings of branch personnel officers to discuss current problems and evaluate program administration.
  - d. Prepare annually an evaluation of the operation of the classified personnel program of the System together with recommendations for improvement.

4. That the attached revision of "Policy for the Development and Coordination of the Classified Personnel Programs for The University of Texas" be approved. This revision reflects the creation of the position of System Personnel Advisor.

POLICY FOR THE DEVELOPMENT AND COORDINATION  
OF THE CLASSIFIED PERSONNEL PROGRAMS  
FOR THE UNIVERSITY OF TEXAS

(As amended by the Board of Regents, \_\_\_\_\_, 1957)

- I. The Development and Operation of the Branch Personnel Program as Defined in the Duties of the Branch Personnel Officer
  - A. The Administration of the Classified Personnel Program in His Institution
    1. Knows the objectives and all of the details of the program.
    2. Assumes responsibility for recommending all changes in the written program to his chief executive officer.
    3. Interprets the personnel program to his institution--administration, supervisors, and employees.
  - B. The Classification Plan
    1. Recommends on all changes in any existing job classification or the creation of any new job classification.
    2. Writes all class specifications.
    3. Allocates all jobs to the proper job classification.
    4. Assures that no person is appointed in a position in the classified service under a title not included in the Classification Plan.
  - C. The Pay Plan
    1. Recommends all changes in approved salary ranges together with the ranges for all new job classifications.
    2. Makes salary studies to determine correctness of existing salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.
    3. Assures that no appointment and/or change of salary is made which is:
      - a. Below the minimum salary for the class range (except for a "Trainee").
      - b. Above the maximum salary for the class range.
      - c. Not on a regular step (or fraction thereof if part-time).
  - D. The Policies and Rules
    1. Provides a uniform interpretation of the institution's personnel policy.
    2. Advises his chief executive officer of any violation or abuse of this policy.
    3. Recommends any necessary change in the written Policies and Rules.

**E. Personnel Transactions**

1. Approves all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees prior to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.
2. Calls to the attention of his chief executive officer in writing any violation of the program which may be approved outside the channels provided above, with a copy to the President of The University of Texas.

**F. Personnel Services**

Provides necessary personnel services to departments of his institution as rapidly as time and staff permit. These services should include, as a minimum, the following:

1. Centralized personnel records.
2. A program of interdepartmental promotions.
3. Centralized recruiting for job vacancies.
4. A training program.
5. A program of employee communication.

**II. The Development and Coordination of the System-Wide Personnel Program**

**A. The Classification Plan**

1. Coverage: The Classified Service of The University of Texas System shall include all positions on the staff of the University which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The chief executive officer of each component institution shall determine the inclusiveness of the classified service within this general definition, and shall submit upon request to the President a list of those administrative or research positions not included in the classified program.
2. Type of Plan: Uniform use shall be made of the "grading or Job Classification" system of job evaluation. Job specifications shall be prepared according to the Procedure for Writing Class Specifications provided by the Office of the President of The University of Texas.
3. Job Titles: Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe generally similar work. Classes unique to a component institution shall have suitable descriptive titles.
4. Job Code: A uniform job code entitled the Personnel Classification Code shall be used to designate job classes. This code shall be used on IBM cards to compile statistical information on classified employees.

- B. The Pay Plan
1. A uniform system of salary steps providing for an increase of five per cent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
  2. A uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.
  3. Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by pay surveys.
- C. The Policies and Rules
1. Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.
  2. Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.
- D. Classified Personnel Officer
1. The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program. [ The System Personnel Advisor shall be available for advice and assistance in the selection of this personnel officer.]
  2. Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the Office of the President of The University of Texas.
- E. Approval of additions to and changes in the Classified Personnel Program
1. Formal approval of the Classification Plan, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
  2. Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution must be made upon the recommendation of the branch personnel officer, the chief executive officer of the institution, and the approval of the President and the Board of Regents. Such changes must have the approval of the President prior to inclusion in the Regents' Docket for the institution concerned.

F. Duties of the System Personnel Advisor with respect to the system-wide personnel program

1. Advises the President of the University, through the Vice-President for Fiscal Affairs, concerning the operation of, and proposed changes in, the branch personnel programs.
2. Advises the chief executive officers and the personnel officers of the component institutions concerning all phases of the local personnel programs; responds to requests for advice and initiates suggestions designed to improve the efficiency of the local personnel programs.
3. Informs branch personnel officers of all developments which affect their personnel programs and arranges for periodic meetings of branch personnel officers to discuss current problems and to evaluate program administration.
4. Prepares annually an evaluation of the operation of the personnel programs of the System together with recommendations for improvement.

G. Reports

Necessary reports concerning the status and operation of the various classified personnel programs may be required by the President of The University of Texas.

BUDGET POLICIES TO BE FOLLOWED  
IN PREPARING THE 1958-59 ANNUAL BUDGETS

The second year of the biennium affords relatively little opportunity for additional improvement of salaries or expansion of services. Within funds available, institutional heads may recommend a few merit advances for members of the teaching and professional staff and these recommended advances should be relatively modest in amount. Merit advances recommended for classified personnel should not exceed a maximum of 50% of the total institutional classified staff, and such recommendations should be limited to one step in the promotional scale. Only in the most exceptional situations should salary advances in excess of these limits be recommended.

In applying the general budget policy in the preparation of annual budgets for 1958-59, the merit system of promotion and salary increases for both academic and non-academic personnel will be continued. All divisions are to take into account the "up-or-out" rule and any other tenure considerations which are pertinent.

For non-academic or classified personnel, changes in job classifications should be recommended only when thoroughly justified. Necessary revisions in the pay ranges in certain areas of the classified personnel pay plans required to keep abreast of local market conditions should be processed for advance approval of the President and subsequent approval of the Board of Regents through the regular docket. Neither changes in job classifications nor scale adjustments will be considered as merit increases, and such advances will not apply to the 50% limitation on salary increases.

The maintenance and equipment recommendations should be divided and "Equipment" should be shown as a separate budget item. Increases in the maintenance and operation items should be nominal in amount. Equipment requests must be individually justified through supporting schedules.

Office of the President  
FDG:ds  
October 4, 1957

BUDGET CALENDAR

<u>Time Schedule</u>	<u>Annual Budget 1958-59</u>	<u>Legislative Budget 1960 and 1961</u>
Oct. 11, 1957	Board approval of policies	
Nov. 1	Draft of Budget Instructions	Draft of Budget Instructions (tentative)
Dec. 2	Budget detail <u>due from Departmental Chairmen to academic Dean (or Division Head)</u>	Draft of budget policy recommendations <u>due from Executive Head to Central Administration</u>
Dec. 7		Budget Instructions <u>from Executive Head to Departments</u>
Jan. 2, 1958	Recommendations <u>due from Dean (or Division Head) to Executive Head of institution</u>	
Jan. 15		Budget detail <u>due from Departmental Chairman to academic Dean (or Division Head)</u>
Feb. 1	Draft copy (including summaries) of budget due from Executive Head to Central Administration	
Feb. 7		Budget Recommendations <u>due from Dean (or Division Head) to Executive Head</u>
Feb. 17-21	Budget Hearings with Central Admin.	
April 1	To Board of Regents	(a) Board approval of policies (b) Policy statement <u>from Central Administration to Executive Head</u> (c) Commission's (or L.B.B.) Manual forwarded to Executive Head along with additional Instructions from Central Administration
May 1		Budget <u>due from Executive Head to Central Administration</u>
May 19-23	Auxiliary Enterprises Budgets due to Central Administration	Budget Hearings with Central Administration
June	Auxiliary Enterprises Budgets to Board of Regents	To Board of Regents

III. SPECIAL ITEMS (Continued)

A. Central Administration (Continued)

5. Budget Policies, 1957-58

Documentation of this item will be in the  
Supplement to the Material Supporting the Agenda  
that is distributed at the meeting.

6. Ratification of Bank Depository Agreements

See next page for actions to be ratified.

THE UNIVERSITY OF TEXAS  
OFFICE OF THE COMPTROLLER  
AUSTIN 12  
MEMORANDUM

PRESIDENT'S OFFICE, U OF T  
ACKNOWLEDGED \_\_\_\_\_ FILE \_\_\_\_\_  
REC'D SEP 27 1957  
REFER TO OK W  
PLEASE ANSWER \_\_\_\_\_  
PLEASE READ AND RETURN \_\_\_\_\_

September 26, 1957

*Docket 7*

To: Dr. Logan Wilson, President  
Subject: BANK DEPOSITORY AGREEMENTS

Pursuant to authorization given at the Regents' Meeting of June 29, 1957, and with the assistance of the Executive Heads and Business Managers of the branches outside of Austin, I have negotiated bank depository agreements as listed below. All of these agreements are renewals and all are for a two-year period beginning September 1, 1957 and ending August 31, 1959. The tabulation given below shows some of the terms of the agreements which have just expired and of the new agreements:

	<u>1955 - 57</u>		<u>1957 - 59</u>	
	<u>Interest Rate on Time Deposits</u>	<u>Maximum Amount Of Time Deposits</u>	<u>Interest Rate on Time Deposits</u>	<u>Maximum Amount Of Time Deposits</u>
<u>Main University and Central Administration, Austin</u>				
The American National Bank of Austin	2%	\$1,500,000	2½%	\$1,800,000
The Austin National Bank, Austin	2%	1,500,000	2½%	2,000,000
The Capital National Bank in Austin	2%	1,300,000	2½%	1,800,000
City National Bank of Austin	2%	150,000	3%	300,000
Texas State Bank of Austin	2%	150,000	3%	250,000
<u>Southwestern Medical School, Dallas</u>				
First National Bank in Dallas	2%	150,000	2½%	200,000
Mercantile National Bank at Dallas	2%	150,000	2½%	200,000
Republic National Bank of Dallas	2%	150,000	2½%	200,000
<u>Texas Western College, El Paso</u>				
El Paso National Bank, El Paso	1%	100,000	2%	200,000
Southwest National Bank, El Paso	None	None	2%	200,000
The State National Bank of El Paso	1%	100,000	2%	200,000

-2-

	<u>1955 - 57</u>		<u>1957 - 59</u>	
	<u>Interest</u>	<u>Maximum</u>	<u>Interest</u>	<u>Maximum</u>
	<u>Rate on</u>	<u>Amount</u>	<u>Rate on</u>	<u>Amount</u>
	<u>Time</u>	<u>Of Time</u>	<u>Time</u>	<u>Of Time</u>
	<u>Deposits</u>	<u>Deposits</u>	<u>Deposits</u>	<u>Deposits</u>
<u>Medical Branch, Galveston</u>				
Hutchings-Sealy National Bank of Galveston	2%	\$1,000,000	2½%	\$1,000,000
<u>M. D. Anderson Hospital and Tumor Institute, Houston</u>				
Fannin State Bank, Houston	None	None	None	None
First City National Bank of Houston	1½%	200,000	2½%	300,000
Bank of the Southwest National Association, Houston	1½%	300,000	2½%	300,000
<u>Dental Branch, Houston</u>				
First City National Bank of Houston	1½%	200,000	2½%	350,000
Bank of the Southwest National Association, Houston	1½%	300,000	2½%	350,000
<u>Postgraduate School of Medicine Houston</u>				
First City National Bank of Houston	None	None	None	None

On Time Deposits - Open Account, required notices of withdrawal range from ninety days to six months in accordance with Federal Reserve Board regulations.

All of the agreements have now been signed by the banks involved and by the Chairman of the Board and have been delivered to the banks.

Will you please present this report to the Board at the October, 1957 meeting for ratification and approval of the actions reported above.

  
Charles H. Sparenberg  
Comptroller

CBS:jn

Copy to Dr. James C. Dolley

III. SPECIAL ITEMS (Continued)

A. Central Administration (Continued)

7. Reserve to Cover Possible Losses under \$100,000.00  
Deductible Clause of Blanket System-Wide Fire and  
Extended Coverage Insurance Policy

See following page for documentation.

THE UNIVERSITY OF TEXAS

OFFICE OF THE COMPTROLLER

AUSTIN 12

MEMORANDUM

64

Docket

September 27, 1957

To: Dr. Logan Wilson, President

Via: Dr. James C. Dolley, Vice President for Fiscal Affairs

Subject: RESERVE TO COVER POSSIBLE LOSSES UNDER \$100,000.00 DEDUCTIBLE CLAUSE OF BLANKET SYSTEM-WIDE FIRE AND EXTENDED COVERAGE INSURANCE POLICY

As you know, our blanket system-wide fire and extended coverage insurance policy with the Continental Casualty Company of Chicago, Illinois, which is in the amount of \$132,973,800.00 on a 90% coinsurance basis at the present time, provides, among other things, that:

"A. The Company shall be liable in respect of each and every loss occurrence irrespective of the number and kinds of risks involved, for 100% of the excess over and above an initial net loss to the Insured of \$100,000.00 each and every loss occurrence, subject to the limits set forth in Article VI.

"B. It is warranted by the Insured that in respect of each and every loss occurrence its initial net loss retention of \$100,000.00 shall be retained at its own risk and not insured in any way."

In accordance with my previous discussions with you and Dr. Dolley, it is hereby recommended that a reserve account in the amount of \$100,000.00 be set up out of the Available University Fund Unappropriated Balance entitled, "Reserve to Cover Possible Losses Under \$100,000.00 Deductible Clause of Blanket System-Wide Fire and Extended Coverage Insurance Policy".

It is understood that, due to current Legislative restrictions, there is some question as to how this money might be used, if needed at some of our branches, but nevertheless, it is considered wise and prudent to set up this reserve now to protect the system as a whole under the \$100,000.00 deductible clause.

Will you please submit this item to the Board of Regents for approval at the meeting in Dallas, October 10-11, 1957.

APPROVED:

  
Logan Wilson, President

  
Charles H. Sparenberg  
Comptroller

CHS:jn

Distribution of Approved Copies:

Dr. J. C. Dolley  
Mr. H. G. St. Clair  
Mr. G. W. Landrum  
Mr. G. C. Starnes  
Mr. C. H. Sparenberg

APPROVAL RECOMMENDED:

  
James C. Dolley  
Vice President for Fiscal Affairs

### III. SPECIAL ITEMS (Continued)

#### A. Central Administration

##### 8. HJR 15 Expenses (Final Report)

Mr. Cox will give an oral report on the audit.

#### B. Main University

##### 1. Sidney E. Mezes

##### 2. Reports

a. Teaching Reactor Program

b. Welch Professorship in Chemistry

c. Informational Report to Texas Commission on  
Higher Education Regarding University Programs  
in Home Economics, Library Science, and Library  
Center

P. 66

P. 66

(There will be no documentation on the above items - will be oral reports.)

d. Weather Modification Program

(Documentation is in process and will be included in the Supplement to the Material Supporting the Agenda distributed at the meeting.)

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**THE UNIVERSITY OF TEXAS**  
**OFFICE OF THE VICE-PRESIDENT AND PROVOST**  
**MAIN UNIVERSITY**  
**AUSTIN 12**

**THE WELCH PROFESSORSHIP**

The offer by the Welch Foundation of a sum not to exceed \$25,000 to be applied to the professorial salary of a distinguished chemist was made in March and accepted in June. During the summer additional time was requested by the Chemistry Department to consider possible nominees. By a report received October 9, the Department unanimously suggested that Professor Pitzer of California be offered the position. The Chairman has been instructed to proceed with negotiations. The Department wishes to substitute other names, however, for candidates to be considered next in order. The Foundation has been asked by President Wilson to approve the list submitted by the Department.

**THE REPORT OF THE COMMISSION**

In effect, the Commission has asked the Regents to consider

(a) reducing Home Economics to the baccalaureate level--a manifest injustice, since the Master's degree is now considered basic in all professional disciplines and in most fields of secondary teaching (there is no question about the wisdom of delegating to Denton all doctoral work in Home Economics, as suggested by the Commission);

(b) phasing out the Library Science program in favor of Denton--an even more manifest error, since the only Library capable of supporting a real school of library science is in Austin; and

(c) the establishment in Austin of an all-state Library research center--a project already under way, with \$150,000 pledged by the Anderson Foundation and the Clayton-Garwood families for purchase of the Parsons Library.

HHR:bg  
10/14/57

TEXAS COMMISSION ON HIGHER EDUCATION  
308 West Fifteenth Street  
Austin, Texas

July 15, 1957

OFFICE U OF T	
ADDRESSED	FILE
REC'D	JUL 17 1957
REF'D	
RECAL	
FILED	

Mr. Leroy Jeffers, Chairman  
Board of Regents  
The University of Texas  
674 Piney Point Road  
Houston, Texas

Dear Mr. Jeffers:

There is enclosed herewith a staff report entitled **PRELIMINARY REPORT ON SELECTED PROGRAMS IN THE FULLY STATE-SUPPORTED ACADEMIC INSTITUTIONS IN TEXAS**, which was adopted by the Texas Commission on Higher Education at its regular quarterly meeting in Austin on July 8, 1957.

The Commission would like to call the appropriate parts of this report to the attention of the Board of Regents, with the request that the observations and suggestions contained therein be taken under study and that after careful review the Board make such comments or reports to the Commission as it might wish.

In calling this report to the attention of the Board of Regents and other governing boards the purpose of the Commission is to raise certain questions which it believes should be studied by the institutions affected. It is also our feeling that the results of these local studies will be of great benefit to the Commission in formulating recommendations which it might wish to make. However, please let me assure you that the raising of these questions does not necessarily foreshadow recommendations by the Commission in these particular areas

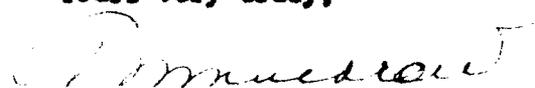
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Y

Mr. Leroy Jeffers  
Page Two  
July 15, 1957

or indicate that the Commission has arrived at any final conclusions regarding them.

The Commission appreciates your continued cooperation and your interest in the problems and needs of higher education in Texas.

Yours very truly,



A. M. Muldrow  
Chairman

Enclosure

cc: Dr. Logan Wilson, President  
The University of Texas

Dr. Dycart E. Holcomb, President  
Texas Western College

C  
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P  
Y

III. SPECIAL ITEMS (Continued)

C. Texas Western College

1. Boundary Line, TWC and El Paso Natural Gas Company

Documentation on following page.

THE UNIVERSITY OF TEXAS  
P. O. BOX 7000 UNIVERSITY STATION  
AUSTIN 12

September 18, 1957



Burnell Waldrep  
[Redacted]  
[Redacted]

MEMORANDUM

To: Dr. J. C. Dolley  
Vice President for Fiscal Affairs

From: Burnell Waldrep

Subject: Boundary agreement between El Paso Natural Gas Company and Texas Western College

In keeping with your suggestion I conferred with Dr. Holcomb about the questions we discussed concerning the boundary agreement between El Paso Natural Gas and Texas Western. He stated that the east line of the tract owned by Texas Western remains intact; that is, it is the same east line that was established at the time we received the property from the American Smelting and Refining Company. The necessity for a boundary agreement arises by reason of a discrepancy in the field notes of the tract of land purchased by El Paso Natural Gas, which is adjacent to Texas Western.

Therefore, the constitutional objection would not be involved. I have approved the same as to form.

*[Handwritten Signature]*

W:tr  
Enc.

*Instrument given BAA 9/20/57*

COPY

September 10, 1957

Dr. Logan Wilson  
President  
The University of Texas  
Austin 12, Texas

Dear Dr. Wilson:

Enclosed you will find five copies of a boundary agreement concerning the research and development laboratory proposed to be constructed by El Paso Natural Gas Company on a tract adjoining Texas Western College campus. The purpose of this agreement is to definitely establish the boundary line between our property and the property of El Paso Natural Gas Company.

This document is being submitted for consideration by the proper committee at the next meeting of the Board of Regents with our recommendation that it be approved. One copy of the signed document should be returned to Mr. K. E. Moreland, Assistant Superintendent, Right Of Way Department, El Paso Natural Gas Company, El Paso, Texas. We would like to have one copy for our files and if only one copy is needed for the files of the main University, the Gas Company would like to have the extra copy for their files.

Sincerely yours,

Dysart E. Holcomb  
President

DH:mn

**III. SPECIAL ITEMS (Continued)****C. Texas Western College (Continued)****2. Proposed Purchase of Lot for President's Home  
(Cotton Estate Funds)**

This item is listed on the agenda of both the Buildings and Grounds Committee and the Land and Investment Committee for discussion since there are certain factors of this item that concern each of these committees. For documentation of this special item see the following pages.

# Texas Western College

OF THE UNIVERSITY OF TEXAS



Office of the President

at El Paso

September 17, 1957

PRESIDENT'S OFFICE, U OF T	
ACKNOWLEDGED _____	FILE _____
REC'D	SEP 19 1957
REFER TO	LCJCD
PLEASE ANSWER _____	
PLEASE READ AND RETURN _____	

Dr. Logan Wilson  
President  
The University of Texas  
Austin 12, Texas

Dear Doctor Wilson:

Pursuant to our conversation of several days ago, I am enclosing a proposal for consideration at the next meeting of the Board of Regents relative to the purchase of a proposed new home site. I am also enclosing a set of the standard sales contract forms used by the sellor. The plan suggested in the proposal is one which Mr. Cox and I worked out and would appear to be entirely feasible since we have somewhat more than \$100,000 in Cotton Estate Reserve Funds which are readily available.

