

MAY 13 1955

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Galveston, Texas, May 13, 1955
Meeting No. 547

The Board of Regents of The University of Texas met as a Committee of the Whole at 9:30 a. m., on Friday, May 13, 1955, in the office of Doctor [redacted], The University of Texas Medical Branch, Galveston, Texas, with the following attendance:

Present

Absent

Chairman Sealy
Vice-Chairman Voyles
Regent (Mrs.) Devall
Regent Jeffers
Regent Johnson
Regent Lockwood
Regent Minter
Regent Oates
Regent Sorrell
President Wilson
Secretary Thedford

Vice-Presidents Dolley and Haskew, Assistant to the President Cox, and Dean Page Keeton came into the meeting.

MAIN UNIVERSITY

GENERAL DISCUSSION, BASIC POLICY MATTERS FOR LAW SCHOOL, MAIN UNIVERSITY. -- Dean Page Keeton appeared before the Board at the request of Chairman Sealy. Mr. Sorrell, Chairman of the Academic and Student Affairs Committee, had suggested that Dean Keeton appear before the Committee of the Whole for a discussion of basic policy matters. This suggestion was occasioned by a communication, referred to the Academic and Student Affairs Committee, from Dean Keeton to President Wilson; the communication set forth problems that are likely to arise in the development and expansion of the Law School of the Main University.

Dean Keeton enumerated facts and figures relating to student enrollment, faculty, facilities, and the library (all of the Law School), explained the admission requirements to become effective at the beginning of the 1956 Summer Session, and made observations in connection with the development of legal education within the next few years.

The members of the Board, President Wilson, and Dean Keeton discussed informally basic policy matters regarding development and expansion.

At the conclusion of the discussion, Chairman Sealy, on behalf of the Board and President Wilson, expressed to Dean Keeton gratitude for his appearance before the Board and for his foresight in calling attention to the developmental problems of the Law School. No formal action was taken as a result of the discussion.

Dean Page Keeton left the meeting.

REPORT OF ACADEMIC AND STUDENT AFFAIRS COMMITTEE. -- At the request of Chairman Sealy, Mr. Sorrell, Chairman of the Regents' Academic and Student Affairs Committee, presented the following report:

RESTRICTIONS ON STUDENTS' POSSESSION AND MAINTENANCE OF AUTOMOBILES, MAIN UNIVERSITY. -- Mr. Sorrell presented the following recommendation of the Faculty Committee on Parking, Traffic and Safety, concurred in by the Administration and approved as to legality by Judge Scott Gaines: [See Page 703

Effective September 1, 1955, no freshman student registered at the Main University whose home residence is outside of Travis County will be permitted to have in his or her possession or to maintain an automobile.

Effective September 1, 1956, no sophomore student registered at the Main University whose home residence is outside of Travis County will be permitted to have in his or her possession or to maintain an automobile.

This, of course, is not applicable to any student whose home residence is in Travis County and is not applicable to any student whose physical condition makes it necessary for him to use an automobile for transportation purposes on or about the campus.

Mr. Sorrell reported that in discussing this restriction with a cross-section of individuals he had not found a single objection.

President Wilson pointed out that this action is endorsed by the Office of the Dean of Student Life, the Administrative Council, and other University groups; that it is considered a desirable move from an academic point of view, and that it will alleviate the parking situation to some extent. He further stated that many leading institutions have this and even more restrictive measures.

Upon recommendation of the Academic and Student Affairs Committee and on motion of Mr. Sorrell, seconded by Mr. Lockwood, the Board approved the recommendation of the Faculty Committee on Parking, Traffic and Safety.

REPORT OF THE DEVELOPMENTAL AND PUBLIC AFFAIRS COMMITTEE. -- Chairman Sealy called on Mr. Lockwood, Chairman of the Developmental and Public Affairs Committee, for a report of any matters pending in his Committee that needed the attention of the Committee of the Whole.

REPORT OF INSPECTION OF BRACKENRIDGE AND DEEP EDDY APARTMENTS AND THE UNIVERSITY TRAILER CAMP. -- Since there had been adverse publicity on allegedly hazardous conditions at the Brackenridge and Deep Eddy Apartments and the University Trailer Camp and in order that the Board be properly informed of the condition of these residence units, Mr. Lockwood reported that a survey was made of these buildings on May 2 by Mr. Graves Landrum, Business Manager, and Mr. F. C. McConnell, Director of Auxiliary and Service Activities. After the survey, these gentlemen were of the opinion that the fire hazards in the residence units were no greater than when the buildings were opened in 1946.

At the request of Mr. Lockwood, President Wilson summarized a report that had been made under date of May 10, 1955, by City Fire Marshal Heaton, who had been requested to inspect these buildings. Mr. Heaton's report stated that from the standpoint of fire hazards, the structure and general conditions were found to be good; that the only change he noted since checking some of these structures a few years ago was the natural deterioration; and that most of the hazards (such as air units in a few of the windows which partially block the exits to the fire escapes) are created by the tenants.

As a result of the initial inspection made by Business Manager Landrum and Director McConnell, Mr. Landrum requested Mr. McConnell to employ additional carpenters to speed up the replacement of rotten wood in fire escapes and other parts of the buildings. He further requested Mr. McConnell to issue instructions to the tenants to remove any obstructions that block exits to the fire escapes.

STATEMENT OF BUDGET POLICY FOR 1955-56, MAIN UNIVERSITY. -- Upon recommendation of President Wilson and on motion of Vice-Chairman Voyles, seconded by Mr. Sorrell, the Board approved budget policies for the Main University for 1955-56, which conform to the over-all policy for the University system for biennial requests for 1955-57 as adopted by the Board on April 10, 1954 (Volume I, Page 568, Permanent Minutes), with slight modifications as reflected on the statement of recommended policies furnished to each member of the Board. (See Secretary's Files, Volume II, Page 120.) | See Page | 737

CENTRAL ADMINISTRATION

AUTHORIZATION FOR SPECIAL FUND (ETTER ESTATE). -- Upon recommendation of President Wilson and on motion of Mr. Jeffers, seconded by Doctor Minter, the Board authorized that an account entitled "Special Fund (Etter Estate)" be created in the amount of \$2,000.00 with the following stipulations: | See | Pages | 587 | and 734

1. That the \$2,000.00 be appropriated from the Etter Estate Fund;
2. That revolving funds of the University be used to care for disbursements until the funds from the Etter Estate are received;
3. That the fund be used for supplementing travel expenses for developmental purposes and for attendance at out-of-Austin Board meetings;
4. That the fund be used to cover actual travel expenses incurred that are not reimbursed by State appropriations;
5. That all vouchers be approved by President Wilson.

ATTENDANCE AT BOARD MEETINGS. -- The State Appropriation Bill provides that no officers and employees of the state, with the exception of the heads of institutions and others listed in the bill, can receive reimbursement from State funds in excess of \$6.00 per day for meals and lodging while traveling on official business. Because this amount will not cover actual expenses incurred when away from home, it was agreed that those staff people who attend Board meetings would do so either by request of President Wilson or by their request to President Wilson. The Board in no manner wishes to impose expense on University representatives by requiring their attendance at meetings of the Regents unless their presence is essential.

SCHEDULED MEETINGS, BOARD OF REGENTS. -- The Board agreed to confine its meetings, both committee and regular, to Fridays and Saturdays. The following meeting dates were scheduled:

July 8 and 9, 1955, Austin
 October 14 and 15, 1955, El Paso
 December, 1955, Houston

The meeting in October of 1955 was set in El Paso to coincide with the inauguration of President-Elect of Texas Western College Doctor Dysart Holcomb.

The date of the December meeting will be scheduled to conform to the date of the dedication of the New Dental Branch Building. | See Page 763

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Mr. Lockwood, a member of the Board for Lease of University Lands, reported that at the meeting of the Board on May 6, 1955, the date for the 35th Auction Sale of Oil and Gas Leases on University Lands was set for Tuesday, June 28, 1955. Prior to the meeting, invitations had been submitted to oil operators to request the tracts they desired to have offered at the auction. There was an exceptionally good response to the invitations and the Board was unable to take care of all the requests made.

He further reported that the Board for Lease of University Lands adopted a resolution whereby penalty royalty on flare gas would be paid in accordance with the terms of the leases at the minimum rates stipulated herein.

NUCLEAR REACTOR PROJECT. --At the invitation of Chairman Sealy, Mr. W. T. Doherty, Chairman of the Board of Directors of A. and M. College of Texas, and Mr. George R. Brown, Chairman of the Board of Trustees of Rice Institute, came into the meeting for the purpose of discussing informally with the Board the desire of The University of Texas and other leading educational institutions in the State of Texas to secure as a joint project from the Atomic Energy Commission a large nuclear reactor for Texas.

Each member of the Board was furnished with a "Memorandum on ^{See Secretary's Files, Vol. II, P. 4} Nuclear Reactor Project" prepared by Vice-President Haskew. This memorandum set out the background, recent developments, legal aspects, and recommendations. A general discussion of the proposed project ensued, and there was unanimity of agreement on the importance of the project and the urgency of exploring without further delay the possibilities of our institution's participation in the proposed Nuclear Reactor Project.

