

The Material Supporting the Agenda includes all material submitted to the Regents ten days prior to the meeting but does not necessarily include items on the Supplementary Agenda since the Secretary often does not get this material until weeks after the meeting.

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1958-59

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574	September 19-20, 1958
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576	Dec. 10-13, 1958
577	Jan. 10, 1959
578	March 13-14, 1959

(Meetings 579 through 582 were not in a condition they could be bound. Meeting 583 did not have any kind of material since it was to consider the budgets and all other items were presented at the meeting.)

VII b

This volume contains supporting material for meetings 580 and 582. There was no documentation for meeting 583.

Material Supporting Agenda

June 17-13, 1959

THE BOARD OF REGENTS
of
THE UNIVERSITY OF TEXAS

Meeting 580



Name:

Official Copy

FOR REGENTS' USE - NOTES

AGENDA

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AND
COMMITTEE OF THE WHOLE
June 12, 1959

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* 3:00 p. m., Friday, June 12

AGENDA

MEETING OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS
June 13, 1959
Telephone GREENwood 6-8371

Place: Regents' Room
Main Building 209

Date and Time: Saturday, June 13, 1959

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**Academic and Developmental Affairs
Committee**

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

Date: June 12, 1959

Time: 1:00 p. m.

Place: Main Building 209

Members: Mrs. Devall, Chairman
Mr. Hardie
Mr. Heath
Mr. Madden

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A. ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

1. MAIN UNIVERSITY

- a. Survey, College Dailies. --President Wilson under date of April 24, 1959, mailed each Regent a result of the survey of college dailies which had been made since the meeting in April, 1959.
- b. Director of School of Journalism. --There is no documentation on this subject.
- c. Report of Extension Division. --Vice-President Ransom has reported to the Secretary that the Report of the Extension Division to which he referred at the April meeting will be mailed to each Regent as a matter of information.
- d. Report on Evaluation of Teaching and Its Encouragement from Deans of Colleges. --Vice-President Ransom will probably give an oral report on The Evaluation of Teaching and Its Encouragement from the Deans of Colleges; however, he stated that this report also would be mailed to each Regent as a matter of information.

2. TEXAS WESTERN COLLEGE

School of Nursing. --Doctor Smiley will be given an opportunity to discuss with the Academic and Developmental Affairs Committee the School of Nursing at Texas Western College.

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

April 24, 1959

Memorandum

To: Dr. Minter
Mr. Bryan
Mrs. Devall
Mr. Hardie
Mr. Heath
Mr. Johnson
Mr. McNeese
Mr. Madden
Mr. Thompson

At the last meeting you asked for a confidential survey of how other universities handle the selection of editors for their student newspapers. Dr. Ransom's office has made the attached survey which I am reporting to you in advance of the June meeting.

Logan Wilson

LW k
Enclosure

cc: Miss Thedford
↗

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

April 23, 1959

SURVEY OF STUDENT EDITORSHIPS

In-State

Rice Institute - Each fall, the assistant editor and assistant manager of the Thresher are elected by students. They succeed automatically to office the next year. (Information from Dean Sims' office.)

Southern Methodist University - Student publishing board, students and faculty, pass on candidates' qualifications. Students elect one member of the board and the student vice-president is a member ex-officio. Students then elect the editor. The board has the right to disqualify, and this year the board excluded a candidate because of "immaturity," with a resultant controversy.

Texas A. & M. College - The Student Publications Board, reporting to the President and composed of the Director of Student Publications and one representative from each of the colleges and schools, selects the editor. (Information from General Rudder's office.)

Texas Christian University - The editor is elected by popular student vote. All candidates are approved by Publications Board (only journalism majors are eligible). (Amos Melton)

Texas Technological College - Mrs. Rose, the President's secretary, did not know, nor did the secretaries in the Student Life office. The selection seems to be by popular student election, with some kind of prior sifting of candidates.

Out-of-State

University of California at Los Angeles - Bruin editor is elected by student body. Anybody may run.

University of Illinois - The editor is appointed by the Illini Board of Control, composed of faculty members appointed by the President. (A continuing difficulty is getting well-qualified and aggressive candidates.) (Information from Provost Gordon Ray's office.)

University of Michigan - Students petition individually; current newspaper staff adds recommendation. The selection is made by a board composed of three students, a Vice-President of the University, and other faculty-staff members. (Information from Dean James Robertson's office.)



University of North Carolina - The editor is elected in the regular process of student-government elections. There are usually many initial candidates, only two or three in the final election. (Information from President Friday's office.)

University of Oklahoma - The paper is operated by a Publications Board, which is incorporated, and which is composed of faculty and students. The editor is named by this Board, not by election. (Information from President George Cross.)

University of Washington - School of Journalism controls publications. Publications Committee (joint student-faculty group) screens and makes final selection. (President Odegaard's office.)


H. H. Ransom

HHR:bg

THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

April 24, 1959

WALES H. MADDEN, JR.
FIRST NATIONAL BANK BUILDING
BOX 631
AMARILLO, TEXAS

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

Dear Dr. Wilson:

I should like to repeat a point I made at our meeting last week regarding my concern over a possible change in the method of electing an editor of The Daily Texan.

It is my thought that before any change be made, the Board must have an opportunity to weigh quite carefully the repercussions which reasonably might be expected. While I feel the suggested change may be defensible in view of the fact that same is motivated solely by a desire on the part of the Administration and the Board of Regents to provide a mechanism whereby The Texan would make a more constructive contribution to the University, nevertheless, I am relatively certain that reaction to the change would extend beyond the bounds of the campus, and likely could result in a host of editorial criticisms leveled at the University by various newspapers throughout our State.

Arguably, emotion rather than fact would be the basis of any such criticism, but emotion plays a most persuasive role in our society. Conceivably, the thought would be expressed that the most outstanding feature of our Journalism Department is The Daily Texan and the freedom enjoyed by its editorial staff, and I should think various Texas newspaper people could argue that while on one hand we make an overt effort to revitalize our Journalism Department, yet, at the same time, we take a step which completely discourages robust and unfettered reporting.

Although I do not necessarily agree with the foregoing position, I feel that an appealing argument could be made by proponents of such position who, in effect, would suggest that if through fear of criticism on the part of an irrational Texan editor the Regents could be motivated to initiate this form of censorship, then, because of a like fear of criticism from other irresponsible student leaders, what would prevent the Regents from taking similar disarming action as to the election procedure of all student leaders, thereby completely destroying a valuable Democratic training program which has been in existence for many years on our campus. In our behalf, I realize that an analogy can be made to the operation of a local newspaper by pointing out that no one would argue for a popular election of its editor, but the operation of a private newspaper is not identical to our situation.

Dr. Logan Wilson
April 24, 1959
Page 2

Additionally, we are confronted with the fact that a long standing tradition is at stake when we consider changing the method of selecting The Texan editor.

At any rate, if we are to make a study of procedures followed in other schools, may I suggest that we make inquiry of the Journalism Departments at Columbia, Northwestern, Minnesota, Indiana, Southern California and Missouri as well as schools in the Southwest conference. Furthermore, realizing that the matter must be handled in a confidential and discreet manner, I feel that we would be well advised to discuss our situation with our personal friends in the newspaper profession to see if my fears are more fancy than fact. I might note that during Mr. Johnson's dinner party Lyde Devall and I briefly discussed the matter with Charlie Devall, and he was quick to suggest that, in his opinion, we would receive a substantial amount of criticism from members of the newspaper fraternity.

It is not my intention hereby to champion blindly the cause of The Daily Texan since I can visualize some advantages which might emerge as a result of the proposed change. It is my desire, however, to be certain that we not proceed hastily in the matter, and that any change be enacted only after the most careful and deliberate consideration of the Administration and the Board of Regents.

With kindest personal regards I am

Sincerely yours,

Walter Madden Jr.

WHM:ja

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

Miss Betty Anne Thadford
Box 8008
The University of Texas
Austin 12, Texas

THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

May 4, 1959

MERTON M. MINTER, M.D., CHAIRMAN
NIX PROFESSIONAL BUILDING
SAN ANTONIO 5, TEXAS

Mr. Wales H. Madden, Jr.
First National Bank Building
Box 631
Amarillo, Texas

Dear Wales:

Thank you so much for sending me a copy of your letter to Doctor Wilson regarding the editorship of ~~The~~ Daily Texan.

I have looked upon this move with considerable misgivings. I have not talked to any of my newspaper friends because I felt Logan's suggestion in the meeting in Dallas, was probably a good one; namely, to avoid too much outside discussion until we, at least, know a little more about which way we might go.

I can certainly sympathize with the Administration's desires to improve the overall usefulness of The Daily Texan, but I agree with you that there may be many other commending reasons why no change should be made.

I can assure you that this matter will be gone into very thoroughly and discussed very adequately, and I know that such would be the wish of the Administration.

Sincerely yours,



Merton M. Minter, M.D.

MM:rem

CC: Miss Betty Anne Thedford ✓
Dr. Logan Wilson

May 27, 1959

President J. R. Smiley
Texas Western College of
The University of Texas
El Paso, Texas

Dear President Smiley:

I am in agreement with your recommendation regarding temporary suspension of the School of Nursing at Texas Western College. In the event the Commission figures are appropriated, these should be held for the purposes of lapsing them and should not be used for other purposes.

Sincerely yours,

Logan Wilson

LW k

LC ✓
FG ✓
info
HS
Do we have to report decision to Board?
H
We should
no info
LW

VT
Tall
BAT → JK Smiley to
Report to Acad + Devel
per Comm
LW

Texas Western College

OF THE UNIVERSITY OF TEXAS

at El Paso
May 22, 1959

President Logan Wilson
The University of Texas
Austin 12, Texas

Dear President Wilson:

Since yesterday I have had two conferences with Miss Julia Kasmeier of the State Board of Nurse Examiners concerning the present and future status of our School of Nursing. In view of the budgetary uncertainty, of the inevitable delay in learning precisely what our appropriation will be, and because of the insurmountable problem of staffing for next year, I write to seek your approval of a temporary suspension of the School of Nursing at Texas Western College. You are entirely familiar with the problems we have encountered this year and I shall not rehearse them here. As you recall, the Commission on Higher Education reduced our special request for nursing salaries to \$20,500 for 1959-60 and \$41,000 for 1960-61. Miss Kasmeier gave me her expert opinion this morning that we will need a minimum of five full-time instructors in the clinical areas next year, in addition to a new dean. In the first place this would be impossible for \$20,500 in total salaries, and in the second place I fail to understand how successful recruitment could take place before September. It is Miss Kasmeier's opinion, in which I heartily concur, that in the best interests of students of nursing, the part of wisdom would be to suspend the School, regardless of the decisions of the Legislature concerning budget, in order to gain time for careful planning and recruiting.

If you approve the temporary suspension, perhaps this should be presented to the Committee on Academic Affairs of the Regents for their recommendation to the full Board. In

Hold two
10 p.m. if opp'd.
Not to be used
for other
purposes.

President Logan Wilson

May 22, 1959

any event, I think we should have no public announcement of any kind so long as the Legislature is in session. I do not want to make any ill-timed move which might be prejudicial either to the College or to the future of the School of Nursing.

Faithfully yours,

J. R. Smiley
President

JRS:mlc

cc: Dr. M. A. Casberg

Buildings & Grounds Committee

Date: June 12, 1959

Time: 10:00 a.m.

Place: Main Building 104

Members: Mr. Thompson, Chairman
 Mr. Hardie
 Mr. Heath
 Mr. McNeese

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*There is no documentation.

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 12

RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

June 1, 1959

1. AMENDMENT TO CONSULTING ARCHITECT'S CONTRACT.--Mr. Harold E. Jessen, of the firm of Jessen, Jessen, Millhouse, and Greeven, has requested that there be a reconsideration of that part of the current Consulting Architect's agreement relating to "Payment" for "Consulting Architect's Services on Campus Development Plans". In the present method of payment no direct payment is made for the principals' time; it is considered as covered by the charge made for overhead and profit. In view of the fact that increasingly more of the time of the principals, and correspondingly less of the time of their employees, is being spent on these Campus Development Plans, it seems only fair that some adjustment be made. After several discussions with Mr. Jessen, the following recommendation is made by Comptroller Sparenberg, which has been approved by Vice President Dolley and President Wilson:

Amend Paragraph B.--2.a so that hereafter it will read as follows:

"a. The actual cost of salaries of employees and materials involved in this work plus one hundred per cent of the cost of these items to cover overhead and profit, plus eight dollars (\$8.00) per hour for the time actually put in on work specifically related to these Campus Development Plans by the four principals (meaning the full partners). Invoices covering these services are to be presented for payment at the end of each three-months period during the term of this agreement."

This recommendation does not contemplate any increase at this time in the maximum amounts set out in the contract for work on "Campus Development Plans" (\$10,000.00 for the first twelve months and \$7,500.00 for the second twelve months).

2. MAIN UNIVERSITY - APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR BUSINESS ADMINISTRATION - ECONOMICS BUILDING.--In accordance with authorization by the Board of Regents at the meeting held May 30, 1958, the final plans and specifications for the Business Administration - Economics Building at the Main University have been prepared by the Associate Architect, Page, Southland, and Page, and submitted for consideration. They have now been approved by the Main University Faculty Building Committee, the Special Building Committee and the Dean of the College of Business Administration, the Chairman of the Department of Economics, Vice President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that the Board of Regents approve these

plans and specifications and authorize Comptroller Sparenberg to advertise for bids, and that authority be delegated to the Executive Committee of the Board to award contracts within the funds allocated in case the Board does not have a meeting to consider building matters within ten days after the bid opening.

3. MAIN UNIVERSITY - APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR ADDITION TO CHEMISTRY BUILDING.--In accordance with authorization by the Board of Regents at the meeting held September 20, 1958, the final plans and specifications for the Addition to the Chemistry Building at the Main University have been prepared by the Associate Architect, Preston M. Geren, and submitted for consideration. They have now been approved by Page, Southerland, and Page, Consulting Architect, the Main University Faculty Building Committee, the Chairman of the Department of Chemistry, Comptroller Sparenberg, Vice President Ransom, and President Wilson. It is recommended that the Board of Regents approve these plans and specifications and authorize Comptroller Sparenberg to advertise for bids, and that authority be delegated to the Executive Committee of the Board to award contracts within the funds appropriated in case the Board does not have a meeting to consider building matters within ten days after the bid opening.

4. MAIN UNIVERSITY - APPROVAL OF SPECIFICATIONS FOR MOVABLE FURNITURE AND EQUIPMENT FOR ADDITION TO PHYSICS BUILDING.--It is contemplated that the Addition to the Physics Building at the Main University will be ready for occupancy in the Fall Semester, and in order that the movable furniture and equipment necessary for its use may be on hand at that time, specifications for this furniture and equipment have been prepared in the Office of the Comptroller. It is estimated that about \$40,000.00 will be available for this purpose, and the specifications have been prepared so as not to exceed this amount. It is recommended that approval be given to these specifications as prepared, and that authorization be given to Comptroller Sparenberg to advertise for bids and award a contract within the funds available for the Movable Furniture and Equipment for the Addition to the Physics Building, Main University.

5. MAIN UNIVERSITY - CHOICE OF ONE OF THREE SETS OF PRELIMINARY STUDIES AND PLANS FOR UNDERGRADUATE LIBRARY AND ACADEMIC CENTER PREPARED BY CONSULTING ARCHITECT AND ASSOCIATE ARCHITECT.--In accordance with instructions issued by the Board, three sets of preliminary studies and plans for the Undergraduate Library and Academic Center at the Main University have been prepared by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, and the Associate Architect, George L. Dahl. It is recommended that after consideration of these three studies, a choice be made by the Board of the one desired, that approval be given to the preliminary plans prepared by the Consulting Architect based on that particular study, and that the Associate Architect be authorized to proceed with the working drawings and specifications for the building based on the preliminary plans approved. It is contemplated that preliminary plans, outline specifications, and cost estimates will be ready for the Board's inspection at the meeting June 12 and 13, 1959.

6. MAIN UNIVERSITY - APPOINTMENT OF COMMITTEE FOR APPROVAL OF SPECIFICATIONS FOR MOVABLE FURNITURE AND EQUIPMENT FOR NEW ENGINEERING BUILDING.--In order that the movable furniture and equipment necessary for occupancy of the New Engineering Building will be ready at the time they are needed, the following recommendations are made:

Authorize the Office of the Comptroller to prepare specifications for Movable Furniture and Equipment for the New Engineering Building.

Approve the appointment of a Committee, consisting of Professor M. J. Thompson (voting member of Faculty Building Committee for this particular building), Dean of the College of Engineering, Comptroller Sparenberg, and Vice President Ransom, to approve the specifications between meetings of the Board, if necessary.

Authorize Comptroller Sparenberg to advertise for bids to be presented to the Board for consideration at a later meeting.

7. MAIN UNIVERSITY - APPOINTMENT OF COMMITTEE FOR FINAL INSPECTION AND ACCEPTANCE OF LABORATORY THEATER BUILDING, ADDITION TO POWER PLANT, AND ADDITION TO PHYSICS BUILDING.--It is contemplated that the Laboratory Theater Building, the Addition to the Power Plant, and the Addition to the Physics Building, all at the Main University, will be completed at various times during the summer. In order that these buildings may be accepted as they are finished, it is recommended that a Committee, consisting of Comptroller Sparenberg, Vice President Dolley, Vice President Ransom, President Wilson, and Mr. Joe C. Thompson, Chairman of the Regents' Buildings and Grounds Committee, be appointed to make final inspection and acceptance of these buildings upon their completion by the Contractors and proper certification by the Architects.

8. MAIN UNIVERSITY - DEMOLITION OF X HALL.--X Hall, a temporary building on the Campus of the Main University, will need to be removed at the proper time to make way for the erection of the Addition to the Chemistry Building, final plans and specifications for which are being presented for approval at this meeting. After discussion of various ways to handle this matter, it has been agreed that the most expeditious and economical way for this work to be performed is to add it as an addendum to the General Contract for the Addition to the Chemistry Building. It is, therefore, recommended that authorization be given to the Associate Architect, Preston M. Geren, to issue an addendum to the plans and specifications for the Addition to the Chemistry Building as approved by the Board to cover the work of removing X Hall from the site of the Addition to the Chemistry Building, with all salvageable materials to go to the Contractor.

9. MAIN UNIVERSITY - APPOINTMENT OF ASSOCIATE ARCHITECT FOR NEW CENTRAL WATER CHILLING STATION BUILDING AND APPOINTMENT OF COMMITTEE TO APPROVE PRELIMINARY PLANS.--In accordance with authorization given by the Board at the meeting held October 11, 1957, the Consulting Architects, Page, Southerland, and Page, have been preparing preliminary plans on the New Central Water Chilling Station

Building at the Main University. Little progress could be made on the design of this building until after the specifications had been prepared, bids taken, and contracts awarded, on the major equipment to be housed in this building. These things have now been done, and it is contemplated that the preliminary plans will be finished shortly.

In view of the fact that the next regular Board meeting may be two or three months away, and in order that work can be started on the working drawings and specifications for this building as soon as possible, it is recommended that a Committee be appointed, consisting of Comptroller Sparenberg, Vice President Dolley, Vice President Ransom, President Wilson, and Mr. Joe C. Thompson, to approve the preliminary plans after they have been completed by Page, Southerland, and Page, and it is further recommended that an Associate Architect for this building be appointed by the Board at this meeting. A joint recommendation of the Comptroller and the Consulting Architect in regard to the choice of an Associate Architect will be submitted to the Regents' Buildings and Grounds Committee at the time of the Committee meeting, for submission later to the Board as a whole.

10. MAIN UNIVERSITY - AUTHORIZATION TO CONSULTING ARCHITECT TO PREPARE PRELIMINARY PLANS ON NEW DRAMA BUILDING.--Since the decision has been reached to demolish the old Drama Building because of the fire on January 23, 1959, it has become urgent to construct another building in order to take care of the needs of the Drama Department. It is, therefore, recommended that authorization be given to the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, to proceed with the preparation of preliminary plans for a new Drama Building, with the understanding that the total cost of this project will not exceed \$_____. (It is expected that a definite amount to be inserted at this point will be ready for recommendation by the Comptroller's Office and the President's Office by the time of the meeting of the Regents' Buildings and Grounds Committee on June 12, 1959.) It is contemplated that this building will be on the east side of the campus.

11. MAIN UNIVERSITY - APPOINTMENT OF ASSOCIATE ARCHITECT FOR ART BUILDING AND MUSEUM.--At the Regents' Meeting held May 30, 1958, the preliminary plans for the Art Building and Museum, as prepared by the Consulting Architect, Page, Southerland, and Page, were approved. No authorization to proceed with working drawings and specifications was given, since the appropriation set up for the building included only preliminary expenses and Consulting Architect's fees. It is contemplated that the funds for this building will come from two sources: The Archer M. Huntington Museum Fund and the Permanent University Fund bond issue. It is also contemplated that the building will be built in two units, with the estimated cost of the first unit being \$1,500,000.00. Since so much time has elapsed since the date of the approval of the preliminary plans, and since it is expected that part of the Permanent University Fund bonds will be issued this summer, it is recommended that an Associate Architect be appointed with authorization to proceed with working drawings and specifications on the first unit, based on the preliminary plans which were approved earlier. A joint recommendation of the Comptroller and the Consulting Architect in regard to the choice of an Associate Architect will be submitted to the Regents' Buildings and Grounds Committee at the time of the Committee meeting, for submission later to the Board as a whole.

12. MAIN UNIVERSITY - RECOMMENDATIONS RE: McDONALD OBSERVATORY - REPAIRS AND IMPROVEMENTS OF RESIDENCES AND OTHER PHYSICAL PLANT ITEMS, MODERNIZATION AND COMPLETION OF TELESCOPE ATTACHMENTS, AUTHORITY FOR CONSULTING ARCHITECT TO PREPARE PRELIMINARY PLANS ON NEW BUILDINGS AND OTHER IMPROVEMENTS, APPOINTMENT OF ASSOCIATE ARCHITECT TO PREPARE WORKING DRAWINGS AND SPECIFICATIONS ON NEW BUILDINGS AND OTHER IMPROVEMENTS, ETC.--These recommendations are being made following a conference held in the Office of the Comptroller, Friday, May 22, 1959, which included the following persons:

Dr. Gerard P. Kuiper
 Director, McDonald and Yerkes Observatories
 Dr. Frank N. Edmonds, Jr.
 Associate Professor of Mathematics and Astronomy
 Dr. L. D. Haskew
 Vice President for Developmental Services
 Mr. Graves W. Landrum
 Business Manager, Main University
 Mr. Harold E. Jessen
 Consulting Architect
 Mr. Walter C. Moore
 Architect and Assistant to the Comptroller
 Charles H. Sparenberg
 Comptroller

1. It is recommended that \$30,000.00 be appropriated from the Available University Fund Unappropriated Balance to an account entitled "McDonald Observatory - Repairs and Improvements of Residences and other Physical Plant Items". The estimated cost of the major items which, it is contemplated, will be paid for out of this appropriation, is shown below:

Repairs and Rehabilitation of six residences (including the \$12,028.00 contract already awarded and set up as Account No. 27459 under Main University General Budget Appropriations).	\$17,500.00
Construction work on repairs of and improve- ments to, walls, walks, drives, drainage, and other site work	7,500.00
Heating of offices, library, and other rooms on the first two floors of Main Observatory Building	<u>5,000.00</u>
Total	<u>\$30,000.00</u>

It is recommended that this work be handled under the supervision of the Business Manager and Physical Plant Director of the Main University, except for new construction work which can be advantageously included in the construction work to be handled by the Comptroller's Office, in accordance with the usual practice, set out in section No. 3 below.

2. It is recommended that the amount of \$61,000.00 be appropriated from account No. 77160, Endowment Funds - W. J. McDonald Observatory Fund, to an account entitled "McDonald Observatory - Modernization and Completion of Telescopes and Attachments", approximately \$50,000.00 of which is to be used for modernization of telescope attachments which can be used on both the 82" and the 36" telescopes, and approximately \$11,000.00 of which is to be used for completion of the work on the 36" telescope. It is further recommended that, if necessary, the Endowment Officer be instructed to sell securities from this Endowment Fund to furnish sufficient cash to finance this appropriation.

3. It is further recommended that authority be granted to instruct the Consulting Architect to prepare preliminary plans on new buildings and other improvements to be erected at McDonald Observatory, to cost not more than a maximum of \$260,000.00, including Architects' fees and movable furniture and equipment.

It is also recommended that the Board appoint an Associate Architect to prepare the working drawings and specifications on these new buildings and improvements.

13. MAIN UNIVERSITY - APPROVAL OF INSCRIPTION ON PLAQUE IN NEW ENGINEERING BUILDING.--It is the established policy of the Board of Regents to place a cornerstone on all new buildings throughout The University of Texas System; in some cases, however, where it was not considered desirable or structurally feasible to use a cornerstone, a plaque has been used in the building with the inscription following the same standard pattern as that used on cornerstones. In the case of the New Engineering Building, the design of the building does not lend itself to the use of a cornerstone, and it is, therefore, recommended that a metal plaque with the following inscription be placed in the building:

1958

BOARD OF REGENTS

Leroy Jeffers, Chairman

J. R. Sorrell, Vice Chairman

J. P. Bryan

Mrs. Charles Devall

Thornton Hardie

J. Lee Johnson, III

Lee Lockwood

Dr. Merton M. Minter

Joe C. Thompson

Logan Wilson, President

Charles H. Sparenberg, Comptroller

---000---

Harry H. Ransom, Vice President and
Provost of Main University

Robbin C. Anderson, Chairman
Faculty Building Committee of
Main University

---000---

Page, Southerland and Page,
Consulting Architects

Jessen, Jessen, Millhouse, and Greeven
Architects

B. L. McGee Construction Company
General Contractor

This inscription conforms exactly to the standard pattern approved by the Board.

14. MAIN UNIVERSITY - MODERNIZATION AND CONVERSION OF TOWER ELEVATORS IN MAIN BUILDING.--Among the Major Repairs and Rehabilitation Projects for the Main University for 1958-59, which were approved by the Board at the meeting held October 25, 1958, there was an appropriation of \$40,000.00 for Modernization and Conversion of Tower Elevators in the Main Building. This appropriation was for the purpose of modernizing and converting the two elevators in the Main Building Tower to automatic operation.

These elevators were manufactured by Otis Elevator Company, and it has been agreed by all concerned that any changes or replacements of parts of the installations should be made by Otis for several reasons, particularly because of the great desirability of avoiding a division of responsibility in the future for anything that might need correction. If a complete replacement were made, it is estimated by Mr. Eckhardt that the cost would be approximately \$150,000.00. A bid has been received from Otis Elevator Company in the amount of \$35,432.00, which is less than the appropriation for the project, and based on a recommendation from Mr. Eckhardt and Mr. Landrum, Comptroller Sparenberg recommends that a contract be awarded to Otis Elevator Company on the basis of the bid for this work as quoted above.

15. MAIN UNIVERSITY - REPORT OF SETTLEMENT WITH CONTINENTAL CASUALTY COMPANY ON DRAMA BUILDING FIRE LOSS.--The final conference in regard to this matter was held in the Comptroller's Office on May 5, 1959, between representatives of Continental Casualty Company of Chicago, representatives of General Adjustment Bureau, Inc., Comptroller Sparenberg, et al. The final amount of the settlement agreed to is summarized below. In accordance with the terms of our blanket system-wide fire and extended coverage policy, all figures are on the basis of replacement new values, without depreciation.

Loss and Damage to Contents (Including movable furniture and equipment and expendable materials and supplies)	\$ 25,654.97
Damage to Drama Building Proper (Including an allowance of 6% for architects' fees plus a small contingency allowance)	<u>193,939.99</u>
Total loss and damage agreed to by Comptroller Sparenberg (concurrent in by Vice President Dolley)	\$219,594.96
Less the \$100,000.00 Deductible in accordance with our contract with Continental Casualty Company	<u>100,000.00</u>
Net amount of proceeds received from Continental Casualty Company	<u><u>\$119,594.96</u></u>

The check covering the net amount of the proceeds has been deposited in the Central Administration Construction Funds Bank Account, The American National Bank, Austin, Texas. From these proceeds we have paid the fees to J. C. Evans Construction Company, Inc. and Worth Cottingham, Structural Engineer, for their services in assisting in settling the fire loss on the building, and we have yet to pay from these proceeds the cost of demolition of the building, plus any other proper charges which may develop.

It is recommended that the amount of \$25,654.97 be transferred from Central Administration Construction Funds Bank Account to a Main University General Funds Bank Account and be credited to Main University Unappropriated Balance, with the understanding that recommendations as to the allocation of all or part of this money will be forwarded from Mr. Landrum, Main University Business Manager, to Vice President Ransom for his approval.

It is felt that a very satisfactory settlement has been reached on this loss, in view of the fact that we managed to get a 6% allowance for Architects' fees on damages to the building, plus a small contingency allowance, and the further fact that no serious challenge was raised to any of the detailed lists of loss and damage prepared by the various Main University departments involved.

16. MEDICAL BRANCH - RATIFICATION OF AWARD OF CONTRACT FOR REMODELING OF TWO LABORATORIES ON SECOND FLOOR OF KEILLER BUILDING.--In accordance with authorization given by the Board at the meeting held March 14, 1959, bids were called for, opened, and tabulated as shown on the tabulation sheet on May 26, 1959, for Remodeling of the Pathology and Neuro-Pathology Laboratories on the Second Floor of the Keiller Building at the Medical Branch. The total amount of the appropriation for this project was \$46,163.00, \$12,000.00 to come from Medical Branch Funds and \$34,163.00 from United States Public Health Service Funds. In order to accept any of the additive alternates which were included as a part of the bids on this project, it was necessary that additional funds be appropriated. After consideration of the bids, it was decided that it would be highly desirable to accept Alternate No. 1-C, and in order that this might be done, upon recommendation of Dr. Truslow and Mr. Walker, concurred in by Comptroller Sparenberg and Vice President Dolley, the sum of \$2,600.00 is being transferred from Medical Branch Current Restricted Funds - Account No. 965303 - "Pathology Department Gifts for Operating Expenses from Professional Fees" to the appropriation for this project. On the basis of this transfer of funds, Comptroller Sparenberg, with the concurrence of Dr. Truslow and Mr. Walker, made a contract award to the low bidder, as follows:

Meyerson Construction Company, Houston, Texas	
Base Bid	\$44,350.00
Add Alternate No. 1-C	<u>2,600.00</u>
Total Contract Award	<u>\$46,950.00</u>

It is recommended that the Board ratify the actions taken as reported above.

17. MEDICAL BRANCH - \$130,000.00 GRANT FROM SEALY AND SMITH FOUNDATION FOR REMODELING OF WARDS 5-A AND 5-B OF NEW JOHN SEALY HOSPITAL BUILDING: ACCEPTANCE AND PROCEDURES FOR HANDLING.--On May 13, 1959, a request was made of The Sealy and Smith Foundation for a grant of \$130,000.00 to remodel Wards 5-A and 5-B of the New John Sealy Hospital into private patient rooms, and the Foundation granted this request. It is contemplated that these two wards, each of which is a 39-bed ward now, would be remodeled to provide approximately 30 two-bed rooms to accommodate 60 private patients. Each of the rooms will have locker or closet facilities and a private bath consisting of a lavatory and commode. Central shower facilities will be provided in each of the remodeled units. Existing diet kitchens and nurses' stations will be modified to provide a more functional operating unit. All required construction and installed equipment will be of like quality and design to that presently in existence in the New John Sealy Hospital.

Past experience has shown that these rooms will be in much more demand than the ward beds, and a considerable increase in income will be provided by these additional two-bed rooms. It is hoped to proceed with the work as quickly as possible so that this additional income may be available to the hospital. The following recommendations, which have been approved by Mr. Walker, Dr. Truslow, Comptroller Sparenberg, Dr. Dolley, and Dr. Wilson, are, therefore, made:

That the grant of \$130,000.00 made by the Sealy and Smith Foundation for this Remodeling be accepted by the Board

That authorization be given for plans and specifications to be prepared by the Medical Branch Physical Plant Staff

That authorization be given to a Committee, consisting of Mr. Walker, Dr. Truslow, and Comptroller Sparenberg, to approve the plans and specifications when they are completed

That the Comptroller be given authority to advertise for bids and award whatever contracts are necessary within the amount of money available, with the concurrence of Mr. Walker and Dr. Truslow.

18. MEDICAL BRANCH - AUTHORIZATION TO CONSULTING ARCHITECT TO PREPARE PRELIMINARY PLANS FOR BUILDING OR BUILDING ADDITION TO HOUSE COBALT 60 TELE-THERAPY UNIT.--Senate Concurrent Resolution No. 33, passed by the 55th Legislature, Regular Session, 1957, gave permission to the Board of Regents, on behalf of the Medical Branch, to construct a small building or building addition of approximately 5,200 square feet to house a Cobalt 60 Teletherapy Unit, all funds for the construction and equipping of this structure to be gifts from private sources.

The Sealy and Smith Foundation has made a grant in the amount of \$200,000.00 to cover the cost of construction, and a grant of \$50,000.00 has been made from the Babe Didrikson Zaharias Foundation, for the "Cobalt 60"

apparatus. In accordance with the Senate Concurrent Resolution, it is recommended that the Consulting Architect be authorized to proceed with the preparation of preliminary plans for this structure, the estimated cost of which is between \$150,000.00 and \$200,000.00, provided the Board of Regents approves the acceptance of the grant for this project, in accordance with a letter from The Sealy and Smith Foundation dated May 22, 1959, signed by Mr. John W. McCullough, President, and addressed to Dr. John B. Truslow, Executive Director of the Medical Branch.

19. TEXAS WESTERN COLLEGE - APPOINTMENT OF COMMITTEE FOR FINAL INSPECTION AND ACCEPTANCE OF REMODELING AND ENLARGING OF LIBRARY BUILDING.--The Remodeling and Enlarging of the Library Building at Texas Western College should be completed shortly, and in order that the work may be finally inspected and accepted as soon as possible after it is completed, it is recommended that a Committee be appointed, consisting of President Smiley, Comptroller Sparenberg, Vice President Dolley, President Wilson, and Mr. Joe C. Thompson to make final inspection and acceptance of the work after its completion by the Contractor and proper certification by the Architect.

20. TEXAS WESTERN COLLEGE - AUTHORIZATION TO CONSULTING ARCHITECT TO PREPARE PRELIMINARY PLANS ON CLASSROOM AND OFFICE BUILDING.--Last Fall an ad hoc Faculty Committee was appointed at Texas Western College to make a study of plans for a new Classroom-Office Building. Mr. H. E. Jessen of the firm of Jessen, Jessen, Millhouse, and Greeven, Consulting Architect, has also visited the campus of the College and discussed this building, as a part of their work on "Campus Development Plans". Dr. Smiley, the Comptroller's Office, and President Wilson recommend that authorization be given to the Consulting Architect to prepare preliminary plans for this building, it being understood that the building will contain approximately 90,000 square feet of space, and that the total cost of the project will not exceed \$1,500,000.00, this money to come, of course, from the Permanent University Fund bond issue.

21. MAIN UNIVERSITY - POLICIES AND PROCEDURES FOR THE ACQUISITION OF THE ARCHWAY PROPERTY AUTHORIZED BY SENATE BILL NO. 142, 56TH LEGISLATURE, REGULAR SESSION, 1959.--The recommendation shown below has been made by Mr. G. W. Landrum, Business Manager, Main University, Mr. Burnell Waldrep, University Attorney, and Dr. J. C. Dolley, Vice President for Fiscal Affairs, and has been approved by Dr. H. H. Ransom, Vice President and Provost, for Main University and by Dr. Logan Wilson, President, for Central Administration:

Senate Bill No. 142 of the 56th Legislature authorizes the Board of Regents of The University of Texas to acquire by purchase or otherwise, any part, parcel, or all of the lands adjacent to the University campus described as follows:

"Being Lots 1-25, inclusive, in Archway, a sub-division of Out Lot #9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, page 208 of the Travis County Plat Records, and being bounded on the east by San Jacinto Street; on the west by Speedway; on the south by

East 26 Street; and on the north by East 26 $\frac{1}{2}$ Street (Laurel Street)."

We wish to request that the Business Manager of the Main University be authorized to proceed with the acquisition of the Archway property in accordance with the provisions of Senate Bill No. 142, 56th Legislature, observing the following policies and procedures:

1. Engage a qualified appraiser to furnish a complete, written appraisal of the fair market value of each piece of property to be acquired. Authorize the Main University Business Manager to negotiate a contract with Mr. Harold Legge for this service at a fee not to exceed \$5,100.00. The contract shall also provide, if court preparation and testimony is required in the acquisition of described properties, payment to Mr. Legge as follows:
 - a. \$100 per day, on an actual time basis, for court preparation.
 - b. \$100 per day for each day Mr. Legge testifies in court.
2. Engage a local realtor to act as the University's representative in negotiation for each piece of property to be acquired. Authorize the Main University Business Manager to negotiate a contract with Mr. _____ for this service at a fee of \$_____ (name and amount to be available at Regents' meeting).
3. Main University Business Manager is to notify, by letter, each property owner of the University's intent to purchase the property, and advise the property owners of the appraiser selected by the University to appraise each property and the realtor selected by the University to negotiate each sale.
4. The earliest possession or occupancy date would not be sooner than July 1, 1960.
5. All sales contracts are to be submitted to the Board of Regents for approval before closing.
6. Appropriate the sum of \$10,000.00 from the Available University Fund - Unappropriated Balance to an account entitled "Acquisition of Archway Property" as an initial appropriation to cover incidental expenses, including fees to our agents, that might be required during the remainder of this fiscal year.
7. The balance of the appropriation required for the acquisition of the Archway property will be requested from the Available University Fund - Unappropriated Balance during the 1959-60 fiscal year.

If you concur in these recommendations, please distribute approved copies of this memorandum as indicated, with the request that Mr. Sparenberg place this item on the agenda for action and recommendation by the Regents' Buildings and Grounds Committee at their June meeting.

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

System-Wide - Cornerstones or Plaques on Major Additions to Existing Buildings

Main University - Repairs and New Construction Work on Old K. C. Miller
Residence at 2211 Red River Street for University Press

Main University - For Discussion: Air Conditioning of Texas Memorial Museum

Medical Branch - Award of Contract for Repair and Remodeling of Galveston State
Psychopathic Hospital and Negro Hospital Buildings (Bids to be Opened
June 4, 1959)

Medical Affairs Committee

MEDICAL AFFAIRS COMMITTEE

Date: June 12, 1959

Time: 10:00 a.m.

Place: Main Building 209

Members: Mr. Bryan, Chairman
Mrs. Devall
Mr. Johnson
Mr. Madden

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1. Medical Branch*	
a. Revision in Bylaws, Staff of Hospitals	25
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2. M. D. Anderson Hospital and Tumor Institute	
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b. Payment, B. L. Bird (Also in Docket Page A-8)	31
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a. Fort Worth Laboratory for Surgical Research	37
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c. Discussion of Fraternity Housing and Other Types of Student Housing	40
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*The following item is reported in the docket and should have been listed as a special item: Revised Rates for Patient Charges, Medical Branch, Page 27.

D. MEDICAL AFFAIRS COMMITTEE

1. MEDICAL BRANCH

- a. Revision in Bylaws, Staff of Hospitals. -- The following amendments to the Bylaws of the Medical Staff of The University of Texas Medical Branch Hospitals have been approved by the Medical Staff of the hospitals and are quoted below in the exact form as presented to President Wilson by Doctor Truslow:

"1. (An amendment to change the title of the Assistant Chief-of-Staff. / This amendment was proposed in order to correct the present arrangement, wherein the newly elected Chief-of-Staff has had little or no opportunity to become familiarized with the staff organization, activities or responsibilities, hospital accreditation requirements, etc./

"Article VI - Officers and Committees. Section 1. Officers. That the present statement, 'The officers of the Medical Staff shall be the Chief-of-Staff, the Assistant Chief-of-Staff, and the Secretary-Treasurer' be changed to read: 'The officers of the Medical Staff shall be the Chief-of-Staff, the Chief-of-Staff Elect, and the Secretary-Treasurer.'

"In the next paragraph, that the statement, 'Should the position of Chief-of-Staff become vacant, a successor shall be elected at the next regular meeting called solely for that purpose,' be changed to read: 'Should the position of Chief-of-Staff become vacant, the Chief-of-Staff Elect will fill this vacancy and a successor to the Chief-of-Staff Elect shall be elected at the next regular meeting or at a meeting called solely for that purpose.'

"In the following paragraph, that the statement, 'The Assistant Chief-of-Staff.....shall be Chairman of the Program Committee,' be changed to read: 'The Chief-of-Staff Elect shall be Chairman of the Program Committee and a member of the Executive and Joint Advisory Committees.'

"And finally, in Section 2, paragraph 2, the statement, 'The Executive Committee shall consist of the Chief-of-Staff as Chairman; the Chairmen of the Departments of Medicine, Surgery, Pediatrics, etc., 'be changed to read: 'The Executive Committee shall consist of the Chief-of-Staff as Chairman, the Chief-of-Staff Elect, the Chairmen of the Departments of Medicine, Surgery, etc.'

"2. (The second change in the Bylaws coming up for action related to the appointment of an Infection Committee as a standing committee of the Medical Staff in keeping with the recommendations of the Joint Commission on Accreditation of Hospitals. Our Surveillance Committee, a special committee, has fulfilled this function in a superior manner but to bring the Staff organization into line with the recommendation of the Joint Commission, the following is proposed)

"Add to Article VI, Section 2 of the Bylaws another standing committee described as follows:

" 'The Infection Committee shall consist of members of the medical staff, administration, nursing service, and others having to do primarily with investigation, control, and prevention of infections. It is urged that this committee collaborate closely with local health and state health officers as well as resort freely to the use of consultants. The Infection Committee will meet regularly at monthly or more frequent intervals and submit monthly reports to the Chief-of-Staff at the regular Executive Committee meeting. The responsibilities of the Infection Committee include the following:

1. To develop a system of reporting diseases and keeping records which can serve as a basis for studying infections.
2. To investigate cases of infection and review infection rates.
3. To establish infectious disease control procedures and policies and make recommendations relative to their enforcement.

4. To determine that adequate bacteriological laboratory facilities are available.
 5. To develop an infectious disease prevention orientation program including a continuing educational program for medical and hospital personnel.
 6. To recommend to the Executive Committee of the Medical Staff control measures relative to the indiscriminate use of antibiotics, and rules and regulations relative to infectious disease medical practice.
 7. To foster investigative efforts relative to infectious disease control.
 8. To serve in an advisory capacity to the hospital administrator in the organization, planning, and control of the infectious disease program. ' "
- b. Proposed Grants from The Sealy and Smith Foundation (No Publicity). -- On the following page is a letter to each Regent from President Wilson to which is attached a letter of May 28, 1959, from Doctor Truslow indicating proposed grants from The Sealy and Smith Foundation. (Pages 28-30)
- c. Revised Rates for Patient Charges. -- On Pages G-12 and G-13 of the docket are recommendations regarding increases in patient charges (hospital rates), which it is felt should be called to the attention of the Medical Affairs Committee for discussion.

May 28, 1959

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

Dear Dr. Wilson:

On May 13, 1959, at the regular meeting of the Sealy & Smith Foundation a special request totaling \$405,000 for support, in addition to existing commitment was presented to the Foundation. This request was in keeping with our discussions with Central Administration on April 29, 1959, at which time we were given permission to meet with the Foundation and present the program outlined below.

1. Hospital Equipment - \$75,000. This includes, primarily, replacement items; namely, surgical instruments (\$6,100); treatment equipment (\$7,700), diagnostic equipment (\$1,500), and General Service Equipment (\$59,700). Since the opening of the new John Sealy Hospital, budgetary restrictions have been such that a regular equipment replacement program has not been carried out. Hence, we have reached the point that equipment replacement is extremely urgent both from the standpoint of being worn out and also obsolescence.

2. Operating Funds - \$200,000. These funds are primarily for the supplementation of operating budgets, particularly Nursing Service, Operating Room, Radiology, Clinical Laboratories and Housekeeping. There has been a continual rise in the cost of drugs and operating supplies as well as a marked increase in the number of operations, laboratory procedures and X-ray procedures. While the local income has kept pace with the increase cost of operation, it has not been sufficient to permit the accumulation of an adequate operating reserve. The use of these funds to supplement the operating budgets during the current fiscal year will permit us to accumulate an operating reserve. This was explained in detail to the Foundation.

3. Remodeling of Wards 5A and 5B in the new John Sealy Hospital - \$130,000. These two wards, which were designed to accommodate 39 patients each, are to be remodeled for private patient use. Each of the wards will be converted into approximately 15 rooms, each room to accommodate two patients. All of the rooms will have a private bath. In summary, this remodeling will convert open wards designed

for 78 patients into semi-private rooms to accommodate 60 patients. Based on present patient rates at 85% occupancy, these 60 beds will increase our local hospital income by at least \$400,000 per year. This grant was made on the condition that the \$2,000,000 commitment made by the Foundation in support of the building program be cancelled. This was with the understanding that at such time as permission was received to proceed with the building program they would renegotiate a new agreement with the Board of Regents to support the program.

This grant of \$405,000 is in addition to their annual contribution for salaries and operating funds, and does not in anyway alter or effect those contributions. Neither does this grant nor the canceling of the building commitment affect the grant of \$600,000 to remodel the Out-Patient Building or the \$200,000 grant to construct a building to house the cobalt unit.

I respectfully request your approval of the acceptance of this grant.

Sincerely yours,

/s/ E. D. Walker for

John B. Truslow, M.D.
Executive Director

JBT:EDW:br

cc: Dr. John B. Truslow
Mr. E. D. Walker (2)

2. M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE

- a. Report on Tax Status. --It is reported for the record that former Chairman Sorrell received a ruling from the Commissioner of Internal Revenue on the tax status of the M. D. Anderson Hospital and Tumor Institute (including University Cancer Foundation) to the effect ". . . that you are an activity of the University of Texas. You are, therefore, not subject to Federal income tax and are not required to file income tax returns." (This ruling will be filed in the Secretary's Files, Volume VI, Page ____.)
- b. Payment, B. L. Bird. --For the information of the Medical Affairs Committee, Page A-8 (M. D. Anderson Docket) is called to the attention of the Board, since this account is for services rendered by Mr. Bird in connection with investigations and actions relating to the tax status referred to above.
- c. Amendments, Director's Regulations. --The following amendments to the Director's Regulations as approved by the Board of Regents November 21-22, 1957, are recommended:

ARTICLE ONE

Organization

Section C.

The qualifications, powers, authorities and duties of the Administrator shall be those delegated to him by the Director and shall be generally concerned with administrative functions. His compensation shall be determined by the Board of Regents upon the recommendation of the Director. (Administrator has been substituted for Assistant Director.)

Section D. (Paragraph 4)

Communication shall be maintained from the individual staff member through the section or service chief to the department head and thence to the Director, for professional matters, or to the Administrator, for administrative matters. Deviations from these channels shall be only in special assignments or emergency situations. Extramural communication of an

official nature shall be maintained through the Director or through specific arrangements for some special purposes as may be announced by the Director from time to time. (Administrator has been substituted for Assistant Director.)

Section E, Item 6

Administrative Committee. The Administrative Committee shall be advisory to the Administrator in all areas related to the administration of the Hospital and Tumor Institute, other than those specifically delegated to the Office of Education and Office of Research, the Medical Staff, or specifically excepted by the Director. The Committee shall meet not less than once a month and submit written reports of its proceedings and recommendations to the Director. (Administrator has been substituted for Assistant Director and in the last sentence, Director has been substituted for Assistant Director.)

ARTICLE FIVE

The Division of Gifts and Trusts

Section B

The head of the Division of Gifts and Trusts shall be the Administrator of Anderson Hospital, and the incumbent shall be appointed and removed by the Board of Regents upon the recommendation of the Director. He shall be responsible to the Director for the proper functioning of such division. (Administrator has been substituted for Business Manager.)

Section D, Item 2

The Accounting Department under the direction of the Business Manager, which shall be charged with: (The phrase "under the direction of the Business Manager" has been added.)

Section D, Item 3

The Department of Physicians Referral Services. This department shall collect, manage and disburse all fees for professional services charged pay patients of Anderson Hospital. All such fees shall be collected by this department and all

fees collected shall be credited to a current restricted fund account on the books of the Division of Gifts and Trusts of Anderson Hospital. Separate subsidiary ledger accounts shall be maintained, recording the origin and distribution of funds derived from such source; control accounts for final auditing and accounting shall be the responsibility of the Business Manager, working under the immediate supervision of the Administrator (1). Disbursements from such accounts shall be made upon order of the Director, in keeping with policies established by the Board of Regents and after consultation with, and upon the recommendation of the Executive Council of the Physicians Referral Service which shall be composed of the heads of the four clinical departments which are the departments of Medicine, Pathology, Radiology and Surgery and not to exceed two other members of the Physicians Referral Service selected by the Director and the designated members of the Executive Council. Disbursements can be made (2) for the purposes of augmenting the salaries of the medical staff of Anderson Hospital, staff retirement and insurance benefits, actual travel expenses or supplemental travel expenses for attending meetings for the benefit of Anderson Hospital, memberships and dues in medical organizations and such other expenses, as in the Director's judgment and consistent with policies approved by the Board of Regents and the President, are necessary in the interests of the research, educational and patient care activities of Anderson Hospital and in the interests of maintaining a distinguished scientific staff for such purposes and activities. Salary augmentation shall, in no case, exceed one hundred percent of the individual's annual salary provided in the Regents' budget, and all such salary augmentations shall be submitted annually as a separate budget to the President and the Board of Regents. The Director and the Executive Council of the Physicians Referral Service are authorized to act as a Board to establish a funded staff retirement plan and to make all the necessary arrangements for the financing and maintaining of the retirement fund within the scope

of available funds. The Director of the hospital is authorized to sign for the Executive Council. (3)
 (No. 1 replaces the words "Division of Gifts and Trusts and the Business Manager of Anderson Hospital."
 No. 2 replaces the words "the heads of the clinical departments of Medicine, Surgery, Pathology, and Radiology."
 No. 3 is an addition to Item 3 of Section D.)

ARTICLE SIX

The Division of General Services

Section A

The Division of General Services is a service division to the other divisions, departments and sections of the Anderson Hospital. This division shall be the responsibility of the Business Manager, working under the immediate supervision of the Administrator who is responsible to the Director for the proper functioning thereof.

(That portion underlined replaces the words "and it shall include the Department of Physical Plant Operation. This division shall be under the supervision of the Business Manager, who is responsible to the Director for the proper functioning thereof.")

Section B

The Division of General Services shall consist of:

1. The following shall be operational units in the Division of General Services; Communications, Laundry, Linen Room, Print Shop, and Procurement and Supply; each of such units shall have a head appointed by the Director and responsible to the Business Manager and the Director for the proper functioning of his unit.

(Operational unit Housekeeping is omitted.)

ARTICLE SEVEN

The Division of Physical Plant Operation

Section A

The Division of Physical Plant Operation is

responsible for the maintenance of the Physical Plant of Anderson Hospital. This division shall be under the supervision of the Administrator who is responsible to the Director for the functioning thereof.

1. The Division of Physical Plant Operation shall consist of the following units:

Operation and Maintenance of Physical Plant and Housekeeping. The Physical Plant Supervisor shall be appointed by the Director and shall be responsible to the Administrator and the Director for the proper functioning of these units.

(This is a new article to replace Article Seven as shown in the approved Director's Regulations.)

ARTICLE EIGHT

The Administrative Division

Section A

The Administrative Division is responsible for administrative policy affecting Anderson Hospital and functions directly under the supervision of the Director.

Section B

The Administrative Division shall consist of the following operational units: The Director's Office, the Business Office, and the Personnel Office; each of said offices shall be in charge of an administrative head appointed by the Director and responsible to the Director for the proper functioning of his unit.

(Article Seven in the approved Director's Regulations is to be changed to Article Eight.)

D. MEDICAL AFFAIRS COMMITTEE (Continued)

3. SOUTHWESTERN MEDICAL SCHOOL

- a. Fort Worth Laboratory for Surgical Research. -- In the Southwestern Medical portion of the docket on Page S-6 are specific changes recommended in the structure of the Fort Worth Laboratory for Surgical Research. For the information of the Regents who were not Board members in 1957, the following is a historical statement as reflected in the Minutes of the June 1957 meeting, together with recommendations that were approved at that meeting:

"A. Historical:

"The Laboratory was established by authorization of the Board of Regents of The University of Texas on October 21-22, 1949, and in 1951 a director, Dr. Clive Johnson, was appointed. It was agreed and understood that the University would incur no financial obligations for any phase of the activities of this Laboratory. Since its beginning the Laboratory has operated as a research unit, using small grants which have been supplied from time to time. Most of the grants have been obtained from individuals and foundations in Fort Worth. For all practical purposes the operation has been an autonomous one since its beginning.

"The donation of a building has resulted in the availability of a physical plant which is located on properties owned by Harris Hospital of Fort Worth. The building is constructed to provide teaching and laboratory facilities. It is understood that a corporate body will be formed for the purpose of holding the building and for receiving and dispensing grant funds for research, etc.

"B. Recommendation:

"In reviewing the history and proposed activities of the Fort Worth Research Laboratory it is the recommendation of the Medical Affairs Council that if this unit is to

be permitted to function as a part of The University of Texas system certain definite lines of responsibility should be established.

"1. In view of the contemplated emphasis on surgical research, administratively this laboratory should be a part of the Department of Surgery of Southwestern Medical School and thus responsible to the Dean of the school through the office of the departmental chairman.

"2. Staff appointments to the Research Laboratory should be in the Department of Surgery and processed by the department in the routine and accepted manner.

"3. Though the procurement of the budget for the Research Laboratory is neither the function nor the responsibility of The University of Texas, nevertheless, all of the fiscal and operating policies should be submitted through departmental channels to the University for approval. In like manner grant applications should have advance approval of the University and be processed in conformity with the usual University policies and regulations.

"4. This program should be reviewed after one year of affiliation."

Dean Gill and Vice-President Casberg do not think the desired result has been obtained from the recommendations approved in 1957. The following is an excerpt from Dean Gill's letter to President Wilson:

"I would like to place all operations with which we are concerned in the Fort Worth area under the direction of our Division of Postgraduate Education and under the supervision, planning, and general control of Dr. John S. Chapman, Assistant Dean for Postgraduate Education and Alumni Relations.

"Furthermore, we think it will no longer be desirable to designate a single individual as director, as has been done up to the present time. Instead of a director on the grounds in Fort Worth, we believe that a broadly based advisory committee should be recommended for appointment by Dr. Chapman to function at the local level.

"As you know, a physical plant, including laboratory facilities, is actually in existence and held by a foundation formed for this purpose. The building is situated on property of Harris Hospital and it is our understanding that it must be used in conjunction with programs having the direction and approval of the University. In discussing the potential for use of these laboratory facilities in teaching and research, particularly as relating to postgraduate training and research at the intern and resident levels, we believe that the structural reorganization suggested above offers real possibilities for a contributory program in Fort Worth. There is tremendous enthusiasm among a large segment of the Fort Worth medical group and we believe that they would be willing to provide funds for the appointment of a full-time person of real academic stature to assist in the guidance of postgraduate research and teaching work. As you know, one of the original stipulations was that none of the Fort Worth Laboratory operations could involve the University in any costs. This excellent feature should, of course, be preserved and any recommendation for appointment of a paid person we would expect to originate here and be subject to the usual requirements of your approval and that of the Board of Regents. Any such appointment which we recommended would be a 'clinical' appointment and would not involve tenure. I would expect, furthermore, that the actual salary would not necessarily channel through the University. There are precedents for this type of relationship already and I believe that the arrangement has proven to be entirely satisfactory."

Vice-President Casberg joins with Dean Gill in the following recommendations (identical with those presented in the docket):

"1. Change the designation of the Southwestern Medical School Fort Worth Laboratory for Surgical Research to The University of Texas Southwestern Medical School Fort Worth Laboratory for Research and Postgraduate Education.

"2. Change the responsibility for supervision and direction from the Chairman of the Department of Surgery to Dr. John S. Chapman, Assistant Dean for Postgraduate Education and Alumni Relations.