I stopped at San Marcus College on my way back to El Paso last week and learned that Dr. Flowers' new home has approximately 4500 square feet of area and the total cost including furnishings was \$90,000. I will attempt to get similar information from Stephen F. Austin College where, I understand, a new home has also been constructed for the President.

Sincerely yours,

*Dyart E. Holcomb*  
Dyart E. Holcomb  
President

DEH:sjn

## REAL ESTATE PURCHASE - COTTON ESTATE FUNDS

The campus planning committee as well as the consulting architects, Page Sutherland and Page, have tentatively determined that the next large classroom and office building to be constructed should be located across Hawthorne Street east of the Administration Building. This building is Number One on the priority list of new building requirements at Texas Western College. The proposed location is one of the two vacant sites remaining around the periphery of the center portion of the campus. The other site is to be held in the event a new Library building is needed some ten to fifteen years hence.

A portion of the proposed building site is now occupied by the President's House which was constructed about 1920 although it was not acquired by the College until 1943. A portion of the proposed building site is located in a large, deep arroyo and it is estimated that the savings in excavating costs for the proposed large classroom and office building would amount to an appreciable percentage of the cost of constructing a new home for the President when funds become available. Preliminary studies indicate that the classroom and office building would be of necessity very large in order to accommodate the anticipated growth in student body and faculty as well as replace a large number of classrooms and offices housed in temporary, army surplus buildings.

A new development to be called Coronado Country Club Estates has recently been started by a group of local citizens in an area about three miles north of the campus. Restrictions will be placed on the size of homes in this area in order to prevent any low-cost homes being constructed. The first one hundred lots to be sold carry with them a non-assessible membership in the Country Club and the price of the lots, which are approximately one-half acre in size, including the membership is \$7,500 which is equivalent to about \$54 per front foot. Lots in

similar new developments for homes of comparable quality are now selling from \$60 to \$70 per front foot. At this writing over ninety of the first one hundred lots were sold within a period of about three weeks after the development was opened.

Since the College cannot acquire real property without the permission of the Legislature, it is recommended that the Board consider purchasing a lot from Cotton Estate Funds as an investment with the College purchasing the lot from Cotton Estate at a later date, assuming Legislative permission can be obtained in 1959. If by chance Legislative permission cannot be obtained, it is felt that if necessary the lot could be sold with the possibility of making some profit on the original investment. If construction is not undertaken within five years of the date of purchase of the lot, the sellers reserve the right to purchase the lot for \$10,000.

If this proposal is approved by the Board, it is recommended that the proper administrative officials be granted authority to complete details of the purchase. Ample funds are available in Cotton Estate Reserve Funds for this purchase.

THE UNIVERSITY OF TEXAS  
P. O. BOX 2119, UNIVERSITY STATION  
AUSTIN 12

Burnell Waldrep  
ATTORNEY

September 24, 1957

MEMORANDUM

To: Mr. Lanier Cox, Assistant to the President  
From: Burnell Waldrep  
Subject: Proposal relative to the homesite for  
Dr. Dysart E. Holcomb

This memo is in keeping with our recent conversation relative to the source of funds for the proposed homesite of Dr. Holcomb. I agree with you that general funds would not be available for this expenditure in the absence of express legislative authorization.

As to the utilization of funds belonging to the Estate of Frank B. Cotton for this purpose, it is to be noted that the proposal is predicated on the use of Cotton Estate funds, assuming, of course, that legislative permission is granted in 1959. In the event permission is not obtained, then Dr. Holcomb feels that some profit could be made on the original investment as the sellers reserve the right to purchase the lot for \$10,000 if there is no construction. The necessity for the purchase of a new homesite is occasioned by the fact that the area upon which the President's home is now located is to be utilized as the space for the new classroom and office building.

The deed, dated December 20, 1937, wherein Walter B. Grant, as Sole Surviving Executor and Trustee of the Will and Estate of Frank B. Cotton, deceased, conveyed certain lands to the Board of Regents of The University of Texas for the use and benefit of the College of Mines and Metallurgy at El Paso, Texas, contained, among other things, these conditions:

1. That the Board of Regents establish a Department of Fine and Applied Arts and Sciences for Women in the College of Mines and Metallurgy at El Paso, Texas.
2. That the Board of Regents establish a separate and permanent trust fund for the exclusive benefit of the Department of Fine and Applied Arts and Sciences to promote and effectuate the best interests and objects thereof.

Mr. Lanier Cox

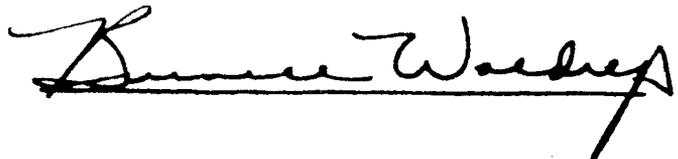
-2-

September 24, 1957

3. That the Board of Regents may from time to time expend so much of the principal of the fund as may in its judgment be necessary or desirable in carrying out the purposes, realizing that the income from said fund may be wholly inadequate to carry out these purposes.
4. That the land and the proceeds are to be applied exclusively to the uses of the beneficiary school as a state-owned and operated institution of higher education.

The Frank B. Cotton Estate is a charitable trust created for certain higher educational purposes. It is provided, among other things, that the Board of Regents may from time to time expend a portion of the principal and that the land and the proceeds may be applied to the uses of the beneficiary school as a state-owned and operated institution of higher education in the furtherance of the purposes of the trust. Moreover, by way of precedent, it has been held that additional compensation may be paid to the President of Texas Western College from funds belonging to the Cotton Estate by reason of the fact that the duties of the President require him to perform certain administrative functions in connection with the operation and maintenance of the department created under the trust.<sup>1</sup> By the same token, the General Appropriation Bill reflects that housing and utilities are considered as emoluments of office.

The question is not free of doubt, but in view of the fact that housing is considered as part of the salary of the President of Texas Western College, if, in the discretion of the Board of Regents, there is a necessity for an allocation of a portion of these funds for the purchase of a lot upon which to construct a home for the President of Texas Western College, it would, in our opinion, be legally sufficient and come within the scope of the purposes of the trust.



BW:tr

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<sup>1</sup>This opinion was predicated upon opinions of the Attorney General numbered V-1476 (1952), 0-1538 (1943), and 0-7189 (1946).

REPORT OF EXECUTIVE COMMITTEE ON INTERIM ACTIONS  
June 29 - October 1, 1957

During the period June 29 - October 1, 1957, the Executive Committee of the Board of Regents by individual vote by mail, upon the recommendation of President Wilson, approved unanimously items in the following classifications:

1. Budgetary Items (Reported in docket with the notation "Approved by Executive Committee.")
2. Vacation - Holiday Schedules for Classified Personnel (Reported in docket)
3. Small Class Reports, First and Second Terms of the 1957 Summer Session, Main University and Texas Western College

The small class reports were prepared in accordance with House Bill No. 140, 54th Legislature, R. S., Article V, Section 18, Subsection "g", of the Special Provisions and are listed in the following categories:

Main University First and Second Terms, 1957 Summer Session

- I. Undergraduate Classes Having Fewer Than Ten Students As of the Twelfth Class Day
  - A. Highly specialized courses required for professional degrees.
  - B. Courses in small departments which offer the minimum number of courses consistent with having at least an acceptable balanced program.
  - C. Courses which a large department regards as necessary for a rounded program.
  - D. Courses for which students pay a supplementary fee for individualized Fine Arts instruction.
  - E. Miscellaneous.
- II. Graduate Classes Having Fewer Than Five Students As of the Twelfth Class Day

Texas Western College First and Second Terms,  
1957 Summer Session

Undergraduate Classes Having Fewer Than Ten Students  
As of the Twelfth Class Day

- I. Highly specialized courses required for professional degree.
- II. Courses in small departments which offer the minimum number of courses consistent with having at least an acceptable balanced program.
- III. Courses which a large department regards as necessary for a rounded program.
- IV. Miscellaneous (Second Term only).

The Executive Committee submits these reports for ratification. A copy of each report is attached.



J. Lee Johnson, III  
Chairman

C. BUILDINGS AND GROUNDS COMMITTEE

Documentation on following page.

*Mr. Fockel*

THE UNIVERSITY OF TEXAS  
OFFICE OF THE COMPTROLLER  
AUSTIN 12

RECOMMENDATIONS TO REGENTS'  
BUILDINGS AND GROUNDS COMMITTEE

September 30, 1957

1. RATIFICATION OF AWARD OF CONTRACT FOR REPLACEMENT OF PEARCE HALL ROOF, MAIN UNIVERSITY.--In accordance with authorization given at the Regents' Meeting held June 29, 1957, bids for the Replacement of Pearce Hall Roof at the Main University were received, opened, and tabulated on July 9, 1957, as shown on the ~~tabulation sheet~~. After consideration of the bids, Comptroller Sparenberg, in accordance with further authorization given at the June meeting, awarded a contract to the low bidder, as follows:

Acme Roofing Company, Austin, Texas	
Base Bid	\$12,896.00
Add Alternate No. 1	400.00
	<hr/>
Total Contract Award	<u>\$13,296.00</u>

It is recommended that the contract award as reported above be ratified by the Board.

2. APPROVAL OF PRELIMINARY PLANS FOR ADDITION TO POWER PLANT BUILDING, MAIN UNIVERSITY.--In accordance with authorization given at the meeting held September 22, 1956, preliminary plans for the Addition to the Power Plant Building at the Main University have been prepared by the Consulting Architect, Page, Southerland, and Page. These plans have been approved by Mr. Eckhardt, the Main University Faculty Building Committee, Vice President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that they be approved by the Board and that the Associate Architect, Fehr and Granger, be authorized to prepare working drawings and specifications to be presented for approval at a later meeting of the Board.

3. SELECTION OF ENGINEER FOR CONSTRUCTION OF NEW CENTRAL WATER CHILLING STATION, MAIN UNIVERSITY.--In February, 1954, an agreement was entered into between The University of Texas and Zumwalt and Vinther, Consulting Engineers, Dallas, Texas, which covered, among other things, a survey of the Main University Campus for the purpose of determining the best solution to the problems of location, etc., of future Central Water Chilling Station or Stations to air condition existing and future buildings on this Campus. A report on this matter was completed and presented by Zumwalt and Vinther under date of June, 1954.

The agreement provides that the report which has been prepared would constitute the "Preliminary Phase" of this work and that, if at any time within five years after the consummation of the agreement it was decided to proceed with the construction of another Central Water Chilling Station, the University has the option of engaging Zumwalt and Vinther to prepare drawings and specifications for the project under the terms set forth in this agreement. It appears at this time that before any additional buildings are constructed it will be necessary to have another Central Water Chilling Station in order to air condition such buildings, and an appropriation of \$1,300,000.00 for this Station was made at the last meeting of the Board.

It is recommended that Comptroller Sparenberg be authorized to engage Zumwalt and Vinther for the "Design Phase" for a New Central Water Chilling Station as set forth in the agreement, and that Page, Southerland, and Page, Consulting Architect, be authorized to design the exterior of the building structure involved in this project.

4. COMPLETION OF UNFINISHED AREAS OF THIRD AND FOURTH FLOORS OF WEST END OF EXPERIMENTAL SCIENCE BUILDING, MAIN UNIVERSITY.--At the Regents' Meeting held June 29, 1957, an appropriation was set up as at September 1, 1957 for the Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building, part of which was to come from a grant from U. S. Public Health Service.

The preliminary plans for this project are in process of being prepared by the Office of the Supervising Architect at the Main University, but are not ready for presentation at this meeting of the Board. The United States Public Health Service required the University to set up an estimated time table for this project in connection with the grant made by the agency, and in trying to meet that time table, it may be necessary for these preliminary plans to receive approval before the next meeting of the Board. It is therefore recommended that a Committee be appointed, consisting of Dr. Roger J. Williams, Vice President Ransom, Comptroller Sparenberg, and President Wilson, to approve the preliminary plans when they are completed.

It is further recommended that after the approval by the Special Committee of the preliminary plans, the Supervising Architect's Office be authorized to proceed with the preparation of working drawings and specifications, and that the Comptroller be authorized to engage Zumwalt and Vinther, Consulting Engineers, to act as Mechanical Engineers under the Supervising Architect's Office for the air conditioning and heating work.

5. TV ADDITION TO RADIO HOUSE, MAIN UNIVERSITY.--At the Regents' Meeting held April 6, 1956, an appropriation of \$75,000.00 was made for the construction of an addition to Radio House primarily to house TV equipment. At the meeting held September 22, 1956, authorization was given to the Physical Plant staff of the Main University to proceed with the preparation of preliminary plans for this project. Attempts have been made by the Physical Plant staff, in collaboration with Mr. R. F. Schenckan, Director of Radio-Television, to prepare plans for a structure with an estimated cost within the amount appropriated, which would adequately house Radio-Television, but these attempts have failed.

After consideration of various alternatives, it is the recommendation of the Main University Faculty Building Committee, Vice Presidents Haskew and Ransom, Comptroller Sparenberg, and President Wilson that the present appropriation of \$75,000.00 for the TV Addition to Radio House be returned to the Unappropriated Balance of the Available University Fund, and that the sum of \$46,942.00 be re-appropriated from this same source for special equipment for Radio-Television which will be housed in temporary locations until such time as sufficient funds are available to build the type of permanent structure believed to be needed.

It is contemplated that the Faculty Building Committee will consider for recommendation to the Board at a later date, when additional funds are available, the appropriation of a larger sum for permanent quarters for Radio-Television.



WHEREAS, the Board of Regents of The University of Texas has determined that it is necessary to construct an Addition and make Alterations to the Student Union Building at Texas Western College, El Paso, Texas; and

WHEREAS, the firm of Davis, Foster, Thorpe, and Associates was engaged to prepare plans and specifications for the aforesaid public work, and said architect has completed the plans and specifications and submitted them for approval; and

WHEREAS, the completed plans and specifications have been carefully studied and are considered to comprise adequate planning of the public work and within the financial ability of The University of Texas to construct;

NOW, THEREFORE, BE IT RESOLVED BY the Board of Regents of The University of Texas that the plans and specifications submitted by Davis, Foster, Thorpe, and Associates for the Addition and Alterations to the Student Union Building at Texas Western College, dated September, 1957, be and the same are hereby approved.

8. APPROVAL OF PREVAILING WAGE RATES FOR ADDITION AND ALTERATIONS TO THE STUDENT UNION BUILDING AT TEXAS WESTERN COLLEGE.--In connection with the project entitled Addition and Alterations to the Student Union Building at Texas Western College, which may be financed from funds received under loan agreement with the Housing and Home Finance Agency of the United States Government, certain requirements are set forth by the loan agreement and by instructions received from the Agency. One of these requirements calls for the furnishing by the Board of Regents of a resolution approving a schedule of Prevailing Wage Rates for construction in the area involved.

It is, therefore, recommended that the following resolution be adopted by the Board:

WHEREAS, The University of Texas (hereinafter called the University) has caused plans to be prepared for the Addition and Alterations to the Student Union Building at Texas Western College; and

WHEREAS, it is desirable that the rates of pay for laborers and mechanics engaged in the performance of such project will not be less than the prevailing wage rates for similar work; and

WHEREAS, the governing authority of the University has made an investigation of the wage rates prevailing in the area;

BE IT RESOLVED BY THE GOVERNING BODY OF SAID UNIVERSITY:

That it is found and determined that the rates shown for the classifications listed on the attachment marked "Exhibit A" are the prevailing rates of per diem pay for laborers and mechanics engaged in similar work at the place where such work is to be performed.

9. RATIFICATION OF AWARD OF CONTRACT FOR NEW PARKING AREA AT SOUTHWESTERN MEDICAL SCHOOL.--At the Regents' Meeting held June 29, 1957, an appropriation of \$70,000.00 was made for the construction of a New Parking Area and Storm Sewer at the Southwestern Medical School, with authorization to a Special Committee to approve the final plans and specifications and award contracts therefor within the amount of money appropriated (plus the contribution of the City of Dallas), after proper advertising for bids by Comptroller Sparenberg. Pursuant to these authorizations, bids on the New Parking Area were received, opened, and tabulated on August 27, 1957, as shown on the ~~tabulation sheet~~. The low bid was below the portion of the total appropriation estimated to be needed for the Parking Area and the Special Committee composed of Dean Gill, Comptroller Sparenberg, and President Wilson awarded a contract to the low bidder, as follows:

Uvalde Construction Company, Dallas, Texas	\$49,956.00
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It is recommended that the contract award as reported above be ratified by the Board.

10. RATIFICATION OF AWARD OF CONTRACTS FOR SERVICE BUILDING, SOUTHWESTERN MEDICAL SCHOOL.--At the Regents' Meeting held June 29, 1957, authorization was given to a Special Committee to approve the final plans and specifications for the Service Building at Southwestern Medical School and to award contracts within the amount of the appropriation after proper advertising for bids by Comptroller Sparenberg. In accordance with this authorization, bids were received, opened, and tabulated for this project on August 27, 1957, as shown on the ~~tabulation sheet~~. Without the rejection of some alternates considered highly desirable and essential, as indicated below, the total of the low bids plus architects' fees thereon exceeded the amount of the appropriations; however, the Business Manager of Southwestern Medical School indicated that there was a sufficient balance in the Unappropriated Balance of Current Funds, General of that institution to cover this deficiency. Since the amount needed was relatively small and the money was available, Dr. Wilson, after consulting with the Chairman of the Regents' Buildings and Grounds Committee and the Executive Committee of the Board of Regents, approved the awarding of contracts by the Special Committee, composed of President Wilson, Vice President Dolley, Dean Gill, and Comptroller Sparenberg, to the low bidders, as follows:

General Contract:

C. A. Fuess and Company, Dallas, Texas		
Base Bid	\$64,866.00	
Add Alternate No. 1-A	<u>6,400.00</u>	\$ 71,266.00

Plumbing, Heating, Ventilating, and  
Air Conditioning Contract:

Beatty Engineering Company, Dallas, Texas		
Base Bid	\$11,970.00	
Add Alternate No. 2-A	<u>5,847.00</u>	17,817.00

Electrical Contract:

Ray Smith Electric Company, Dallas, Texas		
Base Bid		12,600.00

Total Contract Awards		<u>\$101,683.00</u>
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Most of the balance of the work involved in this project will be performed through the Physical Plant staff of M. D. Anderson Hospital.

It is recommended that the actions of the Committee as reported above be ratified by the Board.

