

Austin, Texas
 May 4, 1957
 Meeting No. 562

A regular meeting of the Board of Regents of The University of Texas was held in the Office of the President, Main Building, Austin, Texas, on Saturday, May 4, 1957, at 9:15 a. m., with the following in attendance:

PresentAbsent

Chairman Jeffers
 Vice-Chairman Sorrell
 Regent Bryan
 Regent Devall
 Regent Hardie
 Regent Lockwood
 Regent Johnson
 Regent Minter
 Regent Thompson
 President Wilson (Page 53)
 Secretary Thedford

(See Page 50.) See Page 900

See Page 903

Also in attendance upon the meeting were Vice-President Boner, Vice-President Dolley, Vice-President Haskew, and Assistant to the President Cox. (Page 53) See Page 903

COMMITTEE REPORTS

At the request of Chairman Jeffers, reports of the standing committees were presented.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE
 (Each recommendation adopted by a separate motion.) --The following report was presented by Mrs. Devall, Chairman of the Academic and Developmental Affairs Committee:

Rescission of Sophomore Car Ban, Main University. --At the Regents' meeting June 1, 1956, the Board amended the policy "Restrictions on Students' Possession and Maintenance of Automobiles" by postponing the sophomore car ban for one year. This action was taken in order that the Regents might further study the effects of the recently increased scholastic requirements and in the light of that study perfect the enforcement machinery if it is thought that the sophomore car ban is needed in 1957-58.

The original objectives of the enactment of the car ban seem to have been achieved by restricting freshmen from having automobiles and no reason for the sophomore car ban exists. Upon recommendation of the administration, the Academic and Developmental Affairs Committee recommends to the full Board that the policy "Restrictions on Students' Possession and Maintenance of Automobiles" be amended by rescinding the sophomore car ban.

Upon motion of Mrs. Devall, seconded by Mr. Lockwood, the foregoing report was adopted. Vice-Chairman Sorrell was recorded as voting "No."

Report on Weather Modification Program; Appropriation, \$8,300 (University's Participation in the Drouth Relief Program). --Upon the recommendation of Vice-President Boner, the Academic and Developmental Affairs Committee recommends to the full Board that a special appropriation of \$8,300 for 1957-58 be made to the Bureau of Engineering Research from the Available Fund for an extension of the current work on a study of weather modification by Doctor Vance E. Moyer. This sum is to be budgeted as follows:

- \$3,033 for one-fourth time of Doctor Moyer during the Long Session and full-time for the period September 1-15, 1957, and June 16-August 31, 1958
- 2,640 for a Statistical Clerk
- 1,627 for part-time personnel
- 1,000 for Maintenance, Equipment, and Travel

The committee further recommends that if outside support can be obtained for the project the additional sum thus made available should be added to the total Available Fund appropriation of \$8,300, as may be recommended by Doctor Moyer, Dean Woolrich, and other appropriate members of the administrative staff.

The recommendation on Weather Modification Program was adopted upon motion of Mrs. Devall, seconded by Mr. Johnson.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE. --The following report of the Buildings and Grounds Committee was presented by its chairman, Mr. Lockwood: (See Page 8 for adoption.)

See Page 858

RATIFICATION OF AWARD OF CONTRACT FOR REPLACEMENT OF GREGORY GYMNASIUM ROOF, MAIN UNIVERSITY. --At the Regents' Meeting held March 16, 1957, authorization was given to the Comptroller to award a contract for the Replacement of Gregory Gymnasium Roof at the Main University, the sum needed for this purpose to come from the Account No. 91500, Major Repairs and Rehabilitation Projects. In accordance with previous authorization, bids were received and opened on April 2, 1957, as shown on Page 56. After consideration of the bids, Comptroller Sparenberg awarded a contract to the low bidder, as follows:

See Page 906

Ray L. Wimberly, Austin, Texas	
Base Bid	\$65,400.00
Less Alternate No. 3	1,600.00
Total Contract Award	<u>\$63,800.00</u>

Although this award exceeds slightly the original estimate of \$60,000.00 for this work, it is felt to be at a very good price, since the original estimate was made quite some time ago, and the bids were expected to be some higher than the estimate. Comparison with other bids received will support this statement.

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

AUTHORIZATION TO AWARD CONTRACT FOR REPLACEMENT OF PEARCE HALL ROOF, MAIN UNIVERSITY. --At the Regents' Meeting held September 22, 1956, an appropriation of \$20,000.00 was made for the Replacement of Pearce Hall Roof, Main University, and authority was given for the Main University Physical Plant staff to prepare plans and specifications for this project, with authorization to Comptroller Sparenberg to approve the plans and specifications and to advertise for bids.

See Page
1031

These bids will be received on May 28, 1957, and it is desirable that this work be started as soon as possible after the end of the Long Session; therefore, in order that the contract may be awarded without the necessity of waiting for the next meeting of the Board of Regents, it is recommended that Comptroller Sparenberg be authorized, after receipt of bids, to award a contract for the Replacement of Pearce Hall Roof within the amount of the appropriation of \$20,000.00.

APPROVAL OF PARTIAL DEVELOPMENT PLAN FOR SOUTHWESTERN MEDICAL SCHOOL. --In order to select the site of the new Service Building approved for construction at Southwestern Medical School, together with the sites of drives and new parking area needed for this building, the Basic Science Building, and the Clinical Science Building now under construction, it was necessary for Page, Southerland, and Page, Consulting Architect, to prepare a partial development plan for the Campus of Southwestern Medical School.* This plan has now been prepared, showing the location of the new Service Building and the drives and parking area needed. This plan has been approved by Dean Gill, Vice-President Casberg, and Comptroller Sparenberg, and it is recommended that it be approved by the Board so that plans can proceed for the projects involved. Proper consideration has been given to correlation with proposal made by Mr. Salmon to the Southwestern Medical Foundation.

See Page
1039

APPROVAL OF PRELIMINARY PLANS FOR SERVICE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL. --In accordance with authorization given at the meeting held March 16, 1957, preliminary plans for the Service Building at Southwestern Medical School have been prepared by the Consulting Architect, Page, Southerland, and Page. These plans have been approved by Mr. Gell, Dean Gill, Comptroller Sparenberg, and President Wilson, and it is recommended that they be approved by the Board and that the Associate Architect, Mark Lemmon, be authorized to prepare working drawings and specifications to be presented at a later meeting of the Board for approval.

See Page
1039

AUTHORIZATION TO SIGN CHANGE ORDERS TO THE CONSTRUCTION CONTRACT FOR ADDITIONS AND ALTERATIONS TO M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE BUILDING. --At the time approval was given by the Board of Regents for the award of a contract to Thad Dederick Construction Company, Inc., for the Additions and Alterations to M. D. Anderson Hospital and Tumor Institute Building, and this contract and architect's fees thereon were set up on the University's books, there was also set up an account entitled "Construction Contingency." It was contemplated that this account would cover any changes involving additions to the contract price which might have to be made as the work progresses, plus architect's fees thereon. In accordance with rules of the U. S. Public Health Service and the State Health Department, the usual contingency allowance was not included in the construction contract.

* A copy is in the Secretary's Files, Volume IV, Page 123.

At the moment some change orders to the contract are pending involving both deductions and additions to the contract, and it is considered desirable that these change orders be processed and signed so that work can proceed without the necessity of waiting for approval at a regular Board meeting in each case. It is, therefore, recommended that Comptroller Sparenberg be given authority to sign change orders to the contract with Thad Dederick Construction Company, Inc., after approval of the change orders by MacKie and Kamrath, Architects, and Doctor R. Lee Clark, Jr., Director of the Hospital, within the amount of \$18,553.92 in the Construction Contingency Account plus any money available from deductive change orders. It is understood that adjustments will be made between the contract account and the Construction Contingency in each case, and that provision also will be made for architect's fees in connection with each change order.

AUTHORITY TO APPROVE SPECIFICATIONS, ADVERTISE FOR BIDS, AND AWARD CONTRACTS FOR MOVABLE FURNITURE AND EQUIPMENT FOR M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. --
In connection with the additions and alterations to the M. D. Anderson Hospital and Tumor Institute, it will be necessary to purchase certain new furniture and equipment, for which an appropriation of \$36,400.00 has already been made. Specifications are now being prepared for this furniture and equipment by the Hospital staff, to be checked later by the Office of the Comptroller, but they are not ready to present to the Board at this time for approval. In order that no delay will be incurred in waiting for Board meetings, it is recommended that authorization be given to Comptroller Sparenberg to approve the specifications after they have been completed and to advertise for bids thereon. It is further recommended that Comptroller Sparenberg be authorized, after receipt of bids, to award contracts for this furniture and equipment with the concurrence of Doctor R. Lee Clark, Jr., within the appropriation set out above.

APPROVAL OF EASEMENT TO EL PASO NATURAL GAS COMPANY COVERING CO-USE OF ACCESS ROAD, TEXAS WESTERN COLLEGE. --
The El Paso Natural Gas Company has presented a request to Texas Western College for an easement permitting co-use by that Company with Texas Western College of a 605-foot portion of an access road situated on the property of the College. El Paso Natural Gas Company has sent its draft for \$1.00 in consideration for the easement and as further consideration agrees to pay one-half of any maintenance costs of this portion of the road. The easement form as submitted further provides that should this access road be abandoned, Texas Western College agrees to provide an alternate route for co-use by El Paso Natural Gas Company. This easement is to remain in effect until such time as this access road might be opened for use by the public and maintained by the City of El Paso.

It is recommended by Doctor Holcomb, which recommendation is concurred in by Comptroller Sparenberg and President Wilson, that the easement with terms as set forth above be granted to El Paso Natural Gas Company, with authority to the Chairman of the Board to sign the easement upon approval as to form by the University Attorney's Office.

AWARD OF CONTRACT FOR REPLACEMENT OF SUTTON HALL ROOF, MAIN UNIVERSITY. --At the Regents' Meeting held September 22, 1956, preliminary plans for the Replacement of Sutton Hall Roof, Main University, as prepared by the Main University Physical Plant staff, were approved by the Board, and authority given to proceed with the preparation of detailed plans and specifications with authorization to Comptroller Sparenberg to approve these detailed plans and specifications and advertise for bids.

In accordance with these authorizations, bids were received, opened, and tabulated on April 30, 1957, as shown on Page 57. These bids have been considered by members of the Main University Physical Plant staff and the Comptroller's Office, and it is the recommendation of all concerned that a contract be awarded to the low bidder, as follows, with authorization to Chairman Jeffers to sign the contract documents.

See Page
907

W. D. Anderson Company, Austin, Texas	
Base Bid	<u>\$36,592.00</u>

AWARD OF CONTRACTS FOR (1) MOVABLE FURNITURE AND EQUIPMENT AND (2) HOSPITAL EQUIPMENT; ANIMAL CAGES AND APPARATUS FOR CLINICAL SCIENCE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL. --At the Regents' Meeting held January 12, 1957, authorization was given for Dean Gill and Comptroller Sparenberg to approve the specifications for Movable Furniture and Equipment for the Clinical Science Building at Southwestern Medical School and after this approval, for Comptroller Sparenberg to advertise for bids. In accordance with these authorizations, bids were received, opened, and tabulated on April 30, 1957, as shown on Page 57. After consideration of the bids, it is recommended by Dean Gill, Comptroller Sparenberg, and President Wilson that contract awards be made to the low bidders, as follows, and that Chairman Jeffers be authorized to sign the contract documents:

See Page
907

Furniture and Equipment	
The Abel Stationers, Austin, Texas	\$49,183.25
Hospital Equipment; Animal Cages and Apparatus	
A. S. Aloe Company, St. Louis, Missouri and Dallas, Texas	
Combined Bid	44,450.00

Attention is called to the fact that the total of these contract awards is well within the amount of \$115,000.00 estimated as the cost of Movable Furniture and Equipment for the Clinical Science Building.

APPROVAL OF PRELIMINARY PLANS AND COST ESTIMATES FOR COMPLETION OF THIRD AND FOURTH FLOORS IN EAST END OF EXPERIMENTAL SCIENCE BUILDING, MAIN UNIVERSITY. --At the Regents' Meeting of September 22, 1956 the Physical Plant staff of the Main University was authorized to proceed with the preparation of preliminary plans for this project, the appropriation for which is \$200,000.00. This appropriation was originally intended to cover largely the installation of built-in laboratory furniture and equipment and utilities therefor, with a relatively small amount of the appropriation to be used for construction work. The third floor area was intended to be used largely by the Bacteriology Department and the fourth floor area was intended to be used by the Zoology Department.

Interim cost estimates and preliminary plans prepared by the Main University Supervising Architect's Office have indicated that to give these departments approximately what they want in the way of laboratory equipment would involve total costs estimated to run from \$322,000.00 to \$426,000.00. The latest edition of the preliminary plans for these two areas, identified as Sheets 1A dated April 20, 1957 and 3A dated April 15, 1957, are thought to cover work which can be done within the \$200,000.00 appropriated, although they do not by any means cover the amount of laboratory equipment originally contemplated, and still wanted eventually by the two departments involved.

The various preliminary plans, cost estimates, and related problems have been carefully considered by the Main University Faculty Building Committee, the Comptroller's Office, and a Special Committee on space utilization in this area appointed by the President's Office and headed by Registrar Byron Shipp. Sheets 1A and 3A above referred to indicate that parts of both floors will be used by other departments until additional funds become available for permanent installation of additional built-in laboratory equipment. It is estimated that not more than \$15,000.00 of temporary construction work (mainly interior walls) is involved in these latest preliminary plans.

It is recommended by the three groups above indicated that the Board of Regents approve the preliminary plans covered by Sheets 1A and 3A and the cost estimate of \$200,000.00 prepared by the Main University Supervising Architect's Office. It is also recommended that, in view of the amount of time, work, and study already devoted to this project, the same office be authorized to proceed with the preparation of the working drawings and specifications for this work, with the exception of the working drawings and specifications for the air conditioning and heating portion of this work. It is recommended that the Comptroller be authorized to engage Zumwalt and Vinther, Consulting Engineers, for the preparation of the drawings and specifications on the air conditioning and heating work.

It is further recommended that the Comptroller be authorized to give final approval to these working drawings and specifications, after the usual approvals required by the Regents' Rules and Regulations, that the Comptroller be authorized to advertise for bids, and that a Special Committee consisting of Comptroller Sparenberg, Vice President Boner, Vice President Dolley, and President Wilson be authorized to award contracts within the funds appropriated. It is contemplated that all of this work will be done by contract, due to the fact that the Physical Plant staff of the Main University is already heavily loaded with work for the Summer and Fall months of 1957.

ADDITIONAL APPROPRIATION FOR ADDITION TO PHYSICS BUILDING, MAIN UNIVERSITY. --Approval of the preliminary plans for the Addition to the Physics Building at the Main University was ratified by the Board at the meeting held November 3, 1956. At this time it was estimated that the cost of this addition would not exceed the \$800,000.00 originally appropriated. As the Associate Architect proceeded with the working drawings and had additional conferences with the Physics Department, however, it became evident that various factors (particularly the high cost of built-in laboratory equipment and utilities in a laboratory building) affecting this particular building would bring the cost substantially above the original estimate. Estimates have been rechecked and further

drawings have been made in an attempt to reduce the estimated cost, but it now seems pretty clear without further reducing the space, which is already less than that actually needed by the Department of Physics, there is no way to reduce the cost of this project so as to bring it down to the \$800,000.00 appropriated.