"3. Delete the position of Director of the Fort Worth Laboratory and authorize Dr. John Chapman to recommend to the Dean of The University of Texas Southwestern Medical School the appointment of a Fort Worth Advisory Committee of not less than five nor more than ten physicians to assist him in implementation of the research and educational program."

- b. Salmon's Overall Plan. -- A copy of A Planning Program for the Southwestern Medical Center as prepared by Edwin A. Salmon was furnished to each Regent under date of May 20, 1959.

It is the administration's recommendation that the Salmon Report on the Southwestern Medical Center, particularly that portion of the Report relating to The University of Texas, be accepted in principle. Such acceptance in principle shall not necessarily be considered as implicit acceptance either of specific functional units or their location as designated in the Report.

- c. Discussion of Fraternity Housing and Other Types of Student Housing. -- Doctor Gill has requested that he be given an opportunity to discuss with the Medical Affairs Committee fraternity housing and other types of student housing.

4. POSTGRADUATE SCHOOL OF MEDICINE - STATUS. -- There is no documentation other than that which has been furnished each Regent over the period that the matter has been under discussion. Recently, Messrs. Heath, Madden, and McNeese were furnished with statements from the principal officers of medical administration setting forth views regarding postgraduate medicine and also a statement giving an historical resumé of the development of the Postgraduate School of Medicine.

THE UNIVERSITY OF TEXAS — MEDICAL BRANCH
GALVESTON

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

May 7, 1959

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

Mrs. [unclear] ?
WT

Original Signed by
LOGAN WILSON

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

Dear Doctor Wilson:

Enclosed is a copy of two minor revisions in the By-Laws of the staff of the Medical Branch Hospitals which have passed a second reading and are forwarded to you with my approval.

I request your endorsement of these changes.

Sincerely yours,
Original signed by
John B. Truslow, M. D.
Executive Director
John B. Truslow, M.D.
Executive Director of the
Medical Branch

JBT/mh

Enclosure

AMENDMENTS TO THE BY-LAWS OF THE MEDICAL STAFF OF THE UNIVERSITY OF TEXAS MEDICAL BRANCH HOSPITALS, APPROVED WITH THE NECESSARY TWO-THIRDS VOTE (A QUORUM BEING PRESENT) AT THE REGULAR QUARTERLY MEETING OF THE MEDICAL STAFF - HELD APRIL 28, 1959

1. (An amendment to change the title of the Assistant Chief-of-Staff. [This amendment was proposed in order to correct the present arrangement, wherein the newly elected Chief-of-Staff has had little or no opportunity to become familiarized with the staff organization, activities or responsibilities, hospital accreditation requirements, etc.] As circulated in the minutes of the Executive Committee under date of December 11, 1958, and as read at the quarterly Meeting of the Medical Staff, held Tuesday, January 27, 1959, the following changes in the By-Laws were presented for Staff action.)

Article VI - Officers and Committees. Section 1. Officers. That the present statement, "The officers of the Medical Staff shall be the Chief-of-Staff, the Assistant Chief-of-Staff, and the Secretary-Treasurer" be changed to read: "The officers of the Medical Staff shall be the Chief-of-Staff, the Chief of Staff Elect, and the Secretary-Treasurer."

In the next paragraph, that the statement, "Should the position of Chief-of-Staff become vacant, a successor shall be elected at the next regular meeting called solely for that purpose," be changed to read: "Should the position of Chief-of-Staff become vacant, the Chief-of-Staff Elect will fill this vacancy and a successor to the Chief-of-Staff Elect shall be elected at the next regular meeting or at a meeting called solely for that purpose."

In the following paragraph, that the statement, "The Assistant Chief-of-Staff . . . shall be Chairman of the Program Committee," be changed to read: "The Chief-of-Staff Elect shall be Chairman of the Program Committee and a member of the Executive and Joint Advisory Committees."

And finally, in Section 2, paragraph 2, the statement, "The Executive Committee shall consist of the Chief-of-Staff as Chairman; the Chairmen of the Departments of Medicine, Surgery, Pediatrics, etc.," be changed to read: "The Executive Committee shall consist of the Chief-of-Staff as Chairman, the Chief-of-Staff Elect, the Chairmen of the Departments of Medicine, Surgery, etc."

2. (The second change in the By-Laws coming up for action related to the appointment of an Infection Committee as a standing committee of the Medical Staff in keeping with the recommendations of the Joint Commission on Accreditation of Hospitals. Our Surveillance Committee, a special committee, has fulfilled this function in a superior manner but to bring the Staff organization into line with the recommendation of the Joint Commission, the following amendment to the By-Laws was circularized in the Minutes of the Executive Committee meeting of January 8, 1959, and was read at the Quarterly Meeting of the Medical Staff held on January 27, 1959.)

To add to Article VI, Section 2 of the By-Laws another standing committee described as follows:

"The Infection Committee shall consist of members of the medical staff, administration, nursing service, and others having to do primarily with investigation, control, and prevention of infections. It is urged that this committee collaborate closely with local health and state health officers as well as resort freely to the use of consultants. The Infection Committee will meet regularly at monthly or more frequent intervals and submit monthly reports to the Chief-of-Staff at the regular Executive Committee meeting. The responsibilities of the Infection Committee include the following:

1. To develop a system of reporting diseases and keeping records which can serve as a basis for studying infections.
2. To investigate cases of infection and review infection rates.
3. To establish infectious disease control procedures and policies and make recommendations relative to their enforcement.
4. To determine that adequate bacteriological laboratory facilities are available.
5. To develop an infectious disease prevention orientation program including a continuing educational program for medical and hospital personnel.
6. To recommend to the Executive Committee of the Medical Staff control measures relative to the indiscriminate use of antibiotics, and rules and regulations relative to infectious disease medical practice.
7. To foster investigative efforts relative to infectious disease control.
8. To serve in an advisory capacity to the hospital administrator in the organization, planning, and control of the infectious disease program."

THE UNIVERSITY OF TEXAS—MEDICAL BRANCH
GALVESTON

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

May 28, 1959

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

Dear Dr. Wilson:

On May 13, 1959, at the regular monthly meeting of the Sealy & Smith Foundation a special request totaling \$405,000 for support, in addition to existing commitment, was presented to the Foundation. This request was in keeping with our discussions with Central Administration on April 29, 1959, at which time we were given permission to meet with the Foundation and present the program outlined below.

1. Hospital Equipment - \$75,000. This includes, primarily, replacement items; namely, surgical instruments (\$6,100), treatment equipment (\$7,700), diagnostic equipment (\$1,500), and General Service Equipment(\$59,700). Since the opening of the new John Sealy Hospital, budgetary restrictions have been such that a regular equipment replacement program has not been carried out. Hence, we have reached the point that equipment replacement is extremely urgent both from the standpoint of being worn out and also obsolescence.

2. Operating Funds - \$200,000. These funds are primarily for the supplementation of operating budgets, particularly Nursing Service, Operating Room, Radiology, Clinical Laboratories and Housekeeping. There has been a continual rise in the cost of drugs and operating supplies as well as a marked increase in the number of operations, laboratory procedures and X-ray procedures. While the local income has kept pace with the increase cost of operation, it has not been sufficient to permit the accumulation of an adequate operating reserve. The use of these funds to supplement the operating budgets during the current fiscal year will permit us to accumulate an operating reserve. This was explained in detail to the Foundation.

3. Remodeling of Wards 5A and 5B in the new John Sealy Hospital - \$130,000. These two wards, which were designed to accommodate 39 patients each, are to be remodeled for private patient use. Each of the wards will be converted into approximately 15 rooms, each room to accommodate two patients. All of the rooms will have a private bath. In summary, this remodeling will convert open wards designed for 78 patients into semi-private rooms to accommodate 60 patients. Based on present patient rates at 85% occupancy, these 60 beds will increase our local hospital income by at least \$400,000 per year. This

Dr. Logan Wilson
Page 2
May 28, 1959

grant was made on the condition that the \$2,000,000 commitment made by the Foundation in support of the building program be cancelled. This was with the understanding that at such time as permission was received to proceed with the building program they would renegotiate a new agreement with the Board of Regents to support the program.

This grant of \$405,000 is in addition to their annual contribution for salaries and operating funds, and does not in anyway alter or effect those contributions. Neither does this grant nor the cancelling of the building commitment effect the grant of \$600,000 to remodel the Out-Patient Building or the \$200,000 grant to construct a building to house the cobalt unit.

I respectfully request your approval of the acceptance of this grant.

Sincerely yours,


John B. Truslow, M.D.
Executive Director

JBT:EDW:br

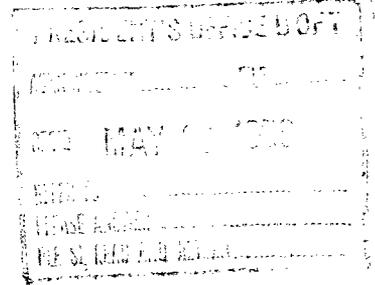
cc: Dr. John B. Truslow
Mr. E. D. Walker (2)

THE UNIVERSITY OF TEXAS—MEDICAL BRANCH
GALVESTON

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

May 19, 1959



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

Dear Dr. Wilson:

Last Wednesday afternoon, May 13, Dr. Troutman, Mr. Walker and I met with the Sealy and Smith Foundation. At that time we presented the request which was tentatively agreed on at our discussion in Austin on April 29, 1959. Our request was presented in the following manner:

I. Immediate Financial Needs

A. Annual Support (1959---)

1. Salary supplementation	\$ 13,500	
2. Operating Funds	60,000	
3. Grant to Dr. Klingman (3 years)	20,000	
4. Public Information Office (3 years)	<u>15,000</u>	<u>\$ 108,500</u>

B. Special Request (1959)

1. Hospital Equipment	\$ 75,000*	
2. Operating Funds	200,000*	
3. Remodeling Wards - John Sealy Hospital	<u>130,000*</u>	<u>\$ 405,000</u>

II. Intermediate Financial Needs

A. New Construction (1960)

1. Deep Therapy Unit (\$150,000-\$200,000)	\$200,000	
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B. Remodeling (1960)

1. Out-Patient Building	<u>\$600,000</u>	<u>\$ 800,000</u>
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Grand Total

\$1,313,500

III. Long Range Financial Needs (1961---)

- A. New construction of Hospital facilities; i.e., Out-Patient Extension, Diagnostic Building, Central Water Chilling Station, etc.

*New Support

Dr. Wilson
Page 2
May 19, 1959

The actual new money involved here is the Special Request under Immediate Financial Needs plus the Public Information Office. The other items have all been committed or promised in the past year or two. We were attempting through this presentation to not only obtain immediate support but give the Foundation an outline program of what we were attempting to do so that they could anticipate our needs and requests.

The only reservation the Foundation had in regard to this entire request was that they felt the \$2,000,000 commitment should be cancelled. They do not mean cancelled in the sense that they would not support a future building program, they merely want to renegotiate when we make plans to build. In effect, we have violated the agreement by virtue of asking for additional support.

It was very carefully pointed out to the Foundation what the situation was in the Legislature in regards to Hospital Local Income and General Revenue support. We proposed that any publicity regarding this gift would have to be handled very carefully and we could not give credit openly for the \$275,000 for Equipment and Operating Funds. They are perfectly willing to have this entire request handled as Repair, Remodeling, etc. They are more interested in receiving credit than publicity.

My recommendation is that we ask the Regents to declare the present commitment (\$2,000,000) of the Sealy and Smith Foundation to be void and in lieu thereof we accept the support pledged in the Immediate and Intermediate Financial Needs set out above. The Foundation has agreed that at such time as the University is ready to move into an expansion program they will be ready to negotiate a commitment in support of the program.

I respectfully request your approval of these recommendations.

Sincerely yours,

Original signed by
John B. Truslow, M. D.,
Executive Director
John B. Truslow, M.D.
Executive Director

JBT:EDW:br

THE UNIVERSITY OF TEXAS
M. D. ANDERSON HOSPITAL

TEXAS MEDICAL
CENTER
HOUSTON 25

April 24, 1959

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

PRESIDENT'S OFFICE UOFT	
ACKNOWLEDGED	FILE
REC'D	APR 29 1959
REFER TO	<i>Miss Thayer</i>
PLEASE ANSWER	
PLEASE READ AND RETURN	

Original Signed by
LOGAN WILSON

Dear Doctor Wilson:

I am writing this letter to clarify our position in regard to the discussion held at the Medical Affairs Committee of the Board of Regents on March 12 in regard to the utilization of the services of Mr. Benjamin L. Bird and Mr. Clyde W. Wollen, Jr. in preparation of the application for tax-exemption for M. D. Anderson Hospital and Tumor Institute.

The following is quoted from the minutes of the Board of Regents of meeting of May 4-5, 1957:

" (3) With reference to the filing of an income tax return on behalf of the entire operation of The University Cancer Foundation, the Medical Affairs Committee because of the lack of enough information recommends that Mr. Clyde W. Wollen, Jr., of the legal firm of Fulbright, Crocker, Freeman, Bates and Javorski of Houston be instructed to petition immediately the Director of Internal Revenue Service for filing a late income tax return for The University Cancer Foundation. The Committee further recommends that Chairman Jeffers, Mr. Benjamin L. Bird of the legal firm of Weeks, Bird, Cannon and Appleman of Fort Worth, Texas, and Mr. Wollen be authorized to review jointly the tax procedures for filing with full power to act for the University".

You will find attached a copy of a letter from Mr. Leroy Jeffers, Chairman of the Board of Regents to Mr. Ben L. Bird under date of May 7, 1957 which follows up the action taken by the Board of Regents. You will also find attached a copy of my letter to Mr. Bird under date of May 10, 1957.

THE UNIVERSITY OF TEXAS

M. D. ANDERSON HOSPITAL

Dr. Logan Wilson
April 24, 1959
Page #3

TEXAS MEDICAL
CENTER
HOUSTON 25

There is enclosed a copy of Mr. Benjamin Bird's letter of April 7, 1959, in which he submits a bill for services rendered of \$3,500.00. The Board of Regents instructed us to pay his bill for expenses of \$536.18 submitted to us on February 5, 1959. It is recommended that the recent statement of \$3,500.00 be paid equally from the Physicians' Referral Service and The University Cancer Foundation, since both were equally served.

I regret that there has been some confusion concerning this matter, but since the Board of Regents employed Mr. Benjamin Bird without requesting any consideration for payment on our part, we presumed that this would be handled from Central Administration.

Sincerely yours,

R. Lee Clark, Jr., M. D.
Director

RLC:as

cc: Dr. Marten M. Minter
Miss Betty Anne Thedford
Mr. Sparenberg
Dr. Clark
Mr. Boyd

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL
5325 HARRY HINES BOULEVARD
DALLAS 19, TEXAS

OFFICE OF THE DEAN

April 2, 1959

PRESIDENT'S OFFICE U. OF T.	
RECORDED	FILE
REC'D	APR 2 - 1959
REFR TO	<i>Max</i>
PLEASE ANSWER	<i>Comm</i>
PLEASE RETURN TO	RECEIVED

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

Dear Dr. Wilson:

We have been giving much thought to the problems of the Fort Worth Laboratory for Surgical Research, which we have previously discussed with you and with the Medical Affairs Committee. At its June 28-29, 1957, meeting the Board of Regents approved certain recommendations which we had made attempting to clarify lines of responsibility, etc., which we thought might improve the operation and our relationship to it. The desired result has not been obtained, in our opinion, and I now wish to recommend a major overhaul of the program.

I would like to place all operations with which we are concerned in the Fort Worth area under the direction of our Division of Postgraduate Education and under the supervision, planning, and general control of Dr. John S. Chapman, Assistant Dean for Postgraduate Education and Alumni Relations.

Furthermore, we think it will no longer be desirable to designate a single individual as director, as has been done up to the present time. Instead of a director on the grounds in Fort Worth, we believe that a broadly based advisory committee should be recommended for appointment by Dr. Chapman to function at the local level.

As you know, a physical plant, including laboratory facilities, is actually in existence and held by a foundation formed for this purpose. The building is situated on property of Harris Hospital and it is our understanding that it must be used in conjunction with programs having the direction and approval of the University. In discussing the potential for use of these laboratory facilities in teaching and research, particularly as relating to postgraduate training and research at the intern and resident levels, we believe that the structural reorganization suggested above offers real possibilities for a contributory program in Fort Worth. There is tremendous enthusiasm among a large segment of the Fort Worth medical group and we believe that they would be willing to provide funds for the appointment of a full-time person of real academic stature to assist in the guidance of postgraduate research and teaching work. As you know, one of the original stipulations was that none of the Fort Worth Laboratory operations could involve the University in any costs. This excellent feature should, of course, be preserved and any recommendation for appointment of a paid person we would expect to originate here and be subject to the usual requirements of your approval and that of the Board of Regents. Any such appointment which we recommended would be a "clinical" appointment and would not involve tenure. I would expect, furthermore, that the actual salary would not necessarily channel through the University. There are precedents for this type of relationship already and I believe that the arrangement has proven to be entirely satisfactory.

As you know, this whole relationship with the Fort Worth Laboratory has never been pleasing from our point of view and yet I firmly believe that there is much potential good to be derived from maintaining a connection there. I sincerely hope that you will be willing to approve the structural changes recommended herein and summarized as follows:

1. Change the designation of the Southwestern Medical School Fort Worth Laboratory for Surgical Research to The University of Texas Southwestern Medical School Fort Worth Laboratory for Research and Postgraduate Education.
2. Change the responsibility for supervision and direction from the Chairman of the Department of Surgery to Dr. John S. Chapman, Assistant Dean for Postgraduate Education and Alumni Relations.
3. Delete the position of Director of the Fort Worth Laboratory and authorize Dr. John Chapman to recommend to the Dean of The University of Texas Southwestern Medical School the appointment of a Fort Worth Advisory Committee of not less than five nor more than ten physicians to assist him in implementation of the research and educational program.

Sincerely yours,



A. J. Gill, M.D.
Dean

AJG/cs

OFFICE OF THE PRESIDENT
INTER-OFFICE MEMORANDUM

DATE April 6, 1959

OK
w

TO: Dr. Wilson

FROM: M.A.C. *M.A.C.*

SUBJECT: Fort Worth Laboratory for Surgical Research.

1. This situation has been rather poorly organized from its inception. Our first step to clarify an organizational pattern of responsibility (June 1957) placed it under the auspices of the Department of Surgery. This has not proven satisfactory.
2. There has been an undercurrent of dissatisfaction in the past with the operation of this laboratory as evidenced by comments made by Regent Johnson. Mrs. Johnson, I believe, is on the Harris Hospital Board.
3. The recommendations submitted by Dean Gill calling for a reorganization of this laboratory have been discussed with him previous on several occasions. The summary outlined in Dean Gill's letter is the result of these discussions.
4. I recommend approval of the reorganization outlined in Dean Gill's letter.

Be it resolved by the Board of Regents that the Salmon Report on the Southwestern Medical Center, particularly that portion of the Report relating to The University of Texas, be accepted in principle. Such acceptance in principle shall not necessarily be considered as implicit acceptance either of specific functional units or their location as designated in the Report.

To Mrs. Murphy

April 30, 1959

Dr. A. J. Gill, Dean
The University of Texas
Southwestern Medical School
5323 Harry Hines Boulevard
Dallas 35, Texas

Dear Dr. Gill:

In response to your letter of April 24 regarding the Salmon Report, Dr. Casberg has already asked you for a dozen copies so that we may distribute a copy to each Regent and have some here for our study in advance of the June meeting. After this study we can place an appropriate item on the agenda of the Buildings and Grounds Committee. If there are any further questions, we will call you. Perhaps the most appropriate action for the Regents to take will be to direct the Consulting Architects to use the Salmon plan as a guide in site planning for the Southwestern Medical School. This should have the flexibility you desire.

Sincerely yours,

Logan Wilson

IW k

cc: Dr. Casberg
Dr. Haskew

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL
5323 HARRY HINES BOULEVARD
DALLAS 35, TEXAS

April 24, 1959

PRESIDENT'S OFFICE UOFT	
AGREED TO	FILE
APR 25 1959	
REFILED	
PLEASE ANSWER	
FOR SEAL AND RETURN	

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

Dear Dr. Wilson:

We need to begin thinking about specific details of long-range site planning as related to the campus of the medical school here. I believe that Mr. Salmon's report should be submitted for formal consideration and acceptance in principle by the Board of Regents. I do not think that anything but a very broad general statement of approval would be indicated, since Mr. Salmon himself has repeatedly stated that he suggests only broad functional outlines and that there must remain a great deal of flexibility as to detail.

In all probability the Buildings and Grounds Committee could recommend this acceptance in principle so that next September the Board would be willing to consider some specific recommendations regarding long-range plans for student housing, fraternity location, etc. If I remember correctly, the opinion of the Board was that they would not wish to consider the matter of housing projects, etc., until the September meeting.

Sincerely yours,
ORIGINAL SIGNED
BY
A. J. GILL, M. D.,
DEAN
A. J. Gill, M.D.
Dean

AJG/cs

THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

May 11, 1959

WALES H. MADDEN, JR.
FIRST NATIONAL BANK BUILDING
BOX 631
AMARILLO, TEXAS

Dr. Malvin A. Casberg
The University of Texas
Austin 12, Texas

Dear Dr. Casberg:

In studying all of the material recently sent to the Board relating to the Postgraduate School of Medicine, certain questions and comments occurred to me which I felt might be discussed with you at a later date.

Quite likely these matters are familiar to the old (as to tenure only) Board members and would not warrant full deliberation by the entire Board; however, I felt it might be advisable to receive your comments and have enclosed a copy of my notations in order that we might discuss same next month.

With kindest regards I am

Sincerely yours,

Wales Madden Jr.

WHM:ja
Enc

cc: Dr. Logan Wilson
Dr. Merton M. Minter
Miss Betty Anne Theford
Mrs. Charles Devall
Mr. J. P. Bryan
Mr. J. Lee Johnson, III

QUESTIONS ON POSTGRADUATE SCHOOL OF MEDICINE

- (1) Why not permit the staff of Anderson Hospital to use Postgraduate School as a source of academic rank?

Why does such policy detract from prestige of the University?
- (2) What total physical investment do we have in the Postgraduate School?
- (3) What advantages are there to maintaining the Postgraduate School in close proximity to the Medical Center at Houston?
- (4) Would it be an unwise expenditure and a possible duplication of effort to establish two postgraduate schools and possibly a third if another medical school is opened? Would the lack of clinical material at Galveston affect a postgraduate school if such school should be opened there? Would the policy of residency training in the various divisions such as San Antonio, San Angelo, etc. be discontinued if the present system were abandoned?
- (5) Why is residency training unsuited for the Postgraduate School?
- (6) Dr. Truslow identifies three categories of postgraduate education:
(a) Postgraduate medical education; (b) Graduate medical education;
(c) Graduate student training - no question.
- (7) Can a postgraduate medical education program be self sustaining?
- (8) How effective is the dissemination of postgraduate information to practicing doctors?
- (9) How is the Texas Medical Center financed?
- (10) Dr. Clark notes these categories:
(a) Medical school postgraduate education
(b) University graduate school affiliated program
(c) University controlled independent postgraduate school of medicine
(d) University extension-type of postgraduate medical education
(e) Co-ordinated institute type of postgraduate medical training.
no question
- (11) What is the implication of this statement: "The facilities made available to the University for utilization by the Postgraduate School of Medicine have not been used by any of the medical schools at any time..."? (p. 7 of Dr. Clark's report).
- (12) What type "contracts" are executed by a postgraduate school in the various hospitals? Specifically, do these contracts relate to teaching, continuing education, etc?

What are the commitments mentioned in Dr. Clark's report on Postgraduate School? Is there any formal relation between Anderson Hospital and the Postgraduate School other than through an "academic affiliation"? How

does such affiliation work?

- (13) I assume the current divisions of the Postgraduate School of Medicine are located in Corpus Christi, El Paso, Houston, Lubbock, San Angelo, Temple and San Antonio.

Are our staff members of these divisions considered as faculty members of the Postgraduate School?

- (14) Is the Advisory Council mentioned in Dr. Clark's resume (p. 23 quoting from the Minutes of February 1, 1952) still in existence?
- (15) If the present Postgraduate School were discontinued and new schools were opened at each medical school, what would be the effect, if any, on hospitals now affiliated with the postgraduate school?

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

September 24, 1958

Memorandum

To: Dr. Casberg
Dr. Clark
Dr. Gill
Dr. Olson
Dr. Taylor
Dr. Truslow

Confidential

As you are probably aware, I was requested at the last Regents' meeting to ask each of you to draw up a statement setting forth your notions about how a post-graduate program in medicine ought to be organized and operated at The University of Texas. Your statement need not necessarily make any reference to past developments or to the present state of affairs with reference to our Postgraduate School of Medicine, but may be set forth hypothetically in terms of your own opinions about how such a program should be organized and operated. Being aware of our lack of consensus in this area, Dr. Minter and other Regents are interested in having your individual views, and the further suggestion has been made that there be some specific reference to over-all costs.

LW
Logan Wilson

LW k

cc: Dr. Minter
Miss Thedford

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

October 8, 1958

MEMORANDUM

To : Dr. Wilson
From : Dr. Casberg *P.M.A.C.*
Subject : Organization of Postgraduate Medical Education in The University of Texas System. (Per memorandum request dated September 24, 1958 signed by Dr. Wilson).

Before discussing the organization of postgraduate medical education in The University of Texas system, certain definitions and clarifications are in order.

Some of the confusion related to this segment of medical education is due in part to a misunderstanding of its proper responsibility. This determination of responsibility is not merely a matter of semantics but rather a division of labor based on experience and an accumulated understanding of educational capabilities.

By definition and practice postgraduate medical education is a process of continuing education whose purpose is the improvement of the proficiency of physicians within their own areas of activity. It does not include education leading toward specialization as exemplified by the residency training programs. This latter form of training has been accepted by medical educators as falling within the purview of graduate education.

Such a division of responsibility in University programs is not the result of a purely arbitrary decision but has been born of the realization that residency training is a graduate educational process and when carried out under University auspices should be the direct responsibility of the medical school. The discussion of the organization of postgraduate medical education within The University of Texas system will be based on the terms of reference presented above.

There has been a growing realization on the part of medical educators and practitioners alike that postgraduate medical education has been a grossly neglected cause. With a collective uneasy conscience medical schools have begun to accept their responsibility for this important segment of education and, stimulated by the growing volume of requests for continuing education, have developed substantial and increasing programs in this area. The general philosophy being that postgraduate education is no less a responsibility of medical schools than undergraduate or graduate education.

In general it is the consensus of medical educators that postgraduate medical education under University auspices should be the responsibility of the school



of medicine. That this statement of philosophy is not mere lip service is attested to by the fact that only one University postgraduate school of medicine, our own, is an entirely independent school.

The organizational pattern varies from the more common and simple but very efficient system of the University of Kansas to a more complex program such as that of New York University. The former plan incorporates a Department of Postgraduate Medical Education in the School of Medicine chaired by an executive director. In the latter case continuing education is carried out by the New York University Postgraduate Medical School, whose staff for the most part function in a dual capacity, being on the undergraduate as well as the postgraduate faculty. Parenthetically, the 1957-1958 annual budget for this particular postgraduate school was \$846,500, which did not include over \$1,000,000 in outside grants for research. The Director of the New York University Medical Center thus is responsible for a closely integrated program in undergraduate, graduate, and postgraduate medical education.

Another variant of the organization pattern of University responsibility for continuing medical education is that found at the University of California at Los Angeles. Here postgraduate medical education is the responsibility of the Department of Continuing Education in Medicine and the Health Sciences, a section of the Extension Division of the University. The director of this program is an assistant dean holding administrative and academic title in the School of Medicine.

Before focusing on the organization of a hypothetical program of continuing medical education within our University system, a more proper perspective dictates some evaluation of the responsibilities of the existent Postgraduate School of Medicine. With all due respect to past administrative and Regental action, there are two areas in which the Postgraduate School of Medicine is now functioning which are of a controversial nature in the light of accepted University standards. The first relates to the use of the Postgraduate School by the staff of M. D. Anderson Hospital and Tumor Institute as the source of academic rank. This policy is not in keeping with institutions of stature and detracts from the national and local medical prestige of The University of Texas. Parenthetically, a more correct orientation would be that of granting academic rank to those qualified in the basic sciences through the medium of the Graduate School of the University and those qualified in the clinical sciences through the University schools of medicine and dental school.

The second controversial area of Postgraduate School activity is in relation to its assumption of responsibility for residency training. Granted that this activity has contributed to an improvement in the residency training in affiliated hospitals, nevertheless graduate training at University level should be the function of the medical school. The argument that the schools of medicine may not have accepted this responsibility in whole, does not invalidate the correctness of this basic premise. The medical school by its very constitution is the agent of choice for University graduate education.

Two statements of general principle are submitted as pertinent to the development of an effective postgraduate medical program with The University of Texas system:

1. The University of Texas has a basic responsibility in postgraduate medical education.
2. The closer the relationship between the program in continuing education and the school of the particular discipline in question, the more effective the educational effort.

Based on these principles, the following is the organizational pattern best suited to discharge the University's obligations in the area of continuing medical education:

1. The responsibility of The University of Texas for postgraduate medical education shall rest equally with the two schools of medicine.
2. A Division of Postgraduate Medical Education shall be established in each of the medical schools.
3. An Assistant Dean for Postgraduate Medical Education shall be the Director of each Division.
4. The Dean of the Medical School shall appoint two members of his faculty, preferably one from the basic science and one from the clinical science departments, to serve with the Assistant Dean, who will act as chairman, as a Committee on Postgraduate Medical Education.
5. The Assistant Dean, with the help of this committee, shall coordinate and direct all postgraduate medical activities for which his school is responsible.
6. The combined committees of the two schools of medicine shall function as an overall University of Texas Committee on Postgraduate Medical Education, coordinating the entire program of continuing medical education. The chairmanship of this overall committee shall be rotated on a predetermined schedule between the two Assistant Deans for Postgraduate Medical Education.

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL
5323 HARRY HINES BOULEVARD
DALLAS 19, TEXAS

OFFICE OF THE DEAN

October 9, 1958

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

Dear Dr. Wilson:

I have received your memorandum requesting some consideration and review of our ideas concerning the ideal operation of a postgraduate program of medical education for The University of Texas and I would like to submit the following thoughts.

It is our considered opinion that the most satisfactory way to develop a postgraduate program which conforms to the high standards which can reasonably be expected of a University educational activity is one conducted under the auspices of a regularly organized medical school with full medical school resources. The most vital of the resources of a regularly organized medical school is, of course, a full faculty with the depth and breadth of academic and professional experience necessary to provide meaningful educational programs. It has long been our feeling that only within the framework of a full medical school faculty does the atmosphere prevail for the formulation and activation of the best in postgraduate educational programs. Within such a full medical school faculty there are large numbers of part-time and volunteer teachers, especially in the clinical areas, who make major contributions. The planned integration of such clinical faculty with a well rounded full-time group into the over-all program and structure of a complete medical school is one of the most vital features of our conception of an ideal postgraduate organization.

In speaking of the specific problems related to The University of Texas and to our division of the University in particular, we believe that we have a nearly ideal organizational structure, including complete administration, faculty and physical plant necessary for a postgraduate program at all levels. In our opinion, the limiting factors as to the size and service capabilities in our postgraduate medical program are those which relate to availability of funds and, of course, our judgment as to optimum needs. Stated another way, our program, already quite large, is capable of a great deal of economical expansion within the framework of the existing organization. Further, we believe that the medical school at Galveston has substantially the same capabilities and has the same advantages of a faculty in being, an already existing administrative organization, and can and does function in an almost similar manner. I think it should be stated, further, that we know of no reason why any conflicts of purpose or interest should occur in our two programs, since they are not in any sense competitive. The wide separation of our schools and the enormous geographic

separation of the outlying areas which from time to time require the organization of postgraduate courses make it virtually impossible for any undesirable overlapping and duplication of effort to occur. If there are questions of overlapping or conflict of area or interest (and this, I would repeat, is extremely unlikely), then it would seem that the most efficient and effective way of resolving such problems is through the simple device of conversation between the Deans of the respective institutions and the Vice-President for Medical Affairs. This simplicity of administration is both economical and desirable.

In discussing the whole problem with various members of our staff here, some thoughts, largely on theoretical grounds, emerge having to do with the desirability of having some Central Administrative organization for postgraduate medical education. It is the consensus of most of us, however, that this is by no means necessary and does not, in fact, serve any very useful purpose. If, however, it should seem desirable in the development of our ideal postgraduate program at some future time, we feel that such a central office should be located in Austin for the following reasons. The office should be within the University's Central Administration for economy and simplicity of operation. It should be in close proximity to the three largest agencies concerned with postgraduate medical education within the state - the Texas State Department of Health, the Texas State Medical Association, and the Texas Academy of General Practice.

Also we have been somewhat concerned, in consideration of ideal postgraduate activities, with a description of what the over-all task really is. We certainly realize that there are differences of opinion and differences in the latitudes of this description. In our judgment, however, the University's responsibility in so far as "postgraduate medical education" is concerned is that effort directed toward providing continuation educational opportunities for physicians beyond the intern and residency stage of experience. It is our view that internship and residency experience is the direct responsibility of hospitals and/or medical schools in those areas where medical schools are located and where faculty can assume real and direct responsibility for supervision of internship and residency training programs. There are a number of reasons why the internship and residency type of activity does not properly fall within the province of postgraduate education at the University level. In other words, to use our institution as an example, we could not operate this aspect of the educational experience through the Postgraduate Division without a great loss in the strength of this phase of our educational work.

In summary, it is our consensus that the most economical and satisfactory method for organization of over-all postgraduate medical teaching within a University system is in the medical school itself. In the case of The University of Texas this involves two institutions but the principles, we think, are identical. In our view, this avoids the necessity for duplication of administrative organization and is the best way in which disciplined staffs with the requisite academic backgrounds and experience can be made available for the University's standard of course work. I think that there is no doubt that the two medical schools can and will continue to expand these operations in such a manner as to meet the University's obligations in postgraduate medical education and that no other operational structure is necessary to achieve this.

Dr. Logan Wilson, 10-9-1958

-3-

It should be stated here that our remarks have no intended reference to any existing organization or arrangement which may well be justified by considerations other than those mentioned here which have to do with problems of postgraduate medical education only.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "A. J. Gill".

A. J. Gill, M.D.
Dean

AJG/cs

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL SCHOOL
5323 HARRY HINES BOULEVARD
DALLAS 11, TEXAS

OFFICE OF THE DEAN

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Sincerely yours,



A. J. Gill, M.D.
Dean

AJG/cs

THE UNIVERSITY OF TEXAS — MEDICAL BRANCH
GALVESTON

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

October 10, 1958

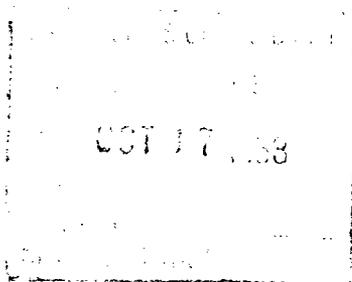
THE JOHN SEALY HOSPITAL
THE CHILDREN'S HOSPITAL
THE PSYCHOPATHIC HOSPITAL
THE ROSA AND HENRY ZIEGLER HOSPITAL

MEMORANDUM

To: Dr. Logan Wilson, President

FROM: Dr. John C. Truslow *JCT*

SUBJECT: My "notions about how a postgraduate program in medicine ought to be organized and operated at the University of Texas."



I Definitions

(a) Postgraduate medical education, as used in this compilation of notions, refers to programs of various types designed for physicians and surgeons in the active practice of medicine. The major emphases of these programs are informational regarding recent advances, refresher in the sense of recalling and correlating principles and underlying mechanisms of disease, and what might be called promotional which adds the educator's emphasis on such things as the over-use of antibiotics, the use and abuse of vaccines etc.

(b) Graduate medical education, as used in this memorandum, refers to courses of training under the label of residencies or clinical fellowships, largely a continuum of undergraduate training and leading to specialty board certification.

(c) Graduate student training, on the other hand, refers in this report to educational programs at the graduate level in the biological or biophysical sciences. Admittedly, this terminology is confusingly similar, but the difference in philosophy and goals is of the utmost importance to keep in mind.

II A word of Personal Background

Far from being an expert in this field of graduate and postgraduate medical education, I claim to have a reasonable familiarity with the problem on the basis of five years as Assistant Dean at the College of Physicians and Surgeons, Columbia University, in charge of graduate and postgraduate programs in the School of Medicine. Likewise at the Medical College of Virginia we ran, under the office of the Dean, active graduate and postgraduate programs. Most of the few publications in my name are in the area of postgraduate and graduate training.

III Special problems of the state of Texas

From this background I shall try in the report to emphasize general principles but it is perhaps worth noting that in the state of Texas there are at least three special circumstances which have in the past strongly influenced the design of postgraduate and graduate training in the medical unit of the University in Houston - in contrast to my own experience. The first of these is the problem of the huge distances involved in the great expanses of this state. This has tended to have a limiting influence on the mobility of doctors to medical centers, and medical center faculty to doctors. Secondly, considering the size of the state and the development of medical centers in large cities, we have it appears to me, a disproportionately low number of hospital residency programs in the specialties of medicine and surgery. This has tended to throw a very high responsibility on medical school medical centers, in the absence of community medical initiative to set up such residency teaching programs. Finally, the city-state rivalries and jealousies comparable to the days of Athens, Sparta and Thebes have created areas of medical isolation, independence and initiative, extremely complicating to the development of academic patterns.

IV Some General Principles

Both my experience and convictions provide background for the following general statement of principles.

- (a) Postgraduate medical education can be and should be a self-sustaining operation. Our postgraduate program in New York, for example, grossed something in the order of \$125,000 a year during the five active post-war years of my appointment at the College of Physicians and Surgeons.
- (b) There is a broad base of appreciation on the part of practicing physicians and surgeons of the importance of continuation of education and it is entirely appropriate that the professional organizations of medicine, both specialty groups and the Academy of General Practice, assume a partnership in planning and organizing postgraduate programs.
- (c) There are several appropriate milieux for postgraduate training in its broadest sense. The medical school medical center at which the standard of operation should deserve the term postgraduate education; the specialty group society at the national, state and occasionally local level has developed worthy programs in postgraduate medical lectureships. Finally there seems to me to be a profoundly important place for postgraduate atmosphere in hospital staff meetings and in the conduct of medical practice through informal exchange of experiences between doctors in the care of a patient.

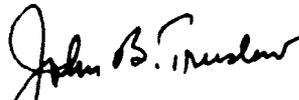
- (d) The place of the University in these three designs of postgraduate experience is leadership and full responsibility in the first category; assistance, participation and persuasion in the second and third.
- (e) Universities have no place in resident training programs other than advisory and informal and unofficial, unless they have control of staff appointments in that hospital.

V Organisation and Operation

The organisation and operation of postgraduate programs at the University of Texas are herewith suggested reflecting the above general principles and statements and sensitive in so far as I am correctly informed to the special problems of Texas Medicine. The two medical centers of the University of Texas - preferably working in close liaison with Baylor Medical School - should steadily increase their active postgraduate programs, which incidently are presently eminently respectable both in content and activity, working in concert from time to time with educational committees of the Academy of General Practice, the Texas Medical Association and specialty groups. They should respond to stated needs of the profession in ways consistent with sound academic procedures and principles. They should further help in every way possible to contribute to the programs sponsored principally by these organisations of the practicing profession.

Attached to this is a statement composed by individuals in the Medical Branch including the Assistant Dean, Graduate and Postgraduate studies, for a worthy developmental program here at the Medical Branch. We believe that such a program correlated with the programs of the other two medical schools and developed in cooperation with practicing physicians interested in education would respond well to the current demand; and promise growth as these demands steadily increase.

Sincerely yours,



John B. Truslow, M. D.
Dean of Medicine and
Director of the Medical Branch

JBT:jf

Enclosure.

POSTGRADUATE PROGRAM IN MEDICINE

Postgraduate medical education may be defined as a program supported by a medical school for the benefit and continued education of individuals who have entered the practice of medicine. Responsibility for leadership in this phase of medical education is an obligation of every medical school. The practice of medicine has been defined as the "application of basic science principles to the art of healing". Accordingly, an institution with a broad and sound basic science program in addition to a well-rounded clinical curriculum must necessarily dedicate itself to a program of continued medical education.

Demands on the part of physicians for such programs have fluctuated throughout the years, however, generally and proportionately, they have increased. With the rapid strides in the progress of medicine, so noticeable in the past twenty-five years, there has been almost a constant flow of new material to be presented to the practicing physicians, both in general and specialty areas.

The formation of the Academy of General Practice with its program of medical education, the increasing interest on the part of the county and district societies, journal clubs, etc., in postgraduate medical education, places an ever-increasing and important obligation on the part of the medical school faculties.

Thus, an additional role of a medical school is that of keeping the general practitioner abreast of times in diagnostic methods and therapy. Also to keep the specialists informed of the advances in their respective fields.

A division of postgraduate medical education has been established at the Medical Branch under the direction of the Dean's Office, through an Assistant Dean. This administration office in addition to the director needs 1 to 2 secretaries. The faculty of the postgraduate division is essentially the basic science and clinical faculty of the Medical School.

Programs enlarging our present scope should be offered both on and off the Campus.

On Campus:

Four to ten scheduled programs lasting $1\frac{1}{2}$ to $2\frac{1}{2}$ days per calendar year. Longer courses of 1 to 2 weeks for small groups could also be given. Special courses of five days to two weeks or more in various specialties including basic science ones could be arranged.

Off Campus:

Teams or individuals to all the various societies. In a state-supported school these teams should consist of the top men (department chairmen) as well as supporting faculty.

A Bulletin or "Proceedings of Postgraduate Division" should be supported to publish the papers given as well as to serve the medical school as a means of publication for both clinical and basic science papers. This organ should also print outstanding articles by students and serve as a stimulus for research in the basic science and clinical fields by Faculty, house-staff and students.

An initial program should be set up on a three-year trail. This should prove essentially self-supporting.

$$\$1,500 / 2\frac{1}{2} \text{ day meeting} \times 5 = \$7,500$$

This would include one out-of-state guest speaker for each of the five meetings and the cost of printing and mailing programs. Fees would cover this, plus secretary and equipment (\$2,000), and travel expenses for faculty on off-campus programs (\$5,000). This latter would cover four speakers on approximately twenty trips within the state.

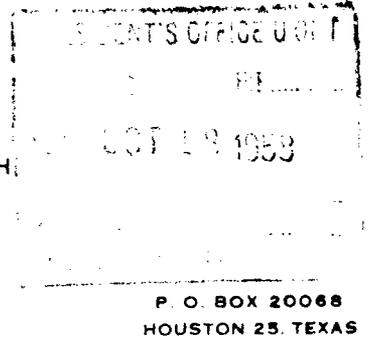
Total = \$17,500. -

THE UNIVERSITY OF TEXAS DENTAL BRANCH

6516 JOHN FREEMAN AVENUE
TEXAS MEDICAL CENTER

October 17, 1958

OFFICE OF THE DEAN



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

Dear Dr. Wilson:

This is in answer to your request of September 24 for a statement of how each of us would feel that a postgraduate program in medicine ought to be organized and operated at The University of Texas.

As I see it, the basic problems of postgraduate medicine in Texas are the geographic size of the state of Texas and the universal problem of keeping that part of the profession, that is least willing, informed of current advances in the theory and practice of medicine. In attempting to solve the problem of size, some method of dissemination must be used that will bring postgraduate courses to the various sections of the state. Since there are two state medical schools each of which offers postgraduate courses, there is some natural distribution. However, this still leaves considerable portions of the state fairly far removed from the courses that are available. In order to obtain adequate coverage of the state as a whole, The University of Texas through its postgraduate medical program could set up a system where the two medical schools, the various local medical societies, and perhaps the state health department would organize courses that would be presented in the smaller communities of the state somewhat in the fashion of the old circuit rider. By this method, those whose need is perhaps the greatest, would have made available to them information that they otherwise might not seek.

In the metropolitan areas, the Postgraduate Medical School, the state medical institutions, and the Texas Medical Association might cooperate in the planning of short courses to make the best possible use of the faculty members, local talent, and the out-of-state lecturers that would be brought in to assist. Courses would be presented at the medical institutions and at suitable facilities in other cities.

Since residency training programs in hospitals are generally of better quality when associated with a medical school, I believe that The University of Texas can do much to meet the needs for this type of training in such hospitals that are not located near medical schools by having residency programs under the sponsorship of the Postgraduate School of Medicine.

Dr. Logan Wilson

- 2 -

10/17/58

In answer to the question concerning over-all costs, the circuit rider type program might be supported by the state health program, the Texas Medical Association, and the Postgraduate Medical School. The refresher type courses given in the metropolitan areas should be self-supporting-- that is, the tuition charged should cover the direct costs. The cost of sponsoring residencies would probably have to borne by the University, as would the costs of administering the Postgraduate School of Medicine.

I hope that the above will be of some value.

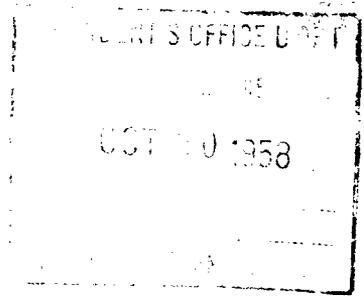
Sincerely yours,



John Victor Olson
Dean

JVO:erw

THE UNIVERSITY OF TEXAS
POSTGRADUATE SCHOOL OF MEDICINE



Office Of The Dean

Texas Medical Center
Houston 25

October 18, 1958

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

Dear Doctor Wilson:

I am sorry I have not replied to your request of September 24 regarding suggestions for a reorganizational and operational plan for a postgraduate program in medicine for The University of Texas. As you know, I left the last Board of Regents meeting early in order to meet a commitment in Little Rock, Arkansas; hence, was not present when this subject was discussed.

As you know, I feel the present plan has merit and if adequately financed should grow into an excellent program for The University of Texas. I am particularly proud of the progress the school has made with little or no change in its basic income. I am looking forward to a discussion of the suggestions and plans of your staff.

Sincerely yours,

Grant Taylor
Grant Taylor, M. D.

GT:as



THE UNIVERSITY OF TEXAS
M. D. ANDERSON HOSPITAL
AND TUMOR INSTITUTE



R. LEE CLARK, JR. M.D.
DIRECTOR

TEXAS MEDICAL CENTER
HOUSTON 25

October 20, 1958

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

Dear Doctor Wilson:

I am sorry that I have not been able to prepare for you a report on my views on the organization of the Postgraduate School of Medicine. My office has been considerably disrupted with the illness of Miss Wall and the loss of other secretarial aid. Since your letter of today would lead me to believe that the Board of Regents will not have any time for discussion of this subject, I hope that you will bear with me a bit longer. I would like to have a well considered report for you and one with real meaning. I should have it finished shortly after the meeting of the Board of Regents here in Houston.

Sincerely yours,

R. Lee Clark, Jr., M. D.
Director and Surgeon-in-Chief

RLC:as



THE UNIVERSITY OF TEXAS
M. D. ANDERSON HOSPITAL
AND TUMOR INSTITUTE

R. LEE CLARK, JR. M.D.
DIRECTOR

TEXAS MEDICAL CENTER
HOUSTON 25
November 26, 1958

The President and the
Members of the Board of Regents
The University of Texas

Gentlemen:

The enclosed resume of background information and recommendations concerning the postgraduate medical program of The University of Texas is submitted as requested.

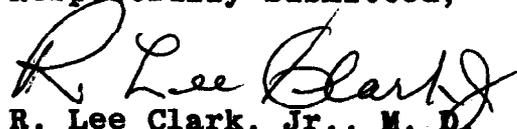
It will be a pleasure to furnish substantiation or clarification of any of the statements made in this report.

In reviewing all available information on this subject of the postgraduate medical program of The University of Texas, one is impressed with the magnitude of effort and study that has been expended. Also apparent is the lack of communication of much of this information to succeeding administrative officials and, in turn, through them to the newly appointed members of the Board of Regents. Much of the present divergence of opinions could perhaps have been avoided and can perhaps be reconciled by informal reviews of this background information and objectives. This has not been done insofar as our part of the program is concerned and the last official communication on this subject by me was in a letter to the President and Chairman of the Board of Regents (Appendix B, page 18) in June, 1955.

It is urged that all individuals responsible for participating in decisions about the Postgraduate School of Medicine acquaint themselves with the extensive effort and planning that have been done to design and activate a program to meet the particular needs of this region. A truly great program for the better health of the citizens of Texas can result from our coordinated effort.

I have confidence in our ability to attain this objective.

Respectfully submitted,


R. Lee Clark, Jr., M. D.
Director

CONFIDENTIAL



A STATEMENT
CONCERNING
THE POSTGRADUATE MEDICAL PROGRAM
OF THE
UNIVERSITY OF TEXAS

November, 1958

R. Lee Clark, Jr., M. D., Director
The University of Texas
M. D. Anderson Hospital and Tumor Institute

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PLANNING TO MEET THE NEED

Medical training in Texas for the graduate physician has developed very slowly and has not been abreast of progress in the better medical centers of the United States. In a survey made immediately after World War II it was found that the medical specialty population in Texas was approximately 60 per cent deficient when compared with that in the eastern and north central states. The majority of the physicians in Texas desiring further education following internship found it necessary to obtain their training, both specialty training and continuation studies, outside of Texas.

One of the principal recommendations made to The University of Texas and the group interested in furthering medical education in Texas, in 1943, was that a definite organization for postgraduate medical training be established to meet one of the State's greatest needs, and that it be made a part of the Texas Medical Center, which was then being developed.

A careful review and intensive study of the problem from 1943 to 1948 produced a plan under the University which was state-wide in scope and was uninhibited by previous concepts relating to the undergraduate medical teaching program. This study showed that the State's need was great and, because of the retarded development of adequate postgraduate medical teaching, the problem required no ordinary solution.

The program was planned to take recognition of, and to include, but not interfere with, the normal activities which are undertaken conventionally by the medical schools of our area. Coincidentally with this planning, a resurgence of medical interest and training was taking place in Texas which resulted in the incorporation and establishment of the \$100,000,000 Texas Medical Center in Houston, in 1945. This offered a fortuitous opportunity to bring the planned facilities in the Medical Center into the postgraduate program under The University of Texas. The Board of Regents wholeheartedly endorsed this concept for the future as this gave a breadth and scope to the postgraduate medical plan that could not be possible if confined to the Medical Branch in Galveston, whose principal function was devoted to the undergraduate medical program.

The outstanding premise for the planning of this activity was its establishment on a sound educational basis, making its parent organization, that is, The University of Texas, directly responsible for the educational excellence of the program. An entirely new organization, drawing freely on the resources of the Texas Medical Center and its associated institutions and foundations appeared to offer an unusual opportunity. The divisions of The

University of Texas being built or planned for the Texas Medical Center could be given a pedagogical affiliation in this manner. One of the greatest assets of the plan was the utilization for a teaching faculty of the young, well trained medical specialists and scientists, who constituted the largest number available in any one area of the state.

The various types of programs for postgraduate medical education were carefully studied prior to the activation and establishment of the Postgraduate School of Medicine in the Texas Medical Center in Houston, in 1948. These are reviewed in the following section.

TYPES OF POSTGRADUATE MEDICAL TRAINING PROGRAMS CONSIDERED

The university organization and affiliation of the various medical institutions in the United States and many in the foreign countries, on which we have relied so strongly in the past, were carefully reviewed. Those postgraduate medical programs conducted by various non-university affiliated groups were not applicable to our needs and so will not be discussed. While there are many variations within the many individual programs, five basic types of organization of medical training were considered before the present plan was adopted. These are:

1. Medical School Postgraduate Medical Education

This conventional type of postgraduate medical training as a part of a medical school program varies greatly between different medical schools and their teaching hospitals. Conventionally, it provides training to qualify a graduate physician at the post-intern level in the various medical specialties. These so-called residency programs are geared to the undergraduate teaching program and are vital to its accomplishment. In addition, refresher and continuation training for the practicing physicians is a periodic activity in such an organization. It is best exemplified by a university medical school which has the major portion of its activity limited either to a geographical area or a particular alumni clientele. An example of this type program is that of the University of Michigan. The greatest growth of this type of program has been during the recent post-war years when continuation and refresher studies were requested in large numbers by physicians returning from the armed service.

2. The University Graduate School Affiliated Program

This type of organization is independent of a medical school but is responsible to the graduate department of a university for the orientation of its educational functions. This is frequently a most vital and progressive program insofar as training following the M. D. degree is concerned, as its faculty has a primary function of postgraduate medical education. Its faculty is oriented to the teaching of graduates and has an outlook adapted to a more mature clientele with a realization of their particular needs. The medical specialty work is made a truly educational experience. Educational requirements and standards are carefully and readily maintained. Research, specialty training and informal continuation training are an integral part of the program. A prime example of this type of teaching is the Mayo Foundation for Medical Education and Research, in Rochester, Minnesota, which is formally affiliated with the Graduate School of the University of Minnesota. There are over 3,200 alumni of this particular organization practicing and teaching, generally with distinction, in all the states of the United States and many foreign countries.

3. The University Controlled Independent Postgraduate School of Medicine

The third type of program is the independent graduate and postgraduate school of medicine. This type of organization has many advantages as it functions as an independent school for this one purpose but is still under the aegis of a university, and maintains university standards. It is not restricted to the secondary role of a postgraduate program in a medical school geared to undergraduate teaching nor limited in its planning and function by the control of the individual department heads in a medical school. Examples of this type of school are the New York University Postgraduate School of Medicine, which has its own facilities and affiliated teaching hospitals, comparable in scope to a medical school, and the Graduate Medical School of the University of Pennsylvania, concerned primarily with basic science instruction. Both of these have made outstanding contributions to the training of physicians after they have received the M. D. degree, not only in their particular geographic areas but throughout America.

4. The University Extension-Type of Postgraduate Medical Education

The fourth type of postgraduate program is one which is under a university and organized and operated as a division of extension education. It utilizes the faculty of the medical school when applicable but, in addition, employs any properly qualified scientist or physician as needed to conduct courses in its locale. Frequently, visiting professors and scientists whose knowledge is needed for specific courses of instruction are employed just for

the duration of the course. This type of school is particularly suitable in a state with multiple medical schools and a large geographic area, where the many variable needs of a modern medical program have been largely met by an adequate supply of well trained physicians in modern hospitals in urban centers. The University of California with its two medical schools and various branches of its Division of Extension Education is a good example of this type of postgraduate medical teaching organization. Minor emphasis is placed on residency or "specialty qualifying" type of training in this program with the major emphasis being placed on refresher and continuation study for the practicing physician.

5. The Coordinated Institute-Type of Postgraduate Medical Teaching

A fifth type of organization for postgraduate medical teaching is that of the "Institute type" coordinated under University management. This is perhaps the most effective method in the utilization of existing multiple facilities with a minimum of cost. Multiple institutes are created and organized into a single functioning unit. These institutes are organized in a vertical fashion, incorporating basic research, teaching in the fundamental medical sciences and instruction toward the medical specialties as well as refresher and continuation education. These can be organized around disease, such as institutes of cardiology, neuropsychiatry, metabolic, endocrinological, neoplastic and infectious diseases, or on the basis of the various medical specialties. The best example of this type of facility is the Postgraduate Medical Federation of the University of London. This comprises fifteen institutes incorporating the tremendous hospital facilities of London and its environs. Prior to this type of organization, these hospitals were largely service institutions with very little teaching and no research other than clinical investigation. These fifteen institutions are organized on the basis of medical specialties, and are as follows:

- Postgraduate Medical School of London
- Institute of Psychiatry
- Institute of Laryngology and Otology
- Institute of Ophthalmology
- Institute of Child Health
- Institute of Obstetrics and Gynecology
- Institute of Neurology
- Institute of Orthopedics
- Institute of Dental Surgery
- Institute of Cancer Research
- Institute of Diseases of the Chest
- Institute of Cardiology
- Institute of Dermatology
- Institute of Urology
- Institute of Basic Medical Sciences

This program is one of the most efficient of its kind devised to date, and is changing the whole pattern of the practice of medicine in the British Isles and many of its provinces. There are in excess of 4,000 students working to qualify for one of the various medical specialties or receiving continuation education of a formal nature. Approximately one-half of the students are from the British Isles and the remainder are from outside, including the various provinces and commonwealths of Great Britain, Europe and North and South America. The program has changed the large charity hospitals to excellently organized institutions developing new knowledge and training outstanding medical scientists and practitioners. The only additions to these facilities to accomplish this goal have been some central laboratories and instructional space emphasizing research in the field for which the institution is named.