~~OTHER MATTERS TO BE CONSIDERED BY THE  
REGENTS' BUILDINGS AND GROUNDS COMMITTEE~~

~~Report on English Building Ceilings, Main University.~~

~~Cornerstone or Plaque for Addition to Student Union Building, Texas Western College.~~

~~Proposed Purchase of Lot from Cotton Estate Funds (For Possible Future Use as Site for President's Home), Texas Western College.~~

<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>
<b>HOD CARRIERS, BUILD- ING, AND COMMON LABORERS (Cont'd.)</b>			<b>OPERATING ENGINEERS (Continued)</b>		
Powder Man or Blasters	\$20.40	\$2.55	Bulldozer, Scraper, Patrol, Euclid, DW-10, DW-20, DW-21 Tournarockers and Similar Scraper Type Equipment, Highland- ers, Elevating Grad- ers, and Tractors Over 35 H.P.	\$23.40	\$2.925
Laborers (Build- ing Construction)	13.20	1.65	Concrete Mixers, Under 1 yd.	23.40	2.925
Laborers (Highway Only)	13.20	1.65	Concrete Mixers, 1 yd. and over	24.60	3.075
Foreman	19.40	2.425	Concrete Paving Machines	24.60	3.075
Sub-Foreman (Pusher)	18.40	2.30	Concrete Batch Plants, Pump- crete and Gunite Machines, Bull Floats, Finishing Machines, Spread- ing Machines, Con- crete Saws	23.40	2.925
Miner	18.40	2.30	Shovel, Crane, Dragline, Clam- shell, Backhoe, Piledrive, Hydro- crane, and Hydro- lift, under 3 yds.	24.60	3.075
Timber Man	16.40	2.05	Shovel, Crane, Drag- line, Clamshell, Backhoe, Piledrive, Hydrocrane and Hydrolift, 3 yds. and over	26.20	3.275
Machine Man	16.40	2.05	Guy and Stiffleg Derricks	26.20	3.275
Track Man	16.40	2.05	Side Boom and Swing Boom Tractors, Hysters, Cat, Cranes, and Attach- ments	24.60	3.075
Chuck Tender	16.40	2.05	Winch Truck, A- frame, Mixermob- ile, Air Tugger	23.40	2.925
Ceramic Tile Helper	14.00	1.75	Building Hoist, One Drum	23.40	2.925
<b>IRON WORKERS</b>					
Journeyman (Fin- isher, Rigger, and Structural)	25.40	3.175			
Welder	25.40	3.175			
Journeyman Rodman	24.60	3.075			
<b>LATHERS</b>					
Foreman	28.00	3.50			
Journeyman	26.00	3.25			
Apprentices					
1 to 6 mos.		45%			
6 to 12 mos.		50%			
12 to 18 mos.		60%			
18 to 24 mos.		70%			
24 to 30 mos.		80%			
30 to 36 mos.		90%			
<b>OPERATING ENGINEERS</b>					
Air Compressors, Power Plants, Pump Operators	23.40	2.925			
Asphalt Plants, Dis- tributors, Laydown Machine, Roller, Oil Heater, Screed and Pug-Mill Operators	23.40	2.925			

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<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>
OPERATING ENGINEERS (Continued)			OPERATING ENGINEERS (Continued)		
Building Hoist, two or more Drums	\$24.60	\$3.075	Pneumatic Roller Under 35 HP Ladi- vators and Con- veyors under 5 HP,	\$19.00	\$2.375
Mine Hoist, Mucking Machine, Slusher	24.60	3.075	Scale Operator Tractor, Under 35 HP, without at- tachments	19.00	2.375
Haulage Motorman, Lumber Form Opera- tor, Refrigeration Operator	23.40	2.925			
Drilling Machines (Core, Rotary and Diamond)	23.40	2.925	PAINTERS		
Traxcavator, Athey and Barber Green Loader, Scoopmo- bile, Elevating Belt-Type Loader, Euclid Loader, Dumor, Forklift, Lumber Stacker, Overhead and Front End Loader, Highlift	23.40	2.925	Foreman	20.00	2.50
Trenching Machine	23.40	2.925	Journeyman - brush	19.00	2.375
Steam Engineer, High Pressure	24.60	3.075	Journeyman - spray	24.00	3.00
Steam Engineer, Low Pressure	23.40	2.925	Glaziers	18.00	2.25
Crushing and Screening Plants	23.40	2.925	PLASTERERS		
Industrial Locomo- tive Operator	23.40	2.925	Foreman	28.00	3.50
Mechanic and Welder	23.40	2.925	Journeyman	26.00	3.25
Service Truck Operator	23.40	2.925	Apprentices		
Fireman, Oiler, Greaser, Service Truck Helper, Mechanic, and Welder Helper	19.00	2.375	1 to 6 mos.		45%
Tractor, Under 35 HP, with attach- ments	23.40	2.925	6 to 12 mos.		50%
			12 to 18 mos.		60%
			18 to 24 mos.		70%
			24 to 30 mos.		80%
			30 to 36 mos.		90%
			PLUMBERS AND PIPE FITTERS		
			General Foreman	28.80	3.60
			Foreman	26.80	3.35
			Journeyman	24.80	3.10
			Apprentices		
			1st 1,000 hours		35%
			Up to 2,000 hours		52%
			Up to 3,000 hours		55%
			Up to 4,000 hours		58%
			Up to 5,000 hours		62%
			Up to 6,000 hours		68%
			Up to 7,000 hours		75%
			Up to 8,000 hours		82%
			Up to 9,000 hours		90%
			Up to 10,000 hours		95%

<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>
ROOFERS			TRUCK DRIVERS		
Foreman	\$19.20	\$2.40	Driver	\$15.08	\$1.885
Journeyman	18.00	2.25		to	to
				17.08	2.135
SHEET METAL WORKERS					
Journeyman	26.00	3.25			
Apprentices, start at 40%, raise 5% each 6 months up to the 8th 6 mos.					

\*Based on eight hours per day

Wage Rates as given above compiled from Prevailing Wage Rates as recognized by the Associated General Contractors of El Paso, Texas.

THE UNIVERSITY OF TEXAS  
OFFICE OF THE COMPTROLLER  
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SUPPLEMENT TO RECOMMENDATIONS TO REGENTS'  
BUILDINGS AND GROUNDS COMMITTEE

October 9, 1957

13. TRANSFER BETWEEN APPROPRIATIONS FOR EXPANSION OF POWER PLANT, MAIN UNIVERSITY.--The preliminary plans for the Addition to the Power Plant Building, Main University, approval of which is recommended in our recommendations of September 30, 1957, involve an estimated cost of \$300,000.00 including Architects' Fees. The appropriation for this part of the Power Plant Expansion project which is now on the books is in the amount of \$255,000.00. The increase of \$45,000.00 in the estimated cost is due mainly to the fact that concrete foundations originally contemplated to be paid for out of equipment appropriations are now included in the preliminary plans for the Addition to the Power Plant Building.

It is recommended, therefore, that \$45,000.00 be transferred to Account No. 91130, Addition to Power Plant Building, \$30,000.00 to be transferred from Account No. 91125, New Power Generating Equipment, and \$15,000.00 to be transferred from Account No. 91120, Expansion of Power Plant, Allotment Account.

RECOMMENDATIONS OF REGENTS' BUILDINGS AND GROUNDS COMMITTEE

October 10, 1957

REPORT ON ENGLISH BUILDING CEILINGS, MAIN UNIVERSITY.--Mr. William B. Saunders, Architect; Assistant to the Comptroller, has made a report to the Regents' Buildings and Grounds Committee, based on investigations made by himself and Engineers on the Main University staff, et al, in regard to the condition of the ceilings in the New English Building and the probable cause of the expansion that has occurred in the ceilings in certain areas of this building. Mr. Saunders has recommended, and the Regents' Buildings and Grounds Committee also recommends, that this situation be corrected as fast as possible, over a period of months, by the Physical Plant staff of the Main University by cutting certain expansion joints in these ceilings, pulling the steel channels back into place in certain areas, etc., and it is understood that the Comptroller's Office will be responsible for preparing instructions for the Physical Plant staff of the Main University to follow in doing this work.

The Buildings and Grounds Committee recommends that periodical reports be made, at least once every 120 days, to this Committee and the Board as to the condition of the ceilings in the English Building and that the Main University Physical Plant staff be instructed to make repairs to at least one room at this time and to report to the next meeting of the Board the findings on this room and to proceed as fast as possible to make the necessary repairs to the ceilings in the other rooms. The information presented to this Committee indicated that there was no immediate danger to faculty and students.

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EXHIBIT A  
PREVAILING WAGE RATES  
EL PASO, TEXAS  
AS AT OCTOBER 10, 1957

Not less than the general prevailing rate of per diem wages must be paid to all laborers, workmen, and mechanics directly employed on the work covered by this contract.

The following schedule of wages per diem and per hour prevail as of October 10, 1957, in El Paso, Texas.

<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>Wages Per Diem*</u>	<u>Wages Per Hour</u>
<b>ASBESTOS WORKERS</b>			<b>ELECTRICIANS</b>		
Foreman	\$26.80	\$3.35	Foreman	\$26.80	\$3.35
Journeyman	24.80	3.10	Journeyman	24.80	3.10
<b>BRICKLAYERS, MASONS</b>			Apprentices		
Foreman	30.80	3.85	1st 6 mos.		50%
Bricklayers, Masons, Tile Layers, Ter- razzo, Mosaic, Marblemasons, and Blocklayers	28.80	3.60	2nd 6 mos.		55%
Rock-Stone Masons	24.00	3.00	2nd Year		60%
Apprentices, start at 50% and raise 5% each 6 months			3rd Year		70%
<b>CARPENTERS</b>			4th Year		80%
Foreman	26.00	3.25	<b>HOD CARRIERS, BUILD- ING AND COMMON LABORERS</b>		
Journeyman	24.00	3.00	Operator, Jackhammer	14.40	1.80
Apprentices			Operator, Outside, Wagon Drill	18.40	2.30
1st 6 mos.		55%	Operator, Cement Gun or Gunite	16.40	2.05
2nd 6 mos.		61%	Wagon Drill		
3rd 6 mos.		66%	Tender	18.40	2.30
4th 6 mos.		72%	Asphalt Raker	14.40	1.80
5th 6 mos.		77%	Carpenters, Tenders	13.20	1.65
6th 6 mos.		83%	Concrete Workers	13.20	1.65
7th 6 mos.		89%	Kettle Man, Asphalt or Port Man	14.40	1.80
8th 6 mos.		94%	Mason Tender (Limi- ted to one for not less than 5 Journey- men of the Brick- layers Union)	16.40	2.05
Millwrights	26.00	3.25	Pipe Layers other than Metal	15.40	1.925
<b>CEMENT MASONS</b>					
Journeyman	23.20	2.90			

Proposed Purchase of Lot From Cotton Estate Funds (For Possible Future Use as Site for President's Home), Texas Western College.-- After consideration by the Buildings and Grounds Committee, the Land and Investment Committee, and the Committee of the Whole, and upon recommendation by the Land and Investment Committee, the Board approved a recommendation by Dr. Holcomb to Dr. Wilson that the Board of Regents purchase, as an investment of Cotton Estate Funds, a lot in the Coronado Country Club Estates, El Paso, Texas. These lots in the "Coronado Country Club Estates" are each approximately one-half acre in size and the price of each lot is \$7,500.00. It is contemplated that this lot may be used at some future time as a site for a new President's home, if and when it becomes legally permissible to do so. If construction is not undertaken within five years of the date of purchase of the lot, the sellers reserve the right to purchase the lot for \$10,000.00.

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I. REPORTS OF STANDING COMMITTEES

E. Land and Investment Committee

Documentation on following pages.

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES OF SECURITIES AND SALE OF RIGHTS.--The following purchases of securities and sale of rights have been made for the Permanent University Fund since the report of June 28, 1957. We ask that the Board ratify and approve these transactions:

CORPORATE STOCKS PURCHASED

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
7/ 2/57	Bankers Trust Co. Capital Stock (New York, N. Y.)	400 Shares	60-3/4 Net	\$ 24,300.00	4.94%
7/ 1/57	The First National City Bank of New York Capital Stock	400 "	60-3/4 Net	24,300.00	4.94
7/ 3/57	First National Bank of Boston Capital Stock	400 "	66-3/4 Net	26,700.00	4.87
7/ 3/57	Continental Illinois National Bank & Trust Co. of Chicago Capital Stock	300 "	85-1/4 Net	25,575.00	4.69
7/ 3/57	Philadelphia National Bank Capital Stock	700 "	35-1/2 Net	24,850.00	5.07
7/ 3/57	Bank of America National Trust & Savings Association Capital Stock (San Francisco)	700 "	36-1/8 Net	25,287.50	4.98
7/19/57	The Chase Manhattan Bank Capital Stock (New York, N. Y.)	500 "	49-7/8	25,137.20	4.77
7/19/57	Chemical Corn Exchange Bank (New York, N. Y.)	500 "	50-5/8	25,512.80	4.51
7/19/57	Manufacturers Trust Co. Common Stock (New York, N. Y.)	600 "	42-7/8	25,943.64	4.63
7/19/57	National Bank of Detroit Common Stock	500 "	55-3/4 Net	27,875.00	3.59
7/19/57	Security-First National Bank of Los Angeles Common Stock	600 "	46-1/2 Net	27,900.00	3.44
7/19/57	The First National City Bank of New York Capital Stock	400 "	62-3/4 Net	25,100.00	4.78
7/18/57	Armstrong Cork Co. Common Stock	1,800 "	27-1/2 Net	49,500.00	5.45
7/19/57	Texas Utilities Co. Common Stock	1,000 "	45-1/2(800), 45-3/4(200)	45,927.76	3.14
7/19 & 22/57	Cleveland Electric Illuminating Co. Common Stock	1,300 "	38-7/8(200), 39-3/8(400), 39-1/8(100), 38-3/4(300), 39(300)	51,211.34	4.06
7/19/57	Firestone Tire & Rubber Co. Common Stock	500 "	99-1/2(200), 99-1/4(200), 99-1/8(100)	49,887.17	2.76

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
7/19/57	Bendix Aviation Corporation Common Stock	900 Shares	55-1/4(400), 55-1/8(500)	\$ 50,027.17	4.32%
7/19/57	Caterpillar Tractor Co. Common Stock	500 "	87-1/8(300), 87(100), 86-3/4(100)	43,731.01	2.74
7/19,22, &23/57	Union Bag-Camp Paper Corporation Capital Stock	1,400 "	35-1/2(600), 37-1/8(200), 36-3/4(200) 37(200), 36-7/8(200)	51,917.26	4.05
7/19/57	Potomac Electric Power Co. Common Stock	2,400 "	20-1/2	49,806.00	5.30
7/19/57	Wisconsin Electric Power Co. Common Stock	1,600 "	31-1/8(200), 31-1/4(1,400)	50,464.94	5.07
7/19/57	Allied Chemical & Dye Corporation Common Stock	500 "	94-1/4(100), 94-1/2(300), 94(100)	47,397.18	3.16
7/19/57	Coca-Cola Co. Common Stock	500 "	104-1/2(400), 105(100)	52,527.30	4.76
7/19/57	Consolidated Natural Gas Co. Common Stock	1,100 "	45-1/2	50,465.25	4.14
7/19/57	Gulf Oil Corporation Capital Stock	300 "	146-1/8(200), 146-1/2(100)	44,023.87	1.70
7/19 & 22/57	Insurance Co. of North America Capital Stock	200 "	107-1/4(150), 107-1/8(50)	21,526.36	2.32
7/19/57	Hartford Fire Insurance Co. Capital Stock	200 "	153 Net	30,600.00	1.96
7/19/57	Lincoln National Life Insurance Co. Capital Stock	100 "	221 Net	22,100.00	0.79
7/19/57	Travelers Insurance Co. Capital Stock	300 "	84 Net	25,200.00	1.31
7/19/57	Aetna Life Insurance Co. Capital Stock	100 "	209 Net	20,900.00	1.63
7/19/57	Connecticut General Life Insurance Co. Capital Stock	100 "	301 Net	30,100.00	0.60
7/23/57	Aetna Casualty & Surety Co. Common Stock	200 "	147 Net	29,400.00	1.84
8/ 2/57	Consumers Power Co. Common Stock	1,100 "	44-3/4	49,636.18	5.32
8/ 2/57	Household Finance Co. Common Stock	1,000 "	28-1/2	28,792.50	4.17

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
8/ 2/57	The Goodyear Tire & Rubber Co. Common Stock	500 Shares	90-7/8(100), 91(100), 92(100), 92-1/4(200)	\$ 46,058.35	2.61%
8/ 2/57	Minnesota Mining & Manufacturing Co. Common Stock	500 "	90(200), 89-3/4(100), 90-1/4(100), 90-1/2(100)	45,270.06	1.33
8/ 1/57	Ingersoll-Rand Co. Common Stock	600 "	81	48,858.60	4.30
8/1 & 2/57	Otis Elevator Co. Common Stock	1,100 "	48(600), 48-1/4(200), 48-1/2(300)	53,430.01	4.12
8/ 1/57	Sears, Roebuck & Co. Capital Stock	1,800 "	27-3/4	50,469.84	3.57
8/ 1/57	Ford Motor Co. Common Stock	900 "	55-1/4	50,089.77	4.31
8/ 1/57	The Procter & Gamble Co. Common Stock	1,000 "	49-3/4	50,148.80	3.99
8/ 1/57	Republic Steel Corporation Common Stock	900 "	56-1/4	50,990.67	5.30
7/31,8/1, 5 & 6/57	Virginia Electric & Power Co. Common Stock	2,100 "	23-3/8(500), 23-1/4(1,100), 23-1/8(500)	49,384.18	4.25
7/31,8/1, & 2/57	Oklahoma Gas & Electric Co. Common Stock	1,200 "	41(300), 41-1/4(200), 41-5/8(400), 42-1/2(300)	50,379.75	4.29
7/31/57	Public Service Co. of Indiana, Inc., Common Stock	1,400 "	35-3/8(500), 35-1/2(900)	50,095.70	5.59
7/31 & 8/1/57	Union Pacific Railroad Co. Common Stock	1,700 "	29-1/2(1,200), 29-5/8(500)	50,718.55	5.36
8/ 2/57	C. I. T. Financial Corporation Common Stock	600 "	43-7/8	26,546.64	5.42
8/ 2/57	Continental Can Co. Common Stock	1,100 "	46-1/4(500), 46-3/8(500), 46-1/2(100)	51,382.35	3.85
8/ 2/57	Kennecott Copper Corporation Capital Stock	500 "	108-1/8	54,291.55	5.53
8/ 2/57	Westinghouse Electric Corporation Common Stock	800 "	66	53,132.80	3.01
8/1, 2 & 5/57	Standard Oil Co. (New Jersey) Capital Stock	800 "	66-1/2(200), 66-1/4(400), 66-1/8(200)	53,358.04	3.30
8/ 5/57	The Texas Co. Capital Stock	700 "	74-3/8(500), 74-1/2(200)	52,384.60	3.27

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
7/31/57	Bankers Trust Co. Capital Stock (New York, N. Y.)	400 Shares	63-1/8	\$ 25,371.12	4.73%
7/31/57	Manufacturers Trust Co. Common Stock (New York, N. Y.)	600 "	43(200), 43-1/8(400)	26,001.62	4.62
8/ 2/57	The Philadelphia National Bank Capital Stock	700 "	36-3/8	25,637.50	4.91
8/ 1/57	Continental Casualty Co. Capital Stock	300 "	88-1/4 Net	26,475.00	1.59
8/ 1/57	Federal Insurance Co. Capital Stock	700 "	35-1/2 Net	24,850.00	2.54
8/ 2/57	St. Paul Fire & Marine Insurance Co. Capital Stock	500 "	57-1/2 Net	28,750.00	2.09
8/20,23, 26 & 27/57	Atchison, Topeka & Santa Fe Railway Co. Common Stock	2,200 "	23-1/8(1,200), 23(500), 22-3/4(100), 22-5/8(100), 22-1/2(300)	51,120.16	6.89
8/20,21, & 30/57	J. C. Penney Co., Inc., Common Stock	600 "	78(200), 78-1/4(100), 77-3/4(100) 80-1/4(200)	47,507.27	5.36
8/21/57	Gulf States Utilities Co. Common Stock	1,400 "	35-3/8(400), 35-1/4(400), 35-5/8(600)	50,083.14	4.47
8/21,22, & 23/57	Florida Power & Light Co. Common Stock	1,000 "	45-7/8(600), 46-1/8(400)	46,354.88	2.76
8/22/57	Bendix Aviation Corporation Common Stock	1,000 "	52-3/4(200), 53(600), 53-1/4(200)	53,403.02	4.49
8/22,23, & 26/57	Pacific Lighting Corporation Common Stock	1,400 "	34-1/4(800), 34-1/8(600)	48,324.40	5.79
8/23,26, & 27/57	Merck & Co. Common Stock	1,300 "	37-7/8(200), 37-3/4(200), 37-1/2(200), 37-1/4(100), 37(100), 36-7/8(300), 36-3/4(100), 36-5/8(100)	48,887.28	3.19
8/23 & 27/57	General Motors Corporation Common Stock	1,200 "	42-3/8(100), 42-5/8(200), 42-3/4(100) 42-1/2(200), 42-1/4(100), 42-1/8(300) 42(100), 41-7/8(100)	51,221.44	4.69
8/26/57	The Dow Chemical Co. Common Stock	800 "	56-5/8(500), 56-1/2(300)	45,587.75	2.11

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
8/26/57	International Paper Co. Common Stock	500 Shares	92(200), 91-1/2(300)	\$ 46,070.85	3.26%
8/27, 28 & 30/57	The Borden Co. Common Stock	800 "	59-3/4(200), 60(400), 60-1/8(200)	48,302.98	4.64
8/28/57	Hartford Fire Insurance Co. Common Stock	200 "	142-1/2 Net	28,500.00	2.11
8/27/57	Bank of America National Trust & Savings Association Capital Stock (San Francisco)	700 "	35-7/8	25,276.79	4.98
8/27/57	Chemical Corn Exchange Bank Capital Stock	500 "	48-1/4	24,257.80	4.74
8/29/57	Federal Insurance Co. Common Stock	700 "	35-1/4 Net(300), 35-1/2 Net (400)	24,775.00	2.54
8/29/57	First National Bank of Boston Capital Stock	400 "	70	28,168.00	4.62
8/29/57	Continental Illinois National Bank & Trust Company Capital Stock (Chicago)	300 "	86	25,930.80	4.63
8/30/57	American Can Co. Common Stock	1,200 "	43-1/4(500), 42-7/8(100), 43(500), 43-1/8(100)	52,163.65	4.60
8/30/57	Corning Glass Works Common Stock	600 "	85-3/4(400), 85-1/4(200)	51,611.38	1.74
8/30/57	C. I. T. Financial Corporation Common Stock	600 "	42	25,416.00	5.67
9/ 3/57	Public Service Electric & Gas Co. Common Stock	1,700 "	29-3/4	51,082.96	5.99
9/3, 4, 5, 6, 9, & 10/57	Potomac Electric Power Co. Common Stock	2,300 "	21-3/4(1,200), 21-5/8(900), 21-7/8(200)	50,532.23	5.01
9/4, 5, & 11/57	National Biscuit Co. Common Stock	1,300 "	39-5/8(100), 39-1/2(400), 39-3/8(400), 40(400)	51,965.07	5.00
9/5, 6, & 10/57	The American Tobacco Co. Common Stock	700 "	71-5/8(100), 71-1/2(500), 71-1/4(100)	50,332.54	6.95
9/10 & 11/57	Bethlehem Steel Corporation Common Stock	1,100 "	43-5/8(300), 43-3/4(100), 44-3/8(200), 44-1/2(400), 43-1/2(100)	48,894.94	5.40

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
9/10 & 11/57	General Telephone Corporation Common Stock	1,300 Shares	39-7/8(800), 40(500)	\$ 52,354.52	4.47%
9/9 & 10/57	Continental Oil Co. Capital Stock	900 "	58(300), 57-3/4(300), 57-5/8(200), 58-1/2(100)	52,467.11	2.74
9/9/57	United Gas Corporation Common Stock	1,500 "	32-3/8(500), 32-1/4(400), 32-1/8(300), 32(300)	48,791.65	4.61
9/5/57	Monsanto Chemical Co. Common Stock	1,500 "	34-7/8(100), 35(200), 35-1/8(200), 35-1/4(200), 35-3/8(300), 35-5/8(500)	53,477.44	2.81
9/5/57	Westinghouse Electric Corporation Common Stock	800 "	62(100), 62-1/8(100), 62-3/8(100), 62-5/8(200), 62-3/4(300)	50,330.01	3.18
9/6, 9, 10/57	Union Bag-Camp Paper Corporation Capital Stock	1,600 "	31-3/4(400), 31-1/4(100), 31-3/8(300), 31-1/2(300), 31-5/8(200), 31-7/8(200), 32(100)	51,080.47	4.70
9/10 & 11/57	Pittsburgh Plate Glass Co. Capital Stock	700 "	73-1/2(100), 74(200), 73(100), 73-1/8(300)	51,683.88	3.72
9/12/57	International Harvester Co. Common Stock	1,500 "	34-1/2(100), 34-1/2(1,100), 34-3/8(300)	52,170.95	5.75
9/12/57	American Smelting & Refining Co. Common Stock	1,000 "	49-1/2(500), 50(300), 50-1/8(200)	50,173.77	5.98
9/11, 12, 19, 20, & 23/57	Ex-Cell-O Corporation Capital Stock	1,400 "	35-3/4(200), 35-5/8(400), 34-1/4(200), 36-5/8(200), 36-3/4(100), 37(100), 35-1/2(100), 35-7/8(100)	50,547.95	4.15
9/11, 12, 16 & 18/57	B. F. Goodrich Co. Common Stock	800 "	67(400), 66-3/4(100), 68-1/2(200), 68-3/8(100)	54,346.52	3.24
9/13/57	National Bank of Detroit Common Stock	400 "	56	22,562.40	3.55
9/13/57	Security-First National Bank of Los Angeles <sup>Angelo</sup> Common Stock	500 "	46-1/2	23,441.25	3.41

\*Includes brokerage commissions paid. \*\*Yield at present indicated annual dividend rate.