One of the suggestions which the Associate Architect has prepared in attempting to lower the cost is listed as Scheme III in a letter dated May 1, 1957; this plan appears to offer the best possible use of the site at the lowest cost, estimated at approximately \$1,035,000.00. It is felt that whatever is done on this site now precludes any later additions there except at prohibitive costs. In view of the needs of the Physics Department at this time, it is recommended by the Faculty Building Committee, Comptroller Sparenberg, and Vice-President Boner that an additional \$250,000.00 be appropriated to this project from the Unappropriated Balance of the Available University Fund for 1957-58 and that the Associate Architect be authorized to proceed with final plans and specifications in accordance with Scheme III.

APPROVAL OF PRELIMINARY PLANS AND ADDITIONAL APPROPRIATION FOR NEW ENGINEERING BUILDING, MAIN UNIVERSITY. --In accordance with authorization given by the Board at the meeting held September 22, 1956, preliminary plans for the New Engineering Building at the Main University have been prepared by the Consulting Architect, Page, Southerland, and Page. If the amount of space requested by the College of Engineering had been provided, the estimated cost of the building would have substantially exceeded the appropriation of \$1,250,000.00. Careful study by the Consulting Architect and representatives of the College of Engineering has resulted in a decrease of the floor space but still has not brought the estimated cost down to the amount appropriated.

It is believed that any further decreases will eliminate space which is badly needed now for teaching purposes, and it is, therefore, the recommendation of the Faculty Building Committee, Comptroller Sparenberg, and Vice-President Boner that the preliminary plans as prepared by the Consulting Architect be approved, with some consideration to be given later to certain modifications in the design of the windows on the south side of the building. Since the estimated cost based on these preliminary plans and present high construction costs is approximately \$1,400,000.00, it is further recommended that an additional \$150,000.00 be appropriated to the New Engineering Building from the Unappropriated Balance of the Available University Fund for 1957-58.

APPROVAL OF EASEMENT TO EL PASO NATURAL GAS COMPANY, UTILITY LINES, TEXAS WESTERN COLLEGE. --The El Paso Natural Gas Company has presented a request to Texas Western College for an easement permitting the construction, maintenance, etc., of a water line, sewer line, and gas supply line over a portion (310 feet, more or less) of the property of the College. These lines will be buried and would not interfere in any way with any operations of the College.

It is recommended by Doctor Holcomb, which recommendation is concurred in by Comptroller Sparenberg and President Wilson, that the easement be granted to El Paso Natural Gas Company, with authority to the Chairman of the Board to sign the easement upon approval as to form by the University Attorney's Office.

NEW PARKING AREA AND STORM SEWER, SOUTHWESTERN MEDICAL SCHOOL. --On the partial development plan for Southwestern Medical School, which was approved by the Regents' Buildings and Grounds Committee at its meeting on May 3, 1957, provision is made for a storm sewer and a new parking area adjacent to Harry Hines Boulevard. See Page 1038

At the request of Dean Gill, the Regents' Buildings and Grounds Committee recommends to the Board that Comptroller Sparenberg and Architect William B. Saunders be authorized to go to Dallas to interview, with Dean Gill and Mr. Gell, certain officials of the City of Dallas about the possibility of the City of Dallas making contributions either in cash or in material and labor towards the construction of this proposed storm sewer.

The Committee further recommends, upon request of Dean Gill and Comptroller Sparenberg, that Mr. C. B. Sheriff, Director of Physical Plant at the Southwestern Medical School, be authorized to prepare plans and specifications for the storm sewer and the new parking area. After preliminary plans and cost estimates have been prepared by Mr. Sheriff and approved by the proper University officials, an appropriation for this work will be requested at a later meeting of the Board.

ASSOCIATE ARCHITECT FOR ENGINEERING BUILDING, MAIN UNIVERSITY. --It is recommended by the Buildings and Grounds Committee that the firm of Jessen, Jessen, Millhouse, and Greeven of Austin, Texas, be employed as Associate Architect for the Engineering Building of the Main University with authority to the Chairman of the Board to sign the contract after it has been approved as to content by Comptroller Sparenberg and as to form by Attorney Gaines or Waldrep.

ASSOCIATE ARCHITECT FOR CONSTRUCTION OF ADDITION TO POWER PLANT BUILDING, MAIN UNIVERSITY. --It is recommended by the Buildings and Grounds Committee that the firm of Fehl and Granger of Austin, Texas, be employed as Associate Architect for the construction of the addition to the Power Plant Building of the Main University with authority to the Chairman of the Board to execute the contract when it has been approved as to content by Comptroller Sparenberg and as to form by Attorney Gaines or Waldrep.

Adoption of Report. --Upon motion of Mr. Lockwood, seconded by Mrs. Devall, the foregoing report of the Buildings and Grounds Committee was unanimously adopted. (See Page 53 for Award of Contract, Steam Generating System, Main University.) See Page 903.

FUTURE BUILDING NEEDS, MAIN UNIVERSITY. --Mr. Lockwood reported that Doctor Robbin C. Anderson, Chairman of the Faculty Building Committee, Main University, had prepared a report on future building needs at the Main University. Each member of the Board was furnished with a copy of this material and it was ordered placed on the agenda for the June meeting of the Board. (A copy is in the Secretary's Files, Volume IV, Page 124.)

REPORTS OF LAND AND INVESTMENT COMMITTEE (See Page 43 for Adoption.). --The following reports were presented by Vice-Chairman Sorrell, Chairman of the Land and Investment Committee:

I. LAND AND INVESTMENT REPORT OF PERMANENT UNIVERSITY FUND (INVESTMENT AND LAND MATTERS) AND TRUST AND SPECIAL FUNDS (INVESTMENT, GIFT, BEQUEST AND ESTATE, AND REAL ESTATE MATTERS). --(Since the original report and/or recommendations for the Land and Investment Committee had been prepared by Endowment Officer Stewart and had been forwarded ten days prior to the meeting by the Secretary of the Board to each Regent in the bound volume Material Supporting the Agenda, Vice-Chairman Sorrell called attention only to the revisions, deletions, and additional items approved by the Land and Investment Committee as listed below and as included in the report. See Page 893

A. Revisions

- 1. Report on Exploration of Possibilities for Study and Report on Ground-Water Reservoirs on University Lands and Policy Recommendation, Page 17. See Page 867
- 2. Hogg Foundation: Varner Properties - Proposal from Classified Parking System for Temporary Rental Reduction on Rossonian Property, Houston, Texas, Page 30. (Declined rather than granted rental reduction) See Page 880
- 3. Hogg Foundation: W. C. Hogg Memorial Fund - Proposal from Frank G. Cadena for Temporary Rental Reduction on McAshan Property, Main and Clay, Houston, Texas, Page 31. (Declined rather than granted rental reduction) See Page 881

B. Deletions

- 1. Submission of Draft of Water Contract No. 68 with Public Service Board of City of El Paso and Recommendations for Execution.
- 2. Submission of Draft of Water Contract No. 70 with City of Midland and Recommendations for Execution.

C. Additional Items Since Agenda Was Prepared

- 1. Proposal of Phelps, Fenn & Company for Refunding Permanent University Fund Bonds, Page 11. See Page 861
- 2. Hogg Foundation: Varner Properties - Proposal from Paul E. Wise for Purchase of Mitchell Property, Capitol and Fannin, Houston, Texas, Page 32. See Page 882
- 3. Estate of DeRossette Thomas - Closing of Arizona Estate, Page 27. See Page 877
- 4. Murray Case Sells Estate - Report on Status of Estate and Recommendation re Financing Arrangements, Page 28.) See Page 878

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --The following purchases have been made for the Permanent University Fund since the report of March 16, 1957. We ask that the Board ratify and approve these transactions:

UNITED STATES GOVERNMENT BONDS PURCHASED

<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
U. S. Treas., 7/15/83-78	\$1,000,000	99.6250	3.28%*	\$ 996,250.00	3/21/57
U. S. Treas., 7/15/95	<u>600,000</u>	94.3125	3.29 *	<u>565,875.00</u>	3/22/57
Totals	<u>\$1,600,000</u>			<u>\$1,562,125.00</u>	

TEXAS MUNICIPAL BONDS PURCHASED

<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
and 3-3/8% ISDs, 12/15/56, 2/15/81-71	\$ 50,000	96.328976	3.60%*	\$ 48,164.49	3/ 8/57
Water 3-3/8% Wks. & Swr. Revs., dated 7/77, due 3/1/71-67	100,000	98.628848	3.50 *	98,628.85	3/22/57
Angelo 3-1/2% Rfdg., dated 7/77, due 7-77	112,000	95.525057	3.75 *	106,988.06	4/ 2/57
Midland, % GOs, dated 57, due 2/15/77-	110,000	99.277002	3.55 *	109,204.71	4/17/57
North 3.30% Wtr. Revs., dated 7, due 0-82/68	<u>500,000</u>	96.798482	3.50 *	<u>483,992.41</u>	4/23/57
Totals	<u>\$872,000</u>			<u>\$846,978.52</u>	

to maturity.

MUNICIPAL BONDS PURCHASED
WITH
DELIVERY PENDING**

Issue	Maturity	Yield Basis	Purchased	Delivery on or About
Houston 3-1/2% ISDs, Sch. & Ath. Bldg. Ser. 1957, dated 4/10/57, due \$500,000	4/10/87	3.50%*	3/ 1/57	5/ 1/57
City of Lubbock 2-3/4% Wtr. Sys. Revs., Ser. 1956, dated 3/1/56, due \$42,000	6/1/78-68	3.75 *	4/17/57	4/26/57
75,000	6/1/79-68	3.75 *	4/17/57	4/26/57
25,000	6/1/80-68	3.75 *	4/17/57	4/26/57
Total Purchases with Delivery Pending				<u>\$642,000</u>

to maturity.

official report will be made subsequent to delivery and payment.

PROPOSAL OF PHELPS, FENN & CO. FOR REFUNDING PERMANENT UNIVERSITY FUND BONDS. --After due consideration, the Land and Investment Committee recommends that the proposal made by Phelps, Fenn & Co., as outlined to the Board by Vice-President for Fiscal Affairs Dolley, be declined on the basis of cost to the University, and that the Vice-President for Fiscal Affairs and the Endowment Officer be authorized to negotiate further with Phelps, Fenn & Co., with Texas National Bank of Houston, the paying agent under the bond issue, and with any other firms for a proposal for the refunding services that can be recommended to the Board of Regents at a later meeting.

See Page
1003

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:

CALICHE PERMIT NO. 106, D. S. & R. CONSTRUCTION CO., INC., ANDREWS COUNTY, TEXAS. --This application for a caliche permit to D. S. & R. Construction Co., Inc., provides for the removal of 1,170 yards of caliche from Section 45, Block 13, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$292.50 has been tendered with the application.

CALICHE PERMIT NO. 107, MONTEREY OIL COMPANY, ANDREWS COUNTY, TEXAS. --This application for a caliche permit to Monterey Oil Company provides for the removal of 528 yards of caliche from the SW/4 of Section 45, Block 13, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$132.00 has been tendered with the application.

CALICHE PERMIT NO. 108, GENTRY & LYLES, INC., ANDREWS COUNTY, TEXAS. --This application for a caliche permit to Gentry & Lyles, Inc., provides for the removal of 30 yards of caliche from Section 3, Block 10, University Lands, Andrews County, Texas. The full minimum consideration of \$50.00 for the 30 yards of caliche has been tendered with the application.

PIPE LINE EASEMENT NO. 926, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 391.115 rods of 4-inch water line at \$0.25 per rod in Sections 23 and 24, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning April 1, 1957, and ending March 31, 1967. The full consideration in the amount of \$97.78 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 927, W. H. VANLANDINGHAM, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to W. H. Vanlandingham covers 409 rods of 2-inch gas line at \$0.25 per rod in Sections 5, 6, and 8, Block 5, University Lands, Andrews County, Texas, for a 10-year period beginning April 1, 1957, and ending March 31, 1967. The full consideration in the amount of \$102.25 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 928, THE TEXAS COMPANY, ECTOR COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 315). --This application for a pipe line easement to The Texas Company covers 439 rods of 3-inch pipe line for the transportation of water, at \$0.25 per rod, in Sections 6 and 7, Block 35, University Lands, Ector County, Texas, for a period of 10 years beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$109.75 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 929, COMANCHE PIPE LINE COMPANY, PECOS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 292). -- This application for a pipe line easement to Comanche Pipe Line Company covers 325 rods of 3-1/2-inch oil pipe line, at \$0.25 per rod, in Section 24, Block 16, University Lands, Pecos County, Texas, for a period of 10 years beginning December 1, 1956, and ending November 30, 1966. The full consideration in the amount of \$81.25 for the 10-year period has been tendered with the application.

CAMP SITE EASEMENT NO. 930, SKELLY OIL COMPANY, CRANE COUNTY, TEXAS. -- This application for a camp site easement to Skelly Oil Company covers a 2.53-acre site in Section 45, Block 30, University Lands, Crane County, Texas, for a 1-year period beginning February 1, 1957, and ending January 31, 1958, with the option to extend and renew from year to year, not to exceed a total period of 10 years from and after February 1, 1957, by payment of an annual rental, in advance, in the amount of \$50.00. The full minimum consideration for the first year's rental in the amount of \$50.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 931, TEXAS-NEW MEXICO PIPE LINE COMPANY, UPTON COUNTY, TEXAS. -- This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 158.3 rods of 4-1/2-inch oil pipe line, at \$0.50 per rod, in Sections 37 and 48, Block 30, University Lands, Upton County, Texas, for a period of 10 years beginning March 1, 1957, and ending February 28, 1967. The full consideration in the amount of \$79.15 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 932, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 308). -- This application for a pipe line easement to Phillips Petroleum Company covers 688 rods of 4-inch oil pipe line, at \$0.25 per rod, in Sections 3, 4 and 5, Block 13, University Lands, Andrews County, Texas, for a period of 10 years beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$172.00 for the 10-year period has been tendered with the application.

TOWER SITE EASEMENT NO. 933, GENERAL TELEPHONE COMPANY OF THE SOUTHWEST, CROCKETT AND IRION COUNTIES, TEXAS. -- This application for a tower site easement to General Telephone Company of the Southwest covers a site of 8.264 acres of land in Section 15, Block 40, University Lands, Crockett and Irion Counties, Texas, for the purpose of constructing a tower which will be used to support transmission lines and antennas serving a communications system and 259 varas of telephone and transmission lines, including the necessary underground conduit, poles, cables, wires and fixtures upon, over and across this tract of land. The term of this lease shall be for a period of 10 years beginning March 1, 1957, and ending February 28, 1967, at an annual rental of \$100.00 per year, payable in advance, or an aggregate of \$1,000.00 for the term of the lease plus \$50.00 for the use of the land for a telephone and transmission line, making a total of \$1,050.00 for the 10-year period, payable in advance. The full consideration in the amount of \$1,050.00 for the 10-year period has been tendered with the application.