Sir Frances Frazier, the Director general of this Postgraduate Federation of the University of London furnished a complete discussion of this plan and a resume of its progress since inception during a personal visit with him. It is interesting that while none of the medical schools of London was utilizing the teaching potentialities of these vast facilities, they actively opposed the operation in the beginning as not being conventional. It has now won a place for itself as exemplifying one of the great advances in postgraduate medical training, returning to the mother University for pedagogical excellence and being freed from the limitations of the individual medical school with its primary mission of creating new physicians, and the additional restrictions of an inadequate budget.

THE TEXAS PLAN

The plan for The University of Texas Postgraduate medical program has evolved during the past fifteen years with trial and study of the many facets and problems that a program of this complexity and magnitude would encounter. Four basic facts concerning the evolution of the plan are worthy of brief discussion. These are:

1. A review of successful university postgraduate medical programs.
2. The need for the program and its coordination.
3. A survey of health facilities in Texas.
4. Assets and accomplishments.

The Review

Of the five general types of postgraduate medical training reviewed in the preceding section, none was entirely applicable to the situation in Texas. A combination of types 1, 3, and 5 was utilized in order to bring into fullest advantage the existing medical facilities and opportunities of The University of Texas and to prepare for any future ones which might develop.

The Need

The need was obvious when the medical practice, the population of medical specialists and the facilities of the State were reviewed. The need for over-all coordination of the postgraduate activities was considered essential just as the over-all graduate activities of the University should be coordinated on a single standard of excellence, with incorporation of all of the University's available facilities in a balanced program. It was thought that a formal term of "school" was desirable rather than the term "division," just as one uses the term "Graduate School" of The University of Texas.

In the basic planning, the new developments centered in Houston were in no way contemplated as either replacing or dominating the natural postgraduate activities of the then existing one medical school of the University. Such a program, from the beginning, envisioned research, specialty training and continuation training (see Appendix A, page 13, prepared in 1949). Further, the planned program answered the need for academic affiliation for the physicians and scientists on the staff of the M. D. Anderson Hospital and Tumor Institute, a factor which was, and is, essential to recruit and maintain a staff of first quality (see Appendix B, page 18).

The Health Facilities Surveyed

An audit of the total health resources of the State was available in the Hill Burton survey of 1947 which was made by the Texas Department of Health. Possible future teaching centers of the state and the hospital facilities needed were carefully mapped out in this survey, over a two-year period, with a cost of approximately \$2,000,000. At the close of World War II, in 1945, there were only four places in the State of Texas with approved residency training, and the existing programs were not all-inclusive. The postgraduate program of a continuation and refresher type consisted of a few days annually of postgraduate medical assemblies in San Antonio, Dallas and Houston operated by the physicians themselves. Refresher courses were started at The University of Texas Medical Branch in Galveston by the end of the war. The knowledge of needs and available facilities to answer these needs, both completed and planned for the future, were a vital part of the state-wide planning for this postgraduate program.

The Assets and Accomplishments

The facilities made available to the University for utilization by the Postgraduate School of Medicine have not been used by any of the medical schools at any time, yet they constitute a vital health and economic factor in our State. They comprise over \$125,000,000 of invested capital with an annual budget in excess of \$35,000,000. They have an average total of 129,400 annual patient admissions and a total of 4,800 beds under the supervision of over 4,000 physicians, 632 of whom are members of the faculty. These tremendous health resources have been assigned to The University of Texas for teaching and clinical research without cost. They can be developed into an educational asset with a minimum of cost for administration only, inasmuch as these hospitals are maintained either by tax funds, philanthropy or endowment. It is agreed that the educational program will have to be an evolutionary one, but, with proper guidance under a coordinated university program for postgraduate medical education, its eventual excellence cannot be doubted.

Over 200 young physicians last year received advanced and specialty training approved by the Joint Commission on the Accreditation of Hospitals, the American College of Surgeons, the American Medical Association, the American Hospital Association and the various Boards of the Medical Specialties. The majority of these young physicians will practice in the State of Texas. Prior to the organization by The University of Texas of the Postgraduate School of Medicine, these young physicians would have had to obtain such training outside of the State, many not returning, or would not have had postgraduate training.

Since 1950, 8,877 persons have registered for courses conducted by the Postgraduate School of Medicine. The number of physicians participating in informal educational programs and conferences for which registration is not required represents an even larger number.

SUPPORT OF PROGRAM BY BOARD OF REGENTS AND ADMINISTRATION

The many actions of the Board of Regents concerning the Postgraduate School of Medicine were compiled by Dr. Grant Taylor,

Dean of the Postgraduate School of Medicine, in his report of April, 1958*, and should be reviewed at this time.

A study of this information indicates that the Board of Regents has unequivocally committed itself to this program. At the same time it has been necessary for the Board to reiterate its stand on the original policy, and attention is invited to an excerpt from the Minutes of the Board of Regents of February 1, 1952**. This reiteration was necessary at that time because the deans of the two medical schools had expressed some doubt about their wholehearted support of this new program and, as Southwestern Medical School had become a part of The University of Texas system in 1950, an inclusive policy statement was needed. As the program progressed, some evidence of opposition to it was expressed from time to time by vested interests within the areas of the three medical schools. This made administrative support of the program more difficult and contributed to the State Legislature's lukewarm attitude regarding an appropriation.

Along with the continued support of the Board of Regents of the Postgraduate School of Medicine, the School has had three outstanding men for its chief executive, i.e., Dr. Jack Ewalt, 1950-1951; Dr. Mavis P. Kelsey, 1951-1952 and 1953; Dr. Grant Taylor, since 1954. A steady and marked increase in the scope and excellence of the program has taken place, particularly during the last two years. The Texas Medical Association, the Texas Academy of General Practice and other State medical groups have repeatedly expressed enthusiastic approval and support. The program has not won the coordinated support of the new members of the medical administrative staff during the past two years. This should be rectified, however, with the opportunity to learn of the background study and basic soundness of the total plan, its future possibilities and potential rewards to The University of Texas in assuming leadership in providing better health care to Texas citizens.

COMMITMENTS OF THE UNIVERSITY OF TEXAS

The Board of Regents of The University of Texas, since 1943, has promulgated the program of the Postgraduate School of Medicine

*"An Historical Resume of The University of Texas Postgraduate School of Medicine".

** Excerpt from Minutes of Board of Regents Meeting of February 1, 1952, appears on Page 23 of Doctor Taylor's report.

in its various stages of development. In 1945-1946, the program was endorsed by the Board of Regents and the Development Board by resolutions followed by the publication of a brochure for fund raising and promotion of the plan. Following passage of legislation (Chapter 300, Acts of the 50th Legislature, Regular Session) in 1947, the Board of Regents officially established the Postgraduate School of Medicine and appointed an Acting Dean in 1948, and a Dean in 1950. It has approved contracts with nine urban centers and seventeen hospitals in the State of Texas, the first of which was negotiated in 1950 with the Robert B. Green Hospital, and sponsored the constitutional amendment passed by the Legislature in 1955 which included the Postgraduate School of Medicine by title as one of the institutions whose building programs might be supported by income from the permanent fund.

The actions of the Board of Regents have been taken after adequate discussions with the various authorities involved in the State's medical activities and, upon the recommendation of the administrators of the health units of the University system, the President of the University and the Medical Committee of the Board of Regents.

These many and continuing commitments are a matter of record in the files of the administrative offices and in the minutes and files of the Board of Regents. They are largely reviewed in the aforementioned report of April, 1958, prepared by Doctor Taylor, and include commitments to the Trustees of the M. D. Anderson Foundation (who have financed this program); the Board of Directors of the Texas Medical Center; the Texas Medical Association; the various boards of trustees of seventeen hospitals in many centers of the State of Texas; the city, county and state officials governing these hospitals; the Texas Legislature; the Legislative Budget Board; the many and diverse granting agencies and national and local health and philanthropic organizations, including the various national medical education councils and boards; and, finally, and perhaps foremost, the physicians and scientists who have staked their future on the academic appointment to the faculty of the University through the organization of the Postgraduate School of Medicine.

CONCLUSIONS

A careful study of the matter of postgraduate medical education in Texas, prefaced by twenty years of active interest in the subject itself and twelve years of participation in the development in Texas, leads to these conclusions:

1. Program designed for special needs in Texas

The currently functioning program represents the plan best suited to meet the special need in Texas. That it has not yet had the financial means or opportunity to attain its full development and potential, and that it is not the "conventional" type of program, should not jeopardize its existence. It does not conflict with the programs of the three medical schools in Texas but, on the contrary, will augment them if properly supported. The only possible zone of conflict is in the realm of the economics of private medical practice and this should not be the deciding factor. The program is for the better health of the citizens of Texas and any contrary motives can and should be disassociated.

2. Program designed after careful study

The currently functioning program was established on a firm foundation of comprehensive study of the particular need and after careful deliberations by the administration of the University, the administrators of its health units, the Medical Committee of the Board of Regents and the Board of Regents.

3. Inadequate Communication

The study, initial organization and activation of the Postgraduate School of Medicine in the Texas Medical Center were undertaken prior to the appointment of the present members of the Board of Regents and the majority of the present University administrative officials.

After reviewing, for the purposes of this report, the copious discussions of all conceivable facets of this program since its institution, one has the feeling that this information available from the deliberations of the originators of the plan has not been adequately communicated. Certainly it would appear that any final decision affecting the future of the program should be made only after there has been a period of actual observation of its operation with adequate support. This should include an assessment of all available information and an evaluation reached in open discussion between the administrative officials directly affected and responsible for the plan and its conduct. By this means a satisfactory effort to reach a mutually agreeable recommendation will have been made by utilizing our own considerable medical administrative talent.

4. Possible discredit to The University of Texas

Repudiation by The University of Texas of its post-graduate program and of its commitments to many agencies and groups can only reflect with discredit upon the University. It is essential that the program be continued in its present form, or some other acceptable form which will take into consideration the needs of the agencies, groups and individuals to whom commitments have been made.

5. Unequalled opportunity for The University of Texas
in state-wide medical program

Through the mechanism of the Postgraduate School of Medicine, The University of Texas has access to the Texas Medical Center and to the various local foundations and philanthropic organizations with the greatest potential of any in the South and Southwest. This is in excess of \$400,000,000. There is also a great potential in the wealth of the medical knowledge of the large group of physicians and scientists in the Houston area who will look elsewhere than The University of Texas for their affiliation if the program is not maintained with the active unit in the Texas Medical Center. A great number of these men are alumni of The University of Texas and would afford a lasting and loyal support if the opportunity is not jeopardized. This has been given too little consideration in any other plan formulated to date.

6. Outstanding pioneer development

The whole status of postgraduate medical education in the United States has been undergoing a period of study and revision, particularly since World War II. Many of the medical schools began their present programs at that time. Texas represents a frontier in this field and should not abrogate its role of pioneering in medical education which it has now assumed, merely to conform to a pattern which does not answer the medical needs of this region and which very probably would become obsolete in the foreseeable future. A wonderful opportunity exists for Texas to draw upon the experience of other regions and countries in order to tailor for its needs a precise program regardless of conformity with conventional programs.

RECOMMENDATIONS

It is my recommendation, as one who has participated in this program almost from its inception and carefully viewed the needs for an over-all health plan for The University of Texas, that the following actions be taken:

1. That continuation of the program as an over-all University program be reaffirmed by the Board of Regents in such language that its right to existence cannot continually be challenged by individuals or groups.

2. That the unit now functioning be maintained in the Texas Medical Center, in Houston.

3. That continued efforts be made to adequately finance this program either by the creation of a trust foundation, endowments, legislative appropriation, available funds from the permanent fund of the University, or by utilization of a combination of these sources.

4. That an advisory council whose function is to formulate the policy in postgraduate medical education be created similar to that in the Graduate School program of The University of Texas. Such a council should include the administrators of the health units of the University with representation from the Medical Committee of the Board of Regents.

5. That a coordinating committee for carrying out this policy at the operational level be composed of the Dean of the Postgraduate School of Medicine and official representatives from each of the health units appointed by the chief executive of each unit.

6. That the council for policy making and the committee for coordination and implementation, carefully study a logical division of the geographic and institutional postgraduate medical activities of The University of Texas and make recommendations from time to time of appropriate zones of functions of each of the University affiliates. This should be a continuing process.

7. That the Dean of the Postgraduate School of Medicine, or the chief executive of the postgraduate program as finalized, be the constituted person responsible to report to the President and the Board of Regents after he has duly considered the recommendations of the advisory postgraduate council and committee, reporting any dissenting minority requests. Clear channels of authority are essential to prevent confusion and even distrust, and it is felt that once this has been completely clarified and assiduously adhered to the administrators of the health institutions of the University system can be expected to work out the problems involved in postgraduate medical education as needed for the best interests of the health program of the State of Texas.

THE UNIVERSITY OF TEXASPOSTGRADUATE SCHOOL OF MEDICINE

The University of Texas proposes in its program for a postgraduate school to further the development of medical knowledge through the combination of basic research and its clinical application. Such a program requires: (1) departments for fundamental research; (2) laboratories for the conversion and development of evolved research techniques for their human application; and (3) clinical facilities for their actual use in practice.

Such a program can be most effective when organized as an educational discipline. In this manner there will be developed scientists in medical research, teachers with productive techniques and physicians trained not only in the practice of a medical specialty but equally adept in producing the knowledge to increase the frontier of this specialty.

The plan of the Postgraduate School of Medicine, therefore, is the further education of graduate physicians in the medical sciences in a formalized discipline of graduate education applied to the preceptorial regime, the student learning through applied and controlled work rather than through didactic methods.

Objective

The objective will be medical education through research and its application to clinical practice at the post-intern level. It has been planned as a part of the program of the University of Texas in the Texas Medical Center in Houston. It was planned and approved by the Board of Regents of the University of Texas and the Board of Trustees of the Texas Medical Center, and aided in its development by the University of Texas Development Board since 1943. It was activated in Houston, Texas by a resolution passed by the Board of Regents of the University of Texas on September 18, 1948. Authority previously had been given for its inclusion as a part of the program of the University of Texas by an Act of the fiftieth Legislature, House Bill 821.

Name

The Postgraduate School of Medicine of the University of Texas was considered the more inclusive title than simply Graduate School. It was not used to designate a limitation of activities

but contemplates formalized teaching, residency training and the short-term informal course.

Program

The program is being devised to secure a coordination of available medical facilities of appropriate stature in a program of research and education regardless of its administrative control. The faculty will include groups from both the field of fundamental sciences and the field of clinical specialists and will be organized on a vertical basis as institutes in a particular field of medicine. In this manner, representatives from the appropriate sciences can bring their knowledge to bear on one field of medicine. This is being done on a nation-wide basis as regards cancer and, to a smaller extent, heart disease and tuberculosis.

Budget

The biennial budget will be adequate to provide for full-time personnel in each major department with appropriate additional funds for residents, fellowships, and research budgets.

Building Needs

Adequate space will be required for the housing of research laboratories in the medical sciences. In addition, there will be needed space for individual offices and special research laboratories, library facilities, statistical department, conference rooms, visual education department, editorial department, administrative offices, educational headquarters, teaching rooms and laboratories, auditorium and, eventually, a continuation center which will afford housing facilities, recreation and opportunity for fellowship.

Faculty

The faculty of the University of Texas Postgraduate School of Medicine will be composed of both full-time and part-time staff, depending on the requirements of each department.

In addition to the full-time staff appointed to the various departments in the Postgraduate School, faculty members will be designated from the following institutions:

Affiliated hospitals and institutions

University of Texas Medical Branch

Baylor University School of Medicine

M. D. Anderson Hospital for Cancer Research

Rice University

University of Houston

University of Texas School of Dentistry

Other local and regional colleges where indicated

Selected eminent medical specialists and scientists will be invited to participate in exchange appointments and in visiting lectureships.

Teaching Program and Curriculum

1. Courses in the basic medical sciences will be offered as follows:
 - a. Full-time, six months to year, as part of curriculum for qualifying for a medical specialty.
 - b. Affiliated research projects for Ph. D. candidates in the basic medical sciences giving them access to human biological problems for thesis work.
 - c. Part-time courses for local physicians and scientists.
2. Clinical studies will be offered as follows:
 - a. Refresher and continuation studies - These courses will be given to both general practitioners and medical specialists as short-term studies, either full-time or part-time.
 - b. Postgraduate studies in the medical specialties - These courses will be designed as graduate studies leading to qualification in a medical specialty. They will require full-time activity of from one to five years, depending upon the previous training. They will be organized in a curriculum which will lead to the degree of Doctor of Medical Science.

Facilities

Facilities will include those directly owned and those available by affiliation.

Immediate Needs

Clinical facilities of a general medical nature are immediate needs for affiliation residency training in:

1. Pathology
2. Surgery
3. Radiology
4. Internal Medicine

SUGGESTED METHODS OF ORGANIZATION FOR THE
POSTGRADUATE SCHOOL OF MEDICINE

I Horizontal Organization

Basic Science Departments

1. Anatomy
2. Physiology
3. Physics
4. Chemistry
5. Pathology

Clinical Departments

1. Medicine
2. Surgery
3. Radiology
4. Pediatrics
5. Neuropsychiatry

II Vertical Organization

1. Infectious Diseases
2. Metabolic Diseases
3. Degenerative Diseases
4. Neoplastic Diseases
5. Mental Diseases

III Functional

1. Administration
2. Research
3. Education
4. Treatment

July 6, 1955

Dr. Logan Wilson, President
Mr. Tom Sealy, Chairman of the
Board of Regents
The University of Texas
Austin 12
Texas

Gentlemen:

In compliance with your verbal suggestion at the last meeting of the Board of Regents, I am bringing to your attention the needs of The University of Texas M. D. Anderson Hospital and Tumor Institute as it relates to the Postgraduate School of Medicine.

Dr. Grant Taylor is furnishing the Board at this time a statement pertaining to the function of the Postgraduate School and the great need for such an organization in the State of Texas. I will try not to reiterate, but simply to wholeheartedly endorse his comprehensive review and remind you that few activities of the University have greater potential for the benefit of "The University" in presenting its program to the State and, at the same time, assisting in the solution of the health problems of the citizens of Texas.

In 1945, The University of Texas Board of Regents declared its position in regard to the development of adequate health facilities in the State and proposed the support of a postgraduate facility for medical education with headquarters in the Medical Center in Houston. This declaration of the Board and of the University is discussed in detail in "The University of Texas in The Texas Medical Center" published by The University of Texas Development Board and approved by the Board of Regents. The ensuing activities of the Development Board resulted in approximately one million dollars being raised by the citizens of Houston for this and other medical purposes. Subsequently, an additional five million dollars was secured from foundations and local philanthropy, the majority of which, it is true, went to other of The University of Texas institutions in the Medical Center, but a portion of which was definitely committed for the Postgraduate School of Medicine.

Dr. Logan Wilson
Mr. Tom Sealy

July 6, 1955
Page two

In 1948, with the approval and backing of the Board of Regents, a Bill was introduced in the State Legislature which officially authorized the Postgraduate School in the Texas Medical Center. In September, 1948, the School was officially activated and an Acting Dean appointed. Subsequently, the program has expanded each year to supply thousands of hours of instruction to physicians in health matters and now has a faculty of 400 physicians and scientists, has affiliations in eight different localities in the State of Texas, has expended approximately \$200,000 directly from gifts, grants and tuition and has indirectly expended much larger sums supplied by the local communities in maintaining the facilities in which the programs are carried out.

In summary, the University, for over ten years, has been committed to this program which now occupies a recognized place and need in the State that can hardly be over evaluated in health matters. It also has come to the attention of national organizations and is one of perhaps the six most effective such programs in the nation. As far as commitment to a program and the prestige incident to the pursuance of that program, the future course of the University in properly supporting and directing the Postgraduate School of Medicine is quite obvious.

Specifically, the educational program of the M. D. Anderson Hospital and Tumor Institute is dependent upon and organized around the program of the Postgraduate School of Medicine. We now have 46 full-time, 38 part-time, approximately 65 consultants and 20 volunteer staff members who have faculty appointments in the Postgraduate School and whose principal affiliation with The University of Texas in a pedagogical role is through this facility. The majority of our full-time people have been recruited from other universities where they occupied faculty positions of esteem. We would not have been able to acquire their services if we had not had a faculty appointment for them in the Postgraduate School. To lose that affiliation would mean that we would lose some of our best professional staff members and find it very difficult to recruit replacements. The only solution would be for us to seek appointments to other universities in Houston and the Medical Center in

Dr. Logan Wilson
Mr. Tom Sealy

July 6, 1955
Page three

order to retain the individuals who require academic appointments as part of their positions. This would place the University in a distinctly defensive and secondary role in the Medical Center and cause it to lose its present place of eminence in what is perhaps the future greatest medical center in the western hemisphere.

It need not be pointed out to the Board of Regents that one of the principal functions and obligations of the M. D. Anderson Hospital and Tumor Institute is the dissemination of knowledge to the physicians of Texas for the better care of their cancer patients. This can most effectively be done through an organization such as the Postgraduate School of Medicine and, in order to carry out our constituted function, it would be necessary for us to organize such an activity if one did not now exist.

It would appear that we in Texas, and particularly in Houston, are in a unique era of financial affiliation between private philanthropy and tax funds for the support of research and education, especially in medical activities. The University of Texas' access to philanthropic sources in the Texas Medical Center, in the foreseeable future at least, is largely contingent upon carrying out its declared decision to develop a Postgraduate School of Medicine of the first class in the Texas Medical Center. Much of the activity of the foundations thus far has been predicated upon this educational program and it is through this unit that Houston philanthropy can be disseminated in a wise and non-controversial manner to other portions of the State.

As far as our own institution is concerned, we feel that there is no other program that is more vital to the proper performance of our functions and the fulfilling of our obligations to the people of Texas.

Sincerely yours,

R. Lee Clark, Jr., M.D.
Director

cc: Members of the Board of Regents
Dr. Grant Taylor

bcc: Miss Thedford

SPECIAL COMMITTEE ON BOARD PROCEDURES

Date: June 12, 1959

Time: 9:00 a.m.

Place: Regents' Room (Main Building 209)

Members: Mr. Hardie, Chairman
Mr. Johnson
Mr. Madden

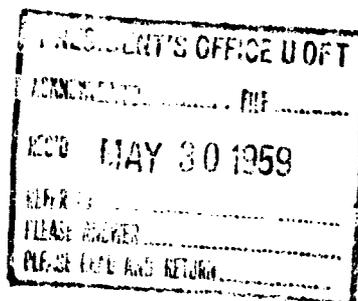
Page No.

There has been no documentation completed on this item. All Regents, however, have received some suggestions from Mr. Heath. There will probably be some material in the Supplementary Material Supporting the Agenda distributed at the meeting.

THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

May 29, 1959

W. W. HEATH
PERRY-BROOKS BUILDING
AUSTIN, TEXAS



Mr. Wales H. Madden, Jr.
First National Bank Building
Box 631
Amarillo, Texas

Dear Wales:

Thanks for your letter of May 20 with enclosed memo. I am glad to know that the grazing lease situation is satisfactory.

I note that you are a member of the Special Committee on Board Procedures. I therefore feel it is in order to propose to the Committee for its consideration three changes in board procedure. I don't know who is Chairman of the Committee but am sending all regents a copy. I have discussed all this with Logan Wilson.

1. In my opinion major matters of policy should be separated from minor matters to come to the attention of the Regents in the mass of material furnished us. Major changes in policy regarding law school admission requirements which were contained in the middle of Page 36 of the March docket, which we were about to act upon without such matter having been otherwise called to our attention, is an illustration. In my opinion the docket is so lengthy that it should be classified into categories with major policy matters separated from voluminous administrative details.

2. It is my view that on policy matters as distinguished from administrative matters, the Administration's recommendations to the Board should contain not only affirmative support of the recommendations but also a brief, unslanted factual statement, with a brief statement of the argument both for and against the recommended decision, to the end that we may more intelligently consider the recommendation. It is my understanding these recommendations are thrashed out by the Administrative staff but that the only part of the discussions leading to the recommendations which are presented to us are those supporting the final recommendation. I do not know if you and McNeese were closely questioned as I was before the Senate Committee on Governors' Nominations on the matter of whether I expected to become a rubber stamp for the Administration. I know the Administration does not want to subject us to such a charge, and I defended that point to the best of my ability, but it is extremely difficult for me to act on policy matters intelligently without knowing both the pros and cons of the questions as well as the underlying facts. I, personally, want to have the recommendations of the Administration even on matters which fall into our province rather than theirs, just as they should be glad to have our recommendations on administrative matters, but on important policy matters the responsibility is ours

May 29, 1959

and responsibility cannot be delegated. I recognize the dangers inherent to data presenting both sides of a question falling into the wrong hands and being improperly used but adequate safeguards should protect against this.

3. At the expense of lengthening our meetings or having them more often, personally I would like to see the Board encourage more discussion and exchange of ideas on important matters and thereby assist a regent who takes his responsibilities seriously from running the risk of being regarded as a trouble maker. I fear that I may have been so regarded by some at the Dallas meeting on the bond matter, yet, in my opinion, the course of events since that time prove the soundness of my position. I want to be regarded as a good fellow but not at the expense of failure to exercise my responsibilities as I see them.

Recent newspaper articles say Dr. Dolley has reversed his position and has concluded that the University should only issue four million dollars in bonds at this time, and issue the remaining eleven million over the next 3 or 4 years as needed, which is exactly the position you and I took a month ago in Dallas. Within 30 days after our Dallas meeting municipal interest rates took a sudden, unexpected, sharp rise of approximately $1/2$ of 1% with the result it appears we will go to the market at its highest interest levels in a quarter of a century. Dr. Dolley estimated to me that our interest coupon would have been 2.90% at the time of our April meeting, and my guess is we will be lucky to sell them in July for $3\frac{1}{2}$ %, unless the market takes another sudden and unexpected downward turn before that time. I enclose a tear sheet from a recent issue of the Wall Street Journal on the 1956-1959 gyrations of municipal interest rates. You will note that from 1956 to 1957 average municipal interest rates rose from around 2.40 to around 3.60 which is a 50% rise in slightly over a year. Then by early in 1958, a period of not over six months, interest rates dropped from nearly 3.60 to approximately 2.90, and then during the same year of 1958 went back up to approximately 3.50, and again in that same year of 1958 dropped back again to about 3.25, remaining reasonably stationary from late in 1958 to April 1959 when it took its current severe rise. With the artificial controls in Washington and International imponderables, I am at loss to know how anyone can safely predict anything the next three or four years, especially in the light of the history of municipal interest rates the past three or four years and the events of the past 30 days.

How can we predict what will happen over the next three or four years when we could not even tell in April what was going to happen the next 30 days? If we are expert enough to guess the future of the money market over a period of three or four years, and willing to gamble public funds on our ability to guess right, then how can we justify going to the market with a bond issue of any size at the very time the market is at its highest interest rate in a quarter of a century, and when we could have saved hundreds of thousands of dollars in future interest by getting to the market 30 days ago instead of in July.

May 29, 1959

The great strength of Texas' nine man board system is the ability, yes the necessity of nine successful people from different sections of Texas, with different businesses, professions and viewpoints, but all dedicated to a common purpose, contributing their separate thoughts to the solving of the continuously arising policy problems through consultation with each other after full consideration of administrative recommendations. My thought is that full expression and consideration of conflicting views when done in an atmosphere of mutual respect and consideration leads to sounder decisions than the stifling of opinion by the individual member for fear that board procedures do not invite reasonable freedom of discussion.

I have not been on the board long enough to accurately appraise what is in order and what is not in order, but I will again illustrate. The law (not board policy) requires consideration by the Board of Regents of "Small Classes". The purpose of the law is to insure Board supervision of Administration decisions thereon. At the Dallas meeting "Small Classes" at the Main University and Texas Western were submitted to us and as I recall it you and I indicated a desire to discuss this matter, but we were requested by the Administration to go ahead and approve the "Small Classes" with the statement that we would consider them later in the meeting. My unspoken reaction was if they were to be discussed at all the discussion should precede rather than follow the approval, and if the discussion was to be delayed until later in the meeting the approval should also be delayed. As you know, time did not permit us to ever get back to the small classes, with the result that they stood approved without the desired discussion.

I feel the regents who have preceded me have obtained a great President and have assembled a most able Administrative staff. I am grateful and am well pleased generally with what I have found since I went on the Board, but no system will ever be perfect, and although we have a fine and generally healthy situation, I feel we should all feel free to do everything possible to contribute our own thinking and bit in the rise to true eminence.

With best personal regards, I am

Sincerely yours,

Bill

W. W. Heath

WHH:vd

cc: Dr. Logan Wilson

Chairman & Board of Regents Members

Miss Betty Anne Thedford (did not get a copy
+ needs to know as ours

Hg)

Committee of the Whole

COMMITTEE OF THE WHOLE

42

Date: June 12, 1959

Time: 3:00 p. m.

Place: Regents' Room, Main Building 209

Page No.

- A. Items Referred either for Action or for Information by:
1. Academic and Developmental Affairs Committee
(Chairman Devall)
 - a. Survey, College Dailies 9
 - b. Director of School of Journalism 9
 2. Buildings and Grounds Committee (Chairman Thompson)
 3. Land and Investment Committee (Chairman Johnson)
 4. Medical Affairs Committee (Chairman Bryan)
 - a. Medical Branch: Proposed Grants from The Sealy and Smith Foundation 27
 - b. Southwestern Medical School
 - (1) Fort Worth Laboratory for Surgical Research 37
 - (2) Salmon's Overall Plan 40
 - (3) Discussion of Fraternity Housing and Other Types of Student Housing 40
 - c. Postgraduate School of Medicine: Status 40
 5. Special Committee on Board Procedures 41
- B. Special Items (President Wilson)
1. Central Administration: Compliance with Article 2593 re "lowest bidder" and mechanics for Board approval 43
 2. Main University
 - a. Admissions Policy, Law School (Dean Page Keeton)* 45
 - b. Sidney E. Mezes Award 48
- C. Items for Record (Statement re HB 495) 48
- D. Special Items (Emergency Matters Since Agenda was Finally Approved - All Matters to be Cleared with the President Prior to the Meeting) 48
1. Main University
 2. Texas Western College
 3. Medical Branch
 4. Southwestern Medical School
 5. Dental Branch
 6. M. D. Anderson Hospital and Tumor Institute
 7. Postgraduate School of Medicine

*3:00 p. m.

III. COMMITTEE OF THE WHOLE

A. Items Referred by Committees

B. Special Items (President Wilson)

1. Central Administration: Compliance with Article 2593 re "lowest bidder" and mechanics for Board approval. --

(a) Letter from Mr. Madden to Mr. Cox:

"You will recall my having mentioned the existence of a statute relating to the formal requirements of making construction contracts by the Board of Regents.

"I have not studied the matter in any great detail; however, it would appear that Article 2593, Vernon's Civil Statutes, pretty clearly defines the action which must be taken by the Board of Regents upon entering such contracts. I would assume that the language 'such permanent improvements' would have reference to Article 2592. Although I have not reviewed the Session Laws to verify such assumption, reference to the 'lowest responsible bidder' seemingly would indicate that if we didn't award the contract to the 'lowest bidder' we should know why we don't consider such low bidder 'responsible'.

"I apologize for raising a question without, at the same time, suggesting an answer, but I haven't had an opportunity to do other than briefly read the subject statutes, and I felt that you might wish to make further inquiry. Perhaps this matter has been taken care of by requiring each Board member to sign the Minutes; however, I am unfamiliar with our practice in this regard."

(b) Memorandum from Mr. Waldrep, Land and Trust Attorney, to Mr. Cox

"The question presented by Mr. Madden's letter is certainly a good one. The construction we have placed upon this particular statute is not free from doubt, but stems primarily from the fact that expediency dictates a delegation of authority together with the fact that a governing board of a state-owned and operated educational institution may delegate to a representative the authority to act on behalf of such governing body and institution (A. G. Op. No. 0-7335, 1946). The disturbing portion of Article 2593, as I view it, relates to the language 'approved by the signed written vote of a majority of said Board of Regents in regular or called meeting assembled.' You will recall that for a number of years Judge Woodward was of the opinion that the duties imposed upon the Regents pursuant to this statute were nondelegable, but later changed his mind. The closeness of the question and the necessity for these matters to be expedited appear to have been the compelling reason.

"We have always operated on the assumption that we were at least in substantial compliance with the statute. Nueces County Water Control & Improvement District No. 4 v. State of Texas ex rel Wilson, 270 S.W.2d 672 (Tex. Civ. App., 1954, err.ref., N.R.E.) Construction matters, except those minor in nature, are always submitted to the Board of Regents for consideration of preliminary plans and specifications, and the contracts are actually awarded by the Board of Regents. The duty of carrying this matter to completion is delegated to the Comptroller. In certain isolated cases committees are delegated in this connection, but their action is always reviewed and ratified by the Board.

"Article 2593, Vernon's Civil Statutes, is a part of the 1925 codification and the departmental construction has been with us for sometime. However, I do agree that if there is any hesitancy or reluctance on the part of any Board member to accept

this procedure certainly an individual signing of the Minutes would evidence and support any other action required by the article.

"As to the construction of the phrase 'lowest responsible bidder,' there is attached a copy of Attorney General's Opinion No. V-1565, dated December 23, 1952, which has been followed for sometime. The lowest responsible bidder is not always the lowest bidder and the determination is a discretionary matter. Consideration is given to the quality of the product, the adaptability to the particular use, the ability, capacity, etc., of the bidder, together with a showing of financial responsibility. If there is no abuse of this discretion, the courts will not interfere.

"If we can furnish any additional material in this connection, please let us know."

2. Main University

- (a) Admissions Policy, Law School (Dean Page Keeton). -- Each Regent has been sent from the President's Office a memorandum from Dean Keeton re Law School Proposals as to admissions policy. Dean Keeton is scheduled to appear before the Committee of the Whole on Friday, June 12, 1959, at 3:00 p. m. to discuss these proposals.

A copy of Appendix A of the March docket on which action was deferred until the June meeting and which set forth recommendations of the School of Law is on the following pages.

DOCUMENTS AND PROCEEDINGS OF THE FACULTY COUNCIL

PROPOSED CHANGES IN THE LAW SCHOOL CATALOG

The School of Law has filed with the Secretary of the Faculty Council the recommendations published below to make a change in the sections entitled "Provision V", "Advanced Standing" and "Admission." The first two section changes were approved by the School of Law at its meeting of September 26, 1958. The "Admission" change was approved by the School of Law at its meeting of November 10, 1958. The Secretary has classified these recommendations of exclusive application and primary interest only to a single school or college.

Notice is hereby given that this legislation will be presented to the Board of Regents for adoption unless a signed protest, with reasons, is received by the Secretary of the Faculty Council from a member of the Council within five days of the date of this publication. If a protest is received, the proposed legislation will be presented to the Faculty Council for action at its meeting of December 15, 1958.

Eugene W. Nelson
Eugene W. Nelson, Secretary
The Faculty Council

RECOMMENDATIONS OF THE SCHOOL OF LAW

The section entitled Provision V (Transfer from Another Law School) of the Law School catalog on page 25 and the section entitled "Advanced Standing" on page 26 of same catalog are to be changed as follows:

Change 1. The two sections are combined and the heading "Advanced Standing" deleted.

Change 2. Provision V is changed to read as follows:

Provision V.
(Transfer from Another Law School)

An applicant who has attended but has not graduated from another law school and who has received or receives credit here for at least ninety semester hours of pre-law work, but not including all of the courses prescribed for admission to the School of Law, will be given full admission provided (1) that his grade average on pre-law work is at least 2.0 as stated in Provision II above, or, if not, that his grade average on pre-law work is at least 1.0 and he made an acceptable Law School Admission Test score before attending such law school; and (2) that he has attended such law school from which he seeks to transfer for at least two semesters; and (3) that at the time he completed his last semester at such law school from which he seeks to transfer, his grade record was such that he was not placed on scholastic probation and was not ineligible to return the following semester. In unusual cases where an applicant's scholastic record at the law school from which he seeks to transfer is outstanding, an applicant whose pre-law grade average is at least 1.0 but not as much as 2.0 but who did not take the Law School Admission Test or did not have an acceptable score on such test will be given full admission.

An applicant who qualifies for admission as a transfer student from another law school will receive advance standing credit on the following terms: (1) Credit is given not to exceed the equivalent of one year (at present twenty-eight semester hours); (2) No credit will be given for any courses completed at such law school unless the applicant has a grade average equivalent to a minimum grade of C on all work undertaken at such law school, whether passed or failed; (3) Credit will not be given for a course in which a grade of less than C was given in another law school even though the applicant's grade average on all work undertaken meets the minimum requirements for transfer credit; (4) The law school from which the applicant seeks to transfer must be a member of the Association of American Law Schools or other law school of high standing and approved by the American Bar Association; (5) Such transfer student at the end of his first two semesters of attendance in the School of Law, a summer session being counted as a semester for this purpose, will be dropped from the School and all credit cancelled if his grade average on all work undertaken at this Law School is less than 63, and if his grade average is at least 63 but not as much as 65, he may continue but on probation; (6) In any case, and except when approved for good cause by the Law Faculty, the last year of a student's work must be done in residence at this School.

A student desiring advanced standing must present to the Registrar a full statement of the work he has done, including the work credited at entrance. After investigation, such credit, if any, as may be found just and proper will be allowed.

Reasons for Changes

Change 1. These sections must be read together to find what credit can be transferred to the School of Law from other schools, yet the heading "Advanced Standing" makes an artificial division which leads to confusion.

Change 2. This section has been rewritten to clarify ambiguous provisions. One of these provisions in the 1956-1958 catalog is that to be able to transfer a student must have a full year of law work (page 26, line 3). This has been changed to "attendance for two semesters," since intent of this rule is to prevent an attempt of the student who cannot enter here at mid-term to enter another law school for one semester and then transfer here.

Another ambiguity is resolved by requiring an overall C average at the school where prior law work is done. Under the present rule, it is possible for a student to be in good standing at the school from which he wishes to transfer, and still not have an overall C average or be on probation.

The section entitled "Admission," pages 21-26 of the 1956-1958 Law School catalog is changed as follows:

Change 3. Substitute the grade average 2.0 for the grade average 1.5, wherever the latter appears in the above pages.

Change 4. On page 22 the following new paragraph should be inserted immediately following the second paragraph, which begins, "An applicant....."

Notwithstanding compliance with the quality requirements already stated, some students may not be admitted if the number of applications exceeds the capacity of the Law School.

Reasons for Changes

Change 3. This change raises the required pre-law average for an applicant to the School of Law. The faculty feels that this change is justified to reduce the number of students who fail in the first year of Law School. If an applicant has less than a 2.0 pre-law grade average but at least 1.0, he can still be admitted to the School of Law if he demonstrates an aptitude for the study of law by making an acceptable score of the Law School Admissions Test.

Change 4. This change is necessary because the limitations of the physical plant mean that any substantial increase of the present number of students will seriously impair teaching effectiveness. The Law School faces the immediate problem of having to curtail enrollment. Therefore, it is necessary to give notice of this fact by inclusion of this paragraph in the Law School catalog.

These changes are to apply to all students entering the Law School after June 1, 1959.

Filed with the Secretary of the Faculty Council by Professor T. J. Gibson, Assistant Dean, November 8, 1958 and November 11, 1958.

Distributed among the members of the Faculty Council by the University Stenographic Bureau, November 20, 1958.



THE SHAMROCK OIL AND GAS CORPORATION
 FIRST NATIONAL BANK BUILDING
 BOX 631 - AMARILLO, TEXAS

March 19, 1959

WALLES MADDEN, JR.
 ATTORNEY

PRESIDENT'S OFFICE, U OF T
 ACKNOWLEDGED FILE
 REC'D MAR 20 1959
 REFER TO
 PLEASE ANSWER
 PRESIDENT'S OFFICE, U OF T

PRESIDENT'S OFFICE, U OF T
 ACKNOWLEDGED FILE
 REC'D APR 13 1959
 REFER TO
 PLEASE ANSWER
 PRESIDENT'S OFFICE, U OF T

AIR MAIL

Dr. F. Lanier Cox
 Office of the President
 The University of Texas
 Austin 12, Texas

Dear Lanier:

You will recall my having mentioned the existence of a statute relating to the formal requirements of making construction contracts by the Board of Regents.

I have not studied the matter in any great detail; however, it would appear that Article 2593, Vernon's Civil Statutes, pretty clearly defines the action which must be taken by the Board of Regents upon entering such contracts. I would assume that the language "such permanent improvements" would have reference to Article 2592. Although I have not reviewed the Session Laws to verify such assumption, reference to the "lowest responsible bidder" seemingly would indicate that if we didn't award the contract to the "lowest bidder" we should know why we don't consider such low bidder "responsible".

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With best wishes I am

Sincerely yours,
Waller

WHM:ja

THE UNIVERSITY OF TEXAS

P. O. BOX 7999 UNIVERSITY STATION

AUSTIN 12

April 10, 1959

MEMORANDUM

REGENTS OFFICE, U OF T
APR 13 1959
RECEIVED
PLEASE READ AND RETURN

BURNELL WALDREP
ATTORNEY

To: Mr. Lanier Cox, Vice-President for Administrative Services

From: Burnell Waldrep, Land and Trust Attorney

Subject: Comments of Regent Wales Madden, Jr., re contracts for the construction of permanent improvements (Art. 2593, V.C.S.)

The question presented by Mr. Madden's letter is certainly a good one. The construction we have placed upon this particular statute is not free from doubt, but stems primarily from the fact that expediency dictates a delegation of authority together with the fact that a governing board of a state-owned and operated educational institution may delegate to a representative the authority to act on behalf of such governing body and institution (A.G. Op. No. 0-7335, 1946). The disturbing portion of Article 2593, as I view it, relates to the language "approved by the signed written vote of a majority of said Board of Regents in regular or called meeting assembled." You will recall that for a number of years Judge Woodward was of the opinion that the duties imposed upon the Regents pursuant to this statute were non-delegable, but later changed his mind. The closeness of the question and the necessity for these matters to be expedited appear to have been the compelling reason.

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April 10, 1959

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If we can furnish any additional material in this connection, please let us know.]

Bruner Washburn

BW:tr
Enc.

cc: Mr. C. H. Sparenberg
Comptroller



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

PRICE DANIEL
ATTORNEY GENERAL

December 23, 1952

Hon. Andrew P. Johnson
County Attorney
Dimmit County
Carrizo Springs, Texas

Opinion No. V-1565

Re: Authority of the Commis-
sioners' Court to accept
the higher of two bids on
the purchase of a dump
truck costing more than
\$2,000.

Dear Sir:

Your request for an opinion presents the fol-
lowing facts:

"At the regular meeting of the Commis-
sioners' Court of the County of Dimmit held
on October 13, 1952, the Court instructed
the County Judge to make the proper adver-
tisement for bids for the purchase of a
dump truck to fill the need of Precinct
Number Two. Advertisement was made on
October 16th and October 23rd, 1952, set-
ting out the specifications the truck must
meet and stating that the bids would be
opened on November 10, 1952.

"The Commissioners' Court met in its
regular meeting for the month of November on
November 10, 1952. Two bids on the dump
truck had been received and were opened.
The companies making the bids and the amount
of each bid are as follows:

"Al Vivian Chevrolet Company, Carrizo
Springs, Texas, bid \$2,245.00.

"Anderson-Weydell Motors, Inc., Carrizo
Springs, Texas, bid \$2,470.00.

"Both bids meet the specifications re-
quired, and both bidders are responsible."

The following order of the Commissioners' Court
was entered on November 10, 1952:

"On this the 10th day of November, 1952 the Commissioners' Court met in regular session with all members present as follows:

Terrell B. Kellogg, County Judge, presiding
Roy C. Jones, Commissioner Precinct No. 1
H. H. Herrington, Commissioner Precinct No. 2
C. W. Barker, Commissioner Precinct No. 3
J. L. Hester, Commissioner Precinct No. 4
Andrew P. Johnson, County Attorney
L. D. White, County Treasurer

"The following business was attended to-wit:

"IV. BIDS OPENED FOR PRECINCT 2 EQUIPMENT (one 1952 Model 2 Ton Truck Chassis and cab-etc.)

"Notice to Bidders having been duly published in the Carrizo Springs Javelin, the following bids were received and opened in open Commissioners' Court:

Al Vivian Chevrolet Company.....\$2245.00
Anderson-Weydell Motors, Inc.....\$2470.00

"A motion was made by Commissioner H. H. Herrington that Anderson-Weydell Motors, Incorporation bid be accepted, it being the opinion of the Court that the Ford Truck is the most suitable for the type of work to be done. Motion was seconded by Commissioner J. L. Hester and carried unanimously.

"There being no further business, Court was adjourned.

ATTEST /s/ Gay Hines
Gay Hines, County Clerk

APPROVED /s/ Terrell B. Kellogg
Terrell B. Kellogg, County Judge"

Based on the above mentioned facts, you ask:

"1. Under the facts of this case, is the County of Dimmit required by law to let the contract to the lowest bidder?

"2. Under what circumstances, if any, can a county reject the lowest bid in favor of a higher bid?

"3. Under what circumstances, if any, can a county reject all bids?

"4. In the event all bids are rejected, does a county have the authority to again advertise for bids and make new specifications?"

The purchase outlined in your request is governed by the provisions of Article 2368a, Vernon's Civil Statutes. Att'y Gen. Ops. V-285 (1947) and V-600 (1948). Section 2 of Article 2368a provides in part:

"No county, acting through its Commissioners Court, and no city in this State shall hereafter make any contract calling for or requiring the expenditure or payment of Two Thousand (\$2,000.00) Dollars or more out of any fund or funds of any city or county or subdivision of any county creating or imposing an obligation or liability of any nature or character upon such county or any subdivision of such county, or upon such city, without first submitting such proposed contract to competitive bids. Notice of the time and place when and where such contracts shall be let shall be published in such county (if concerning a county contract or contracts for such subdivision of such county) and in such city, (if concerning a city contract), once a week for two (2) consecutive weeks prior to the time set for letting such contract, the date of the first publication to be at least fourteen (14) days prior to the date set for letting said contract; and said contract shall be let to the lowest responsible bidder. The court and/or governing body shall have the right to reject any and all bids, and if the contract is for the construction of public works, then the successful bidder shall be required to give a good and sufficient bond in the full amount of the

contract price, for the faithful performance of such contract, executed by some surety company authorized to do business in this State in accordance with the provisions of Article 5160, Revised Statutes of 1925, and amendments thereto." (Emphasis added.)

Article 2368a requires that the contract be let "to the lowest responsible bidder". The phrase "lowest responsible bidder" has a well defined meaning. For a collection of cases see 25 Words and Phrases (Perm. Ed. 1940) 714. In determining the lowest responsible bidder the commissioners' court is not performing a mere ministerial duty but is exercising a duty which is deliberative and discretionary. Att'y Gen. Op. V-1536 (1952). The commissioners' court may take into consideration the quality of the product, the adaptability to the particular use required, and the ability, capacity, experience, efficiency and integrity of the bidders as well as their financial responsibility. Mitchell v. Walden Motor Company, 235 Ala. 34, 177 So. 151 (1937); Kelling v. Edwards, 116 Minn. 484, 134 N.W. 221 (1912); People v. Kent, 160 Ill. 655, 43 N.E. 750 (1896); Picone v. City of New York, 29 N.Y.S. 2d 539 (1941); Hodgeman v. City of San Diego, 53 Cal. App. 2d 610, 128 P. 2d 412 (1942).

The Supreme Court of Alabama, in considering a similar question to the one involved in your request, stated in Mitchell v. Walden Motor Company:

"That the notice of purchase was posted and published the required length of time and by registered mail forwarded to three dealers in such material, as provided by the amended act, appears not to be controverted. And that the substance of the notice likewise meets the act's requirements we think quite clear. It called for sealed bids on 'two one and one-half ton trucks, short wheel base, chassis with cab, with dual rear wheels, equipped with 30x5-8 ply tires on rear and 600-20 balloon tires on front.' Clearly, no provision of the act demanded that the notice name the manufacturer of the truck desired

to be purchased as complainants argue. This the commissioners may well determine after receiving bids on various makes of trucks. In the instant case, the road supervisor by his affidavit discloses he favored the Chevrolet over the Ford, and gives his reasons as economy in operation and durability of service. The commissioners evidently deferred to his judgment in the matter, and purchased the Chevrolet trucks at a cost of \$179.50 more than the bid of the Ford dealer, one of these complainants, after first eliminating from consideration the bids of the Dodge and other dealers in trucks.

"Complainant Walden Motor Company was the Ford dealer offering the lowest bid, and it is insisted the statute was violated for the reason that its bid was not accepted and the Chevrolet bought for a higher price. To accept this contention would lead also to the conclusion that in advertising for bids the make of manufacture must be given and the purchase confined thereto, a theory which we have repudiated as not within any requirements of the act. In determining who is the lowest responsible bidder, the proper authorities may take into consideration the quality of the materials as well as their adaptability to the particular use required. 44 Corpus Juris 342. A very apt illustration is found in West v. City of Oakland, 30 Cal. App. 556, 159 P. 202, where was involved the purchase of a locking device for the jail; the court holding that: 'The honest exercise of discretion of a city council, in considering the adaptability to use required of goods offered, in determining who is the lowest responsible bidder under a charter calling for award of public works contract to such bidder, is not reviewable.'

"So far as here appears, there was such honest exercise of discretion in the instant case. There is no charge of bad faith. The county authorities merely preferred the one make of truck over the other, and were

willing to pay the difference as they viewed it in the exercise of their honest judgment. Clearly, in the exercise of such discretion, the courts cannot interfere." (Emphasis added.)

The facts presented in your inquiry reveal that the Commissioners' Court determined that the Anderson-Weydell Motors, Inc. was the lowest responsible bidder since, as you state, its truck was better adapted to the particular use intended by the Court. This was a matter left to the sound discretion of the Commissioners' Court. Therefore, you are advised that the Commissioners' Court had the authority to award the contract under consideration to the Anderson-Weydell Motors, Inc. in the absence of fraud or an abuse of discretion. In view of our answer to your first question it is unnecessary to answer your remaining questions.

SUMMARY

In awarding a contract to the "lowest responsible bidder" pursuant to the provisions of Article 2368a, Vernon's Civil Statutes, the Commissioners' Court may consider the quality of the product and its adaptability to the particular use required as well as the ability, capacity, and financial responsibility of the bidder. Mitchell v. Walden Motor, 235 Ala. 34, 177 So. 151 (1937).

Yours very truly,

PRICE DANIEL
Attorney General

APPROVED:

J. C. Davis, Jr.
County Affairs Division

Mary K. Wall
Reviewing Assistant

Charles D. Mathews
First Assistant

JR:am

By *John Reeves*
John Reeves
Assistant

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

May 11, 1959

Memorandum

To: Dr. Minter
Mr. Bryan
Mrs. Devall
Mr. Hardie
Mr. Heath
Mr. Johnson
Mr. McFess
Mr. Madden
Mr. Thompson

As you know, Dean Keeton will appear at the next meeting of the Regents to explain the Law School proposals as to admissions policy. For your information in advance of the meeting, I am forwarding a memorandum he has prepared on this subject.


Logan Wilson

LW k
Enclosure

cc: Dr. Ransom
Dean Keeton
Miss Thedford

MEMORANDUM

Subject: Law School Proposals as to Admissions Policy

From: Page Keeton, Dean

Proposal for 1959-60 School Year. For the school year 1959-60 the Law School has recommended the following policy be followed for the purpose of determining the eligibility of an applicant for admission to the Law School: (1) No change is recommended as to quantity of work or course requirements. Thus, any holder of a Bachelor's Degree from an acceptable university or college and any applicant who has received credit for the 92 hours required in one of the three-year prescribed programs leading to a degree at the end of the first year in the Law School is to be admitted, if the quality requirements are satisfied. (2) An applicant who does not have a collegiate grade average on all work undertaken of at least 2 (a B average) must have an acceptable Law School Admission Test Score. While it does not appear in the catalog, the proposal for the school year 1959-60 would relate the test score required to the collegiate grade average--the higher the collegiate grade average the lower would be the test score required. While discretion is intended to be exercised in close cases, the table proposed for use is as follows:

<u>Pre-Law Grade Point Average</u>	<u>Minimum LSAT Score</u>
1.95-1.99	300
1.85-1.94	315
1.75-1.84	335
1.65-1.74	355
1.55-1.64	375
1.45-1.54	395
1.35-1.44	415
1.25-1.34	435
1.15-1.24	455
1.05-1.14	475
1.00-1.04	490
Less than 1.00	500

Without information regarding Percentile Ranks, this test score requirement is, of course, meaningless. A test score of only 300 ranks a student in the lowest 5-10% of all students taking the test throughout the country, and eliminates only those who are certain to be dropped later, if admitted. Such students come from weak schools like the Negro school at Prairie View. I would say that it is virtually impossible for a University of Texas student to obtain a degree and not make a higher score than this on the Admission Test. The same is true of applicants from Rice. A score of 400 ranks a student in the lowest 20-25% of those taking the test. A score of 500 ranks a student in the 50 to 60% category. Thus, his score is normally slightly above average. An applicant with a bare C average would not be admitted unless he made an average grade on the Law School Admission Test.

Effect of Proposal for 1959-60 School Year. This proposal was made only after a careful study was made by a committee of the Law Faculty working with the Testing and Guidance Bureau. It will have the effect of making two changes in our present policy: (1) Heretofore, we have accepted all applicants with a scholastic grade average of C/ or better, whereas under the present proposal a test score of 395 or under (depending on the exact grade average) on the Law School Admission Test will be required. Since applicants with a score of 395 would have a percentile rank in the lowest 20% of all those taking the test, it would deny admission to only an occasional applicant, about 1 out of 7-10 falling in this category. The other change would be to require a higher test score for admission as regards applicants with a scholastic grade average between C and C/ (1-1.5), the test score ranging from a required 500 (little above average) to 400 (lowest 20%). For the past three years, applicants

with such a grade average were required to have an Admission Test score of 400, which means that we have been accepting a substantial number of students with low C averages and below average Test scores, students that Texas medical schools and medical schools generally would never have considered. Our statistical study reveals that the very best of the students that will be denied admission under the proposal would have about one chance in three of doing minimum satisfactory work in the law school. This proposal is being made not for the purpose of limiting the enrollment, although the necessity therefor is the occasion for the proposal, but rather because applicants who cannot succeed should be denied admission at the outset. To accept such applicants is to do them an injustice, it is wasteful, and furthermore we cannot hope to achieve status as an "outstanding" school unless some screening of applicants is made at the outset.

We estimate that the policy proposed will mean the rejection of about 10% of the applicants that have been accepted during the past three years and about 20% of the applicants who were accepted prior to the change in policy that was made three years ago, i.e., June of 1956. I am attaching hereto copies of letters from the Deans of the two state law schools that I would certainly regard as two of the best in the country, and both such state law schools would clearly rank in the top ten of the nation's law schools, along with the best private schools like Harvard, Yale, and Columbia. Without attempting to analyze their letters in detail, both have substantially higher requirements than are being proposed, and neither school is basing its policy on any need for restricting enrollment.

Background for the Above Proposal. The present admissions policy was adopted in June of 1956, following a full discussion with the then Board of Regents at the invitation of the President. There

were two factors dictating the conclusion to alter our admissions requirements. The first was the capacity of our physical plant and the second was the fact that for many years only about fifty to sixty percent of the students accepted actually graduated. Of the forty to fifty percent that did not graduate, it is safe to say that at least 75% failed to do so because of unsatisfactory grades. As I indicated above, under the proposal recommended next year, about 25% of the applicants who were accepted prior to 1956 will be denied admission pursuant to the proposal made for next year. The standards of the law school since about 1925 have always been rigorous and about as high as they are in the best law schools, and perhaps as high as they should be. We do not now believe that there is any necessity for requiring any higher standard of performance from law students than is presently required. Thus, we hope to graduate a substantially higher percentage of the entering students. It now appears that approximately 65% of the students admitted in 1956 will ultimately graduate. This is about 10% more than were graduating prior to 1956, and this increase in percentage closely approximates the 10-15% that were eliminated at the outset.