CORPORATE STOCKS PURCHASED  
(Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
9/16 & 17/57	American Cyanamid Co. Common Stock	1,200 Shares	41-1/8(400), 41-3/4(800)	\$ 50,279.28	3.58%
9/16, 20/57	Ohio Edison Co. Common Stock	1,100 "	47(600), 47-5/8(500)	52,437.55	5.54
9/17/57	Cincinnati Gas & Electric Co. Common Stock	2,100 "	24-3/4	52,549.98	4.80
9/17/57	Gulf Oil Corporation Capital Stock	400 "	139-1/8	55,845.64	1.79
9/17/57	International Business Machines Corporation Capital Stock	100 "	309-3/4	31,025.00	0.77
9/18/57	Coca-Cola Co. Common Stock	500 "	99-3/4(100), 100(300), 100-1/4(100)	50,225.01	4.98
9/18 & 19/57	Philadelphia Electric Co. Common Stock	1,400 "	36-3/8(500), 36-1/2(900)	51,502.70	5.44
9/19/57	Ingersoll-Rand Co. Common Stock	600 "	79(200), 79-1/4(400)	47,757.52	4.40
9/19 & 23/57	Consolidated Natural Gas Co. Capital Stock	1,200 "	40-1/2(400), 41(200), 41-1/8(400), 41-1/2(200)	49,575.74	4.60
9/18/57	First City National Bank of Houston Capital Stock	800 "	61-1/2 Net	49,200.00	3.25
9/20/57	St. Paul Fire & Marine Insurance Co. Capital Stock	500 "	44-1/4 Net	22,125.00	2.71
9/20/57	Chase-Manhattan Bank Capital Stock	500 "	50-3/8 Net	25,187.50	4.76
9/20/57	Bank of America National Trust & Savings Association Capital Stock (San Francisco)	700 "	35-1/8 Net	24,587.50	5.12
9/23/57	Household Finance Corporation Common Stock	800 "	29-1/2	23,838.00	4.03
9/23/57	Eastman Kodak Company Common Stock	500 "	97(400), 97-1/8(100)	48,736.01	2.72
9/23/57	Armstrong Cork Company Common Stock	<u>2,000 "</u>	24-3/4(1,700), 24-5/8(300)	<u>50,009.89</u>	<u>6.00</u>
Total Purchases from 6/28/57 through 9/23/57		<u>97,300 Shares</u>		<u>\$4,621,778.50</u>	<u>4.08%</u>

\*Includes brokerage commissions paid.

\*\*Yield at present indicated annual dividend rate.

## SALE OF RIGHTS

<u>Date Sold</u>	<u>Security</u>	<u>Net Proceeds</u>
9/6/57	1,200 Rights to subscribe for El Paso Natural Gas Company 5-1/4% Convertible Debentures, due September 1, 1977, at 7¢ Net	\$84.00

(The El Paso Natural Gas Company 5-1/4% Convertible Debentures carried a rating of Baa. The holding of 1,200 shares of El Paso Natural Gas Company Common Stock on which the rights were received was written down in the amount of the net proceeds on the sale of the rights to a book value of \$49,755.57.)

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITION TO APPROVED LIST OF SECURITY BROKERS AND DEALERS.--It is recommended that the following addition be made to the list of security brokers and dealers as approved through June 28, 1957:

To Section IV, A. Group III (Full members of the New York Stock Exchange with neither branch offices in Texas nor correspondent firms in Texas), add the following:

Montgomery, Scott and Company, New York City, New York

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGE IN POLICIES GOVERNING INVESTMENT IN CORPORATE SECURITIES.--It is recommended that Part V of "Policies Governing Investment in Corporate Securities" be changed to read as follows: *legitimate*

V. Corporate securities are to be purchased on the dollar averaging principle, averaging to be based on industry groupings rather than individual corporations:

That is --

1. When funds become available, securities are to be purchased without any attempt to appraise the short-term market trend; and
2. Although percentage allocations to the various industry groupings will be maintained substantially as approved, purchases of stocks for the companies in the industry groupings will be weighted in favor of the better regarded companies in the group.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN DIVERSIFICATION PATTERNS.--It is recommended that the following changes be approved in the diversifications patterns as amended June 28, 1957:

1. That the separate diversification groupings of 5% for Corporate Bonds and 5% for Preferred Stocks under part II of "Diversification Patterns," be changed to one group of 10% for "Corporate Bonds (including rail equipment trust certificates) and Preferred Stocks," with authorization given to the Staff Investment Committee to use its discretion in varying the percentages as between bonds and preferred stocks.
2. That the classifications and quotas for common stock purchases be changed as shown below:

Classification	Approved Policy Quota thru 6/28/57	Change in Quota Recommended 10/10/57	New Policy Quota Recommended 10/10/57	No. of Cos. Approved thru 6/28/57	Additional Cos. Needed
<b>INDUSTRIALS:</b>					
Autos & Auto Parts . . . . .	4	-	4	3	1
Building Materials . . . . .	5	-	5	5	0
Chemical Products . . . . .	6	-	6	6	0
Containers . . . . .	3	-	3	3	0
Drugs & Cosmetics, Soaps & Veg. Oils . . . . .	3	+ 1	4	3	1
Electrical - Electronic . . . . .	4	+ 1	5	3	2
Food (Incl. Baking & Milling, Bev. & Confec., and Meats & Dairy Products)	6	-	6	5	1
Machinery & Equipment (Combination of Mach. - Agricultural and Mach. & Equipment - Industrial) . . . . .	6	- 1	5	4	1
Metals - Nonferrous . . . . .	4	-	4	3	1
Office Equipment . . . . .	2	+ 1	3	1	2
Paper Products . . . . .	3	+ 1	4	2	2
Petroleum Products . . . . .	8	+ 1	9	5	4
Retail Trade . . . . .	3	-	3	2	1
Steel & Iron . . . . .	4	-	4	3	1
Tires & Rubber . . . . .	3	-	3	3	0
Tobacco Products . . . . .	2	-	2	2	0
Miscellaneous . . . . .	5	+ 1	6	3	3
<b>TOTALS - INDUSTRIALS . . . . .</b>	<b>71</b>	<b>+ 5</b>	<b>76</b>	<b>56</b>	<b>20</b>
<b>PUBLIC UTILITIES:</b>					
Light and Power . . . . .	24	-	24	20	4
Gas Service & Gas Transmission . . . . .	6	- 2	4	4	0
Telephone & Telegraph Service . . . . .	2	-	2	2	0
<b>TOTAL - PUBLIC UTILITIES . . . . .</b>	<b>32</b>	<b>- 2</b>	<b>30</b>	<b>26</b>	<b>4</b>
<b>RAILROADS AND RAIL EQUIPMENT . . . . .</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>1</b>
<b>FINANCIAL CORPORATIONS:</b>					
Finance Companies . . . . .	6	- 3	3	3	0
Banks . . . . .	24	- 7	17	13	4
Fire and Casualty Insurance . . . . .	10	- 3	7	6	1
Life Insurance . . . . .	4	+ 1	5	4	1
<b>TOTAL - FINANCIAL CORPORATIONS . . . . .</b>	<b>44</b>	<b>- 12</b>	<b>32</b>	<b>26</b>	<b>6</b>
<b>TOTALS . . . . .</b>	<b>151</b>	<b>- 9</b>	<b>142</b>	<b>111</b>	<b>31</b>

The above-recommended changes in classifications and quotas will result in the following amounts and percentages under part V of "Diversification Patterns,":

V. Common Stocks (\$153,500,000) (Changed from \$155,750,000 approved 6/28/57)  
 (The diversification pattern for common stocks is intended to serve as a general guide only. It is not expected that precisely the number of issues shown will be purchased and considerable variation in the amounts committed to individual issues is to be anticipated.)

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN DIVERSIFICATION PATTERNS (Continued).--

V. A. Ultimate objective, i.e., when Permanent University Fund reaches a total of \$450,000,000 approximately --

142 individual stocks owned. (Changed from 151 approved 6/28/57)

Average commitment -- about \$1,250,000, except financial corporations where average commitment is about \$500,000, the Staff Investment Committee to have authority to use its discretion in varying the average commitments within a given industry so as to acquire larger commitments in some stocks and lesser commitments in others, the percentage for the industry to remain as approved and as shown below:

B. Broad diversification program --

	Present Approved Policy through 6/28/57			New Policy Recommended 10/10/57		
	No. Issues	Total Approx. Amt.	Per Cent	No. Issues	Total Approx. Amt.	Per Cent
1. Industrials . . . . .	71	\$ 88,750,000	57%	76	\$ 95,000,000	63%
2. Public Utilities. . . . .	32	40,000,000	26	30	37,500,000	24
3. Railroads and Rail Equipment. . . . .	4	5,000,000	3	4	5,000,000	3
4. Financial Corpora- tions. . . . .	44	22,000,000	14	32	16,000,000	10
TOTALS. . . . .	<u>151</u>	<u>\$155,750,000</u>	<u>100%</u>	<u>142</u>	<u>\$153,500,000</u>	<u>100%</u>

C. Diversification of Public Utilities (\$37,500,000) --  
(Average commitment about \$1,250,000)

	Issues	Total Approximate Amount	Per Cent
1. Light and Power . . . . .	24	\$ 30,000,000	80%
2. Gas Service and Gas Transmission. . . . .	4	5,000,000	13
3. Telephone and Telegraph . . . . .	2	2,500,000	7
TOTALS - PUBLIC UTILITIES. . . . .	<u>30</u>	<u>\$ 37,500,000</u>	<u>100%</u>

D. Diversification for Railroads and Rail Equipment (\$5,000,000) --

	Issues	Total Approximate Amount	Per Cent
By geographic area served and type of freight hauled. . . . .	<u>4</u>	<u>\$ 5,000,000</u>	<u>100%</u>

E. Diversification of Financial Corporations (\$16,000,000) --  
(Average commitment of about \$500,000)

	Issues	Total Approximate Amount	Per Cent
1. Banks . . . . .	17	\$ 8,500,000	53%
2. Fire & Casualty Insurance Companies . . . . .	7	3,500,000	22
3. Life Insurance Companies. . . . .	5	2,500,000	16
4. Finance Companies . . . . .	3	1,500,000	9
5. Mutual Funds (Including Closed-End Cos.). . . . .	-	-	-
TOTAL - FINANCIAL CORPORATIONS . . . . .	<u>32</u>	<u>\$ 16,000,000</u>	<u>100%</u>

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN DIVERSIFICATION PATTERNS (Continued).--

V. F. Diversification of Industrials (\$95,000,000) --  
(Average commitment about \$1,250,000)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
<b>Group I (Earning Power Stable - 36.8%)</b>			
1. Food, etc. . . . .	6	\$ 7,500,000	7.9%
2. Chemical Products. . . . .	6	7,500,000	7.9
3. Containers . . . . .	3	3,750,000	3.9
4. Paper Products . . . . .	4	5,000,000	5.3
5. Retail Trade (Merchandising) . . . . .	3	3,750,000	3.9
6. Tobacco Products . . . . .	2	2,500,000	2.6
7. Drugs, etc. . . . .	4	5,000,000	5.3
Sub-Total - Group I . . . . .	(28)	(35,000,000)	(36.8)
<b><u>Group II (Some Variation in Earning Power - 38.2%)</u></b>			
1. Air transport. . . . .	0	-	-
2. Building Materials . . . . .	5	6,250,000	6.6
3. Electrical - Electronic. . . . .	5	6,250,000	6.6
4. Office Equipment . . . . .	3	3,750,000	3.9
5. Petroleum Products . . . . .	9	11,250,000	11.9
6. Synthetic Fibres and Textiles. . . . .	0	-	-
7. Tires and Rubber Products. . . . .	3	3,750,000	3.9
8. Autos and Auto Parts . . . . .	4	5,000,000	5.3
Sub-Total - Group II. . . . .	(29)	(36,250,000)	(38.2)
<b><u>Group III (Considerable Variation in Earning Power - 17.1%)</u></b>			
1. Machinery & Equipment. . . . .	5	6,250,000	6.5
2. Metals - Nonferrous. . . . .	4	5,000,000	5.3
3. Steel and Iron . . . . .	4	5,000,000	5.3
Sub-Total - Group III. . . . .	(13)	(16,250,000)	(17.1)
<u>Miscellaneous (7.9%). . . . .</u>	<u>( 6)</u>	<u>( 7,500,000)</u>	<u>( 7.9)</u>
<b>TOTALS . . . . .</b>	<b><u>76</u></b>	<b><u>\$95,000,000</u></b>	<b><u>100.0%</u></b>

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITIONS TO APPROVED LIST OF CORPORATE SECURITIES FOR PURCHASE OF COMMON AND PREFERRED STOCKS.-- It is recommended that the following corporations be added to the list as approved through June 28, 1957, for purchase of common and preferred stocks:

A. INDUSTRIAL CORPORATIONS

Group I

(Earning Power Stable - 36.8%)

1. Food (Including Baking & Milling, Beverages & Confectionery, and Meats & Dairy Products) -- (5 approved through 6/28/57; need total of 6 corporations)

Add: Corn Products Refining Company

4. Paper Products -- (2 approved through 6/28/57; need total of 4 corporations)

Add: \*Crown Zellerbach Corporation  
Kimberly-Clark Corporation

5. Retail Trade -- (2 approved through 6/28/57; need total of 3 corporations)

Add: Federated Department Stores

7. Drugs & Cosmetics, Soaps & Vegetable Oils -- (3 approved through 6/29/57; need total of 4 corporations)

Add: \*Chas. Pfizer & Co., Inc.

Group II

(Some variation in earning power -- 38.2%)

3. Electrical - Electronic -- (3 approved through 6/28/57, including Bendix Aviation Corporation to be moved from Miscellaneous Classification; need total of 5 corporations)

Add: \*Minneapolis-Honeywell Regulator Company  
\*McGraw-Edison Company

4. Office Equipment -- (1 approved through 6/28/57; need total of 3 corporations)

Add: \*Addressograph-Multigraph Corporation  
\*The National Cash Register Company

5. Petroleum Products -- (5 approved through 6/28/57; need total of 9 corporations)

Add: \*Phillips Petroleum Company  
\*Shell Oil Company  
Sinclair Oil Corporation  
\*Standard Oil Company of California

8. Autos and Auto Parts -- (3 approved through 6/28/57; need total of 4 corporations)

Add: Borg-Warner Corporation

\*Exception as "growth stock".

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITIONS TO APPROVED LIST OF CORPORATE SECURITIES FOR PURCHASE OF COMMON AND PREFERRED STOCKS.-- (Continued)

A. INDUSTRIAL CORPORATIONS  
(Continued)

Group III  
(Considerable variation in earning power -- 17.1%)

- 1. Machinery & Equipment -- (4 approved through 6/28/57; need total of 5 corporations)

Add: Link-Belt Company

- 2. Metals - Nonferrous -- (3 approved through 6/28/57); need total of 4 corporations)

Add: Phelps Dodge Corporation

- 3. Steel and Iron -- (3 approved through 6/28/57; need total of 4 corporations)

Add: Armco Steel Corporation

Miscellaneous  
(7.9%)

(3 approved through 6/28/57; need total of 6 corporations)

Add: \*National Lead Company  
\*Freeport Sulphur Company

(Bendix Aviation Corporation, approved 6/28/57 under Miscellaneous classification, has been moved to Electrical - Electronic classification)

B. PUBLIC UTILITY CORPORATIONS

- 1. Light and Power -- (20 approved through 6/28/57; need total of 24 corporations)

Add: Carolina Power & Light Company  
\*Central & South West Corporation  
\*Public Service Company of Colorado  
#Utah Power & Light Company

*where*

C. RAILROADS AND RAIL EQUIPMENT

(3 approved through 6/28/57; need total of 4 corporations)

Add: #\*General American Transportation Corporation

D. BANKS

(13 approved through 6/28/57; need total of 17 corporations)

Add: \*First National Bank of Chicago  
\*First National Bank in Dallas  
Marine Midland Corporation (New York, N. Y.)  
\*Mellon National Bank & Trust Company (Pittsburgh, Pa.)

F. INSURANCE COMPANIES

- 1. Fire and Casualty Insurance Companies -- (6 approved through 6/28/57; need total of 7 companies)

Add: \*United States Fidelity & Guaranty Company (Baltimore)

- Life Insurance Companies -- (4 approved through 6/28/57; need total of 5 companies)

Add: \*National Life & Accident Insurance Company (Nashville)

Exception as "growth stock".

Exception as to ratio of "Funded Debt to Total Investment".

PERMANENT UNIVERSITY FUND MORTGAGE LOAN PROGRAM - ADOPTION OF RESOLUTION OF AUTHORITY FOR APPLICATION FOR APPROVAL AS MORTGAGEE, FEDERAL HOUSING AUTHORITY.--In connection with the application for approval of the Permanent University Fund as an F. H. A. Mortgagee, we are required to file certain application forms and papers and must have a Resolution of Authority adopted by the Board of Regents. It is recommended that the Board adopt the following resolution:

RESOLUTION OF AUTHORITY

RESOLVED, That the Endowment Officer of The University of Texas be and he is hereby authorized and empowered in the name and on behalf of this institution and under its seal, to make application to the Federal Housing Administration for approval of the Permanent University Fund of The University of Texas as a mortgagee under the provisions of the National Housing Act; to submit applications to the Federal Housing Administration for insurance or mortgages; and to enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Federal Housing Administration in effecting such applications and such insurance; and

FURTHER RESOLVED, That the Federal Housing Administration is authorized to rely upon the foregoing resolution and to deal with such officer as the authorized agent of the institution and of the Permanent University Fund of The University of Texas until receipt of written notice from the Secretary of the Board of Regents of The University of Texas to the contrary.

PERMANENT UNIVERSITY FUND MORTGAGE LOAN PROGRAM - AUTHORIZATION FOR CHAIRMAN OF THE BOARD OF REGENTS TO REQUEST ATTORNEY GENERAL'S OPINION ON LEGAL QUESTIONS INVOLVED IN PROGRAM.--It is recommended that the Chairman of the Board of Regents be authorized to request an opinion from the Attorney General of Texas as to the legality of paying to mortgage bankers the 1/2 of one per cent service fee on F. H. A. mortgages purchased for the Permanent University Fund, and further that the Chairman be authorized to include in such request for opinion any other legal questions regarding the mortgage loan program which are deemed advisable upon advice from the University staff.

PERMANENT UNIVERSITY FUND--PROPOSED BOND REFUNDING.--

PROPOSED REFUNDING OF PERMANENT UNIVERSITY FUND BONDS, SERIES, 1949.--On June 29th the Board of Regents appointed an Interim Staff Committee comprised of J. C. Dolley, W. C. Freeman (of A & M College), and W. W. Stewart to plan the terms of the bond refunding and to recommend the employment of an agent to handle the refunding operation. At a meeting held in July, this Committee recommended that the date for the refunding to become effective be fixed at July 1, 1958, rather than in December, 1957, and this recommendation has been approved by the respective committees of the two governing boards. It is recommended that this action of the Land and Investment Committee be confirmed and ratified.