HIGHWAY RIGHT-OF-WAY AND CHANNEL EASEMENT NO. 934, INCLUDING MATERIALS SOURCES, TEXAS HIGHWAY DEPARTMENT, REAGAN COUNTY, TEXAS. -- This application for a highway right-of-way and channel easement, including three materials sources, to the Texas Highway Department is for the purpose of reconstructing U. S. Highway No. 67 across Reagan County, tracts on University Lands in Reagan County covered being as described below. For right-of-way: seventeen (17) tracts of land containing a total of 95.95 acres in Block 3, Section 30; Block 2, Sections 7 through 12; Block 9, Sections 25, 26, 31, 32, 33, 34 and 35; Block 8, Section 6; Block 11, Sections 1, 2, 3, 4, 7, 8 and 9; and Block 43, Section 4. For channels: twenty-five (25) tracts of land containing a total of 21.50 acres in Block 2, Sections 7, 8, 10, 11 and 12; Block 8, Section 6; Block 9, Sections 25, 33 and 35; Block 11, Sections 1, 2, 3, 7, 8, and 9. Materials sources on University Lands in Reagan County are as follows: one tract containing 6 acres in the NE part of Section 25, Block 1; one tract containing 9 acres in Section 3, Block 11; and one tract containing 6 acres in the NE part of Section 3, Block 8. No consideration is involved in this easement.

PIPE LINE EASEMENT NO. 935, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to El Paso Natural Gas Company covers 3.285 rods of 4-1/2-inch natural gas pipe line, at \$0.50 per rod, in the NE/4 of Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full minimum consideration in the amount of \$50.00 has been tendered with the application.

PIPE LINE EASEMENT NO. 936, SHELL PIPE LINE COMPANY, CRANE AND ECTOR COUNTIES, TEXAS (RENEWAL OF EASEMENT NO. 303). -- This application for a pipe line easement to Shell Pipe Line Company covers 1,275 rods of 6-inch line at \$0.50 per rod in Sections 3, 4, 7, 8, and 14, Block 35, University Lands, Crane and Ector Counties, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration for the 10-year period in the amount of \$637.50 has been tendered with the application.

PIPE LINE EASEMENT NO. 937, SERVICE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 311). -- This application for a pipe line easement to Service Pipe Line Company covers 975 rods of 3-1/2-inch water line at \$0.25 per rod in Sections 5, 8, 17 and 20, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$243.75 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 938, SERVICE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 312). -- This application for a pipe line easement to Service Pipe Line Company covers 2003 rods of 10-inch oil line at \$1.00 per rod in Sections 4, 8, 9, 17, 20, 29, 31, and 32, Block 11, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$2,003.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 939, GULF OIL CORPORATION, CRANE COUNTY, TEXAS. --This application for a pipe line easement to Gulf Oil Corporation covers 135.9 rods of 4-inch gas line at \$0.25 per rod and 48.6 rods of 6-5/8-inch gas line at \$0.75 per rod in Section 6, Block 30, University Lands, Crane County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$70.42 for the 10-year period has been tendered with the application.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 940, COUNTY OF ANDREWS, ANDREWS COUNTY, TEXAS. --This application for a right-of-way easement to the County of Andrews of the State of Texas covers a 22.56-acre strip of land to be used as a public road in Sections 3, 4 and 5, Block 1, University Lands, Andrews County, Texas. No consideration is involved in this easement.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 941, COUNTY OF ANDREWS, ANDREWS COUNTY, TEXAS. --This application for a right-of-way easement to the County of Andrews of the State of Texas covers a 36.52-acre strip of land to be used as a public road in Sections 5, 6 and 7, Block 14, University Lands, Andrews County, Texas. No consideration is involved in this easement.

PLANT SITE EASEMENT NO. 942, CABOT CARBON COMPANY, WARD COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 314). --This application for a gasoline plant site easement to Cabot Carbon Company covers a 20-acre site in the S/2 of N/2 of Section 3, Block 16, University Lands, Ward County, Texas, to be used for the maintenance and operation thereon of a casinghead gasoline plant and housing and caring for its employees engaged in such particular activities. This easement is for a period of 10 years beginning July 1, 1957, and ending June 30, 1967, at the rate of \$10.00 per acre per year, payable in advance for the 10-year period.

AMENDMENT OF PURPOSES OF EASEMENT NO. 549, COMMISSIONERS' COURT OF REAGAN COUNTY, TEXAS. --In December, 1952, the Board of Regents approved the granting of Easement No. 549 to the Commissioners' Court of Reagan County for a twenty-year period beginning December 1, 1952, at a nominal consideration of \$1.00 covering approximately 197.2 acres of land out of Section 7, Block 11, University Lands in Reagan County, Texas, for the purpose of construction, maintenance and operation of an airport. The Commissioners' Court at its meeting of February 25, 1957, adopted the following action:

"Reagan County Commissioners' Court respectfully requests that The University of Texas grant permission to use the Airport acreage for purposes other than for an Airport as specified in the contract. Easement No. 549 granted the county the use of this acreage for Airport only. It is now desired to use some of this land for playground purposes, such as Little League and the like."

It is recommended that the Board of Regents authorize the Endowment Officer to notify the Commissioners' Court of Reagan County of its consent to the proposed amendment to Easement No. 549 with the provisions that upon surrender of the premises they remove all of their installations and leave the ground in as good condition as at present; and they assume full liability for their activities on the premises.

ASSIGNMENT OF PIPE LINE EASEMENT NO. 531 FROM LONE STAR PRODUCING COMPANY TO EL PASO NATURAL GAS COMPANY AND HUNT OIL COMPANY, CRANE AND UPTON COUNTIES, TEXAS. --On October 4, 1952, the Board of Regents granted an easement to Lone Star Producing Company covering 802 rods of 4-inch gas pipe line, 2,190 rods of 4-1/2-inch gas pipe line, and 908 rods of 6-inch gas pipe line across University Lands in Crane and Upton Counties, for a 10-year period beginning August 1, 1952, and ending July 31, 1962. The company paid the full consideration for the 10-year period of \$1,749.50. Application has been filed for the assignment of Easement No. 531 from Lone Star Producing Company to El Paso Natural Gas Company and Hunt Oil Company. As provided in the easement, the written consent of the Board of Regents must be secured for the assignment of the easement.

RECOMMENDATION FOR CHANGE IN FORM OF PERMITS FOR EXPLORATION FOR OIL AND GAS WITH GEOPHYSICAL INSTRUMENTS ON UNIVERSITY LANDS AND IN OPERATING INSTRUCTIONS PERTAINING THERETO. --The form of "Permit for Exploration for Oil and Gas with Geophysical Instruments" on University Lands now provides in part as follows:

"Permittee shall render to University the following exhibits and data:

- (a) Copies of contract and/or agreement, if any, entered into between Permittee and holders of surface or mineral rights over lands to be explored under this permit.
- (b) Permittee agrees to transmit to the University Lands, Geological Department, located at Midland, Texas, not later than ten (10) days after the closing date of this permit, a certified map showing the approximate location of the shot holes or station points used in each survey made under this permit, the surface elevation of said shot holes or station points, the depth of each hole drilled, the water sands encountered, and an estimate of the amount of water, if any, in each hole.
- (c) Permittee also agrees to transmit to the University Lands, Geological Department, located at The University of Texas, Austin, Texas, within sixty (60) days after the closing date of this permit, a plat for each horizon investigated under this permit, which plat shall have posted thereon the location of each shot hole and station point used in this survey together with the corrected or adjusted instrument readings, recorded for each station point, and which plat shall be so contoured as to correctly present Permittee's interpretation of the geological condition considered, as a result of this survey, to exist in the lands covered by this permit. Such plat shall be certified as to correctness by Permittee or his duly authorized representative.
- (d) University agrees that all information furnished under paragraph (c) hereof shall be held confidential by University Lands, Geological Department, and shall not be dispensed in any part to any other party.

Permittee shall be directly responsible to the surface and all other lessees for any actual damages caused by operations hereunder to houses, fences, gates, roads, livestock, tanks, and other improvements as well as pasturage or growing crops on the surface to these lands; and this permit is issued subject to the prior rights of said lessees on these lands."

Due to the death on March 30, 1957, of Doctor Hal P. Bybee, Consulting Geologist, University Lands, who was in charge of the Austin office of University Lands, Geological Department, it is recommended that Section (c) above be changed to read:

"(c) Permittee also agrees to transmit to the Board of Regents of The University of Texas, care of the Endowment Officer, Austin, Texas"

Operating instructions issued in connection with these permits provide for contoured maps specified under Section (c) above to be transmitted to:

University Lands - Geology
P. O. Box 8005 - University Station
Austin 12, Texas
Attention: Dr. Hal P. Bybee

It is recommended that this section of the operating instructions be changed to provide for the contoured maps under Section (c) above to be transmitted by registered or certified mail to:

Board of Regents
The University of Texas
Care of the Endowment Officer
P. O. Box 7986
Austin 12, Texas

These geophysical exploration permits are issued, upon approval of the Geologist in Charge, University Lands, by the Endowment Officer by authority of the Board of Regents.

Recommendations regarding continuance of the office of University Lands, Geological Department, in Austin will be presented at a later date, and the instructions recommended above for mailing confidential maps will at that time be again brought to the Board's attention.

REPORT ON EXPLORATION OF POSSIBILITIES FOR STUDY AND REPORT ON GROUND-WATER RESERVOIRS ON UNIVERSITY LANDS AND POLICY RECOMMENDATION. --In accordance with instructions by the Board of Regents on February 9 and March 16, 1957, the University staff has made further investigation of possibilities for study of ground-water on University Lands and has given due consideration to possible recommendations to the Board on this subject and on ground-water policies in general.

Listed as follows are studies and reports already completed, in process, or under definite consideration, covering parts of University Lands and

believed to be adequate for practical purposes in appraising the size and quality of ground-water reservoirs under such University Lands:

(1) Texas Board of Water Engineers Bulletin 5604, dated March 1956, "Ground-Water Resources of the Crane Sand Hills, Crane County, Texas", prepared in cooperation with the U. S. Geological Survey and the City of Crane. This report covers practically all of the 60,000 acres of University Lands in the county.

(2) Study by the Texas Board of Water Engineers, in cooperation with the U. S. Geological Service and Ward County, of ground-water resources of Ward County, including the 75,000 acres of University Lands, now completed and data available but not yet published.

(3) Texas Board of Water Engineers, in cooperation with U. S. Geological Survey and Winkler County, study of geology and ground-water resources of Winkler County, including the 53,000 acres of University Lands, data expected to be available in 1958.

(4) Texas Board of Water Engineers, in cooperation with U. S. Geological Survey and Pecos County, study of geology and ground-water resources of Pecos County, including the 190,000 acres of University Lands, data expected to be available in 1959.

These studies, together with data expected under agreements made by the University with El Paso (200,000 acres), Midland (77,000 acres), and Andrews (88,000 acres), will provide data at least reasonably adequate on approximately 743,000 acres, or 35%, of University Lands.

Taking into consideration the prospective costs of ground-water surveys on other University Lands, and the expected willingness of municipalities which in the future may wish water contracts with the University to arrange for surveys at their own expense prior to final lease negotiations, it is recommended that the Board of Regents adopt the following statements of policy regarding ground-water on University Lands:

(1) After reasonable reserves for its grazing lessees and mineral lessees, the University, in dealing with the ground-water resources on University Lands, will give first consideration to the present and prospective needs of municipalities in the area.

(2) The University will not, until the need may be greater than at present, contract for extensive ground-water surveys of University Lands but will continue its cooperation with municipalities, government agencies and private consultants in affording access to University Lands data and to the premises being surveyed.

(3) Any municipality wishing to enter into a contract for production of water from University Lands should apply for a water exploration permit covering the area in which it is interested and obligate itself to arrange for a satisfactory ground-water survey by a recognized agency or consultant, approved by the University, with all data to be furnished the University. The holder of such exploration permit will have prior right to negotiate, after the data have been furnished, with the University for a water lease or contract on all or part of the area covered by the permit to the extent of the holder's needs in the foreseeable future. No charge will be made to municipalities for water exploration permits.

PROPOSAL FROM CITY OF MONAHANS, TEXAS, FOR WATER CONTRACT. --The City of Monahans has proposed to the University a water exploration permit with option to lease all or part of approximately 13,000 acres of Block 16, University Lands, Ward County, being all of Sections 1 to 5, inclusive, 7 to 13, inclusive, 14 and 15, 17 to 22, inclusive, and part of Section 16. Payment for the two-year exploratory option would be at \$750.00 annually. Acreage selected by the City under the exploratory option could be held for a development period of 2 years at rental of \$0.33 per acre with such period subject to extension for not to exceed 4 years upon payment of \$5,000.00 annual rental during any such extension. During the development period, the City would have an option to lease for 50 years all or part of the acreage for production of water at royalty of 3-1/8 cents per thousand gallons or 1/8 of the City's commercial rate, whichever is greater, with minimum royalty of \$10,000 annually. Other provisions of the proposal are in line with agreements made by the University with Midland and Andrews.

After further discussion between the City and University staff, City officials have indicated willingness to accept a water exploration permit in line with the policy recommendation set out above regarding such permits. Therefore, it is recommended that the Board of Regents approve a water exploration permit to the City of Monahans without charge covering the acreage described above for a period of 2 years, subject to extension for good cause, with prior right to negotiate a development contract and/or a water lease on all or part of the acreage after completion of the exploration and forwarding of data to the University. It is further recommended that the Chairman of the Board of Regents be authorized to execute the appropriate permit instrument when approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

PIPE LINE EASEMENT NO. 943, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 226.564 rods of 4-1/2-inch natural gas line at \$0.50 per rod in Section 15, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$113.28 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 944, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS. --This application for a pipe line easement to Phillips Petroleum Company covers 2225.8 rods of 3-inch gas line at \$0.25 per rod in Sections 14, 22, 23, 27, 33, 34, 40, 41, 42 and 43, Block 31, University Lands, Crane County, Texas, for a 10-year period beginning April 1, 1957, and ending March 31, 1967. The full consideration in the amount of \$556.45 for the 10-year period has been tendered with the application.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 945, COUNTY OF ANDREWS, ANDREWS COUNTY, TEXAS. --This application for a right-of-way easement to the County of Andrews of the State of Texas covers a 72.89-acre strip of land to be used as a public road or highway in Sections 17 and 18, Block 1, and Sections 13, 14, 15, and 16, Block 9, University Lands, Andrews County, Texas. No consideration is involved in this easement.