In a report made to the Alumni Association on July 5, 1956, I made the following observations: "The new admission requirements will have the effect, we believe, of holding down the enrollment for the next two or three years to the capacity of the building without excluding applicants who are likely to succeed if admitted. Moreover, the performance of the students in the first-year class should be much improved by virtue of the fact that the group as a whole will be superior to that of any other first-year class in the history of the Law School. . . . It seems to me that I should repeat something here that I said last year, because our admissions

policy will be a continuing problem for many years. In view of the growth and needs of the state and the increasing demand for persons of legal training to occupy administrative and business positions in commercial corporations, the existing proposal will not prevent the Law School enrollment from increasing within the next five or ten years beyond the capacity of Townes Hall. In selecting the site for Townes Hall, the thought was that there might some day be a need for expansion. The need could be much sooner than anticipated, because while some further change in the admission requirements can be made to prevent more of those who are unqualified from registering, the time will soon come when the factor of the capacity of the present facilities will dictate a rejection of applicants who are qualified to become lawyers. What, then, should be University and State policy regarding legal education? Should state policy be that of providing legal education for all applicants who appear to be qualified to do satisfactory work? If so, should this legal education all be done at The University of Texas, at least for the next ten to twenty years, because it is the most economical way? Selfishly, I might prefer to hold the enrollment down, but I recognize the fact that the State may wish otherwise, and the establishment of another law school at some other state institution or the establishment of a branch law school, like that which exists in California, would mean duplication of facilities and costs, and division of support, and competition between state law schools. Law school libraries are becoming more and more of a problem, and the duplication of library, auditorium, and administrative costs and facilities would be substantial. If provision is made at the University of Texas, the additional physical needs would be an addition to the building, providing additional stack space for books,

additional study space, additional classrooms, and some twenty additional offices. The additional space needs could be provided at a cost of approximately \$750,000."

Proposed Catalog Statement as Regards Capacity of the Building.

It has been proposed by the Law School that the catalog contain a statement indicating that compliance with the requirements for admission will not guarantee acceptance if more qualified applicants apply than the Law School can accommodate. (Such a statement is in the new catalog just out. This mistake must be attributed to me and Byron Shipp. We thought the provision had been approved.) We have fixed this at 75 in the summer and 275 at the beginning of each school year. This would necessarily mean a law school of about 900. We plan to accept all who apply for the forthcoming school year and each year thereafter until we get an enrollment in the first-year class in excess of this number. When such happens, and I believe it will within the next three years, we propose then to limit the enrollment to our capacity unless a decision has already been made to increase the size of the plant. If there is objection to this or to any further increase in the requirements for admission, then I believe a decision should be made this year to add a wing to the Law School at a cost of \$1,000,000. We do not have a proposal for your consideration about the procedure to be followed in selecting those among the applicants who qualify because we have not reached the point where it is necessary to do so. When that time arrives, if it does, it will be my recommendation (although this matter has not been discussed by the law faculty), that all applicants to be considered must have their application in at least sixty days prior to the date seeking admission, and certain factors should be agreed upon as a basis for selecting the best of those applying with

perhaps a restriction on the percentage of non-residents. As to this, however, I must say that some of our best students are coming from New Mexico, Colorado, Oklahoma, Arkansas, and Louisiana. They come here because of the expectation of locating here. The national prestige of the Law School could be seriously impaired unless we accept at least a substantial percentage of non-residents.

Explanation Regarding Capacity. When Townes Hall was being planned during the years 1950 and 1951, the Law School enrollment was not quite 600. Our plans were for a building that would accommodate 1,000 students. Because of the needs of other schools and colleges, it was naturally difficult to obtain the square footage needed, but we did succeed in obtaining 15,000 square feet more than was originally allotted; but this was less than we had hoped to obtain. I mention the size of the enrollment at the time, and the fact that we obtained 15,000 square feet more than allotted for the purpose of showing that there was no lack of foresight in the planning. The building was constructed at its present location and in such a manner with the thought that a wing or another building would probably be needed. It is my feeling that the building was well planned because space for nearly all functions is well balanced, with the need for office space, library study space, and classrooms occurring simultaneously. From experience, we are convinced this is when the enrollment reached about 900 two years ago. We have no office space for a larger faculty; classrooms are in continuous use throughout the morning until 3:00 P.M. (The operation of a night school would involve many problems.) We do not have, as we should have, one study space in the library for every three students when the enrollment reaches 900--we have 256 study spaces; our auditorium, which now accommodates close to 800 with seats on the platform

can seat the entire student body, but not if it were increased materially.

The Alternatives as to Future. I suppose my personal preference as to future policy would be a policy of more and more selectivity without expansion because I believe this would mean a somewhat higher standard of performance, and the calibre of our student body as a whole would equal the best, such as Harvard. But I am not sure that this should be our policy. If the state policy should be that of affording an opportunity to all who are qualified and want to come to a state-supported school, we have the land area here to expand at the least cost to the taxpayer. However, if the University of Houston ever becomes a state-supported institution, it has a law school. I believe this will happen within the next four years. I am quite willing to see expansion, but not at the sacrifice of good standards and proper performance. If no further restriction in our admissions policy is desired, then it is time now to plan for expansion. Moreover, we need at least \$50,000 more annually for our present operating needs if we are to implement the report of the Committee of 75, which stated that those areas already doing superior work should proceed to do what is necessary to make their performance "outstanding."

UNIVERSITY OF CALIFORNIA

School of Law
Berkeley 4, California

April 24, 1959

Dean W. Page Keeton
Law School
University of Texas
Austin, Texas

C
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P
Y

Dear Page:

. . .

As to our admissions policy, I can only give you this sort of answer. I have to distinguish between "policy" and practice. We make a good many ad hoc decisions, which are made in the first instance by Assistant Dean Keeler, and reviewed by me. We take into consideration the applicant's grades, the college from which he comes, the courses he has taken, those in which he got his good grades and his bad ones, his improvement, if any, during the last two years, his score on the Educational Testing Service test, his letters of recommendation, and even the impression made in an interview with Keeler. The decision is made on the whole picture, and any one factor may not be controlling.

Subject to this qualification, what goes on here is as follows:

1. We require the degree of A.B. or its equivalent, from a presentable college. This is never waived.
2. Taking B as 3 and C as 2, any applicant with a 3.0 average from a good college will normally be admitted. There have been exceptions, where we did not think much of the college or the courses taken, and the test score was very low, but they have been rare.
- We have under discussion, for 1960, a rule denying admission to any one with a score below the 35th percentile in the test, but it has not yet been adopted. We are still testing the test. Very few students below the 35th percentile have passed the first year here, regardless of college grades. (We look to the percentile rank on the test, rather than the absolute score, because the latter varies so much from year to year).
3. Between 2.8 and 3.0, we normally deny admission to any one with a test score below the 35th percentile. Again there have been exceptions, but they have been rare, and the man has seldom made the grade. If the score is above the 50th percentile, we will normally admit him, again with occasional exceptions. Between the 35th and the 50th percentile, the decision turns on the other factors; but on the whole we tend to favor admission.
4. Between 2.5 and 2.8, we normally deny admission to any one below the 50th percentile, again with occasional exceptions. As to those above the 50th percentile, we take the other factors into account, but on the whole probably tend to deny more than we admit.

5. Below 2.5, we normally deny admission, regardless of all other factors. There have been rare exceptions, due chiefly to my own curiosity as to what will happen in this school to a boy with a minimum C average and a test score in the 97th percentile. I think I have found out and can tell you: He usually fails. I am about through with these experiments.

I hope this is of some help to you.

Yours sincerely,

/s/ Bill

William L. Prosser
Dean

C
O
P
Y

THE UNIVERSITY OF MICHIGAN
LAW SCHOOL
Hutchins Hall
Ann Arbor

April 28, 1959

Dean Page Keeton
The University of Texas
School of Law
Austin 12, Texas

Dear Dean Keeton:

Your inquiry regarding our admission standards which was addressed to Dean Stason has been referred to me for reply.

In passing upon applications for admission to this Law School we start with a working rule of thumb that an applicant should have at least a 2.5 (on a 4.0 basis) undergraduate grade point average and a score of at least 500 on the Law School Admission Test. With this as our starting point we evaluate each application giving about equal weight to the undergraduate average and the test score. As an applicant's undergraduate average rises above the 2.5 level we will allow some drop in the test score. We do not use any set formula in this connection but we have, for example, admitted applicants with better than a 3.0 undergraduate average whose scores on the test went as low as 400. As an applicant's test score rises above 500 we will allow some drop below the 2.5 undergraduate average. Again we do not have any set formula which is applied in this process.

The foregoing process of evaluation of the undergraduate grade point average and score on the Law School Admission Test is tempered by a careful examination of other features in the applicant's case. For example, we are interested in whether the undergraduate transcript reveals significant improvement in the applicant's record during the last two years of his undergraduate career. It is our experience that through lack of maturity and direction of purpose many undergraduates get started off poorly in the first year or two of their undergraduate careers but may show some real academic potential as they progress. Sometimes the applicant's academic achievement may have been hindered by the necessity of outside work to finance his education. Where we feel it is justified, we give consideration to the quality of the undergraduate college in evaluating the applicant's transcript although this is a touchy problem and must be handled carefully. In some borderline cases, letters of recommendation are helpful.

As you can see, we do not feel that it is possible to solve the admissions problem with a strict formula or probability index although it is certainly necessary to have certain basic rules of thumb which are used as a starting point.

Very truly yours,
/s/ Roy L. Steinheimer
Roy L. Steinheimer, Jr.
Professor of Law and
Admissions Officer

RLS:s

May 27, 1959

Mr. Joe C. Thompson
2828 North Haskell
Dallas, Texas

Dear Jodie:

I was likewise very much impressed with Dean Keeton's resume¹ of the Law School's present program and the plans for the future. I realize that the smartest boys do the best work as a group and that there is no substitute for excellency in school or business. On the other hand, I think that we should consider that lawyers, as a group, are not necessarily the high I.Q. boys. In the first place, I believe it is generally recognized that brilliance is not an indispensable quality for a successful lawyer. Intestinal fortitude, integrity and a damn good constitution are of equal importance. The most important problem that we must face, I think, is the fact that many, many of our leading attorneys, as well as our outstanding political leaders, did not make a "B" average in the academic school. A close friend of both of ours, who made one of the highest averages in the Law School, had to take Freshman Math so many times that it was a joke. Many of our present political leaders, who attended the University, purposely shot at a "C", so that they would have more time for extra-curricular activities; participating in campus politics, debating, publications, etc., which is as valuable in the development of a lawyer as the books. It probably is as difficult to actually make a "C/" as a "B", but it is a whole lot easier to fudge on a "C/" than it is on a "B" average.

Page also has submitted, to the Directors of the Law School Alumni Association, the question of increased standards, and there was a rather heated debate at that time by the ones of us present.

Dean Keeton does not indicate that the new standards will particularly improve the quality of work done by the Law School.. It is my personal opinion that the Law School is doing an excellent job now. I would like to see certain phases of the curriculum at the Law School strengthened. At the same time, I think that within the fields of study that have been emphasized by the school, namely, water, oil and gas, the property law, which had its origin in the early Spanish law and Texas statutory and procedure law, that it has reached pre-eminence in the South and Southwest, particularly in the Southwest where the concept of community property law has generally been accepted.

It is my thought that by raising the standards of entrance even higher, we might some day be considered competitive with Michigan and this may happen regardless, but I am very doubtful that a "B" average will bring to the University of Texas the caliber of students that are now entering Harvard. It is my guess that those students are nearer an "A" than they are a "B" and it is also my thought that it will be some time before Dean Keeton, or whomever may take his place, will be able to surround himself with a faculty comparable to the one that is now teaching and has been teaching in the Harvard Law School for a hundred years.

Again, I think that when the Law School in Austin reaches its maximum, that it should not be expanded. We should realize that this is not the only Law School in Texas and that there are still many night law schools operating in the state and many lawyers recently admitted to the Bar in the State of Texas have no college degrees. It is no great chore for a young man, with a strong back, weak mind, and the ability to drive a car from Freeport to Houston four nights a week, to become an attorney. The Law School in the University of Texas in this state is a shining tabernacle of learning, in a profession in which learning is not always a prerequisite.

If we intend to raise the standards, I think it certainly is important that before any action is taken, that the Alumni of the Texas Law School be well apprised of our decision.

Very truly yours,


J. P. BRYAN

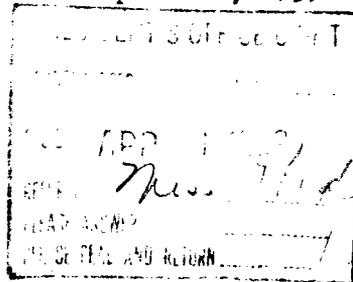
JPB/mr
cc: Dr. Logan Wilson
Members of Board of Regents

- (b) *Sidney E. Mezes Award.* --An award of \$300.00 from the Sidney E. Mezes Fund to a faculty member has been recommended by the Sidney E. Mezes Faculty Donation Committee. Because the Sidney E. Mezes Awards are to be made to needy faculty members, no publicity is given. Thus, President Wilson will present the recommendation orally at the meeting.
- C. *Items for Record.* --In order that the record may be complete, it is suggested that the statement agreed to by all the individual members of the Board concerning House Bill No. 495 and transmitted to the Chairman of the State Affairs Committee be included in the June 1959 minutes.
- D. *Institutional Heads - Opportunity to appear before Committee of the Whole.*

THE UNIVERSITY OF TEXAS
COLLEGE OF EDUCATION
UNIVERSITY STATION
AUSTIN 12

HHR

April 20, 1959



DEPARTMENT OF CURRICULUM AND INSTRUCTION

Vice-President H. H. Ransom
Main Building 101
The University of Texas

Dear Dr. Ransom:

The undersigned committee respectfully recommends the following award to a faculty member:

Dr. Frederick H. Ginascol.....\$300.00
Associate Professor of Philosophy
Mailing address: 3204 Cherry Lane, Austin

Funds for this proposed award are made available by accumulated income from the so-called Sidney E. Mezes Fund, Account No. 74,750.

If this recommendation is found to be in order, the award may be paid at once under rules approved by the Regents, subject, of course, to subsequent approval. For obvious reasons, the names of awardees are not made public.

If payment is made as recommended, please ask the Auditor's office personnel to send along with the check the enclosed letter of transmittal.

Thanking you for your attention to this request, we are,

SIDNEY E. MEZES FACULTY DONATION COMMITTEE

By

Ira I. Nelson

Ira I. Nelson, Chairman

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

April 6, 1959

Honorable R. H. Cory, Chairman
State Affairs Committee
House of Representatives
Austin 11, Texas

Dear Mr. Cory:

It is my understanding that House Bill 495 has been set for public hearing before the State Affairs Committee on April 8. I should like to request that the enclosed official statement of the Board of Regents and Administration of The University of Texas concerning this bill be read to the Committee at the hearing. I would emphasize our objection to singling out teachers as a suspect group as this bill does. If an oath is necessary, it would seem reasonable to require all professional personnel employed by the State to take the same oath now required of elected and appointed public officials. It would seem reasonable to substitute this oath of office for oaths now required and also to satisfy the desires of the sponsors of House Bill 495.

Sincerely yours,

Logan Wilson

LW k
Enclosure

bcc: Mr. Cox
→Miss Thedford

STATEMENT CONCERNING ATHEISM

The use of any phase of The University of Texas program for advocacy or espousal of atheism or of any sectarian religious belief would be contrary to University regulations and policy. We want to make this point quite clear. This is official policy and it is enforced by administrative action. The University Administration knows of no violations of such regulations or policy and none would be knowingly tolerated. Against this background we feel it our duty to present a statement regarding H.B. 495.

We feel that it would be neither proper nor wise to single out teachers as a suspect group by requiring them to execute an oath that they believe in a Supreme Being. To most American citizens, such an oath would be an offensive invasion of privacy, certain to be resented by many deeply religious persons. Requirement of such an oath would be a symbol of religious intolerance in American academic circles and would be given many meanings not intended.

Separation of church and state and protection of the individual's right to religious freedom are strong bulwarks of our way of life. We believe, therefore, that the proposed oath is unwise and would be ineffectual in achieving its intended purpose.

c o p y

c: Dr. Wilson
Miss Thedford

Meeting of the Board

AGENDA

MEETING OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS
June 13, 1959
Telephone Greenwood 6-8371

Place: Regents' Room
Main Building 209

Date and Time: Saturday, June 13, 1959

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C. Buildings and Grounds Committee (Committee Chairman Thompson)	
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Membership of Board

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DOCUMENTATION

MEETING OF THE BOARD OF REGENTS

- I. APPROVAL OF MINUTES, APRIL 16-18, 1959. --No requests for changes or corrections of the Minutes of the meeting of the Board of Regents held in Dallas on April 16-18, 1959, have been received by the Secretary. On Page 17 a singular instead of a plural verb is used, but that error has been corrected in the official copy or permanent record. The Minutes have been distributed to each Regent and to the other individuals who regularly receive them.

- II. REPORT OF COMMITTEE OF THE WHOLE (To be filled in after meeting of the Committee of the Whole on Friday, June 12, 1959.)

III. REPORT OF STANDING COMMITTEES

A. REPORT OF EXECUTIVE COMMITTEE - INTERIM ACTIONS (February 23-May 25, 1959). --The Executive Committee during the period February 23 through May 25, 1959, approved the following items:

1. Budgetary Items

- a. Medical Branch. --Upon recommendation of Doctor Truslow, concurred in by President Wilson, the Executive Committee approved six budgetary items for the Medical Branch. These items are listed in the Medical Branch portion of the docket for the June 1959 meeting as Nos. 5, 6 (Page G-1), 12 (Page G-2), 60 and 61 (Page G-7), and 69 (Page G-8).
- b. M. D. Anderson Hospital and Tumor Institute. -- Upon recommendation of Doctor Clark, concurred in by President Wilson, the Executive Committee approved one budgetary item for the M. D. Anderson Hospital and Tumor Institute. This item is listed in the M. D. Anderson Hospital and Tumor Institute portion of the docket for the June 1959 meeting as No. 7 (Page A-1).
- c. Southwestern Medical School. --Upon recommendation of Doctor Gill, concurred in by President Wilson, the Executive Committee approved five budgetary items for the Southwestern Medical School portion of the June 1959 docket as Nos. 5, 6, 9, 14, and 18 (Pages S-1, S-2, and S-3, respectively).

2. Approval of a Building Bond Issue. --The Executive Committee has approved a building bond issue in the amount of \$4,000,000, bids to be opened on July 8, 1959. The sale of the bonds will be officially approved at the joint meeting of the Board of Regents of The University of Texas and the Board of Directors of The Texas Agricultural and Mechanical College System to be held in Austin on July 9, 1959, at 2:30 p. m.

These items are reported for ratification by the full Board.

A. REPORT OF THE EXECUTIVE COMMITTEE (Continued)

3. Revision of Organizational Chart, Medical Branch (Joint Report of Executive Committee and Medical Affairs Committee). --Attached to the Medical Branch portion of the docket is an organizational chart and the administrative reorganization that were approved as an interim action by the Executive Committee and the Medical Affairs Committee. The permanent record in reflecting the approval will indicate that approval of this organization amends all previous action relating thereto.

B. ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

C. BUILDINGS AND GROUNDS COMMITTEE

D. LAND AND INVESTMENT COMMITTEE

E. MEDICAL AFFAIRS COMMITTEE

F. BOARD FOR LEASE OF UNIVERSITY LANDS

Membership of Board

IV. REPORT OF SPECIAL COMMITTEE--Board Procedures

V. SPECIAL ITEMS

A. CENTRAL ADMINISTRATION

1. Approval of Docket (Including Travel Supplement). -- The docket will be mailed from the President's Office on June 3, 1959. A travel supplement will be distributed at the meeting.

V. SPECIAL ITEMS

A. MAIN UNIVERSITY

1. Revision in Policy re Military Leaves. --Under date of April 27, 1959, each Regent was furnished in accordance with the Rules and Regulations a notice of a recommended change in the leaves of absence policy whereby members of the Faculty on leave for a year or more for military purposes be subject to the same rules concerning leaves of absence as are other members of the Faculty.

2. Joint Program with The University of Chicago, The University of Chile, and The University of Texas. -- The University of Chile located in Santiago, Chile, the University of Chicago and The University of Texas contemplate a contractual arrangement wherein the parties will collaborate in the construction, equipping, and operating of an observatory in the vicinity of Santiago, Chile, for the purpose of astronomical observation and research, to exchange programs and to encourage the education and training of personnel in astronomy. The University of Chile has agreed to provide a site and to advance approximately \$100,000 in buildings, utilities, excess roads, etc., and such personnel as may be necessary for effective operation. The University of Chicago will (1) furnish the installation with telescopes and other scientific equipment, (2) furnish the services of a director and other members of the scientific staff, and (3) collaborate in the maintenance of a comprehensive student exchange program. The program contemplates advance training in astronomy at the University of Chicago and The University of Texas for Chilean scholars and scientists. By the same token, scholars and scientists from the United States will go to Chile for study at the observatory there.

In the proposed contract The University of Texas agrees only to collaborate with the parties in the establishment and operation of the observatory.

In conferences with interested parties the staff of The University of Texas stipulated that no State funds can be utilized in this project, but such funds as may be

needed by the University will come from gifts and grants. The technical program will be implemented at a later date by mutual agreement as funds become available.

It is recommended that the University enter into this arrangement with the University of Chile and University of Chicago to engage in cooperative research in astronomy, and that Vice-President and Provost H. H. Ransom be authorized to execute the necessary agreements on behalf of the Board of Regents to make this arrangement effective.

Office Copy

April 27, 1959

Doctor Merton M. Minter
Mr. J. Lee Johnson
Mr. J. P. Bryan
Mrs. Charles Devall
Mr. Thornton Hardie
Mr. W. W. Heath
Mr. Wales H. Madden, Jr.
Mr. A. G. McNeese, Jr.
Mr. Joe C. Thompson

Dear Mrs. Devall and Gentlemen:

President Wilson has approved for presentation to the Regents the request of Vice-President and Provost Ransom for a change in the present policy with reference to long-term military leaves of absence for faculty members. In accordance with our present rules and regulations, notices of recommended changes shall be sent by the Secretary of the Board to all Regents at least 30 days prior to final approval. This item will be on the agenda for the June meeting and should be acted on prior to the adoption of the 1959-60 budgets.

During World War II the University adopted a policy of continuing in the budget indefinitely faculty members who were serving in the Armed Forces. There are a few members of the Main University faculty who have been on such military leave for many years, and who have chosen a military career in preference to an academic one.

Vice-President Ransom recommends that the budget term military leave be abolished, and that members of the faculty on leave for a year or more for military purposes be subject to the same rules concerning leaves of absence as other members of the faculty.

Sincerely yours,

COBΛ

Betty Anne Thedford

T:js

cc: President Logan Wilson
Vice-President H. H. Ransom

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 05/28/99 BY 60322/UC/STW

THE UNIVERSITY OF TEXAS
OFFICE OF THE VICE-PRESIDENT
MAIN UNIVERSITY
AUSTIN 12

March 31, 1959

Original Signed by
LOGAN WILSON

Dr. Logan Wilson
President
The University

Dear Dr. Wilson:

This is to request Regents' approval for a change in our policy with reference to long-term military leaves of absence for faculty members.

As you know, during World War II the University adopted a policy of continuing in the budget indefinitely faculty members who were serving in the Armed Forces. There are a few members of the Main University faculty who have been on such military leave for many years, and who have chosen a military career in preference to an academic one. Such men are certain to be liabilities at the time of their retirement from military service. I cannot think that the University owes the men legal or moral responsibility.

I recommend that the budget term "military leave" be abolished, and that members of the faculty on leave for a year or more for military purposes be subject to the same rules concerning leaves of absence as other members of the faculty.

Sincerely yours,

Original signed by
H. H. RANSOM

H. H. Ransom

HHR:pd

Approved copy: Miss Thedford

FOR INFORMATION

Below is the existing rule re "Leaves of Absence Without Pay." This rule was adopted by the Board of Regents on January 23, 1947.

Sec. 12. Leaves of absence without pay. --Leaves of absence without pay shall be granted for good cause, the period of leave in each instance falling within the term of the appointment. So far as is possible such leaves of absence should be timed in advance so as to involve a minimum of interference with the regular work of the University.

Because prolonged absences from the campus tend to impair the teaching efficiency of the department concerned, leaves of absence without pay for members of the teaching staff ordinarily shall not be extended beyond one academic year. Except in very unusual circumstances, such as military service or prolonged illness, a leave of absence for a member of the teaching staff will not be extended beyond two consecutive academic years. After a year or more of active duty following a leave of absence period, a member of the teaching staff will again be eligible for a leave of absence without pay for good cause shown.

In the case of members of the nonteaching staff, a leave of absence without pay shall reduce the vacation period proportionately.

The following additional items and the attached documentation have been approved since the Material Supporting the Agenda was distributed on June 3:

- I. Academic and Developmental Affairs Committee (Documentation Attached)
 - A. Director of School of Journalism (Main University)
 - B. Resolution of Gratitude, Donors to Ex-Students' Association and Longhorn Club - Athletic Council Memo

- II. Buildings and Grounds Committee (Documentation Attached)
 - A. Items on Original Agenda
 - 1. Amendments to Items 10 and 17
 - 1. 2211 Red River Street: University Press (Old K. C. Miller Residence), Repairs and New Construction Work (Main University)
 - 2. Galveston State Psychopathic Hospital and Negro Hospital Buildings: Award of Contract for Repair and Remodeling (Bids Opened on June 4, 1959) (Medical Branch)
 - B. Additional Items not on Original Agenda
 - 1. New Printing Division Building: Authorization to Consulting Architect to Prepare Preliminary Plans (Main University)
 - 2. Utilities Distribution Systems: Appointment of Consulting ~~Mechanical~~ Engineers for proposed \$800,000 Expansion, Replacement, etc. (Main University)

- III. Land and Investment Committee (Documentation Attached)
 - Renewal of Farm Lease to John T. Bean, Cotton Estate

- IV. Medical Affairs Committee (No Documentation)
 - A. Sealy and Smith Foundation Grant
 - B. Discussion of Policy for Seeking County Funds for Indigent Patients

- V. Special Committee on Board Procedures (Documentation Attached)

- VI. Special Items
 - A. Central Administration
 - Additional Documentation on "lowest bidder" Attached
 - B. Texas Western College (Routine Item)
 - Contract with Fort Bliss DA 41-014-AID-2122 (No Documentation)

*** Mr. Sparenberg has asked that "Mechanical" be deleted.

6/11/59

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

June 9, 1963

TO: President Wilson for the Academic Affairs Committee

FROM: H. H. Ransom

SUBJECT: Directorship of the School of Journalism

This is a supplementary comment on discussions held at the Regents' meetings in El Paso and Dallas and a proposal concerning appointment to directorship.

After a wide survey of available candidates in university schools of journalism and in professional posts, the administration is convinced that for the time being, the most practical plan would be

- (1) to appoint Dr. DeWitt Reddick as director for a term not to exceed two bienniums, after which Dr. Reddick would become Professor of Journalism and active head of the Public Affairs Reporting Program (or research in journalism);
- (2) to employ during this period one or two topflight younger men in order to provide a director not later than 1963;
- (3) to use consultants of professional journalists from time to time in order to improve particular programs, such as that of reporting; the first appointee to this consultantship to be Mr. Frank King, formerly of the Associated Press.



H. H. Ransom

HHR:bg



THE UNIVERSITY OF TEXAS
AUSTIN 12

DEPARTMENT OF
INTERCOLLEGIATE ATHLETICS

Dr. L. D. Haskew
Vice-President for Developmental Services
The University of Texas



*Administrative
Confidential*

Dear Dr. Haskew:

As outlined in your letter of June 3, it has been suggested that donors of \$500 or more to the "Golden T" fund of the Ex-Students' Association or of the same amount to the Longhorn Club during 1958-59 (prior to July 1, 1959) be given the option of purchasing two season ticket seats between the 40 and 50-yard lines for the 1959 season, the option to be exercised by the usual deadline date. You asked that the Athletic Council prepare a written memorandum on the question.

The Athletic Council has discussed this matter and is deeply opposed to this proposal for the following reasons:

1. IT WOULD CREATE ILL WILL AND DISSENSION AMONG OUR SUPPORTING GROUPS.

At the present time there are four priority groups: "T" lettermen, dues-paying members of the Ex-Students' Association, University of Texas voting members of the faculty, and members of the Longhorn Club.

All of these priority groups are on a par, and all have an equal chance to secure the best seats available.

To single out any one group or any segment within one or more of these groups and give it top preference would create a tremendous amount of ill will and cause dissension among our supporting groups. Particularly would this be true from our 1,800 "T" lettermen who have played on our teams and contributed to the success of the athletic program over the years, and from the members of the Longhorn Club who make it their business to raise funds, to help in recruiting, and to secure summer jobs for student-athletes. If such a plan were put into effect, these groups might become very disturbed and eventually disinterested in helping the athletic program. It would also hurt us in our relationship with the faculty.

One of the principal reasons now for ex-students belonging to the Ex-Students' Association is the ticket priority privilege. Under the present priority arrangement, which has been in effect for twenty years, the dues-paying membership of the Ex-Students' Association increased from around 3,000 to over 15,000. To say that good seats will go to a special privileged few as against the much larger group of ex-students, would make the ticket privilege worthless to them and a decline in the ex-student membership and participation would, in our opinion, result in loss of revenue and support for the Ex-Students' Association.

2. IT WOULD BRING ABOUT A DROP IN ADVANCE TICKET SALES.

Intercollegiate Athletics at The University of Texas has made its own way from ticket sales without help from tax money and general University appropriation. To do this, its appeal must be on a broad base of people from all groups, and its ticket sales must be handled in a democratic way. Because it has given an

equal chance to secure good tickets to all four groups on an equal basis, the Athletic Department has built up its advance summer sale of tickets from \$23,781 in 1942 to a peak of \$465,276 in 1952 and to better than \$250,00 every year since that time.

The reason so many Texas people are willing to buy early is that they have an opportunity to secure good tickets. Remove that possibility, and you will find that ticket sales will drop off and the Athletic Department will not be able to carry its financial load.

The Cotton Bowl has had increasing difficulty selling its quota of tickets for the January 1 game, because fans have found out that most of the seats they get are in the end zone.

3. IT WOULD HURT RECRUITING.

The recruiting program involves a lot of help from ex-students and lettermen in all areas of the State. Many contribute in "leg work" instead of money. Take away the equal opportunity for good seats at football games, and these helpers will draw out of the picture.

4. IT WOULD SET A PRECEDENT AND THE FAVORED NUMBER WOULD INCREASE.

If special preference is given to a particular group, the department would soon be subjected to pressure from others making sizable contributions to the welfare of athletics as well as other divisions of the University, such as:

- (a) Those 30 or 40 individuals who plan to contribute \$1,000 or more to the fund for remodeling the northwest corner dormitory room at the stadium into a "T" lounge and furnishing it.
- (b) Those exes who furnish private planes and pilots for our coaches, particularly on March 15, the date senior high school athletes are eligible to sign letters of intent.
- (c) The Coca Cola Bottling Company which will contribute annually \$540 for a tennis scholarship for the next three years.
- (d) Individuals and firms making sizable donations to libraries, scholarship funds, research programs, et cetera on the campus.

In conclusion the Council thinks it more important to have a broad base support and good will from large groups rather than to incur the disfavor of these large groups by favoring a relative few. It, therefore, would like to continue its present democratic policy of having no special preference as far as seat locations are concerned accrue to any individual or group within the four priority groups because of contributions to athletics or to other divisions of the University.

Sincerely yours

O. B. Williams

O. B. Williams, Chairman
Athletic Council

Ed Oile

Ed Oile, Athletic Director

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS

TEXAS WESTERN COLLEGE - PROPOSED RENEWAL OF FARM LEASE TO MR. JOHN T. BEAN ON COTTON ESTATE PROPERTY, CITY OF EL PASO, TEXAS.--Mr. A. A. Smith, Business Manager, has recommended, and Dr. J. R. Smiley, President, has approved the renewal of the farm lease to Mr. John T. Bean on a 109.212 acre tract of land out of the Cotton Estate Property in the City of El Paso, Texas, for the 1959 calendar year. The property has been leased to Mr. Bean for several years and the terms of the lease are the same as those for the past two years. Texas Western College is to receive one-third of the gross proceeds from all crops and will pay one-third of the cost of fertilizer used and the total cost of electricity required for operation of the irrigation pump on the premises. It is recommended that the Board approve the renewal for 1959 as outlined above, with the lease to be signed by the Chairman after approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

May 28, 1959

PRESIDENT'S OFFICE COPY	
DATE	FILE
REC'D	JUN 9 - 1959
FILED	
PLEASE RETURN TO	
PLEASE RETURN TO	

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

Dear Dr. Wilson:

This is to request the following items be added to the agenda of the Medical Affairs Committee for presentation by Dr. Earle and Mr. Walker.

- 1. Sealy & Smith Foundation Grant**
- 2. Discussion of policy for seeking county funds for indigent patients**

Sincerely yours,

Original signed by
John B. Truslow, M. D.
Executive Director
John B. Truslow, M. D.
Executive Director of the
Medical Branch

JBT:wdw

Investigations Which Might Be Undertaken by
Special Committee on Board Procedures

1. Expediting and regularizing the order of business within meetings.
 - (a) Is it possible to conduct the meetings so that an order of business established in advance can be followed closely?
 1. Interruptions or diversions from pre-established schedule often results in squeezing out important matters, or handicaps adequate presentation of factual background.
 2. Matters introduced without previous notice sometimes call for factual information not available on short notice.
 - (b) Can agenda be so arranged, and so adhered to, that administrative personnel from the component units need not be present for the entire duration of a meeting?
 - (c) Can any improvements be made in handling reports and recommendations from the Board's committees?

2. Optimum use of delegation of authority and other means for complying with legal requirements for actions by the Board of Regents.
 - (a) Investigation of legal requirements and of manner in which they may be discharged -- including an investigation of manner in which other Texas governing boards are discharging such obligations.
 - (b) Investigation of amount of detail required in items calling for formal action by the Board (object: to reduce size of dockets and clerical labor).

3. Improving presentation of matters for consideration by the Board of Regents.
 - (a) From the administration; matters presented by the administration usually fall in one of these categories:
 1. Establishing new policies;
 2. Changing existing policies or regulations;
 3. Advice on administrative decisions under existing policies or regulations;
 4. Ratification (or modification) of agreements, contracts, appointments, faculty actions, etc.
 5. Reports on ministerial actions under general policies.Can the documents (e.g. dockets, agenda material, etc.) issued to the Board to make these presentations be improved and streamlined?
 - (b) From members of the Board - can better procedures be devised for assuring adequate attention to matters individual members of the Board want discussed or action taken upon?

4. Handling of Committee materials.
 - (a) Should all materials coming before each Committee be circulated to each member of the Board, or are there certain classes of materials which can be dispensed with except for Committee members?

- (b) Is there any undesirable duplication between Committee discussion of certain matters and subsequent Board discussion of the same matters?
 - (c) Is there any undesirable lack of liaison between Committees dealing with the same subject matter? (e.g. Medical Affairs and Buildings and Grounds on physical plant problems.)
If so, can procedures be improved?
5. Clarification of Board-Administration divisions of responsibility.
- (a) This really asks, "What does the Board want brought before it for action?" For example, present Board statutes require that every modification of a Main University catalogue come before the Board; the same is not true for the other units. If the Main University faculty votes to reduce the requirement in Engineering Drawing from 6 hours to 3 hours, that is now brought before the Regents.
 - (b) To what extent does the Board want to devote its energies to discussions (for policy-formulation) on educational policies? Should agenda always set aside time for this?
6. Number and duration of Board meetings.
- (a) Some Board members have thought that the Board could serve more adequately if it met once each three months for a three-day period, with the Executive Committee serving to give interior action on such items as contract awards, legal authorization of bond issues, etc.
 - (b) At one time the normal time-span of Board meetings was from Thursday noon to Saturday noon.
7. Information on current operations.
- (a) Is a concise Manual for Board Members needed? What should be its content?
 - (b) Would periodic written reports from component unit heads covering significant developments be of sufficient value to warrant the time and energy which would go into their preparation?
 - (c) Would it be desirable to have oral reports and interviews with component unit heads at each meeting? For example, an hour set aside at each meeting in which one component unit head would lay out a sort of "state of the nation" summary and be quizzed by Board Members?
 - (d) Would it be worth the cost to prepare written reports for the Board on a series of operations (e.g. student selection at the medical schools, research activity in the physical sciences, recruitment and retention of athletes, etc.)?

6/5/59

THE UNIVERSITY OF TEXAS

P. O. BOX 7999 UNIVERSITY STATION

AUSTIN 12

June 4, 1959

BURNELL WALDREP
ATTORNEY

M E M O R A N D U M

To: Mr. Lanier Cox, Vice-President for Administrative Services

From: Burnell Waldrep, Land and Trust Attorney

Subject: Lowest and best bid in awarding contracts

This memorandum supplements the one to you dated April 10, 1959, as it relates to the lowest responsible bidder. To that memorandum was attached a copy of Attorney General's Opinion No. V-1565, dated December 23, 1952, which clearly reflects that the lowest responsible bidder is not always the lowest bidder, and the determination is a discretionary one for a board or commission. A number of cases are cited in support of this rule.

This rule has been followed for sometime, and to my own knowledge it has been applied in some of the controversies which have been litigated on behalf of the Board of Control. At the time of the enactment of the State Purchasing Act of 1957 consideration was given to a definition of the lowest and best bid. Article 664-3, Section 8 (f), defines the lowest and best bid as follows:

"(f) Award of Contract. The Board shall award contracts to the bidder submitting the lowest and best bid. In determining who is the lowest and best bidder, in addition to price, the Board shall consider:

"(1) The ability, capacity and skill of the bidder to perform the contract or provide the service required;

"(2) Whether the bidder can perform the contract or provide the service promptly, or within the time required, without delay or interference;

"(3) The character, responsibility, integrity, reputation, and experience of the bidder;

June 4, 1959

"(4) The quality of performance of previous contracts or services;

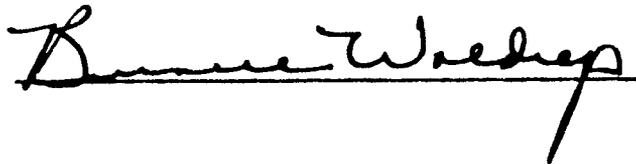
"(5) The previous and existing compliance by the bidder with laws relating to the contract or service;

"(6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;

"(7) The quality, availability and adaptability of the supplies, or contractual services, to the particular use required;

"(8) The ability of the bidder to provide future maintenance, repair parts, and service for the use of the subject of the contract;

"(9) The number and scope of conditions attached to the bid."

A handwritten signature in cursive script, appearing to read "B. W. Wadsworth", is written over a horizontal line.

BW:tr

Texas Western College

OF THE UNIVERSITY OF TEXAS



Office of the Business Manager

at El Paso

June 1, 1959

PRESIDENT'S OFFICE U OF T	
ACKNOWLEDGED	FILE
RECD	JUN 2 - 1959
REFER TO	JCD, VT
PLEASE ANSWER	
PLEASE READ AND RETURN	

Dr. J.R. Smiley
President
Texas Western College

Dear Dr. Smiley:

I have just received Contract No. DA 41-014-AIV-2122 from the Contracting Officer at Fort Bliss calling for partial payment of tuition by the United States Government for Military Personnel of Fort Bliss enrolled for academic study at Texas Western College during the period beginning July 13, 1959, and ending July 15, 1960. Normally, we request approval of the Board of Regents of such an item in the regular Docket.

Since our Docket for the June 12-13 meeting of the Regents has already been submitted, it will not be possible for us to secure approval of this Contract before its effective date if we follow the regular procedure. Inasmuch as it is urgent that it be approved before July 13, I suggest that you consider its submission as a Special Item for the June 12-13 meeting. If this meets with your approval, said Special Item might be stated as follows:

CONTRACT WITH FORT BLISS, TEXAS

Approve Contract No. DA 41-014-AIV-2122 with Fort Bliss, Texas, calling for partial payment of tuition by the United States Government for Military Personnel enrolled for academic study at Texas Western College during the period July 13, 1959, to July 15, 1960. Also, approve the execution of this Contract by President J.R. Smiley.

Perhaps some time might be saved by your forwarding an

Continued

approved copy of this letter to Central Administration
if you wish to follow this plan.

Sincerely yours,

A. A. Smith

A.A. Smith
Business Manager

AAS:nlm

Approved:

J.R. Smiley

President
Texas Western College of
The University of Texas

VT - neither LW nor JCD has seen this.
Would it be better to include it in Central
Admin docket?

hj

*Dr. Daley, Do you think this has to
be docketed in June?
let closed now - to be mailed ^{VT} Today 6/3/59*

*J. -
You might
include this in Dr
Wilson's special
in docket.*

*J.D.
OK/w*

THE UNIVERSITY OF TEXAS
OFFICE OF THE COMPTROLLER
AUSTIN 12

SUPPLEMENT TO
RECOMMENDATIONS TO REGENTS'
BUILDINGS AND GROUNDS COMMITTEE

June 12, 1959

Amend Item No. 10 as follows:

Insert the amount of \$800,000.00 as the total cost of the project. Change period to comma at end of last sentence and add the following: "the exact location to be approved by the President's Office on recommendation of the Comptroller's Office and the Consulting Architect."

Amend Item No. 17 as follows:

Add additional paragraph to read as follows:

"These recommendations are being made only with the understanding that the Board of Regents will approve the acceptance of this \$130,000.00 grant, in accordance with a letter from The Sealy and Smith Foundation dated May 22, 1959, signed by Mr. John W. McCullough, President, and addressed to Dr. John B. Truslow, Executive Director of the Medical Branch."

22. MAIN UNIVERSITY - REPAIRS AND NEW CONSTRUCTION WORK ON OLD K. C. MILLER RESIDENCE AT 2211 RED RIVER STREET FOR UNIVERSITY PRESS.--Part of the University Press is now housed in Pearce Hall on the Main Campus of the Main University, and part is housed in the residence at 2211 Red River Street which is owned by the University. In order that the Press may be housed in one location and at the same time release some space in Pearce Hall for academic purposes, it is recommended that the following work be done:

1. Construction of a warehouse with approximately 2,486 square feet of space and a shipping room with approximately 836 square feet of space, plus site work, including the removal of the present garage and cutting down the hill.	Estimated Cost \$16,000.00
2. Paving drive and loading area	2,000.00
3. Replacement of roof on the residence	2,000.00
4. Dismantling, moving, and re-erecting present shelves and providing additional shelves	<u>1,500.00</u>
Total Estimated Cost	<u>\$21,500.00</u>

It is contemplated that Item No. 4 will be handled by the Main University Physical Plant staff, but that Items Nos. 1, 2, and 3 will be handled on a contract basis. In order to perform the work as outlined above, the following recommendations are made by Mr. G. W. Landrum, Business Manager of the Main University, which have been concurred in by Vice President Ransom, Comptroller Sparenberg, and President Wilson:

1. Appropriate \$21,500 from the Available University Fund Unappropriated Balance to an account entitled "Repairs and New Construction at 2211 Red River for the University Press", to be set up in the Central Administration's Plant Funds section - Available University Fund Appropriations for the Main University.
2. Authorize the Main University Physical Plant staff to prepare the necessary plans and specifications.
3. Authorize Comptroller Sparenberg to approve the plans and specifications, advertise for bids, and award whatever contracts are necessary within the money available, with the understanding that Item No. 4 above will be handled by the Main University Physical Plant staff rather than by contract.

23. MEDICAL BRANCH - AWARD OF CONTRACT FOR REPAIR AND REMODELING OF GALVESTON STATE PSYCHOPATHIC HOSPITAL AND NEGRO HOSPITAL BUILDINGS.--In accordance with authorization given by the Board at the meeting held April 16, 1959, bids were called for, and were opened and tabulated as shown on the tabulation sheet on June 4, 1959. A thorough study has been made by all concerned of the bids and especially of the numerous alternates called for in relation to the amount of money available for the project. Listed below is one possible contract award in the amount of \$933,200.00, which will give usable buildings but which will omit some features which are considered highly desirable and almost necessary. Also listed is a second possible contract award in the amount of \$987,900.00, which it is believed will give a much better and more effective job, and will incorporate several desirable features which will have to be omitted if the first award is made, some of which would have to be provided otherwise later. It is, therefore, recommended by Mr. E. D. Walker, Business Manager and Comptroller of Hospitals at the Medical Branch, Dr. E. G. Troutman, Chairman of the Faculty Building Committee and Assistant Director for Planning of the Medical Branch, Dr. John B. Truslow, Executive Director of the Medical Branch, George Pierce and Abel B. Pierce, Associate Architect, Page, Southerland, and Page, Consulting Architect, Mr. Walter C. Moore, Architect and Assistant to the Comptroller, and Charles H. Sparenberg, Comptroller, which recommendation is concurred in by Dr. James C. Dolley, Vice President for Fiscal Affairs, and Dr. Logan Wilson, President, that the Board award a contract on the basis of the second proposed award listed below. In each case the award would be to the low bidder:

Contract Award No. 1:

Southwestern Construction Company, Houston, Texas

Base Bid

\$918,000.00

Alternates:

Negro Hospital Building:

No. A-1 - New Roof, Insulation and Flashing; Waterproof and Caulk Exterior Walls; Related Demolition and Masonry Work - Add	\$20,000.00
No. A-3 - Wardrobe Cabinets - Add	11,000.00
No. A-9 - Fiberglas Acoustical Ceiling Board in Lieu of Metal Pans at Corridors - Deduct	(400.00)
No. A-10 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,300.00)
No. A-11 - Omit Ceramics Unit from Room 218 - Deduct	(1,000.00)
No. A-13 - Add Ventilating Systems at Dishwasher in Room 137 and Sterilizer in Room 122 - Add	600.00

Galveston State Psychopathic Hospital Building:

No. B-1 - Tuckpoint, Membrane Flash, Recaulk and Waterproof Exterior Walls, New Flashings at Existing Parapets, Patch Existing Roof, Etc. - Add	21,000.00
No. B-10 - Fiberglas Acoustical Ceiling Board in Lieu of Metal Pans at Corridors - Deduct	(800.00)
No. B-11 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,000.00)
No. B-12 - Omit 2 Electric Powered Dumb-waiters - Deduct	(9,000.00)
No. B-13 - Omit all Built-in Items of Kitchen Equipment from Room 165 - Deduct	(4,400.00)
No. B-14 - Omit Ceramics Unit from Room 251 - Deduct	(1,000.00)
No. B-15 - Omit Painting of Interior Surfaces, with Certain Exceptions - Deduct	(16,500.00)

Net Additions

15,200.00

Total Contract Award

\$933,200.00

Contract Award No. 2:

Southwestern Construction Company, Houston, Texas
Base Bid

\$918,000.00

Alternates:

Negro Hospital Building:

No. A-1 - New Roof, Insulation and Flashing; Waterproof and Caulk Exterior Walls; Related Demolition and Masonry Work - Add	\$20,000.00
No. A-3 - Wardrobe Cabinets - Add	11,000.00
No. A-10 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,300.00)
No. A-11 - Omit Ceramics Unit from Room 218 - Deduct	(1,000.00)
No. A-13 - Add Ventilating Systems at Dishwasher in Room 137 and Sterilizer in Room 122 - Add	600.00

Galveston State Psychopathic Hospital Building:

No. B-1 - Tuckpoint, Membrane Flash, Recaulk and Waterproof Exterior Walls, New Flashings at Existing Parapets, Patch Existing Roof, Etc. - Add	21,000.00
No. B-3 - Wardrobe Cabinets - Add	15,000.00
No. B-4 - Detention Screens - Add	22,000.00
No. B-11 - Change Metal Cabinet Work Items to Wood Millwork, with Certain Exceptions - Deduct	(2,000.00)
No. B-12 - Omit 2 Electric Powered Dumb-waiters - Deduct	(9,000.00)
No. B-13 - Omit all Built-in Items of Kitchen Equipment from Room 165 - Deduct	(4,400.00)
No. B-14 - Omit Ceramics Unit from Room 251 - Deduct	<u>(1,000.00)</u>

Net Additions

69,900.00

Total Contract Award

\$987,900.00

The acceptance of the second contract award as listed above will result in a smaller amount of money remaining in the total allotment account for the Remodeling of the Rebecca Sealy Nurses' Residence for use by the School of Nursing, after it has been vacated by the Out-Patient Department, than was originally estimated. It is believed that in view of the uncertainties involved in the legislative situation, particularly in regard to the construction of the new Out-Patient Department Addition and the remodeling of the Old Out-Patient Building, as well as other factors involved, it will probably be at least three years before it will be feasible to start the permanent remodeling of the nurses' residence. It is also believed that because of the temporary

remodeling being done at this time on this building, a smaller amount will be needed for the permanent remodeling than was originally contemplated. It is the feeling of all those making this recommendation that the needs of the Medical Branch would be better served if the contract award as set forth in No. 2 is made, so that additional repairs and remodeling will not have to be provided for in the near future, from other sources.

24. MAIN UNIVERSITY - APPOINTMENT OF CONSULTING ENGINEERS FOR PROPOSED \$800,000.00 EXPANSION OF UTILITIES DISTRIBUTION SYSTEMS.--It is recommended by the Director of Physical Plant and the Business Manager of the Main University, the Comptroller's Office, and the President's Office that the Board of Regents choose at this meeting Consulting Engineers to start to work immediately on the preparation of plans and specifications for the proposed \$800,000.00 expansion of the utilities distribution systems at the Main University. This work should get under way as quickly as possible, in order that the needed expansion and changes in the utilities distribution systems may properly keep pace with the construction of new buildings, including those contemplated to be built during the next three to five years (principally out of the new Permanent University Fund Bond issue) and the Union Building Addition now under construction.

It is contemplated that approximately \$600,000.00 or more of this work will be new construction which can be paid out of the bond money, and that approximately \$200,000.00 or less of this work may be of such a nature that it will have to be paid out of the Available University Fund income, rather than the bond proceeds.

It is recommended that the plans and specifications for this work be done as follows:

Mechanical and tunnels: by Zumwalt and Vinther, Consulting Engineers, Dallas

Sanitary sewers: by Julian Montgomery, Consulting Engineer, Austin

Electrical: by Physical Plant Staff of Main University

Zumwalt and Vinther are being recommended for the mechanical and tunnel work, because practically all of this work will tie in to work already done or now being done by Zumwalt and Vinther, such as the new central water chilling station, other chilled water lines, etc.

25. MAIN UNIVERSITY - AUTHORIZATION TO CONSULTING ARCHITECT TO PREPARE PRELIMINARY PLANS FOR NEW PRINTING DIVISION BUILDING.--Following a series of conferences between the Comptroller's Office, the President's Office, and the Main University Business Manager, it is recommended that the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, be authorized to start to work on preparation of preliminary plans for a new Printing Division Building

of inexpensive type of construction, the estimated cost of which is not to exceed \$200,000.00. It is contemplated that the money for this project will come from the proceeds of the new Permanent University Fund Bond issue, and that the location for this building will be on the K. C. Miller property, the exact location to be determined later on the recommendation of the Consulting Architect and the Comptroller's Office. It is also contemplated that the site presently occupied by the old Press Building will be occupied as quickly as possible by a new structure, in order to provide urgently needed space for other activities.

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

April 21, 1959

President Clark Kerr
The University of California
Berkeley, California

Dear Clark:

Our Regents have informally expressed an interest in knowing to what extent our top administrative and professorial salaries are reasonably competitive with those in leading state universities. They have asked me to try to obtain this information on a confidential basis from some of my friends who head such institutions, and that is the purpose of this letter to you. For your information, I am supplying from this institution the kind of data I should like to get. The only salaries which are line items (i.e., specified by our Legislature in terms of General Revenue amounts designated) are my own and those of the heads of institutions within The University of Texas system. My base salary from the General Revenue is \$18,100; to this amount the Regents add a salary supplement and a payment toward an annuity carried for me to bring the total compensation to \$25,000. In addition, I am supplied with a partly furnished house, with utilities paid and grounds care. I am not supplied with servants or with an automobile, but I do have an entertainment account set up for me from private sources which can be used for club parties and other expenses related in a general way to University purposes.

Salaries of our vice-presidents in Central Administration (i.e., top officers of the University system as a whole) range from \$15,000 to \$20,000. For this category of officers there are no perquisites, but one of our Regents has just established an entertainment fund for them similar to the one I have mentioned above.

The base range of pay for heads of institutions within the University system (seven in number) is from \$12,600 to \$15,600, including in two instances house, utilities, and some domestic service. The actual range of compensation, augmented in nearly every instance from private funds, is from \$16,500 to \$22,100, including the two instances of perquisites mentioned. Five of these administrative officers head medical or dental institutions and two general academic institutions.

Salaries of deans here at the Main University range from \$14,200 to \$19,700 on a twelve months basis. None of these positions carries any perquisites in addition to salary.

April 21, 1959

Here at the Main University in Austin our highest paid professor gets \$16,000 on a nine months basis and \$19,000 if he elects also to teach in the Summer Session. Our two medical schools are situated in other cities, and in general straight professorial salaries on a twelve months basis in these institutions do not exceed \$20,000, but we have several professors making as much as \$25,000, with a high of \$27,000 as a straight salary in one instance. These figures, by the way, do not include permissive salary augmentations on the part of clinical professors engaged partly in actual practice. Most of our professors are compensated at figures very appreciably below those I have mentioned, but our Regents are not concerned about ranges or averages - they want to know what our top competition is elsewhere for top individuals.

I should appreciate it very much, therefore, if you would kindly supply me with corresponding information for comparable officers of administration in your system and for professors. For the latter group it would be helpful if you could give the top salary paid a professor in the arts and sciences area, engineering and law, and medicine.

Best wishes to you.

Sincerely yours,

Logan Wilson

LW k

bcc: Miss Thedford

(This letter sent also to:

President David D. Henry
University of Illinois
Urbana, Illinois

President J. L. Morrill
University of Minnesota
Minneapolis, Minnesota

President Herman B. Wells
Indiana University
Bloomington, Indiana

President C. E. Elvehjem
University of Wisconsin
Madison, Wisconsin

President Harlan H. Hatcher
University of Michigan
Ann Arbor, Michigan

THE UNIVERSITY OF TEXAS

THE BOARD OF REGENTS

June 4, 1959

MERTON M. MINTER, M.D., CHAIRMAN
NIX PROFESSIONAL BUILDING
SAN ANTONIO 5, TEXAS

Senator Henry B. Gonzalez
The Senate of the State of Texas
Austin, Texas

Dear Senator Gonzalez:

Your letter addressed to the Board of Regents has been forwarded to me as its chairman.

I appreciate the interest which you have taken and which you are taking toward the establishment of a Medical School in San Antonio.

Plans are proceeding as rapidly as possible. Doctor Logan Wilson and Mr. Lanier Cox from the University came to San Antonio recently and were shown the major medical installations including the Robert B. Green Hospital in San Antonio.

I propose to discuss with the Board of Regents at our June meeting implementation of a schedule of planning for the school which shall include an invitation to the Board of Regents to meet in San Antonio.

With my thanks for your letter, I am

Sincerely yours,



MM/abg

CC: Dr. Logan Wilson

Miss Betty Anna Thedford

Office Copy

May 29, 1959

Senator Henry B. Gonzalez
Senate Chamber
Capitol Station
Austin, Texas

Dear Senator Gonzalez:

Please allow me to say that I have today forwarded your letter of May 28, 1959, addressed to the Board of Regents of The University of Texas, to Chairman Merton M. Minter, M. D., for his attention. A copy of your communication is also being sent to President Logan Wilson.