At the meeting held in Austin on September 19th, which was attended by Mr. Paul Horton of our bond counsel firm, the Interim Staff Committee considered the appointment of an agent to handle the bond refunding operation. Three proposals had been submitted as follows: The Texas National Bank of Houston offered to handle the refunding for a fee of \$10,000; Phelps, Fenn & Co. of New York offered originally to handle the refunding for a fee of \$12.50 per bond (\$111,562.50), later reduced to \$9 per bond (\$80,325) and stated their willingness to consider a somewhat lower fee if proposed by us; F. S. Smithers & Co. of New York jointly with Emerson & Co. of San Antonio offered (1) to conduct this Fall a campaign to buy on a discount basis for Permanent University Fund investment as many bonds as can be purchased from present holders, their fee for this service to be the regular dealer margin of one-fourth to one-half point, and (2) to handle the refunding operation next Spring for a fee of \$17,850.

The Interim Staff Committee recommends that the joint proposal of F. S. Smithers & Co. and Emerson & Co. be accepted and The University of Texas and Texas A. & M. College enter into a contract or contracts with these two firms to conduct a bond buying campaign this Fall and to handle the refunding operation next Spring. It is further recommended that the Chairman of the Board of Regents be authorized to sign the contract or contracts after approval as to content by the Endowment Officer and as to form by McCall, Parkhurst and Crowe.

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The Committee recommends that the contract covering the bond purchase program include, among other points, the following; (1) F. S. Smithers & Co. and Emerson & Co. are to be the exclusive buying agents during the agreed upon period of the campaign, (2) all offers to purchase bonds are to be made on a full disclosure basis to the bondholders, that is, the bondholders are to be informed of the refunding operation which is scheduled for July 1, 1958, (3) the price at which the agents will endeavor to purchase each maturity of the bonds, (4) the commission to be paid to the agents for the bonds actually purchased, (5) the procedures to be followed in delivering the bonds to the Permanent University Fund and receiving payment therefor, (6) the Endowment Office is to provide the agents with a list of the names and addresses of the bondholders as prepared by the Texas National Bank.

The Committee recommends that the contract covering the refunding operation include, among other points, the following: (1) a statement of the services which the agents will provide in handling the refunding operation; (2) the period (probably the months of April and May) during which they will endeavor to obtain commitments to exchange bonds; (3) a minimum of 85% of the outstanding bonds to be covered by exchange commitments in order for the refunding to be declared effective; (4) the agents are to be compensated for their services in the amount of \$17,850; (5) the terms of the bond refunding offer are to be determined just prior to the campaign to obtain exchange commitments; (6) the Endowment Office is to provide the agents with a list of the names and addresses of the bondholders as prepared by the Texas National Bank.

The Interim Staff Committee believes that the acceptance of the proposal submitted by F. S. Smithers & Co. and Emerson & Co. will provide the greatest assurance of success for the refunding operation at the lowest cost. It will provide two agent firms, one in New York and one in Texas, both of which have had actual experience in handling refunding operations of this sort (the Texas National Bank has had no such experience). The bond purchase program may produce relatively little in actual results, but whatever bonds can thus be bought will effect substantial savings. The same agents, of course, should conduct the bond buying and the bond refunding campaign.

## PERMANENT UNIVERSITY FUND--LAND MATTERS.--

LEASES AND EASEMENTS.--The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

PIPE LINE EASEMENT NO. 973, SERVICE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 302).--This application for a pipe line easement to Service Pipe Line Company covers 76.85 rods of 4-inch oil and gas pipe line at \$0.25 per rod in the NW/4 of Section 42, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1957, and ending January 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 974, TEXAS ELECTRIC SERVICE COMPANY, CRANE COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 1,231 rods of line at \$0.05 per rod per year in Sections 36, 37, 47 and 48, Block 30, University Lands, Crane County, Texas. This easement is for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full consideration in the amount of \$615.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 975, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 671.213 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 31, Block 9 and Sections 35 and 36, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full consideration in the amount of \$335.61 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 976, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 175.758 rods of 4-1/2-inch natural gas pipe line at \$0.50 per rod in Section 10, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full consideration in the amount of \$87.88 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 977, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 198 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 27 and 34, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning January 1, 1957, and ending December 31, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 978, PAN AMERICAN PETROLEUM CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Pan American Petroleum Corporation covers 524 rods of 8-5/8 - inch line at \$1.00 per rod in Sections 41 and 44, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$524.00 for the 10-year period has been tendered with the application.

APPLICATION FOR BUSINESS SITE EASEMENT NO. 979, CACTUS PETROLEUM, INCORPORATED, REAGAN COUNTY, TEXAS.--This application for a business site easement to Cactus Petroleum, Incorporated, covers an area 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, Texas, for a period of one year beginning August 1, 1957, and ending July 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from August 1, 1957, upon payment of the annual rental of \$150.00 in advance. This site is to be used for a butane storage tank. The consideration for the first year's rental has been tendered with the application.

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ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 776 FROM J. B. DOWNING TO JOHN R. SUMRALL, REAGAN COUNTY, TEXAS.--This assignment of Business Site Easement No. 776 from J. B. Downing to John R. Sumrall covers a site 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, Texas, to be used for a welding shop. This easement was issued for a period of one year beginning April 1, 1956, and ending March 31, 1957, with an option to extend and to renew the lease from year to year but not to exceed a total period of ten years from April 1, 1956, by payment of the annual rental of \$150.00 in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

CALICHE PERMIT NO. 111, D. S. & R. CONSTRUCTION COMPANY, INCORPORATED, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to D. S. & R. Construction Company, Incorporated, provides for the removal of 915 cubic yards of caliche from Section 16, Block 4, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$228.75 has been tendered with the application.

CALICHE PERMIT NO. 112, PARKER & PARKER, INCORPORATED, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Parker & Parker, Inc., provides for the removal of 383 cubic yards of caliche from Block 11, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$95.75 has been tendered with the application.

PIPE LINE EASEMENT NO. 980, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 137.6 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 3, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full consideration in the amount of \$68.80 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 981, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 209.88 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 7 and 8, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full consideration in the amount of \$52.47 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 982, WEST TEXAS UTILITIES COMPANY, REAGAN AND CROCKETT COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 321).--This application for a power line right-of-way easement to West Texas Utilities Company covers 4,154.9 rods of line at \$0.05 per rod per year in Sections 5, 7, 8, 15, 20 and 21, Block 7, Sections 18, 19, 20, 28, 29, 33, 34 and 35, Block 8, and Sections 12 and 13, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full consideration in the amount of \$2,077.45 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 983, WEST TEXAS UTILITIES COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 318).--This application for a power line right-of-way easement to West Texas Utilities Company covers 1,838.7 rods of line at \$0.05 per rod per year in Sections 4, 9, 10, 11, 13, 14 and 18, Block 51, and Section 26, Block 46, Crockett County, Texas. This easement is for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full consideration in the amount of \$919.35 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 984, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 39.970 rods of 2-3/8 - inch fuel pipe line at \$0.25 per rod in Section 42, Block 9, Andrews County, Texas for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 985, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 1455.51 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 19, 20, 26 and 27, Block 1, and Sections 36, 37 and 48, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1956, and ending July 31, 1966. The full consideration in the amount of \$363.88 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 986, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 173.40 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 24 and 25, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 987, HUMBLE PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 196.85 rods of 2-inch oil pipe line at \$0.25 per rod in Section 15, Block 30, University Lands, Crane County, Texas, for a 10-year period beginning March 1, 1956, and ending February 28, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 988, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 4.758 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Section 22, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 989, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 235.200 rods of 2-3/8 - inch fuel pipe line at \$0.25 per rod in Sections 31 and 42, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full consideration in the amount of \$58.80 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 990, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 165.15 rods of 4-inch oil pipe line at \$0.25 per rod in Section 12, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning September 1, 1956, and ending August 31, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 991, EL PASO PRODUCTS PIPELINE COMPANY, HUDSPETH COUNTY, TEXAS.--This application for a pipe line easement to El Paso Products Pipeline Company covers 10,155.35 rods of 6-5/8 - inch oil products pipe line at \$0.75 per rod in the following tracts on University Lands, Hudspeth County: Sections 25, 26, 32, 33, 34, 35, 41, 42, Block G; Sections 21, 22, 23, 24, 28, 29, 30, Block H; Sections 12, 13, 14, 15, 16, 17, 18, 19, Block J; Sections 7, 8, 9, 10, 11, 12, Block K; and Sections 1, 2, 3, 4, 7, 8, 9, Block L. This easement is for a 10-year period beginning September 1, 1957 and ending August 31, 1967. The full consideration in the amount of \$7,616.51 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 992, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 49.58 rods of 4-inch oil pipe line at \$0.25 per rod in Section 36, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1954, and ending July 31, 1964. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 993, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 170.79 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 8 and 9, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1956, and ending July 31, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 994, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 132.67 rods of 4-inch oil pipe line at \$0.25 per rod in Section 7, Block 9 and Section 12, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1957, and ending January 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 995, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 176.30 rods of 4-inch oil pipe line at \$0.25 per rod in Section 16, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning September 1, 1956, and ending August 31, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 996, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 263.92 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 25, 28, 29, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning December 1, 1956, and ending November 30, 1966. The full consideration in the amount of \$65.98 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 997, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 298 rods of line at \$0.05 per rod per year in Sections 8 and 11, Block 14, University Lands, Andrews County, Texas. This easement is for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$149.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 998, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 1,433 rods of line at \$0.05 per rod per year in Sections 4, 5, 6, 9 and 16, Block 8, University Lands, Andrews County, Texas. This easement is for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$716.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 999, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 80.60 rods of 4-inch oil pipe line at \$0.25 per rod in Sections 3 and 4, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full minimum consideration in the amount of \$50.00 for the period has been tendered with the application.

PIPE LINE EASEMENT NO. 1000, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 177.03 rods of 4-inch oil pipe line at \$0.25 per rod in Section 34, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning December 1, 1956, and ending November 30, 1966. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 1001, TEXAS ELECTRIC SERVICE COMPANY, WARD COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 864 rods of line at \$0.05 per rod per year in Sections 1, 20, and 21, Block 17, University Lands, Ward County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$432.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 1002; TEXAS ELECTRIC SERVICE COMPANY, CRANE COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 880 rods of line at \$0.05 per rod per year in Sections 29, 32, 40, 41 and 45, University Lands, Crane County, Texas, for a 10-year period beginning February 1, 1957, and ending January 31, 1967. The full consideration in the amount of \$440.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 1003, HUMBLE OIL & REFINING COMPANY, ECTOR COUNTY, TEXAS.--This application for a pipe line easement to Humble Oil & Refining Company covers 351.4 rods of oil pipe line at \$0.25 per rod in Sections 1 and 2, Block 35, University Lands, Ector County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full consideration in the amount of \$87.85 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 1004, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 3.442 rods of natural gas pipe line at \$0.50 per rod in Section 3, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning September 1, 1957, and ending August 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 1005, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 1096 rods of line at \$0.05 per rod per year in Sections 2 and 3, Block 11, Section 4, Block 3, and Sections 31, 33 and 40, Block 4, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$548.00 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 1006, TEXAS ELECTRIC SERVICE COMPANY, CRANE COUNTY, TEXAS.--This application for a power line right-of-way easement to Texas Electric Service Company covers 280 rods of line at \$0.05 per rod per year in Sections 8, 13, and 14, Block 35, University Lands, Crane County, Texas, for a 10-year period beginning February 1, 1957, and ending January 31, 1967. The full consideration in the amount of \$140.00 for the 10-year period has been tendered with the application.

BUSINESS SITE EASEMENT NO. 1007, BEWICK TRANSPORT COMPANY, REAGAN COUNTY, TEXAS.--This application for a business site easement to Bewick Transport Company covers a site 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, Texas, for a period of one year beginning August 1, 1957, and ending July 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from August 1, 1957, upon payment of the annual rental of \$150.00 in advance. This site, which will be used for a truck yard, was formerly held by R. H. Reed under Easement No. 582 that expired on July 31, 1957, and was not renewed. The consideration for the first year's rental has been tendered with the application.

PUMP STATION SITE EASEMENT NO. 1008, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 324).--This application for a pump station site easement to Magnolia Pipe Line Company covers 10 acres in Section 14, Block 13, University Lands, Andrews County, Texas, for a period of one year beginning September 1, 1957, and ending August 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from September 1, 1957, upon payment of the annual rental of \$100.00 in advance, which is based at the rate of \$10.00 per acre per year. The consideration for the first year's rental has been tendered with the application.

CALICHE PERMIT NO. 113, T. B. TRIPP & SONS, CRANE AND ECTOR COUNTIES, TEXAS.--This application for a caliche permit to T. B. Tripp & Sons provides for the removal of 956 cubic yards of caliche from Block 35, University Lands, Ector County, Texas, and 1,036 cubic yards of caliche from Block 30, University Lands, Crane County, Texas, constituting a total of 1,992 cubic yards of caliche, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$498.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 1009, PERMIAN BASIN PIPELINE COMPANY, IRION AND SCHLEICHER COUNTIES, TEXAS.--This application for a pipe line easement to Permian Basin Pipeline Company covers 3,039.39 rods of 16-inch natural gas pipe line at \$1.50 per rod in Blocks 52, 53 and 54, University Lands, Irion and Schleicher Counties, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full consideration in the amount of \$4,559.09 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 1010, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 258.5 rods of 4-1/2 - inch natural gas pipe line at \$0.50 per rod in Sections 11, 14, and 15, Block 30, University Lands, Crane County, Texas, for a 10-year period beginning September 1, 1957, and ending August 31, 1967. The full consideration in the amount of \$129.25 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 1011, GULF REFINING COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 328).--This application for a pipe line easement to Gulf Refining Company covers 422.48 rods of 6-inch pipe line at \$0.50 per rod in Sections 3 and 14, Block 14, University Lands, Crockett County, Texas, for a 10-year period beginning October 1, 1957, and ending September 30, 1967. The full consideration in the amount of \$211.24 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 1012, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 410.182 rods of 12-3/4 - inch natural gas pipe line at \$1.50 per rod in Sections 14 and 15, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning September 1, 1957, and ending August 31, 1967. The full consideration in the amount of \$615.27 for the 10-year period has been tendered with the application.

CALICHE PERMIT NO. 114, T. B. TRIPP & SONS, CRANE COUNTY, TEXAS.--This application for a caliche permit to T. B. Tripp & Sons provides for the removal of 1,036 cubic yards of caliche from Block 30, University Lands, Crane County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$259.00 has been tendered with the application.

CALICHE PERMIT NO. 115, T. B. TRIPP & SONS, ECTOR COUNTY, TEXAS.--This application for a caliche permit to T. B. Tripp & Sons provides for the removal of 976 cubic yards of caliche from Block 35, Section 6, University Lands, Ector County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$244.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 1013, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 1,939.685 rods of 20-inch gas pipe line at \$1.50 per rod in Sections 18, 19, 30 and 31, Block 10 and Sections 1, 12 and 13, Block 11, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957 and ending July 31, 1967. The full consideration for the 10-year period of \$2,909.53 has been tendered with the application.

PIPE LINE EASEMENT NO. 1014, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 320.303 rods of 4-1/2-inch gas pipe line at \$0.50 per rod in Sections 12, 13 and 14, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning October 1, 1957 and ending September 30, 1967. The full consideration for the 10-year period in the amount of \$160.15 has been tendered with the application.

PIPE LINE EASEMENT NO. 1015, TEXAS-NEW MEXICO PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 106.4 rods of 4-1/2-inch oil pipe line at \$0.50 per rod in Section 6, Block 14, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957 and ending July 31, 1967. The full consideration for the 10-year period in the amount of \$53.20 has been tendered with the application.

PIPE LINE EASEMENT NO. 1016, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 339.3 rods of 4-inch line at \$0.25 per rod in Sections 4 and 5, Block 10, University Lands, Andrews County Texas, for a 10-year period beginning November 1, 1956 and ending October 31, 1966. The full consideration in the amount of \$84.83 has been tendered with the application.

PIPE LINE EASEMENT NO. 1017, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 133.9 rods of 4-inch line at \$0.25 per rod in Section 15, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning February 1, 1957 and ending January 31, 1967. The full minimum consideration in the amount of \$50.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 1018, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 150 rods of 4-1/2-inch natural gas pipe line at \$0.50 per rod in Section 13, Block 9, University Lands, Andrews County, Texas for a 10-year period beginning October 1, 1957 and ending September 30, 1967. The full consideration in the amount of \$75.00 has been tendered with the application.

ASSIGNMENT OF PIPE LINE EASEMENT No. 728 BY TEXON GAS, INC. TO DORCHESTER CORPORATION, REAGAN COUNTY, TEXAS.--This assignment of Pipe Line Easement No. 728 by Texon Gas, Inc. to Dorchester Corporation covers 803 rods of 3-inch and 4-inch gas pipe line at \$0.25 per rod in Sections 2, 11 and 12, Block 2 and Sections 25, 35 and 36, Block 9, University Lands, Reagan County, Texas for a 10-year period beginning July 1, 1955 and ending June 30, 1965, with the full consideration for the 10-year period being tendered with the application. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been received.

ASSIGNMENT OF GASOLINE AND COMPRESSOR PLANT SITE EASEMENT NO. 769 BY TEXON GAS, INC. TO DORCHESTER CORPORATION, REAGAN COUNTY, TEXAS.--This assignment of Gasoline and Compressor Site Easement No. 769 by Texon Gas, Inc. to Dorchester Corporation covers a 10-acre tract of land in Sections 11 and 12, Block 2, University Lands, Reagan County, Texas for a period of twenty years to begin April 1, 1956 and end March 31, 1976, with the full consideration for the 20-year period being tendered with the application. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been received.

REPORT ON E. H. COX AND BLEVINS-MCKENZIE VACANCY APPLICATIONS TO COMMISSIONER OF THE GENERAL LAND OFFICE.--At the meetings of the Board of Regents held on January 12, 1957, and March 16, 1957, reports were made relative to the vacancy applications of E. H. Cox, S.F. 15880, and Blevins-McKenzie, S.F. 15891. These have been under consideration by the Honorable Earl Rudder, Commissioner of the General Land Office, and on September 17, 1957, were acted upon by him. The E. H. Cox application was rejected on the basis that no vacancy existed. The Blevins-McKenzie application was approved and corrected field notes describing the vacant area will be furnished the General Land Office. This vacancy is below the south line of Surveys 19, 20, 21, and 22, Block 21, University Land in Pecos County.

The E. H. Cox vacancy is the one of primary importance to us, and there has been no indication of further litigation. The time allotted for an appeal in this type of proceeding is ninety days after the decision by the Commissioner. The Attorney General has been apprised of this matter in order that he would have a full report in the event of an appeal.

WATER RIGHTS CONTRACT NO. 73 WITH STRAIN BROTHERS, INC. FROM WELL IN BLOCK 1, ANDREWS COUNTY.--Water Contract No. 73 has been executed by the Endowment Officer for a one year period beginning July 1, 1957 and ending June 30, 1958 between the Board of Regents of The University of Texas and Strain Brothers, Inc., a subcontractor on a highway construction job in the area for water from a well in Block 1, University Lands, Andrews County, Texas. The rate was ten cents for each 1,000 gallons of water produced by them, with payments to be made every three months.

We have now received from Mr. Compton, University Land Agent, a check in the amount of \$277.20 covering the royalty under the contract from July 1 to August 9, 1957 and have been advised that the taking of water under the contract has now been completed.

Ratification of this action is recommended.

WITHDRAWAL OF PROPOSAL FROM CITY OF MONAHANS FOR WATER CONTRACT.--

On May 4, 1957, the Board of Regents authorized its Chairman to execute a water exploration permit for the benefit of the City of Monahans on approximately 13,000 acres of University Lands in Ward County. The City has now notified the University that it appreciates the consideration shown by the Board of Regents, that at some future date it may wish to submit another proposal, but that at present satisfactory arrangements have been made on other lands in the area.

CORRECTIONS IN AGGREGATE SUMS IN GRAZING LEASES NOS. 721 AND 722 APPROVED AT JUNE 29, 1957 MEETING: In reporting the aggregate sums due under two grazing leases at the last meeting of the Board, the figures given were incorrect. It is recommended that the following changes be made, all other data submitted being correct:

- Lease No. 721 - Mrs. A. C. Hinde - Change aggregate amount on page 1 of lease from \$766.00 to \$766.80
- Lease No. 722 - Mr. R. B. Ferguson - Change aggregate amount page 1 of lease from \$41,055.41 to \$41,154.41

PROPOSED REVISION OF SECTION PERTAINING TO MAXIMUM DAMAGES TO BE PAID TO SURFACE LESSEES IN "REQUIRED OPERATING AND REPORTING PROCEDURES UNDER UNIVERSITY OIL AND GAS LEASES AND GEOPHYSICAL EXPLORATION PERMITS".--As first adopted by the Board of Regents in 1953, the "Required Operating and Reporting Procedures Under University Oil and Gas Leases and Geophysical Exploration Permits", incorporated a schedule of maximum damages to be paid by geophysical exploration companies to surface lessees of University Lands, with a provision that this schedule does not in any way limit the liability of a geophysical operator in an action at law for damages to a surface lessee due to negligence.