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS. --

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

The following purchases, sales and conversions of securities have been made for the Trust and Special Funds since the report of March 16, 1957. We ask that the Board ratify and approve these transactions:

PURCHASES

Date	Security	Principal Cost
3/26/57	\$120,000 par value U. S. 2-7/8% Treasury Notes of Series A-1958, due 6/15/58, at 99.46875 Net. Accrued interest paid to March 27, 1957 (Archer M. Huntington Museum Fund)	\$119,362.50
	100 Shares American Smelting and Refining Company Common Stock at 54 per share	5,440.40
	66 Shares American Telephone and Telegraph Company Capital Stock at 177-7/8 per share	11,788.45
	100 Shares American Telephone and Telegraph Company Capital Stock at 177-5/8 per share	17,812.50
	200 Shares Bethlehem Steel Corporation Common Stock at 41-3/4 per share	8,421.76

PURCHASES (Continued)

Date	Security	Principal Cost
3/26/57	200 Shares Commonwealth Edison Company Common Stock at 40 per share	\$ 8,070.00
	200 Shares Procter & Gamble Company Common Stock at 46-7/8 per share (Hogg Foundation: W. C. Hogg Estate Fund)	9,451.88
	\$4,000 par value Oklahoma Gas & Electric Company 4-1/2% First Mortgage Bonds, Series 1987, due 1/1/87, at 104.125 Net. Accrued interest paid to 4/1/57 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	4,165.00
	50 Shares American Can Company Common Stock at 42-5/8 per share	2,167.89
	100 Shares F. W. Woolworth Company Capital Stock at 44-1/4 per share (Wm. Heuermann Fund for Cancer Research)	4,462.13
	200 Shares American Can Company Common Stock at 42-5/8 per share	8,597.62
	100 Shares Union Pacific Railroad Company Common Capital Stock at 27-3/8 per share	2,766.19
	100 Shares F. W. Woolworth Company Capital Stock at 44-1/4 per share (Funds Grouped for Investment)	4,462.13
3/27/57	100 Shares The Borden Company Capital Stock at 56-3/4 per share (Funds Grouped for Investment)	5,715.68
4/16/57	200 Shares Union Pacific Railroad Company Common Capital Stock at 27-1/4 per share (Funds Grouped for Investment)	5,507.26

SALES AND CONVERSIONS

Date	Security	Net Proceeds
3/8/57	500 rights to subscribe for Consolidated Edison Co. of New York, Inc., Convertible Debentures due 1972 at 0.375 each (Hogg Foundation: W. C. Hogg Estate Fund)	177.49
	200 rights Ditto (Hogg Foundation: Varner Properties)	71.00

SALES AND CONVERSIONS (Continued)

Date	Security	Net Proceeds
3/8/57	200 rights to subscribe for Consolidated Edison Co. of New York, Inc., Convertible Debentures due 1972 at 0.375 each (James R. Dougherty Foundation: Rachael Dougherty Vaughan Fund)	\$ 71.00
	100 rights Ditto (E. D. Farmer International Scholarship Fund)	35.50
	100 rights Ditto (Wm. Heuermann Fund for Cancer Research)	35.50
3/18/57	Converted 44 shares El Paso Natural Gas Company \$4.40 Convertible Second Preferred Stock, Series of 1954, into 213 shares of common stock of the company (Hogg Foundation: W. C. Hogg Estate Fund)	4,400.00
	Converted 11 shares into 53 shares Ditto (Funds Grouped for Investment)	1,100.00
	312/1000ths share El Paso Natural Gas Company Common Stock received through above conversion (Hogg Foundation: W. C. Hogg Estate Fund)	9.44
	328/1000ths share Ditto (Funds Grouped for Investment)	9.92
3/25/57	2087 rights to subscribe for El Paso Natural Gas Company \$5 Convertible Second Preferred Stock, Series of 1957 (New Second Preferred Stock) at 0.09 each (Hogg Foundation: W. C. Hogg Estate Fund)	165.11
	400 rights Ditto (Hogg Foundation: Varner Properties)	31.64
	653 rights Ditto (Funds Grouped for Investment)	51.66
	200 rights Ditto (Wilbur S. Davidson Educational Fund)	15.82
	280 rights Ditto (Will C. Hogg Memorial Scholarships Endowment)	22.15
	400 rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	31.64
	30 rights Ditto (Will Rogers Memorial Scholarship Fund)	2.38

SALES AND CONVERSIONS (Continued)

Date	Security	Net Proceeds
3/25/57	2 shares Houston Lighting & Power Company Common Stock at 49 per share (John Charles Townes Foundation: Unallotted Account)	\$ 91.91
4/9/57	2 rights to subscribe for Houston Lighting & Power Company Common Stock at 27/32nds each (John Charles Townes Foundation: Unallotted Account)	1.18

TREADOR ROYALTY CORPORATION - INFORMATION REPORT ON ANNUAL MEETING OF DIRECTORS AND STOCKHOLDERS. --The Endowment Officer, with proxy appointment (Minutes of January 12, 1957), represented the University as owner of all preferred stock of Treador Royalty Corporation (960,000 shares of \$0.625 par value) at the Corporation's annual meeting in Dallas on March 5, 1957. Mr. Jack Frost, President, reviewed briefly operations for 1956, and information relating to the Corporation's mineral holdings. A copy of the printed annual report for the year ended December 31, 1956, is attached for the information of each member of the Committee and one is on file in the office of the Secretary of the Board of Regents. (See Secretary's Files, Vol. IV, Page 129.)

Mr. Frost reported that the 20th well (No. 5-13 Matador Land and Cattle Company) drilled by Humble Oil & Refining Company, had been completed dry and abandoned since the issuance of the 1956 annual report. He reported perhaps the most encouraging development as being a recent test on Stanolind - Fred E. Brandon No. 1 well in Motley County about 2 miles from Matador Ranch property which showed encouraging oil prospects.

As to possibilities for more development on acreage in which the Corporation is interested, Mr. Frost reported recent advice from Humble Oil & Refining Company, oil and gas lessee of the Matador Ranch property, that they would be agreeable to consideration of farm-outs of their acreage to responsible operators who generally met the approval of the mineral owners. Regarding the Alamositas property in Hartley and Oldham Counties, a responsible operator who is the owner of about 96,000 acres and 1/4 minerals has shown interest in acquiring Treador's 1/4 minerals under his acreage, and prospects of trading this interest to him for well shot wildcat royalties in other areas will be explored by Mr. Frost.

All officers and directors of the Corporation listed in the 1956 Annual Report were re-elected.

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

DeROSSETTE THOMAS FUND FOR THE ASA MITCHELL GUIDANCE CENTER - RECOMMENDATION FOR PAYMENT OF COST OF PERMANENT IMPROVEMENTS TO GUIDANCE CENTER PROPERTY.--On

See Page 1025

June 1, 1956, the Board of Regents authorized expenditures in the approximate amount of \$7,550.00, based on estimates furnished by the officers of the Center, for repairs, remodeling, and improvements to the building at 217 South Presa Street, San Antonio, to be used as the Asa Mitchell Guidance Center, in accordance with the terms of the will of DeRossette Thomas. The funds of the Estate had not been delivered to the University by the Executors at the time the first of these costs were incurred; and with the approval of the Endowment Officer, the Executors paid \$6,192.70 to Quincy Lee Construction Company for work done on the building at cost and paid the cost of a bronze plaque for the front of the building as requested by Miss Thomas in her will.

The officers and directors of the Guidance Center now request that the University pay the following amounts for work completing the repairs and remodeling from principal funds in the DeRossette Thomas Fund for the Asa Mitchell Guidance Center:

Quincy Lee Construction Co.	\$1,274.49
Joe Shelton (for signs)	35.00
John Lemons Shade Company (for ornamental blinds)	52.00
Palmer's Landscaping Service	<u>422.46</u>
	<u>\$1,783.95</u>

It is recommended that the Board of Regents authorize these payments from endowment funds of the DeRossette Thomas Fund for the Asa Mitchell Guidance Center.

LAVERNE NOYES FOUNDATION - RECOMMENDATION FOR EXECUTION OF AGREEMENT WITH OTHER BENEFICIARY COLLEGES AND UNIVERSITIES.--

The Will of LaVerne Noyes of Chicago, who died in 1919, provided for the distribution of his residue estate, after certain specific bequests and annuities, among those colleges and universities chosen by three individual trustees under the Will. A special Trust was provided for meeting annuity payments to named beneficiaries with any remainder to be distributed to the colleges and universities. Each school would set up an endowment named LaVerne Noyes Foundation with its share of principal received, using the income for "paying . . . the tuition in part or in full (at not to exceed the ordinary rate charged therein to students generally) for deserving students needing this assistance to enable them to procure a university or college training, without regard to divisions of sex, race, religion, or political party, who shall be citizens of the United States of America and either (first) shall themselves have served in the army or navy of these United States in the war into which our country entered on the 6th day of April, 1917, and were honorably discharged from such service, or (second) shall be descended by blood from anyone in said war and who either is still in said service or whose said service in the army was terminated by death or an honorable discharge."

The Estate consisted principally of 2660 shares of Aermotor Corporation Capital Stock, or about 85% of the corporation's outstanding stock.

In 1937 the Trustees under the Will selected 48 colleges and universities for shares of the Estate based on division of the Aermotor stock, The University of Texas receiving 30 shares of the stock and an interest of 30/2660 in any other funds or property passing under the provision of the will for scholarships. Shares of other schools were from 20/2660 to 350/2660.

After setting up the special trust for the annuities, the Trustees in 1937 distributed some cash to the schools and entered into an agreement with them by which the Aermotor stock was distributed but then assigned over to the Trustees with voting rights to further secure the payment of the annuities, all remaining after payment of the annuities to be distributed when all annuitants had died.

Dividends on the Aermotor stock and at times small amounts of unused income from the special trust have been distributed. Income thus received by the University from the trustees for scholarships has been running in recent years around \$1,800 annually. Recently Aermotor has declared two dividends in kind from common stocks it has held for investment, the University receiving shares with market value of about \$5,000.

Over the years the principal business of Aermotor Corporation has been the manufacture of wind-mills, and for some time those schools in the Chicago area having some of the larger interests under the Noyes Will have been concerned about the company's management and failure to develop other lines. All three Trustees under the Will are directors of the corporation, two being active officers and one a retired officer. The Schools have no other representative on the Board of Directors.

In addition to the Aermotor stock the Trustees hold about \$880,000 in investments for the special trust for annuities. There are three annuitants living, all in their seventies, and insurance company annuities for them can be purchased for approximately \$100,000.

Stocks and bonds still held in the portfolio of Aermotor Corporation are worth about \$1,500,000.

Mr. Harry L. Wells of Northwestern University was appointed Agent for the schools under the Agreement of 1937 for purposes of inspecting the books of Aermotor and the like. Mr. Wells has now been succeeded by Dr. W. S. Kerr, Vice-President and Business Manager of Northwestern University. The University has received from Dr. Kerr a letter transmitting a proposed Trust Agreement with recommendation that all beneficiary colleges and universities join in the execution of this Agreement in order to protect their interests in the LaVerne Noyes Trust.

The principal provisions of this Trust Agreement are outlined as follows:

- (1) The appointment by the colleges and universities of representatives of the principal beneficiary schools in the midwest area and reasonably convenient to the Aermotor operations in

Chicago. The Trustees named in the agreement are:

- | | |
|-------------------|--|
| William S. Kerr | Northwestern University |
| B. H. Platt | Iowa State College |
| Elwin T. Jolliffe | State University of Iowa |
| Herbert Farber | University of Illinois |
| Raymond J. Spaeth | Illinois Institute of Technology
(Successor to Lewis Institute) |

Each of the five schools may select its own replacement for the Administrative Trustee.

(2) Termination of the Trust under the Will and the Agreement of 1937, with provision for distribution of the separate trust estate upon satisfactory arrangements for annuity contracts for the three annuitants still living and transfer of the Aermotor stock to the Administrative Trustees with broad powers of management, including voting the stock, sale, merger, or distribution to the schools. Powers also include institution and prosecution of legal proceedings which the Administrative Trustees may deem advisable for accomplishing any of the objectives of the Agreement.

(3) Agreements for purchase from the separate Trust Estate of annuity contracts for the three annuitants.

(4) Agreement to be effective March 15, 1957, and to terminate on February 28, 1962, or prior thereto if full liquidating distribution on the Aermotor stock has been accomplished.

(5) The Administrative Trustees to serve without compensation but with expenses to be paid from the Trust.

It is recommended that the Board of Regents authorize execution of the Agreement by its Chairman when approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

ESTATE OF FRED M. HUGHES - PROPOSAL FOR CASH SETTLEMENT OF RESIDUARY BEQUEST TO THE UNIVERSITY. --Doctor Fred M. Hughes of Houston, a graduate of The University of Texas (B. A. 1923, M. D. 1926), died recently leaving a Will which provides, after setting up a trust with life income to his wife, Mrs. Ava Mae Bevil Hughes, and upon her death for the use of income and principal at the discretion of the Trustees for the benefit of certain named relatives, as follows:

"(g) Upon the death of the last survivor of those individuals named in the immediately preceding paragraph, my Trustees shall pay over and deliver to the then governing body of The University of Texas an undivided one-half (1/2) of all such remaining property, to be used for such purpose or purposes as such governing body may determine for the benefit of The University of Texas; and such Trustees shall pay over and deliver the remaining one-half (1/2) of all such property to the then governing body of The University of Texas Medical School, to be used as such governing body may choose for the benefit of the Medical School; it being my intention to undertake to show my sincere appreciation to the University and to the

Medical School for the benefits received by me while a student in these institutions. If these bequests be accepted, I request that a plaque of recognition be placed at The University of Texas and a plaque be placed at The University of Texas Medical School in recognition of these bequests, bearing the names of Doctor and Mrs. Fred M. Hughes."

Mrs. Hughes has proposed, through her attorney Mr. Virgil Childress of Houston, purchase of the University's interest in the Estate for the sum of \$5,000 cash after which she will agree with the other beneficiaries under the Will to withhold it from probate so that Doctor Hughes' one-half of the community estate, being his only estate, would pass to her without restriction. The Estate consists almost entirely of the home and some other Houston real estate, upon which a qualified appraiser has placed a total value of \$60,000.

In addition to the Estate which would pass under the Will, Mrs. Hughes is beneficiary under life insurance policies in the total amount of approximately \$45,000, and there are joint bank and savings and loan accounts of approximately \$15,000, set up with right of survivorship in Mrs. Hughes.

The Trust under the Will would limit Mrs. Hughes to income whereas any of the other beneficiaries surviving her may, at the discretion of the Trustees, have used for their benefit both principal and income. There are six of these who, if they survive Mrs. Hughes, would come under the benefits of the Trust and their ages are from fifty-nine to seventy-five. It is understood that all of them are relatives of Doctor Hughes, and two have been partially dependent upon Doctor and Mrs. Hughes. The University is assured that Mrs. Hughes is motivated in her proposal principally by her desire to have sufficient funds to help all of these people as such may be needed and at the same time carry out the wishes of Doctor Hughes as to the University. There are possibilities that the Will might be subject to contest on the basis of lack of testamentary capacity but Mrs. Hughes expresses no intention of such contest even if the Will is offered for probate. According to accepted tables, the interest of the University in the Trust Estate, subject to the life interest of Mrs. Hughes whose age is fifty-four, would be approximately 50% or \$15,000. If the contingent interest of any of the others are considered, it is understood that there is no accepted method of valuing the interest of the University which would be subject to complete depletion during the lives of any such successor beneficiaries.