Sincerely yours,

Betty Anne Thedford

T:js

cc: Doctor Merton M. Minter
President Logan Wilson

COPIES CHERRY LEXAR
301 UNIVERSITY AVENUE
THE UNIVERSITY OF TEXAS

copy

THE BOARD OF REGENTS
THE UNIVERSITY OF TEXAS



The Senate of
The State of Texas
Austin

HENRY B. GONZALEZ
DISTRICT NO. 26
BEXAR COUNTY

May 28, 1959

Board of Regents
University of Texas
Austin, Texas

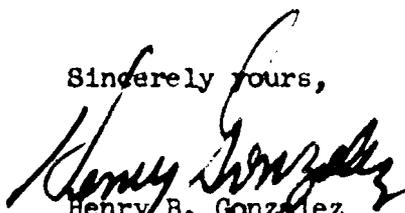
Gentlemen:

House Bill No. 9, which was signed by the Governor, provides for the establishment of a third branch of the medical school in San Antonio. Since I was the sponsor of the Senate version of this bill and handled the House Bill in the Senate, I am very much interested in what, if any, plans have been made to bring this school into realization.

Since the bill provides that the Board of Regents shall approve the plans for this medical school, I am extremely anxious to know if steps have been taken or plans formulated for this medical school. If nothing has been done to date, I should like to know how best to proceed at once on this project.

If I can be of any assistance in furthering the plans for this medical school in San Antonio, I shall be most happy to cooperate in any way that you feel I can be of service.

Sincerely yours,


Henry B. Gonzalez

HBG:mas

His helpful

THE UNIVERSITY OF TEXAS
OFFICE OF THE PRESIDENT
AUSTIN 12

April 24, 1959

Mr. W. W. Heath
Perry-Brooks Building
Austin, Texas

Dear Bill:

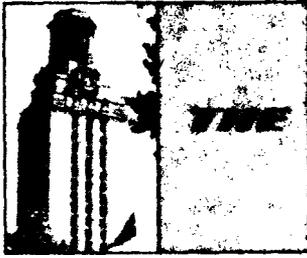
Attached is a copy of a memorandum Jack Maguire has prepared at my request, indicating how you may set up an account for the purposes you have in mind. Incidentally, you doubtless will wish to make some change in the specifications set forth in the third paragraph of Mr. Maguire's letter.

Again, let me express personal appreciation to you for your thoughtfulness and generosity in this regard. It will be most helpful to Lanier, Larry, and one or two others.

Sincerely yours,

Logan Wilson

LW k



THE EX-STUDENTS' ASSOCIATION

The University of Texas

P.O. Box 8013, University Station • Austin 12, Texas • Greenwood 6-6201

JACK R. MAGUIRE, Executive Director, B.J. '44

April 22, 1959

File No.: CP - 2

Dr. Logan Wilson, President
The University of Texas
Main Building 101

Dear Dr. Wilson:

The donor who wishes to make a restricted gift to The University through The Ex-Students' Association should make his check payable to The Association and transmit it directly to me with a letter reading something like this:

"Attached is my check in the amount of \$ _____ which is a gift to The Ex-Students' Association and which I desire to have used for the following purpose:

"To provide a special fund to supplement the travel and entertainment expense allowance of the President of The University of Texas, the Vice-Presidents of The University and any other person or persons representing the Central Administration of The University whom the President may designate. This gift is to cover such items of expense these officials would naturally incur in the conduct of their offices and which cannot be charged to the institution as an expense."

On receipt of this check, we then will transmit to the Chairman of the Board of Regents a check for a like amount drawn on The Ex-Students' Association with instructions that the Auditor is to make disbursements from this restricted fund "for the purposes stated above and as approved by the President of The University of Texas, and that payment should be made either upon the submission of bills from those furnishing services or supplies, or upon submission by the President, or his designated representative, of statements of expenses incurred by him or others representing the Central Administration, for the purposes stated."

Sincerely,

Jack R. Maguire
Executive Director

JRM/lmj

THE UNIVERSITY OF TEXAS
THE BOARD OF REGENTS

May 8, 1959

MERTON M. MINTER, M.D., CHAIRMAN
NIX PROFESSIONAL BUILDING
SAN ANTONIO 5, TEXAS

Mr. Jack R. Maguire
Ex-Students' Association
The University of Texas
P. O. Box 8013, University Station
Austin 12, Texas

Dear Jack:

Thank you for your letter regarding the gift of \$1,000 for restricted use by the University.

Subject to approval by the whole Board, we are happy to have this gift to be used to supplement travel and entertainment expense incurred by officials of the Central Administration in the conduct of their offices and which cannot be charged to the institution as expense, in the manner outlined in your letter.

This is a very generous gift and we are grateful for it.

With my kindest regards, I am

Sincerely yours



MMM:emc

CC: Betty Anne Thedford

Office Copy

May 6, 1959

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

Dear Doctor Minter:

I am enclosing a verifax copy of a letter from Mr. Jack Maguire, and by copy of this letter am transmitting the check for \$1,000 to President Wilson in order that it may be reported in the June Docket. The original of the letter has been retained in this office since the original documentation of all gifts is permanently filed with the Secretary of the Board.

If you acknowledge to Mr. Maguire this letter, than an official acceptance will not be required after the June meeting.

Sincerely yours,

Betty Anne Thedford

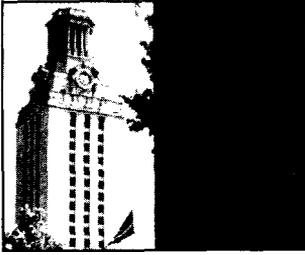
T:js

cc: President Logan Wilson
(check enclosed)

COBBLE CHURCH, TEXAS
BRISCOLL BUILDING
C. B. ROBERTS, CHAIRMAN

COBL

THE BOARD OF REGENTS
THE UNIVERSITY OF TEXAS



EX-STUDENTS' ASSOCIATION

The University of Texas

P.O. Box 8013, University Station • Austin 12, Texas • Greenwood 6-6201

JACK R. MAGUIRE, Executive Director, B.J. '44

May 4, 1959

File No.: CP-2

Dr. Merton M. Minter, Chairman
The Board of Regents
The University of Texas
Austin 12, Texas

Dear Dr. Minter:

Enclosed is a check issued by The Ex-Students' Association in the amount of \$1,000 and made out in favor of The University of Texas which represents a restricted gift from one of our interested, loyal Texas Exes.

This check, which I hope the Board will accept for The University, is for the following purpose:

To provide a special fund to supplement the travel and entertainment expense allowance of the President of The University of Texas, the Vice Presidents of The University and any other person or persons representing the Central Administration of The University whom the President may designate thereby covering such items of expense these officials would naturally incur in the conduct of their offices and which cannot be charged to the institution as an expense.

This sum should be deposited with The University Auditor with instructions that he is to make disbursements from this restricted fund for the purposes stated above and as approved by the President of The University of Texas, and that payment should be made either upon the submission of bills from those furnishing services or supplies, or upon submission by the President, or his designated representative, of statements of expenses incurred by him or others designated by him, for the purposes stated.

With kindest regards, I am

Cordially,
Jack R. Maguire
Jack R. Maguire
Executive Director

JRM/lmj
cc: Dr. Wilson
Mr. Heath

Page 2 of 2

THE UNIVERSITY OF TEXAS

SCHOOL OF LAW
AUSTIN 12

May 18, 1959

OFFICE OF THE DEAN

Memorandum to Dr. Logan Wilson

From Page Keaton

Subject: The Medico-Legal Operations of Dr. Hubert W. Smith

As you know, Dr. Smith is employed by us on a nine-months basis. Originally he was employed on a twelve-month basis. I came to the conclusion that this kind of employment basis was unsound, particularly in view of some of his operations in the summertime, and in the light of the difficulty of keeping our accounting practices in proper order. He was employed at the outset for two purposes--one to give Law students instruction in Legal Medicine, a course designed to give students a better understanding of the scientific materials connected with personal injury lawsuits, and of course, designed to give law students instruction in trial tactics. His employment was made for the purpose of helping us with our continuing legal education program, and with the intention that he should have at least one short course annually sponsored by the Law School in Medico-Legal matters. There were two primary objectives, therefore, in obtaining him at the time he was employed--to give Law students instruction and to give lawyers instruction. It is my understanding that we agreed when he was put on a nine-months basis that he would undertake no short courses which were not under the sponsorship of the Law School during the academic year.

His operations include not only his activities as a member of the Law Faculty and as Director of the Law-Science Institute, which is the Law School's organization, but includes membership in two other organizations which he was responsible for creating--namely the Law-Science Academy of America, and the Law-Science Foundation of America. I can say with conviction that I have argued continuously with him about the multiplicity of his organizations and operations and about my feeling that all of his activities ought to be directed through the Law School and the Law-Science Institute. All fees for the short courses that are operated through the Law-Science Institute go to the Law School Foundation, just as fees for all the Law School's other conferences go through the Law-School Foundation. Here they are subject to being known by me and audited. For this reason alone I would prefer that all such operations of Dr. Smith be handled on this basis. Yet I cannot very well take the position that he can do nothing except through the Law School. At least we have not done that with respect to other members of the faculty.

These two organizations are explained somewhat by Dr. Smith in the letter to you, but very simply they are designed to promote throughout the country continuing education work in the field of Medico-Legal

matters. It is his feeling that he could not get the kind of interest necessary unless it was an independent organization. There is no essential difference between the Law-Science Academy and the Law-Science Foundation except that the latter is designed to secure gifts from all sources for the purpose of promoting the work of the Law-Science Academy, which is composed of trial lawyers and doctors. Their operations have been concentrated primarily in the summertime, and this summer they are to have a two-day institute in San Francisco, and a two-day institute on the same subject in Detroit. This is in the nature of what I would call a travelling institute with the same program and the same instructors. He is also to have instruction in Crested Butte, Colorado, where the lawyers and doctors will go both for a vacation and for instruction.

Several criticisms have been levelled from time to time at the program, many of which I would not agree with; some of which I would. I am critical primarily of the multiplicity of his operations and organizations, and I would much prefer that he concentrate his efforts at the University of Texas, and under our supervision. I would also much prefer that he concentrate his energies during the summer on research rather than on a continuation of continuing education and instruction, but regardless of these criticisms which I have, I feel that the program at the Law School has been successful, and that instruction of this kind is highly desirable for lawyers who are or expect to engage in the personal injury practice.

The primary criticism comes from two groups. One is some lawyers who represent insurance companies and some doctors. This criticism springs from a feeling on the part of the critics that the program is fomenting litigation in that it promotes specious claims and malpractice suits. I have tried to watch this continuously as regards everything that is done under the sponsorship of the Law School, and I simply do not believe that the program can be justly criticised on these grounds. I have always insisted that every program sponsored by the Law School under the name of the Law-Science Institute should have on the program responsible, ethical lawyers representing both sides of the docket. As you know, there is probably more hostile feeling between lawyers in personal injury matters than in nearly any other area of the Law practice. I am familiar with this because I have been teaching in the field of Torts from the very beginning, and as I tell the students, an injured party needs capable, ethical representation, and while there has been a great deal of unethical practices promoted by a good many lawyers representing plaintiffs, no one could deny the fact that an injured party needs capable, informed representation. The purpose of our program is to give informed representation to both groups.

I have recently suggested to a friend of mine in Houston, who represents insurance companies, that we might form an advisory group of lawyers upon whom I could rely for advice and help in connection

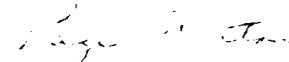
with this program. The advisory group would consist of lawyers from both sides of the docket exclusively from Texas, and lawyers for each side who were acceptable to the other side. I had in mind, for example, Fred Parks of Houston, for plaintiff, and who is a candidate for President of the State Bar of Texas, and Kraft Eidman of Fulbright, Crooker. In this way I think we could help to prevent anything from taking place on our program that might be considered one-sided and inflammatory. I feel that we should be willing to do everything possible to make our work as objective as possible, but that no one could reasonably argue that instruction designed to make our lawyers more informed and better equipped should not be given.

This idea which I have might be carried over to the doctors as well. We might have an advisory group of doctors. I might say that most of the doctors who have been on our programs have not been what I would call plaintiff's doctors or defendant's doctors, but have rather been medical educators. There is an excuse for a lawyer being an adversary. I do not see that there is such an excuse for a doctor. He ought to be objective in his testimony in a personal injury case. Yet there are many doctors who are known as defendant's doctors and many doctors who are known as plaintiff's doctors. I have some good doctor friends that I would call neither one. In the very nature of our system, lawyers must be adversaries, but the same is not true for doctors. If we have a committee of doctors, I would like to have a committee that is carefully screened for the purpose of having men on it who are not employed by insurance companies.

As I hope I have indicated, I recognize the existence of problems connected with the operations of our program, but I feel that much of the criticism is not just. In an effort, however, to avoid improper practices connected with the operations of the Law-Science Institute, I am willing and anxious to cooperate with reputable lawyers and doctors on our program. I stand ready to discuss our operations with any responsible group, and it may be that we ought to form one so that I could be better informed.

I am sending you herewith the letter of Dr. Smith which I asked him to write concerning the operations.

Yours truly,



Page Keeton
Dean

PK/ma

THE LAW-SCIENCE INSTITUTE
SPONSORED BY THE SCHOOLS OF LAW AND MEDICINE
THE UNIVERSITY OF TEXAS
AUSTIN 12

HUBERT WINSTON SMITH, LL. B., M. D., DIRECTOR
PROFESSOR OF LAW AND OF LEGAL MEDICINE

May 16, 1959

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

Dear Dr. Wilson:

The ideals and objectives of the Law-Science Institute, and of the Law-Science Academy, in developing the proofs of science and the science of proof, in aid of the administration of justice.

As you well know, the Law-Science Institute has been concerned with discovering and developing, the fruitful areas in which Law can be integrated with the physical, medical, psychological and social sciences. Among two important themes which have attracted our interest have been the science of proof, on the one hand, and the science of human behavior in relationship to Law. Because of a grossly inadequate approach made to these subjects in the handling of legal problems, any effort to bring about improvement, however, constructive it may be, is certain to meet with some criticism and resistance.

In the past, trial lawyers have had but scant knowledge of scientific methods and there has been a disposition, in some quarters, to use certain physicians who were well known to be either plaintiff, or defendant, in their sympathies and customary employment. The result has been prejudicial to justice, and has served to make the better physicians feel that legal processes involved a prostitution of medical science to the selfish ends of the contending parties. This ranging of the physicians against each other is probably an inescapable part of adversary trial, which relies upon full ventilation of the disputed facts, and the efficacy of direct and cross-examination, and the good sense of the jury, to see that the true facts are established and that justice will prevail.

Unfortunately, in times past trial lawyers have not been trained to appreciate and properly use scientific medical principles in their direct and cross-examinations. A general state of ignorance can lead to impositions, and mistakes, on both sides of the docket. It can also encourage superficial preparation by medical witnesses and impositions upon the credulity of court and jury. When we held our first Law-Science short course in New Orleans, in 1951, using top medical authorities from Tulane Faculty, all of us were surprised at having an attendance of 175 trial lawyers from 35 states of the Union. It became manifest that trial lawyers themselves were

THE LAW-SCIENCE INSTITUTE
SPONSORED BY THE SCHOOLS OF LAW AND MEDICINE
THE UNIVERSITY OF TEXAS
AUSTIN 12

HUBERT WINSTON SMITH, LL. B., M. D., DIRECTOR
PROFESSOR OF LAW AND OF LEGAL MEDICINE

Dr. Logan Wilson
May 16, 1959
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deeply conscious of their lack of essential training in the field of scientific evidence. As you know, we have had continuing support of these teaching efforts and, for some years more defense counsels have been attending than plaintiffs' lawyers. We estimate that some 3500 lawyers in all 48 states of the Union have now attended these Law-Science teaching efforts.

One ideal in conducting a short course is to bring together the most eminent medical specialists of the country, and recognized leaders of the two sides of the Bar, in order that an authoritative, non-partisan presentation may be made. Eighty Per Cent of the cases tried in the civil courts involve personal injuries, and we have naturally centered upon the problems which most frequently engage the attention of the trial lawyers. However, we have also incorporated sections on the science of Proof in criminal litigation, from time to time.

Approximately ninety six per cent of the distinguished medical men of this country who have been invited to lecture at the short courses, have gladly accepted, feeling that there is a real need for encouraging the development of scientific proof in the trial of cases. They are helping us to bring the standards of the research laboratories, and of the great hospitals into the courtroom.

The Law-Science Institute is non-partisan, and is not only trying to develop the science of Proof, but to encourage its utilization at the level of compromise negotiation and settlement. With the increase of authentic knowledge, the rate of compromise settlement has risen in the past few years from Fifty Per Cent to Ninety Per Cent of all litigated personal injury cases. One of the vexatious problems, in the personal injury field, has been the interminable delay in adjudication with consequent hardship on the parties and the development of chronic disabilities, physical and psychological, in persons who might have been rehabilitated.

Through the Law-Science Institute, I feel that we may progress to the time when larger personal injury cases will be subjected to "medico-legal audits" by consent of the parties, with outstanding specialists evaluating the facts and degree of injury and disability. Such a development would help to put an end to imposition, and to unmask cases based on fraud or mistake, and to deflate exaggerated claims. In brief, the introduction of the scientific method into trial of cases will prove immensely beneficial to the cause of justice, but it will also prove advantageous to conscientious trial lawyers on both sides of the Bar.

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We know that it has been contended by some that such teaching efforts tend to encourage malpractice litigation against physicians. We do not believe this is true. In the first place, malpractice litigation is not made a part of our short courses. We make a conscious effort to promote kindly feelings between the legal and medical professions, and to foster understanding and good will. That we are succeeding is shown by the fact that, in Texas, which was once one of the more active states from the standpoint of malpractice litigation, the incidence is so low that Texas now stands fourth from the bottom in the rate of malpractice claims filed. The Law-Science Institute has hopes that it can work constructively with the medical profession to find a better way of handling grievances against their practitioners- a way which may avoid the undesirable publicity incident to airing malpractice complaints in court.

The recognition of the quality of our work in these areas, is shown by the fact that leading trial lawyers, physicians, judges, and law school teachers throughout the country have joined the Law-Science Academy and Foundation, which are charitable, non-profit corporations, devoted to all types of activities calculated to catalyze the Law-Science movement in this country. Judge A.P. Murrah, Federal Circuit Judge for the 8th Circuit, who is a member of the Academy, and has been Chairman of the Federal Judiciary Educational Committee, and a leading proponent of pre-trial discovery, in the course of exhorting top defense lawyers from Oklahoma City to join the Academy, told them frankly that he felt that the Law-Science Institute, and the Law-Science Academy, held the only hopes for survival of trial practice. He said that trial practice must become scientific or perish.

The Law-Science Academy has made a number of grants in aid to the Law-Science Institute covering operating expenses and compensation for student assistants working in the Law-Science program. It has also set up various Law-Science awards and prizes. Thus, at our recent Law Day ceremonies, five Law-Science Honors Awards, with honorariums exceeding \$500.00 were bestowed upon students in recognition of their outstanding work.

The Law-Science Academy is undertaking a very modest teaching program in the summer months. It should be pointed out, however, that these are only two-day meetings, and not complicated sessions such as our mid-winter teaching effort. The Academy is also developing a retreat, at Crested Butte, Colorado, where some relaxed teaching may be had by trial lawyers, over a period of four weeks, with approximately four or five outstanding lecturers taking part each week. I am not teaching at the University during the summer months and am giving some help in these efforts while at the same time carrying on extensive research and writing activities.

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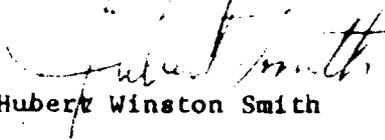
Dr. Logan Wilson
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There is undoubtedly a great need for high level scientific teaching in this area, and we feel that to be a more proper mission of the Law-Science Academy than for the Law-Science Institute. The Academy is offering full tuition scholarships for its teaching efforts to qualified students enrolled in every Law School in America.

We are endeavoring, increasingly, to save the energies of the Law-Science Institute for research and publication programs. We now have under way several monographs, and are laying the foundations for development of four books. These books will be in collaboration with eminent American medical authorities and will project, for the first time, criteria of proof for evaluating the medical merit of disputed issues in personal injury cases.

In brief, the Law-Science Institute has not felt that anyone has a vested interest in ignorance and that both sides of the trial Bar, and the insurance industry, must join hands in protecting scientific approaches to the trial of cases if we are to make the judicial process worthy of the respect and confidence of the populace at large.

Very sincerely yours,



Hubert Winston Smith

HWS/dq

MATERIAL SUPPORTING THE AGENDA

Volume VI

September 1958 - August 1959

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on September 19-20, October 24-25, and December 11-13, 1958, and March 13-14, April 16-18, June 12-13, July 9, and July 31-August 1, 1959.

The material is divided according to the Standing Committees and the meetings that were held and is submitted on three different colors, namely:

- (1) white paper - for the documentation of all items that were presented before the deadline date
- (2) blue paper - all items submitted to the Executive Session of the Committee of the Whole and distributed only to the Regents, Chancellor, and Chancellor Emeritus
- (3) yellow paper - emergency items distributed at the meeting

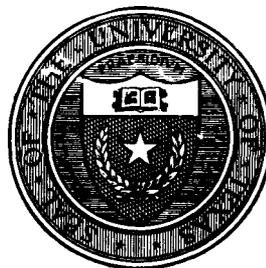
Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times maybe some people get copies and some do not get copies. If the Secretary were furnished a copy, then that material goes in the appropriate subject folder.

This volume contains the supporting material for the meetings of September, October, and December of 1958, and March, April, June, July, and August of 1959.

Material Supporting Agenda

June 12-13, 1959

THE BOARD OF REGENTS
of
THE UNIVERSITY OF TEXAS



Name: _____

Official Copy

LAND AND INVESTMENT COMMITTEE

Date: June 12, 1959

Time: 1:00 p.m.

Place: Main Building 205

Members: Mr. Johnson, Chairman
Mr. Bryan
Mr. McNeese
Mr. Thompson

Page No.

It is anticipated that hereafter this bound volume will contain both the Report of the Land and Investment Committee and the Docket. Both of these are prepared on legal size paper and can easily be transmitted at the same time.

LAND AND INVESTMENT COMMITTEE
June 12, 1959

I. PERMANENT UNIVERSITY FUND

A. INVESTMENT MATTERS:

1. Report of Purchases of Securities and Sales of Stock Rights and Fractional Shares.
2. Permanent University Fund Investment Program - Proposed Continuation of Investment Adviser Service of Lionel D. Edie & Company, Inc., for 1959-60 Fiscal Year.
3. Permanent University Fund Investment Program - Proposed Replacement for Member of Investment Advisory Committee Whose Term Expires on August 31, 1959.

B. PERMANENT UNIVERSITY FUND BOND MATTERS:

1. Authorization to Request Bids for \$4,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1959, and Related Matters.

C. LAND MATTERS:

1. Business Site Easement No. 1333, Alvin Hay, Trustee of the Rheinhardt Trust, Reagan County, Texas.
2. Power Line Easement No. 1334, Texas Electric Service Company, Andrews, Crane, Ector and Ward Counties, Texas.
3. Pipe Line Easement No. 1335, Continental Oil Company, Reagan County, Texas (Renewal of Easement No. 405).
4. Pipe Line Easement No. 1336, Gilcrease Oil Company, Crockett County, Texas (Renewal of Easement No. 410).
5. Pipe Line Easement No. 1337, Texas-New Mexico Pipe Line Company, Andrews County, Texas.
6. Pipe Line Easement No. 1338, Phillips Petroleum Company, Andrews County, Texas.
7. Pipe Line Easement No. 1339, Phillips Petroleum Company, Pecos County, Texas.
8. Pipe Line Easement No. 1340, El Paso Natural Gas Company, Andrews County, Texas (Renewal of Easement No. 424).
9. Dehydrator Site Easement No. 1341, El Paso Natural Gas Company, Ward County, Texas.
10. Tank Battery Site Easement No. 1342, El Paso Natural Gas Company, Ward County, Texas.
11. Cathodic Protection Unit Easement No. 1343, El Paso Natural Gas Company, Reagan and Irion Counties, Texas.
12. Cathodic Protection Unit Easement No. 1344, Phillips Petroleum Company, Andrews County, Texas.
13. Business Site Easement No. 1345, D. D. Poynor, Reagan County, Texas.
14. Pipe Line Easement No. 1346, Transwestern Pipeline Company, Ward, Winkler and Pecos Counties, Texas.
15. Pipe Line Easement No. 1347, El Paso Natural Gas Company, Andrews County, Texas (Approved by Board of Regents 4/16/59).
16. Pipe Line Easement No. 1348, Magnolia Pipe Line Company, Andrews County, Texas.
17. Pipe Line Easement No. 1349, El Paso Natural Gas Company, Andrews County, Texas.

C. LAND MATTERS (Continued):

18. Business Site Easement No. 1350, Gulf Interstate Company, Ward County, Texas.
19. Pipe Line Easement No. 1351, Atlantic Pipe Line Company, Ward County, Texas (Renewal of Easement No. 407).
20. Special Telephone Line Easement No. 1352, Atlantic Pipe Line Company, Upton, Reagan and Crockett Counties, Texas (Renewal of Easement No. 409).
21. Pipe Line Easement No. 1353, Shell Oil Company, Crockett County, Texas (Renewal of Easement No. 412).
22. Pipe Line Easement No. 1354, El Paso Natural Gas Company, Crane County, Texas (Renewal of Easement No. 427).
23. Pipe Line Easement No. 1355, Shell Oil Company, Andrews County, Texas.
24. Salt Water Disposal Site Easement No. 1356, Shell Oil Company, Andrews County, Texas.
25. Water Pipe Line Easement No. 1357, Crane County Water Control and Improvement District No. 1, Crane County, Texas.
26. Pipe Line Easement No. 1358, El Paso Natural Gas Company, Andrews County, Texas.
27. Pipe Line Easement No. 1359, Phillips Petroleum Company, Crane and Ector Counties, Texas.
28. Pipe Line Easement No. 1360, Phillips Petroleum Company, Andrews and Ector Counties, Texas.
29. Pipe Line Easement No. 1361, Phillips Petroleum Company, Crane and Ector Counties, Texas (Renewal of Easement No. 415).
30. Pipe Line Easement No. 1362, Phillips Petroleum Company, Andrews County, Texas.
31. Pipe Line Easement No. 1363, Phillips Petroleum Company, Andrews County, Texas.
32. Pipe Line Easement No. 1364, Humble Oil & Refining Company, Andrews County, Texas.
33. Pipe Line Easement No. 1365, El Paso Natural Gas Company, Andrews County, Texas.
34. Pipe Line Easement No. 1366, Shell Pipe Line Corporation, Andrews County, Texas.
35. Correction of Pipe Line Easement No. 1177, Approved 12/11/58, Humble Pipe Line Company, Upton and Reagan Counties, Texas.
36. Pipe Line Easement No. 1367, Humble Pipe Line Company, Crane County, Texas.
37. Pipe Line Easement No. 1368, Warren Petroleum Corporation, Crane County, Texas (Renewal of No. 421).
38. Pipe Line Easement No. 1369, Phillips Petroleum Company, Andrews County, Texas.
39. Pipe Line Easement No. 1370, Humble Pipe Line Company, Ector County, Texas.
40. Pipe Line Easement No. 1371, Humble Pipe Line Company, Crane County, Texas.
41. Pipe Line Easement No. 1372, Humble Pipe Line Company, Andrews County, Texas.
42. Pipe Line Easement No. 1373, Humble Pipe Line Company, Crockett County, Texas.
43. Pipe Line Easement No. 1374, Humble Pipe Line Company, Crockett County, Texas.
44. Pipe Line Easement No. 1375, Humble Pipe Line Company, Crockett County, Texas.
45. Pipe Line Easement No. 1376, Humble Pipe Line Company, Crockett County, Texas.
46. Pipe Line Easement No. 1377, Humble Pipe Line Company, Crockett County, Texas.
47. Pipe Line Easement No. 1378, Humble Pipe Line Company, Crockett County, Texas.

C. LAND MATTERS (Continued):

48. Pipe Line Easement No. 1379, Humble Pipe Line Company, Ector County, Texas.
49. Pipe Line Easement No. 1380, Humble Pipe Line Company, Reagan County, Texas.
50. Pipe Line Easement No. 1381, Seminole Transport Service, Andrews County, Texas.
51. Caliche Permit No. 138, D. S. & R. Construction Company, Crane County, Texas.
52. Caliche Permit No. 139, W. A. (Bill) Farmer Construction Company, Andrews County, Texas.
53. Caliche Permit No. 140, Parker & Parker, Inc., Andrews County, Texas.
54. Caliche Permit No. 141, H. F. Smoot Construction Company, Crane County, Texas.
55. Caliche Permit No. 142, Frank Montgomery, Andrews County, Texas.
56. Caliche Permit No. 143, New-Mex Construction Company, Andrews County, Texas.
57. Caliche Permit No. 144, Monterey Oil Company, Andrews County, Texas.
58. Caliche Permit No. 145, Frank Montgomery, Andrews County, Texas.
59. Caliche Permit No. 146, W. A. (Bill) Farmer, Andrews County, Texas.
60. Grazing Lease No. 767, Clifford G. VanCourt, Crockett and Irion Counties, Texas (Renewal of Grazing Lease No. 633).
61. Grazing Lease No. 768, Mack L. VanCourt, Crockett, Irion and Schleicher Counties, Texas (Renewal of Grazing Lease No. 634).
62. Grazing Lease No. 769, W. W. Adams, Crockett and Schleicher Counties, Texas (Renewal of Grazing Lease No. 635).
63. Grazing Lease No. 770, B. G. Owens, Crockett County, Texas (Renewal of Grazing Lease No. 636).
64. Grazing Lease No. 771, Bill Wyche, Andrews County, Texas (Renewal of Grazing Lease No. 637).
65. Grazing Lease No. 772, McElroy Ranch Company, Crane and Upton Counties, Texas (Renewal of Grazing Lease No. 632).
66. Grazing Lease No. 773, Portion of 50-League Tract - Lamar County, Texas.
67. Grazing Lease No. 774, Portion of 50-League Tract - Lamar County, Texas.
68. Cancellation of Authorization for Farming Lease No. 756 to Kermit Dyche, Pecos County, Texas.
69. Amendment to Grazing Lease No. 757 to David Ker, Ward County, Texas.
70. Salvage at Pyote Airfield - Easement No. 186, Ward County, Texas.
71. Salvage under Easement No. 352, O. M. Kirkeby, Reagan County, Texas.
72. Extension of Plant Site Easement No. 1153, to J. S. Patteson, Jr., Andrews County, Texas.
73. Cancellation of Authorization for Business Site Easement No. 1185 to Structure-Lite, Inc., Ward County, Texas.
74. Amendment to Business Site Easement No. 1186 to Three Kers Co., Ltd.
75. Borrow Pits and Material Source Easement No. 1382, Texas Highway Department, Reagan County, Texas.
76. Partial Release of Easement No. 549 by Commissioners' Court of Reagan County, Reagan County, Texas.
77. Business Site Easement No. 1383, Bert F. Deusing, Inc., Reagan County, Texas.
78. Power Line Easement No. 1384, Texas Electric Service Company, Andrews and Ector Counties, Texas.
79. Power Line Easement No. 1385, Pan American Petroleum Corporation, Andrews County, Texas.

C. LAND MATTERS (Continued)

80. Highway Right of Way Easement No. 1193, Texas Highway Department, El Paso County, Texas, and Proposed Highway Easement in Ward County, Texas.
81. Water Lease No. 70, City of Midland - Request for Approval of New Water Rates Affecting University's Royalty.
82. Request by Pan American Petroleum Corporation for Permission to Develop and Transport Water for Pilot Water Flood Project in Taylor Link Field, Pecos County, Texas.

D. DISCUSSION MATTERS:

1. Possible Revision of Easement Forms and Related Matters.

II. TRUST AND SPECIAL FUNDS

A. INVESTMENT MATTERS:

1. Report of Purchases, Sales and Exchange of Securities.
- *2. Funds Grouped for Investment - Review and Recommendation re Additions.
3. Review of Following Funds with Summary Recommendation re Sale of Selected Common Stocks:
 - a. Wilbur S. Davidson Educational Fund.
 - b. E. D. Farmer International Scholarship Fund.
 - c. Will C. Hogg Memorial Scholarship Fund.
 - d. Archer M. Huntington Museum Fund.
 - e. Littlefield Fund for Southern History - First Fund.
 - f. The W. J. McDonald Observatory Fund.
 - g. Rosalie B. Hite Endowment Fund for Cancer Research.
 - h. William Heuermann Fund for Cancer Research.
 - i. The William Orville Bullington Memorial Fund.
 - j. The James W. McLaughlin Fellowship Fund -
 - (1) Reserve for Depletion.
 - (2) Endowment Fund (From California Estate).
4. Lila Belle Etter Estate and Trust - Review of Present Status.
5. George Stuart Heyer Scholarship Fund and Geology Foundation: George Stuart Heyer Memorial Fund - Recommendation re Sale of General Crude Oil Company Capital Stock.
6. M. D. Anderson Hospital and Tumor Institute: The Robert and Esther Stadtler Lectures - Recommendation re Execution of Release and Investment of Bequest.
7. M. D. Anderson Hospital and Tumor Institute: University Cancer Foundation - Recommendation re Policies Governing Investment Program for Endowment Fund.
8. The Rosa and Henry Ziegler Hospital Fund - Report on Receipt of Shares of Weslaco Box & Supply Company Stock in Lieu of Reserve Interest in Texsun Supply Corporation and Recommendation re Sale.
9. Funds Grouped for Investment and Hogg Foundation: W. C. Hogg Estate Fund - Recommendation re Execution of Bond Consent to Modification of Indenture of Mortgage under Which Gulf States Utilities Company First Mortgage Bonds Have Been Issued.
10. M. D. Anderson Hospital and Tumor Institute - Report on Various Stocks Held and Recommendation re Sale of Those Held for Current Restricted Fund Accounts.

B. REAL ESTATE MATTERS:

1. Texas Western College - Cotton Estate: Cancellation of Contract for Purchase of Lot 20, Block 1, Coronado Country Club Estates, El Paso, Texas.
2. Archer M. Huntington Museum Fund (Huntington Lands) - Cancellation of Authority for Oil and Gas Shooting Option Agreement with Porter Investment Company, Inc.
3. Archer M. Huntington Museum Fund (Huntington Lands) - Proposal from Standard Oil Company of Texas for Oil and Gas Shooting Option on Entire Huntington Lands.
4. Archer M. Huntington Museum Fund (Huntington Lands) - Geophysical Exploration Permit to Pan American Petroleum Corporation.
5. Archer M. Huntington Museum Fund (Huntington Lands) - Recommendation re Grazing Lease with Joe M. and H. C. Robinson.
6. Archer M. Huntington Museum Fund (Huntington Lands) - Proposal for Purchase of Camp Site Area.

*To Land and Investment Committee only.

B. REAL ESTATE MATTERS (Continued):

7. Archer M. Huntington Museum Fund (Huntington Lands) - Various Campsite Leases.
8. Estate of Hamah Smith Callaway - Recommendation for Rental of Property at 1206 Guadalupe Street, Austin, Texas.
9. Hogg Foundation: W. C. Hogg Fund - Lease to Frank G. Cadena, Main and Clay Streets, Houston, Texas.
10. Brackenridge Tract - Tentative Proposal from Safeway Stores, Inc., for Long-Term Lease on Area at Exposition Boulevard and West Seventh Street.
11. Brackenridge Tract - Renewal of Boat Dock Lease with W. W. Bennett.
12. Hogg Foundation: Thos. E. Hogg Estate - Proposed Exchange of Mineral Interests with Mrs. Margaret Wells Hogg.
13. Edith Fly Hildebrand Estate - Sale of Land in Gonzales County, Texas, to Malcolm Gescheidle.

C. DISCUSSION MATTERS:

1. Gifts to the University with Income Reserved.

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS.--

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of securities have been made for the Permanent University Fund since the report of March 13, 1959. We ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

CORPORATE BONDS

Date of Purchase	Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost	Indicated Current Yield on Cost**
3/25/59	The Montana Power Co. 4-1/2% 1st Mtge. Bonds, due 4/1/89	\$ 250,000	101.155 Net	\$ 252,887.50	4.43%
3/26/59	Ohio Edison Co. 4-1/2% First Mtge. Bonds, due 4/1/89	250,000	101.155 Net	252,887.50	4.43
3/31/59	Ohio Power Co. 4-5/8% First Mtge. Bonds, due 4/1/89	250,000	102.547 Net	256,367.50	4.47
4/3/59	Monongahela Power Co. 4-3/4% 1st Mtge. Bonds, due 4/1/84	250,000	101.469 Net	253,672.50	4.65
4/14/59	Central Power & Light Co. 1st Mtge. Bonds, 4-3/4% Ser. I, due 4/1/89	250,000	102.427 Net	256,067.50	4.60
4/15/59	Wisconsin Power & Light Co. 1st. Mtge. Bonds, 4-5/8% Ser. J, due 3/1/89	250,000	100.567 Net	251,417.50	4.59
4/21/59	The Montana Power Co. 4-1/2% 1st Mtge. Bonds, due 4/1/89	100,000	98.25 Net	98,250.00	4.61
4/21/59	Ohio Edison Co. 4-1/2% First Mtge. Bonds, due 4/1/89	100,000	98.50 Net	98,500.00	4.60
4/21/59	Ohio Power Co. 4-5/8% First Mtge. Bonds, due 4/1/89	100,000	99.625 Net	99,625.00	4.65
4/29/59	Public Service Co. of Colorado 4-5/8% 1st Mtge. Bonds, due 5/1/89	250,000	101.22 Net	253,050.00	4.55
5/8/59	The Detroit Edison Co. 4-5/8% First Mtge. Bonds, due 6/1/89	500,000	98.01 Net	490,050.00	4.75
5/13/59	Southwestern Electric Power Co. 1st Mtge. Bonds, Ser. H 5-1/8%, due 5/1/89	<u>250,000</u>	101 Net	<u>252,500.00</u>	<u>5.06</u>
	Total Corporate Bonds Purchased	<u>2,800,000</u>		<u>2,815,275.00</u>	<u>4.61</u>

**Yield to maturity for bonds.

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
2/24/59	American Cyanamid Company Common Stock	1,000	49-7/8(200) 49-3/4(800)	\$ 50,213.92	3.19%
2/24/59	Marine Midland Corporation Common Stock	800	25	20,252.00	3.95
2/25/59	Caterpillar Tractor Company Common Stock	600	91-1/4(100) 91-1/8(100) 91 (300) 90-7/8(100)	54,913.63	3.28
2/25 & 26/59	Owens-Illinois Glass Company Common Stock	600	89-7/8(200) 89-3/4(200) 89-5/8(100) 89 (100)	54,075.30	2.77
2/25/59	J. C. Penney Co., Inc., Common Stock	400	112-1/2(200) 112-1/4(100) 112 (100)	45,125.93	3.77
2/26/59	General Motors Corporation Common Stock	1,000	47	47,425.00	4.22
2/26/59	Inland Steel Company Capital Stock	400	139-1/2(300) 139 (100)	55,961.75	3.43
2/26/59	International Business Machines Corporation Capital Stock	100	521	52,175.00	0.57
2/27/59	Central & South West Corpora- tion Common Stock	800	58-3/4(200) 58-1/2(600)	47,208.86	3.05
2/27 & 3/2/59	National Biscuit Company Common Stock	800	54-5/8(400) 54-3/8(200) 54-1/4(200)	43,930.58	4.01
3/2/59	American Electric Power Company Common Stock	900	49-5/8	45,056.79	3.36
3/2/59	Shell Oil Company Common Stock	600	81 (300) 80-3/4(100) 80-3/8(200)	48,732.46	2.46
3/3/59	Philadelphia Electric Company Common Stock	1,000	52-3/4(300) 52-1/2(200) 52-1/4(100) 52 (400)	52,792.37	4.24
3/3/59	R. J. Reynolds Tobacco Com- pany New Class B Common Stock	500	104	52,247.00	3.83
3/4 & 5/59	Crown Zellerbach Corporation Common Stock	900	56-1/4(300) 56 (300) 58 (300)	51,477.09	3.15
3/4/59	The Texas Company Capital Stock	600	80-3/4(200) 80-1/2(200) 80-1/4(200)	48,582.32	2.96

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/5/59	United States Gypsum Company Common Stock	500	108-5/8(300) 108 (200)	\$ 54,436.68	2.62%
3/5 & 6/59	Virginia Electric & Power Company Common Stock	1,300	39-5/8(1000) 39-1/2(200) 39-3/8(100)	51,966.79	2.75
3/6 & 9/59	Parke, Davis & Company Capital Stock	1,300	40-3/8(200) 40-1/4(500) 40-1/8(100) 40 (200) 39-5/8(300)	52,607.52 52,607.52	3.21
3/9/59	Minnesota Mining & Manufacturing Company Common Stock	400	133 (200) 132 (200)	53,209.00	1.05
3/9/59	Mellon National Bank & Trust Company Common Capital Stock	100	175 Net	17,500.00	2.29
3/9/59	The First National Bank of Boston Capital Stock	200	89-1/4 Net	17,850.00	3.70
3/11/59	American Telephone & Telegraph Company Capital Stock	200	240-3/4	48,276.16	4.10
3/11/59	C. I. T. Financial Corporation Common Stock	900	52-1/8(400) 51-3/4(300) 51-5/8(200)	47,097.70	4.97
3/11/59	National Lead Company Common Stock	400	114	45,801.60	2.84
3/12,13, & 17/59	Oklahoma Gas & Electric Company Common Stock	1,400	33-5/8(1200) 33-1/2(200)	47,551.22	2.94
3/12/59	Pittsburgh Plate Glass Company Capital Stock	600	89-7/8(300) 89-5/8(300)	54,137.85	2.44
3/13/59	The Atchison, Topeka & Santa Fe Railway Company Common Capital Stock	1,700	30	51,578.00	4.78
3/13/59	Gulf Oil Corporation Capital Stock	400	117-3/4	47,303.12	2.11
3/16/59	The Goodyear Tire & Rubber Company Common Stock	400	132 (200) 131-1/2(200)	52,908.70	1.81
3/16/59	United Gas Corporation Common Stock	1,300	42-1/2(200) 42-3/8(900) 42-1/4(200)	55,609.97	3.51
3/17/59	Smith Kline & Frence Laboratories, Inc., Common Stock	500	115-3/4(100) 115-5/8(100) 115-1/2(200) 115-1/4(100)	58,015.27	2.59
3/17/59	The Southern Company Common Stock	1,400	35-3/8	50,038.66	3.64

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
3/18/59	Consumers Power Company Common Stock	800	60 (100) 59-7/8(700)	\$ 48,272.43	3.98%
3/18/59	Westinghouse Electric Corpor- ation Common Stock	700	80	56,329.00	2.49
3/19/59	Corn Products Company Common Stock	900	55-3/4(200) 55-1/4(100) 55 (100) 54-3/4(100) 54-5/8(200) 54-1/2(200)	49,875.49	3.61
3/19 & 20/59	Texas Utilities Company Common Stock	700	67 (100) 66-3/4(300) 68 (200) 67-3/4(100)	47,420.12	2.60
3/20/59	Phelps Dodge Corporation Capital Stock	700	66-1/2(200) 66-1/4(500)	46,744.45	4.49
3/20/59	Republic Steel Corporation Common Stock	800	72 (500) 71-7/8(300)	57,932.07	4.14
3/23/59	The Dow Chemical Company Common Stock	600	86 (500) 85-3/4(100)	51,860.58	1.39
3/23/59	Southern California Edison Company Common Stock	900	62-3/4	56,882.52	4.11
3/24/59	The Chase Manhattan Bank Capital Stock	300	60-3/4 Net	18,225.00	3.95
3/24/59	National Bank of Detroit Common Capital Stock	300	62 Net	18,600.00	3.23
3/25/59	Federal Insurance Company Common Capital Stock	300	61-3/4 Net	18,525.00	1.62
3/25/59	The Lincoln National Life Insurance Company Capital Stock	100	213 Net	21,300.00	0.94
4/6, 7, & 8/59	The Kroger Co. Common Stock	1,600	31 (400) 30-7/8(200) 30-3/4(500) 30-5/8(300) 30-1/2(200)	49,787.71	2.89
4/6/59	Union Carbide Corporation Capital Stock	400	132	53,008.80	2.72
4/8/59	Scott Paper Company Common Stock	600	81 (500) 80-7/8(100)	48,870.09	2.46
4/8/59	Standard Oil Company (New Jersey) Capital Stock	1,000	51-7/8	52,316.90	4.30
4/10/59	Caterpillar Tractor Company Common Stock	500	90-3/4(300) 90-1/4(200)	45,515.30	3.30

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
4/10 & 13/59	The Southern Company Common Stock	1,300	37-7/8(600) 37-3/4(600) 37 (100)	\$ 49,667.92	3.40%
4/13/59	Continental Can Company, Inc., Common Stock	1,000	47 (700) 46-3/4(200) 46-1/2(100)	47,324.51	3.80
4/13 & 14/59	General Foods Corporation Common Stock	600	78-3/8(200) 78-1/8(100) 79 (100) 78-3/4(200)	47,418.65	3.29
4/15/59	Continental Oil Company Capital Stock	800	63	50,762.40	2.52
4/15/59	General Electric Company Common Stock	600	81-3/4	49,333.08	2.43
4/17 & 20/59	Aluminum Company of America Common Stock	600	88-1/2(100) 88 (300) 88-3/4(200)	53,287.01	1.35
4/17 & 20/59	Baltimore Gas & Electric Company Common Stock	1,000	46-3/4(700) 46-7/8(300)	47,211.48	3.81
4/20/59	Johns-Manville Corporation Common Stock	1,000	59 (700) 58-7/8(300)	59,411.47	3.37
4/20/59	Libbey-Owens-Ford Glass Company Common Stock	500	109-1/2(400) 108 (100)	54,849.60	3.65
4/22/59	Commonwealth Edison Company Common Stock	800	62-1/4	50,161.84	3.19
4/22/59	United States Steel Corporation Common Capital Stock	600	92-7/8(200) 92-3/4(100) 92-1/2(100) 92-3/8(200)	55,864.59	3.22
4/24/59	The National Cash Register Company Common Stock	700	74-1/4(100) 74-1/8(100) 74 (200) 73-3/4(100) 73-1/2(100) 73-1/4(100)	52,012.20	1.62
4/28/59	Bankers Trust Company Capital Stock	300	80-5/8 Net	24,187.50	3.72
4/28/59	The First National City Bank of New York Capital Stock	300	78-3/8 Net	23,512.50	3.83
4/28/59	Bank of America National Trust & Savings Association Common Capital Stock	500	46-5/8 Net	23,312.50	3.86
4/29/59	Aetna Life Insurance Company Capital Stock	100	249 Net	24,900.00	1.37

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
4/29/59	St. Paul Fire & Marine Insurance Company Capital Stock	300	59-3/4 Net	\$ 17,925.00	2.18%
5/1/59	Houston Lighting & Power Company Common Stock	700	72-1/2	51,073.75	2.19
5/12/59	International Paper Company Common Stock	500	116-1/2	58,503.25	2.56
5/13/59	Consolidated Natural Gas Company Capital Stock	1,000	53 (300) 52-3/4(300) 52-1/2(400)	53,167.74	3.95
5/15/59	Bethlehem Steel Corporation Common Stock	1,000	52-7/8(300) 52-3/4(200) 52-5/8(300) 52-1/2(100) 52-3/8(100)	53,130.20	4.52
5/15/59	Sinclair Oil Corporation Common Stock	800	62-1/4(400) 62-1/8(200) 62 (200)	50,086.74	4.79
5/15/59	Potomac Electric Power Company Common Stock	2,160	25 plus 5 rights	54,000.00	4.80
5/18/59	Marine Midland Corporation Common Stock	180	22 plus 20 rights	3,960.00	4.55
5/19/59	Union Pacific Railroad Company Common Capital Stock	1,400	35 (300) 34-3/4(400) 34-5/8(700)	49,146.69	4.56
5/19 & 20/59	The American Tobacco Company Common Stock	500	97-1/2(200) 98 (300)	49,143.90	5.09
5/21/59	McGraw-Edison Company Common Stock	1,000	44 (600) 43-3/4(400)	44,309.52	3.16
5/21/59	Shell Oil Company Common Stock	600	89	53,687.40	2.24
	Total Common Stock Purchased	<u>56,040</u>		<u>3,568,875.14</u>	<u>3.19</u>
	Total Corporate Securities Purchased			<u>\$6,384,150.14</u>	<u>3.82%</u>

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

SALE OF SECURITIES

Date Sold	Security Sold	Net Proceeds
3/4/59	32400/100,000ths of fractional share of National Bank of Detroit Common Capital Stock received in 10.444% stock dividend	\$ 19.72
4/13/59	16/100ths of a fractional share of Mellon National Bank and Trust Company Common Capital Stock received in 2% stock dividend	27.33
5/12 & 14/59	7600 rights to subscribe for Baltimore Gas and Electric Company 4-1/4% Convertible Debentures, due July 1, 1974, sold 1000 at 13/64ths (0.20313) 6600 at 16/64ths (0.25) (Based on holding of Baltimore Gas and Electric Company Common Stock)	1,711.04

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED CONTINUATION OF INVESTMENT ADVISER SERVICE OF LIONEL D. EDIE & COMPANY, INC., FOR 1959-60 FISCAL YEAR.--After further investigation of the services afforded by other advisory firms, the Staff Investment Committee is of the opinion that continuation of the services for the 1959-60 fiscal year is advisable. Accordingly, it is recommended that the Endowment Officer be authorized to execute a renewal contract with the Edie firm for a period from September 1, 1959, through August 31, 1960, at the same annual rate of \$7,500.00, payable quarterly at the end of each quarter after performance of the work called for under the contract as required by the State Comptroller.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED REPLACEMENT FOR MEMBER OF INVESTMENT ADVISORY COMMITTEE WHOSE TERM EXPIRES ON AUGUST 31, 1959.--Pursuant to action of the Board of Regents in September, 1958, the four members of the Investment Advisory Committee for the Permanent University Fund Investment Program were placed on a rotation system with the term of one member expiring on August 31, 1959. To take the place of Mr. DeWitt Ray whose term expires at the end of this fiscal year, it is recommended by the Staff Investment Committee and concurred in by the Land and Investment Committee that Mr. L. Smiley White, Vice President of the Frost National Bank, San Antonio, Texas, be appointed to the advisory committee for a four-year term beginning September 1, 1959.

Add clause + sentence -

Add 7a + 7b.

(Mr. White has accepted the appointment.)

PERMANENT UNIVERSITY FUND--BOND MATTERS.--

AUTHORIZATION TO REQUEST BIDS FOR \$4,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1959, AND RELATED MATTERS.--The Board of Regents at its April 16-18, 1959 meeting authorized its Executive Committee to determine the size of the Permanent University Fund bond issue to be dated July 1, 1959, with a minimum of \$4,000,000 and a maximum of \$15,000,000, and to determine the date on which the bids for the bond issue will be opened. Vice-President Dolley polled the Executive Committee on May 21-22, and the Committee set \$4,000,000 as the amount of the issue and July 8 at 10 a.m. as the date for opening bids on the issue. Bids to the Board of Directors of A. & M. College on its issue of Permanent University Fund Bonds in the amount of \$6,000,000 will be opened at the same time, and the respective Boards will consider the bids at a joint meeting on July 9. As further authorized at the April meeting of the Board, bids are being requested for printing the bonds and for paying agency services, and these bids will be considered by the Board of Regents at the same time as the bids on the bonds.

It is recommended that the Board of Regents approve and ratify the action of the Executive Committee in setting the amount of the Bond issue at \$4,000,000.

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:

BUSINESS SITE EASEMENT NO. 1333, ALVIN HAY, TRUSTEE OF THE RHEINHARDT TRUST, REAGAN COUNTY, TEXAS.--This application for a business site easement to Alvin Hay, Trustee of the Rheinhardt Trust, covers a tract 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for a period of one year beginning February 1, 1959, and ending January 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from February 1, 1959, upon payment in advance of annual rental of \$200.00. The site covered by this easement was formerly under Church Easement No. 383 to the Brownwood Presbytery. Consideration of \$200.00 for the first year's rental has been received.

POWER LINE EASEMENT NO. 1334, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS, CRANE, ECTOR AND WARD COUNTIES, TEXAS.--This application for a power line easement to Texas Electric Service Company covers 1,596.30 rods of power line at \$0.50 per rod for the 10-year period beginning March 1, 1959 and ending February 28, 1969, located in the following University Lands: Sections 17, 18, 19, Block 5, Sections 39 and 46, Block 9, and Sections 21 and 28, Block 11, Andrews County; Section 11, Block 35, Crane and Ector Counties; Sections 2 and 3, Block 35, Ector County; and Section 21, Block 17, Ward County. Consideration of \$798.15 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1335, CONTINENTAL OIL COMPANY, REAGAN COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 405).--This application for a pipe line easement to Continental Oil Company covers 210 rods of 4-inch line for each of two pipe lines, or a total of 420 rods, at \$0.25 per rod for the 10-year period beginning May 1, 1959, and ending April 30, 1969. These lines are located in Sections 7 and 18, Block 11, University Lands, Reagan County. Consideration of \$105.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1336, GILCREASE OIL COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 410).--This application for a pipe line easement to Gilcrease Oil Company covers 938 rods of 3-inch line at \$0.25 per rod for the 10-year period beginning July 1, 1959, and ending June 30, 1969, located in Sections 12, 13, 17 and 18, Block 14, University Lands, Crockett County. Consideration of \$234.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1337, TEXAS-NEW MEXICO PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 943.38 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 1, 2, 12 and 13, Block 13, University Lands, Andrews County. Consideration of \$471.69 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1338, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 1,676.2 rods of 2-3/8 - inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 30, 31 and 42, Block 5, and Sections 6, 7 and 18, Block 8, University Lands, Andrews County. Consideration of \$419.05 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1339, PHILLIPS PETROLEUM COMPANY, PECOS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 3,370.1 rods of 3-inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959, and ending March 31, 1969, located in Sections 1, 2, 7, 8, 9, 14, 15 and 16, Block 19, and Sections 1, 6, 7 and 12, Block 20, University Lands, Pecos County. Consideration of \$842.53 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1340, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 424).--This application for a pipe line easement to El Paso Natural Gas Company covers 797.44 rods of 8-5/8 - inch line at \$1.00 per rod for the 10-year period beginning September 1, 1959, and ending August 31, 1969, located in Sections 6, 7 and 18, Block 13, University Lands, Andrews County. Consideration of \$797.44 for the 10-year period has been received.

DEHYDRATOR SITE EASEMENT NO. 1341, EL PASO NATURAL GAS COMPANY, WARD COUNTY, TEXAS.--This application covers a site 100 feet by 100 feet in the SE/4 of NE/4, Section 34, Block 17, University Lands, Ward County, for a dehydrator plant to be used in the operation of the lessee's gas pipe lines. This easement is for a 10-year period beginning March 1, 1959, and ending February 28, 1969, at a total consideration of \$100.00. Consideration of \$100.00 for the 10-year period has been received.

TANK BATTERY SITE EASEMENT NO. 1342, EL PASO NATURAL GAS COMPANY, WARD COUNTY, TEXAS.--This application covers a site 200 feet by 200 feet in the E/2 of Section 34, Block 17, University Lands, Ward County, for a tank battery to be used in the operation of the lessee's pipe lines. This easement is for a period of one year beginning March 1, 1959, and ending February 29, 1960, with an option to extend and renew from year to year but not to exceed ten years from March 1, 1959, upon payment in advance of annual rental of \$50.00. Consideration of \$50.00 for the first year's rental has been received.

CATHODIC PROTECTION UNIT EASEMENT NO. 1343, EL PASO NATURAL GAS COMPANY, REAGAN AND IRION COUNTIES, TEXAS.--This application covers installation and operation of a cathodic protection unit and necessary equipment in the SW/4 of Section 17, Block 43, University Lands, Reagan and Irion Counties, for the period beginning March 1, 1959, and ending May 31, 1967. The expiration date of this easement is the same as that for Pipe Line Easement No. 958 inasmuch as the unit will service pipe lines under Easement No. 958. Consideration of \$50.00 for the entire period of the easement has been received.