Upon motion of Mr. Jeffers, seconded by Mr. Sorrell, the Board authorized the administration to proceed according to the recommendations reflected in Vice-President Haskew's memorandum. (When final conclusions have been adopted, the minutes of the Board will reflect the development of the project, step by step.)

* * *

The Committee of the Whole recessed at 12:45 p. m. for lunch.

* * *

The Committee of the Whole reconvened at 2:00 p. m. with the same attendance as in the forenoon.

MEDICAL BRANCH

CONTRACT WITH CITY OF GALVESTON. --Chairman Sealy pointed out the provisions of the existing contract between the Board of Regents of The University of Texas and the City of Galveston relating to The John Sealy Hospital. | See Page 727

Upon motion of Mr. Sorrell, seconded by Mr. Lockwood, the Board instructed Chairman Sealy to communicate with officials of the City of Galveston expressing the desire of the Board to renegotiate the current contract as it was the opinion of the Board that the value of the service being rendered greatly exceeds the amount of money received.

CENTRAL ADMINISTRATION

ELECTION OF SECRETARY. --In accordance with Part 1, Section 3, Page 2, of the Rules and Regulations of the Board of Regents, the Board on motion of Vice-Chairman Voyles, seconded by Mrs. Devall, elected Betty Anne Thedford as Secretary of the Board.

NOMENCLATURE AND DUTIES OF STANDING COMMITTEES; AMENDMENT TO RULES AND REGULATIONS, BOARD OF REGENTS. -- Upon a motion duly made and seconded, the Board authorized the change in the nomenclature of the standing committees of the Board of Regents and further authorized that Part 1, Chapter III, Pages 8-12, of 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), Second Printing, be amended with the specific changes proposed to be brought to the attention of the Board at a later date.

MAIN UNIVERSITY

PROPERTY CONTIGUOUS TO MAIN UNIVERSITY CAMPUS. --The Board was in agreement that "Property Contiguous to Main University Campus" is assigned to the committee now designated as Developmental Affairs and Public Relations Committee.

APPOINTMENT, WAYNE H. HOLTZMAN, HOGG FOUNDATION. -- President Wilson reported that the Hogg Foundation has been looking for an Associate Director for about two years and that after many interviews and much study, Doctor Sutherland has recommended Doctor Wayne H. Holtzman, Associate Professor of Psychology. The Department of Psychology is willing to relieve Doctor Holtzman of his teaching duties and the Social Science Research Council, under which he has been working on a research grant during 1954-55, has agreed to release him from his research commitment.

Upon recommendation of Doctor R. L. Sutherland, concurred in by President Wilson, and on motion of Mr. Sorrell, seconded by Vice-Chairman Voyles, the Board appointed Wayne H. Holtzman as Associate Director of the Hogg Foundation, Associate Professor of Psychology, effective September 1, 1955, at a twelve-months' salary of \$9,000.

M. D. ANDERSON HOSPITAL

CHANGE OF NAME, M. D. ANDERSON HOSPITAL. --With the consent of the Board of Regents, and by its order, the name of the M. D. Anderson Hospital was changed to The University of Texas M. D. Anderson Hospital and Tumor Institute; and it was further ordered that the title be placed on the building and the stationery and be identified with the institution through all media.

USE OF THE SEAL OF THE UNIVERSITY OF TEXAS, THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. --Mr. Jeffers moved that the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute be requested to include the seal of the University of Texas on all publications, stationery and other printed material used by the institution and be informed that it is the desire of the Board that increasing stress be placed upon that portion of the name "The University of Texas". Mrs. Devall seconded this motion, which carried.

MODIFIED SERVICE; DOCTOR R. C. HEFLEBOWER, M. D. ANDERSON HOSPITAL; ACTION DEFERRED. --President Wilson presented with his approval a recommendation of Doctor R. Lee Clark, Jr. concerning Doctor C. Heflebower, Assistant Director, M. D. Anderson Hospital. He called the attention of the Board the existing Modified Service policy for non-academic employees initially employed after the age of 50. Since Mr. Sorrell wanted to consider specifically a written communication from Doctor Clark pertaining to this matter and the communication was not available at the time, action was taken and the matter will lie over until the next meeting. | See Page 1739

MAIN UNIVERSITY

FACULTY LEGISLATION, DEPARTMENTAL GOVERNMENT AND ORGANIZATION. --President Wilson prior to the meeting furnished each member of the Board with a copy of Pages 6482 and 6483 of the Documents and Minutes of the General Faculty. He endorsed this legislation with the exception of Paragraph 6, Line 6. President Wilson recommended that the word "should" in Paragraph 6, Line 6, be changed to "may".

Mr. Lockwood moved that the faculty legislation presented be amended in accordance with the recommendation of President Wilson and that this legislation as amended be adopted. Mrs. Devall seconded this motion, which carried. The following is a statement of the faculty legislation as recommended by President Wilson and adopted by the Board:

1. An effort should be made to inform new members of the faculty of the procedures for the administration of the University, including the organization and government of a department. This might be undertaken by the administrative officers or, with their encouragement and approval, by some faculty organization as a service to new members. Familiarity by the faculty with established procedures and with their rationale should make for more efficient and tranquil functioning of the University.
2. The departmental chairman should be provided with adequate clerical assistance and physical facilities and should be relieved of certain other responsibilities so that he may discharge the duties of that office without undue burden.
3. The rules and regulations concerning departmental organization and government should not be written in great detail because this may prevent the necessary adjustment to the particular circumstances of a given department, including its size, or invite open violation of prescribed rule. The rules and regulations should state the principles that should govern departmental affairs and only the important details.
4. The rules and regulations for departmental government and organization should establish clear lines of responsibility and communication to and from the department. There must be a focal point of administration in the department; that focal point should be the chairman. This clarity of organization is necessary for efficiency, ease of communication and administrative responsibility. This should be attained with full recognition of the importance of democracy in administration.

5. Democracy in the administration of the University, particularly the departments thereof, should be preserved and strengthened. Democracy in administration, obviously, is not to be accorded to departmental faculty because of any extra-constitutional right of faculty to govern their own affairs. The facts (a) that the mission of the faculty organized into departments is the complex and non-routine one of teaching, research and public service, (b) that a department is a collection of specialists and professional men, and (c) that the absence of adequate objective criteria makes group instead of individual judgment a practical necessity in evaluating an individual faculty member's performance in his specialized work, would seem to make authoritarian administration impractical. While democracy in departmental administration can be fully justified on this basis, it need not be. It can be completely justified on the very practical ground that it is the system that works best -- it gets the job done. Whether we like it or not, employees, whether of managerial or manual status, in business have increasingly obtained a share in making decisions concerning their work and the mission of the business institution. Whether we like it or not, the continental tradition of faculty autonomy is implanted in the minds, though not necessarily the everyday lives, of American faculty. They feel they are entitled to share in the ordering of the affairs of their own courses, their departments and even their colleges and universities. Deprivation of this privilege breeds discontent; discontent breeds inefficiency and ineffectiveness. The existence of these attitudes is a fact which must be faced and adjusted to. It is on these grounds that the committee recommends that the spirit of democracy in administration of departmental matters be preserved and cultured.
6. In view of the faculty opinion concerning the office of chairman, the committee recommends that the Administration give serious consideration to the modification of the present regulations in two respects: First, that when a departmental chairman submits a separate recommendation differing from that made by his budget council or departmental faculty to the dean or president, the chairman may report this recommendation to his budget council or faculty; second, that the Administration in the periodic appointment of chairman consult members of the department in an advisory capacity insofar as practicable.

CENTRAL ADMINISTRATION

CHANGES APPROVED TO MEMORANDA CONCERNING GENERAL BUDGET - ALL BRANCHES OF THE UNIVERSITY OF TEXAS, 1955-56. -- Upon recommendation of President Wilson and on a motion duly made and seconded, the Board adopted the following changes in the Memoranda Concerning General Budget - All Branches of The University of Texas, 1955-56, as adopted July 17, 1954:

1. Change the word "Chancellor" to "President" wherever it occurs in the memoranda.

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2. Change Section 1, which now reads:
The column headed "1955-56" contains the appropriation made and is the BUDGET column. The column

[See Page 735

headed "1953-54" shows expenditures for that year. The column headed "1954-55" shows the rate at which expenditures were being made at the time the budget was prepared and does not necessarily reflect the original budget approved by the Board of Regents. They are only for comparison.

to read as follows:

The column headed "1955-56" contains the appropriation made and is the BUDGET column. The column headed "1953-54" shows for all individual salary items the rate in effect at the end of the year, and for all lump-sum accounts, the total expenditure in each such account for that year. At the bottom of the 1953-54 column, but not as a total of that column, appears the total expenditures for that year. The column headed "1954-55" shows salary rates at the time of the preparation of the 1955-56 budget and the total amounts budgeted to lump-sum accounts for 1954-55. At the bottom of the 1954-55 column, but not necessarily as a total of that column, appears the total amount budgeted for 1954-55.

RECESS. --The Board recessed as a Committee of the Whole at 5:20 p. m. and reconvene in Regular Session on Saturday, May 14, at 9:00 a. m.