It is recommended that the Board of Regents accept the proposal made by Mrs. Hughes and authorize its Chairman to execute an instrument conveying to her such interest as the University may have under the Will after the instrument is approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

ESTATE OF DeROSSETTE THOMAS - CLOSING OF ARIZONA ESTATE. --
On November 28, 1956, the Board of Regents approved sale by the Arizona administrator, Arizona Trust Company, of the one piece of real estate comprising the entire Arizona Estate for \$6,525. A little later the Administrator was able to obtain an offer of \$7,250, the full appraised value, and sold the property with court approval for that amount.

The University has now been notified that the Arizona administration has been closed and has received a check for \$6,339.80 covering total distribution of the Estate after fees and other costs. Administrator's fee of \$401.84 and attorney's fee of the same amount are set by Arizona statute.

It is recommended that the Board of Regents authorize its Chairman to execute a receipt for this distribution to be filed in the Arizona Probate Court when approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

MURRAY CASE SELLS ESTATE - REPORT ON STATUS OF ESTATE AND RECOMMENDATION RE FINANCING ARRANGEMENTS. -- On January 12, 1957, the staff reported to the Board of Regents a plan tentatively agreed on by First National Bank in Dallas, Executor of the Estate, and the committee of attorneys representing the beneficiary schools by which Sells Petroleum, Inc., wholly owned by the Estate, would declare a dividend in kind of approximately 80% overriding interest in all producing interests held by the corporation, which interests would then be used as security for a loan of approximately \$2,000,000 to enable the Executor to pay the remainder due on the two will contest settlements, succession taxes, costs of administration, and the like.

See Page
1019

The committee of attorneys has now notified the University that the loan will be placed with Southwestern Life Insurance Company in the amount of \$1,700,000 to \$1,800,000, and it is understood that joinder in the note and deed of trust by the beneficiary schools may be required as well as execution of other papers not yet ready for presentation to the Board of Regents.

Since efforts are being made to complete the transactions as soon as possible, it is recommended that the Chairman of the Board of Regents be authorized to execute on behalf of the University any papers which may be required prior to the next meeting of the Board of Regents, when approved as to content by the Endowment Officer and as to form by the Land and Trust Attorney and upon approval of the transactions involved by the Land and Investment Committee. Any such action that may be taken will be reported to the Board of Regents at its next following meeting.

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

HUNTINGTON LANDS - REPORT ON CLOSING OF SALE TO J. C. FRENCH ET AL OF 120 ACRE TRACT IN S. C. BUNDICK LEAGUE, GALVESTON COUNTY, TEXAS. --At the September 22, 1956 meeting of the Board of Regents, the sale of a 120 acre tract in the S. C. Bundick League, Galveston County, Texas, was authorized to Mr. J. C. French, Mr. R. W. Ramey, and Mr. O. B. Scribner at \$1,000 cash per acre, with the close of the sale to be within 130 days from September 4, 1956. At the January 12, 1957 meeting of the Board, the purchasers requested and were granted an extension of closing time of 60 days for a consideration of \$800 for such extension. The deed was executed by the Chairman of the Board on March 8, 1957, and was delivered to the purchasers through the Texas City National Bank on March 13, 1957. The earnest money of \$6,000, the payment on closing of the sale of \$114,000, and the \$800 for the extension of closing time have all been added to the Archer M. Huntington Museum Fund. The completion of the transaction is submitted for information. A signed copy of the deed is on file in the office of the Secretary of the Board of Regents.

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 Doctor Dysart E. Holcomb, 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 1957 calendar year. Under the new lease the Cotton Estate at Texas Western is to receive 1/3 of the gross proceeds from cotton sales as rental on the land, as in previous years, but Texas Western is to pay 1/3 of the cost of fertilizer and all of the cost of electricity for operation of the pump on the well on the premises. Mr. Smith advises that it is customary for the land owner to furnish the water for irrigation and bear a pro rata share of the cost of fertilizer. The lease for 1956 provided an option to renew from year to year, each renewal to be for a period of not more than twelve months and at a rental rate to be agreed upon at the time of such renewal. It is recommended that the Board approve the renewal for 1957, under the conditions outlined above, with the lease to be signed by the Chairman after its approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

TEXAS WESTERN COLLEGE - COTTON ESTATE - RENEWAL OF GRAZING LEASE TO MR. L. MOODY BENNETT. --Mr. A. A. Smith, Business Manager, has recommended, and Doctor Dysart E. Holcomb, President, has approved the renewal of the grazing lease to Mr. L. Moody Bennett of 16,911 acres of Cotton Estate Lands in Hudspeth County for a one-year period beginning June 1, 1957 and ending May 31, 1958, at the same rate as the past year, five cents per acre, payable annually in advance. It is recommended the renewal be approved as outlined and that the Chairman of the Board be authorized to execute the lease upon its approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney.

HOGG FOUNDATION: VARNER PROPERTIES - RECOMMENDATION FOR AUTHORITY TO FILE FORMAL PROTEST OF PROPOSED ADDITIONAL ASSESSMENT OF SUPPLEMENT U INCOME TAX FOR FISCAL YEAR ENDED JULY 31, 1953. --On January 12, 1957, the Board of Regents authorized the Endowment Officer to submit to Mr. Benjamin L. Bird of Weeks, Bird, Cannon & Appleman of Fort Worth the questions at issue in the additional assessment of Supplement U Income Tax in the amount of \$28,321.98 in regard to the Varner Properties as proposed by the Internal Revenue Service. Mr. Bird has given the questions some consideration, and a conference with the University staff is expected during the week of May 13. Extension of time to June 1, 1957 for filing protest of the assessment has been obtained. It is recommended that the Board of Regents authorize formal protest of all or part of the additional assessment as may be deemed necessary by Mr. Bird with the approval of the Endowment Officer, Comptroller, Vice President for Fiscal Affairs, Chairman of the Land and Investment Committee, and Chairman of the Board; and that the Chairman of the Board be authorized to execute any papers pertaining to such protest.

See Page
1024

HOGG FOUNDATION: VARNER PROPERTIES - RECOMMENDATION FOR REFUND OF EXCESS RENTAL DEPOSIT PAID TO VARNER COMPANY BY CLASSIFIED PARKING SYSTEM ON ROSSONIAN PROPERTY IN HOUSTON, TEXAS. --Classified Parking System leased from Varner Company on September 1, 1948, the Rossonian Property on Walker Avenue between Fannin and San Jacinto Streets in Houston and deposited advance rental. A new lease was made with Varner Company in 1951 providing for an additional deposit of \$3,000. Classified has discovered from its books and cancelled checks that such additional payment of \$3,000 was made first on March 20, 1951, and again by oversight by both parties on September 1, 1951, and that the second payment was never refunded by Varner Company or by the University. The books of Varner Company in the hands of the University have been checked and found to support Classified's records.

The University made a new lease with Classified on this property effective April 1, 1954, for a period of 5 years at base monthly rental of \$4,500 and carrying the same provision for deposit of rental for the last two months of the lease in the total amount of \$9,000 with the University. Excluding the duplicate payment of \$3,000 made on September 1, 1951, this was the same deposit as required under the prior lease and so made by Classified to Varner Company. The University, therefore, agreed that the deposit of \$9,000 already made to Varner Company would carry over and be held to apply to the last two months of the current lease expiring in 1959.

Since the University acquired all of the stock of Varner Company and then dissolved the corporation, Classified proposes that the University refund the payment of \$3,000 made in error to Varner Company on September 1, 1951, and it is recommended that the Board of Regents authorize this refund from accumulated income on hand from the Varner Properties.

Since the \$9,000 rental deposit under the current lease has not been set up on the University's books, it is further recommended that the Board of Regents authorize this amount to be transferred from accumulated income on hand from the Varner Properties to a reserve account to be held and applied as rental covering the last two months of the lease as set out in the agreement.

HOGG FOUNDATION: VARNER PROPERTIES - PROPOSAL FROM CLASSIFIED PARKING SYSTEM FOR TEMPORARY RENTAL REDUCTION ON ROSSONIAN PROPERTY, HOUSTON, TEXAS. --Effective April 1, 1954, the University entered into a parking lot lease for 5 years with Classified Parking System on the Rossonian Property on Walker Avenue between Fannin and San Jacinto Streets in Houston, which property contains 25,000 square feet of unimproved ground, at base monthly rental of \$4,500. In the event gross revenue exceeds \$85,000 in any lease year, the University receives 25% of any excess between \$85,000 and \$90,000. The University's share is 50% of any gross above \$90,000. Monthly rental is current and during the term of this lease the lessee has paid excess rental in the total amount of \$3,522.87. The lease is subject to cancellation by the University on 60 days' notice in the event of sale, lease for 15 years or longer, election to use the property for any purpose other than an open parking lot, or election by the University to construct permanent buildings or improvements.

Classified has now proposed that the University give some temporary relief on rental due to a general decline in parking lot revenues in downtown Houston and loss incurred by lessee in recent months from operation of this lot. The figures, which have not been audited but believed to be accurate, show a net loss in all but 2 months of 1956 and a net loss for the year from this operation of \$4,083.36. Loss shown for January, 1957, is \$1,358.62 and for February \$1,721.78. They have not furnished net loss for March, but the gross revenue just reported was \$3,734.20, or approximately \$1,150 under February gross.

Classified leases 2 other lots out of the Varner and Hogg Foundation properties in less expensive areas in Houston and have been good tenants. Their statements as to the decline in parking lot business in downtown Houston has been reasonably confirmed by the University staff, and it seems definite that no other operators would have been able to do better. The University holds a deposit of \$9,000 to cover the last 2 months of the lease. Classified suggests a temporary reduction of \$1,000 per month in rental, making monthly rental \$3,500.

It is recommended that the Board of Regents authorize the Endowment Officer to notify Classified Parking System that the Board has declined to grant the rental reduction for the time being.

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - PROPOSAL FROM FRANK G. CADENA FOR TEMPORARY RENTAL REDUCTION ON McASHAN PROPERTY, MAIN AND CLAY, HOUSTON, TEXAS. -- As of March 1, 1955, the University leased to Frank G. Cadena the McAshan Property on the northeast corner of Main Street and Clay Avenue, fronting 129 feet on Main and 153 feet on Clay, for an open parking lot for a term of five years at monthly rental of \$2,250 for the first two years and \$2,400 for the last three years lessee depositing \$14,400 in cash to secure performance and if performed in full to be credited as rental for the last six months of the lease. The lease is subject to cancellation by the University in case of sale, lease for 15 years or longer, or election to erect building or permanent improvements. Mr. Cadena proposes that the University give him temporary relief by a rental reduction due to general decline in parking business in downtown Houston and his losses he has sustained in operating this lot. The general decline has been satisfactorily confirmed by the University staff; and figures submitted by Mr. Cadena, which have not been audited but are believed to be reasonably accurate, show that he lost \$5,030.45 March through December, 1955, \$6,852.20 in 1956, and \$1,856.50 in the first three months of 1957. These figures are after operating expenses, exclusive of rental, of around \$250 per month.

Rental payments have been made promptly, and Mr. Cadena is considered a good operator. He suggests a temporary monthly rental of \$1,600 or \$1,700. It is recommended that the Board of Regents authorize the Endowment Officer to notify Mr. Cadena that the Board has declined to grant the rental reduction for the time being.

HOGG FOUNDATION: VARNER PROPERTIES - PROPOSAL FROM PAUL E. WISE FOR PURCHASE OF MITCHELL PROPERTY, CAPITOL AND FANNIN, HOUSTON. --The University has received an offer from Mr. Paul E. Wise, realtor of Houston, for purchase of the Mitchell Property on the northwest corner of Capitol and Fannin in Houston for \$930,000.00 cash. The property fronts approximately 152 feet on Capitol and 152 feet on Fannin and is improved with a three-story brick building erected by W. T. Grant Company about 1923 under the terms of their lease still in effect and a two-story office and store building leased to W. T. Grant Company, T. J. Bettes Company and other commercial tenants. Gross rental on the property now runs at approximately \$130,000.00 annually with operating expenses paid by the University of approximately \$18,000.00 annually and depreciation at the rate of \$13,520.00 leaving a net annual return to the University of \$98,000.00 to \$100,000.00.

Book value of the property after the depreciation since acquisition is now \$1,320,480.00, it having been acquired at a value of \$1,370,400.00 in the Varner acquisition in 1952 based on appraisals. It was appraised in May, 1956, by Mr. M. H. James, M.A.I. of Houston, for \$1,725,000.00. At the University's request, Mr. James has checked into the matter again in connection with the pending offer and reports that in his opinion the value could be as low as \$1,500,000.00 but would hesitate to recommend a sale at a lower figure. Mr. Neville Allison, M.A.I. of Houston, has appraised the property this month; and though his written report has not been received, he has reported orally that he is placing the value of \$1,300,000.00 on the property and would not recommend a sale at less than \$1,250,000.00.

Since Mr. Wise has indicated that his offer is not subject to negotiation, it was recommended that the Board of Regents decline the offer.

II. RECOMMENDATIONS OF JOINT MEETING OF LAND AND INVESTMENT COMMITTEE AND INVESTMENT ADVISORY COMMITTEE, APRIL 27: PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM (1) CHANGES IN INVESTMENT POLICY, (2) DELETION FROM AND ADDITIONS TO APPROVED LIST OF SECURITY DEALERS, (3) INITIAL APPROVED LIST OF CORPORATIONS FOR COMMON AND PREFERRED STOCK PURCHASES, (4) AUTHORIZATION TO ENDORSE CORPORATE SECURITIES APPROVED FOR SALE. --(Vice-Chairman Sorrell next called attention to the report of the joint meeting of the Land and Investment Committee and the Investment Advisory Committee, April 27.)

See Page
1000

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - CHANGES IN INVESTMENT POLICY. --It is recommended that the following changes in investment policy be made to the policy as approved on January 12, 1957:

Policies Governing Investment in Corporate Securities

Change IV. under the above section of the policy to read as follows:

IV. To be eligible for purchase --

A. Corporate stocks must be issued by corporations which have been formally approved by the Land and Investment Committee and the Board of Regents.

B. Corporate bonds must meet both the requirements of the Constitutional Amendment and the financial statement ratio standards and price requirement of the policy as formally approved by the Land and Investment Committee and the Board of Regents as detailed below:

1. Constitutional Amendment Requirements. --

- a. Bonds must be rated "A" or higher by either Moody's or Standard & Poor's.
- b. Company must be incorporated within the United States.
- c. Not more than 1% of the Permanent University Fund may be invested at any one time in securities issued by any corporation.

2. Financial Statement Ratio Standards. --

a. Funded Debt to Book Value of Total Investment --

Public Utilities -- not to exceed 55%.
 Railroads -- not to exceed 45%.
 Industrials -- not to exceed 30%.

b. Times Bond Service Covered (before taxes) --

Public Utilities -- average of at least 5 times during past 5 years.
 Railroads -- average of at least 6 times during past 5 years.
 Industrials -- average of at least 7 times during past 5 years.

c. Net Profit (after taxes) to Book Value of Total Investment --

Public Utilities and Financial Corporations -- average of at least 4-1/2% during past 5 years.
 Railroads -- average of at least 4-3/4% during past 5 years.
 Industrials -- average of at least 6% during past 5 years.

3. Price Requirement. --

Yield on corporate bonds must exceed the prevailing yield on the longest term Treasury Bond by at least 1/4%.