With some revisions since 1953, this schedule of maximum damages payable by geophysical operators now reads as follows:

1. Maximum damage fees to be paid for seismic operations shall be on the following basis:
  - a. Single Shot (Reflection or Refraction Shooting) : \$10.00 per shot hole.
  - b. Pattern Shooting : \$10.00 per pattern where holes are not over 60 feet in depth.
   
: \$15.00 per pattern where holes are deeper than 60 feet and not more than 100 feet in depth.

*to her*  
*6/23/57*

- : \$10.00 per shot hole for any single hole in excess of 100 feet in depth.
- : \$30.00 per pattern for three or more holes 100 feet or more in depth.
- c. Seismic weight-dropping : \$25.00 per day.
- d. Gravimeter and Magnetometer Survey Operations : \$10.00 per day per crew.
- e. Geological Surface Mapping Operations : \$ 5.00 per day per crew. ]

Since so many variations have developed in pattern shooting, the Committee joins the University staff in recommending revision of the schedule under "b. Pattern Shooting" above to read as follows:

b. Pattern Shooting:

Group 1. Where no hole in pattern is in excess of 60 feet in depth.

Patterns of 36 holes or less per pattern	\$ 10.00
Patterns of 37 to 75 holes, incl., per pattern	15.00
Patterns of 76 to 100 holes, incl., per pattern	20.00
Patterns of more than 100 holes, per pattern	25.00

Group 2. Where one or more holes in pattern is more than 60 feet but less than 100 feet in depth.

Patterns of 36 holes or less, per pattern	\$ 20.00
Patterns of 37 to 75 holes, incl., per pattern	25.00
Patterns of 76 to 100 holes, incl., per pattern	30.00
Patterns of more than 100 holes, per pattern	35.00

Group 3. Where one or more holes in pattern is in excess of 100 feet in depth.

Patterns of 36 holes or less, per pattern	\$ 30.00
Patterns of 37 to 75 holes, incl., per pattern	35.00
Patterns of 76 to 100 holes, incl., per pattern	40.00
Patterns of more than 100 holes, per pattern	45.00

CANCELLATION OF PIPE LINE EASEMENT NO. 971, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--At the June, 1957, meeting of the Board of Regents approval was given to Phillips Petroleum Company for a pipe line easement covering 79.0 rods of 20-inch line, 222.9 rods of 16-inch line, 3,678.6 rods of 12-3/4-inch line, 6,673.8 rods of 10-3/4-inch line, 2,737.5 rods of 8-5/8-inch line, 8,490.2 rods of 6-5/8-inch line, 9,792.1 rods of 4-1/2-inch line, 3,257.1 rods of 3-1/2-inch line, and 5,016.3 rods of 2-3/8-inch line in Sections 4, 5, 9, 10, Block 1; Sections 2 through 7, 10, 14 through 23, 26 through 29, 31, 32, 35, 36, 37, Block 4; Sections 5 through 8, 17, 18, 30 and 31, Block 5; Sections 5 through 8, 17 and 18, Block 8, Sections 2, 4 through 9, 11, 14, 17, 19, 20, 21, 23, 28 through 32, 42, 43, Block 9; and Sections 1 through 4, 9 through 12, 14, 15, 16, 22, 23, 25, 26, 27, 33, 34, 35 and 36, Block 10; University Lands, Andrews County, Texas. The easement was for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$28,714.11 for the 10-year period was forwarded with the application.

The instruments have not been signed by the Chairman nor has distribution been made to the Commissioner of the General Land Office and others pending receipt of the field notes which were delayed because of the size of the project.

We have now been advised by Mr. E. J. Compton, Land Agent, that in the writing of the field notes, the company has discovered some discrepancies in the descriptions and plat as submitted. They have, therefore, asked that this Easement be cancelled, the consideration refunded, and the application submitted again after it is thoroughly checked and the field notes available. It is recommended such cancellation and refund be approved. ✓

PIPE LINE EASEMENT NO. 1019, PHILLIPS PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Pipe Line Company covers 217.3 rods of 6-5/8-inch oil pipe line at \$0.75 per rod in Section 31, Block 9, and Section 36, Block 10, University Lands, Andrews County, Texas, for a 10-year period beginning September 1, 1957, and ending August 31, 1967. The full consideration for the 10-year period in the amount of \$162.98 has been tendered with the application.

POWER LINE EASEMENT NO. 1020, SOUTHWESTERN BELL TELEPHONE COMPANY, CRANE COUNTY, TEXAS.--This application for a power line right-of-way easement to the Southwestern Bell Telephone Company covers 2,247 rods of line at \$0.05 per rod per year in Sections 42, 43 and 44, Block 30, and Sections 33 and 35 through 40, Block 31, University Lands, Crane County, Texas, for a 10-year period beginning September 1, 1957, and ending August 31, 1967. The full consideration for the 10-year period in the amount of \$1,123.50 has been tendered with the application.

SALE OF HOUSE, GARAGE AND BUNK HOUSE LOCATED ON COSDEN LEASE, ECTOR COUNTY, TEXAS.--Mr. E. J. Compton, University Land Agent, with the approval of the Endowment Officer, has advertised in the Odessa American for bids on the house, garage and bunk house located on the Cosden Lease in Ector County, which have been used to house a gauger for University Lands, such housing being no longer needed. Three bids were received, one for \$1,369.68, one for \$1,475.25 and one for \$1,717.79. They were all built in 1930, the four-room house at a cost of \$2,100, the double garage at a cost of \$400 and the two-room bunk house at a cost of \$400. The house and garage are in fair condition though the bunk house is in very poor condition. It is recommended these buildings be sold to the highest bidder, Mr. Carlton Tippet, a former gauger for University Lands now retired, for \$1,717.79 cash and the proceeds from the sale credited to the Available University Fund Unappropriated Balance.

## TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS.--

## REPORT OF PURCHASES, INCLUDING CONVERSIONS, AND SALES OF SECURITIES.--

The following purchases, including conversions, and sales of securities have been made for the Trust and Special Funds since the report of June 28, 1957. We ask that the Board ratify and approve these transactions:

Date	PURCHASES Security	Principal Cost
7/2/57	110 Shares The First National City Bank of New York Capital Stock at \$60.00 per share plus 5 rights (Hogg Foundation: W. C. Hogg Estate Fund)	\$ 6,600.00
8/5/57	200 Shares American Cyanamid Company Common Stock at 42-7/8 per share	8,647.88
	100 Shares American Smelting & Refining Company Common Stock at 54-5/8 per share	5,502.96
	300 Shares Baltimore Gas & Electric Company Common Stock at 34-1/2 per share	10,446.75
	100 Shares Bethlehem Steel Corporation Common Stock at 47 per share	4,738.50
	100 Shares The Borden Company Capital Stock at 60 per share	6,041.00
	200 Shares Chase-Manhattan Bank (New York) Capital Stock at 50-3/8 Net per share	10,075.00
	100 Shares Colgate-Palmolive Company Common Stock at 46-1/4 per share	4,663.13
	200 Shares Commercial Credit Corporation Common Stock at 48-1/4 per share	9,728.26
	200 Shares Commonwealth Edison Company Common Stock at 39-7/8 per share	8,044.88
	100 Shares Continental Can Company, Inc., Common Stock at 45-3/4 per share	4,612.88
	100 Shares The First National City Bank of New York Capital Stock at 63-1/4 Net per share	6,325.00
	100 Shares General Electric Company Common Stock at 67-1/4 per share	6,766.73
	100 Shares The Goodyear Tire & Rubber Company Common Stock at 90-7/8 per share	9,131.59
	100 Shares Ingersoll-Rand Company Common Stock at 78 per share	7,842.80
	100 Shares Johns-Manville Corporation Common Stock at 44-7/8 per share	4,524.94
	100 Shares Libbey-Owens-Ford Glass Company Common Stock at 83 per share	8,343.30
	100 Shares National Dairy Products Corporation Common Stock at 36-7/8 per share	3,720.94
	100 Shares Owens-Illinois Glass Company Common Stock at 64 per share	6,441.40
	100 Shares J. C. Penney Company, Inc., Common Stock at 78-1/4 per share	7,867.83
	100 Shares Phelps Dodge Corporation Capital Stock at 53-3/8 per share	5,377.84
	100 Shares The Procter & Gamble Company Common Stock at 49-1/4 per share	4,964.63
	200 Shares The Continental Insurance Company Capital Stock at 45-3/4 per share	9,225.76
	100 Shares Socony-Mobil Oil Company, Inc., Capital Stock at 61 per share	6,141.10
	300 Shares Southern Company Common Stock at 24-7/8 per share	7,544.82
	200 Shares Southern California Edison Company Common Stock at 47-1/2 per share	9,577.50
	90 Shares Standard Oil Company of California Capital Stock at 58-7/8 per share	5,337.41
	100 Shares Standard Oil Company of New Jersey Capital Stock at 66-3/8 per share	6,679.14
	100 Shares U. S. Gypsum Company Common Stock at 59-1/2 per share	5,990.95
	100 Shares U. S. Steel Corporation Common Stock at 69-1/4 per share (Hogg Foundation: Varner Properties)	6,966.93

Date	PURCHASES (Continued) Security	Principal Cost
8/5/57	\$10,000 par value Allied Chemical & Dye Corporation 25-year 3-1/2% Debentures, due 4/1/78, purchased at 94 Net to yield 3.83% to maturity	\$ 9,400.00
	\$15,000 par value Aluminum Company of America 4-1/4% Debentures, due 1/1/82, purchased at 99.75 Net to yield 4.24% to maturity	14,962.50
	\$15,000 par value American Telephone & Telegraph Company 4-3/8% Debentures, due 4/1/85, purchased at 97.25 Net to yield 4.55% to maturity	14,587.50
	\$10,000 par value Consolidated Edison Company of New York, Inc. First & Refunding Mortgage, 3-1/2% Series I, Bonds due 2/1/83, purchased at 90 Net to yield 4.13% to maturity	9,000.00
	\$15,000 par value General Electric Company 3-1/2% Debentures, due 5/1/76, purchased at 92.875 Net to yield 4.04% to maturity	13,931.25
	\$10,000 par value General Motors Corporation 25-year 3-1/4% Debentures, due 1/1/79, purchased at 90 Net to yield 3.93% to maturity	9,000.00
	\$15,000 par value Inland Steel Company First Mortgage 4-3/8% Bonds, Series K, due 7/1/87, purchased at 100.875 Net to yield 4.32% to maturity	15,131.25
	\$15,000 par value Metropolitan Edison Company First Mortgage Bonds, 4-7/8% Series, due 6/1/87, purchased at 101 Net to yield 4.81% to maturity	15,150.00
	\$15,000 par value Southern California Edison Company 4-3/4% First & Refunding Mortgage Bonds, due 7/1/82-62, purchased at 101.50 Net to yield 4.65% to maturity	15,225.00
8/6/57	200 Shares Kimberly-Clark Corporation Common Stock at 49-1/2 per share	9,979.50
	100 Shares General Foods Corporation Common Stock at 48-1/2 per share	4,889.25
8/8/57	\$10,000 par value The Pacific Telephone & Telegraph Company Thirty-six year Series 3-5/8% Debentures, due 8/15/91, purchased at 85-3/4 Net to yield 4.44% to maturity	8,575.00
8/12/57	60 shares American Home Products Corporation Capital Stock purchased at 159-1/4 per share	9,597.62
8/15/57	\$10,000 par value Virginia Electric & Power Company First & Refunding Mortgage Bonds, Series L 3-1/4%, due 6/1/85, purchased at 83-1/4 Net to yield 4.27% to maturity (Hogg Foundation: Varner Properties)	8,325.00
8/16/57	\$96,000 par value Amarillo Independent School District (Potter County, Texas) 3.90% Unlimited Tax Bonds, dated July 1, 1957, due \$46,000 on 7/1/79-72, \$25,000 on 7/1/80-72, and \$25,000 on 7/1/81-72, to yield 3.90% to maturity (The W. J. McDonald Observatory Fund)	95,996.74
8/16/57	\$ 6,000 par value Philadelphia Electric Company First & Refunding Mortgage Bonds, 3-1/8%, due 4/1/85, purchased at 84-1/2 Net to yield 4.07% to maturity	5,070.00
8/20/57	\$15,000 par value Northern States Power Company (a Minnesota corporation) First Mortgage Bonds, 5% Series, due 8/1/87, purchased at 102 Net to yield 4.87% to maturity	15,300.00
8/29/57	\$15,000 par value Public Service Electric & Gas Company, First & Refunding Mortgage Bonds, 4-7/8% Series due 1987, due 9/1/87, purchased at 101.026 Net to yield 4.81% to maturity (Hogg Foundation: Varner Properties)	15,153.00
9/4/57	12 Shares American Telephone & Telegraph Company Capital Stock with surrender of \$100 par value Convertible Debentures due October 13, 1967, plus \$44 in cash per share (total of \$1,200 par value of convertible debentures plus cash) (Hogg Foundation: W. C. Hogg Estate Fund)	1,728.00
	12 Shares American Telephone & Telegraph Company Capital Stock Ditto (Funds Grouped for Investment)	1,728.00

PURCHASES (Continued)  
Security

Date	Security	Principal Cost
9/10/57	\$12,000 par value Public Service Electric & Gas Company First & Refunding Mortgage Bonds, 4-7/8% Series, due 9/1/87 (Dated 9/1/57) purchased at 101.026 Net to yield 4.81% to maturity (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	12,123.12
	\$10,000 par value Pacific Gas & Electric Company First & Refunding Mortgage Bonds, 5% Series EB, due 6/1/89, purchased at 104-1/2 Net to yield 4.72% to maturity	10,450.00
	\$10,000 par value Aluminum Company of America 4-1/4 % Debentures, due 1/1/82, purchased at 99-3/4 Net to yield 4.27% to maturity	9,975.00
	\$10,000 par value National Steel Corporation First Mortgage Bonds, 3-7/8% Series, due 11/1/86, purchased at 97-3/4 Net to yield 4.01% to maturity (Funds Grouped for Investment)	9,775.00
9/11/57	\$14,000 par value U. S. 3-1/4% Treasury Bonds of 1983-78, due 6/15/83-78, purchased at 94.375 Net to yield 3.59% to maturity (Student Property Deposit Scholarship Fund)	13,212.50
	\$16,000 par value U. S. 2-7/8% Treasury Note of Series A-1958, due 6/15/58, purchased at 99.25 Net to yield 3.90% to maturity (Archer M. Huntington Museum Fund)	15,880.00
	100 Shares Bethlehem Steel Corporation Common Stock at 43-1/2 per share	4,386.75
	70 Shares National Dairy Products Corporation Common Stock at 35-1/2 per share (The Will Rogers Memorial Scholarship Fund)	2,510.67

SALES  
Security

Date	Security	Net Proceeds
6/24/57	200 Rights to subscribe for The Timken Roller Bearing Company Capital Stock at \$1.00 each (Hogg Foundation: W. C. Hogg Estate Fund)	186.96
	400 Rights Ditto (Hogg Foundation: Varner Properties)	373.93
	200 Rights Ditto (Funds Grouped for Investment)	186.96
	100 Rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	93.48
8/5/57	100 Rights to subscribe for The First National City Bank of New York Capital Stock (Walter Henry Scherer Fund in Dentistry)	39.59
	4 Rights Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	1.58
9/6/57	2,087 Rights to subscribe for El Paso Natural Gas Company 5-1/4% Convertible Debentures, due September 1, 1977 at \$0.07 net each (Hogg Foundation: W. C. Hogg Estate Fund)	146.09
	400 Rights Ditto (Hogg Foundation: Varner Properties)	28.00
	653 Rights Ditto (Funds Grouped for Investment)	45.71
	200 Rights Ditto (W. S. Davidson Educational Fund)	14.00
	280 Rights Ditto (Will C. Hogg Memorial Scholarships Endowment)	19.60
	400 Rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	28.00
	30 Rights Ditto (Will Rogers Memorial Scholarship Fund)	2.10

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**TOREADOR ROYALTY CORPORATION - PROPOSED ACTION RE INCREASE IN AUTHORIZED COMMON STOCK OF THE CORPORATION.**--Toreador Royalty Corporation's authorized Capital Stock is 800,000 shares of Common and 960,000 shares of 4% Cumulative Preferred Stock, each class being with par value of 62½¢ per share. All of the Preferred Stock is held by the Board of Regents as Trustee of the Toreador Trust Fund for Salary Supplementation for the School of Law. The Board of Directors of the Corporation is comprised of five members elected by the Common Stockholders and two members elected by the Preferred Stockholders. Mr. James L. Shepherd, Jr., and the Endowment Officer by appointment from the Board of Regents serve as the two Directors representing the Preferred Stock.

The principal asset of the Corporation is an undivided one-half of the minerals under the Matador Ranch and the Alamositas Ranch in the Panhandle. None of the Alamositas Ranch property has been under oil and gas lease after expiration of the lease held by Superior Oil Company until this year when 12 or 13 oil and gas leases have been made by the land owners who have the leasing rights. The interests of Toreador Royalty Corporation are fully participating, and bonuses received so far in 1957 by the Corporation amount to approximately \$420,000.00.

There is prospect of approximately \$800,000.00 in oil and gas lease bonuses to be received by the Corporation within the next few months. It is understood that all of the oil and gas leases are five-year commercial type leases with annual delay rental of \$1.00 per acre which should result in reasonable prospects for dividends in full on the Preferred Stock to be paid over the next four or five years. This should mean receipt of \$24,000.00 annually by the Toreador Trust Fund held by the Board of Regents.

Representatives of the banking firm of Lazard Freres in New York have recently been in touch with Mr. James L. Shepherd to explore a plan under which Lazard Freres would convey to Toreador Royalty Corporation its undivided one-fourth interest in the minerals under several tracts out of the original Matador holdings, under all of which Toreador now holds an undivided one-half of the minerals, in exchange for shares of Common Stock of Toreador Royalty Corporation which would have to be authorized as an increase in Capital Stock and then issued. The exact terms of such exchange would be worked out by negotiation between Lazard Freres and Toreador Royalty Corporation. Lazard Freres intend to contact the officers and other directors of Toreador Royalty Corporation on this matter without delay and have asked the Board of Regents for an expression in favor of such plan.

Both of the representatives of the University on the Board of Directors of Toreador Royalty Corporation believe the plan has possibilities of considerable advantages to the Corporation and to the University as holder of the Preferred Stock.

It is recommended that the Board of Regents through its two Directors of Toreador Royalty Corporation express to the officers and other directors of the Corporation and to Lazard Freres its approval of the general plan proposed; and that Mr. James L. Shepherd, Jr., and the Endowment Officer as Directors of Toreador Royalty Corporation be authorized to vote at any meeting of the Board of Directors in favor of action necessary to increase the authorized Capital Stock of the Corporation and to exchange new shares of Common Stock for mineral interests in line with the plan outlined above, the terms of such exchange to be determined by the Board of Directors of the Corporation. And further that Mr. James L. Shepherd, Jr., and the Endowment Officer, and each or either of them, be constituted as proxies to vote the Preferred Stock of the Corporation, at any regular or called meeting, <sup>for action necessary to increase</sup> ~~issue new~~ Common Stock of the Corporation, ~~in exchange for such mineral interests.~~

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GEOLOGY FOUNDATION - RECOMMENDATION RE SALE OF HALLIBURTON OIL WELL CEMENTING COMPANY COMMON STOCK.-- Sun Oil Company has donated 110 shares Halliburton Oil Well Cementing Company Common Stock to the Geology Foundation. The assistant treasurer of the company in making the contribution of the stock stated, "It is my understanding that this represents the first of three annual contributions in the amount of \$7,500.00".

In the absence of investment restrictions by the donor, the Executive Committee of the Geology Foundation has recommended that the gift be retained as a permanent endowment and that the stock be held or sold as deemed best by the University's investment staff.

The stock is currently selling around 61-1/4 to yield 3.92% on a \$2.40 dividend rate. Halliburton's earnings are currently in a downtrend with an estimate of \$4.90 per share for 1957 versus \$5.08 per share for 1956.

It is recommended that the 110 shares of stock be sold and the net proceeds placed in the University's "Funds Grouped for Investment" to the account of the Geology Foundation - Various Donors, where the endowment fund will benefit from the wide diversification of securities in the grouped fund.

TRUST AND SPECIAL FUNDS--GIFTS, BEQUEST AND ESTATE MATTERS.--

DWIGHT D. BOOK ESTATE:--Notification to the Board of Regents on June 1, 1956 was made through the Land and Investment Committee that Mr. Book's Will which had been offered for probate in San Antonio provided, after specific bequest of one piece of property and annuities to two ladies, for "The balance to be paid to The University of Texas for scholarships." A Will contest was filed and on September 22, 1956, a report was made through the Committee to the Board regarding the settlement of the contest, payment of attorneys' fees, and the assets in the Estate.