* * *

Saturday, May 14, 1955

The Board reconvened in Regular Session in the Office of Doctor Chauncey Leake at 9:00 a. m. on Saturday, May 14, 1955, with the following attendance:

Present

Absent

Chairman Sealy
Vice-Chairman Voyles
Regent (Mrs.) Devall
Regent Jeffers
Regent Johnson
Regent Lockwood
Regent Minter
Regent Oates
Regent Sorrell
President Wilson
Secretary Thedford

Also in attendance were Vice-President Dolley, Vice-President Haskew, Assistant to the President Cox, Comptroller Sparenberg, and William E. Keys, Director of the University News and Information Service.

REPORTS OF DEVELOPMENTAL AFFAIRS AND PUBLIC RELATIONS COMMITTEE (formerly Buildings and Grounds Committee) (These reports were adopted by the Board as reflected on Page 559 .)

Chairman Sealy asked Mr. Lockwood, Chairman of the Developmental Affairs and Public Relations Committee, to present the reports adopted by his committee.

Mr. Lockwood presented the following report of items that had been adopted by the Developmental Affairs and Public Relations Committee upon commendation of Comptroller Sparenberg:

PREVAILING WAGE RATES FOR SECOND HOUSING AND HOME FINANCE AGENCY PROJECT AT MEDICAL BRANCH. --In connection with the construction, from funds to be received under loan agreement with the Housing and Home Finance Agency of the United States Government, of three additional dormitories, a building to be used for a cafeteria, lounge, and faculty housing, and an addition to the power plant, at the Medical Branch, certain requirements are set forth by the loan agreement and by instructions received from the Agency. One of these requirements calls for the furnishing by the Board of Regents of a resolution approving a schedule of Prevailing Wage Rates for construction in the area involved.

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

WHEREAS, The University of Texas (hereinafter called the "College") has caused plans to be prepared for the construction of college housing; and

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

WHEREAS, the governing authority of the College has made an investigation of the wage rates prevailing in the locality where such college housing will be built;

BE IT RESOLVED BY THE GOVERNING BODY OF SAID COLLEGE:

That it is found and determined that the rates shown for the classifications listed on the attachment marked "Exhibit A" are the prevailing local rates of pay for laborers and mechanics engaged in similar work;

That the Housing and Home Finance Administrator is requested to approve the rates and findings hereto attached. (For "Exhibit A" see Page 562 .)

APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR SECOND HOUSING AND HOME FINANCE AGENCY PROJECT AT MEDICAL BRANCH. --

The final plans and specifications for the three additional dormitories, the building to be used for a cafeteria, lounge, and faculty housing, and the addition to the small power plant, to be constructed on the Campus of the Medical Branch at Galveston, as prepared by Associate Architect Cameron Fairchild and Associates, under the supervision of Mr. Mark Lemmon, Consulting Architect, have been submitted for consideration and have been approved by the Medical Branch Faculty Building Committee, Business Manager Capplemann, Hospitals and Facilities Administrator Currie, Executive Director Leake, Comptroller Sparenberg, and President Wilson. It is recommended that the Board of Regents approve these plans and specifications and authorize advertising for bids, these bids to be considered by the Board at its next meeting.

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In connection with the approval of these final plans and specifications a resolution of the Board of Regents is required by the Housing and Home Finance Agency, and it is, therefore, recommended that the following resolution be adopted by the Board:

WHEREAS, the Board of Regents of The University of Texas has determined that it is necessary to construct three additional dormitories, a building

be used for a Cafeteria, Lounge, and Faculty Housing, and an addition to power plant, all on the Campus of the Medical Branch at Galveston, Texas;

WHEREAS, Mark Lemmon was engaged as Consulting Architect, and Cameron Fairchild and Associates as Associate Architect to prepare plans and specifications for the aforesaid public work, and said architects have completed plans and specifications and submitted them for approval; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas, the governing body of said applicant, that the plans and specifications submitted by the architects as listed above for the construction of the three additional dormitories, the building to be used for a Cafeteria, Lounge, and Faculty Housing, and the addition to the power plant, dated April 22, 1955, revised May 6, 1955, be and the same are hereby approved.

ACQUISITION OF PROPERTY ADJACENT TO CAMPUS OF TEXAS WESTERN COLLEGE. --On the north side of the Campus of Texas Western College, in the general area of the Stadium and the R. O. T. C. Building, there is a triangular plot of land, approximately one-half block in size, which has been offered for sale to the College at a price of \$7,500.00, with no real estate agent's commission involved, but with the College to pay the costs incidental to closing the sale. This tract, described as Fractional Block 23 of the Alexander Addition to the City of El Paso, is very advantageously located for use by the College as a future building site, and it is felt that the price is reasonable. | See Page 759

It is, therefore, recommended by Acting President Smith, in which recommendation Comptroller Sparenberg concurs, that authorization be given to purchase this tract from Miss Ethel Brown of El Paso for the sum of \$7,500.00, with the College to pay the costs incidental to closing the sale, the money needed to come from General Funds - Unappropriated Surplus of Texas Western College.

It is further recommended that Acting President and Business Manager A. Smith be authorized to enter into negotiations for the purchase of other properties adjacent to the present Campus boundaries, which will be needed for future expansion, with the understanding that the Board of Regents will approve each individual transaction before it is closed.

ACCEPTANCE OF GIFT FROM MRS. JANE BLAFFER OWEN TO CONSTRUCTION FUND FOR NEW DENTAL BRANCH BUILDING. --Mrs. Jane Blaffer Owen has donated fifteen shares of the common stock of American Republics Corporation, Houston, Texas, for the purpose of paying a part of the cost of statuary to be placed at the student entrance of the New Dental Branch Building, this statuary being included in the specifications for this building. It is recommended by Dean Olson, in which recommendation Comptroller Sparenberg concurs, that this gift be accepted and the stock redeemed, with the proceeds of such redemption to be deposited in the bank account in the First National Bank in Houston entitled Dental Branch Construction Funds (Checking Account). According to information we have in hand from the donor, this stock can be redeemed at \$72.00 a share.

FINAL INSPECTION OF NEW BUILDINGS SINCE JANUARY 1, 1955. --For the information of the Regents' Developmental Affairs and Public Relations Committee (Buildings and Grounds Committee) and the Board of Regents as a whole, there

Submitted below a summary schedule of final inspections made on new buildings from January 1, 1955, to May 10, 1955, inclusive:

BRANCH	BUILDING	DATES OF FINAL INSPECTIONS	DATE U. OF T. TAKES OVER OPERATION AND MAINTENANCE
Southwestern Medical School, Dallas	Basic Science Bldg.	January 28 and 29, 1955	January 31, 1955 (See Page 766)
Texas Western College, El Paso	Addn. To Engineering Bldg. - Addn. to Dining Hall	March 1 and 2, 1955	March 3, 1955
Medical Branch, Galveston	3 Dorms., Apt. Bldg. and Small Power Plant	April 5, 1955	May 5, 1955
Dental Branch, Houston	New Dental Branch Building	April 27, 1955	May 16, 1955 (See Page 766)
Main University, Austin	Men's Dorm. for Law and Graduate Students	March 28, 1955	May 10, 1955

The group making the final inspection in each case included the following:

- President Wilson (or his representative)
- Sparenberg and Saunders of the Comptroller's Office
- The executive head of the institution concerned (or his representative) and members of his staff
- Partners and/or representatives of the architects or associate architects
- Representatives of the general contractor
- The "Clerk-of-the-Works" (the Superintendent of Construction for the Owner and the architect)

Some of these inspections also included representatives of contractors other than the general contractors, mechanical engineers (including Mr. Eckhardt), and also representatives of the State Board of Control and the Housing and Home Finance Agency.

After each inspection, amounts agreed upon by the architects were withheld from final payments to the contractors, until the architects certified to us that all items remaining on the "punch list" had been taken care of.

AUTHORIZATION TO ADVERTISE FOR BIDS AND AWARD CONTRACTS FOR FURNITURE AND EQUIPMENT FOR THE ENGLISH BUILDING AT THE MAIN UNIVERSITY. --The English Building at the Main University is nearing completion, and it is necessary to purchase furniture and equipment to be installed before the building can be put to use. The specifications for this furniture and equipment are in the process of preparation by the Comptroller's Office, but they are not yet in form to present at this meeting. Because of the short time remaining before the building is due to be completed, it is recommended that authorization be given to Comptroller Sparenberg to advertise for bids on this furniture and equipment, upon approval of

specifications by Dr. Pratt, representative of the English Department on the Faculty Building Committee, Vice President Boner, Comptroller Sparenberg, President Wilson. It is further recommended that authorization be given to Comptroller Sparenberg to award a contract or contracts for the furniture and equipment, with the total cost not to exceed \$127,620.00, the estimate approved by the Board of Regents May 29, 1953, the Chairman of the Board to sign what- contracts are awarded.

This recommendation is made on the assumption that the bids would probably be opened in the latter part of July, 1955, and that the next Regents' meeting would probably be in September, 1955.