4. Approval by the Board of Regents. --
Any corporate bond meeting the above requirements may be purchased either on original offering or in the secondary market, the specific issue purchased to be presented to the next subsequent meeting of the Land and Investment Committee and the Board of Regents for ratification and approval.

Diversification Patterns

Beginning with V. under the above section of the policy, diversification patterns to be changed to read as follows:

V. Common Stocks (\$155,750,000) (Changed from \$157,500,000)
(The diversification pattern for common stocks is intended to serve as a general guide only. It is not expected that precisely the number of issues shown will be purchased and considerable variation in the amounts committed to individual issues is to be anticipated.)

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

151 individual stocks owned. (Changed from 157)

Average commitment -- about \$1,250,000 except financial companies where average commitment is about \$500,000.

B. Broad diversification program --

	No. Issues	Total Approximate Amount	Per Cent
1. Public Utilities	32	\$ 40,000,000	26%
2. Railroads	4	5,000,000	3
3. Financial	44	22,000,000	14
4. Industrial	71	88,750,000	57
Totals	<u>151</u>	<u>\$155,750,000</u>	<u>100%</u>

C. Diversification of Public Utilities (\$40,000,000) --
(Average commitment about \$1,250,000)

	No. Issues	Total Approximate Amount	Per Cent
1. Light and Power	24	\$ 30,000,000	75%
2. Gas Service and Gas Transmission	6	7,500,000	19
3. Telephone and Telegraph	2	2,500,000	6
Totals	<u>32</u>	<u>\$ 40,000,000</u>	<u>100%</u>

D. Diversification of Railroads (\$5,000,000) --
(Average commitment about \$1,250,000)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
By geographic area served and type of freight hauled	<u>4</u>	<u>\$ 5,000,000</u>	<u>100%</u>

E. Diversification of Financial
Corporations (\$22,000,000) --
(Average commitment of about \$500,000)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
1. Banks	24	\$ 12,000,000	54%
2. Fire and Casualty Insurance Companies	10	5,000,000	23
3. Finance Companies	6	3,000,000	14
4. Life Insurance Companies	4	2,000,000	9
5. Mutual Funds (Incl. closed- end companies)	<u>0</u>	<u>-</u>	<u>-</u>
Totals	<u>44</u>	<u>\$ 22,000,000</u>	<u>100%</u>

F. Diversification of Industrials (\$88,750,000) --
(Average commitment about \$1,250,000)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
Group I (Earning Power Stable - 36.6%)			
1. Food and Dairy Products	6	\$ 7,500,000	8.5%
2. Chemical Products	6	7,500,000	8.5
3. Containers	3	3,750,000	4.2
4. Paper Products	3	3,750,000	4.2
5. Retail Trade (Merchandising)	3	3,750,000	4.2
6. Tobacco Products	2	2,500,000	2.8
7. Drugs, Soaps, Cosmetics	3	3,750,000	4.2
Sub-Total	(26)	(32,500,000)	(36.6)

Group II (Some Variation in
Earning Power - 36.6%)

1. Air Transport	0	-	-
2. Building Materials	5	\$ 6,250,000	7.1%
3. Electrical - Electronic	4	5,000,000	5.6
4. Office Equipment	2	2,500,000	2.8
5. Petroleum Products	8	10,000,000	11.3
6. Synthetic Fibres and Textiles	0	-	-
7. Tires and Rubber Products	3	3,750,000	4.2
8. Automobiles and Accessories	4	5,000,000	5.6
Sub-Total	(26)	(32,500,000)	(36.6)

Diversification Patterns
(Continued)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
Group III (Considerable Variation in Earning Power - 19.7%)			
1. Machinery - Agricultural	1	\$ 1,250,000	1.4%
2. Machinery and Equipment - Industrial	5	6,250,000	7.1
3. Metals - Nonferrous	4	5,000,000	5.6
4. Steel and Iron	4	5,000,000	5.6
Sub-Total	(14)	(17,500,000)	(19.7)
Miscellaneous (7.1%)	(5)	(6,250,000)	(7.1)
Totals	<u>71</u>	<u>\$ 88,750,000</u>	<u>100.0%</u>

VI. Diversification of guaranteed mortgage paper (\$22,500,000) - No changes recommended for the approved policy.

Detailed below are the changes as reflected in the revised diversification patterns as shown above:

	<u>No. Issues</u>	<u>Change</u>		<u>No. Issues</u>	<u>Change</u>
<u>INDUSTRIALS:</u>			<u>UTILITIES:</u>		
Containers	From 2 to 3	+ 1	Light and Power	From 27 to 24	- 3
Chemical Products	From 1 to 3	+ 2	Gas Service	From 8 to 6	- 2
Rail Trade	From 1 to 3	+ 2			
Tobacco Products	From 3 to 2	- 1	Net Change from 103 to		
Electrical	From 3 to 4	+ 1	107 Issues		<u>+ 4</u>
Tractor Equipment	From 1 to 2	+ 1	(4 issues @ \$1,250,000 each		
Petroleum Prod.	From 6 to 8	+ 2	or + \$5,000,000 change)		
Automobiles	From 1 to 0	- 1			
Plastics and Rubber	From 1 to 3	+ 2	<u>FINANCIAL:</u>		
Machinery - Indus.	From 6 to 5	- 1	Banks	From 27 to 24	- 3
Miscellaneous	From 4 to 5	+ 1	Fire & Cas. Ins.	From 11 to 10	- 1
			Life Insurance	From 5 to 4	- 1
			Finance Companies	From 11 to 6	- 5
			Net Change from 54 to 44 Issues		<u>-10</u>
			(10 issues @ \$500,000 each		
			or - \$5,000,000 change)		

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - DELETION FROM AND ADDITIONS TO APPROVED LIST OF SECURITY DEALERS. --
It is recommended that the following deletion from the list of previously approved dealers be made:

IV. A. Group III - A. C. Allyn & Company

It is recommended that the following additions be made to the approved list of dealers as shown by the 5/4/57 date, the complete list in reorganized

form being presented below with previous approval dates given:

IV. APPROVED LIST OF SECURITY DEALERS
(Through May 4, 1957)

Date Approved
by Regents

A. FOR ALL CORPORATE SECURITIES:

Group I

(Full Members of the N. Y. S. E. with one or more branch offices in Texas)

Harris, Upham & Company	1/11/57
Merrill Lynch, Pierce, Fenner and Beane	"
Salomon Bros. & Hutzler	"
E. F. Hutton & Company	"
Shearson, Hammill & Company	2/ 9/57
Francis I. du Pont and Company	5/ 4/57
Goodbody and Company	5/ 4/57

Group II

(Firms which serve as New York correspondents of Texas firms having membership on the N. Y. S. E. but not floor privileges; approval to include both the New York correspondent and the Texas firm)

Dominick & Dominick--	1/11/57
Dewar, Robertson and Pancoast (San Antonio)	"
Underwood, Neuhaus & Company, Inc. (Houston)	"
Schneider, Bernet & Hickman (Dallas)	2/ 9/57
Laurence M. Marks and Company--	1/11/57
Dittmar & Company (San Antonio)	"
Kidder, Peabody & Company--	1/11/57
Rauscher, Pierce & Company, Inc. (Dallas)	"
Clark, Dodge & Company--	1/11/57
Rotan, Mosle & Company (Houston)	"
Goldman, Sachs & Company--	3/16/57
Eppler, Guerin & Turner (Dallas)	"
Gregory & Sons--	3/16/57
Dallas Rupe & Son, Inc. (Dallas)	"
Carl M. Loeb, Rhoades and Co. --	5/ 4/57
Russ and Co., Inc. (San Antonio)	"
Sanders and Company (Dallas)	"
A. G. Edwards & Sons (Houston)	"

A. FOR ALL CORPORATE SECURITIES (Continued): Date Approved
by Regents

Group III

(Firms which have neither branch offices in Texas nor correspondent firms in Texas)

H. C. Wainwright & Company	1/11/57
White, Weld and Company	"
Lehman Bros.	"
The First Boston Corporation	2/ 9/57
Blyth and Company, Inc.	3/16/57
Eastman Dillon, Union Securities & Company	5/ 4/57
A. M. Kidder and Company	"
Paine, Webber, Jackson & Curtis	"
M. A. Schapiro & Co., Inc.	"
Tucker, Anthony and R. L. Day	"

B. FOR CORPORATE BOND OFFERINGS - SECONDARY DISTRIBUTIONS OF ELIGIBLE CORPORATE SECURITIES AND TEXAS BANK AND INSURANCE SHARES:

Group I

(Texas firms having membership on exchanges other than the N. Y. S. E.)

Equitable Securities Corporation (Dallas)	1/11/57
Dallas Union Securities Company (Dallas)	"
Austin, Hart & Parvin (San Antonio)	3/16/57
Fridley, Hess & Frederking (Houston)	"

Group II

(Texas firms which from time to time underwrite national corporate offerings but which own no stock exchange membership)

First Southwest Company (Dallas)	1/11/57
----------------------------------	---------

C. FOR CORPORATE BONDS AND STOCKS - PRIMARY AND SECONDARY MARKETS:

1. For original offerings of corporate securities eligible for the Permanent University Fund and in the size required for purchase, any dealer managing a nation-wide syndicate is to be considered eligible.
2. For secondary offerings of corporate securities eligible for the Permanent University Fund and in the size required for purchase, any recognized dealer who has exclusive control of the secondary offering is to be considered eligible.

(Note: The above list of approved dealers is to supersede all previously approved lists.)

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED INITIAL APPROVED LIST OF CORPORATIONS FOR COMMON AND PREFERRED STOCK PURCHASES. --It is recommended that the following initial list of corporations be approved for purchases of common and preferred stocks within the diversification patterns as approved by the Board of Regents:

APPROVED LIST OF CORPORATIONS FOR COMMON
AND PREFERRED STOCK PURCHASES
(Through May 4, 1957)

A. INDUSTRIAL CORPORATIONS

Group I
(Earning Power Stable - 36.6%)

1. Food and Dairy Products (Including Baking & Milling, Beverages & Confectionery, and Meats & Dairy Products)--

National Dairy Products Corporation
General Foods Corporation
National Biscuit Company
Coca-Cola Company

2. Chemical Products --

*E. I. du Pont de Nemours & Company
*American Cyanamid Company
*Eastman Kodak
#*Union Carbide & Carbon Corporation (Name being changed to Union Carbide Corporation)
*Dow Chemical Company

3. Containers --

American Can Company
Owens-Illinois Glass Company

4. Paper Products --

*International Paper Company

5. Retail Trade (Merchandising) --

J. C. Penney Co., Inc.
Sears, Roebuck and Company

6. Tobacco Products --

R. J. Reynolds Tobacco Company (Common "B")
#The American Tobacco Company

7. Drugs, Soaps, and Cosmetics --

*American Home Products Corporation
The Procter & Gamble Company

*Exception as "growth stock."

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

A. INDUSTRIAL CORPORATIONS
(Continued)

Group II
(Some variation in earning power - 36.6%)

1. Air Transport -- None.
2. Building Materials --
 - Otis Elevator Company
 - Johns-Manville Corporation
 - U. S. Gypsum Company
 - *Pittsburgh Plate Glass Company
3. Electrical - Electronic --
 - *General Electric Company
4. Office Equipment --
 - #*International Business Machines Corporation
5. Petroleum Products --
 - Socony Mobil Oil Company, Inc.
 - *Standard Oil Company (New Jersey)
 - *The Texas Company
6. Synthetic Fibres and Textiles -- None.
7. Tires and Rubber Products --
 - *Firestone Tire & Rubber Company
8. Automobiles and Accessories --
 - General Motors Corporation
 - Libbey-Owens-Ford Glass Company

Group III
(Considerable variation in earning power - 19.7%)

1. Machinery - Agricultural --
 - International Harvester Company
2. Machinery and Equipment - Industrial --
 - *Caterpillar Tractor Company
 - Ingersoll-Rand Company
 - *Ex-Cell-O Corporation
3. Metals - Nonferrous --
 - American Smelting and Refining Company
 - Kennecott Copper Corporation
4. Steel and Iron --
 - Bethlehem Steel Corporation
 - United States Steel Corporation

Miscellaneous
(7.1%)

- *Minnesota Mining & Manufacturing Company
- *Corning Glass Works

*Exception as "growth stock."

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

B. PUBLIC UTILITY CORPORATIONS

Light and Power --

- Baltimore Gas and Electric Company
- Cincinnati Gas and Electric Company
- Cleveland Electric Illuminating Company
- Commonwealth Edison Company
- Consumers Power Company
- #The Detroit Edison Company
- Gulf States Utilities Company
- *Houston Lighting & Power Company
- Ohio Edison Company
- Oklahoma Gas and Electric Company
- Pacific Gas and Electric Company
- Philadelphia Electric Company
- Public Service Company of Indiana, Inc.
- Public Service Electric & Gas Company
- Southern California Edison Company
- *Texas Utilities Company
- *Virginia Electric & Power Company

Gas Service and Gas Transmission --

- Consolidated Natural Gas Company
- **El Paso Natural Gas Company (1)
- Pacific Lighting Corporation
- #United Gas Corporation (1)

Telephone Service --

- American Telephone and Telegraph Company
- *General Telephone Corporation

C. RAILROAD COMPANIES

- Atchison, Topeka & Santa Fe Railway Company
- Norfolk & Western Railway Company
- Union Pacific Railroad Company

*Exception as "growth stock."
 #Exception as to ratio of "Funded Debt to Total Investment."
 (1) Exception as to ratio of "Net Profit (before taxes) to Bond Service."

D. BANKS

New York City Banks --

- Bankers Trust Co. (N. Y.)
- Chase Manhattan Bank (N. Y.)
- Chemical Corn Exchange Bank (New York)
- *The First National City Bank
- Manufacturers Trust Co. (New York, N. Y.)

Other Eastern --

- First National Bank of Boston
- Philadelphia National Bank

Middle West --

- Continental Illinois National Bank & Trust Company
- *National Bank of Detroit

Southwest --

- *Republic National Bank of Dallas
- *First City National Bank of Houston

Pacific Coast --

- *Security First National Bank (Los Angeles)
- Bank of America National Trust & Savings Association
(San Francisco)

E. FINANCE COMPANIES

- #Commercial Credit Company
- #Household Finance Corporation

F. INSURANCE COMPANIES

Fire and Casualty Insurance Companies --

- *Federal Insurance Company
- *Hartford Fire Insurance Company
- *Insurance Company of North America
- *St. Paul Fire & Marine Insurance Company

Life Insurance Companies --

- *Aetna Life Insurance Company
- *Connecticut General Life Insurance Company
- *Travelers Insurance Company

*Exception as "growth stock."

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

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - AUTHORIZATION TO ENDORSE CORPORATE SECURITIES APPROVED FOR SALE. --It is recommended that the following resolution of authorization to endorse corporate securities approved for sale be adopted by the Board of Regents:

RESOLUTION OF THE BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS

BE IT RESOLVED by the Board of Regents of The University of Texas that the Endowment Officer of The University of Texas (or the Assistant to the Endowment Officer of The University of Texas) and the Treasurer of the State of Texas (or the Acting Treasurer of the State of Texas) are hereby jointly authorized and empowered to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever now or hereafter owned by the Permanent University Fund of The University of Texas and registered in the name of "The University of Texas," "Permanent University Fund of The University of Texas," or "The University of Texas, for Permanent University Fund, a State Endowment Fund, Austin, Texas," or which now or hereafter may be assigned thereto.