The San Antonio Loan and Trust Company was named in the Will as Independent Executor and Trustee of the Estate and it is, therefore, not a fund to be managed by the Board of Regents. We have now been advised by the San Antonio Loan and Trust Company that the estate is now settled to the point where scholarship money is available to the University. Receipts of such funds will be reported to the Board of Regents through the President's docket and the scholarships will be administered through the Scholarship and Loan Committee at the Main University. The Endowment Office will be concerned, in future, only with accounting reports from the Trustee and any questions regarding the assets of the Trust, and this report is furnished only for your information.

## TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS.--

HOGG FOUNDATION: VARNER PROPERTIES - REPORT ON CLOSING OF SALE OF RIVER OAKS BUILDING, SOUTHEAST CORNER, CAPITOL AND FANNIN, HOUSTON, TEXAS TO HOUSTON FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION.--As authorized at the June 29, 1957 meeting of the Board of Regents, sale of the River Oaks Property for a total consideration of \$400,000 cash has been completed. The deed was executed by the Chairman of the Board, attested by the Secretary, and delivered to the purchaser by the Chairman on July 31, 1957. Balance of cash consideration was paid that date by the purchaser. The purchaser has taken out its own insurance, and our policies were sent in for cancellation as of July 31, 1957.

It is recommended that the Board of Regents ratify this sale.

DeROSSETTE THOMAS FUND FOR THE ASA MITCHELL GUIDANCE CENTER - SALE OF LAREDO PROPERTY.--On June 29, 1957, the Board of Regents rejected an offer of \$20,000 cash from Sames Motor Company for the purchase of Lot 5, Block 63, City of Laredo, but offered to sell the property to the Company, subject to the existing lease, for \$25,000 cash, conditioned upon acceptance of the counter offer by deposit of earnest money not later than July 31, 1957. Earnest money in the amount of \$1,250 was received with acceptance of the counter offer on July 10, 1957, and thereafter a deed dated as of August 31, 1957, was executed by the Chairman. The sale was closed on September 26, 1957 by payment of balance of purchase price in the amount of \$23,750. Rental was prorated as of that date. It is recommended that the Board adopt the following resolution confirming and ratifying the sale:

R E S O L U T I O N

WHEREAS, the Board of Regents of The University of Texas, as Trustee under the Will of DeRossette Thomas, deceased, received an offer from Sames Motor Company of Laredo, Texas, to purchase the Thomas Estate lot in Laredo for Twenty Thousand Dollars (\$20,000.00) and the counter-offer of the Board of Regents in an amount of Twenty Five Thousand Dollars (\$25,000.00) has been accepted by Mr. Harry E. Sames, Jr., as Testamentary Trustee and Independent Executor of the Will of Harry E. Sames, deceased; and

WHEREAS, the partners in the firm of Sames Motor Company requested that title to the property be vested in Harry E. Sames, Jr., as Testamentary Trustee and Independent Executor of the Will of Harry E. Sames, deceased, and executed an agreement to that effect; and

WHEREAS, upon payment in cash by the purchaser of the balance of the agreed purchase price, the Chairman of the Board of Regents executed and delivered a general warranty deed to Harry E. Sames, Jr., in such capacity, and it is the desire of the parties that this action now be approved and ratified by the Board of Regents:

NOW, THEREFORE, BE IT RESOLVED, That all the acts of the Chairman of the Board in executing and delivering for and in behalf of the Board of Regents of The University of Texas, as Trustee under the Will of DeRossette Thomas, deceased, to Harry E. Sames, Jr., Testamentary Trustee and Independent Executor of the Will of Harry E. Sames, deceased, a general warranty deed conveying the following described premises situated in the City of Laredo, Webb County, Texas:

All that certain tract or parcel of land lying and being situated in the City of Laredo, Webb County, Texas, and more particularly described as follows:

Lot Number Five (5) in Block Number Sixty-three (63) in the Western Division of the City of Laredo, Webb County, Texas, together with all improvements thereon.

Being the same property bequeathed by Miss DeRossette Thomas to the Board of Regents of The University of Texas,

said will having been duly admitted to probate in the County Court of Bexar County, Texas, in Probate Cause No. 90512, entitled Estate of DeRossette Thomas, deceased;

together with the interest which the Board of Regents had in a lease dated October 1, 1948, by and between DeRossette Thomas, as Lessor, and Jacob C. Hornberger, as Lessee, which was a lease for a term of ten (10) years commencing on October 1, 1948, and ending September 30, 1958, be and the same are hereby in all things duly accepted, approved, confirmed, and ratified.

JAMES W. MCCLAUGHLIN FELLOWSHIP FUND; RANGELY FIELD UNITIZATION.--

At the June, 1957 meeting of the Board of Regents, it was reported that the University had been asked to execute a "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" covering the Weber Sand Unit of the Rangely Field, Rio Blanco County, Colorado. At that meeting authorization was given for the Chairman to execute the agreement upon approval by the Endowment Officer as to content, the Land and Trust Attorney as to form and upon approval by Dr. Clark Barb of Golden, Colorado, and the signing of the agreement by the three McLaughlin heirs.

The McLaughlin heirs have advised us of their signature to the agreement effective October 1, 1957, Dr. Barb has given his approval, and the instrument has been signed by the Chairman of the Board and forwarded to the proper authorities. Ratification of this action by adoption of the following resolution is recommended:

R E S O L U T I O N

WHEREAS, a request was submitted to the Board of Regents of The University of Texas, as Trustee of the James W. McLaughlin Fellowship Fund, to execute a "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" relating to the Weber Sand Unit Area in the Rangely Field, Rio Blanco County, Colorado; and

WHEREAS, on June 29, 1957, the Board of Regents did authorize its Chairman to execute this agreement; and

WHEREAS, it is the desire of the parties that The Execution of the Agreement be approved and ratified by the Board of Regents:

NOW, THEREFORE, BE IT RESOLVED, That the acts of the Chairman of the Board of Regents in executing the "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" as it relates to the Rangely Field in the State of Colorado be and the same are hereby in all things approved, accepted, confirmed, and ratified.

MEDICAL BRANCH, JAMES W. MCCLAUGHLIN FELLOWSHIP FUND - ADDITIONAL FEE OF HOLME, ROBERTS, MORE & OWEN FOR SERVICES IN CONNECTION WITH RANGELY FIELD UNITIZATION AND OTHER MATTERS.--The University has received a statement dated September 11, 1957, from the legal firm of Holme, Roberts, More & Owen for legal services for the period December 1, 1956 through August 31, 1957, in the amount of \$388.19, \$315.00 for services and \$73.10 for out-of-pocket expenses. This was in connection with the Rangely Field Unitization and other miscellaneous matters of the McLaughlin Estate and the Fellowship Fund. This will be the ninth payment to the firm and will bring the total amount paid to \$45,299.80. It is recommended that this fee be paid from Account No. 82320, The James W. McLaughlin Fellowship Fund.

W. J. McDONALD OBSERVATORY FUND - OFFER FROM LLEO B. DODD TO PURCHASE 125.393 ACRES, S. C. PRICE SURVEY (PICKERING PROPERTY), LAMAR COUNTY, TEXAS.--The University has received an offer of \$4,000.00 cash from Lleo B. Dodd of Paris, Texas, to purchase the tract which has been carried as 138-1/2 acres but shown by survey as only 125.393 acres, S. C. Price Survey, Lamar County.

The property is carried at a book value of \$10,367.50, being the appraised value in the McDonald Estate in 1929. It is rented on a year-to-year basis to Mr. Ralph Bolton on a share basis of one-fourth of cotton and one-third of grain and feed crops. Average rental for the preceding five years has been \$134.03. The tract was placed under the Soil Bank program for 1957, and the University has received \$120.25 as its share of the payment. A farm-to-

market road is on two sides of the tract. Improvements consist of an old two-room dwelling now vacant, an old four-room dwelling occupied by a relative of the tenant, and two sheds. All improvements are dilapidated.

Approximately 50 to 65 acres of the land on the south side is fair for cultivation. Best cotton yield is about one-half bale per acre. Of the remainder of the tract, 5 to 10 acres is good pasture land, and the remaining acreage is badly eroded, brushy, and of little use until considerable work is done on it.

The files show no proposals to the University for oil and gas leases on this property. Some acreage in the area is under lease at low rentals. There is no production or drilling activity within several miles. Mr. John Rushing of the First National Bank of Paris appraised the property in 1956 at \$6,925.00 for land, based on 138-1/2 acres, and \$500.00 for improvements. Another appraiser in the area has expressed the opinion that this land should be worth around \$7,000 with little value on the improvements.

In June, 1956, the Board of Regents authorized sale of the property to Mr. J. M. Howard for \$7,000.00 cash, but Mr. Howard's financing plans failed.

Mr. Dodd's offer is too low, but he has been anxious that it be submitted to the Board of Regents, particularly since he has other property in the area.

It is recommended that the Board of Regents authorize a counter proposal to Mr. Dodd to sell the tract to him for \$7,000.00 along with one-half of the minerals and any other rights the University may have to an area of 5.77 acres in highway right of way adjoining the tract, the University to retain one-half of the minerals under the total area of 135.7 acres, perpetual and participating. The Endowment Officer is to submit the counter proposal as \$7,000.00 cash but will be authorized to negotiate with Mr. Dodd for a reasonable down payment and the remainder in a monthly installment note if Mr. Dodd wishes to buy at that price but will not pay all cash. The counter proposal will be open for acceptance until November 15, 1957. If deferred payments are involved, such a proposal will be submitted to the Board of Regents at a later meeting.

ROSALIE B. HITE FUND - RENTAL ARRANGEMENT WITH CLYDE PAUL.--As reported to the Board of Regents on June 29, 1957, a one year parking lease with Clyde Paul for the Hite Fund's 55 x 100 feet on the southwest corner of Capitol and LaBranch in Houston expired on May 31, 1957 and the Board authorized allowing Mr. Paul to continue use of the property through July, 1957, at the same rental of \$250.00 monthly. The Endowment Officer was instructed to negotiate with Mr. Paul and any other prospective tenants for a new rental arrangement. Mr. Paul stated that due to parking business conditions in the area, he cannot pay more than \$150.00 per month. Other prospective tenants were contacted with no indication of better rental than \$150.00 per month unless surrounding property in the block could be rented for a single operation. This property is not available at this time.

It is recommended that the Board of Regents authorize a parking lot lease with Mr. Clyde Paul on this property for one year beginning August 1, 1957 at rental of \$150.00 per month with right of cancellation by the University in the event of sale of the property or lease for other uses, the lease with Mr. Paul to be executed by the Chairman of the Board upon approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

MEDICAL BRANCH (JOHN SEALY HOSPITAL) - SIVERT BROWN ESTATE - PROPOSAL FROM PAN AMERICAN PETROLEUM CORPORATION FOR OIL AND GAS LEASE ON 15 ACRES, JOHN CUMMINGS LEAGUE, BRAZORIA COUNTY.--A tract of 15 acres in the John Cummings League, Abstract 57, Brazoria County, was acquired by John Sealy Hospital in 1934 from the Estate of Sivert Brown as partial settlement on a hospital bill. The tract is adjacent to the Old Ocean Field. However, three tests have been drilled from 1,000 to 2,500 feet from it to depths of around 11,000 feet testing each of the principal producing sands in the Old Ocean Field, and all three wells were dry. The University leased the tract to Magnolia Petroleum Company and Old Ocean Oil Company in 1947 at \$50 an acre bonus and \$5 an acre annual rental. Delay rentals were paid for two years before the lease was dropped. A lease was made in 1953 to Magnolia and J. S. Abercrombie Co. at the same bonus and rental for a five-year term, and this lease was dropped in January, 1955.

Pan American Petroleum Corporation proposes to lease the tract for \$50.00 per acre bonus and \$7.50 per acre annual rental, with 1/8 royalty, for primary term of five years with expectation of making a deep Frio test in the immediate area. It is recommended that the Board accept the proposal and authorize its Chairman to execute the lease when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND--VARNER PROPERTIES SUPPLEMENT U INCOME TAX MATTERS.--A brief report was made to the Board of Regents at its June 28-29, 1957 meeting regarding the status of the Varner Properties Supplement "U" (Exempt Organization Business Income) Income Tax Returns for the Fiscal Years ended July 31, 1953, 1954, and 1955, and the Board authorized "the Vice President for Fiscal Affairs, the Comptroller, and the Endowment Officer to take such action as is deemed necessary for an agreed settlement or for protest of any of these tax matters upon advice of Mr. Bird, our special tax counsel, and upon approval of such action by the Chairman of the Board of Regents and the Land and Investment Committee," with any such action to be reported to the Board of Regents at a later date for ratification. After further conferences with Mr. Bird and a conference by him and the University staff with the Internal Revenue Service, tax deficiencies were agreed to by the staff with the approval of the Chairman of the Board and the Land and Investment Committee, for the three years as follows: 1953, \$15,497.56; 1954, \$27,222.94; and 1955, \$23,323.46. Deficiencies with interest at 6% to September 15, 1957, were paid on that date from accumulated Varner Properties income, and a tabulation of the tax results, with interest, for the three years is as follows:

	1953	1954	1955	Totals
Tax paid with return	\$60,189.79	\$ 1,201.21	-	\$ 61,391.00
Deficiencies	15,497.56	27,222.94	23,323.46	66,043.96
Total tax	75,687.35	28,424.15	23,323.46	127,434.96
Interest on deficiencies	3,641.93	4,764.01	2,682.20	11,088.14
Totals	<u>\$79,329.28</u>	<u>\$33,188.16</u>	<u>\$26,005.66</u>	<u>\$138,523.10</u>

It is recommended that the Board of Regents approve and ratify the agreed settlements and payments as set out above and further ratify the filing by the staff of an agreement extending the limitation period for assessment of any deficiency for the Fiscal Year ended July 31, 1954, this having been requested by the Internal Revenue Service for their administrative purposes.

The return for the Fiscal Year ended July 31, 1955, was filed as a Final Return showing no tax due, as authorized by the Board of Regents, on the basis that all indebtedness except that owed to Miss Ima Hogg had been paid and that she had released her lien as to the Supplement "U" properties prior to the end of the fiscal year. However, the indebtedness to Miss Hogg arising from the Varner Properties acquisition remains, except for reduction by semi-annual payments; and it has been concluded, based on advice from Mr. Bird, that the contention of the Internal Revenue Service that indebtedness as contemplated under the Internal Revenue Code is still outstanding cannot be overcome. Therefore, it is necessary to file at this time returns for the fiscal years ended July 31, 1956 and 1957. These returns have been prepared showing tax of \$23,464.08 for 1956, on which interest at 6% for one year will be due, and \$23,751.28 for 1957. It is recommended that the Comptroller and the Endowment Officer be authorized to file these returns by October 15, 1957, upon the advice of Mr. Bird and the approval of the Vice President for Fiscal Affairs, and pay the tax for each year, together with interest due on the tax for 1956.

The University has received a statement from Mr. Bird's firm, Weeks, Bird, Cannon & Appleman, covering fee in the amount of \$2,000 for his services on these tax matters since 1954, plus out of pocket expenses in the amount of \$77.64. It is recommended that the Board of Regents approve payment of this statement.

HOGG FOUNDATION - PROPOSAL OF MISS IMA HOGG FOR SALE OF WEST COLUMBIA ROYALTY INTEREST, BRAZORIA COUNTY, TEXAS.--On June 29, 1957, the Board of Regents considered a proposal dated June 26, 1957, a copy of which is in the Secretary's Files, Volume IV, from Miss Ima Hogg to sell to the Board, as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, her royalties in the West Columbia Field, Brazoria County, Texas, with certain reservations. Due to the size of the proposal and insufficient time for thorough consideration, the Board directed that the University employ an independent geologist familiar with the West Columbia Field to report on the matter after a record study of production, reserves, and values.

In addition to an area reservation set out in the proposal, Miss Hogg would retain: (1) her interests in and under all other leases in the West Columbia Field as such leases cover oil, gas and other minerals which may be found below presently producing horizons, and (2) a production payment in the amount of \$500,000 payable out of 50% of production commencing after the royalties sold have yielded \$1,200,000 gross to the Foundation (at which time the aforesaid notes will have been paid in full in accordance with the terms set out above). Such production payment shall be computed on the basis of the prices of oil, gas and other minerals prevailing in the West Columbia Field at the date of the proposed sale rather than the prices actually received for the production attributable to such production payment.

The proposal is to sell these royalties to the Board as Trustee for \$600,000 payable \$50,000 in cash with the balance to be evidenced by notes payable to Miss Hogg at the rate of \$50,000 semi-annually beginning January 2, 1958. The notes will not bear interest and voluntary prepayment would not be permitted. However, at the maturity of each \$50,000 note, the Board of Regents would be required to make a prepayment on the next maturing note or notes equal to the amount, if any, by which 50% of the receipts from the royalties during the preceding six months exceeded \$50,000.

A report by an independent valuation engineer submitted by Miss Hogg with the proposal estimates that the total purchase price in the amount of \$600,000 would be paid out in 1962, and that net proceeds to the Hogg Foundation from these royalties would amount to approximately \$1,500,000 by the end of 1970.

A report obtained by the University from an independent consulting geologist in Houston estimates pay-out of the \$600,000 purchase price in 1961 and net proceeds to the Foundation through 1970 of approximately \$700,000.

One of the major oil companies operating the leases under which most of the royalty is now received has given the University its opinion that purchase of the royalties as proposed will be a sound business transaction.

It is therefore recommended that the Board of Regents accept Miss Hogg's proposal and adopt the following resolution: (Resolution to be presented at the meeting.)

*Set Resolutions*

R E S O L U T I O N

RESOLVED that the Board of Regents of the University of Texas, as Trustee of the Hogg Foundation - W. C. Hogg Memorial Fund, hereby accepts the proposal of Miss Ima Hogg of Houston, Texas to sell all of her royalty interests (subject to certain reservations) in the West Columbia Field, Brazoria County, Texas, on the terms and conditions set forth in letter dated June 26, 1957 from the law firm of Fulbright, Crooker, Freeman, Bates & Jaworski to the Board and that the Board, as such Trustee, purchase such royalty interests from Miss Hogg, subject to the reservations, terms and conditions set forth in said letter; and

RESOLVED that to effectuate such purchase, Leroy Jeffers, Chairman of the Board of Regents, is hereby authorized and directed to represent the Board as such Trustee, in all matters in connection therewith, and that Leroy Jeffers, Chairman, is hereby authorized and directed to accept such assignment from Miss Ima Hogg to the Board, as such Trustee, of the royalty interests and such other instruments as he may deem appropriate, subject to such reservations, terms and conditions as he may deem proper; and

RESOLVED, FURTHER, that Leroy Jeffers, Chairman of the Board of Regents, is hereby authorized and directed to make such cash payments on the purchase price of such royalty interests, to execute and deliver such promissory notes or other evidences of indebtedness to evidence the balance of such purchase price not paid in cash and to execute and deliver mortgages and deeds of trust and other instruments to secure the unpaid balance of such purchase price, all for the Board, as such Trustee, and on such terms and conditions and subject to such reservations, and to do such other acts, all as may be necessary and proper to complete such purchase; and that Betty Anne Thedford, the Secretary of the Board is hereby authorized and directed to attest and affix the seal of the Board to any and all such instruments so executed; and

RESOLVED that Leroy Jeffers, Chairman of the Board, is hereby authorized and directed to do any and all other things that may be necessary or proper in connection with such purchase, all as he may deem appropriate; and

RESOLVED, FURTHER, that all instruments which may be executed by Leroy Jeffers, Chairman of the Board, in connection with such purchase shall be the binding acts and deeds of the Board, as such Trustee, and that all other things which Leroy Jeffers, Chairman of the Board, has heretofore done or may hereafter do for the Board, as such Trustee, in connection with any of the aforesaid matters, are hereby ratified, confirmed and approved.

## TRUST AND SPECIAL FUNDS - REVENUE BOND FINANCING MATTERS.--

TEXAS WESTERN COLLEGE - FINANCING OF PROPOSED EXPANSION OF STUDENT UNION BUILDING.--By Loan Agreement dated as of March 1, 1957, and authorized by resolution of the Board of Regents on March 16, 1957, the Housing and Home Finance Agency has agreed to purchase revenue bonds in the amount of \$580,000 to be sold by the University to finance remodeling and expansion of the Texas Western College Student Union Building. Under the Loan Agreement, the bonds will be publicly offered by the University, the Agency will enter its bid at interest cost of  $2\frac{7}{8}\%$  to the University, and the Agency will purchase the bonds on that bid basis unless a bid is received by the University at an interest cost no greater than the  $2\frac{7}{8}\%$ .

It is expected that the Buildings and Grounds Committee will recommend at this meeting of the Board of Regents approval of final plans and specifications for the project and authorization to advertise for construction bids looking to start of construction early in January, 1958. It is therefore recommended that the Board of Regents authorize the Endowment Officer to offer for public sale, including advertising to meet the requirements of Housing and Home Finance Agency, the bonds covered by the Loan Agreement, the date for opening of bids on the bonds to coincide with the date of a Board of Regents meeting. At such Board meeting, appropriate resolutions will be presented to the Board for issuance and sale of the bonds.

The Loan Agreement provides for the bonds to be dated April 1, 1957, and with prospective date of sale of the bonds to be in December, 1957. It is further recommended that the Endowment Officer be authorized to arrange with Housing and Home Finance Agency for change of date to October 1, 1957, with appropriate change of maturity dates and any other related dates set out in the Agreement, and further that the Chairman of the Board of Regents be authorized to execute any instruments required by Housing and Home Finance Agency for such change of dates. If the date of the bonds is approved by Housing and Home Finance Agency, public offering authorized above would so describe the bonds. Otherwise, the bonds will be offered as dated April 1, 1957.