AUTHORIZATION FOR CONSTRUCTION OF WOOD FRAME STORAGE BUILDING FOR THE DEPARTMENT OF PHYSICAL TRAINING FOR WOMEN, MAIN UNIVERSITY. --After the Doom House on the Campus of the Main University was torn down, two small wooden buildings, more accurately described as "shacks," which are being used for storage purposes by the Department of Physical Training for Women, were exposed to public view. These structures present a very bad appearance and are in such disreputable-looking condition that it does not seem worthwhile to attempt to make any repairs on them. It is believed that it would be better to tear down these two structures and construct a new wooden frame building in a different location which will be more nearly hidden from public view and still will be accessible to the Department of Physical Training for Women for storage purposes. The plans presented by the Physical Plant staff of the Main University show wood siding, concrete floor, and built-up roof.

It is estimated that this building can be constructed for not more than \$4,500.00. It is recommended that authorization be given to the Physical Plant staff of the Main University to construct this building, in accordance with the plans presented, in the proposed location near the northwest corner of the Service Building, at a cost not to exceed \$4,500.00, the money needed to come from Main University General Funds, Unappropriated Balance. This recommendation has been approved by Mr. Eckhardt, Mr. Landrum, the Faculty Building Committee, President Wilson, and Comptroller Sparenberg.

APPROVAL OF SPECIFICATIONS FOR REPLACEMENT OF ELEVATOR IN WAGGENER HALL, MAIN UNIVERSITY, AND AUTHORIZATION TO ADVERTISE FOR BIDS AND AWARD A CONTRACT. --The elevator which is now in Waggener Hall was installed in 1931, and has frequently given trouble. The company which installed it has since gone out of business and it is necessary to have it repaired at intervals by another elevator company. It is becoming increasingly difficult to obtain replacement parts and to secure maintenance. It is, therefore, believed that an automatic elevator should be installed to replace this twenty-four year old elevator. With the installation of an automatic type, it will also be possible to save the salary of an operator, which will reduce the actual cost to the institution for the installation. Account No. 3230, Special Equipment, in the amount of \$24,515.50, was reappropriated at the end of the last fiscal year, with the idea in mind that, if approved by the Board, this amount would be used for the installation of this elevator.

Specifications for the type of elevator desired have been prepared by the Physical Plant staff of the Main University, and it is recommended that approval be given to these specifications, with authorization to Comptroller Sparenberg to advertise for bids and award a contract, the money needed to come from the account given above and not to exceed the sum in this account.

RATIFICATION OF AWARD OF CONTRACTS ON FLOODLIGHTING THE MEMORIAL STADIUM, MAIN UNIVERSITY. -- Pursuant to authorization given at Regent's meeting held March 12, 1955, bids for Floodlighting the Memorial Stadium at the Main University were received, opened, and tabulated on May 10, 1955, as shown on the tabulation sheet. (See Page 569.) After study of the bids, Comptroller Sparenberg, with the concurrence of the Athletic Council and the Director of Physical Plant and Procurement, Main University, awarded the contracts to the low bidders, as follows, the total of these contract awards being within the amount of money appropriated for this purpose:

Electrical Contract:

Brown and Root, Inc., Houston, Texas	
Base Bid	\$121,620.00
Addition No. 1	1,000.00
Addition No. 2	190.00
Addition No. 3	480.00
Total Electrical Contract Award	\$123,290.00

Structural Contract:

Wilder Construction Company, Inc. Fort Worth, Texas	
Base Bid	37,794.00
Total Structural Contract Award	37,794.00
Total Contract Awards	\$161,084.00

It is recommended that the contract awards as made by Comptroller Sparenberg be ratified by the Board.

Adoption of Report. -- Mr. Lockwood moved the adoption of the items in the foregoing report individually and collectively. Mr. Jeffers seconded this motion, which carried.

Mr. Lockwood presented the following recommendations of matters discussed and adopted by the Developmental Affairs and Public Relations Committee:

COMPLETION AND OPENING DATES OF KINSOLVING DORMITORY, MAIN UNIVERSITY. -- At the time the application was made to Housing and Home Finance Agency for funds with which to construct Kinsolving Dormitory, it was contemplated that the building would be completed in time for occupancy in September, 1957. Because of the size of the dormitory and various other factors, serious doubts have been raised in the minds of a number of people as to the possibility of completing and opening the building by this time. Extended conferences have been held by the Comptroller's Office and the President's Office to explore all the advantages, disadvantages, and risks involved in continuing to attempt to meet this schedule. A complete report on these conferences and related correspondence was made to President Wilson by Comptroller Sparenberg and after study of this report, Vice-President Dolley wrote the President his recommendations concerning the matter. At the Committee meeting, Vice-President Dolley explained the difficulties and risks which would be encountered if an attempt was made to continue to follow the schedule as originally set up. He felt strongly that the disadvantages involved in postponing the opening of the dormitory to September, 1958, would be much less than the risks involved in trying to open it in September, 1957. After consideration of the matter the Committee makes the following recommendations to the Board:

1. That the opening date of Kinsolving Dormitory be set at September, 1958, rather than September, 1957.

2. That the completion date be set at April 15, 1958, and that all estimated time schedules and operating schedules be adjusted to fit in with that date.
3. That the Endowment Officer be authorized to negotiate with the Housing and Home Finance Agency an amendment to the loan agreement which would have the effect of postponing the dating of the bond issue from April 1, 1955 to April 1, 1956, and to effect such other amendments in that agreement as would be necessary to conform to that date, and that the Chairman of the Board be authorized to sign such amendments.

REMODELING HILL HALL, MAIN UNIVERSITY. -- The Athletic Council agreed to renovate Hill Hall at Athletic Council expense and to make the housing compare favorably with the housing furnished in Moore Hall. In order to accomplish this, the Athletic Council at its meeting on April 13, 1955, approved expenditures for the following purposes:

1. 82 new dual-purpose beds, mattresses and springs of of the same type as those placed in Moore Hall at \$208.00 per set	\$17,056.00
2. 75 chairs and 3 tables for the Assembly Room	1,800.00
3. Furniture refinishing in Hill Hall (82 chests, 42 double desks, 23 dining room tables (legs only), 12 serving tables, 250 straight chairs, lounge furniture and drapes,) estimated at	4,980.00
4. New asphalt tile floor covering for the halls and bedrooms to match Moore Hall New floor drains in three bathrooms New venetian blinds to match blinds in Moore Hall New metal screens on windows Painting exterior metal windows and doors and any other miscellaneous work needing painting Repairing doors, frames, locks All the above estimated at	9,500.00
Total	\$33,336.00

It is recommended that \$33,336.00 be appropriated for the above purposes from Account No. 6325, Athletic Council - General Account. \$2,500.00 will be added to Account No. 6325 from the sale of the present Hill Hall beds and mattresses to the Men's Residence Halls, which has already been agreed upon.

It is contemplated that the purchase of the new beds involved in this remodeling job will be effected by a change order to the present furniture contract (with Abel Stationers) for Moore Hall and other dormitories. The Assembly Room furniture, shown above as item 2, is already covered by the Abel contract. The remainder of the work will be performed by the Physical Plant staff of the Main University. It is, therefore, also recommended that Comptroller Sparenberg be given authority to sign the necessary change order and that authority be given to the Physical Plant staff of the Main University to perform the other work necessary to accomplish this remodeling.

PROPOSED TRADE OF PROPERTY BETWEEN TEXAS WESTERN COLLEGE AND CITY OF EL PASO. --Acting President Smith of Texas Western College exhibited a plat to the Committee showing property owned by Texas Western College and adjoining property owned by the City of El Paso. The northern part of the property owned by Texas Western College was donated to the College and is not immediately adjacent to the Campus. The land owned by the City is adjacent to the Campus, and the College is using a relatively small part of the City's property for various purposes, part of the stadium and the temporary O. T. C. buildings having been erected on the City property. In order to avoid the possibility of the City's deciding at some future date to ask that the College give up the use of this property, and in order to have the Texas Western College property more compactly arranged, it is desired to negotiate with the City to see whether a trade of property acre for acre could be worked out. Acting President Smith also exhibited a plat showing the property ownership if this trade could be consummated. Except for that portion of the City's property now being used by the College, the land being considered for the trade, both that owned by the City and that owned by the College, is hilly and rough and not in use at the present time. | See Page 1759

After discussion of the matter, the Committee recommends that Acting President Smith be authorized to negotiate with the City of El Paso for an even trade of land, acre for acre, between Texas Western College and the City of El Paso, as outlined on the plats exhibited by Mr. Smith, and to report back to the Board in detail concerning the outcome of the negotiations at the meeting of the Board to be held in El Paso in October, 1955. (See Page ___ for another recommendation.)

REPORT ON INVESTIGATION OF POSSIBILITY OF TESTING LABORATORY TO TEST FURNITURE AND OTHER EQUIPMENT. --The following are extracts from a letter addressed to Comptroller Sparenberg by President Logan Wilson shortly after the Regents' meeting in March, 1955:

"Although the Regents have full confidence in our staff recommendations in the matter of awarding bids to firms other than the lowest bidders when the lowest bidders do not meet specifications fully, etc., they feel that for our own protection we might be better off to have testing in many instances performed by a testing laboratory instead of by members of our own staff. ---Accordingly, the Regents asked me to have you check with reference to the services which are now available from local testing laboratories. If none of these laboratories are prepared to test furniture and other equipment, it is wondered whether they could be induced to expand their services to meet all of our normal needs."