CATHODIC PROTECTION UNIT EASEMENT NO. 1344, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application covers installation and operation of a cathodic protection unit and necessary equipment in the SW/4 of Section 1, Block 13, University Lands, Andrews County, for a period of 10 years beginning April 1, 1959, and ending March 31, 1969. Consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1345, D. D. POYNOR, REAGAN COUNTY, TEXAS.--This application for a business site easement to D. D. Poynor covers a site 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for a period of one year beginning April 1, 1959, and ending March 31, 1960, with option to extend and renew from year to year, but not to exceed a period of ten years from April 1, 1959, upon payment in advance of annual rental of \$150.00. This site, to be used for a construction shop, has been under Easement No. 776 to John R. Sumrall. Consideration of \$150.00 for the first year's rental has been received.

PIPE LINE EASEMENT NO. 1346, TRANSWESTERN PIPELINE COMPANY, WARD, WINKLER AND PECOS COUNTIES, TEXAS.--This application for a pipe line easement to Transwestern Pipeline Company covers 4,766.7 rods of 24-inch line and 4,541.0 rods of 20-inch line at \$1.50 per rod in the following University lands: Sections 23, 24, 27, 28 and 29, Block 16, Ward County; Sections 7, 8, 9 and 10, Block 17, Ward and Winkler Counties; Sections 5, 8, 9, 16, 21, 28, 33, 39, 40 and 46, Block 21, Winkler County; Sections 18 and 19, Block 21, Sections 3, 4, 10, 11, 14, 23, 24 and 25, Block 23, Sections 4, 8, 9, 17, 20, 29, 30 and 31, Block 24, and Section 8, Block 26, Pecos County. This easement is for a 10-year period beginning June 1, 1959 and ending May 31, 1969. Consideration of \$13,961.55 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1347, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS (APPROVED BY BOARD OF REGENTS 4/16/59).--At the request of El Paso Natural Gas Company this easement was submitted for approval of the Board of Regents April 16, 1959 in order to expedite the work to be performed under the easement in relation to the effective date of a gas purchase contract under which the line is to be built. It was approved by the Board of Regents on that date and is reported herein for information only. This easement covers 3,716.049 rods of 8-5/8 - inch line at \$1.00 per rod in Sections 20, 21, 22, 23, 24, 29 and 30, Block 9, and Sections 25, 26, 27, 31, 32, 33 and 34, Block 10, University Lands, Andrews County, for a period of 10 years beginning April 1, 1959, and ending March 31, 1969. Consideration of \$3,716.05 for the 10-year period was received.

PIPE LINE EASEMENT NO. 1348, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Magnolia Pipe Line Company covers 2,279.15 rods of 4½-inch line and 315.88 rods of 5½-inch line at \$0.50 per rod, and 113.45 rods of 6-5/8 - inch line at \$0.75 per rod for a 10-year period beginning March 1, 1959, and ending February 28, 1969. These lines are to be located in Section 13, Block 1, Section 9, Block 2, Sections 11, 13, 14 and 24, Block 4, Sections 5, 6, 8, 17, 18 and 19, Block 5, and Section 4, Block 11, University Lands, Andrews County. Consideration of \$1,382.60 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1349, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 32.546 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Sections 31 and 36, Block 9, and Section 21, Block 1, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

BUSINESS SITE EASEMENT NO. 1350, GULF INTERSTATE COMPANY, WARD COUNTY, TEXAS.--This application for a business site easement to Gulf Interstate Company covers a tract of 4.8 acres in Section 35, Block 16, University Lands, Ward County, for a period of one year beginning April 1, 1959, and ending March 31, 1960, with option to renew from year to year for a period of five years from April 1, 1959, upon payment in advance of annual rental of \$100.00. This site is to be used as a storage lot for pipe and related materials. Consideration of \$100.00 for the first year's rental has been received.

PIPE LINE EASEMENT NO. 1351, ATLANTIC PIPE LINE COMPANY, WARD COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 407).--This application for a pipe line easement to Atlantic Pipe Line Company covers 2,282.73 rods of 6-5/8 - inch line at \$0.75 per rod and 115.15 rods of 4½-inch line at \$0.50 per rod for the 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 5, 6, 7, 8, 9, 13, 14, 18 and 19, Block 16, University Lands, Ward County. The number of rods and size of lines covered by this easement differ from those covered by Easement No. 407, of which it is a renewal, due to construction of Interstate Highway No. 20 through Ward County. Consideration of \$1,769.63 for the 10-year period has been received.

SPECIAL TELEPHONE LINE EASEMENT NO. 1352, ATLANTIC PIPE LINE COMPANY, UPTON, REAGAN AND CROCKETT COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 409).--This application for a special telephone line easement authorizes Atlantic Pipe Line Company to install and operate telephone lines on poles erected and maintained by Humble Pipe Line Company on the right of way and under provisions of Pipe Line Easements No. 1139 through No. 1148 to Humble in the following University blocks: Blocks 4 and 15, Upton County; Blocks 1, 4, 8, 11, 48 and 49, Reagan County; and Blocks 41, 42, 44, 45, 47 and 48, Crockett County. The Atlantic telephone lines on Humble property are continuations of telephone lines erected by Atlantic under rights granted it under Easement No. 1278, and are installed and maintained for the purpose of economy and with the necessary permission from Humble. No consideration is involved in this easement.

PIPE LINE EASEMENT NO. 1353, SHELL OIL COMPANY, CROCKETT COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 412).--This application for a pipe line easement to Shell Oil Company covers one 6-inch line 273 rods in length, and two 4-inch lines each 273 rods in length, in Section 30, Block 46, University Lands, Crockett County. This easement is for a period of one year only, beginning June 1, 1959 and ending May 31, 1960, inasmuch as the gasoline plant which these lines have serviced is to be removed in the near future. A fourth line covered under Easement No. 412, of which this is a renewal, has already been removed and is therefore not covered by the renewal. The minimum consideration of \$50.00 for the 1-year period, based upon a rate of \$0.50 per rod per 10-year period for the 6-inch line and \$0.25 per rod per 10-year period for the 4-inch lines, has been received.

PIPE LINE EASEMENT NO. 1354, EL PASO NATURAL GAS COMPANY, CRANE COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 427).--This application for a pipe line easement to El Paso Natural Gas Company covers 1,991.03 rods of 10-3/4 - inch line at \$1.00 per rod for the 10-year period beginning September 20, 1959, and ending September 19, 1969, located in Sections 8, 17, 20, 29, 32, 41, 44 and 45, Block 30, University Lands, Crane County, Texas. Consideration of \$1,991.03 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1355, SHELL OIL COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Shell Oil Company, for use in connection with a salt water disposal site under Easement No. 1356, covers 217.94 rods of 6-5/8 - inch line at \$0.75 per rod in the S/2 of Section 20, Block 1, University Lands, Andrews County. The 217.94 rods of line are a portion of a pipe line in Sections 15, 16, 21 and 22, Block 1, University Lands, Andrews County, and are the only part of the line that is not on Shell Oil Company oil leases and therefore the only part of the line for which an easement is needed. This easement is for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. Consideration of \$163.46 for the 10-year period has been received.

SALT WATER DISPOSAL SITE EASEMENT NO. 1356, SHELL OIL COMPANY, ANDREWS COUNTY, TEXAS.--This application covers a 5-acre tract in Section 20, Block 1, University Lands, Andrews County, to be used in connection with a salt water disposal system whereby the lessee will have the right to inject into Well No. 1, Humble-University "O" Lease, and into other disposal wells the lessee may elect to drill upon the 5-acre tract, salt water produced by lessee and other operators in connection with oil and gas production in the Midland Farms NE (Ellenburger) Field, Andrews County. This easement is for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. Consideration of \$500.00 for the 10-year period has been received.

WATER PIPE LINE EASEMENT NO. 1357, CRANE COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, CRANE COUNTY, TEXAS.--This application for a pipe line easement to the Crane County Water Control and Improvement District No. 1 covers water lines located in Sections 29, 30, 32, 33, 34 and 35, Block 31, University Lands, Crane County, for a period of 10 years beginning April 1, 1959 and ending March 31, 1969. The University has been informed that the Crane County Water Control and Improvement District No. 1 contemplates assigning this easement to the City of Crane, lessee under Water Contract No. 55, when all indebtedness has been paid. No consideration is involved.

PIPE LINE EASEMENT NO. 1358, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 10.436 rods of 4 1/2-inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Section 43, Block 9, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1359, PHILLIPS PETROLEUM COMPANY, CRANE AND ECTOR COUNTIES, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 882.0 rods of 12-3/4 - inch line at \$1.50 per rod and 11.4 rods of 4 1/2-inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 6, 7, 9, 10, and 12, Block 35, University Lands, Ector and Crane Counties, and Section 11, Block 35, University Lands, Crane County. Consideration of \$1,328.70 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1360, PHILLIPS PETROLEUM COMPANY, ANDREWS AND ECTOR COUNTIES, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 90.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 87.2 rods of 2-3/8 - inch line at \$0.25 per rod for the 10-year period beginning April 1, 1959 and ending March 31, 1969, located in Section 1, Block 11, University Lands, Andrews County, and Section 11, Block 35, University Lands, Ector County. Consideration of \$66.95 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1361, PHILLIPS PETROLEUM COMPANY, CRANE AND ECTOR COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 415).--This application for a pipe line easement to Phillips Petroleum Company covers 122.2 rods of 16-inch line at \$1.50 per rod, 264.6 rods of 6-5/8 - inch line at \$0.75 per rod, and 445.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 5, 6, 7, 8 and 14, Block 35, University Lands, Crane and Ector Counties. Consideration of \$604.40 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1362, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 346.4 rods of 6-5/8 - inch line at \$0.75 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 2 and 3, Block 9, University Lands, Andrews County. Consideration of \$259.80 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1363, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 429.8 rods of 10-3/4 - inch line and 433.8 rods of 8-5/8 - inch line at \$1.00 per rod, 422.7 rods of 6-5/8 - inch line at \$0.75 per rod and 631.7 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 36, Block 4 and Sections 17, 18, 19, 20, 30 and 31, Block 5, University Lands, Andrews County. Consideration of \$1,496.48 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1364, HUMBLE OIL & REFINING COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Oil & Refining Company covers 298 rods of 2-inch line at \$0.25 per rod and 298 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 4, Block 11, University Lands, Andrews County. Consideration of \$223.50 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1365, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to El Paso Natural Gas Company covers 5,685 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 31, Block 9, University Lands, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1366, SHELL PIPE LINE CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Shell Pipe Line Corporation covers 382 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning May 1, 1959 through April 30, 1969, located in Sections 3 and 10, Block 9, University Lands, Andrews County. Consideration of \$191.00 for the 10-year period has been received.

CORRECTION OF PIPE LINE EASEMENT NO. 1177, APPROVED 12/11/58, HUMBLE PIPE LINE COMPANY, UPTON AND REAGAN COUNTIES, TEXAS.--This easement is to be corrected at the request of Humble Pipe Line Company so that the 7,033.46 rods of 18-inch line at \$1.50 per rod covered by this easement shall be shown to be located only in Upton and Reagan Counties, instead of Upton, Reagan and Crane Counties. Therefore, the following shall hereafter be the location covered by Pipe Line Easement No. 1177, which was granted for the 10-year period beginning December 1, 1956 and ending November 30, 1966: Sections 13, 20, 21, 22, 23, 24, 29 and 30, Block 2; Sections 1, 2, 3, 4, 5, 7 and 8, Block 9; Sections 5 and 6, Block 8; Sections 23, 24, 26, 27, 28, 32 and 33, Block 9; Sections 1, 11 and 12, Block 11; and Sections 7 and 8, Block 58, University Lands, Upton and Reagan Counties. The location in Crane County, previously included under Pipe Line Easement No. 1177, is the location of line under Pipe Line Easement No. 1367 to be granted to Humble Pipe Line Company below. Consideration of \$10,550.19 covering the 7,033.46 rods of line under Pipe Line Easement No. 1177 was received at the time that easement was approved.

PIPE LINE EASEMENT NO. 1367, HUMBLE PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 2,575.69 rods of 18-inch line at \$1.50 per rod for the 10-year period beginning December 1, 1956 and ending November 30, 1966, located in Sections 4, 9, 16, 21, 28, 33, 40 and 45, Block 30, University Lands, Crane County. This location was inadvertently included by Humble in its description of the location of pipe lines under Pipe Line Easement No. 1177, which is being corrected. Consideration of \$3,863.54 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1368, WARREN PETROLEUM CORPORATION, CRANE COUNTY, TEXAS (RENEWAL OF NO. 421).--This application for a pipe line easement to Warren Petroleum Corporation covers 187.87 rods of 3-inch line at \$0.25 per rod and 166.66 rods of 6-inch line at \$0.50 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Section 3, Block 31, University Lands, Crane County. Consideration of \$130.30 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1369, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Phillips Petroleum Company covers 820.3 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 373.5 rods of 6- $\frac{5}{8}$ - inch line at \$0.75 per rod for the 10-year period beginning June 1, 1959 and ending May 31, 1969, located in Sections 41, 42, 43 and 44, Block 9, University Lands, Andrews County. Consideration of \$690.28 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1370, HUMBLE PIPE LINE COMPANY, ECTOR COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 108 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Section 2, Block 35, University Lands, Ector County. Consideration of \$54 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1371, HUMBLE PIPE LINE COMPANY, CRANE COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 317.82 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod and 278.79 rods of 6- $\frac{5}{8}$ - inch line at \$0.75 per rod for the 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Sections 38, 46 and 47, Block 30, University Lands, Crane County. Consideration of \$368.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1372, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 371.27 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning November 1, 1958 and ending October 31, 1968, located in Sections 22 and 23, Block 10, University Lands, Andrews County. Consideration of \$185.64 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1373, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 202.35 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 9, 12 and 13, Block 47, University Lands, Crockett County. Consideration of \$101.18 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1374, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 345.57 rods of 2- $\frac{3}{8}$ - inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 13 and 14, Block 47, University Lands, Crockett County. Consideration of \$86.39 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1375, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 366.92 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 8 and 9, Block 47, University Lands, Crockett County. Consideration of \$183.46 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1376, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 161.06 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Section 9, Block 47, University Lands, Crockett County. Consideration of \$80.53 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1377, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 53.36 rods of $3\frac{1}{2}$ -inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Section 8, Block 47, University Lands, Crockett County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1378, HUMBLE PIPE LINE COMPANY, CROCKETT COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 27.31 rods of $3\frac{1}{2}$ -inch line at \$0.25 per rod for the 10-year period beginning October 1, 1958 and ending September 30, 1968, located in Sections 8 and 9, Block 47, University Lands, Crockett County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1379, HUMBLE PIPE LINE COMPANY, ECTOR COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 63.45 rods of $4\frac{1}{2}$ -inch line at \$0.50 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Section 2, Block 35, University Lands, Ector County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1380, HUMBLE PIPE LINE COMPANY, REAGAN COUNTY, TEXAS.--This application for a pipe line easement to Humble Pipe Line Company covers 260.37 rods of $6\frac{5}{8}$ - inch line at \$0.75 per rod for the 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Sections 2 and 3, Block 48, University Lands, Reagan County. Consideration of \$195.28 for the 10-year period has been received.

Business site
~~PIPE LINE EASEMENT~~ NO. 1381, SEMINOLE TRANSPORT SERVICE, ANDREWS COUNTY, TEXAS.--This application for a business site easement to Seminole Transport Service covers a tract 400 feet by 400 feet in Section 16, Block 13, University Lands, Andrews County, for use as a truck lot for a period of one year beginning June 1, 1959 and ending May 31, 1960, with the option to extend and renew from year to year but not to exceed a total period of 10 years from June 1, 1959, upon payment in advance of the annual rental of \$100.00. Consideration of \$100.00 for the first year's rental has been received.

CALICHE PERMIT NO. 138, D. S. & R. CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS.--This application for accaliche permit to D. S. & R. Construction Company provides for the removal of 1,972 cubic yards of caliche from Block 30, University Lands, Crane County, at the rate of \$0.25 per cubic yard. The full consideration of \$493.00 has been received.

CALICHE PERMIT NO. 139, W. A. (BILL) FARMER CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to W. A. (Bill) Farmer Construction Company provides for the removal of 437 cubic yards of caliche from Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$109.25 has been received.

CALICHE PERMIT NO. 140, PARKER & PARKER, INC., ANDREWS COUNTY, TEXAS.--This application for a caliche permit to Parker & Parker, Inc., provides for the removal of 312 cubic yards of caliche from Section 46, Block 9, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$78.00 has been received.

CALICHE PERMIT NO. 141, H. F. SMOOT CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS.--This application for a caliche permit to H. F. Smoot Construction Company provides for the removal of 774 cubic yards of caliche from Block 30, University Lands, Crane County, at the rate of \$0.25 per cubic yard. The full consideration of \$193.50 has been received.

CALICHE PERMIT NO. 142, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Frank Montgomery provides for the removal of 908 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$227.00 has been received.

CALICHE PERMIT NO. 143, NEW-MEX CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS.--This application for a caliche permit to New-Mex Construction Company provides for the removal of 612 cubic yards of caliche from Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$153.00 has been received.

CALICHE PERMIT NO. 144, MONTEREY OIL COMPANY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Monterey Oil Company provides for the removal of 3,241 cubic yards of caliche from Section 3, Block 13, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$810.25 has been received.

CALICHE PERMIT NO. 145, FRANK MONTGOMERY, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to Frank Montgomery provides for the removal of 938 cubic yards of caliche from Block 11, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$234.50 has been received.

CALICHE PERMIT NO. 146, W. A. (BILL) FARMER, ANDREWS COUNTY, TEXAS.-- This application for a caliche permit to W. A. (Bill) Farmer provides for the removal of 352 cubic yards of caliche from Block 14, University Lands, Andrews County, at the rate of \$0.25 per cubic yard. The full consideration of \$88.00 has been received.

GRAZING LEASE NO. 767, CLIFFORD G. VanCOURT, CROCKETT AND IRION COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 633).--This application for renewal of a grazing lease to Clifford G. VanCourt covers 5,777.5 acres in Blocks 38 and 52, University Lands, Crockett and Irion Counties, for a period of five years beginning July 1, 1959, and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$12,132.80, to be paid in semi-annual installments of \$1,213.38 on the first day of January and July during the term of the lease. Grazing Lease No. 633, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 768, MACK L. VanCOURT, CROCKETT, IRION AND SCHLEICHER COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 634).--This application for renewal of a grazing lease to Mack L. VanCourt covers 5,777.6 acres in Block 52, University Lands, Crockett, Irion and Schleicher Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$12,133.00, to be paid in semi-annual installments of \$1,213.30 on the first day of January and July during the term of the lease. Grazing Lease No. 634, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 769, W. W. ADAMS, CROCKETT AND SCHLEICHER COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 635).--This application for renewal of a grazing lease to W. W. Adams covers 7,288.5 acres in Blocks 52, 54 and 55, University Lands, Crockett and Schleicher Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$15,305.90, to be paid in semi-annual installments of \$1,530.59 on the first day of January and July during the term of the lease. Grazing Lease No. 635, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 770, B. G. OWENS, CROCKETT COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 636).--This application for renewal of a grazing lease to B. G. Owens covers 18,596.6 acres in Blocks 40, 41, 44, 45 and 47, University Lands, Crockett County, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.42 per acre per year, the aggregate sum of which is \$39,052.90, to be paid in semi-annual installments of \$3,905.29 on the first day of January and July during the term of the lease. Grazing Lease No. 636, of which this is a renewal, carried a rental of \$0.35 per acre per year.

GRAZING LEASE NO. 771, BILL WYCHE, ANDREWS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 637).--This application for renewal of a grazing lease to Bill Wyche covers 26,631.46 acres in Blocks 10 and 11, University Lands, Andrews County, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.20 per acre per year, the aggregate sum of which is \$26,631.50, payable in semi-annual installments of \$2,663.15. However, since 19,690.6 acres covered by this lease are under oil production, the rental on that acreage is reduced 25% per year, in accordance with the University's policy, with the understanding that the lessee shall not collect damages from oil operators. Consequently, the semi-annual rental payments, due on the first day of January and July during the term of the lease, will be \$2,170.88. Grazing Lease No. 637, of which this is a renewal, carried a rental of \$0.10 per acre per year.

GRAZING LEASE NO. 772, McELROY RANCH COMPANY, CRANE AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 632).--This application for renewal of a grazing lease to McElroy Ranch Company covers 60,959.6 acres in Blocks 30 and 31, University Lands, Crane and Upton Counties, for a period of five years beginning July 1, 1959 and ending June 30, 1964, with the right to renew the lease for another period of five years at renegotiated terms. Rental is at the rate of \$0.20 per acre per year, the aggregate sum of which is \$60,959.80, to be paid in annual payments of \$12,191.96, due on the first day of July during the term of the lease. Grazing Lease No. 632, of which this is a renewal, carried a rental of \$0.13 per acre per year, and covered a total of 61,117.66 acres. The difference in acreage in the renewal is due to expansion in the acreage occupied by a tank farm and a gas plant on the premises, which are under easement to Atlantic Refining Company, and additional highway right of way through this grazing lease.

GRAZING LEASE NO. 773, PORTION OF 50-LEAGUE TRACT - LAMAR COUNTY, TEXAS.--At the March, 1959 meeting of the Board of Regents, lease was approved to Blake Bonham for 433.6 acres in Lamar County for a five-year period beginning January 1, 1959, which has been given No. 773. Mr. Bonham had for many years had 80 acres of this land (tract (b) as listed in the March docket) under lease which lease expired December 31, 1957, but he continued to use the land through 1958. He has tendered rental of \$40 for the year 1958 for such use and its acceptance is recommended.

GRAZING LEASE NO. 774, PORTION OF 50-LEAGUE TRACT - LAMAR COUNTY, TEXAS.--The lease approved at the March, 1959 meeting to Doyle Wheeler for 80 acres in Lamar County has been assigned No. 774.

CANCELLATION OF AUTHORIZATION FOR FARMING LEASE NO. 756 TO KERMIT DYCHE, PECOS COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, a farming lease was granted to Mr. Kermit Dyche of Fort Stockton, Texas, for a period of five years on Sections 9 and 16, Block 28, University Lands, Pecos County, comprising a total of 781.53 acres at a rental of \$5.00 per acre. The instrument was prepared by the University Land and Trust Attorney but after many delays and inquiries, it has now been ascertained by the University Land Agent that Mr. Dyche will not go through with the proposal as approved. It is, therefore, recommended that the authorization for the lease to Mr. Dyche be cancelled.

AMENIMENT TO GRAZING LEASE NO. 757 TO DAVID KER, WARD COUNTY, TEXAS.--

At the October, 1958 meeting of the Board of Regents, approval was given for a grazing lease on the remainder of the Pyote Airfield Area in Block 16, University Lands, Ward County, except the portion for warehouse purposes and that retained by the Government, to David Ker. At that time it was stated the exact area would be determined after other leases were settled. The area has now been designated as 2,248.23 acres, with rental at \$0.25 per year for a period of five years, January 1, 1959 through December 31, 1963. Aggregate rental will be \$2,810.30 payable annually in advance in installments of \$562.06.

To make this lease consistent with Business Site Easement No. 1186, Mr. Ker has requested it be issued in the name of Three Kers Co., Ltd., with right to sublet to Texas Interior Warehouses, Inc., and such amendment is so recommended, with the grazing lease 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.

SALVAGE AT PYOTE AIRFIELD - EASEMENT NO. 186, WARD COUNTY, TEXAS.--

At the October, 1958 meeting of the Land and Investment Committee, the proposed procedure for salvage of material at the Pyote Airfield being released by the Federal Government was reviewed. The University Land Agent was then authorized to proceed with the salvage of pipe, lumber, plumbing fixtures, etc., in and around the buildings that had been so relinquished and which had been determined unnecessary for the University or its lessees. Mr. Compton, University Land Agent, has been very diligent and most successful in proceeding with this project and thus far has realized the sum of \$7,334.39. The major portion of the material was sold on sealed bids. This has been credited to the Available Fund not divisible with A. & M. College. Additional sales are yet to be made, principally of power lines, underground pipe, and the railroad spur, After final needs of the University and the Lessee are determined. Approval of the Board of Regents is recommended, with additional sales to be reported later.

SALVAGE UNDER EASEMENT NO. 352, O. M. KIRKEBY, REAGAN COUNTY, TEXAS.--

At the March, 1958 meeting of the Board of Regents, the business site easement to O. M. Kirkeby for a drive-in theatre was cancelled for non-payment of rent of \$300 annually effective September 1, 1957. The University Land Agent was authorized to dispose of such improvements as remained on the property with demand to be made of Mrs. Kirkeby, widow of O. M. Kirkeby, for the balance due and owing after salvage. Mr. Compton, University Land Agent, has been successful in disposing of the materials on the site and has forwarded \$355 for the sale, which amount has been deposited with the University Auditor to cover the rental due and interest thereon at 10%. There will, therefore, be no necessity of requesting additional payment from Mrs. Kirkeby.

EXTENSION OF PLANT SITE EASEMENT NO. 1153, TO J. S. PATTESON, JR.,

ANDREWS COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, Plant Site Easement No. 1153 (an extension of terminated Plant Site Easement No. 480) was granted to Mr. J. S. Patteson, Jr., of Duncan, Oklahoma covering a tract of five acres in Section 8, Block 14, University Lands, Andrews County, Texas, for the period July 1 through December 31, 1958 for a total rental of \$250. The easement was granted for that period to allow time for removal of buildings from the site of Easement No. 480. The removal was not accomplished within the time specified and an extension of Easement No. 1153 for the period January 1 through June 30, 1959 is recommended. The total consideration of \$500 for the additional period has been received.

CANCELLATION OF AUTHORIZATION FOR BUSINESS SITE EASEMENT NO. 1185

TO STRUCTURE-LITE, INC., WARD COUNTY, TEXAS.--At the September, 1958 meeting of the Board of Regents, approval was given to lease to Structure-Lite, Inc., a portion of former Pyote Airfield Site in Block 16, University Lands, Ward County, Texas. At the March, 1959 meeting of the Board the proposal was amended at the request of Structure-Lite for less area and at less rental. The hangars on the property were to be used for the storage of gypsum and gypsum products. Draft of the lease agreement, as amended, was forwarded to the attorneys for the company but has been returned to us with information that the Company has decided not to enter into the lease agreement. As indicated at the March, 1959 meeting, the company has undergone several re-organizations since the lease negotiations were begun. It is recommended that the Regents' authorization for the lease be cancelled. (See recommendation below for lease of same premises to Three Kers Co., Ltd.)

AMENDMENT TO BUSINESS SITE EASEMENT NO. 1186 TO THREE KERS CO., LTD.--

At the September, 1958 meeting of the Board of Regents approval was given to a lease to David Ker for a portion of former Pyote Airfield, Ward County, Texas which lease was assigned, as approved at the December, 1958 meeting of the Board, to Three Kers Co., Ltd., a limited partnership. At the March, 1959 meeting of the Board, this lease was amended to include a portion of the area originally to have been leased to Structure Lite, Inc.

Since the authorization of lease to Structure-Lite, Inc., Easement No. 1185, is now being cancelled as reported above, we have received application from Mr. Ker, on behalf of Three Kers Co., Ltd. for the lease of that area which covers approximately fifteen acres and on which buildings numbered 286, 292, and 296 are situated. Mr. Ker proposes rental of \$1,500 annually for the fifteen acres and buildings numbered 286 and 296. Due to the condition of building No. 292, it is proposed that it shall be salvaged by the University. The period of this second amendment to the lease to Three Kers Co., Ltd. would be June 15, 1959 through October 19, 1968, the expiration date of the term of the original lease, with rental prorated to October 20, 1959 payable in advance. This will make the total annual rental of Three Kers Co., Ltd. \$4,200. It is recommended that such an amendment be approved and the signature of the Chairman be authorized when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

BORROW PITS AND MATERIAL SOURCE EASEMENT NO. 1382, TEXAS HIGHWAY DEPARTMENT, REAGAN COUNTY, TEXAS.--This application for a borrow pits and material source easement to the Texas Highway Department covers six borrow pits and one material source, aggregating a total of 36.463 acres in Section 31, Block 58, and Sections 5, 8, 17, 19, 20, 30 and 31, Block 10, University Lands, Reagan County, to be used for a construction project on R. M. Road No. 33 from R. M. Road No. 1800 south to Big Lake, Texas. No consideration is involved in this easement.

PARTIAL RELEASE OF EASEMENT NO. 549 BY COMMISSIONERS' COURT OF REAGAN COUNTY, REAGAN COUNTY, TEXAS.--The Commissioners' Court of Reagan County has released to the University a tract 140 feet by 200 feet out of 197.2 acres in Section 7, Block 11, University Lands, Reagan County, under Easement No. 549, which was granted for use of an airport and playground for a period of 20 years beginning December 1, 1952. The site released is to be placed under Business Site Easement No. 1383, below, to Bert F. Deusing, Inc., which holds an adjoining tract under Business Site Easement No. 1076.

BUSINESS SITE EASEMENT NO. 1383, BERT F. DEUSING, INC., REAGAN COUNTY, TEXAS.--This application for a business site easement covers a tract 140 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, for use as a storage lot for a period of one year beginning June 1, 1959 and ending May 31, 1960, with the option to extend and renew the lease from year to year, but not to exceed a total period of 10 years from June 1, 1959, upon payment in advance of annual rental of \$100.00. This site has been a part of the acreage covered under Easement No. 549 to Commissioners' Court of Reagan County, but it is being released so that it can be used for storage purposes in connection with an adjoining site under Easement No. 1076 to Bert F. Deusing, Inc. Rental of \$100.00 for the first year has been received.

POWER LINE EASEMENT NO. 1384, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS AND ECTOR COUNTIES, TEXAS.--This application for a power line easement to Texas Electric Service Company covers 2,140.12 rods of line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969 to be located in Section 6, Block 3; Sections 24 and 42, Block 4; Sections 7, 18, 19, 30 and 37, Block 5; Section 49, Block 6; Section 7, Block 7; Section 2, Block 10; Sections 2 and 21, Block 13 and Section 26, Block 14, University Lands, Andrews County; and Sections 4 and 7, Block 35, University Lands, Ector County; consideration of \$1,070.06 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1385, PAN AMERICAN PETROLEUM CORPORATION, ANDREWS COUNTY, TEXAS.--This application for a power line easement to Pan American Petroleum Corporation covers 112.4 rods of line at \$0.50 per rod for the 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Section 6, Block 5, University Lands, Andrews County. The location of this easement is along the North line of Block 5 that is in question as to boundary. Consideration of \$56.20 for the 10-year period has been received.

HIGHWAY RIGHT OF WAY EASEMENT NO. 1193, TEXAS HIGHWAY DEPARTMENT, EL PASO COUNTY, TEXAS, AND PROPOSED HIGHWAY EASEMENT IN WARD COUNTY, TEXAS.-- On December 12, 1958, the Board of Regents authorized a right of way easement containing 341.67 acres in Block L, University Lands, El Paso County, for construction of Interstate Highway No. 10 for which the University would receive \$5,566.00. Later the Texas Highway Department has asked for right of way containing 374.38 acres through Block 16, Ward County, for construction of Interstate Highway No. 20, offering to pay the University \$19,527.00 for fee simple title, all minerals to be reserved by the University. Representatives of the Highway Department state that the Department must have fee simple title, rather than an easement as has been the policy of the Board of Regents, to both right of way tracts. Therefore, the instrument covering the El Paso County right of way has not been signed and delivered, and the staff is not ready to submit the proposal on the Ward County right of way for final action by the Board of Regents. Letting of a contract for the El Paso County construction is set for June 16, and it is possible that the Highway Department will want to let a contract on the Ward County construction prior to the next regular business meeting of the Board of Regents. ~~Therefore, it is recommended that the Board of Regents grant the Highway Department right of entry as to the El Paso County and the Ward County rights of way, which is satisfactory with the Highway Department, with final disposition of both matters to be recommended to the Board of Regents at a later meeting. It is recommended that the Chairman of the Board of Regents be authorized to execute such instruments as may be required by the Highway Department to evidence the rights of entry, when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.~~

Substitute

WATER LEASE NO. 70, CITY OF MIDLAND - REQUEST FOR APPROVAL OF NEW WATER RATES AFFECTING UNIVERSITY'S ROYALTY.--The University's water lease with the City of Midland effective August 1, 1958, and covering 27,513.41 acres of University Lands in Andrews and Martin Counties provides for royalty to the University at 3-1/8¢ per 1,000 gallons, or 12 1/2% of the rate charged by Midland to commercial users per 1,000 gallons, whichever is greater; and the lease further provides that if the City increases its residential consumer rate during the life of the lease, the commercial consumer rate will be increased "by the same amount". The lease provides for minimum annual royalty of \$40,000 and further provides for a scale of rental payments, based on range of annual royalty, on acreage held under the lease except when annual royalty amounts to \$160,000 or above. Royalty received so far by the University since the effective date of the lease, covering water produced during the months of August, 1958 to April, 1959, inclusive, amounts to \$28,850.13.

Midland proposes to increase its water rates and wishes the Board of Regents to agree that the proposed increase of the commercial rate to 35¢ per 1,000 gallons from the present 25¢ is in keeping with the royalty provisions of the lease. Effective at the same time as the increase in the commercial rate, there will be the following increases in the residential consumer rates:

	Present	Proposed
First 2,000 gallons (minimum)	\$1.50	\$1.75
Next 8M gallons	.40 per M	.50 per M
Next 40M gallons	.30 per M	.45 per M
All over 50M gallons	.25 per M	
50M to 100M gallons		.40 per M
All over 100M		.35 per M

The increase of 10¢ per 1,000 gallons in the commercial rate will raise the University's royalty from the present 3-1/8¢ per thousand gallons to 4-3/8¢ per thousand gallons, and it is recommended that the Board of Regents agree with the City of Midland that the proposed increases, both residential and commercial, are in keeping with the terms of the lease, and that appropriate evidence of the consent and agreement by the Board of Regents be furnished to the City.]

REQUEST BY PAN AMERICAN PETROLEUM CORPORATION FOR PERMISSION TO DEVELOP AND TRANSPORT WATER FOR PILOT WATER FLOOD PROJECT IN TAYLOR LINK FIELD, PECOS COUNTY, TEXAS.--Pan American Petroleum Corporation requests the University's permission to drill a water well on the SE/4 of Section 12, Block 18, Pecos County, from which water will be produced for the operation of a pilot water flood project covering a small area in the Taylor Link Field, all of which area is on University Lands. They have oral approval of the pilot project from the operators involved, and it is recommended that the University furnish Pan American appropriate evidence of the consent of the Board of Regents to the drilling of the well and the use of the water, with no charge to be made for the water.

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS.--

REPORT OF PURCHASES, REDEMPTION, EXCHANGES AND SALES OF SECURITIES.--The following purchases, redemption, exchanges and sales of securities have been made for the Trust and Special Funds since the report of March 13, 1959. We ask that the Board ratify and approve these transactions:

PURCHASES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
3/25/59	\$25,000 maturity value U. S. 91-Day Treasury Bill, due May 21, 1959, purchased at 99.608 to yield 2.52% to maturity (Albert Sidney Burleson Scholarship Fund of the John Charles Townes Foundation)	\$ 24,902.00
	\$11,000 par value U. S. 2-1/2% Treasury Bonds, due November 15, 1961, purchased at 99.50 Net to yield 3.90% to maturity (Murray Case Sells Foundation Student Loan Fund)	10,615.00
	\$40,000 par value The Montana Power Company First Mortgage Bonds, 4-1/2% Series due 1989, due April 1, 1989, purchased at 101.155 Net to yield 4.43% to maturity	40,462.00
3/26/59	\$40,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 101.155 Net to yield 4.43% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	40,462.00
4/3/59	\$250,000 maturity value U. S. Treasury Bills, dated 1/2/59 due July 2, 1959, purchased at 99.331111 to yield 2.80% to maturity (M. D. Anderson Hospital & Tumor Institute - University Cancer Foundation)	248,327.80
4/21/59	\$30,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.60% to maturity	29,550.00
	\$30,000 par value Ohio Power Company First Mortgage Bonds, 4-5/8% Series due 1989, due April 1, 1989, purchased at 99-5/8 Net to yield 4.65% to maturity (Funds Grouped for Investment)	29,887.50
5/1/59	\$10,000 par value U. S. 4% Treasury Bonds due October 1, 1969, purchased at 98.875 Net to yield 4.14% to maturity (Littlefield Fund for Southern History - First Fund)	9,887.50
	\$95,000 par value U. S. 2-1/4% Treasury Bonds due June 15, 1959-62, purchased at 94.75 Net to yield 4.06% to maturity (The W. J. McDonald Observatory Fund)	90,012.50
	\$10,000 par value Central Power and Light Company First Mortgage Bonds, Series I, 4-3/4%, due April 1, 1989, purchased at 100-3/4 Net to yield 4.71% to maturity (Wilbur S. Davidson Educational Fund)	10,075.00
	\$10,000 par value Ditto (Will C. Hogg Memorial Scholarships Fund)	10,075.00
	\$10,000 par value The Montana Power Company First Mortgage Bonds, 4-1/2% Series due 1989, due April 1, 1989, purchased at 97-7/8 Net to yield 4.63% to maturity	9,787.50
	\$10,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.59% to maturity (Wilbur S. Davidson Educational Fund)	9,850.00

PURCHASES (Continued)

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
5/1/59	\$10,000 par value Ohio Edison Company First Mortgage Bonds, 4-1/2% Series of 1959 due 1989, due April 1, 1989, purchased at 98-1/2 Net to yield 4.59% to maturity (Will C. Hogg Memorial Scholarships Fund)	\$ 9,850.00
	\$10,000 par value Ohio Power Company First Mortgage Bonds, 4-5/8% Series due 1989, due April 1, 1989, purchased at 99-7/8 Net to yield 4.62% to maturity (Wilbur S. Davidson Educational Fund)	9,987.50
	\$10,000 par value Ditto (E. D. Farmer International Scholarship Fund)	9,987.50
	\$10,000 par value Ditto (Will C. Hogg Memorial Scholarships Fund)	9,987.50
	100 Shares Baltimore Gas & Electric Company Common Stock, purchased at 45-3/4 (Will C. Hogg Memorial Scholarships Fund)	4,616.88
	100 Shares Ditto 40 Shares Bethlehem Steel Corporation Common Stock, purchased at 51-1/4 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	4,616.88 2,075.50
5/4/59	100 Shares Central & South West Corporation Common Stock, purchased at 58-3/4 (Will C. Hogg Memorial Scholarships Fund)	5,919.88
5/8/59	100 Shares Southern California Edison Company Common Stock, purchased at 61 (William Heuermann Fund for Cancer Research)	6,145.10
5/13/59	\$6,000 par value Commercial Bank 3% Certificate of Deposit, dated May 15, 1959, due August 15, 1960 (Toreador Trust Fund for Salary Supplementation of the School of Law - Temporary Investment)	6,000.00

REDEMPTION

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
4/9/59	\$15,000 par value Northern States Power Company (a Minnesota Corporation) First Mortgage 5% Bonds, due August 1, 1989, called for payment at 104.83 plus accrued interest (Profit on Call - \$434.31) (Hogg Foundation: Varner Properties)	\$15,724.50

EXCHANGES

<u>Date</u>	<u>Security</u>	<u>Exchange Cost after Discount</u>
5/12/59	\$321,000 par value U. S. 1-1/4% Certificates of Indebtedness of Series B-1959, due May 15, 1959, for U. S. 4% Certificates of Indebtedness of Series B-1960, due May 15, 1960, exchanged at 99.95 (50¢ discount per \$1,000) (Archer M. Huntington Museum Fund)	\$320,839.50
	\$40,000 par value Ditto (Ford Foundation Grant for School of Law)	39,980.00
	\$20,000 par value Ditto (Estate of Lila Belle Etter)	19,990.00

SALES

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
4/1/59	104 Shares Irving Trust Company Capital Stock, sold at 38 Net	\$ 3,950.40
	50 Shares Liggett & Myers Tobacco Company Common Stock, sold at 87-1/4	4,319.84
	200 Shares Montgomery Ward & Co., Inc., Common Stock, sold at 44-1/8	8,731.18
4/2/59	200 Shares The Timken Roller Bearing Company Capital Stock, sold at 49	9,700.88
4/3/59	100 Shares The Home Insurance Company Capital Stock, sold at 51-3/8 Net	5,135.46
	200 Shares F. W. Woolworth Company Capital Stock, sold at 55	10,898.38
4/13/59	100 Shares Philip Morris, Inc., Common Stock, sold at 62	6,148.19
4/16/59	4/100ths of a fractional share of Irving Trust Company Capital Stock received in 2% stock dividend (Funds Grouped for Investment)	1.54
4/29/59	5,000 Shares Petty Geophysical Engineering Company Capital Stock, sold at \$1.25 (Geology Foundation: Hal P. Bybee Memorial Fund)	6,250.00
5/14/59	200 rights to subscribe for Baltimore Gas and Electric Company 4-1/4% Convertible Debentures, due July 1, 1974, sold at 16/64ths (0.25) (Funds Grouped for Investment)	46.00
	300 rights Ditto (Hogg Foundation: Varner Properties)	68.99
	200 rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	46.00
	100 rights Ditto (The James W. McLaughlin Fellowship Fund)	23.00
	100 rights Ditto (Will C. Hogg Memorial Scholarships Fund)	23.00

Relo- this page

REVIEW OF FOLLOWING FUNDS WITH SUMMARY RECOMMENDATION RE SALE OF SELECTED COMMON STOCKS.--The following trust and special endowment funds have been reviewed as of March 31, 1959, (copies of such reviews being attached as separate documents:)

not made a part of the minutes

1. Wilbur S. Davidson Educational Fund
2. E. D. Farmer International Scholarship Fund
3. Will C. Hogg Memorial Scholarships Fund
4. Archer M. Huntington Museum Fund
5. Littlefield Fund for Southern History - First Fund
6. The W. J. McDonald Observatory Fund
7. Rosalie B. Hite Endowment Fund for Cancer Research
8. William Heuermann Fund for Cancer Research
9. The William Orville Bullington Memorial Fund
10. The James W. McLaughlin Fellowship Funds -
 - a. Reserve for Depletion (from oil royalties in Colorado estate)
 - b. Endowment Fund (from residuary California estate)

It is recommended that the Endowment Officer be authorized to effect the sale of the following selected common stocks from the above funds as shown below; the timing of such sales to be subject to the approval of the Staff Investment Committee:

Common Stock Held Fund in Which Held	No. Shares Held	Book Value 5/26/59	Market Value 5/26/59*	Indicated Annual Income (1)	Current Yield	
					On Book	On Market
Chrysler Corporation#						
W. S. Davidson Fund	36	\$2,313.06	\$2,475.00	\$ 36.00	1.56%	1.45%
W. O. Bullington Fund	30	2,404.23	2,062.50	30.00	1.25	1.45
International Harvester						
E. D. Farmer Fund	100	3,733.50	4,587.50	200.00	5.36	4.36
F. W. Woolworth						
Wm. Heuermann Fund	100	4,462.13	5,537.50	250.00	5.60	4.51
Texas Gulf Sulphur#						
W. O. Bullington Fund	75	2,396.08	1,715.63	75.00	3.13	4.37
Timken Roller Bearing						
J. W. McLaughlin - Reserve for Depl.	100	4,545.52	5,325.00	200.00	4.40	3.76

*Based on market close 5/26/59, The Wall Street Journal.
#Reaffirmation of sale authorization approved 5/30/58.

It is further recommended that the Endowment Officer be authorized to sell any of the above-listed common stocks that are held in other trust and special endowment funds, the timing of each sale to be subject to the approval of the Staff Investment Committee.

Should any of this page be in minutes??

LILA BELLE ETTER ESTATE AND TRUST - REVIEW OF PRESENT STATUS.--For information, the provisions of Mrs. Etter's Will relating to the University are as follows:

" . . . After the death of my husband, all property belonging to said trust estate then remaining in the hands of the trustee shall be continued to be held by the said trustee for the benefit of the University of Texas upon the following conditions: All income from said trust shall be paid to the University of Texas in quarterly installments, said income to be used by the Board of Regents of the University of Texas for educational and scientific purposes as they may deem best.

"It is my desire that the trustee reduce to cash all of the assets of my estate as promptly as can be done without undue sacrifice to my estate, the times and terms of such liquidation of my estate to be in the sole discretion of the trustee but not to exceed a period of ten years. As such assets are reduced to cash, the trustee shall pay over the cash to the University of Texas, such cash to be used by the University of Texas for education and scientific purposes as the Board of Regents may deem best, and all to be expended by the University of Texas within fifteen (15) years of receiving same. When all assets are reduced to cash and the cash is paid to the University of Texas, the trust shall terminate."

At this point, it has not been fully determined as to whether the ten-year period runs from Mrs. Etter's death on April 10, 1954, or from the time when administration on the Estate was completed, approximately a year and a half later. The Endowment Officer has been authorized by the Board of Regents to instruct the Republic National Bank which acts as trustee as to liquidation of any of the assets in the trust as needed to take care of appropriations approved by the Board of Regents.

For information, the following three tables reviewing the Etter Estate and Trust are attached as separate documents:

- TABLE I - Residuary Portion Bequeathed to The University of Texas, Review as of March 31, 1959.
- TABLE II - Cash Distributions, made by the Trustee from 2/22/55 through 2/15/59, reflecting liquidation of certain assets.
- TABLE III - Cash Appropriations and Investments, from 2/22/55 through 3/31/59, with footnote added to show appropriation made by Board of Regents on April 16-18, 1959, in the amount of \$25,000 to an account entitled "75th Year Implementation," which will require further liquidation of assets in the trust.

Take out for in minutes

The Republic National Bank as trustee charges a fee of 5% of the income from the trust which amounts to approximately \$400 annually plus 1% of principal cash distributions to the University.

The review of the Etter Trust as presented herewith is for information to all concerned in the long-range planning of disposition of the proceeds from the remainder of the trust, with perhaps a reasonable amount of the remainder being used in a manner that will serve as an appropriate memorial to Mrs. Etter and/or her family.

GEORGE STUART HEYER SCHOLARSHIP FUND AND GEOLOGY FOUNDATION: GEORGE STUART HEYER MEMORIAL FUND - RECOMMENDATION RE SALE OF GENERAL CRUDE OIL COMPANY CAPITAL STOCK.--The table following presents the current holdings of General Crude Oil Company Capital Stock:

<u>Fund and Date of Gift</u>	<u>No. Shs.</u>	<u>Book Value</u>	<u>Market Value 5/15/59*</u>	<u>Annual Income</u>
George Stuart Heyer Scholarship Fund (Government):				
Received 7/25/56	300	\$12,900.00	\$10,200.00	\$ 300.00
Received 1/21/57	200	7,537.50	6,800.00	200.00
Received 6/4/57	<u>200</u>	<u>7,637.50</u>	<u>6,800.00</u>	<u>200.00</u>
Totals	<u>700</u>	<u>\$28,075.00</u>	<u>\$23,800.00</u>	<u>\$ 700.00</u>
George S. Heyer Memorial Fund (Geology Foundation):				
Received 12/17/58	<u>2,000</u>	<u>\$56,375.00</u>	<u>\$68,000.00</u>	<u>\$2,000.00</u>

*Latest quote available is 3/4 bid on May 15, 1959, Barron's.

In making the above stock gifts, the donor has stated that the stock is subject to sale and that the proceeds from such sales can be invested and reinvested in other income bearing stock or other securities at the discretion of the Board of Regents.

At its meeting on May 30, 1958, the Board of Regents authorized sale of the 700 shares held in the government scholarship fund but the Staff Investment Committee has deferred sale pending possible improvement in price. It is recommended that the Board of Regents authorize the Endowment Officer to effect the sale of the General Crude held in each fund over the period of time necessary to obtain the best price possible, the timing of such sale or sales to be subject to the approval of the Staff Investment Committee. It is further recommended that the proceeds from such sales be added to Funds Grouped for Investment for the credit of the respective funds involved.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - THE ROBERT AND ESTHER STADTLER LECTURES - RECOMMENDATION RE EXECUTION OF RELEASE AND INVESTMENT OF BEQUEST.--At the September 19, 1958, meeting of the Board of Regents, there was reported through the Land and Investment Committee the following bequest under the Will of Mrs. Esther Slevin Stadtler (Mrs. Robert C. H. Stadtler) of Houston who died on March 26, 1958, the Board of Regents having accepted the bequest subject to payment at a later date:

"SECOND

I give, devise and bequeath to University of Texas M. D. Anderson Hospital and Tumor Institute, 6723 Bertner Street, Houston, Texas, the sum of Twelve Thousand Five Hundred (\$12,500.00) Dollars for the following uses and purposes to wit: Such sum is to be invested and reinvested and the interest therefrom is to be used exclusively within the State of Texas to provide a lecture each year on some subject related to cancer research by a speaker to be chosen by the Director of the M. D. Anderson Hospital, such series of lectures to be known as 'The Robert and Esther Stadtler Lectures.' If the interest derived from the bequest should be insufficient to provide a lecture each year by an eminent authority on the subject, such lectures may, in the discretion of the said Director, be provided at longer intervals. If on the other hand, any surplus should remain after the provision of an annual lecture, such surplus may be used at the discretion of the Director of the Hospital to supply any need of the said Hospital."

This bequest recently was paid in full by the Executor, Houston Bank and Trust Company, and receipt and release executed by the Chairman of the Board of Regents. It is recommended that the Board of Regents ratify the execution of the instrument.

Information from the Executor and from the attorney who prepared the Will indicates that Mrs. Stadtler did not intend to restrict, by use of the term "interest," the investment of the fund to interest bearing securities. Accordingly, it is recommended that the Board of Regents approve placing the entire bequest of \$12,500.00 in Funds Grouped for Investment as of June 1, 1959.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE: UNIVERSITY CANCER FOUNDATION - RECOMMENDATION RE POLICIES GOVERNING INVESTMENT PROGRAM FOR ENDOWMENT FUND.--At the present meeting of the Board, recommendation has been made by the Director of the M. D. Anderson Hospital and Tumor Institute for the establishment of an endowment fund for the University Cancer Foundation, the initial sum for such endowment to be in the amount of \$250,000 which has already been put on deposit in a Central Administration account and invested in Treasury Bills pending action of the Board.

*4/28/59
J. B. ...*

Subject to approval by the Board of the establishment of such an endowment account, it is recommended that the policies governing the University Cancer Foundation Investment Program be adopted by the Board of Regents as outlined below:

I. Percentage distribution of investments on long-range basis to be as follows (percentages to be based on book value, i. e. cost or amortized cost, of all securities purchased):

Fixed Income Securities (including Government bonds, corporate bonds, and preferred stocks)	50%
Common Stocks	50

II. The general investment standards and policies to follow those adopted by the Board of Regents for the various trust and special funds under control of the Board. Currently such standards and policies in effect are those amended on May 30, 1958.

III. Percentage distribution for types of common stocks purchased to be in general as follows, it being pointed out that classifications for certain stocks may overlap over a long-range period of time:

Defensive Common Stocks	66-2/3%
Cyclical Common Stocks	16-2/3
Growth Common Stocks	16-2/3

MEDICAL BRANCH - ZIEGLER HOSPITAL FUND - REPORT ON RECEIPT OF SHARES OF WESLACO BOX & SUPPLY COMPANY STOCK IN LIEU OF RESERVE INTEREST IN TEXSUN SUPPLY CORPORATION AND RECOMMENDATION RE SALE.--As residuary legatee under the Will of Rosa H. Ziegler, the University received in connection with ownership of Mrs. Ziegler of certain real estate in McAllen, Texas, Mrs. Ziegler's membership interest in the reserves of the McAllen Citrus Association, a marketing cooperative concern, the University's interest amounting to \$1,700.88, divided as follows: McAllen Citrus Association, \$1,156.09; Texsun Exchange, \$73.66; Juice Plant, \$401.85; and Texsun Supply Corporation, \$69.28.

In 1950, the University received refunds in the amount of \$19.65 and \$26.22 from the Texsun Exchange and the Juice Plant, respectively. In 1957, the University received 42 shares of Class C Stock of the newly reorganized Texsun Corporation to replace the \$429.64 balance due on the reserves held in the Texsun Exchange and Juice Plant. The Board accepted this stock and later on May 30, 1958, approved sale of the stock which to date has not been sold.

The Texsun Supply Corporation has recently been reorganized into the Weslaco Box and Supply Company, the University being tendered, in lieu of its reserve interest of \$69.28 in the old company, 202-83/100 shares of Weslaco Box and Supply Company Capital Stock in the form of a certificate for 202 shares valued at \$202.00 and cash in the amount of \$0.83 for the fractional share. Accompanying the stock were checks in payment of accumulated dividends for 1957 and 1958 at the rate of \$0.06 per share per year and current dividends of \$0.04 per share per annum.

It is recommended that the Board of Regents approve acceptance of the Weslaco Box and Supply Company Capital Stock and that the execution by the Endowment Officer of an affidavit of ownership necessary for the release of the stock to the University be ratified. It is further recommended that the Endowment Officer be authorized to sell the stock at the best price available along with the Class C stock of the Texsun Corporation.

FUNDS GROUPED FOR INVESTMENT AND HOGG FOUNDATION: W. C. HOGG ESTATE FUND - RECOMMENDATION RE EXECUTION OF BOND CONSENT TO MODIFICATION OF INDENTURE OF MORTGAGE UNDER WHICH GULF STATES UTILITIES COMPANY FIRST MORTGAGE BONDS HAVE BEEN ISSUED.--The Board of Regents as trustee of the above two funds holds \$10,000 par value 3-1/8% due 1982 and \$30,000 par value 2-3/4% due 1980 of Gulf States Utilities Company first mortgage bonds. Approximately 58% of the company's property subject to the mortgage bonds is situated in the State of Louisiana which requires that the Indenture of Mortgage under which the bonds and other bonds of the company are issued recite that the aggregate principal amount of bonds at any one time outstanding shall not exceed \$200,000,000. After issuance of first mortgage bonds in January, 1959, the principal amount of bonds outstanding under the indenture amounted to \$154,000,000. The company is now asking the holders of first mortgage bonds to execute a supplemental indenture changing the maximum amount from \$200,000,000 to \$1,000,000,000.

It is recommended that the Endowment Officer be authorized to execute the supplemental indenture as requested by the Gulf States Utilities Company.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - REPORT ON VARIOUS STOCKS HELD AND RECOMMENDATION RE SALE OF THOSE HELD FOR CURRENT RESTRICTED FUND ACCOUNTS.--The ~~Administrator~~^{Director} of the M. D. Anderson Hospital and Tumor Institute has forwarded to the Endowment Officer for deposit in Central Administration accounts the following common stocks held for various funds as indicated:

The Harmon Whittington Fund (Current Restricted Fund):

700 Shares Anderson, Clayton & Company Common Stock, total book value \$26,375.00.

Various Donors for Building and Equipment Fund (Current Restricted Fund):

1,354 Shares Anderson, Clayton & Company Common Stock, total book value \$53,474.50.

26 Shares Humble Oil & Refining Company Capital Stock, total book value \$958.75.

University Cancer Foundation (Endowment Fund):

1,355 Shares Anderson, Clayton & Company Common Stock, total book value \$53,250.00.

100 Shares Phillips Petroleum Company Common Stock total book value \$5,212.50.

University Cancer Foundation - The Agnes Vaughan Boazman Memorial Fund for Cancer Research (Endowment Fund):

100 Shares United Gas Corporation Common Stock, total book value \$4,100.00.

- 5

It is recommended that the Endowment Officer be authorized to sell the Anderson, Clayton & Company Common Stock and the Humble Oil & Refining Company Capital Stock held in the two current restricted accounts upon request of the Director of the M. D. Anderson Hospital and Tumor Institute that funds are needed for either or both of the two funds, the timing of such sales to be subject to the approval of the Staff Investment Committee. The Administrator of the Hospital has pointed out that the donors of the Anderson, Clayton stock have requested that the University notify them in the event any of the stock is to be sold and have further requested that all of the stock not be sold at one time.