Adoption of Report. -- Vice-Chairman Sorrell moved the adoption of the entire report of the Land and Investment Committee. This motion was seconded by Mr. Johnson and unanimously carried.

REPORT OF MEDICAL AFFAIRS COMMITTEE. -- The following report of the Medical Affairs Committee was presented by its chairman, Doctor Minter:

In addition to the recommendations presented in this report, the Medical Affairs Committee discussed informally other matters concerning the medical units. President Wilson brought the Board up to date on the Bernard Rogers case at the Medical Branch.

Sealy-Smith Foundation Proposal to Construct a 150-Bed Hospital, Medical Branch; Permissive Legislation Requested. -- The Medical Affairs Committee considered the following proposal of the Sealy-Smith Foundation "A" and approved statement "B" as the position of The University of Texas in regard to this proposal, emphasizing that this bill is strictly permissive and does not bind the University in any manner:

A. Proposal of the Sealy-Smith Foundation:

On Friday, April 26, Mr. John W. McCullough, Chairman of the Board of Trustees of the Sealy-Smith Foundation of the City of Galveston, made the following proposal relating to the Medical Branch of The University of Texas:

1. The Board of Regents of The University of Texas should convey to the Sealy-Smith Foundation all, or such part thereof as might be needed, of Lots 11, 12, 13 and 14 of Block 667 of the City of Galveston

in consideration for which the Sealy-Smith Foundation would pay to the Board of Regents the appraised value of this property.

2. The Sealy-Smith Foundation would construct, equip and maintain on this property a 150-bed psychopathic hospital, with title to the property remaining in the Foundation.
3. The hospital would be operated by the Board of Regents of The University of Texas as an integral part of the hospital system of the Medical Branch, but without cost to the Medical Branch or to the State of Texas. Any profit arising from the operation of this psychopathic hospital would belong to the Sealy-Smith Foundation and all losses would be assumed and borne by the Foundation.

B. The Position of The University of Texas in Regard to this Proposal:

1. There has not been time since the proposal of the Sealy-Smith Foundation was received last Friday to determine finally its feasibility and desirability, but certain advantages to the Medical Branch are obvious.
 - a. Construction of the new facility would provide a modern psychopathic hospital without cost to the State either for construction or operation.
 - b. Upon completion of the building, it would be possible to raze the two old psychopathic hospital units which are in such a deplorable state of repair as not to warrant rehabilitation. Thereafter, there would be savings to the Medical Branch in the amount of the maintenance and operation of these two units.
2. Since full consideration of the Sealy-Smith Foundation proposal by the administrative officers and the Board of Regents of The University of Texas may indicate the desirability of early consummation of the plan and, since there is some question whether the authority to convey title to public lands granted to the Board of Regents in Article 2596 is applicable to campus lands, the Board of Regents of The University of Texas requests specific authorization from the Legislature to make this conveyance. It should be noted that this request is for permissive legislation and the Board of Regents will not be obligated to take any action should a thorough study indicate that the best interests of the Medical Branch and the State would not be served thereby.

M. D. Anderson Hospital and Tumor Institute: (1) Payment of Salaries and O. A. S. I., Employees of University Cancer Foundation; (2) Transfer of Special Funds from Professional Fees for Pathology and Radiology and The University Cancer Foundation Fund; (3) Income Tax Return, The University Cancer Foundation. --(1) The University Cancer Foundation operates as a separate legal entity and is not covered by Old Age and Survivors Insurance. The full-time staff members of the hospital participating in the Foundation are covered under this program by virtue of their salaries from the hospital budget.

At present there are two administrative employees of the Foundation -- an executive secretary and a credit manager -- and a third employee is to be added soon.

It is recommended to the full Board that the Board of Regents as Trustees of The University Cancer Foundation authorize the foundation to give to The University of Texas M. D. Anderson Hospital and Tumor Institute the necessary funds for payment of the salaries of the administrative personnel of the Foundation plus the necessary funds for the matching portion of the Old Age and Survivors Insurance as of January 1, 1957.

(2) The Medical Affairs Committee has given due consideration to the three accounts of The University Cancer Foundation; namely: (a) Special Fund from Professional Fees for Pathology and Radiology (All receipts to these funds represent professional fees collected from pay patients, which funds are used for augmentation of salaries of the medical staff of the departments of pathology and radiology under the plan approved by the Board of Regents.); (b) The University Cancer Foundation (This fund is the recipient of any excess of professional fees after payment of the authorized augmentation to the medical staff and the payment of administrative expenses of the medical staff.) The Medical Affairs Committee recommends that the following funds be transferred to the Agency Fund Group of accounts as of May 6, 1957:

1. The "Special Fund from Professional Fees for Pathology" and the "Special Fund from Professional Fees for Radiology"

2. "The University Cancer Foundation"

(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. Wellen, Jr., of the legal firm of Fulbright, Crooker, Freeman, Bates & Jaworski 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 & Appleman of Fort Worth, Texas, and Mr. Wellen be authorized to review jointly the tax procedures for filing with full power to act for the University.

See Page
987

Southwestern Medical School: Waiver of Section (d), Patent Policy, Doctor John Vanatta. --In view of the special circumstances surrounding the granting by Doctor Vanatta of an exclusive patent right to a company offering grant support for research, it is recommended that waiver of Section (d) of Regents' Patent Policy be authorized for this single agreement. It should be noted that the company in question is providing the sole direct support for this research project and furthermore is contributing extensively to certain portions of the research work in their own laboratories.

Medical Branch and Southwestern Medical School: Admission Requirements. --The Medical Affairs Committee, upon recommendation of the administration, approved the following stipulations for the catalogues of Southwestern Medical School and of the Medical Branch:

- a. Southwestern Medical School
Beginning with the class to matriculate in September 1960, the Admissions Committee will give preference to those applicants who have received the baccalaureate degree. The Committee reserves the right, however, to admit some applicants presenting a minimum of 90 semester hours of acceptable college credit without the baccalaureate degree.
- b. The Medical Branch, catalog, footnote Page 13
Beginning with the class to matriculate in September 1960, the completion of four academic years of work and the receipt of the baccalaureate degree will be required for admission to The University of Texas Medical Branch. However, the Admissions Committee will reserve the right to accept for admission a few students who have not completed four academic years but who have demonstrated outstanding academic qualifications and who are unquestionably mature physically, emotionally, and intellectually.

Adoption of Report. --Upon motion of Doctor Minter, seconded by Mrs. Devall, the report of the Medical Affairs Committee was unanimously adopted.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Mr. Johnson reported a profitable meeting of the Board for Lease of University Lands. He pointed out that a sale of oil and gas leases would be held in October 1957.

See Page 101

CENTRAL ADMINISTRATION

RESIGNATION OF D. K. WOODWARD, JR., REPRESENTATIVE OF BOARD ON SITE PLANNING COMMITTEE, SOUTHWESTERN MEDICAL SCHOOL. --December 18, 1956, D. K. Woodward, Jr., of Dallas, a former Regent, presented his resignation as the liaison representative of the Board of Regents on the Site Planning Committee for The University of Texas Southwestern Medical School in order that the new Board when organized would have the opportunity to determine if it needed a representative and if so to appoint someone. It was the consensus that a representative on this committee other than a Regent is not needed inasmuch as Regent Joe C. Thompson is from Dallas and can act in that capacity. Judge Woodward's resignation was accepted.

MAIN UNIVERSITY

AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS; FACULTY ATTENDANCE AT COMMENCEMENT EXERCISES. -- See Page 1043
In accordance with the action of the Administrative Council of the Main University at its meeting on December 12, 1956, President Wilson recommended that the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, adopted by the Board of Regents March 14, 1936, with amendments to August 1, 1943, Part II, Second Printing, be amended by adding to the list of duties of a member of the teaching staff of The University of Texas the following:

Attendance at commencement exercises is considered to be one of the usual and ordinary duties of a member of the faculty; any member who is unable to attend commencement should apply to his dean for official approval of his absence.

Upon a motion duly made and seconded, the Board approved this amendment to the Rules and Regulations. In accordance with the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Sixth Edition, adopted by the Board of Regents March 14, 1936, with amendments to August 1, 1943, Part I, Chapter V, Section 2, this amendment will lie over for thirty days and be finally considered at the June 1957 meeting of the Board.

CENTRAL ADMINISTRATION

UNIVERSITY DEVELOPMENT BOARD: APPOINTMENT OF DAN WILLIAMS. --A vacancy was created on the University Development Board when Mr. Joe C. Thompson qualified as a Regent of The University of Texas March 4, 1957. Upon recommendation of Mr. Thompson and on motion of Mr. Lockwood, seconded by Mrs. Devall, the following resolution was adopted:

RESOLUTION

WHEREAS, The University Development Board performs important services vital to the existence and progress of The University of Texas as one of the leading state universities in this country; and

WHEREAS, The Board of Regents of The University of Texas seeks for membership on the Development Board outstanding and influential Texas citizens who have demonstrated their interest in and loyalty to The University of Texas; and

WHEREAS, Mr. Dan Williams has gained recognition in his own community and throughout the State as a person of integrity and ability and has on many occasions expressed keen interest in and support of The University of Texas; now therefore be it

RESOLVED, That the Board of Regents of The University of Texas has this day selected and elected Mr. Dan Williams as a member of this Development Board to serve out the unexpired term of Mr. Joe C. Thompson, resigned, beginning May 6, 1957, and ending August 31, 1962.

RENDITION OF THE SEAL OF THE UNIVERSITY OF TEXAS. --The first seal of The University of Texas was adopted November 16, 1881, as a common seal for the use of the Board.

October 31, 1905, (Permanent Minutes, Volume C, Page 276) the Board ordered the new University seal devised by Professor W. J. Battle and recommended by President Houston be adopted by the Board of Regents except that the inscription "Seal of The University of Texas" in the margin should be in English instead of in Latin.

As far as it can be ascertained, the seal had never been published accurately and in its full colors until 1950. The following presentation of the seal by the University Development Board in 1950, as well as every step in its preparation, was approved by the late Doctor William James Battle (deceased October 9, 1955):

In conformity with general usage, the design has as its central feature the shield form that shows the origin of heraldic arms. This shield is divided into two fields, the upper white, the lower orange, the University's colors. In the lower and larger field are the historic wreath and star of the Great Seal of the State of Texas; in the upper field is an open book, fit symbol of an institution of learning. The shield rests within a circle of blue, the color of sincerity, containing the motto, Disciplina Praesidium Civitatis. Around the disk of blue is a larger disk of red, color of strength, bearing the words, "Seal of The University of Texas."

The motto, Disciplina Praesidium Civitatis, is the late Doctor Edwin W. Fay's terse Latin rendering of the famous quotation from Mirabeau B. Lamar, "Cultivated mind is the guardian genius of democracy."

The right half of the wreath is an olive branch, the left half a live oak branch. The shade of orange used is taken from the orange used in the arch of the entrance to the Student Union Building on the campus which has the best claim to being the official University orange. The shades of red, blue and green are not officially designated, but are strong shades of these colors in conformity to heraldic usage.

The rendering of this seal was by Leonardt Fernando Kreisle, Associate Professor of Mechanical Engineering as of this date.

Upon the recommendation of President Wilson and on motion of Mrs. Devall, seconded by Mr. Lockwood, this rendering of the seal as the official seal of The University of Texas was unanimously adopted.





MAIN UNIVERSITY

REVISIONS OF AGREEMENT BETWEEN THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AND THE BOARD OF TRUSTEES, AUSTIN INDEPENDENT SCHOOL DISTRICT (CASIS SCHOOL LABORATORY DEMONSTRATION PROJECT). -- Upon the recommendation of the administration, the Board, on motion of Vice-Chairman Sorrell, seconded by Mrs. Devall, approved the following revisions in the existing agreement between the Board of Regents of The University of Texas and the Board of Trustees of the Austin Independent School District, under date of July 1, 1949, to read as follows:

Paragraph 5. b. (1)(a) Teachers, librarian, or principal who are employed for the full calendar year shall be paid a stipend in addition to their regular salaries as determined by the salary schedule of the Austin Public Schools; this stipend shall be Four Hundred and Eighty dollars (\$480.00) or ten per cent (10%) of the amount their salaries would be according to the regular Austin schedule (exclusive of special increments for advanced degrees), whichever is the lesser.

Paragraph 5. b. (1)(b) Teachers, librarian or principal whose normal employment by the Austin Schools is less than a full calendar year or less than twelve (12) school months shall be paid an additional stipend of Forty Dollars (\$40.00) for each month of the nine-month school year plus employment and salary for three (3) weeks at a salary which is three-fourths of the monthly salary (including the \$40.00 supplement), but exclusive of increments for advanced degrees on the Austin salary schedule.

The Board further authorized the Chairman to execute the revised agreement when it had been approved as to content by Vice-President Haskew and as to form by Attorney Scott Gaines or Burnell Waldrep. (See Secretary's Files, Volume IV, Page 130.)

CENTRAL ADMINISTRATION

APPROVAL OF MINUTES, MARCH 16, 1957. -- Doctor Minter moved that the minutes of the Board of Regents' meeting in Austin on March 16, 1957, be approved in the form as distributed by the Secretary to each member of the Board. Mrs. Devall seconded the motion which carried.

ADDITION TO MEMBERSHIP OF BUILDINGS AND GROUNDS COMMITTEE. -- Chairman Jeffers requested there be entered in the minutes approval of Mr. Johnson as a member of the Buildings and Grounds Committee. On motion of Mr. Thompson, seconded by Mrs. Devall, the nomination of Mr. Johnson as a member of the Buildings and Grounds Committee was unanimously confirmed.

SCHEDULED MEETINGS OF BOARD. -- The following meetings of the Board of Regents were scheduled:

June 28 and 29, 1957	in Austin
October 10 and 11, 1957	in Dallas

SCHEDULED MEETING OF MEDICAL AFFAIRS COMMITTEE. --The Medical Affairs Committee scheduled a meeting in Galveston on June 21 and 22, 1957.

ATTENDANCE. --Mr. Bryan was excused from the meeting on account of important business.

APPROVAL OF DOCKET. --President Wilson pointed out minor changes that had been made in the docket since it was mailed to the Regents April 24. On motion of Mr. Lockwood, seconded by Mrs. Devall, the Central Administration docket, dated April 24, 1957, as presented at the meeting was approved. President Wilson had attached and incorporated as a part of his docket the dockets of the component institutions of The University of Texas; namely:

Main University and Extramural Divisions - submitted by Vice-President C. P. Boner	See Page 910
Texas Western College - submitted by President Dysart E. Holcomb	See Page 951
Medical Branch - submitted by Director John B. Truslow	See Page 954
Dental Branch - submitted by Dean John V. Olson	See Page 966
M. D. Anderson Hospital and Tumor Institute- submitted by Director R. Lee Clark, Jr.	See Page 969
Southwestern Medical School - submitted by Dean A. J. Gill	See Page 974
Postgraduate School of Medicine - submitted by Dean Grant Taylor	See Page 983

(This docket is attached to and made a part of these minutes, Page 908.)