At the meeting of the Regents' Developmental Affairs and Public Relations Committee on May 12, 1955, Comptroller Sparenberg reported that during the last two months he and Mr. Saunders had contacted, one way or another, the possible sources of information listed below, in regard to this problem:

- Representatives of furniture dealers
- Representatives of furniture manufacturers
- National Retail Furniture Association
- National Association of Furniture Manufacturers
- Furniture Manufacturers Magazine
- Various architects
- Bureau of Business Research of The University of Texas
- Southwest Research Institute, San Antonio

Acock Laboratories, Austin
 Trinity Testing Laboratories, Inc., Austin
 Pope Testing Laboratories, Dallas

Comptroller Sparenberg reported that, so far as he had been able to ascertain, the particular type of testing laboratory the President and the Regents had in mind is not to be found. He also reported that the testing laboratories contacted individually in Austin and Dallas do not do testing work on furniture and other equipment of the kind we had in mind, and apparently are not interested in doing that kind of testing work. (See Page 568 for further comment.)

Adoption of Report. --The recommendations in the foregoing report were adopted upon motion of Mr. Sorrell, seconded by Mr. Lockwood.

EXHIBIT A
 (See Page 9.)
 (555)

PREVAILING WAGE RATES
GALVESTON ISLAND
AS AT MAY 5, 1955

Not less than the general prevailing rate of per diem wages must be paid to all laborers, workmen, and mechanics directly employed on the work covered by this contract. One and one-half times the prevailing per diem wage based on an eight-hour working day shall be paid for all hours worked in excess of eight hours a day in any one day or for all hours worked on Saturday, Sundays, and/or holidays. The days to be considered holidays are as follows: January 1st, May 30th, July 4th, Labor Day, Thanksgiving Day, and Christmas Day.

The following schedule of wages per diem and per hour are found by The Board of Regents of The University of Texas to prevail as of May 5, 1955, on Galveston Island:

<u>CLASSIFICATION</u>	<u>*WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
ASBESTOS WORKER		
Journeyman	24.50	3.0625
BRICKLAYERS		
Foreman	29.40	3.675
Journeyman	27.40	3.425
Apprentices		
1st 6 mo.		50%
2nd 6 mo.		55%
3rd 6 mo.		60%
4th 6 mo.		65%
5th 6 mo.		70%
6th 6 mo.		75%
7th 6 mo.		85%
8th 6 mo.		90%
CARPENTERS		
Foreman	23.90	2.9875
Journeyman	21.90	2.7375
Apprentices		
1st 6 mo.	13.12	1.64
2nd 6 mo.	14.22	1.7775

<u>CLASSIFICATION</u>	<u>* WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
CARPENTERS (Continued)		
Apprentices 3rd mo.	15.36	1.92
4th mo.	16.42	2.0525
5th mo.	17.52	2.19
6th mo.	18.62	2.3275
7th mo.	19.72	2.465
CEMENT MASONS		
Foreman	24.00	3.00
Journeyman	22.00	2.75
ENGINEERS - LIGHT EQUIPMENT		
Air Compressor, Irrespective of size or power	20.40	2.55
Blade Grader, Towed	20.40	2.55
Flex Plane	20.40	2.55
Form Grader	20.40	2.55
Mixer, Less than 14 cu. ft.	20.40	2.55
Pump, Irrespective of size	20.40	2.55
Pulsometer	20.40	2.55
Truck Crane Driver	20.40	2.55
Gasoline and Diesel Driven Welding Machines, 3 to 6	20.40	2.55
Hoist, Single Drum	20.40	2.55
Scraper, 3 cu. yd., or less	20.40	2.55
Wagon Drill Operator	20.40	2.55
All other equipment of similar nature coming within the light equipment class when power operated	20.40	2.55
ENGINEERS - HEAVY EQUIPMENT		
Heavy Duty Mechanic	24.00	3.00
Blade Grader - Self-Propelled	24.00	3.00
Bull Clam	24.00	3.00
Back Filler	24.00	3.00
Derrick - Power Operated, all types	24.00	3.00
Clam Shell	24.00	3.00
Draglines	24.00	3.00
Push Cart Operator	24.00	3.00
Bulldozer and all types	24.00	3.00
Cat. Tractors	24.00	3.00
Cable Way	24.00	3.00
Back Hoe	24.00	3.00
Shovel, Power operated	24.00	3.00
Crane, Power operated, all types	24.00	3.00
Elevating Grader, Self-Propelled	24.00	3.00
Hoist, Motor Driven Two Drums or more	24.00	3.00
Mix Mobile	24.00	3.00
Building Elevator Used on Construction	24.00	3.00
Tug Boat Operator Assigned to Construction	24.00	3.00

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<u>CLASSIFICATION</u>	<u>* WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
ENGINEERS - HEAVY EQUIPMENT (Continued)		
Winch Truck	24.00	3.00
Locomotive Crane	24.00	3.00
Mixer, 14 cu. ft. or more	24.00	3.00
Paving Mixer, all types	24.00	3.00
Piledriver	24.00	3.00
Scraper, Heavy type, over 3 cu. yds.	24.00	3.00
Trenching Machine, all sizes	24.00	3.00
Gradall	24.00	3.00
High-Lift	24.00	3.00
Foundation Boring Machine	24.00	3.00
Gasoline or Diesel-Driven Welding Machines 7 or more	24.00	3.00
Pumpcrete Machine Oper.	24.00	3.00
Turnapulls	24.00	3.00
DW-10 Caterpillar and Similar Tractors	24.00	3.00
Euclid	24.00	3.00
Asphalt Plant Mixer Operator on job	24.00	3.00
Crusher Operator on job	24.00	3.00
Scoopmobiles	24.00	3.00
Forklift on Construction but not including Warehousing	24.00	3.00
All other equipment of similar nature coming under Heavy Equipment class when power operated	24.00	3.00
ENGINEERS - OTHER CLASSIFICATION		
Fireman	17.60	2.20
Oiler	16.80	2.10
Master Mechanic - at least 25¢ per hour above an Asst. Master Mechanic or a Journey man, as the case may be.		
Asst. Master Mechanic - at least 25¢ per hour above the highest paid Journey- man.		
ELECTRICIANS - INSIDE WIREMEN		
Foreman	26.00	3.25
Journeyman	24.00	3.00
Apprentices, 4th year	18.50	2.3125
3rd year	17.10	2.1375
2nd year	14.80	1.85
1st year	13.10	1.6375
ELECTRICIANS - LINEMEN		
General Foreman	28.00	3.50
Foreman	26.00	3.25
Journeyman	24.00	3.00
Apprentices, 4th year	18.50	2.3125
3rd year	17.10	2.1375
2nd year	14.80	1.85
1st year	13.10	1.6375
Groundman	18.50	2.3125

<u>CLASSIFICATION (Continued)</u>	<u>* WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
ELEVATOR CONSTRUCTORS		
Journeyman	25.28	3.16
Helpers	17.68	2.21
FLOOR LAYERS: RESILIENT FLOORMEN		
Wood Floor Layers, Surfacers, Finishers		
Foreman	23.90	2.9875
Journeyman	21.90	2.7375
Apprentices, 1st year	13.12	1.64
2nd year	15.36	1.92
3rd year	17.52	2.19
4th year	19.72	2.465
GLAZIERS (See PAINTERS)		
GRANITE SETTERS (Same as BRICKLAYERS)		
IRONWORKERS		
Foreman, Structural and Ornamental		
Journeyman	26.00	3.25
Journeyman	24.00	3.00
Foreman, Rodman	24.00	3.00
Journeyman	22.00	2.75
Foreman, Sheeter, Bucker-Up	27.20	3.40
Journeyman	25.20	3.15
Apprentices, 1st 6 mo.		60%
2nd 6 mo.		65%
3rd 6 mo.		70%
4th 6 mo.		75%
LABORERS		
Common Labor, including excavation, concrete work, reinforcing, mason handler and wheeler (stockpile), carpenter tender, asphalt ironer and raker and all construction labor excepting that hereinafter classified		
	13.00	1.625
Water Boys	13.00	1.625
Air Tool Operator and Vibrator and other power tools used by laborers	13.70	1.7125
Mason Tender, mason handlers and wheelers handling material from first stockpile	13.70	1.7125
Cement Mason Tender	13.70	1.7125
Waterproofing Tender	13.70	1.7125
Other Mechanic Tender (except as otherwise classified)	13.70	1.7125
Concrete Pipe (handling and laying)	13.70	1.7125
Pipe Layers (non-metallic) pumpcrete pipe (handling and laying)	13.70	1.7125
Dumper and spotter (heavy construction only)	13.70	1.7125