It is also recommended that the 1,355 shares of Anderson, Clayton & Company Common Stock and 100 shares of Phillips Petroleum Company Common Stock held for the University Cancer Foundation be made a part of the investment portfolio for the endowment fund of the Foundation subject, of course, to approval by the Board of Regents at this meeting of the establishment of the endowment fund.

^{Director}
The Administrator of the Hospital has advised that it is not anticipated that additional funds or stock will be donated in the near future to The Agnes Vaughan Boazman Memorial Fund. Accordingly, it is recommended that the 100 shares of United Gas Corporation Common Stock held for that fund be transferred to the University's Funds Grouped for Investment as of September 1, 1959, at the market close for August 31, 1959.

TRUST AND SPECIAL FUNDS--REAL ESTATE MATTERS--

TEXAS WESTERN COLLEGE - COTTON ESTATE: CANCELLATION OF CONTRACT FOR PURCHASE OF LOT 20, BLOCK 1, CORONADO COUNTRY CLUB ESTATES, EL PASO, TEXAS.--On December 12, 1958 the Board of Regents authorized cancellation of the contract dated November 18, 1957, as supplemented by agreement dated December 27, 1957, between Coronado Golf and Country Club Development Company, Inc. and the Board of Regents for purchase out of Cotton Estate funds of Lot 20, Block 1, Coronado Country Club Estates, in El Paso. Such contract has been cancelled by correspondence approved by Mr. Hardie and by Land and Trust Attorney Waldrep. *Det manual*

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - CANCELLATION OF AUTHORITY FOR OIL AND GAS SHOOTING OPTION AGREEMENT WITH PORTER INVESTMENT COMPANY, INC.--On December 12, 1958, the Board of Regents authorized the execution of an oil and gas shooting option with Porter Investment Company, Inc., of Houston covering approximately 800 acres of the Huntington Lands in the S. C. Bundick League, Galveston County. The University was to receive \$1.00 per acre for the shooting privileges with Porter to have an option to select and lease all or part of the acreage covered for one year, at \$10.00 per acre and 1/8 royalty. The lease was to be forfeited unless a well was started in ninety days from date of lease. After extended negotiations on the matter, it is recommended that the authority for the agreement be cancelled due to inability to agree with the Company on other provisions of the instrument.

~~ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - PROPOSAL FROM STANDARD OIL COMPANY OF TEXAS FOR OIL AND GAS SHOOTING OPTION ON ENTIRE HUNTINGTON LANDS.--The Standard Oil Company of Texas proposes to pay \$1.00 per acre for an oil and gas shooting option on all of the Huntington Lands in Galveston County, amounting to approximately 3,355 acres with full leasing rights, with an option to lease all or part within six months at \$10.00 per acre, annual rental of \$1.00 per acre and 1/8 royalty, under a 5-year commercial lease. It is recommended that the proposal be declined, and that the University await further possible developments in the area.~~ *Substituted*

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - GEOPHYSICAL EXPLORATION PERMIT TO PAN AMERICAN PETROLEUM CORPORATION.--Pan American Petroleum Corporation recently requested that they be allowed to conduct geophysical exploration on the Huntington Lands in order to tie in with exploration on adjoining acreage which they control under operating agreements and stated that awaiting action at the June meeting of the Board of Regents would put them under time pressure and additional expense. The Endowment Officer has issued Pan American a geophysical exploration permit, similar to the form used on the West Texas lands but providing for a confidential report of findings and interpretations to the University, for a period of 60 days beginning May 25, 1959, upon payment of \$150.00 for the first 15 days of work on the ground and payments at the same rate for any additional time. It is recommended that the Board of Regents approve this permit.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - RECOMMENDATION RE GRAZING LEASE WITH JOE M. AND H. C. ROBINSON.--The University has leased for grazing purposes all of the Huntington Lands, not under other types of leases, to Joe M. and H. C. Robinson since 1949, first under a lease for two years at approximately 80¢ per acre and since 1951 under a lease at \$1.00 per acre. Present rental amounts to \$3,355.00 annually, less 5% commission paid to Kellner, Ayers & Schmitt, agents in Texas City. The current lease continues in force from year to year, beginning May 15, unless cancelled by either party at the end of a lease year. Inquiries from other prospective tenants have been received, and rates paid by some

in the area for similar land are above \$1.00 per acre. However, taking into account the amount of the University's acreage that is under water for periods of time each year, it appears that no better total annual rental could be obtained from a responsible tenant. It is recommended that the Board of Regents approve continuing the Robinson lease under its present terms to May 15, 1960, prior to which date another report and recommendation will be made.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - PROPOSAL FOR PURCHASE OF CAMP SITE AREA.--Kellner, Ayers & Schmitt of Texas City have submitted on behalf of the camp site tenants at Virginia Point on the Huntington Lands a proposal to purchase the immediate area surrounding their sites, comprising approximately seven acres for \$2,100 per acre. Due to the fact that sale of this area could seriously interfere with advantageous sale of a good portion of the lands, it is recommended that the offer be declined.

ARCHER M. HUNTINGTON MUSEUM FUND (HUNTINGTON LANDS) - VARIOUS CAMP SITE LEASES.--For several years the University has leased for camp sites small tracts approximately 50 x 100 feet on Virginia Point, the southeastern tip of the Huntington Lands on Galveston Bay. There are now 17 of these sites, one at \$35.00 annually and the others at \$50.00 annually, under leases running from year to year with right of cancellation by either party at the end of each lease year and subject to cancellation by the University at any time in the event of sale or lease for five years or longer. Base rental was increased from \$25.00 annually to the present \$50.00 in 1954. An increase to \$60.00 per year is now justified (\$40.00 for the one smaller site); and it is recommended that the Board of Regents authorize these increases to be effective for each lease at its first annual rental date falling on or after January 1, 1960. It is further recommended that each of such leases be renewed, effective with date of rental increase, under a new lease for three years and to run from year to year thereafter unless cancelled at the end of the three years or any year thereafter by either party and with right of cancellation by the University at any time in the event of sale or lease for five years or longer.

No new sites have been leased in recent years, but requests have been received and a few additional sites are available. It is recommended that the Board of Regents authorize leasing these additional sites at rental of \$60.00 annually under the same terms as the proposed new leases with present tenants, and that it approve continuing the arrangement with Kellner, Ayers & Schmitt for collection of rental and supervision of the sites at commission of 5% of rentals, with authorization to the Endowment Officer to sign all such new leases and renewals when approved as to form by the Land and Trust Attorney.

ESTATE OF HAMAH SMITH CALLAWAY - RECOMMENDATION FOR RENTAL OF PROPERTY AT 1206 GUADALUPE, AUSTIN, TEXAS.--As authorized and as reported to the Board of Regents, the improvements have been removed from the lot at 1206 Guadalupe devised to the Board of Regents by Mrs. Callaway for the benefit of the Main University. A sign offering the property for sale will continue on the property, and it is quoted at \$65,000, subject to approval by the Board, as reported earlier.

Mr. Joe Lundell who operates several parking lots in the Capitol area, including one on the adjoining property, offers to pay rental of \$50.00 per month under a lease for one year beginning July 1, 1959, with any expenditures necessary to use the lot for parking to be made by the tenant. The lease will be subject to cancellation by the University on 60 days' notice in the event of sale or of use by the University or a tenant of the property for purposes other than parking. It is recommended that Mr. Lundell's proposal be accepted, and that the Chairman of the Board be authorized to sign 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 FUND - LEASE TO FRANK G. CADENA, MAIN AND CLAY, HOUSTON, TEXAS.--At the March, 1959 meeting of the Board of Regents, approval was given for the reduction of rent to Mr. Cadena for the remainder of the term of his lease from \$2,400 to \$1,500 per month beginning April 1, 1959 through February 29, 1960 and providing for the deposit of \$14,400 to be applied to unpaid rental with the remainder of the unpaid rental to be waived. Upon advice of the University Land and Trust Attorney and for the protection of both parties, a supplement to the original lease was executed by Mr. Cadena and by Dr. Minter setting forth the agreement outlined above. After check in the Auditor's Office, the amount of rental to be waived was changed from \$3,600 as reported in March to \$3,990. Your ratification of these actions is recommended.

BRACKENRIDGE TRACT - TENTATIVE PROPOSAL FROM SAFEWAY STORES, INC., FOR LONG-TERM LEASE ON AREA AT EXPOSITION BOULEVARD AND WEST SEVENTH STREET.--Sterling Sasser and Son, real estate and insurance agents, have presented a tentative proposal by Safeway Stores, Inc. for a lease on the rectangular tract out of the Brackenridge Tract bounded by Exposition Boulevard, West Seventh Street, West Eighth Street and Newman Street, the lease to be for not less than 50 years. The tract is approximately 550 feet by 256 feet and comprises approximately 3.23 acres. It is perhaps the best possible commercial tract out of the Brackenridge gift. The rental to the University suggested in the tentative proposal is \$6,750.00 annually, or 5% on estimated value of \$135,000.

The tentative proposal is being brought to the attention of the Board of Regents at the insistence of Safeway and Mr. Sasser. Due to legal questions involved in long-term commercial leases as related to provisions in the Brackenridge Deed and due to inquiries received from other prospective tenants on this tract, as well as the question of over-all planning for the Brackenridge property, it is recommended that the Board of Regents decline the proposal.

BRACKENRIDGE TRACT - RENEWAL OF BOAT DOCK LEASE WITH W. W. BENNETT.--On October 25, 1958, the Board of Regents decided that the Bennett Boat Dock property, being part of the Brackenridge Tract, would be leased to a commercial operator for a period of five years or more, with the lease to provide for some desirable concessions to student and faculty users of the facilities and for the lessee to make necessary improvements to the property. Mr. W. W. Bennett has had two 10-year leases on the property, the second of which expires on December 31, 1959; and the University staff has considered Mr. Bennett entitled to first opportunity for a new lease on terms satisfactory to the University. Negotiation with Mr. Bennett has been under way since the October action of the Board, and it is recommended that the Board of Regents authorize a new lease with Mr. Bennett carrying principal terms and conditions as follows:

1. The lease will run from July 1, 1959, to December 31, 1969, thus superseding the current lease for period of six months, at rental of \$150 per month which is the rental paid under the current lease.
2. Plans and specifications for improvements and repairs to the property will be made a part of the lease with an agreement by Mr. Bennett that such work and any additional improvements that can be made for a total expenditure of \$20,000 will be done by April 1, 1960. All work will be of good quality by qualified contractors and subject to inspection and audit by the University.

3. All improvements and the premises will be kept in good condition throughout the term of the lease, with primary consideration to safety.
4. The lessee will acknowledge that all improvements now on the property are the property of the University, and that present improvements and all additions will remain on the property upon termination of the lease.
5. The lessee will pay all taxes lawfully assessed against the improvements and/or land and will carry fire and extended coverage insurance on the improvements for full insurable value with policies payable to the University and will carry public liability, property damage, and related types of coverage for an enterprise of this type in amounts and forms satisfactory to the University.
6. Sufficient supervisory personnel and other employees will be used in the business to assure the conduct of a safe, reputable business, commensurate with first class operations of a business of this type; and reasonable consideration will be given to the employment of University students.
7. Priority will be given to students, faculty, and staff of the University for rental of 1/3 of the boat stalls.
8. University students will be given a discount of 15% on rental of boat stalls and equipment.
9. Every reasonable consideration will be given the University in arranging from time to time for activities in the way of intramural sports, water safety programs, and the like.
10. There will be no sub-letting or assignment of the lease, as to all or part of the premises, without prior approval by the Board of Regents. The lessee will agree that, in the event of a proposal requiring such approval, he will make full disclosure to the University of all terms of such sub-letting or assignment and will understand that the University may expect to share in the benefits if the terms, taking into account the rental paid and other obligations under the lease, are sufficiently beneficial to the lessee to justify additional revenue to the University.
11. Other provisions of the lease will be those customary and/or in keeping with the above principal terms.

It is further recommended that the Chairman of the Board of Regents be authorized to execute the lease agreement when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: THOS. E. HOGG ESTATE - PROPOSED EXCHANGE OF MINERAL INTERESTS WITH MRS. MARGARET WELLS HOGG.--Thos. E. Hogg, who died in 1949, devised his residue estate, subject to life estate in his widow, Mrs. Margaret Wells Hogg, to the Board of Regents as Trustee of the Hogg Foundation; and the residue estate was so deeded by Mrs. Hogg and Miss Ima Hogg, Independent Executrices of the Estate, in 1954. These deeds were executed as accepted by the Board of Regents as Trustee and set out that all royalties, bonuses, rentals, and oil payments under leases then made or thereafter made would constitute income and be payable entirely to Mrs. Hogg during her lifetime.

Under the will and deeds, the Board of Regents as Trustee owns, subject to Mrs. Hogg's life estate, an undivided interest in the minerals under about 4,000 acres, known as the Ingleside Land Company land in San Patricio and Aransas Counties, Texas, and, subject to the life estate, an undivided interest in the minerals under several tracts in Ashley, Ouachita, and Union Counties, Arkansas. The interest under the Ingleside land amounts to approximately 300 royalty and/or mineral acres, and the interest under the Arkansas tracts amounts to approximately 75 royalty and/or mineral acres.

Mrs. Hogg owns 1/6 of the capital stock of Ingleside Land Company, which was formed in 1924 by the Hogg and Picton families for the purpose of acquiring the land mentioned above, and the Company is still engaged in various trading and title clearing work preparatory to selling off the surface of the land. It has been necessary for the Board of Regents as remainderman under the Thos. E. Hogg Will to join in some instruments involving the minerals so as to cooperate with Mrs. Hogg and the Company.

Mrs. Hogg now proposes to exchange to the Board of Regents as Trustee her life interest in the Arkansas properties for the Board's remainder interest in the Ingleside Land Company minerals so that she will have complete control of the Ingleside minerals and thus be able to carry out her obligations to Ingleside Land Company as to such minerals, be free from any appearance of conflict of interest, and cooperate with the Company and its other stockholders in any transactions necessary to clear the title to the land and dispose of it profitably. Several deep dry holes have been drilled on the Ingleside land. Small production is now obtained from three wells on the shore of Corpus Christi Bay, and gas and distillate production is being credited to the subject mineral interest under pooling agreements from wells located on State lands in the Bay. Mrs. Hogg expresses the opinion that the Board's remainder interest in this property is practically worthless, and that present production can be expected to be fully depleted during her life expectancy. Such statements appear reasonable.

The Ouachita and Union Counties, Arkansas, interests are in the area of the old Smackover Field and have brought some royalty for many years. The Board holds as Trustee from the Estate of W. C. Hogg a 1/4 interest, as compared with the 3/16 interest in the same properties owned by Thos. E. Hogg, and has received an average of about \$580.00 in each of the past five years, confirming Mrs. Hogg's statement that her Arkansas interest has brought around \$425.00 annually. Though prospects of new production seem remote, production at about the present level may hold up for several years.

It is recommended that, under the circumstances, the Board of Regents accept the exchange proposal of Mrs. Margaret Wells Hogg and authorize the Chairman to execute the appropriate instruments when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

EDITH FLY HILDEBRAND ESTATE - SALE OF LAND IN GONZALES COUNTY, TEXAS, TO MALCOLM GESCHEIDLE.--On September 20, 1958, the Board of Regents authorized sale of the tract of approximately 300 acres in Gonzales County to Malcolm Gescheidle for \$60.00 per acre, one-half of the minerals to be retained. Various title requirements were made by the examining attorney, all of which it is believed have been cleared adequately except for his requirement as to execution of the deed. The pertinent provision of Mrs. Hildebrand's Will is as follows:

"I give, devise, and bequeath all the rest, residue, and remainder of my property and estate, real, personal or mixed, and wheresoever situated, in trust to the persons who at the time of my death compose the Board of Regents of the University of Texas as trustees for the use hereinafter set out."

The examining attorney now requires, as was done when Mrs. Hildebrand's home was sold several years ago, that all members of the Board of Regents execute the deed as Trustees; and it is recommended that the Board of Regents agree to comply with this requirement in the execution of a deed approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Add John T. B. Flew

WILBUR S. DAVIDSON EDUCATIONAL FUND
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
FIXED INCOME SECURITIES:								
1. U. S. Government Bonds:								
			(a)					
\$40,000	U. S. Savings Bonds, 2-1/2% Series G, due 4/1/59 (e)	\$ 40,000.00	2.50%	100.00	\$ 40,000.00	23.02%	15.01%	\$1,000.00
4,500	U. S. 3-1/4% Treasury Bonds, due 6/15/83-78	4,500.00	3.98 (b)	88.00 (1)	3,960.00	2.59	1.49	146.25
			2.61 (c)					
44,500	TOTAL U. S. GOVERNMENT BONDS	44,500.00	2.58 (a)		43,960.00	25.61	16.50	1,146.25
2. Corporate Bonds:								
Public Utility Corporations Bonds---								
			(b)					
5,000	Illinois Bell Telephone Co. 1st Mtge. 3% Bonds, Series B, due 6/1/78	5,089.70	4.34	82-1/4(3)	4,112.50	2.93	1.54	145.40
10,000	Pacific Gas & Electric Co. 1st & Rfdg. Mtge. Bonds, 2-7/8% Series Q, due 12/1/80	10,000.00	4.31	79-1/4(2)	7,925.00	5.75	2.98	287.50
10,000	Southwestern Bell Telephone Co. 3-1/8% Debentures, due 5/1/83	10,174.93	4.42	81 B (4)	8,100.00	5.86	3.04	305.36
			3.67 (c)					
25,000	Total Public Utility Corporations Bonds (TOTAL CORPORATE BONDS)	25,264.63	2.92 (a)		20,137.50	14.54	7.56	738.26
3. Preferred Stocks:								
			(c)					(d)
40 Shs.	The American Tobacco Co. 6% Cum. Pfd.	6,434.00	4.74	126-1/2	5,060.00	3.71	1.90	240.00
50 "	General Motors Corporation Pfd. \$3.75 Series	4,884.25	4.40	85-1/4	4,262.50	2.81	1.60	187.50
60 "	Houston Lighting & Power Company \$4 Pfd.	6,060.00	4.52	88-1/2(4)	5,310.00	3.49	1.99	240.00
			4.56 (c)					
	TOTAL PREFERRED STOCKS	17,378.25	3.84 (a)		14,632.50	10.01	5.49	667.50
			3.24 (c)					
	TOTAL FIXED INCOME SECURITIES	87,142.88	2.93 (a)		78,730.00	50.16	29.55	2,552.01

WILBUR S. DAVIDSON EDUCATIONAL FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current	Current	% of Total		Estimated
		3/31/59		Mkt. Price 4/21/59*	Mkt. Value 4/21/59*	Book	Market	Annual Income
<u>EQUITY INCOME SECURITIES:</u>								
4. <u>Common Stocks:</u>								
(c) (a)								
<u>Financial Corporations Common Stocks --</u>								
100 Shs.	C. I. T. Financial Corporation	\$ 4,839.00	4.48%	53-5/8	\$ 5,362.50	2.78%	2.01%	\$ 240.00
250 "	Continental Insurance Company	<u>6,044.51</u>	<u>3.38</u>	59-1/4	<u>14,812.50</u>	<u>3.48</u>	<u>5.56</u>	<u>500.00</u>
	Total Financial Corporations Common Stocks	<u>10,883.51</u>	<u>3.67 (c)</u> <u>6.80 (a)</u>		<u>20,175.00</u>	<u>6.26</u>	<u>7.57</u>	<u>740.00</u>
<u>Industrial Corporations Common Stocks --</u>								
36 Shs.	Chrysler Corporation	2,313.06	2.35	63-7/8	2,299.50	1.33	0.86	54.00
106 "	The Dow Chemical Company	4,467.83	1.40	85-3/4	9,089.50	2.57	3.41	127.20
300 "	General Electric Company	4,030.00	2.38	84	25,200.00	2.32	9.46	600.00
90 "	General Motors Corporation	2,713.06	4.03	49-5/8	4,466.25	1.56	1.68	180.00
166 "	Gulf Oil Corporation	6,061.80	2.14	117	19,422.00	3.49	7.29	415.00
100 "	The International Nickel Company of Canada, Ltd.	3,891.81	2.82	92-1/8	9,212.50	2.24	3.46	260.00
150 "	National Dairy Products Corporation	6,127.28	3.89	51-3/8	7,706.25	3.53	2.89	300.00
100 "	Phelps Dodge Corporation	5,340.30	4.69	64	6,400.00	3.07	2.40	300.00
200 "	Phillips Petroleum Company	6,714.50	3.36	50-5/8	10,125.00	3.87	3.80	340.00
200 "	R. J. Reynolds Tobacco Company New Class B	8,165.43	3.64	110	22,000.00	4.70	8.26	800.00
200 "	Sterling Drug, Inc.	3,728.50	2.96	50-3/4	10,150.00	2.15	3.81	300.00
100 "	Union Carbide Corporation	<u>4,155.13</u>	<u>2.58</u>	139-3/8	<u>13,937.50</u>	<u>2.39</u>	<u>5.23</u>	<u>360.00</u>
	Total Industrial Corporations Common Stocks	<u>57,708.70</u>	<u>2.88 (c)</u> <u>6.99 (a)</u>		<u>140,008.50</u>	<u>33.22</u>	<u>52.55</u>	<u>4,036.20</u>
<u>Public Utility Corporations Common Stocks --</u>								
204 Shs.	Commonwealth Edison Company	8,421.76	3.20	62-1/2	12,750.00	4.84	4.79	408.00
200 "	El Paso Natural Gas Company	2,592.87	3.95	32-7/8	6,575.00	1.49	2.47	260.00
100 "	Ohio Edison Company	<u>5,290.25</u>	<u>4.07</u>	64-7/8	<u>6,487.50</u>	<u>3.05</u>	<u>2.43</u>	<u>264.00</u>
	Total Public Utility Corporations Common Stocks	<u>16,304.88</u>	<u>3.61 (c)</u> <u>5.72 (a)</u>		<u>25,812.50</u>	<u>9.38</u>	<u>9.69</u>	<u>932.00</u>

WILBUR S. DAVIDSON EDUCATIONAL FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59	(c)	4/21/59*	4/21/59*	Book	Market	(d)
4.	<u>Common Stocks (Continued):</u>							
	TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)	\$ 84,897.09	3.07% (c) 6.72 (a)		\$185,996.00	48.86%	69.81%	\$5,708.20
	TOTAL SECURITIES	172,039.97	3.12 (c) 4.80 (a)		264,726.00	99.02	99.36	8,260.21
5.	<u>Cash on Hand 3/31/59:</u>	1,706.05	-0-		1,706.05	0.98	0.64	-0-
	FUND TOTAL	\$173,746.02	3.10% (c) 4.75% (a)		\$266,432.05	100.00%	100.00%	\$8,260.21

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Average of Bid-Ask as of April 21, 1959, C. J. Devine & Company.

(2) Average of Bid-Ask of April 21, 1959, The First Boston Corporation.

(3) Average of Bid-Ask as of April 21, 1959, Salomon Bros. & Hutzler.

(4) Bid price or average of Bid-Ask as of April 21, 1959, Merrill Lynch, Pierce, Fenner & Smith, Inc.

(a) Based on book value.

(b) Yield to maturity based on current market price.

(c) Current yield based on market price.

(d) Based on present indicated dividend rate.

(e) See Land and Investment Committee Report on Purchases for Trust and Special Funds for reinvestment of proceeds from U. S. Savings Bonds

due 4/1/59, report for June 12, 1959 and present indicated annual dividend rate.

(f) Based on present indicated annual dividend rate.

MEC:rg:cb

May 4, 1959

Brief Sheet

WILBUR S. DAVIDSON EDUCATIONAL FUND

Established by : Article VII of Will of Wilbur S. Davidson, deceased.
Will Probated : November 6, 1928.
Funds Received : March 9, 1929.
Original Amount : \$99,752.76
Trustee : The Board of Regents of The University of Texas.
Discretion : Sole Discretion.
Others to be Consulted : None.
Life of Fund : Perpetuity.
Purpose : ". . . said funds to be kept permanently invested by the Board of Regents of the University, and the income only arising therefrom to be applied to such purposes as said Board, in its discretion may determine. However, I especially recommend the cases of poor boys and girls who desire an education, and request that they be extended aid in their efforts to acquire it."

At its meeting on April 30, 1948, the Board of Regents changed the purpose of the Wilbur S. Davidson Educational Fund from a loan fund to a scholarship fund for first semester freshmen at The University of Texas. At the same time, \$60,000.00 cash was transferred back to this fund from the Loan Fund into which all income had previously been placed. Approximately \$32,675.31 was left in the Loan Fund.

(A complete copy of the will is not available in our records.)

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
<u>FIXED INCOME SECURITIES:</u>								
1. <u>U. S. Government Bonds:</u>								
			(a)	(1)				
\$10,000	U. S. Savings Bonds, 2-1/2% Series G, due 4/1/59 (e)	\$ 10,000.00	2.50%	100.00	\$ 10,000.00	5.27%	3.26%	\$ 250.00
9,000	U. S. Savings Bonds, 2-1/2% Series G, due... 8/1/59	9,000.00	2.44 (b)	99.20	8,928.00	4.74	2.91	225.00
<u>1,500</u>	U. S. 3-1/4% Treasury Bonds, due 6/15/83-78	<u>1,500.00</u>	<u>3.98</u> (b)	88.00 (2)	<u>1,320.00</u>	<u>0.79</u>	<u>0.43</u>	<u>48.75</u>
			2.59 (c)					
<u>20,500</u>	TOTAL U. S. GOVERNMENT BONDS	<u>20,500.00</u>	<u>2.55</u> (a)		<u>20,248.00</u>	<u>10.80</u>	<u>6.60</u>	<u>523.75</u>
2. <u>Texas Municipal Bonds:</u>								
			(a)	-(a)				
2,000	McLennan County 4-1/2% Road Bond, Series F, due 4/10/68	2,200.20	3.18	110.01	2,200.20	1.16	0.65	69.98
4,000	City of Marshall 3-1/4% Waterworks Improvement Bonds, Series 1948, due 2/15/76	<u>4,000.00</u>	<u>3.25</u>	100.00	<u>4,000.00</u>	<u>2.11</u>	<u>1.30</u>	<u>130.00</u>
			3.33 (c)					
<u>6,000</u>	TOTAL TEXAS MUNICIPAL BONDS	<u>6,200.20</u>	<u>3.23</u> (a)		<u>6,200.20</u>	<u>3.27</u>	<u>1.95</u>	<u>199.98</u>
3. <u>Corporate Bonds:</u>								
<u>Industrial Corporations Bonds --</u>								
			(b)					
15,000	Standard Oil Company of California 4-3/8% Sinking Fund Debentures, due 7/1/83	15,222.95	4.33	99-7/8	14,981.25	8.02	4.88	647.15
16,000	Standard Oil Company (Indiana), 4-1/2% Debentures, due 10/1/83	<u>16,200.00</u>	<u>4.42</u>	100-1/2	<u>16,080.00</u>	<u>8.53</u>	<u>5.23</u>	<u>712.00</u>
			4.38 (c)					
<u>31,000</u>	Total Industrial Corporations Bonds	<u>31,422.95</u>	<u>4.33</u> (a)		<u>31,061.25</u>	<u>16.55</u>	<u>10.11</u>	<u>1,359.15</u>

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield (b)	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
3. Corporate Bonds (Continued):								
Public Utility Corporations Bonds --								
10,000	New England Tel. & Tel. Co. 3-1/8% Debs., due 12/15/88	\$ 10,191.50	4.54%	77 B (4)	\$ 7,700.00	5.37%	2.51%	\$ 304.84
5,000	The Pacific Tel. & Tel. Co. Debentures, 3-5/8% Series, due 8/15/91	5,245.05	4.58	84 B (4)	4,200.00	2.76	1.37	173.71
16,000	Southern California Edison Co. First & Rfdg. Mtge. Bonds 4-5/8% Series K, due 9/1/83	16,511.07	4.32	104-1/2 (3)	16,720.00	8.70	5.44	719.14
4,000	Southwestern Bell Telephone Co. 3-1/8% Debentures, due 5/1/83	<u>4,070.07</u>	<u>4.42</u>	81 B (4)	<u>3,240.00</u>	<u>2.15</u>	<u>1.06</u>	<u>122.14</u>
	Total Public Utility Corporations Bonds	<u>36,017.69</u>	4.14 (c) <u>3.66 (a)</u>		<u>31,860.00</u>	<u>18.98</u>	<u>10.38</u>	<u>1,319.83</u>
<u>66,000</u>	TOTAL CORPORATE BONDS	<u>67,440.64</u>	4.26 (c) <u>3.97 (a)</u>		<u>62,921.25</u>	<u>35.53</u>	<u>20.49</u>	<u>2,678.98</u>
	TOTAL FIXED INCOME SECURITIES	<u>94,140.84</u>	3.81 (c) <u>3.61 (a)</u>		<u>89,369.45</u>	<u>49.60</u>	<u>29.04</u>	<u>3,402.71</u>
	<u>EQUITY INCOME SECURITIES</u>							
4. Common Stocks:								
Financial Corporations Common Stocks --								
100 Shs.	Bank of America National Trust & Savings Association (San Francisco, Calif.)	<u>3,975.00</u>	3.85 4.53 (a)	46.8125 (3)	<u>4,681.25</u>	<u>2.10</u>	<u>1.52</u>	<u>180.00</u>
Industrial Corporations Common Stocks --								
160 Shs.	E. I. du Pont de Nemours & Company	7,619.48	2.52	238-1/4	38,120.00	4.01	12.42	960.00
300 "	General Electric Company	3,320.75	2.38	84	25,200.00	1.75	8.21	600.00
210 "	General Motors Corporation	6,330.47	4.03	49-5/8	10,421.25	3.33	3.39	420.00
100 "	International Harvester Company	3,733.50	4.65	43	4,300.00	1.97	1.40	200.00
100 "	National Biscuit Company	3,959.63	4.26	51-5/8	5,162.50	2.09	1.68	220.00
200 "	National Dairy Products Corporation	7,039.88	3.89	51-3/8	10,275.00	3.71	3.35	400.00

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59		4/21/59*	4/21/59*	Book	Market	
<u>EQUITY INCOME SECURITIES (Continued)</u>								
4. <u>Common Stocks (Continued):</u>								
<u>Industrial Corporations Common Stocks (Con-</u>								
<u>tinued) --</u>								
100 Shs.	Phelps Dodge Corporation	\$ 5,340.30	4.69%	64	\$ 6,400.00	2.81%	2.08%	\$ 300.00
200 "	Phillips Petroleum Company	6,714.50	3.36	50-5/8	10,125.00	3.54	3.30	340.00
200 "	The Procter & Gamble Company	9,728.26	2.66	82-3/4	16,550.00	5.13	5.39	440.00
100 "	R. J. Reynolds Tobacco Company New Class B	4,198.24	3.64	110	11,000.00	2.21	3.58	400.00
418 "	The Texas Company	<u>5,728.89</u>	<u>2.88</u>	83-1/4	<u>34,798.50</u>	<u>3.02</u>	<u>11.33</u>	<u>1,003.20</u>
Total Industrial Corporations Common Stocks		<u>63,713.90</u>	<u>3.07 (c)</u> <u>8.29 (a)</u>		<u>172,352.25</u>	<u>33.57</u>	<u>56.13</u>	<u>5,283.20</u>
<u>Public Utility Corporations Common Stocks --</u>								
102 Shs.	Commonwealth Edison Company	4,047.56	3.20	62-1/2	6,375.00	2.13	2.08	204.00
100 "	Consolidated Edison Company of New York, Inc.	3,405.01	4.22	64	6,400.00	1.80	2.08	270.00
100 "	Public Service Electric & Gas Company	3,461.13	4.39	41	4,100.00	1.82	1.34	180.00
100 "	Wisconsin Electric Power Company	<u>3,398.31</u>	<u>4.42</u>	38-1/2	<u>3,850.00</u>	<u>1.79</u>	<u>1.25</u>	<u>170.00</u>
Total Public Utility Corporations Common Stocks		<u>14,312.01</u>	<u>3.98 (c)</u> <u>5.76 (a)</u>		<u>20,725.00</u>	<u>7.54</u>	<u>6.75</u>	<u>824.00</u>
<u>Railroad Corporations Common Stocks --</u>								
200 Shs.	Norfolk & Western Railway Company	<u>13,308.04</u>	<u>4.04 (a)</u> <u>6.01 (a)</u>	99	<u>19,800.00</u>	<u>7.01</u>	<u>6.45</u>	<u>800.00</u>
TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)		<u>95,308.95</u>	<u>3.26 (c)</u> <u>7.44 (a)</u>		<u>217,558.50</u>	<u>50.22</u>	<u>70.85</u>	<u>7,087.20</u>
TOTAL SECURITIES		<u>189,449.79</u>	<u>3.42 (c)</u> <u>5.54 (a)</u>		<u>306,927.95</u>	<u>99.82</u>	<u>99.89</u>	<u>10,489.91</u>

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total Book	% of Total Market	Estimated Annual Income
5.	Cash on Hand 3/31/59:	\$ 337.37	-0-%		\$ 337.37	0.18%	0.11%	\$ -0-
F U N D T O T A L		<u>\$189,787.16</u>	<u>3.42% (a)</u> <u>5.53% (a)</u>		<u>\$307,265.32</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$10,489.91</u>

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

- (1) Liquidating value of savings bonds as of May 1, 1959.
- (2) Average of Bid-Ask as of April 21, 1959, C. J. Devine & Company.
- (3) Market close or average of Bid-Ask as of April 21, 1959, The First Boston Corporation.
- (4) Bid price as of April 21, 1959, Merrill Lynch, Pierce, Fenner & Smith, Inc.
- (a) Based on book value.
- (b) Yield to maturity based on current market price.
- (c) Current yield based on market price.
- (d) Based on present indicated dividend rate.
- (e) See Land and Investment Committee Report on Purchases for Trust and Special Funds for reinvestment of proceeds from U. S. Savings Bonds, due 4/1/59, report for June 12, 1959.

MEC:rg:cb
June 12, 1959

Brief Sheet

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND

Established by : George W. Beggs, Executor of the Estate of E. D. Farmer, deceased, from assets of the estate as a charitable trust and in lieu of payment of State inheritance taxes. In order to effectuate this purpose a bill (S. B. No. 98-- Chapter 25 of the 1st called session, 41st Legislature) was passed making provision for the arrangement. The Board of Regents also adopted a resolution outlining the terms of the Trust.

Will Probated : October 1, 1924.
Law Effective : August 11, 1929.
Regents' Resolution : June 8, 1929.
Moneys first Received: September 4, 1929.
Trustee : The Board of Regents of The University of Texas.
Capacity : Sole Trustee.
Others to be Consulted : None.
Life of Fund : Perpetuity.
Purpose : Quotation from S. B. No. 98:
"The moneys so paid in discharge of said tax liability shall constitute and be part of a special fund to be known as the 'E. D. Farmer International Scholarship Fund.' The fund shall be administered by the Board of Regents of The University of Texas, and they are hereby created trustees thereof. The income from said fund shall be used by said Board for the purpose of providing scholarships in The University of Texas to students from the Republic of Mexico, and providing scholarships in the National University of Mexico to students of The University of Texas. Within the discretion of the Board of Regents of The University of Texas, a portion of said income may be used at any time to further the exchange of instructors between The University of Texas, and the said National University of Mexico. All such scholarships as may be provided by said income shall be competitive and the awards thereof shall be made in a manner to be determined by the Executor of the will of the said E. D. Farmer, deceased."

Excerpts from the minutes of the Board of Regents' meeting held on June 8, 1929:

"RESOLVED that upon the payment to the Board of Regents of the University of Texas of inheritance taxes to be assessed against the estate and legatees of E. D. Farmer, deceased, of Parker County, Texas, in accordance with the provisions of an act of the Legislature of the State of Texas duly passed at the first called session of the Forty-first Legislature of the State of Texas, approved May 23, 1929, that the Board of Regents hereby agrees that the amount so paid shall be held by said Board in trust for the purposes specified in said act and that the principal of said sum shall stand as security for any inheritance tax that might hereafter be assessed by the State of Texas against said estate or the legatees of said estate by reason of any inheritance from said estate."

Investment Provisions: Both the above mentioned law and resolution of the Board of Regents are silent on the matter of investment powers, power to retain, amortizations, etc. The rules and regulations of the Board of Regents governing the E. D. Farmer International Scholarship Fund has the following to say about investment powers: "The principal of the Fund shall be invested and reinvested and the income expended in accordance with the regulations of the University applicable to the handling of trust funds and subject to the present Rules and Regulations and to Chapter 25 of the Acts of the First Called Session of The Forty-first Legislature."

WILL C. HOGG MEMORIAL SCHOLARSHIPS FUND
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
FIXED INCOME SECURITIES								
1. U. S. Government Bonds:								
\$50,000	U. S. Savings Bonds, 2-1/2% Series G, due 4/1/59 (e)	\$ 50,000.00	2.50%	100.00	\$ 50,000.00	37.74%	22.70%	\$1,250.00
2,000	U. S. Savings Bonds, 2-1/2% Series G, due 8/1/59	<u>2,000.00</u>	<u>2.44</u> (b)	99.20	<u>1,984.00</u>	<u>1.51</u>	<u>0.90</u>	<u>50.00</u>
<u>52,000</u>	TOTAL U. S. GOVERNMENT BONDS	<u>52,000.00</u>	<u>2.50</u> (a)		<u>51,984.00</u>	<u>39.25</u>	<u>23.60</u>	<u>1,300.00</u>
2. Texas Municipal Bonds:								
9,000	City of San Angelo 5% School Building Bonds, Series 1928, due 4/1/67	<u>9,531.76</u>	<u>4.07</u>	105.91	<u>9,531.76</u>	<u>7.19</u>	<u>4.08</u>	<u>387.44</u>
3. Corporate Bonds:								
Industrial Corporations Bonds --								
7,000	United States Steel Corporation 4% Sinking Fund Debs., due 7/15/83	<u>7,034.30</u>	<u>4.32</u> (b) <u>3.96</u> (a)	95-1/4	<u>6,667.50</u>	<u>5.31</u>	<u>3.03</u>	<u>278.60</u>
Public Utility Corporations Bonds --								
10,000	New England Tel. & Tel. Co. 3-1/8% Debs., due 12/15/88	10,191.50	4.54	77B (3)	7,700.00	7.69	3.49	304.84
4,000	Southern California Edison Company 1st & Rfdg. Mtge. Bonds 4-7/8% Series J, due 9/1/82	<u>4,377.88</u>	<u>4.52</u>	104-1/2(2)	<u>4,180.00</u>	<u>3.31</u>	<u>1.90</u>	<u>178.92</u>
14,000	Total Public Utility Corporations Bonds	<u>14,569.38</u>	<u>4.07</u> (c) <u>3.32</u> (a)		<u>11,880.00</u>	<u>11.00</u>	<u>5.39</u>	<u>483.76</u>
<u>21,000</u>	TOTAL CORPORATE BONDS	<u>21,603.68</u>	<u>4.11</u> (c) <u>3.53</u> (a)		<u>18,547.50</u>	<u>16.31</u>	<u>8.42</u>	<u>762.36</u>
4. Preferred Stocks:								
40 Shs.	The American Tobacco Company 6% Cum. Pfd.	6,249.00	4.74	126-1/2	5,060.00	4.72	2.30	(d) 240.00

WILL C. HOGG MEMORIAL SCHOLARSHIPS FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59	(c)	4/21/59*	4/21/59*	Book	Market	(d)
50 Shs.	4. Preferred Stocks (Continued): General Motors Corporation Pfd. \$3.75 Series	\$ 5,267.50	4.40%	85-1/4	\$ 4,262.50	3.97%	1.93%	\$ 187.50
	TOTAL PREFERRED STOCKS	11,516.50	4.59 (c) 3.71 (a)		9,322.50	8.69	4.23	427.50
	TOTAL FIXED INCOME SECURITIES	94,651.94	3.22 (c) 3.04 (a)		89,385.76	71.44	40.33	2,877.30
	<u>EQUITY INCOME SECURITIES</u>							
	5. Common Stocks:		(c)					(d)
	<u>Industrial Corporations Common Stocks --</u>							
106 Shs.	The Dow Chemical Company	4,467.83	1.40	85-3/4	9,089.50	3.37	4.13	127.20
280 "	E. I. du Pont de Nemours & Company	13,324.50	2.52	238-1/4	66,710.00	10.06	30.28	1,680.00
300 "	General Electric Company	3,746.81	2.38	84	25,200.00	2.83	11.44	600.00
200 "	Phillips Petroleum Company	6,714.50	3.36	50-5/8	10,125.00	5.07	4.60	340.00
100 "	R. J. Reynolds Tobacco Company New Class B	4,197.94	3.64	110	11,000.00	3.17	4.99	400.00
	Total Industrial Corporations Common Stocks	32,451.58	2.58 (c) 9.70 (a)		122,124.50	24.50	55.44	3,147.20
	<u>Public Utility Corporations Common Stocks --</u>							
280 Shs.	El Paso Natural Gas Company	5,263.02	3.95 (c) 6.92 (a)	32-7/8	9,205.00	3.97	4.18	364.00
	TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)	37,714.60	2.67 (c) 9.31 (a)		131,329.50	28.47	59.62	3,511.20
	TOTAL SECURITIES	132,366.54	2.90 (c) 4.83 (a)		220,715.26	99.91	99.95	6,388.50
	6. Cash on Hand 3/31/59:	119.31	-0-		119.31	0.09	0.05	-0-
	FUND TOTAL	\$132,485.85	2.89% (c) 4.82% (a)		\$220,834.57	100.00%	100.00%	\$6,388.50

WILL C. HOGG MEMORIAL SCHOLARSHIPS FUND
As of March 31, 1959
(Continued)

*Market close as April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Liquidating value of Savings Bonds as of May 1, 1959.

(2) Average of Bid-Ask as of April 21, 1959, The First Boston Corporation.

(3) Bid price as of April 21, 1959, Merrill Lynch, Pierce, Fenner & Smith, Inc.

(a) Based on book value.

(b) Yield to maturity based on market price.

(c) Current yield based on market price.

(d) Based on present indicated dividend rate.

(e) See Land and Investment Committee Report on Purchases for Trust and Special Funds for reinvestment of proceeds from U. S. Savings Bonds, due 4/1/59, report for June 12, 1959.

(f) Based on present indicated dividend rate.

MEC:rg:cb

June 12, 1959

Brief Sheet

WILL C. HOGG MEMORIAL SCHOLARSHIPS FUND

Established by : Article V of the will of W. C. Hogg, deceased.

Will Probated : December 6, 1930.

Funds Received : November 10, 1936.

Trustee : The Board of Regents of The University of Texas.

Capacity : Sole Trustee.

Original Value : \$120,000.00.

Life of Fund : Perpetuity.

Purpose : "I hereby give, devise and bequeath One Hundred and Twenty Thousand (\$120,000.00) Dollars, in six lots of \$20,000.00 each, for the use and benefit of The University of Texas, in the creation and establishment of the following memorial scholarships, to be conferred on such terms and conditions as the Board of Regents may prescribe, provided preference be given to graduates of common high schools of Texas in the order of merit of the candidates, considering health, family history, aptitude, and scholarship:

- (1) A scholarship in pure or applied mathematics in honor of my deceased friend, Arthur Lefevre, Sr., said scholarship to equal or exceed \$750.00 per year.
- (2) A scholarship in petroleum geology or in field geology in honor of my deceased friend, Walter Benona Sharp, said scholarship to equal or exceed \$750.00 per year.
- (3) A scholarship in petroleum geology or in field geology in honor of my friend, Mr. Joseph S. Cullinan, said scholarship to equal or exceed \$750.00 per year.
- (4) A scholarship in law in honor of my deceased friend, James Lockhart Autry, said scholarship to equal or exceed \$750.00 per year.
- (5) A scholarship in domestic science or in home economics in honor of my friend, Mrs. Estelle Boughton Sharp, to equal or exceed \$750.00 per year.
- (6) A scholarship in domestic science or in home economics in honor of my sister, Miss Ima Hogg, to equal or exceed \$750.00 per year."

Investment Provisions: As the will is silent, it is believed that all investments must be in securities legal for trustees of the State of Texas. The Board of Regents has grouped into one fund for investment purposes the six scholarships sharing in the net income.

ARCHER M. HUNTINGTON MUSEUM FUND
As of March 31, 1959

Par or Maturity Value	Description	Book Value		Liquidating or Market Price*	Liquidating or Market Value*	% of Total		Estimated Annual Income
		3/31/59	Yield			Book	Market	
	U. S. Government Securities:							
\$ 6,500	U. S. Savings Bonds, 2-1/2% Series F, due 12/1/60	\$ 4,810.00	(2.53%)	92.90	\$ 6,038.50	0.78%	0.29%	\$(121.69)#
6,500	U. S. Savings Bonds, 2-1/2% Series F, due 1/1/61	4,810.00	(2.53)	92.90	6,038.50	0.78	0.29	(121.69)#
31,000	U. S. Savings Bonds, 2-1/2% Series F, due 1/1/62	22,940.00	(2.53)	90.00	27,900.00	3.72	1.35	(580.38)#
4,000	U. S. Savings Bonds, 2-1/2% Series F, due 8/1/62	2,960.00	(2.53)	88.70	3,548.00	0.48	0.17	(74.89)#
40,000	U. S. Savings Bonds, 2.76% Series K, due 8/1/66	40,000.00	2.03 (b)	96.60	38,640.00	6.48	1.86	1,104.00
321,000	U. S. 1-1/4% Certificate of Indebtedness of Series B-1959, due 5/15/59 (g)	321,000.00	1.25	100.00 (a)	321,000.00	52.04	15.47	4,012.50
25,000	U. S. 2-1/2% Treasury Bonds, due 12/15/68-63	24,623.20	4.15 (b)	86.875	21,718.75	3.99	1.05	662.68
35,000	U. S. 2-1/2% Treasury Bonds, due 3/15/70-65	34,397.20	4.21 (b)	85.00	29,750.00	5.58	1.43	929.80
29,000	U. S. 2-1/2% Treasury Bonds, due 12/15/72-67	28,219.36	3.98 (b)	84.375	24,468.75	4.58	1.18	780.76
29,000	U. S. 3-1/4% Treasury Bonds, due 6/15/83-78	30,536.60	3.98 (b)	88.00	25,520.00	4.95	1.23	863.70
63,000	U. S. 3% Treasury Bonds, due 2/15/95	62,998.56	3.79 (b)	84.4375	53,195.63	10.21	2.57	1,890.04
			2.00 (c)					(898.65)#
<u>\$590,000</u>	Total U. S. Government Securities	<u>577,294.92</u>	<u>1.93</u> (a)		<u>557,818.13</u>	<u>93.59</u>	<u>26.89</u>	<u>10,243.48</u>
								(d)
	Real Estate:							
	Land in Galveston County, Texas (approximately 3,594.817 acres)	<u>22,947.92</u>	0.56 (f) 36.68 (a)		<u>1,500,000.00</u> (e)	<u>3.72</u>	<u>72.31</u>	<u>8,416.68</u>
	Mineral Rights and Royalties:	<u>8.00</u>	-0-		<u>8.00</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
								(898.65)#
	TOTAL INVESTMENTS	<u>600,250.84</u>	0.95 (c) <u>3.26</u> (a)		<u>2,057,826.13</u>	<u>97.31</u>	<u>99.20</u>	<u>18,660.16</u>
	Cash on Hand 3/31/59:	<u>16,590.94</u>	-0-		<u>16,590.94</u>	<u>2.69</u>	<u>0.80</u>	<u>-0-</u>
			0.94% (c)					(898.65)#
	FUND TOTAL	<u>\$616,841.78</u>	<u>3.17%</u> (a)		<u>\$2,074,417.07</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$18,660.16</u>

ARCHER M. HUNTINGTON MUSEUM FUND
As of March 31, 1959
(Continued)

*Redemption value of U. S. Savings Bonds as of May 1, 1959; book value of
Certificates of Indebtedness; average of Bid - Ask of Treasury Bonds as
of April 21, 1959, C. J. Devine & Company.

#Accrued interest to be paid at maturity.

- (a) Based on book value.
- (b) Yield to maturity based on current market price or liquidating price.
- (c) Current yield based on market or appraised value.
- (d) Based on actual net income for 1957-58.
- (e) Joint appraisal by 3 appraisers on August 22, 1955.
- (f) Current yield based on appraised market value.
- (g) See Land and Investment Committee Report on Purchases for Trust and Special Funds for exchange of Certificates of Indebtedness due 5/15/59, report for June 12, 1959.

MEC:rg:wc

June 12, 1959

Brief Sheet

ARCHER M. HUNTINGTON MUSEUM FUND

Established by : Deed from Archer M. Huntington of New York, New York, of all the land owned by him in Galveston County, Texas, in trust to The University of Texas.

Date of Deed : October 7, 1927.

Trustee : The Board of Regents of The University of Texas.

Others to Be Consulted : None.

Capacity : Sole Trustee.

Life of Fund : Perpetuity.

Original Value : 4,367 acres of land in Galveston County, Texas.

Purpose : "The said property hereby conveyed is given by me to said The Board of Regents of The University of Texas, or its successors, for the use and benefit of a museum, which it is contemplated by said Board of Regents is to be established in connection with said University of Texas."

Other Provisions : "Said Board of Regents and its successors in office shall have full power and authority to use said land for museum purposes for said University of Texas, and to sell and convey said property upon such terms and conditions as to said Board of Regents may seem fit, and to use the proceeds arising from any such sale, or sales, for the benefit of the museum of the University of Texas above mentioned, and generally to use, sell and convey said lands, and to use any of the proceeds thereof in such a way as may be in its judgment most for the benefit of such museum."

LITTLEFIELD FUND FOR SOUTHERN HISTORY - FIRST FUND
As of March 31, 1959

Par Value	Description	Book Value 3/31/59	Yield (a)	Liquidating or Market Price*	Liquidating or Market Price*	% of Total		Estimated Annual Income
						Book	Market	
	<u>U. S. Government Bonds:</u>							
\$10,000	U. S. Savings Bonds, 2-1/2% Series G, due 4/1/59 ^(c)	\$10,000.00	2.50%	100.00	\$10,000.00	37.91%	37.99%	\$250.00
<u>1,500</u>	U. S. Savings Bonds, 2.76% Series K, due 7/1/66	<u>1,500.00</u>	<u>2.76</u>	96.60	<u>1,449.00</u>	<u>5.69</u>	<u>5.50</u>	<u>41.40</u>
<u>11,500</u>	Total U. S. Government Bonds	<u>11,500.00</u>	<u>2.53 (a)</u>		<u>11,449.00</u>	<u>43.60</u>	<u>43.49</u>	<u>291.40</u>
	<u>Texas Municipal Bonds:</u>		(a)	(a)	(a)			
4,000	City of Denton, Texas, 3% School Building Bonds, due 5/1/72	4,000.00	3.00	100.00	4,000.00	15.17	15.19	120.00
10,000	City of San Angelo, Texas, 5% City Hall and Auditorium Bonds, due 3/1/61-63	<u>10,240.26</u>	<u>4.10</u>	102.40	<u>10,240.26</u>	<u>38.82</u>	<u>38.90</u>	<u>419.74</u>
<u>14,000</u>	Total Texas Municipal Bonds	<u>14,240.26</u>	<u>3.79 (a)</u>		<u>14,240.26</u>	<u>53.99</u>	<u>54.09</u>	<u>539.74</u>
			3.24 (b)					
<u>25,500</u>	TOTAL INVESTMENTS	<u>25,740.26</u>	<u>3.23 (a)</u>		<u>25,689.26</u>	<u>97.59</u>	<u>97.58</u>	<u>831.14</u>
	Cash on Hand 3/31/59:	<u>635.90</u>	-0-		<u>635.90</u>	<u>2.41</u>	<u>2.42</u>	<u>-0-</u>
			3.16% (b)					
	FUND TOTAL	<u>\$26,376.16</u>	<u>3.15% (a)</u>		<u>\$26,325.16</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$831.14</u>

*Liquidating price of Savings Bonds as of May 1, 1959.

(a) Based on book value.

(b) Yield based on market or liquidating value.

(c) See Land and Investment Committee Report on Purchases for Trust and Special Funds for reinvestment of proceeds from U. S. Savings Bonds due 4/1/59, report for June 12, 1959.

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June 12, 1959

Brief Sheet

LITTLEFIELD FUND FOR SOUTHERN HISTORY - FIRST FUND

- Established by : George W. Littlefield by gift to The University of Texas. See minutes for meeting held April 28, 1914.
- Trustee : The Board of Regents of The University of Texas.
- Others to Be Consulted : "It shall be the duty of the Chairman (of Littlefield Fund for Southern History Committee) to assist the Regents in keeping the fund as well as possible interest bearing."
- Life of Fund : No particular life of the fund was set, but it was stated that after twenty-five years any part of the principal could be used to secure such papers and data as were needed to fulfill the purpose of the fund.
- Original Value : \$25,000.00.
- Purpose : "It has been my desire to see a history written of the United States with the plain facts concerning the South and her acts since the foundation of the Government, especially since 1860.".....
.....
".....It is my desire that the committee use the income from this fund for twenty-five years to secure such papers and data as are in their judgment needed. At the expiration of that time any part of the principal that may be necessary may be used for the same purpose. It shall be the duty of the Chairman of this Committee to submit an annual statement to the Regents at their annual meeting, stating the condition of the fund and how invested, and that the President of the University at some meeting of the Regents report the status and progress of the History Committee, together with an estimate as far as may be possible of the influence the collection has had in stimulating the study of Southern History.....
The Committee is fully empowered to use the fund as their judgment may dictate to purchase books, pamphlets, newspaper files, maps, manuscripts, etc., bearing on the History of the South."

Investment Provisions

- Power to Retain : Apparently given, but the original securities are no longer held.
- Amortization : No provision contained.
- Other Provisions : "It shall be the duty of the Chairman to assist the Regents in keeping the fund as well as possible interest bearing," and "in naming the Chairman I feel that he will take deep interest in keeping the fund invested in safe and good paying securities."