TRAVEL AUTHORIZATIONS, MAY 4, 1957, THROUGH NEXT MEETING OF THE BOARD OF REGENTS. --Upon motion of Mr. Lockwood, seconded by Mr. Thompson, the following resolution was adopted:

Pursuant to Section 21 of Article V, House Bill No. 140, Acts, 54th Legislature, the Board of Regents of The University of Texas specifically authorizes the following officers of the component units of The University of Texas located outside of Austin (1) to attend the next regular meeting of the Board of Regents scheduled for June 28-29, 1957, or any called meeting in the interim, and (2) to travel to Austin in response to any request for their attendance by a legislative committee and to attend any scheduled hearing by a legislative committee on matters directly concerning their respective institutions.

Central Administration and Main University
Berte Haigh, Geologist-in-Charge of University Lands
E. J. Compton, Oil Supervisor
Bengt Stromgren, Director of McDonald Observatory
Howard T. Odum, Director of Marine Science Institute

Texas Western College
Dysart E. Holcomb, President
A. A. Smith, Business Manager

Medical Branch, Galveston

John B. Truslow, Director
G. A. W. Currie, Hospital and Facilities Administrator
D. B. Calvin, Dean of Students and Curricular Affairs
T. G. Blocker, Jr., Professor of Surgery
Donald Duncan, Professor of Anatomy, Associate Dean of the Graduate School
E. D. Walker, Business Manager

Southwestern Medical School

A. J. Gill, Dean
E. A. Gell, Business Manager
Frank Harrison, Associate Dean

Dental Branch

J. V. Olson, Dean
Elna Birath, Business Manager

M. D. Anderson Hospital and Tumor Institute

R. Lee Clark, Jr., Director
David E. Liston, Assistant Director
Joe E. Boyd, Jr., Business Manager
Frances Goff, Assistant to the Director

Postgraduate School of Medicine

Grant Taylor, Dean

Authorization is further granted for those individuals listed below to travel to Austin on the dates and for the purposes shown for each component unit.

Central Administration and Main University

Berte Haigh is authorized to make one trip to Austin during the period May 13-18 and one trip during the period May 20-25, for the purpose of supervising the microfilming of geophysical maps relating to University lands and for conferences.

Texas Western College

Dysart E. Holcomb, President, and A. A. Smith, Business Manager, are authorized to make one trip to Austin during the period May 13-18 and one trip during the period May 20-25, for the purpose of conferences concerning proposed building construction and related fiscal matters, and concerning the budget for 1957-58.

Medical Branch, Galveston

Authorization is granted to John B. Truslow, Director; G. A. W. Currie, Hospital and Facilities Administrator; E. D. Walker, Business Manager; and R. S. Purvis, Director of Physical Plant, to make one trip to Austin during the period May 10-18 and one trip during the period May 20-25, for the purpose of conferring with the Comptroller and the President concerning the master plan for future buildings at the Medical Branch and concerning major repair and rehabilitation projects and related fiscal matters.

John B. Truslow, Director; D. B. Calvin, Dean of Students and Curricular Affairs; Donald Duncan, Associate Dean of the Graduate School; Marjorie Bartholf, Dean of the School of Nursing; E. I. Bruce, Associate

Professor of Psychiatry; Titus H. Harris, Professor of Psychiatry, are authorized to make a trip to Austin during one of the aforementioned periods to confer with the Dean of the Graduate School and with the President on matters of educational policy and planning.

Southwestern Medical School

A. J. Gill, Dean, and E. A. Gell, Business Manager, are authorized to make a trip to Austin during the period May 10-18 and a trip during the period of May 20-25, inclusive, for the purpose of conferring with the Comptroller and the President on matters relating to the completion of the Clinical Science Building at the Southwestern Medical School and related fiscal matters.

A. J. Gill, Dean, and Frank Harrison, Associate Dean, are authorized to make a trip to Austin during the aforementioned dates for the purpose of conferring with the Graduate Dean and the President concerning matters of educational policy and planning.

Dental Branch

J. V. Olson, Dean, and Elna Birath, Business Manager, are authorized to make a trip to Austin during the period May 10-18 and a trip during the period May 20-25, inclusive, for the purpose of conferring with the President on matters relating to the 1957-58 budget of Dental Branch and related fiscal matters.

J. V. Olson, Dean; S. S. Arnim, Director of Postgraduate Study; and Lorna Bruning, Director of Dental Hygiene, are authorized to make a trip to Austin during the aforementioned periods for the purpose of conferring with the President on matters relating to the Dental Branch as a part of the Medical Center of the City of Houston, and matters concerning the curricula of the School.

M. D. Anderson Hospital and Tumor Institute

R. Lee Clark, Jr., Director; David E. Liston, Assistant Director; Joe E. Boyd, Jr., Business Manager; and Harry F. Ebert, Director of Physical Plant, are authorized to make a trip to Austin between May 10-18 and a trip between May 20-25, inclusive, for the purpose of consulting with the Comptroller and the President regarding repairs and remodeling projects planned for the institution.

R. Lee Clark, Jr., Director; David E. Liston, Assistant Director; and Frances Goff, Assistant to the Director, are authorized to make a trip to Austin during the aforementioned periods for the purpose of conferring with the Dean of the Graduate School and the President concerning the relation of the M. D. Anderson Hospital and Tumor Institute with the graduate program of The University of Texas.

Postgraduate School of Medicine

Grant Taylor, Dean, is authorized to make a trip to Austin during the period May 10-18 and a trip between May 20-25, inclusive, for the purpose of conferring with the President and Vice-President for Medical Affairs on matters relating to the program and budget of the Postgraduate School of Medicine for the year 1957-58.

MAIN UNIVERSITY

HOUSING OF ATHLETES, MOORE-HILL HALL, MAIN UNIVERSITY. -- Upon recommendation of Vice-President Boner, concurred in by President Wilson, and on motion of Vice-Chairman Sorrell, duly seconded, Item 2 of the recommendations governing the housing of athletes (Permanent Minutes, Volume II, Page 466) was amended to read as follows:

2. The Athletic Council be allowed to retain a maximum of 200-man spaces in Moore-Hill Hall, the exact number to be determined between the Athletic Director and the Director of Men's Residence Halls.
 - a. The Athletic Council by August 15 of each fiscal year shall notify the Director of the Division of Housing and Food Service the exact number of the 200-man spaces to be used for athletes.
 - b. The Athletic Council shall guarantee for the fall semester rental for this number and shall guarantee for the spring semester rental for this number less 20-man spaces.

CHANGE IN BLANKET TAX, \$16, 50, MAIN UNIVERSITY. -- President Wilson presented the request of the Student Assembly of the Main University that the blanket tax for 1957-58 be increased from \$15. 85 to \$16. 50 for students registering in the fall session. This recommendation came through proper channels and had the approval of Dean of Student Services McCown and of Vice-President Boner.

Upon motion of Mr. Lockwood, seconded by Vice-Chairman Sorrell, the Board adopted this recommendation.

ATTENDANCE. -- President Wilson was excused from the meeting in order to attend an out-of-town professional engagement. Chairman Jeffers retired from the meeting briefly; Vice-Chairman Sorrell presided during his absence. Comptroller Sparenberg, Superintendent of Utilities von Bieberstein, and Power Plant Engineer Gorham were called into the meeting.

AWARD OF CONTRACT FOR STEAM GENERATING SYSTEM, MAIN UNIVERSITY. -- Earlier when the Buildings and Grounds Committee report was adopted, the Board delayed action on the following until there was an opportunity for the full Board to go more thoroughly into the matter:

In accordance with previous authorization of the Board, bids for a Steam Generating System at the Main University were received, opened, and tabulated on March 26, 1957, as shown on Page 56. After consideration

See Page
906

of the bids by members of the Main University Physical Plant staff and the Comptroller's Office, it is recommended that a contract award be made as follows:

A. M. Lockett and Company, Houston, Texas:	
Base Bid (Pressurized Type Steam Generating System with capacity of 125,000 pounds per hour)	\$398,651.00
Addition No. 1 (Capacity increased to 150,000 pounds per hour)	<u>16,873.00</u>
Total Recommended Contract Award	<u>\$415,524.00</u>

This amount is to come from Account No. 91120 - Expansion of Power Plant (Balance at March 31, 1957: \$550,458.90, exclusive of \$255,000.00 appropriation for Addition to Power Plant Building).

A special committee was appointed by the Board to award a contract on this project, but this matter is being brought back to the Board in view of the fact that the recommended contract award exceeds the estimated cost of \$400,000.00.

It is strongly urged that Addition No. 1 be accepted, because of the low bid received on this addition and because it is imperative that we buy all the capacity possible at this time with the funds available, because prices are constantly going up.

Following is a condensed summary of the recommendations of the Main University Physical Plant Staff, prepared at the request of Comptroller Sparenberg by Mr. Carl J. Eckhardt, Director of Physical Plant, and other engineers working under him:

"In the case of bids on A Complete Steam Generating System which were opened on March 26, it is recommended, first, that a contract be awarded for a 150,000 pound per hour steam generating system entailing a pressurized furnace arrangement. The cost of the materials consumed in the course of the useful life of the unit, namely, fuel and power, will be ten times as great as the cost of the equipment. Very serious attention must, therefore, be given to efficiency and economy. In both efficiency and economy the pressurized furnace arrangement is definitely and significantly superior to the balanced draft arrangement. Pressurized furnace units have been in successful operation in Texas for as long as eight years. The designing engineers for this project have inspected a number of these units and discussed their performance with the owners.

"It is recommended, next, that the bid submitted by A. M. Lockett & Company on a pressurized furnace arrangement in the amount of \$415,524.00 be accepted. This bid is the lowest bid on a pressurized furnace arrangement which meets the specifications.

"While the bid offered by A. M. Lockett & Company is the lowest bid on a pressurized furnace arrangement which meets the specifications, it is the best bid submitted on any basis, i. e., the savings which it effects over all other bids offered is a significant sum of money in the life of this unit. This superiority based upon data actually submitted on this project over the balanced draft arrangement offered is such that it will effect a saving in excess of \$90,000.00 in the course of its life and a saving of \$50,000.00 over the other pressurized furnace unit offered.

"There is no more skillful, reliable, resourceful or larger manufacturer of steam generating equipment than that of the equipment offered by A. M. Lockett & Company.

"The \$1,500,000.00 already allotted for the Power Plant Expansion Project is adequate to take care of this contract and the related projects which are to follow."

The Regents discussed with Comptroller Sparenberg, Superintendent von Bieberstein, and Engineer Gorham the two types of generating systems, the bids and the specifications. After the Board had considered the recommendation at length, the foregoing portion of the Buildings and Grounds Committee report was unanimously adopted upon motion of Mr. Lockwood, seconded by Mrs. Devall.

ADJOURNMENT. --The Board adjourned at 1:00 p. m.

Betty Anne Thedford
Betty Anne Thedford
Secretary

TABULATION OF BIDS

REPLACEMENT OF GREGORY GYMNASIUM ROOF
THE UNIVERSITY OF TEXAS - MAIN UNIVERSITY, AUSTIN2:00 P. M., Central Standard Time
Tuesday, April 2, 1957

Bidder*	Base Bid	Alt. No. 1 Deduct	Alt. No. 2 Deduct	Alt. No. 3 Deduct	Alt No. 4 Deduct
W. D. Anderson	\$84,746.00	\$802.00	\$3,714.00	\$2,200.00	\$1,600.00
Tom Holstien, Inc.	68,969.00	800.00	3,500.00	3,200.00	600.00
J. M. Odom	79,935.00	700.00	3,500.00	2,200.00	2,100.00
**Payne Roofing and Bldg. Prod., Inc.	69,642.00	6,000.00	2,148.00	852.00	1,120.00
Ray Wimberly	65,400.00	802.00	3,700.00	1,600.00	400.00

Bidder's Bond: All 5%

* All bidders from Austin except that one indicated by (**) two asterisks.

** San Antonio

TABULATION OF BIDS ON
A COMPLETE STEAM GENERATING SYSTEM
THE UNIVERSITY OF TEXAS - MAIN UNIVERSITY, AUSTIN10:00 A. M., Central Standard Time
Tuesday, March 26, 1957Bidders: 1. A. M. Lockett & Co., Ltd. - Houston, Texas
2. Henry Vogt Machine Co.# - Dallas, Texas

Base Bid	Addition No. 1	Base Bid & Add. No. 1	Alternate Bid	Addition No. 2	Alternate Bid & Add. No. 2
1. \$398,651.00	\$16,873.00	\$415,524.00	No Bid	No Bid	
2. 359,301.00*	37,615.00*	396,916.00*#	\$365,494.00*	\$43,639.00*	\$409,133.00*

Calendar Days: A. M. Lockett & Co., Ltd.
525 Days
525 Days with Add. AlsoHenry Vogt Machine Co.
425 Days Base Bid
425 Days Alternate Bid

Bidder's Bond: Both 5%

* Deduction \$1,148.00 Mud Drum Standard
Addition \$1,327.00 Insulation - 4" standard in lieu of 3"

Specifications not met on pressurized type

TABULATION OF BIDS

ROOF AND CORNICE REPAIRS, SUTTON HALL
THE UNIVERSITY OF TEXAS - MAIN UNIVERSITY, AUSTIN

2:00 P. M., Central Standard Time
Tuesday, April 30, 1957

Bidder*	Base Bid	Alt. No. 1 Deduct	Alt. No. 2 Deduct	Alt. No. 3 Deduct	No. of Working Days
W. D. Anderson	\$36,592.00	\$1,900.00	\$100.00	\$1,100.00	45
Tom Holstien, Inc.	37,868.00	1,800.00	500.00	1,500.00	45
Moore Construc- tion Co.	42,598.00	1,900.00	500.00	1,164.00	100
J. M. Odom	41,256.00	2,000.00	900.00	300.00	90
Ray Wimberly	40,600.00	900.00	200.00	800.00	100

Bidder's Bond: All 5%

* All bidders are from Austin.

TABULATION OF BIDS

CLINICAL SCIENCE BUILDING
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL
DALLAS, TEXAS

10:00 A. M., Central Standard Time
Tuesday, April 30, 1957

FURNITURE AND EQUIPMENT

Bidders*	Base Bid	Remarks
The Abel Stationers, Austin Capital City Office Outfitters, Austin	\$49,183.25	
Finger Office Equipment Company, Austin	51,076.55	Bond Dated 30 May 1957 - (instead of 30 April 1957)
Suniland Furniture Company, Houston	62,854.98	
Wilhide Equipment Company, Dallas	55,069.80	Letter - Alt. Bid \$50,335.37 - also accept Steelcase - if bid can be split.
	51,837.98	

*Bidder's Bonds: All 5%

HOSPITAL EQUIPMENT; ANIMAL CAGES AND APPARATUS

Bidder	Bond	Base Bid I	Base Bid II	Combined Bids I & II
A. S. Aloe Com- pany *	\$2,425.00	\$6,232.17	\$41,893.00	\$44,450.00

* St. Louis, Mo.