<u>CLASSIFICATION</u>	<u>* WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
LABORERS (Continued)		
Sand Blaster	13.70	1.7125
Power Buggy Operator	13.70	1.7125
Plasterer Tender and Hod Carrier	14.60	1.825
Lather Tender	14.60	1.825
Mortar Mixer	14.60	1.825
Well Driller	13.70	1.7125
Blaster, Powder Man	14.60	1.825
Gunite Worker	16.40	2.05
Gunite Nozzle Man	17.20	2.15
Labor Foreman	17.00	2.125
Concrete and General Foreman	19.00	2.375
LATHERS		
Foreman	28.00	3.50
Journeyman	26.00	3.25
Metal Tenders	15.20	1.90
Apprentices, at start	11.72	1.465
Increases 3-1/8¢ per hour each month for 36 months		
Painters, Local Union #585, Galveston:		
PAINTERS AND PAPER HANGERS AND GLAZIERS		
Sand Blasters and Steel Burners	20.00	2.50
Spray Machine Painters	23.00	2.875
Structural Steel Tanks and Bridges	22.00	2.75
Steeple Jack	21.00	2.625
All Power Tools	23.00	2.875
All swinging stage 12-1/2¢ premium above classification of work being performed	22.00	2.75
Foreman - .125 above highest paid Journeyman.		
PLASTERERS		
Foreman	27.40	3.425
Journeyman	25.40	3.175
Apprentices, 8th 6 mo.		90%
7th 6 mo.		85%
6th 6 mo.		80%
5th 6 mo.		70%
4th 6 mo.		60%
3rd 6 mo.		55%
2nd 6 mo.		50%
1st 6 mo.		45%
PLUMBERS		
Superintendent	Not less than 30.80	Not less than 3.85
General Foreman	28.80	3.60

<u>CLASSIFICATION</u>	<u>* WAGES PER DIEM</u>	<u>WAGES PER HOUR</u>
PLUMBERS (Continued)		
Foreman	26.80	3.35
Journeyman	24.80	3.10
Apprentices, 1st year	53% of Journeyman	
2nd year	64% of Journeyman	
3rd year	70% of Journeyman	
4th year	74% of Journeyman	
5th year	80% of Journeyman	
PILE DRIVERS		
Journeyman	21.90	2.7375
Divers, suit is furnished	55.90	6.9875
Divers, if no suit is furnished	65.90	8.2375
Diver Helper	24.90	3.1125
PIPE FITTERS		
Foreman	28.80	3.60
Sub-Foreman	26.80	3.35
Journeyman	24.80	3.10
Apprentices, 5th year	80% of Journeyman	
4th year	74% of Journeyman	
3rd year	70% of Journeyman	
2nd year	64% of Journeyman	
1st year	53% of Journeyman	
PIPE WRAPPERS		
General Foreman	23.60	2.95
Foreman	21.60	2.70
Journeyman	19.60	2.45
ROOFERS -Asbestos Shingle and Sider Built-up and Composition		
Foreman	19.80	2.475
Journeyman	18.80	2.35
Apprentices		
1st year kettleman	12.24	1.53
2nd year kettleman	13.92	1.74
3rd year kettleman	15.44	1.93
ROOFERS - Slate and Tile		
Foreman	23.20	2.90
Journeyman	22.20	2.775
Apprentices, 1st year	12.24	1.53
2nd year	13.92	1.74
3rd year	15.44	1.93
SHEET METAL WORKERS		
Foreman, 15 or more Journeymen	27.00	3.375
Foreman	26.00	3.25
Journeyman	24.00	3.00
Apprentices, 8th 6 mo.	80% of Journeyman	
7th 6 mo.	70% of Journeyman	
6th 6 mo.	65% of Journeyman	
5th 6 mo.	60% of Journeyman	

<u>CLASSIFICATION</u>	<u>*WAGES PER DIEM</u>	<u>WAGES PER HOURS</u>
SHEET METAL WORKERS		
Apprentices (Continued)		
4th 6 mo.	55% of Journeyman	
3rd 6 mo.	50% of Journeyman	
2nd 6 mo.	45% of Journeyman	
1st 6 mo.	40% of Journeyman	
SPRINKLER FITTERS		
Journeyman	23.20	2.90
TILE SETTERS, MARBLE MASONS, MOSAIC & TERRAZZO WORKERS		
Foreman	29.40	3.675
Journeyman	27.40	3.425
Apprentices,		
1st 6 mo.	50% of Journeyman scale	
2nd 6 mo.	55% of Journeyman scale	
3rd 6 mo.	60% of Journeyman scale	
4th 6 mo.	65% of Journeyman scale	
5th 6 mo.	70% of Journeyman scale	
6th 6 mo.	75% of Journeyman scale	
Helpers		
End of 1st year	62% of Journeyman scale	
End of 2nd year	70% of Journeyman scale	
TRUCK DRIVERS		
Under ton and one-half	13.00	1.625
Ton and one-half	14.60	1.825
Dump trucks, all sizes	15.00	1.875

*Based on eight hours per day

Wage Rates as given above compiled from Prevailing Wage Rates as recognized by Associated General Contractors of Houston, Texas, representing the Contractors in the Houston and Galveston Area.

PROPOSED TRADE OF PROPERTY BY TEXAS WESTERN COLLEGE AND CITY OF EL PASO. --Mr. Lockwood had reported to the Board as a Committee of the Whole the proposed trade of property between Texas Western College and the City of El Paso. The recommendations of the Developmental Affairs and Public Relations Committee had been adopted as on Page 561. After a more detailed presentation of the matter, Mr. Sorrell moved that a committee composed of Vice-President Dolley, Comptroller Sparenberg, Endowment Officer Stewart, and Acting President Smith cooperate in obtaining a joint appraisal made by three competent appraisers. Mr. Lockwood seconded this motion, which carried.

REPORT ON INVESTIGATION OF POSSIBILITY OF TESTING LABORATORY TO TEST FURNITURE AND OTHER EQUIPMENT. --On Page 561 is a report by the Committee on Developmental Affairs and Public Relations for the information of the Board. This report indicates that the particular type of testing laboratory in which the Board is interested has not been found. The Board recognized that due diligence had been used in trying to locate this particular type of testing laboratory and requested that efforts not cease along this line.

TABULATION OF BIDS
FLOODLIGHTING TEXAS MEMORIAL STADIUM
THE UNIVERSITY OF TEXAS
Austin, Texas
May 10, 1955

Electrical Contract

Bidder	Security Bidder's Bond	Base Bid	Alternates		Additions			Deduction
			No. 1	No. 2	No. 1	No. 2	No. 3	No. 1
		\$	\$	\$	\$	\$	\$	\$
Ashe Electric Co.	5%	134,647	131,405	129,525	693	298	916	2,400
Roct, Inc.	5%	121,620	119,604	117,654	1000	190	480	2,514
Electric Company	5%	124,500	-2,675	-7,449	No change	241	582	4,114
ennings Electric Co.	5%	131,188	128,140	124,519	567	294	695	3,000
anston Electric Cont'r	5%	178,464	174,592	173,976	539	419	912	3,016
Electric Company	\$10,000	123,535	120,915	119,291	360	261	528	2,262
Light Electric Co.	5%	133,980	131,587	127,737	396	224	561	2,657
Broachry Company	5%	122,415	119,975	114,915	420	275	615	3,000

Bidder	Security Bidder's Bond	Structural Contract		Remarks
		Base Bid		
		\$		
Building Company	5%	57,515		
Construction Co.	5%	44,400		
Bros., Cont'rs	5%	65,000		
andom	5%	48,946		
rough Construction Co.	5%	59,850		
Construction Co.	5%	37,794		Slip Forms

Combination Electrical and Structural Contract

Bidder	Security Bidder's Bond	Base Bid	Alternates		Additions			Deduction
			No. 1	No. 2	No. 1	No. 2	No. 3	No. 1
		\$	\$	\$	\$	\$	\$	\$
Roct, Inc.	5%	183,000	180,984	179,034	1,000	190	480	2,514
ummins Electric Co.	5%	172,429	169,869	165,369	773	324	816	3,000
ennings Electric Co.	5%	176,688	173,640	170,000	567	294	695	3,000
om	5%	225,000	221,100	220,500	750	600	1,050	2,900
Broachry Company	5%	168,585	166,745	161,685	420	275	615	3,000
de Construction Co.	5%	184,934	181,332	173,846	515	290	650	2,914
orth & Brothers Co.	5%	184,750	-2,700	-7,500	---	300	600	3,800

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LAND AND INVESTMENT COMMITTEE MATTERS. --
(Formerly Land and Finance Committee)

LAND AND INVESTMENT COMMITTEE REPORT (This report was adopted by the Board as reflected on Page 584 .)

Chairman Sealy called on Mr. Jeffers to present the reports of the Land and Investment Committee. The general report of this committee follows:

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --The following purchases of securities have been made for the Permanent University Fund since the report of March 12, 1955. We ask that the Board ratify and approve these transactions:

UNITED STATES GOVERNMENT BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis*	Principal Cost	Date of Delivery
4% U.S. Treas., due 2/15/95	\$ 900,000	100.65625	2.97%	\$ 905,906.25	3/29/55
Ditto	800,000	100.43750	2.98	803,500.00	4/28/55
Totals	\$1,700,000			\$1,709,406.25	

*Yield to maturity.