It is further recommended that the Endowment Officer be authorized to make such preliminary arrangements for the printing of the bonds as will insure delivery in time to meet the earliest requirements for construction money for the project.

MAIN UNIVERSITY - PROPOSED EXPANSION OF TEXAS UNION BUILDING - REPORT ON EXTENSION OF TIME FOR FILING FINAL APPLICATION.--At the June 29, 1957 meeting of the Board of Regents, the status of this project was reported fully and the Endowment Officer, with the approval of the Vice President for Fiscal Affairs and the Comptroller, was authorized to apply for extensions of time for the filing of the final application with the Housing and Home Finance Agency. The original date was 90 days from May 22, 1957. An extension was requested and on August 23, 1957, we were advised by the Regional Administrator of the Housing and Home Finance Agency that our request had been granted and an extension granted to November 22, 1957. Every effort will be made to have the full application ready at the earliest practicable date.

GRAZING LEASE RENTALS

In accordance with policy adopted by the Board of Regents on September 18, 1954, part of which policy pertained to increased grazing rental rates, leases made since that date have provided for increased rental rates to go into effect as of January 1, 1957. On November 3, 1956, the increase in rental rates to have become effective January 1, 1957, was postponed until January 1, 1958 due to emergency conditions occasioned by the drought. It is now recommended that the Board postpone increase in such rates until January 1, 1959 for the reason that in spite of limited rainfall it will take several years for University lands to be restored to normal grazing conditions. Consequently, no increased rental rates will become effective on University lands until January 1, 1959, either as to leases now in effect or to be renewed effective at any date prior to that time.

BRACKENRIDGE TRACT

The Land and Investment Committee recommends that the Board of Regents allocate sufficient time at its next meeting in Austin for a complete review of the problems relating to the Brackenridge Tract and consideration of plans regarding future utilization of the property. It is hoped this will include an inspection of the property by the Board of Regents.

The Endowment Office is instructed to submit to the members of the Board, prior to such meeting, a report covering the present status of the property and the various problems needing consideration by the Board.

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Question to Mr. Sorrell:

If you want Board on record as to Los Charros (Rodeo) suggest the following:

It is recommended that the Board defer until a later meeting action on a request from Los Charros for permission to construct on part of the Brackenridge Tract a semi-permanent rodeo arena and stands for the use of Los Charros and the University Rodeo Team.

~~However, it is recommended that the Board grant Los Charros permission to use part of the tract for its rodeo in the Spring of 1958 if such a temporary location is needed.~~

*Handwritten signature and initials*

**II. SPECIAL ITEMS (Open Meeting)**

- A. **APPROVAL OF MINUTES, JUNE 28-29, 1957.** --The minutes for the meeting of the Board of Regents June 28-29, 1957, have been distributed to each member, and are presented for approval.
- B. **SCHEDULE OF MEETINGS, 1957-58.** --In considering dates for 1957-58 meetings of the Board, it may be well to call to your attention the football schedule and the dates listed below.
- November 9: Dedication of ROTC Building; Home Coming for Texas Exes; Development Board  
December 13: Committee of 75  
January 10: Committee of 75  
March 28-29: Round Up
- C. **APPROVAL OF DOCKET.** --The docket mailed from President's Office under separate cover October 2, 1957.

*Miss Hedford*  
*extra copy of*  
*your report*

SUBJECT: A Summary of the Activities of "The Study of Weather Modification"  
during the Fiscal Year 1956-1957

137

TO: Dr. Logan Wilson, President, The University of Texas

FROM: Dr. Vance E. Moyer, Assistant Professor of Meteorology, Director

During the latter half of the 1956-1957 fiscal year, the Study of Weather Modification continued along the lines indicated in our progress report of 18 April 1957<sup>1</sup>. Our permanent file of raw climatological and meteorological data continues to grow apace and has already become a valuable source of information; by 31 August 1957, these data had been analyzed and plotted on a total of 489 individual 28"x29" climatic maps, as well as on a considerable number of supplementary working charts. The graphical analyses have been roughed in pending the completion of Professor Holmes' topographical map, which is now undergoing final drafting.

The first "Annual Report on The Study of Weather Modification", completed on 31 August 1957, is a technical progress report that describes the work accomplished during the past fiscal year<sup>2</sup>. This report discusses the current status of cloud and precipitation physics<sup>3,4</sup> and the direction of research that appears most promising for our state, enumerates the 489 climatographical analyses already completed, itemizes (as a source reference) the climatological data collected, describes several experimental contributions to the science of climatology<sup>5</sup>, and illustrates the latest graphical analyses of "normal" (1927-1956) annual precipitation and temperature and the 1946-1956 precipitation expectancy distribution over the climatological network of Texas and the peripheral portions of the surrounding states. The cooperation of the State Climatologists for Texas, Arkansas, Colorado, Kansas, Louisiana, New Mexico, and Oklahoma is gratefully acknowledged. Future plans are outlined, and some of this work has already been initiated. It is anticipated that there will be available shortly the analyses based on 40-year normals of precipitation and temperature for the 261-station network.

The Project Director submitted to the National Science Foundation a proposal for additional support of the research for the two-year period beginning 1 September 1957; this proposal was subsequently disapproved, but a request has been received from the Advisory Committee on Weather Control for resubmission of the proposal. It is not known if ACWC support will improve our chances to acquire NSF support, but the Project Director will continue his efforts to extend the scope of the Study through outside funds. However, unless additional funds are procured, plans for a study of the synoptic cloud climatology of Texas must be severely curtailed because of the need for additional part-time personnel with some meteorological experience.

The untrained part-time people who contributed so heavily toward the outstanding success of the first 11 months of the Study deserve unqualified praise; however, the advancement of our aims now depends upon the use of part-time student employees in the meteorology curriculum, although the need for statistical aides continues. Nevertheless, it is with justifiable pride that we submit this report on our efforts of the past 11 months.

Respectfully,

Vance E. Moyer, Director

- <sup>1</sup>Vance E. Moyer, "The Study of Weather Modification: A Report on Its Progress and A Proposal For Its Extension," Bureau of Engineering Research, The University of Texas, Austin, 18 April 1957, 28 pp.
- <sup>2</sup>Vance E. Moyer and George W. Cry, "Annual Report on The Study of Weather Modification," Bureau of Engineering Research, The University of Texas, Austin, 31 August 1957, 74 pp.
- <sup>3</sup>Vance E. Moyer, "The Implications of Cloud Modification In the Conservation of Texas Water Resources," The Texas Journal of Science, IX(3):257-261, September 1957
- <sup>4</sup>Vance E. Moyer and Kenneth H. Jahn, "Statement Concerning S. 86 With Appropriate Background Information," Hearings Before a Subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, Eighty-Fifth Congress, 13 May 1957, on a Bill to provide an experimental research program in cloud modification, pp. 189-196, U. S. Government Printing Office, Washington, D. C., 1957
- <sup>5</sup>In preparation by Vance E. Moyer for submission to The Texas Journal of Science

THE UNIVERSITY OF TEXAS  
Austin 12, Texas

MEMORANDUM

Office of the Auditor

October 4, 1957

*Miss Thedford*  
*OK*  
*WJ*

To: Dr. Logan Wilson  
President

Via: Mr. C. H. Sparenberg, Comptroller  
Dr. J. C. Dolley, Vice President for  
Fiscal Affairs



Original Signed by  
LOGAN WILSON

Subject: APPROVAL OF TRAVEL EXPENSE REIMBURSEMENTS FOR 1957-1959  
BIENNIIUM

Regental approval of the following authorization is required if we are to continue processing travel expense accounts, reimbursable from state fund appropriations, under our present operating procedures. If the Regents do not approve such authorization, then it will be necessary for all travel expense claims to be approved directly by the Board of Regents. It is therefore my recommendation that the following be submitted to the Regents for approval at their meeting in Dallas, October 10 and 11, 1957.

Pursuant to the provisions of Section 33, Article VI, H.B. 133, 55th Legislature, Regular Session, the Board of Regents hereby delegates to the executive heads named below the authority to approve official travel reimbursements for all in-state travel during the period from September 1, 1957 to August 31, 1959.

1. Dr. Logan Wilson, President, Central Administration
2. Dr. Harry H. Ransom, Vice President, Main University
3. Dr. John B. Truslow, Director, Medical Branch at Galveston
4. Dr. Dysart E. Holcomb, President, Texas Western College
5. Dr. R. Lee Clark, Jr., Director, M. D. Anderson Hospital for Cancer Research
6. Dr. John V. Olson, Dean, Dental Branch
7. Dr. A. J. Gill, Dean, Southwestern Medical School

The delegation of authority herein approved shall be limited to travel for official state purposes, including those functions necessary to carry out the operations of a University of the first class, but necessarily limited by the provisions of House Bill No. 133, 55th Legislature, Regular Session.

"This authorization will amend the rules and regulations of the Board of Regents of The University of Texas pertaining to authorized travel as revised January 29, 1955".

Very truly yours,

Original signed by  
G. C. STARNES

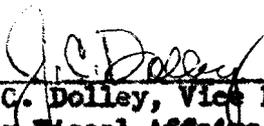
G. C. Starnes  
Auditor

GCS:mm

Approval Recommended:

Original Signed By  
C. H. SPARENBERG

C. H. Sparenberg, Comptroller

  
J. C. Dolley, Vice President  
for Fiscal Affairs

R E S O L U T I O N

WHEREAS, on Monday, July 29, 1957, The University of Texas lost a good friend and long-time faithful attorney in the death of Scott Gaines who was admired and respected by all with whom he came in contact; and

WHEREAS, Judge Gaines was born at Smiley, Gonzales County, Texas, on July 31, 1898, and spent his early youth in Angleton, Brazoria County, Texas, followed by a period of military service in World War I as a Lieutenant in the Air Force; and

WHEREAS, he graduated from Cumberland Law School at Lebanon, Tennessee, in 1921 and immediately began the private practice of law in Angleton, Texas, with his father, which was followed by two terms as County Judge of Brazoria County; and

WHEREAS, during the year of 1927 he was married to Flora Dietert who was his constant helpmate and inspiration, and he is survived by his widow, a daughter, Mrs. Joan Witter of Austin, Texas, and mother, Mrs. Susie C. Gaines of Angleton, Texas; and

WHEREAS, by reason of his abilities Judge Gaines served the State with distinction as an Assistant Attorney General during the administrations of Attorneys General Allred and McCraw, the latter part of his tenure being in the capacity of First Assistant; and

WHEREAS, on May 1, 1938, he was appointed attorney in charge of University lands of The University of Texas, and subsequently served as the attorney for the University for nineteen years, during which time his diligence and performance of his duties and his wise counsel throughout the years that he served the University were instrumental in the development of the endowment program for which the University owes a debt of gratitude; and

WHEREAS, the Judge was a man of high principle and a wholesome influence in the lives of his friends, and his loyalty, sincerity of purpose, integrity, and patience will always be remembered by his associates and his loved ones; and

WHEREAS, it is the desire of The University of Texas to recognize and pay tribute to the service and useful life of this fine citizen and to express sympathy to his family:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas acknowledge the passing of Judge Gaines as a distinct loss to the University and the State and that we express to the members of his family our deepest sympathies and sincere regret; and be it further

RESOLVED, That a copy of this resolution be transmitted to the members of his family as a token of our sympathy.

Resolution of Appreciation  
to Dr. C. Paul Boner  
*Doctor*

WHEREAS, *Doctor* Dr. C. Paul Boner, *Professor of Physics*, on August 31, 1957, relinquished his positions of Vice-President of the Main University and Vice-President of Academic Affairs of The University of Texas to return to important administrative assignments in the area of research; and

WHEREAS, *Doctor* Dr. Boner has served The University of Texas with great distinction in key administrative posts since 1945: as Director of the Defense Research Laboratory since that date; as Executive Director of the Office of Government Sponsored Research from 1949 to 1954; as Dean of the College of Arts and Sciences from 1949 to 1954; as Dean of the Main University from 1953 to 1954; and as Vice-President of the Main University and Vice-President of Academic Affairs of The University of Texas from 1954 to the time of his resignation; and

WHEREAS, His performance in each of these important administrative assignments, based on his incisive judgment, his absolute loyalty to the University, and his outstanding administrative ability, has been of inestimable value to the progress of this university;

NOW THEREFORE BE IT RESOLVED, That the Board of Regents of The University of Texas express to Dr. C. Paul Boner its admiration and affection for him as a man, its appreciation for his outstanding administrative services to The University of Texas, and its best wishes for his continued success in the important research position which he now occupies; and

BE IT FURTHER RESOLVED, That this resolution be spread upon the formal Minutes of the Board of Regents, and the Secretary of the Board be instructed to provide the Chairman with a certified copy to be sent by the Chairman to Dr. C. Paul Boner.

*Doctor*

\_\_\_\_\_  
Chairman, Board of Regents  
The University of Texas

Adopted by the Board of Regents of The University of Texas  
on October 11, 1957.

Resolution of Appreciation

WHEREAS, During the current meeting of the Board of Regents of The University of Texas in Dallas, the Republic National Bank has provided space and facilities for the meetings of the Board; and

WHEREAS, The Republic National Bank and its distinguished directors and officers, Mr. Fred Florence, Mr. James Aston, and Mr. Joe C. Thompson, our eminent colleague on the Board of Regents, have graciously and generously entertained the members of the Board of Regents and the administrative staff of The University of Texas and their wives:

NOW, THEREFORE BE IT RESOLVED, That the Board of Regents of The University of Texas express its appreciation to the Republic National Bank, to Mr. Fred Florence, to Mr. James Aston, and to its own member, Mr. Joe C. Thompson, for the wonderfully warm and generous hospitality which has been so much enjoyed by the members of the Board and the administration while in Dallas; and

BE IT FURTHER RESOLVED, That this resolution be spread upon the formal Minutes of the Board of Regents, and the Secretary of the Board be instructed to provide the Chairman with certified copies to be sent by the Chairman to these three distinguished citizens of Dallas.

THE UNIVERSITY OF TEXAS  
P. O. BOX 2119, UNIVERSITY STATION  
AUSTIN 12

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*File*

SCOTT GAINES  
ATTORNEY

September 19, 1957

PRESIDENT'S OFFICE, U OF T	
ACKNOWLEDGED _____	FILE _____
REC'D SEP 20 1957	
REFER TO <u>JCD</u> * ✓	
PLEASE ANSWER _____	
PLEASE READ AND RETURN _____	

Dr. Logan Wilson, President  
The University of Texas  
Austin, Texas

Dear Dr. Wilson:

There is attached for your consideration a copy of the opinion relating to the power of the Board of Regents to act as a trustee under certain conditions. You will recall that this question arose as a result of our meeting with Miss Ima Hogg, and it was suggested that I submit this to you and Mr. Jeffers. I have forwarded a copy to him.

Sincerely yours

*Burnell Waldrep*  
Burnell Waldrep

BW:tr  
Enc.

\* For info & return  
for UOT file

*See no list for a paper*

The University of Texas

September 18, 1957

MEMORANDUM

PRESIDENT'S OFFICE, U OF T  
 ACKNOWLEDGED \_\_\_\_\_ FILE \_\_\_\_\_  
 REC'D SEP 20 1957  
 REFER TO \_\_\_\_\_  
 PLEASE ANSWER \_\_\_\_\_  
 PLEASE RETURN TO \_\_\_\_\_

To: Mr. Leroy Jeffers, Chairman, Board of Regents  
 Dr. Logan Wilson, President, The University of Texas

From: Burnell Waldrep

Subject: Authority of the Board of Regents of The University of Texas to act as trustee where a portion of the income under the trust goes to individuals

C

A question has arisen as to the authority of the University to accept the administration of a trust in which we receive the entire beneficial interest under the trust subject to the payment of annuities to individuals.

O

There are no express statutory provisions which confer upon the Board of Regents the authority to accept trusts of this nature. However, the Board has been granted general powers of management and control over the University, which, in my opinion, are sufficiently broad to justify the inference that the power does exist to accept trusts wherein annuities to individuals are included. A discussion of these pertinent powers is necessary to a final determination of the question presented.

P

Public education is a department of the State Government under our Constitution administered by public officers and in the conduct of which the Legislature has all power not denied it by the Constitution. Munne v. Harris, 120 Tex. 383, 40 S.W.2d 31 (1931). The Legislature has not, however, assumed the management and control of the University directly but has delegated the same to a Board of Regents (Art. 2584, V.C.S.) and has granted broad powers to the Regents in order that they may successfully manage and control the University. (Art. 2585, V.C.S.) It has also invested the Regents with the sole and exclusive management and control of the lands set aside and appropriated to, or that may be acquired by, the University, with the right to sell, lease and otherwise manage, control, and use the same in any manner and at such prices, terms, and conditions as they deem best for the interests of the University. (Art. 2596, V.C.S.)

Y

Mr. Leroy Jeffers  
Dr. Logan Wilson

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The Restatement on the Law of Trusts, Section 95d, provides that a state can administer a trust for any purpose unless restrained by provisions of the Constitution or laws of the United States or of the state. Also see Federal Trust Co. v. Brand, 76 S.W.2d 142 (Tex.Civ.App., 1934).

Article 2654d, V.C.S., provides in part:

"All trust funds handled by the governing bodies of such institutions shall be deposited in separate accounts and shall not be commingled with the general income from student fees or other local institutional income, and all such trust funds shall be secured by separate bonds or securities."

In Conley v. Daughters of the Republic, 106 Tex. 80, 156 S.W. 197 (Tex.Civ.App., 1913), the Court held that the State could acquire property, real or personal, by conveyance, will or otherwise and hold or dispose of the same or apply it to any purpose, public or private, as it sees fit.

Article 3264b, V.C.S., relates to the Board of Regents acting in the capacity of trustee, and if there is no direct or expressed authority, certainly by implication authority exists for the Regents to act as trustee of any trust established either for scientific, educational, philanthropic or charitable or other public purpose.

Apparently the Legislature recognizes the powers lodged in the Regents by the provisions of the Constitution which anticipate the making of donations of private property for the objects and purposes of the University contained in Section 11 of Article 7 of the Constitution, wherein it was provided that donations made for a specific purpose should not become a part of the Permanent University Fund. Moreover, it is recognition of the broad powers given to the Regents under the provisions of Article 2596, V.C.S., whereby they are vested with the sole and exclusive management and control of land acquired by the University for its purposes.

One of the principal objections which could be leveled at this type of arrangement would be that the administration of such a trust would require the time and energy of the administrative machinery of the University for the benefit of a private individual. If a trust of this nature furnished no benefits to the University, then of course the objection might be valid. It becomes obvious, however, that the Board

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Dr. Logan Wilson

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in the type of arrangement under consideration would be furthering the interests of the University and the State as well as those of a private individual and the administration of annuities to the individuals would be incidental and germane to the trust. Consequently, there would only be left the question of discretion on the part of the Board.

If the Board should conclude that the benefits conferred upon the University by the donation would outweigh the expense and inconvenience of administering the private annuities, then the Board would appear justified in accepting and administering the trust on the theory that it is related and is in furtherance of the functions of the Board, despite the incidental benefits conferred upon a private beneficiary. In the absence of an arbitrary or unreasonable conclusion the action of the Board would appear to be free from challenge by the courts. Splawn v. Woodward, 287 S.W. 677 (Tex.Civ.App., 1926).

Another objection which could be raised is that since the Legislature has seen fit to grant authority to accept donations only in certain instances the canon of construction that "the mention of one thing excludes all others and that which is expressed causes that which is implied to cease" might possibly have application. In my opinion, this possibility is remote by reason of the broad powers granted to the Board. Moreover, it is so widely recognized that in the establishment and management of a first class University the acceptance of donations of this nature is so essential that it would be reasonable to say that such power is incidental to the general powers given the governing board.

Passing to another phase of the question under consideration, it would appear that the authority of the Board of Regents to act as Trustee in this connection is to be limited by the fact that the trust must have some relation to the functions of the Board. The public purpose involved here is no longer an open question. Atty. Gen. Opinions Nos. O-1577 (1939) and O-1861 (1940). It has been said that the State has the power to administer a trust of this nature and may empower a state officer or agency to administer such a trust. State v. Underwood, 86 P.2 707 (1939).

Further support is found in the powers of a trustee under the Texas Trust Act wherein Section G of Article 7425b-25, V.C.S., states in part:

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"Generally to execute and deliver any deed or other instrument and to do all things in relation to such trust necessary, desirable, or advisable for carrying out any of the above powers or those considered incident to the purposes of such trust."

In view of the foregoing, it is our opinion that by reason of the broad powers conferred upon the Board of Regents sufficient authority exists to accept a trust subject to annuity payments, provided the annuity payment is confined to the property received together with income and is related to some function of the Board. The prerequisites are satisfied in our situation, inasmuch as the purpose for which the trust is established is a public one and related to the objects and purposes of the University. The annuity payments are incidental to the main object of the trust and unquestionably the benefits to be received by the University far outweigh the expense of administering the private annuities.

Respectfully submitted

  
Burnell Waldrep

BW:tr