THE W. J. McDONALD OBSERVATORY FUND
As of April 24, 1959
(To show closing of property sales)

Par or Maturity Value	Description	Book Value 4/24/59	Yield	Liquidating or Market Price*	Liquidating or Market Value*	% of Total		Estimated Annual Income
						Book	Market	
	<u>U. S. Government Bonds:</u>							
\$ 2,000	U. S. Savings Bonds, 2-1/2% Series G, due 9/1/61	\$ 2,000.00	2.50%	97.60	\$ 1,952.00	0.38%	0.40%	\$ 50.00
7,000	U. S. Savings Bonds, 2-1/2% Series G, due 8/1/62	7,000.00	2.50	97.00	6,790.00	1.32	1.40	175.00
25,000	U. S. 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75	25,000.00	3.98 (b)	88.875	22,218.75	4.73	4.59	687.50
5,000	U. S. 2-1/2% Treasury Bonds, due 3/15/70-65	4,913.98	4.20 (b)	85.125	4,256.25	0.93	0.88	132.82
9,000	U. S. 2-1/2% Treasury Bonds, due 12/15/72-67	8,884.92	3.97 (b)	84.50	7,605.00	1.68	1.57	233.22
11,000	U. S. 4% Treasury Bonds, due 10/1/69	11,961.38	4.13 (b)	98.8125	10,869.38	2.26	2.24	348.44
61,000	U. S. 3-1/4% Treasury Bonds, due 6/15/83-78	60,972.07	3.99 (b)	88.50	53,985.00	11.53	11.14	1,983.64
195,000	U. S. 3% Treasury Bonds, due 2/15/95	195,685.44	3.79 (b)	84.4375	164,653.13	37.01	33.97	5,830.96
<u>315,000</u>	<u>Total U. S. Government Bonds</u>	<u>316,417.79</u>	<u>3.47 (c)</u> <u>2.98 (a)</u>		<u>272,329.51</u>	<u>59.84</u>	<u>56.19</u>	<u>9,441.58</u>
	<u>Texas Municipal Bonds:</u>							
96,000	Amarillo ISD Schoolhouse Bonds, Series 1957-A, 3.90% Unlimited Tax, due July 1, 1979-81/72	95,996.95	3.90	100.00 (a)	95,996.95	18.16	19.81	3,744.14
15,000	Harris County, Texas, 2-3/4% Road Bonds, Series A-2-1948, due March 10, 1967	14,907.84	2.84	99.39	14,907.84	2.82	3.08	424.02
<u>111,000</u>	<u>Total Texas Municipal Bonds</u>	<u>110,904.79</u>	<u>3.78 (a)</u>		<u>110,904.79</u>	<u>20.98</u>	<u>22.89</u>	<u>4,168.16</u>
	<u>Real Estate Mortgage Note:</u>							
	Note of Roy Pickering	5,000.00(d)	5.00 (a)		5,000.00(a)	0.95	1.03	250.00
	<u>Real Estate:</u>							
	Hignight Property, Lamar Co., Texas (Part sold including 50 acres sold 1/5/59)	3,605.70	-0-		3,605.70(a)	0.68	0.74	-0-
	Cuthand Property, Red River Co., Texas (SE 80 acres)	800.00	-0-		800.00(a)	0.15	0.17	-0-
	<u>Total Real Estate</u>	<u>4,405.70</u>	<u>-0-</u>		<u>4,405.70</u>	<u>0.83</u>	<u>0.91</u>	<u>-0-</u>
	<u>Mineral Rights and Royalties:</u>	<u>13.00</u>	<u>-0-</u>		<u>13.00</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>TOTAL INVESTMENTS</u>	<u>436,741.28</u>	<u>3.53 (c)</u> <u>3.17 (a)</u>		<u>392,653.00</u>	<u>82.60</u>	<u>81.02</u>	<u>13,859.74</u>
	<u>Cash on Hand 4/24/59: (e)</u>	<u>91,997.16</u>	<u>-0-</u>		<u>91,997.16</u>	<u>17.40</u>	<u>18.98</u>	<u>-0-</u>
	<u>FUND TOTAL</u>	<u>\$528,738.44</u>	<u>2.86%(c)</u> <u>2.62%(a)</u>		<u>\$484,650.16</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$13,859.74</u>

THE W. J. McDONALD OBSERVATORY FUND
As of April 24, 1959
(To show closing of property sales)
(Continued)

*Liquidating value 5/1/59 for Series G bonds; average of Bid - Ask on 1-1/2% Treasury Note due 4/1/64 into which bonds may be converted as of April 24, 1959, C. J. Devine & Company; average of Bid - Ask for marketable Treasury bonds as of April 24, 1959, C. J. Devine & Company; and book value for municipal bonds.

- (a) Based on book value.
- (b) Yield to maturity based on market price.
- (c) Current yield based on market price.
- (d) Note of Roy Pickering from sale of 125.393 acres, Lamar County (Pickering Property), at net sales price of \$6,000.00 (Down payment of \$1,000 less \$4 recording fee and note for \$5,000, dated 12/17/58, payable \$500 annually with interest at 5% to begin 12/22/58).
- (e) See Land and Investment Committee Report on Purchases for Trust and Special Funds for investment of cash on hand, report of June 12, 1959.

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June 12, 1959

Brief Sheet

W. J. McDONALD OBSERVATORY FUND

Established by : Will of W. J. McDonald, deceased.

Will Dated : May 8, 1925.

Fund Received : Largely in 1929 and 1930.

Trustee : Board of Regents of The University of Texas.

Capacity : Sole Trustee.

Original Value : Approximately \$1,138,000.00.

Life of Fund : Perpetuity, but both principal and income can be used to accomplish purpose of trust.

Purpose : ". . . to be used and devoted by said Regents for the purpose of aiding in erecting and equipping an astronomical Observatory to be kept and used in connection with and as a part of the University for the study and promotion of the study of Astronomical Science."

Investment Provisions: "All investments are to be made in such bonds and securities as are prescribed by law for the investment of the State Common School Fund."

ROSALIE B. HITE ENDOWMENT FOR CANCER RESEARCH
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
<u>FIXED INCOME SECURITIES</u>								
1. <u>U. S. Government Bonds:</u>								
\$ 30,000	U. S. Savings Bonds, 2-1/2% Series G, due 9/1/61	\$ 30,000.00	2.39% (c) 2.50 (a)	97.60 (1)	\$ 29,280.00	3.99%	3.33%	\$ 750.00
2. <u>Corporate Bonds:</u>								
<u>Industrial Corporations Bonds --</u>								
30,000	Standard Oil Company (Indiana) 4-1/2% Debentures, due 10/1/83	31,500.00	4.42	100-1/2	30,150.00	4.19	3.43	1,289.66
30,000	The Texas Company 3-5/8% Debentures, due 5/1/83	28,387.50	4.30	90	27,000.00	3.78	3.07	1,153.46
<u>60,000</u>	<u>Total Industrial Corporations Bonds</u>	<u>59,887.50</u>	4.27 (c) 4.08 (a)		<u>57,150.00</u>	<u>7.97</u>	<u>6.50</u>	<u>2,443.12</u>
<u>Public Utility Corporations Bonds --</u>								
10,000	American Tel. & Tel. Co. 2-7/8% Debs., due 6/1/87	10,132.24	4.30	76-1/4 (2)	7,625.00	1.35	0.87	282.86
20,000	Ditto 4-3/8% Debs., due 4/1/85	20,350.00	4.45	98-3/4	19,750.00	2.71	2.24	861.72
30,000	Consolidated Edison Co. of New York, Inc., 1st & Rfdg. Mtge. Bonds, 4% Series O, due 6/1/88	29,250.70	4.35	94-1/4	28,275.00	3.89	3.21	1,225.40
10,000	Pacific Gas & Electric Co. 1st & Rfdg. Mtge. Bonds, 2-7/8% Series Q, due 12/1/80	10,194.48	4.31	79-1/4 (2)	7,925.00	1.36	0.90	278.66
50,000	Ditto, 4-1/2% Series DD, due 6/1/90	50,000.00	4.44	100-5/8 (2)	50,312.50	6.65	5.72	2,250.00
10,000	The Pacific Tel. & Tel. Co. 2-7/8% Debs., due 10/1/86	10,179.76	4.62	73	7,300.00	1.36	0.83	281.08
20,000	Ditto, 4-5/8% Debs., due 11/1/90	20,525.00	4.56	100-5/8 (2)	20,125.00	2.73	2.29	908.54
30,000	Philadelphia Electric Company, First & Rfdg. Mtge. Bonds, 4-3/8% Series, due 12/1/86	30,000.00	4.34	100 (2)	30,000.00	3.99	3.41	1,312.50
30,000	Southern Bell Tel. & Tel. Co. 4-5/8% Debs., due 12/1/93	30,392.10	4.44	102-7/8 (2)	30,862.50	4.05	3.51	1,376.28

ROSALIE B. HITE ENDOWMENT FOR CANCER RESEARCH
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59		4/21/59*	4/21/59*	Book	Market	
	2. Corporate Bonds (Continued):							
	Public Utility Corporations Bonds (Continued)--							
\$ 30,000	Texas Electric Service Co. First Mtge. Bonds 4-1/2% Series, due 11/1/88	\$ 30,900.00	4.38%	101-1/2 (3)	\$ 30,450.00	4.11%	3.46%	\$ 1,319.94
240,000	Total Public Utility Corporations Bonds	241,924.28	4.34 (c) 4.17 (a)		232,625.00	32.20	26.44	10,096.98
300,000	TOTAL CORPORATE BONDS	301,811.78	4.33 (c) 4.15 (a)		289,775.00	40.17	32.94	12,540.10
	3. Preferred Stocks:							
100 Shs.	Commonwealth Edison Co. 5.25% Cum. Pfd.	10,894.85	4.69	112	11,200.00	1.45	1.27	(a) 525.00
100 "	Consolidated Edison Co. of New York, Inc., 5% Cum. Pfd.	10,361.81	4.75	105-1/4	10,525.00	1.38	1.20	500.00
100 "	Consumers Power Company 4.52% Cum. Pfd.	9,573.53	4.78	94-1/2	9,450.00	1.27	1.08	452.00
100 "	Public Service Electric & Gas Co., 4.18% Cum. Pfd.	8,597.55	4.64	90	9,000.00	1.15	1.02	418.00
400 "	Southern California Edison Co. 4.78% Cum. Pfd.	9,824.52	4.84	24.6875(3)	9,875.00	1.31	1.12	478.00
	TOTAL PREFERRED STOCKS	49,252.26	4.74 (c) 4.82 (a)		50,050.00	6.56	5.69	2,373.00
	TOTAL FIXED INCOME SECURITIES	381,064.04	4.24 (c) 4.11 (a)		369,105.00	50.72	41.96	15,663.10
	EQUITY INCOME SECURITIES							
	4. Common Stocks:							
	Financial Corporations Common Stocks --							
500 Shs.	Bank of America National Trust & Savings Association (San Francisco, Calif.)	21,000.00	3.85	46.8125(2)	23,406.25	2.79	2.66	900.00
400 "	The Chase Manhattan Bank (New York, N. Y.)	23,225.00	4.18	57.4375(2)	22,975.00	3.09	2.61	960.00
300 "	Commercial Credit Company	18,385.25	4.68	59-7/8	17,962.50	2.45	2.04	840.00
	Total Financial Corporations Common Stocks	62,610.25	4.20 (c) 4.31 (a)		64,343.75	8.33	7.31	2,700.00

ROSALIE B. HITE ENDOWMENT FOR CANCER RESEARCH

As of March 31, 1959

(Continued)

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield (c)	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income (d)
						Book	Market	
4. <u>Common Stocks (Continued):</u>								
<u>Industrial Corporations Common Stocks --</u>								
173 Shs.	Allied Chemical Corporation	\$ 7,223.73	2.65%	113-1/4	\$ 19,592.25	0.96%	2.23%	\$ 519.00
200 "	The American Tobacco Company	18,721.63	4.81	103-7/8	20,775.00	2.49	2.36	1,000.00
400 "	Bethlehem Steel Corporation	20,150.28	4.62	52	20,800.00	2.68	2.37	960.00
200 "	Bristol-Myers Company	5,256.80	2.05	104-3/4	20,950.00	0.70	2.38	430.00
100 "	E. I. du Pont de Nemours & Company	5,231.20	2.52	238-1/4	23,825.00	0.70	2.71	600.00
300 "	General Electric Company	3,766.19	2.38	84	25,200.00	0.50	2.87	600.00
200 "	General Foods Corporation	15,681.09	2.94	81-1/2	16,300.00	2.09	1.85	480.00
122 "	Gulf Oil Corporation	4,745.27	2.14	117	14,274.00	0.63	1.62	305.00
400 "	Johns-Manville Corporation	20,612.55	3.42	58-1/2	23,400.00	2.74	2.66	800.00
100 "	National Biscuit Company	3,514.94	4.26	51-5/8	5,162.50	0.47	0.59	220.00
200 "	Owens-Illinois Glass Company	5,831.80	2.82	88-1/2	17,700.00	0.78	2.01	500.00
200 "	J. C. Penney Company, Inc.	21,574.48	3.93	108-1/4	21,650.00	2.87	2.46	850.00
400 "	Phillips Petroleum Company	5,725.24	3.36	50-5/8	20,250.00	0.76	2.30	680.00
200 "	R. J. Reynolds Tobacco Company New Class B	7,884.12	3.64	110	22,000.00	1.05	2.50	800.00
300 "	Standard Oil Company (New Jersey)	17,296.67	4.22	53-3/8	16,012.50	2.30	1.82	675.00
200 "	Sterling Drug, Inc.	3,640.56	2.96	50-3/4	10,150.00	0.49	1.15	300.00
300 "	United States Steel Corporation	<u>28,320.18</u>	<u>3.23</u>	<u>92-7/8</u>	<u>27,862.50</u>	<u>3.77</u>	<u>3.17</u>	<u>900.00</u>
	Total Industrial Corporations Common Stocks	<u>195,176.73</u>	<u>3.26 (c)</u> <u>5.44 (a)</u>		<u>325,903.75</u>	<u>25.98</u>	<u>37.05</u>	<u>10,619.00</u>
<u>Public Utility Corporations Common Stocks --</u>								
400 Shs.	Gulf States Utilities Company	22,565.89	2.86	63	25,200.00	3.00	2.86	720.00
400 "	Ohio Edison Company	23,153.98	4.07	64-7/8	25,950.00	3.08	2.95	1,056.00
300 "	Pacific Gas & Electric Company	18,723.09	3.98	65-1/4	19,575.00	2.49	2.23	780.00
75 "	Pacific Lighting Corporation	2,975.97	4.59	52-1/4	3,918.75	0.40	0.45	180.00
500 "	Public Service Company of Indiana, Inc.	<u>21,777.88</u>	<u>4.59</u>	<u>45-3/4</u>	<u>22,875.00</u>	<u>2.90</u>	<u>2.60</u>	<u>1,050.00</u>
	Total Public Utility Corporations Common Stocks	<u>89,196.81</u>	<u>3.88 (c)</u> <u>4.24 (a)</u>		<u>97,518.75</u>	<u>11.87</u>	<u>11.09</u>	<u>3,786.00</u>

ROSALIE B. HITE ENDOWMENT FOR CANCER RESEARCH
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income (d)
						Book	Market	
	4. <u>Common Stocks</u> (Continued)		(c)					
	<u>Railroad Corporations Common Stocks</u> --		4.51%					
600 Shs.	Union Pacific Railroad Company	\$ 21,822.01	4.40 (a)	35-1/2	\$ 21,300.00	2.90%	2.42%	\$ 960.00
	TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)	368,805.80	3.55 (c) 4.90 (a)		509,066.25	49.08	57.87	18,065.00
	TOTAL SECURITIES	749,869.84	3.84 (c) 4.50 (a)		878,171.25	99.80	99.83	33,728.10
	5. <u>Cash on Hand 3/31/59:</u>	1,515.17	-0-		1,515.17	0.20	0.17	-0-
	<u>FUND TOTAL</u>	<u>\$751,385.01</u>	3.83% (c) 4.49% (a)		<u>\$879,686.42</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$33,728.10</u>

*Market close or average of Bid - Ask as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Liquidation price as of 5/1/59.

(2) Average of Bid - Ask as of April 21, 1959, The First Boston Corporation.

(3) Average of Bid - Ask as of April 21, 1959, Salomon Bros. & Hutzler.

(a) Based on book value.

(b) Yield to maturity based on market price.

(c) Current yield based on current market price.

(d) Based on present indicated dividend rate.

(e) Based on present indicated dividend rate.

(f) Based on present indicated dividend rate.

(g) Based on present indicated dividend rate.

MEC:rg:cb

June 12, 1959

Brief Sheet

ROSALIE B. HITE ENDOWMENT FOR CANCER RESEARCH

Established by : Will of Rosalie B. Hite, Deceased.
Will Dated : June 23, 1944.
Funds Received : Properties and securities in amount of \$693,391.75 received on May 1, 1945.
Cash in amount of \$16,359.81 received on September 24, 1945, in final settlement of the Estate.
Trustee : Board of Regents of The University of Texas.
Others to Be Consulted : None.
Life of Fund : Item 12 of Will: ". . . I would not make this bequest to the said Board of Regents of the University of Texas unless I were of the opinion that this research would be of a continuing nature; . . ."

Declaratory Judgment, 126th District Court of Travis County, Texas: "1. That the corpus, or any portion thereof, of the trust fund, known as 'The Endowment of Rosalie B. Hite for Cancer Research,' as well as the income thereof, may be legally used and expended by the Board of Regents of The University of Texas, as trustees of said fund, for the purpose of making a research for the cause, prevention, treatment, and cure of cancer. . ."

Purpose : Item 12 of Will: "It is my desire, and I direct, that the Board of Regents of the University of Texas shall use the proceeds from this bequest exclusively for the purpose of making a research for the cause, prevention, treatment and cure of cancer. . ."

Investment Powers

Power to Retain : Item 12 of Will: ". . . Said Board shall have full power to receive said property, sell or dispose of the same as it deems proper."
Amortization : No provision contained in Will.
Other Provisions : None.

THE WILLIAM HEUERMAN FUND FOR CANCER RESEARCH
(M. D. Anderson Hospital and Tumor Institute)
As of March 31, 1959

Par Value or No. Shs.	Description	Book Value 3/31/59	Yield	Current		% of Total		Estimated Annual Income
				Mkt. Price 4/21/59*	Mkt. Value 4/21/59*	Book	Market	
<u>FIXED INCOME SECURITIES</u>								
1. <u>U. S. Government Bonds:</u>								
\$ 85,000	U. S. Savings Bonds, Series J, due 4/1/66	\$ 61,200.00	(a) (2.76%)	80.00 (1)	\$ 68,000.00	24.93%	24.28%	\$(1,983.33)#
80,000	U. S. 2-1/2% Treasury Bonds, due 3/15/70-65	78,769.76	4.21 (b)	85.00 (2)	68,000.00	32.08	24.27	2,111.84
								(1,983.33)#
	TOTAL U. S. GOVERNMENT BONDS		3.01 (c)					
165,000	(TOTAL FIXED INCOME SECURITIES)	139,969.76	2.93 (a)		136,000.00	57.01	48.55	2,111.84
<u>EQUITY INCOME SECURITIES</u>								
2. <u>Common Stocks:</u>								
<u>Financial Corporations Common Stocks--</u>								
100 Shs.	The Chase Manhattan Bank	5,029.10	4.18 4.77 (a)	57.4375(3)	5,743.75	2.05	2.05	240.00
<u>Industrial Corporations Common Stocks--</u>								
200 Shs.	American Can Company	8,615.75	4.57	43-3/4	8,750.00	3.51	3.12	400.00
200 "	Bethlehem Steel Corporation	7,894.12	4.62	52	10,400.00	3.22	3.71	480.00
100 "	General Motors Corporation	3,607.88	4.03	49-5/8	4,962.50	1.47	1.77	200.00
100 "	The International Nickel Company of Canada, Ltd.	7,555.01	2.82	92-1/8	9,212.50	3.08	3.29	260.00
100 "	Johns-Manville Corporation	3,783.75	3.42	58-1/2	5,850.00	1.54	2.09	200.00
100 "	National Dairy Products Corporation	3,633.00	3.89	51-3/8	5,137.50	1.48	1.83	200.00
300 "	Parke, Davis & Company	3,921.94	2.95	44	13,200.00	1.60	4.71	390.00
200 "	R. J. Reynolds Tobacco Company (New Class B)	12,874.08	3.64	110	22,000.00	5.24	7.86	800.00
210 "	Standard Oil Company of California	8,543.50	3.52	56-3/4	11,917.50	3.48	4.26	420.00
100 "	Union Bag - Camp Paper Corporation	3,155.63	3.06	49	4,900.00	1.28	1.75	150.00
100 "	F. W. Woolworth Company	4,462.13	4.48	55-3/4	5,575.00	1.82	1.99	250.00
	Total Industrial Corporations Common Stocks	68,046.79	3.68 (c) 5.51 (a)		101,905.00	27.72	36.38	3,750.00
<u>Public Utility Corporations Common Stocks--</u>								
100 Shs.	Consolidated Edison Co. of New York, Inc.	4,842.13	4.22	64	6,400.00	1.97	2.29	270.00
200 "	Wisconsin Electric Power Company	6,937.98	4.42	38-1/2	7,700.00	2.83	2.75	340.00
	Total Public Utility Corporations Common Stocks	11,780.11	4.33 (c) 5.18 (a)		14,100.00	4.80	5.04	610.00
<u>Railroad Corporations Common Stocks--</u>								
450 Shs.	Union Pacific Railroad Company	14,292.44	4.51 (c) 5.04 (a)	35-1/2	15,975.00	5.82	5.70	720.00

THE WILLIAM HEUERMAN FUND FOR CANCER RESEARCH
(M. D. Anderson Hospital and Tumor Institute)
As of March 31, 1959
(Continued)

Par Value or No. Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
2. <u>Common Stocks</u> (Continued):								
	TOTAL COMMON STOCKS	\$ 99,148.44	3.86%(c) 5.37 (a)		\$137,723.75	40.39%	49.17%	\$ 5,320.00
3. <u>Mineral Rights and Royalties</u> :								
		1.00	-0-		1.00	-0-	-0-	-0-
	TOTAL EQUITY INCOME SECURITIES	99,149.44	3.86 (c) 5.37 (a)		137,724.75	40.39	49.17	5,320.00
	TOTAL INVESTMENTS	239,119.20	2.72 (e) 3.11 (a)		273,724.75	97.40	97.72	7,431.84
4. <u>Cash on Hand 3/31/59</u> :								
		6,378.00	-0-		6,378.00	2.60	2.28	-0-
	<u>FUND TOTAL</u>	\$245,497.20	3.36%(c) 3.84%(a)		\$280,102.75	100.00%	100.00%	(1,983.33)# \$ 7,431.84

#Accrued interest to be paid at maturity.

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

- (1) Liquidating price as of May 1, 1959.
- (2) Average of Bid - Ask as of April 21, 1959, C. J. Devine & Company.
- (3) Average of Bid - Ask as of April 21, 1959, The First Boston Corporation.

- (a) Based on book value.
- (b) Yield to maturity based on market price.
- (c) Current yield based on current market price.
- (d) Based on present indicated dividend rate.

MEC:rg:wc
June 12, 1959

Brief Sheet

THE WILLIAM HEUERMANN (ENDOWMENT) FUND FOR CANCER RESEARCH
(M. D. Anderson Hospital and Tumor Institute)

Established by : The Will of William Heuermann, Deceased, whereby the Board of Regents of The University of Texas, as Trustees, is residuary legatee of Mr. Heuermann's Estate after partition of one-half community interest to Mrs. Heuermann and payment of other specific bequests.

Will Probated : July 25, 1949, San Patricio County, Texas.

Date of Cash
Distributions :

<u>Principal</u>	<u>Principal and Income</u>
January 5, 1951 \$100,000.00	February 6, 1956:
July 6, 1951 43,000.00	Principal \$ 5,172.97
February 2, 1952 24,500.00	Income 827.03
February 26, 1953 38,000.00	Sub-Total (\$ 6,000.00)
February 10, 1954 6,500.00	February 29, 1957:
January 27, 1955 7,000.00	Principal \$ 7,228.06
(\$219,000.00)	Income 1,771.94
	Sub-Total (\$ 9,000.00)
	February 13, 1958:
	Principal 8,139.40
	Income 1,360.60
	Sub-Total (\$ 9,500.00)
	February 6, 1959:
	Principal 5,855.77
	Income 744.23
	Sub-Total (\$ 6,600.00)
	Total <u>\$250,100.00</u>

Trustee : Board of Regents of The University of Texas.

Others to Be
Consulted : None.

Life of Fund : No particular life of the fund was set, it being stated in the will that income and principal could be spent in any such manner as the Trustees shall, in their sole discretion, see fit for the purposes of the trust.

On October 13, 1955, the Board of Regents voted to have the principal distributions from the Estate used to establish an endowment fund to be entitled "The William Heuermann Fund for Cancer Research."

Purpose : To be used for the purpose of cancer research in the State of Texas, at the M. D. Anderson Hospital for Cancer Research in Houston, Texas, or elsewhere within the State. It is stipulated in the will that the fund "shall be used only for the purpose of cancer research and only in the State of Texas."

Investment
Provisions : Trustees given the power to hold, manage, sell, invest and reinvest fund.

Other
Provisions : If purpose of trust becomes impracticable, Trustees may apply the cy pres doctrine.

Funds may be commingled with other funds or properties provided such other funds or properties are held for the sole and only purpose of cancer research within the State of Texas.

THE WILLIAM ORVILLE BULLINGTON MEMORIAL FUND
(Medical Branch)
As of March 31, 1959

No. of Shares	Description	Book Value	Yield	Current	Current	% of Total		Estimated
		3/31/59	(b)	Mkt. Price 4/21/59*	Mkt. Value 4/21/59*	Book	Market	Annual Income (c)
<u>EQUITY INCOME SECURITIES</u>								
1. <u>Common Stocks:</u>								
<u>Financial Corporations Common Stocks --</u>								
50 Shs.	The First National City Bank of New York	\$ 3,312.50	4.53 (a)	76.3125 (1)	\$ 3,815.63	15.89%	12.21%	\$ 150.00
<u>Industrial Corporations Common Stocks --</u>								
100 Shs.	Allied Mills, Inc.	2,924.50	5.13	43-7/8	4,387.50	14.03	14.03	225.00
30 "	Chrysler Corporation	2,404.23	2.35	63-7/8	1,916.25	11.54	6.13	45.00
120 "	General Electric Company	2,802.40	2.38	84	10,080.00	13.45	32.25	240.00
38 "	Otis Elevator Company	2,083.50	3.29	73	2,774.00	10.00	8.87	91.20
30 "	J. C. Penney Company, Inc.	2,083.05	3.93	108-1/4	3,247.50	10.00	10.39	127.50
75 "	Texas Gulf Sulphur Co., Inc.	2,396.08	4.44	22-1/2	1,687.50	11.50	5.40	75.00
34 "	Wm. Wrigley, Jr., Company	2,518.04	5.04	89-1/4	3,034.50	12.08	9.71	153.00
	Total Industrial Corporations Common Stocks	17,211.80	3.53 (b) 5.56 (a)		27,127.25	82.60	86.78	956.70
	TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)	20,524.30	3.58 (b) 5.39 (a)		30,942.88	98.49	98.99	1,106.70
	2. <u>Cash on Hand 3/31/59:</u>	314.48	-0-		314.48	1.51	1.01	-0-
	<u>FUND TOTAL</u>	\$20,838.78	3.54% (b) 5.31% (a)		\$31,257.36	100.00%	100.00%	\$1,106.70

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Average of Bid - Ask as of April 21, 1959, The First Boston Corporation.

(a) Based on book value.

(b) Current yield based on market price.

(c) Based on present indicated dividend rate.

MEC:rg:cb

June 12, 1959

Brief Sheet

THE WILLIAM ORVILLE BULLINGTON MEMORIAL FUND
(Medical Branch)

- Established by : Orville Bullington and wife, Sadie Kell Bullington, by trust instrument, dated December 30, 1952.
- Funds Received : December 30, 1952.
- Original Amount : \$20,000.00.
- Trustee : Board of Regents of The University of Texas.
- Accepted by Regents : February 6, 1953.
- Discretion : Sole Discretion.
- Life of Fund : In perpetuity, the original amount to be invested and the income therefrom devoted to the purposes as set out in trust instrument.
- Purposes : The income from the fund shall be used by the Medical Branch of The University of Texas, at Galveston, Texas, to pay the salary of a person or persons for research to ascertain the cause and cure of Pancreatitis.

If and when the cure and cause of Pancreatitis is discovered, the income may be used for the purpose of ascertaining the cause and cure of any other disease which is largely fatal to mankind.

Investment Provisions

- : The fund shall not be invested in anything except common stocks of corporations listed on the New York Stock Exchange, the New York Curb Exchange, or the Midwest Stock Exchange, nor shall the fund be invested in any corporation having a preferred stock issue or a funded debt outstanding.

The Trustees shall have the right to hold, manage, control, exchange, invest and reinvest, in any way, the whole or any part of such donation, but the same shall never be mortgaged or encumbered.

- Other Provisions : As long as Dr. Raymond C. Gregory is connected with the Medical Branch of The University of Texas at Galveston, Texas, he shall direct the research activity, but he may request the advice and counsel of the Vice-President and Dean of the Medical Branch as well as the head of the Department of Surgery.

The Trustees nor anyone else shall receive any compensation from the fund for administering or supervising it.

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND - RESERVE FOR DEPLETION
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
<u>FIXED INCOME SECURITIES</u>								
	1. <u>U. S. Government Bonds:</u>							
\$21,000	U. S. 3% Treasury Bonds, due 2/15/95	\$ 20,963.28	3.79% (b) 3.01 (a)	84.4375 (1)	\$ 17,731.88	8.51%	6.48%	\$ 631.02
	2. <u>Corporate Bonds:</u>		(b)					
	<u>Public Utility Corporations Bonds --</u>							
6,000	American Tel. & Tel. Company 5% Series N Debentures, due 11/1/83	6,542.00	4.59	106	6,360.00	2.66	2.32	278.32
5,000	Consolidated Natural Gas Company 5% SF Debentures, due 9/1/82	5,418.30	4.72	104	5,200.00	2.20	1.90	232.20
3,000	Florida Power Corporation First Mtge. Bonds 4-1/8% Series, due 7/1/88	2,955.75	4.46	94 (2)	2,820.00	1.20	1.03	125.25
5,000	Houston Lighting & Power Co. First Mtge. Bonds 4-3/4% Series, due 11/1/87	5,371.78	4.55	103-1/4 (2)	5,162.50	2.18	1.89	224.48
35,000	New England Tel. & Tel. Company 3-1/8% Debentures, due 12/15/88	35,671.00	4.54	77 B (3)	26,950.00	14.48	9.84	1,066.91
13,000	Oklahoma Gas & Electric Company First Mtge. Bonds, 4-1/2% Series, due 1/1/87	13,389.20	4.44	101 (3)	13,130.00	5.44	4.80	571.10
12,000	Public Service Electric & Gas Company 1st & Rfdg. Mtge. Bonds, 4-7/8% Series, due 9/1/87	12,117.42	4.56	105 (2)	12,600.00	4.92	4.60	580.88
12,000	Southern Bell Tel. & Tel. Company 4-5/8% Debentures, due 12/1/93	12,165.00	4.44	103-1/4 (2)	12,390.00	4.94	4.53	550.26
5,000	West Texas Utilities Company First Mtge. Bonds, Series E, 3-7/8%, due 1/1/88	5,064.96	5.43	86-1/2B(3)	4,325.00	2.06	1.58	191.51
96,000	Total Public Utility Corporations Bonds (Total Corporate Bonds)	98,695.41	4.30 (c) 3.87 (a)		88,937.50	40.08	32.49	3,820.91
	3. <u>Preferred Stocks:</u>							(a)
50 Shs.	R. J. Reynolds Tobacco Company Cum. Pfd. 3.60% Series	4,513.38	4.31 (c) 3.99 (a)	83-1/2	4,175.00	1.83	1.52	180.00
	TOTAL FIXED INCOME SECURITIES	<u>124,172.07</u>	4.18 (c) 3.73 (a)		<u>110,844.38</u>	<u>50.42</u>	<u>40.49</u>	<u>4,631.93</u>

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND - RESERVE FOR DEPLETION
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59	(c)	4/21/59*	4/21/59*	Book	Market	(d)
<u>EQUITY INCOME SECURITIES</u>								
4. <u>Common Stocks:</u>								
<u>Financial Corporations Common Stocks --</u>								
100 Shs.	Commercial Credit Corporation	\$ 5,744.70	4.87 (a)	59-7/8	\$ 5,987.50	2.33%	2.19%	\$ 280.00
<u>Industrial Corporations Common Stocks --</u>								
108 Shs.	Allied Chemical Corporation	9,881.08	2.65	113-1/4	12,231.00	4.01	4.47	324.00
160 "	Bethlehem Steel Corporation	7,250.74	4.62	52	8,320.00	2.95	3.04	384.00
300 "	General Motors Corporation	12,660.19	4.03	49-5/8	14,887.50	5.14	5.44	600.00
100 "	National Biscuit Company	3,633.00	4.26	51-5/8	5,162.50	1.48	1.88	220.00
200 "	National Dairy Products Corporation	7,366.50	3.89	51-3/8	10,275.00	2.99	3.75	400.00
100 "	Phelps Dodge Corporation	5,965.93	4.69	64	6,400.00	2.42	2.34	300.00
200 "	Phillips Petroleum Company	6,676.96	3.36	50-5/8	10,125.00	2.71	3.70	340.00
200 "	R. J. Reynolds Tobacco Company New Class B	10,993.42	3.64	110	22,000.00	4.46	8.04	800.00
100 "	The Timken Roller Bearing Company	4,545.52	3.67	54-1/2	5,450.00	1.85	1.99	200.00
100 "	Westinghouse Electric Corporation	7,692.65	2.46	81-1/4	8,125.00	3.12	2.97	200.00
	Total Industrial Corporations Common Stocks	76,665.99	3.66 (c) 4.91 (a)		102,976.00	31.13	37.62	3,768.00
<u>Public Utility Corporations Common Stocks---</u>								
33 Shs..	American Tel. & Tel. Company	5,620.50	3.42	263	8,679.00	2.28	3.17	297.00
100 "	Baltimore Gas & Electric Company	3,900.81	3.88	46-3/8	4,637.50	1.58	1.70	180.00
400 "	El Paso Natural Gas Company	7,944.94	3.95	32-7/8	13,150.00	3.23	4.81	520.00
100 "	Gulf States Utilities Company	4,491.25	2.86	63	6,300.00	1.82	2.30	180.00
105 "	Pacific Gas & Electric Company	4,813.06	3.98	65-1/4	6,851.25	1.96	2.50	273.00
	Total Public Utility Corporations Common Stocks	26,770.56	3.66 (c) 5.42 (a)		39,617.75	10.87	14.48	1,450.00

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND - RESERVE FOR DEPLETION
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value	Yield	Current Mkt. Price	Current Mkt. Value	% of Total		Estimated Annual Income
		3/31/59	(c)	4/21/59*	4/21/59*	Book	Market	(g)
	4. <u>Common Stocks (Continued)</u>							
200 Shs.	<u>Railroad Corporations Common Stocks --</u> <u>Union Pacific Railroad Company</u>	\$ 5,733.38	4.51% (c) 5.58 (a)	35-1/2	\$ 7,100.00	2.33%	2.59%	\$ 320.00
	TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)	114,914.63	3.74 (c) 5.06 (a)		115,681.25	46.66	56.88	5,818.00
	TOTAL INVESTMENTS	239,086.70	3.92 (c) 4.37 (a)		266,525.63	97.08	97.37	10,449.93
	5. <u>Cash on Hand 3/31/59:</u>	7,191.28	-0-		7,191.28	2.92	2.63	-0-
	FUND TOTAL	\$246,277.98	3.82% (c) 4.24% (a)		\$273,716.91	100.00%	100.00%	\$10,449.93

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Average of Bid-Ask as of April 21, 1959, C. J. Devine & Company.

(2) Market close as of April 21, 1959, The First Boston Corporation.

(3) Bid price or average of Bid-Ask as of April 21, 1959, Merrill Lynch, Pierce, Fenner & Smith, Inc.

(a) Based on book value.

(b) Yield to maturity based on current market price.

(c) Current yield based on market price.

(d) Based on present indicated dividend rate.

(e) Based on 1957 dividend rate.

(f) Based on present indicated dividend rate.

(g) Based on present indicated dividend rate.

MEC:rg:cb

June 12, 1959

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND
As of March 31, 1959

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
<u>FIXED INCOME SECURITIES</u>								
1. <u>Corporate Bonds:</u>								
			(b)					
	<u>Industrial Corporations Bonds --</u>							
\$20,000	United States Steel Corporation 4% SF Debentures, due 7/15/83	\$ 20,098.00	4.32%(b) 3.96 (a)	95-1/4	\$ 19,050.00	14.81%	12.95%	\$ 796.00
	<u>Public Utility Corporations Bonds --</u>		(b)					
9,000	American Tel. & Tel. Company 5% Series N Debentures, due 11/1/83	10,001.00	4.59	106	9,540.00	7.37	6.49	409.96
17,000	Florida Power Corporation First Mtge. Bonds, 4-1/8% Series, due 7/1/88	17,118.00	4.46	94 (2)	15,980.00	12.61	10.86	697.25
15,000	New York Telephone Company, Rfdg. Mtge. 4-1/8% Bonds, Series K, due 7/1/93	15,369.84	4.39	95-3/8	14,306.25	11.33	9.73	608.03
10,000	Northern States Power Company (Minnesota) 1st Mtge. Bonds, 4% Series, due 7/1/88	10,048.97	4.30	94-1/2(1)	9,450.00	7.40	6.43	398.34
	Total Public Utility Corporations Bonds	52,537.81	4.29 (c) 4.02 (a)		49,276.25	38.71	33.51	2,113.58
51,000								
	TOTAL CORPORATE BONDS (TOTAL FIXED INCOME SECURITIES)	72,635.81	4.26 (c) 4.01 (a)		68,326.25	53.52	46.46	2,909.58
71,000								
<u>EQUITY INCOME SECURITIES</u>								
2. <u>Common Stocks</u>								
			(c)					(a)
	<u>Financial Corporations Common Stocks --</u>							
200 Shs.	Bank of America National Trust & Savings Association (San Francisco, Calif.)	7,950.00	3.85	46.8125(1)	9,362.50	5.85	6.37	360.00
100 "	The Chase Manhattan Bank (New York, N. Y.)	5,250.00	4.18	57.4375(1)	5,743.75	3.87	3.90	240.00
	Total Financial Corporations Common Stocks	13,200.00	3.97 (c) 4.55 (a)		15,106.25	9.72	10.27	600.00

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND
As of March 31, 1959
(Continued)

Par Value or No. of Shs.	Description	Book Value 3/31/59	Yield	Current Mkt. Price 4/21/59*	Current Mkt. Value 4/21/59*	% of Total		Estimated Annual Income
						Book	Market	
<u>EQUITY INCOME SECURITIES (Continued)</u>								
2. <u>Common Stocks (Continued):</u>								
<u>Industrial Corporations Common Stocks --</u>								
100 Shs.	American Home Products Corporation	\$ 9,973.93	2.59%	147	\$ 14,700.00	7.35%	9.99%	\$ 380.00
200 "	National Biscuit Company	9,849.32	4.26	51-5/8	10,325.00	7.26	7.02	440.00
100 "	Standard Oil Company (New Jersey)	5,219.18	4.22	53-3/8	5,337.50	3.84	3.63	225.00
100 "	Union Carbide Corporation	<u>9,173.13</u>	<u>2.58</u>	<u>139-3/8</u>	<u>13,937.50</u>	<u>6.76</u>	<u>9.48</u>	<u>360.00</u>
Total Industrial Corporations Common Stocks		<u>34,215.56</u>	3.17 (c) <u>4.11 (a)</u>		<u>44,300.00</u>	<u>25.21</u>	<u>30.12</u>	<u>1,405.00</u>
<u>Public Utility Corporations Common Stocks --</u>								
27 Shs.	American Tel. & Tel. Company	4,851.50	3.42	263	7,101.00	3.58	4.83	243.00
100 "	Baltimore Gas & Electric Company	4,114.38	3.88	46-3/8	4,637.50	3.03	3.15	180.00
100 "	Pacific Gas & Electric Company	<u>5,619.58</u>	<u>3.98</u>	<u>65-1/4</u>	<u>6,525.00</u>	<u>4.14</u>	<u>4.44</u>	<u>260.00</u>
Total Public Utility Corporations Common Stocks		<u>14,585.46</u>	3.74 (c) <u>4.68 (a)</u>		<u>18,263.50</u>	<u>10.75</u>	<u>12.42</u>	<u>683.00</u>
TOTAL COMMON STOCKS (TOTAL EQUITY INCOME SECURITIES)		<u>62,001.02</u>	3.46 (c) <u>4.34 (a)</u>		<u>77,669.75</u>	<u>45.68</u>	<u>52.81</u>	<u>2,688.00</u>
3. <u>Miscellaneous Assets:</u>		<u>1.00</u>	<u>-0-</u>		<u>1.00</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL INVESTMENTS		<u>134,637.83</u>	3.83 (c) <u>4.16 (a)</u>		<u>145,997.00</u>	<u>99.20</u>	<u>99.27</u>	<u>5,597.58</u>
4. <u>Cash on Hand 3/31/59:</u>		<u>1,078.98</u>	<u>-0-</u>		<u>1,078.98</u>	<u>0.80</u>	<u>0.73</u>	<u>-0-</u>
FUND TOTAL		<u>\$135,716.81</u>	3.81% (c) <u>4.12% (a)</u>		<u>\$147,075.98</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$5,597.58</u>

THE JAMES W. McLAUGHLIN FELLOWSHIP FUND
As of March 31, 1959
(Continued)

*Market close as of April 21, 1959, The Wall Street Journal, unless otherwise indicated.

(1) Average of Bid-Ask as of April 21, 1959, The First Boston Corporation.

(2) Average of Bid-Ask as of April 21, 1959, Salomon Bros. & Hutzler.

(a) Based on book value.

(b) Yield to maturity based on current market price.

(c) Current yield based on market price.

(d) Based on present indicated dividend rate, present indicated dividend yield.

(e) Based on present indicated dividend rate.

MEC:rg:cb

June 12, 1959

TABLE I

LILA BELLE ETTER ESTATE TRUST - RESIDUARY PORTION
BEQUEATHED TO THE UNIVERSITY OF TEXAS
REVIEW AS OF MARCH 31, 1959

	Book Value		Current Yield on Book Value	Market Price 4/6/59	Market Value 4/6/59	% of Total		Estimated Income 1958-59
	Total 3/31/59	Per Unit				Book	Market	
A. Lila Belle Etter Estate Fund (Established by University with cash from Estate Trust):								
INVESTMENTS:								
(1) \$ 20,000 p. v. U. S. 1-1/4% Treasury Certificates of Indebtedness, Series B-1959, due 5/15/59.	\$ 20,000.00	100.00	1.25%	99.828125(b)	\$ 19,965.63	0.05%	0.04%	\$ 228.94
\$220,000 p. v. U. S. 2-5/8% Treasury Bonds, due 2/15/65	<u>220,000.00</u>	100.00	<u>2.63</u>	92.9375 (b)	<u>204,462.50</u>	<u>0.50</u>	<u>0.39</u>	<u>6,748.12</u>
Total Investments in Estate Fund at University.	<u>240,000.00</u>		<u>2.51</u>		<u>224,428.13</u>	<u>0.55</u>	<u>0.43</u>	<u>6,977.06</u>
B. Lila Belle Etter Residuary Trust for The University of Texas as at 3/31/59 as per Trustee's statement of 12/31/59 adjusted for 3% Republic National Bank Stock Dividend:								
	Book Value (Date of Death 4/10/54)							
	Total	Unit						
U. S. GOVERNMENT BONDS:								
\$8,000 p. v. U. S. 2-1/2% Treasury Bonds, due 12/15/69-64.	\$ 8,067.50	100.8437	2.48	87.1875 (b)	6,975.00	0.02	0.01	200.00
\$15,000 p. v. U. S. 2-1/2% Treasury Bonds, due 6/15/72-67	15,079.68	100.5312	2.49	85.50 (b)	12,825.00	0.03	0.03	375.00
\$20,500 p. v. U. S. 2-1/2% Treasury Bonds, due 12/15/72-67.	20,608.90	100.5312	2.49	85.50 (b)	17,527.50	0.05	0.03	512.50
\$15,000 p. v. U. S. 2-1/2% Treasury Bonds, due 3/15/70-65	15,117.18	100.7812	2.48	86.625 (b)	12,993.75	0.03	0.03	375.00
\$20,000 p. v. U. S. 2-1/2% Treasury Bonds, due 3/15/71-66	<u>20,131.24</u>	100.6562	<u>2.48</u>	85.75 (b)	<u>17,150.00</u>	<u>0.05</u>	<u>0.03</u>	<u>500.00</u>
	<u>79,004.50</u>		<u>2.48</u>		<u>67,471.25</u>	<u>0.18</u>	<u>0.13</u>	<u>1,962.50</u>

(1) Exchanged on 5/15/59 for \$20,000 maturity value 4% Treasury Certificates of Indebtedness of Series B-1960, due May 15, 1960, at par less discount of 50¢ per \$1,000 bond, the book value of the new security being \$19,990.00, the book yield being 4.05% to maturity.

TABLE I

LILA BELLE ETTER ESTATE TRUST - RESIDUARY PORTION
 BEQUEATHED TO THE UNIVERSITY OF TEXAS
 REVIEW AS OF MARCH 31, 1959
 (Continued)

	Book Value (Date of Death 4/10/54)		Current Yield on Book Value	Market Price 4/6/59	Market Value 4/6/59	% of Total		Estimated Income 1958-59
	Total	Unit				Book	Market	
B. Residuary Trust (Continued):								
COMMON STOCKS:								
674 Shares Employers Casualty Co..	\$ 29,768.33	44.17	4.53%	44.167 (a)	\$ 29,768.33	0.07%	0.05%	\$ 1,348.00
#2,624 Shares Republic National Bank of Dallas.	81,345.25	31.00	6.00	71-1/4 (b)	186,960.00	0.19	0.36	4,887.52
183 Shares The Texas Company . . .	<u>6,198.75</u>	33.87	<u>7.53</u>	78-5/8 (c)	<u>14,388.38</u>	<u>0.01</u>	<u>0.03</u>	<u>466.65</u>
Total Common Stocks.	<u>117,312.33</u>		<u>5.71</u>		<u>231,116.71</u>	<u>0.27</u>	<u>0.44</u>	<u>6,702.17</u>
Total Securities Held by Trustee	<u>196,316.83</u>		<u>4.41</u>		<u>298,587.96</u>	<u>0.45</u>	<u>0.57</u>	<u>8,664.67</u>
TOTAL SECURITIES IN ESTATE 3/31/59.	<u>\$436,316.83</u>		<u>3.58%</u>		<u>\$523,016.09</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$15,641.73</u>

(a) Based on Book Value.

(b) Bid price 4/3/58, C. J. Devine and First Boston Corporation.

(c) Close, The Wall Street Journal, 4/6/59.

#Includes 3% stock dividend of 76 shares, payable 1/1/59.

TABLE II

CASH DISTRIBUTIONS
LILA BELLE ETTER ESTATE & TRUST
(Acct. 83230)
(2/22/55 through 2/15/59)

Fiscal Year		Cash From Trustee	Principal & Interest Income From University Investments	Total Cash To University
<u>1954-55</u>				
2/22/55	Partial Distribution of Income from Estate.	\$ 5,000.00		\$ 5,000.00
5/25/55	Net Proceeds from Sale of Hardwicke-Etter Capital Stock	247,046.74		247,046.74
7/18/55	Distribution of Income Cash on Hand in Estate on 7/10/55.	<u>27,385.13</u>		<u>27,385.13</u>
	Total Cash Received in 1954-55.	<u>279,431.87</u>		<u>279,431.87</u>
<u>1955-56</u>				
10/27/55	Quarterly Distribution of Income from Trust	1,769.39		1,769.39
1/27/56	" " " " " "	2,870.17		2,870.17
4/27/56	" " " " " "	1,841.12		1,841.12
7/27/56	" " " " " "	2,627.25		2,627.25
	Sub-Total - Distribution of Income for 1955-56.	(9,107.93)		(9,107.93)
6/1/56	Partial Distribution of Accumulated Principal Cash and Net Proceeds from Sale of Various Assets.	12,671.87		12,671.87
6/6/56	Net Proceeds from Sale of Various Assets.	1,499.47		1,499.47
7/31/56	Net Proceeds from Liquidation of Farm & Home Savings & Loan Shares.	9,900.00		9,900.00
12/15/55	Interest Income from University Investments*.		\$ 3,087.50	3,087.50
6/15/56	" " " " " *		<u>3,087.50</u>	<u>3,087.50</u>
	Total Cash Received in 1955-56.	<u>33,179.27</u>	<u>6,175.00</u>	<u>39,354.27</u>
<u>1956-57</u>				
10/27/56	Quarterly Distribution of Income from Trust	1,761.72		1,761.72
1/25/57	" " " " " "	2,611.98		2,611.98
4/26/57	" " " " " "	1,724.33		1,724.33
7/26/57	" " " " " "	2,443.71		2,443.71
	Sub-Total - Distribution of Income from Trust for 1956-57	(8,541.74)		(8,541.74)

*Cash interest income without amortization from \$260,000.00 p. v. U. S. 2-3/8% Treasury Bonds, due 6/15/58.

TABLE II

CASH DISTRIBUTIONS
LILA BELLE ETTER ESTATE & TRUST
(Acct. 83230)
(2/22/55 through 2/15/59)
(Continued)

Fiscal Year		Cash From Trustee	Principal & Interest Income From University Investments	Total Cash To University
<u>1956-57</u> (Cont.)				
1/3/57	Net Proceeds from Liquidation of Guaranty Federal Savings & Loan Shares.	\$ 9,900.00		\$ 9,900.00
7/3/57	" " " " " Guardian Savings & Loan Shares.	9,900.00		9,900.00
12/15/56	Interest Income from University Investments*		\$ 3,087.50	3,087.50
6/15/57	" " " " " *		<u>3,087.50</u>	<u>3,087.50</u>
	Total Cash Received in 1956-57	<u>28,341.74</u>	<u>6,175.00</u>	<u>34,516.74</u>
<u>1957-58</u>				
10/27/57	Quarterly Distribution of Income from Trust.	1,808.40		1,808.40
1/27/58	" " " " " "	2,271.28		2,271.28
4/25/58	" " " " " "	1,911.97		1,911.97
7/25/58	" " " " " "	2,012.91		2,012.91
	Sub-Total - Distribution of Income from Trust for 1957-58.	(8,004.56)		(8,004.56)
10/30/57	Net Proceeds from Liquidation of Metropolitan Building & Loan Shares	9,900.00		9,900.00
1/23/58	Net Proceeds from Sale of Various Securities	16,540.72		16,540.72
12/15/57	Interest Income from University Investments*		3,087.50	3,087.50
6/15/58	" " " " " *		3,087.50	3,087.50
6/15/58	Principal Proceeds from Matured Investment#.		<u>20,000.00</u>	<u>20,000.00</u>
	Total Cash Received in 1957-58	<u>34,445.28</u>	<u>26,175.00</u>	<u>60,620.28</u>
<u>1958-59</u>				
10/27/58	Quarterly Distribution of Income from Trust.	1,911.97		1,911.97
1/27/59	" " " " " "	2,109.51		2,109.51

*Cash interest income without amortization from \$260,000.00 p. v. U. S. 2-3/8% Treasury Bonds, due 6/15/58.

#20,000 p. v. Treasury 2-3/8s due 6/15/58 sent in for cash, \$220,000 p. v. sent in for exchange into Treasury 2-5/8% Bonds, due 2/15/65, and \$20,000 p. v. sent in for exchange into Treasury 1-1/4% Certificates of Indebtedness, due 5/15/59.

TABLE II

CASH DISTRIBUTIONS
LILA BELLE ETTER ESTATE & TRUST
(Acct. 83230)
(2/22/55 through 2/15/59)
(Continued)

Fiscal Year		Cash From Trustee	Principal & Interest Income From University Investments	Total Cash To University
<u>1958-59</u> (Cont.)				
11/15/58	Interest Income from \$20,000 p. v. 1-1/4% Certificates of Indebtedness (short coupon).		\$ 103.94	\$ 103.94
2/15/59	" " " \$220,000 p. v. 2-5/8% Bonds (long coupon)		<u>3,860.62</u>	<u>3,860.62</u>
	Total Cash Received in 1958-59 through 2/15/59	<u>4,021.48</u>	<u>3,964.56</u>	<u>7,986.04</u>
	Total Cash Received from First Distribution on 2/22/55 through 2/15/59	<u>\$379,419.64</u>	<u>\$42,489.56</u>	<u>\$421,909.20</u>
	<u>Estimated for Remainder of 1958-59 Fiscal Year:</u>			
4/27/59	Quarterly Distribution of Income from Trust (estimated).	\$ 2,000.00		\$ 2,000.00
7/27/59	" " " " " (estimated).	2,000.00		2,000.00
5/15/59	Interest Income from \$20,000 p. v. 1-1/4% Certificates of Indebtedness (actual).		\$ 125.00	125.00
8/15/59	" " " \$220,000 p. v. 2-5/8% Bonds (actual).		2,887.50	2,887.50
5/15/59	Principal Proceeds from Matured 1-1/4% Certificates of Indebtedness.		<u>20,000.00</u> (1)	<u>20,000.00</u> (1)
	Total Estimated Cash to Be Received for Remainder of 1958-59 from 2/15/59.	<u>\$ 4,000.00</u>	<u>\$23,012.50</u>	<u>\$127,012.50</u>
	Revised to Reflect 5/15/59 Exchange		<u>\$ 3,022.50</u>	<u>\$ 7,022.50</u>

(1) The \$20,000 p. v. 1-1/4% Treasury Certificates of Indebtedness due 5/15/59 were exchanged for a like amount of 4% Treasury Certificates of Indebtedness, Series B-1959, due May 15, 1959, at par less discount of 50¢ per \$1,000 bond, bringing cash in the amount of \$10.00 on the discount.

TABLE III

SUMMARY OF
CASH APPROPRIATIONS AND INVESTMENTS
LILA BELLE ETTER ESTATE AND TRUST
(Acct. 83230)
(2/22/55 through 3/31/59)

Appropriation or Investment (1)	Cash Transferred on Appropriation	Original Approved Appropriation	Balance of Appropriation Due 3/31/59
APPROPRIATIONS:			
A. Developmental Projects --			
To Account 81690 - Advisory Conferences & Activities	\$ 9,000.00	\$ 10,000.00	\$ 1,000.00
To Account 81710 - Report from University of Texas	60,000.00	60,000.00	-0-
To Account _____ - Study & Planning Personnel	-0-	40,000.00	40,000.00
Sub-Total - Developmental Projects	(69,000.00)	(110,000.00)	(41,000.00)
B. Salary Supplements --			
To Account 81640 - President Wilson	23,800.00	*	
To Account 81641 - Vice President for Medical Affairs Casberg	12,833.34	*	
C. Special Fund (For Entertainment, Travel, etc.) (Account 81730)			
	6,200.00	6,200.00	-0-
D. Constitutional Amendment Expense (For Public Relations, etc.)			
	5,000.00	5,000.00	-0-
E. 75th Anniversary Fund (For Salaries, Expenses, Publications, etc.)			
	35,000.00	35,000.00	-0-
F. Development Board, Various Donors (Approved 3/13/59)			
	1,000.00	1,000.00	-0-
G. Classified Personnel, Sampling of (Approved 3/13/59)			
	2,000.00	2,000.00	-0-
H. Miscellaneous --			
Interdepartmental Transfer Voucher (8/20/56) (Travel)	10.84	-	
To cover overdraft in special account (8/31/56)	53.96	-	
To adjust for OASI on Salary Supplements (8/31/57)	45.65	-	
Expense on shipping matured bonds (7/14/58)	50.77	-	
To adjust for OASI on Salary Supplements (8/31/58)	37.67	-	
Sub-Total - Miscellaneous Expenses	(198.89)		
Total Cash Appropriated and Transferred	<u>155,032.23</u>		

*Special Budget Appropriations through 1958-59.

TABLE III
SUMMARY OF
CASH APPROPRIATIONS AND INVESTMENTS
LILA BELLE ETTER ESTATE AND TRUST
(Acct. 83230)
(2/22/55 through 3/31/59)
(Continued)

Appropriation or Investment (1)	Cash Transferred on Appropriation	Original Approved Appropriation	Balance of Appropriation Due 3/31/59
<u>INVESTMENTS:</u>			
\$260,000 p. v. U. S. 2-3/8% Treasury Bonds, due 6/15/58, including accrued interest paid	\$260,334.71		
Total Cash Appropriated or Invested.	\$415,366.94		
Less:			
Exchange of \$240,000 par value 2-3/8s at maturity into \$220,000 par value 2-5/8% Treasury Bonds due 2/15/65 and \$ 20,000 par value 1-1/4% Cert. of Indebt. due 5/15/59	240,000.00		
Total Cash to Be Accounted for from 2/22/55 through 3/31/59.	\$175,366.94#		
<u>#Consisting of --</u>			
Investments matured and placed in cash, including amortization.	\$ 20,334.71		
Appropriations Transferred from Cash.	155,032.23		
Total Cash to Be Accounted for	\$175,366.94		
<u>Reconciliation with Cash on Hand 3/31/59 (Auditor's Report) --</u>			
Total Cash Received from 2/22/55 (initial distribution of cash through 2/15/59) (See Table II).	\$421,909.20		
Less Investments Currently Held for Fund.	240,000.00		
	181,909.20		
Less Total Cash to Be Accounted for	175,366.94		
Cash on Hand 3/31/59 (As per Auditor's Trial Balance).	\$ 6,542.26		

(1) In addition, the Board of Regents at its meeting held April 16-18, 1959, appropriated the sum of \$25,000, or as much of such sum as may be needed, out of the Etter Fund to be placed in an account entitled "75th Year Implementation," the expenditures from this appropriation to be vouchered by the Vice President for Developmental Services and approved by the President of the University.

MEC:rb
April 14, 1959