TEXAS MUNICIPAL BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis#	Principal Cost	Date of Delivery
3-1/4% City of Weatherford, Elec. Lt. & Water Sys. Rev., due 2/1/83 - 86/70	\$50,000	101.764827	3.10%	\$50,882.41	4/20/55

*Yield to option date - 2/1/70.

Endowment Officer Stewart came into the meeting.

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 content by the University Endowment Office and as to form by the University Land and Trust Attorney. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 702, TO COMMISSIONERS' COURT OF WINKLER COUNTY, WINKLER COUNTY, TEXAS. -- This application for a right-of-way easement to the Commissioners' Court of Winkler County, Texas, covers a parcel of land 100 feet wide containing approximately 2.2 acres, in Section 21, Block 21, University Lands, Winkler County, Texas. This land is to be used as a public road to provide a more suitable entrance to the Wink

Airport. No consideration is involved in this easement.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 703, INCLUDING CALICHE AND BORROW SOURCES, TO COMMISSIONERS' COURT OF ANDREWS COUNTY, ANDREWS COUNTY, TEXAS. --This application for a right-of-way easement to the Commissioners' Court of Andrews County, Texas, covers a 4.13-acre strip of land out of the SW/4 of Section 43, Block 9, University Lands, Andrews County, Texas, to be used as a public road or highway, and an easement on the following premises on University Lands in Andrews County, Texas, under the condition that they are to be used solely for the purpose of constructing and maintaining a public road: one borrow pit in the SW/4 of Section 43, Block 9, containing 2.00 acres; one borrow pit in Section 35, Block 10, containing 0.45 acre; one caliche pit in Section 46, Block 9, being a 500' by 500' tract of land; one caliche pit in Section 32, Block 10, being a 500' by 500' tract of land; and a channel easement in the SW/4 of Section 43, Block 9, being a 0.25-acre strip of land. The entire easement involves 18.31 acres, more or less. No consideration is involved in this easement.

GRAZING LEASE NO. 689 TO MRS. LUCILLE RUSSELL, ET AL, CROCKETT COUNTY, TEXAS --CORRECTION OF ACREAGE AS SHOWN IN REGENTS' MINUTES. --The correct number of acres as indicated in the instrument for Grazing Lease No. 689 to Mrs. Lucille Russell and husband, Claude Russell, guardian and trustee for John Lee Henderson, Jr., and Helen Henderson, Crockett County, Texas, is 2,455.8 acres instead of 2488.8 acres, as erroneously quoted in the minutes of the Board of Regents for its meeting held on January 29, 1955.

GRAZING LEASE NO. 680 TO R. L. WALKER AND HARRIS G. EASTHAM, JR. --ASSIGNMENT OF INTEREST OF MR. WALKER TO MR. EASTHAM. --This assignment from Mr. R. L. Walker to Mr. Harris G. Eastham, Jr., covers assignment of Mr. Walker's interest in Grazing Lease No. 680, which was issued jointly to Mr. Walker and Mr. Eastham for farming, stock raising and grazing purposes during a term of 10 years beginning July 1, 1953, and ending June 30, 1963. It covers a total of 3,345.4 acres in Blocks 18 and 20, Pecos County, Texas. The standard assignment consideration fee of \$25.00 and the \$1.00 General Land Office filing fee have been tendered with the application.

BUSINESS SITE EASEMENT NO. 704, TO O. I. MERRIFIELD, REAGAN COUNTY, TEXAS. --This application for a business site easement to O. I. Merrifield covers a site approximately 200' by 200' in Section 7, Block 11, University Lands, Reagan County, Texas, to be used as a welding and junk yard. This easement is for a 1-year period beginning April 1, 1955, and ending March 31, 1956, with the option to extend and renew this lease from year to year, not to exceed a total period of 10 years from and after April 1, 1955, by payment of annual rental, in advance, in the amount of \$150.00. The consideration for the first year's rental in the amount of \$150.00 has been tendered with the application. (Replaces Business Site Easement No. 511, relinquished by Buster Holt.)

BUSINESS SITE EASEMENT NO. 705, TO J. E. CARRIGAN, ANDREWS COUNTY, TEXAS. --This application for a business site easement to J. E. Carrigan covers a site 100' by 400' in Section 17, Block 13, University Lands, Andrews County, Texas, to be used as a service station. This easement is for a 1-year period beginning April 1, 1955, and ending March 31, 1956, with the option to extend and renew from year to year, not to exceed a total period of 10 years from and after April 1, 1955, by payment of annual rental, in advance, in the amount of \$100.00. The consideration for the first year's rental in the amount of \$100.00 has been tendered with the application. (Renewal of Business Site Easement No. 234.)

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CAMP SITE EASEMENT NO. 706, TO THE TEXAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a camp site easement to The Texas Company covers a 0.46-acre site in Section 36, Block 11, University Lands, Andrews County, Texas, for a 1-year period beginning March 10, 1955, and ending March 9, 1956, with the option to extend and renew from year to year, not to exceed a total period of 10 years from and after March 10, 1955, 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.

CAMP SITE EASEMENT NO. 707, TO GULF OIL CORPORATION, ANDREWS COUNTY, TEXAS. --This application for a camp site easement to Gulf Oil Corporation covers a site containing 7 acres in Section 11, Block 13, University Lands, Andrews County, Texas, for a 1-year period beginning April 18, 1955, and ending April 17, 1956, with the option to extend and renew from year to year, not to exceed a total period of 10 years from and after April 18, 1955, by payment of an annual rental, in advance, of \$70.00. Rental for the first year in the amount of \$70.00 has been tendered with the application. (Renewal of Camp Site Easement No. 237.)

PIPE LINE EASEMENT NO. 708, TO COMANCHE PIPE LINE COMPANY, PECOS COUNTY, TEXAS. --This application for a pipe line easement to Comanche Pipe Line Company covers 309 rods of 2-inch oil pipe line at 25¢ per rod in Sections 23, 24, 25 and 26, Block 16, University Lands, Pecos County, Texas, for a period of 10 years beginning November 1, 1954, and ending October 31, 1964. The full consideration for the 10-year period in the amount of \$77.25 has been tendered with the application. (Renewal of part of Pipe Line Easement No. 239.)

PIPE LINE EASEMENT NO. 709, TO TEXAS-NEW MEXICO PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 206 rods of 2-3/8" gas pipe line at 25¢ per rod, and 527 rods of 4-1/2" oil pipe line at 50¢ per rod, in Section 36, Block 13, and Section 7, Block 14, University Lands, Andrews County, Texas, for a period of 10 years beginning March 1, 1955, and ending February 28, 1965. The full consideration in the amount of \$315.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 710, TO TEXAS-NEW MEXICO PIPE LINE COMPANY, MARTIN COUNTY, TEXAS. --This application for a pipe line easement to Texas-New Mexico Pipe Line Company covers 315.62 rods of 4-1/2" oil pipe line at the rate of 50¢ per rod in Section 17, Block 7, University Lands, Martin County, Texas, for a 10-year period beginning March 1, 1955, and ending February 28, 1965. The full consideration in the amount of \$157.81 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 711, TO EL PASO NATURAL GAS COMPANY, REAGAN COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 803.121 rods of 6-5/8" natural gas pipe line at 75¢ per rod in Sections 11, 12, and 13, Block 2, and Section 24, Block 9, University Lands, Reagan County, Texas, for a 10-year period beginning May 1, 1955, and ending April 30, 1965. This pipe line easement includes appurtenances for the measuring and regulating of natural gas, to be constructed within a 20' by 40' fenced enclosure. The full consideration for the 10-year period in the amount of \$602.34 has been tendered with the application.

PIPE LINE EASEMENT NO. 712, TO EL PASO NATURAL GAS COMPANY, HUDSPETH COUNTY, TEXAS. This application for a pipe line easement to El Paso Natural Gas Company covers 500.393 rods of 6-5/8" water pipe line at 75¢ per rod in Sections 31, 32, 33 and 41, Block G, University Lands, Hudspeth County, Texas, for a 10-year period beginning May 1, 1955, and ending April 30,

65. The full consideration for the 10-year period in the amount of \$375.29 has been tendered with the application.

TERMINATION OF BUSINESS SITE EASEMENT NO. 511, BUSTER HOLT, REAGAN COUNTY, TEXAS. --Termination as of March 31, 1955, of Business Site Easement No. 511, on a 200' by 200' site in Section 7, Block 11, University Lands, Reagan County, Texas, has been requested by Buster Holt, present holder of this easement. This easement, originally issued to O. I. Merrifield and subsequently assigned by Mr. Merrifield to Buster Holt, was for a 1-year period beginning April 1, 1952, with option to renew from year to year, but not to extend beyond March 31, 1962, upon payment, in advance, of the annual rental in the amount of \$150.00.

TERMINATION OF TANK SITE EASEMENT NO. 642, E. G. HALL, CROCKETT COUNTY, TEXAS. --Termination, as of March 31, 1955, of Tank Site Easement No. 642 has been requested by E. G. Hall, holder of this easement. This tank site easement covered a small tract of land on which was set a 1,000 barrel tank, in the NE/4 of Section 12, Block 47, University Lands, Crockett County, Texas, for a period of one year beginning April 1, 1954, and ending March 31, 1955, with the option to extend and renew the lease from year to year, but not to exceed a total period of 10 years from April 1, 1954, by payment, in advance, of the annual rental of \$50.00. The tank has been removed from the location.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 713, TEXAS STATE HIGHWAY COMMISSION, UPTON COUNTY, TEXAS. --This application for a highway right-of-way easement to the Texas State Highway Commission covers a strip of land containing 9.572 acres of land, more or less, in Sections 10, 11, 14, 13 and 18, Block 15, University Lands, Upton County, Texas, adjacent to the present north right-of-way line of U. S. Highway No. 67 from Rankin, Texas, to 9.160 miles west of Rankin, to be used to widen U. S. Highway No. 67. In addition, this easement covers a caliche source containing 9.183 acres and a borrow source containing 3.673 acres, more or less, in Section 14, Block 15, University Lands, Upton County, Texas, to be used as base material on U. S. Highway No. 67 from Rankin, Texas, to 9.160 miles west of Rankin. The total acreage involved in the easement is 22.428 acres, more or less. No consideration is involved in this easement.

GRAZING LEASE NO. 622, TO CLEO R. MCKENZIE (DECEASED), PECOS COUNTY, TEXAS--ASSIGNMENT OF RESPECTIVE INTERESTS OF LARO B. MCKENZIE AND BLEVINS MCKENZIE TO CHILDREN OF CLEO R. MCKENZIE (DECEASED). --Grazing Lease No. 622 to Cleo R. McKenzie (deceased), covering 30,736.7 acres in Blocks 24, 25, and 26, University Lands, Pecos County, Texas, for a period of 10 years beginning January 1, 1949, and ending December 31, 1958, through assignment and transfer of respective interests indicated below, is thenceforth to be held by the following children of Cleo R. McKenzie, deceased: C. R. McKenzie, Roy Neal McKenzie, Virginia Lea Chapman, Richard Gregg McKenzie, Bill Ed McKenzie, Lawrence Byron McKenzie, and Bruce Thomson McKenzie. This lease was held by Cleo R. McKenzie, deceased, as lessor in trust for the use and benefit of the community estate of himself and his wife, Laro B. McKenzie, to the extent of an undivided 2/3 interest, and for use of his stepson, Blevins McKenzie, to the extent of an undivided 1/3 interest. On March 3, 1954, Cleo R. McKenzie died intestate, leaving as his only heirs his widow, Laro B. McKenzie, and his children C. R. McKenzie, Roy Neal McKenzie, Virginia Lea Chapman, Richard Gregg McKenzie, Bill Ed McKenzie, Lawrence Byron McKenzie, and Bruce Thomson McKenzie. Laro B. McKenzie, widow of Cleo R. McKenzie, deceased, and Blevins McKenzie, step-son of Cleo R. McKenzie, deceased, now wish to assign their respective 1/3 interests, totaling a 2/3 interest, to the Cleo R.

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McKenzie children, and ask that the Board of Regents of The University of Texas, as lessor, consent to this assignment, subject to terms set out in the original lease contract. The standard assignment consideration fee of \$25.00 and the \$1.00 General Land Office Filing fee have been tendered with the application.

APPLICATION FOR GRAZING LEASE NO. 695, TO MRS. MARY LEA MCKENZIE & SONS, PECOS COUNTY, TEXAS. -- This application for renewal of a grazing lease to Mrs. Mary Lea McKenzie & Sons covers 20,587.76 acres in Sections 1 through 36, Block 16, and Section 18, Block 20, University Lands, Pecos County, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 26¢ per acre per year for the first 1-1/2 years and 35¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$33,249.25, to be paid in semi-annual installments as follows: \$2,676.41 on July 1, 1955, January 1, 1956, and July 1, 1956; \$3,602.86 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. (Renewal of Grazing Lease No. 557.)

APPLICATION FOR GRAZING LEASE NO. 696, TO CHARLES T. HARRIS, REAGAN AND UPTON COUNTIES, TEXAS. -- This application for renewal of part of Grazing Lease No. 559 to Charles T. Harris covers 16,242.3 acres in Sections 1 through 18, 22, 23, and 24, Block 1; Sections 31, 32, Block 4; Sections 5, 6, Block 5; Sections 1 through 6, Block 6; and Sections 24 and 25, Block 8, University Lands in Reagan and Upton Counties, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 40¢ per acre per year for the first 1-1/2 years and 50¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$38,169.44, to be paid in semi-annual installments as follows: \$3,248.46 on July 1, 1955, January 1, 1956 and July 1, 1956; \$4,060.58 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. (Renewal of Part of Grazing Lease No. 559.)

APPLICATION FOR GRAZING LEASE NO. 697, TO LEASEL A. HARRIS, REAGAN AND CROCKETT COUNTIES, TEXAS. -- This application for renewal of part of Grazing Lease No. 559 to Leasel A. Harris covers 16,898.5 acres in Sections 7 through 9, 16 through 21, 28 through 33, Block 6; Sections 6, 15, 16, 17 through 20, 27 through 33, Block 7, University Lands, Reagan and Crockett Counties, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 40¢ per acre per year for the first 1-1/2 years and 50¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$39,711.51, to be paid in semi-annual installments as follows: \$3,379.70 on July 1, 1955, January 1, 1956, and July 1, 1956; \$4,224.63 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. (Renewal of Part of Grazing Lease No. 559.)

APPLICATION FOR GRAZING LEASE NO. 698, TO T. WAYNE HARRIS, REAGAN, UPTON AND CROCKETT COUNTIES, TEXAS. -- This application for renewal of part of Grazing Lease No. 559 to T. Wayne Harris covers 16,573.3 acres in Sections 7, 8, 17 through 20, 29 through 32, Block 5, Sections 10 through 15, 22 through 27, 34 through 36, Block 6, University Lands, Reagan, Upton and Crockett Counties, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 40¢ per acre per year for the first 1-1/2 years and 50¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$38,947.30, to be paid in semi-annual installments as follows: \$3,314.66 on July 1, 1955,

January 1, 1956, and July 1, 1956; \$4,143.33 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. (Renewal of Part of Grazing Lease No. 559.)

APPLICATION FOR GRAZING LEASE NO. 699, R. L. WALKER, PECOS COUNTY, TEXAS. -- This application for renewal of part of Grazing Lease No. 558 to R. L. Walker covers 26,159.84 acres in Section 3 through 6, Block 16; Sections 1 through 12, Block 17; Sections 10 through 36, Block 18; and Section 3, Block 9, Pecos County, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 27-1/2¢ per acre per year for the first 1-1/2 years and 35¢ per acre per year for the following 3-1/2 years, with a 25% reduction of the rental due on 2241.6 acres of the ranch which are also in the Taylor Link Oil Field. The aggregate sum due on the lease is in the amount of \$41,919.12 to be paid in semi-annual installments as follows: \$3,519.94 to be paid on July 1, 1955, January 1, 1956, and July 1, 1956; \$4,479.90 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. The lessee is not to collect additional damages from the oil companies on the acreage on which the rentals have been reduced because of the oil field located therein. (Renewal of Part of Grazing Lease No. 558.)

APPLICATION FOR GRAZING LEASE NO. 700, J. FARRIS BAKER, PECOS COUNTY, TEXAS. -- This application for renewal of part of Grazing Lease No. 558 to J. Farris Baker covers 16,087.81 acres in Sections 3 through 10, 15 through 18, Block 18, Sections 1 and 10, Block 19; and Sections 1 through 16, Block 20, Pecos County, Texas, for a period of 5 years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 27-1/2¢ per acre per year for the first 1-1/2 years and 35¢ per acre per year for the following 3-1/2 years, aggregate sum of which is in the amount of \$26,343.80, to be paid in semi-annual installments as follows: \$2,212.07 on July 1, 1955, January 1, 1956, and July 1, 1956; \$2,815.37 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. This lease also provides for farming of a portion of this acreage, which will bear additional rental of \$5.00 per acre per year for all land under cultivation, payable in semi-annual installments of \$2.50 per acre. (Renewal of Part of Grazing Lease No. 558.)

APPLICATION FOR GRAZING LEASE NO. 701, N. E. JOHNSON, PECOS COUNTY, TEXAS. -- This application for renewal of part of Grazing Lease No. 558 to N. E. Johnson covers 1,749.58 acres in Sections 18, 19, and 30, Block 16; Sections 1 and 12, Block 18; and Section 18, Block 20, Pecos County, Texas, for a period of five years beginning July 1, 1955, and ending June 30, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 27-1/2¢ per acre per year for the first 1-1/2 years and 35¢ per acre per year for the following 3-1/2 years. The aggregate sum due on the lease is in the amount of \$2,864.94 to be paid in semi-annual installments as follows: \$240.56 to be paid on July 1, 1955, January 1, 1956, and July 1, 1956; \$306.18 to be paid on the first day of January and July of each succeeding year until and including January 1, 1960. This lease also provides for farming of a portion of the acreage, which will bear additional rental of \$5.00 per acre per year for all land under cultivation, payable in semi-annual installments of \$2.50 per acre. (Renewal of Part of Grazing Lease No. 558.)

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS. --

REPORT OF PURCHASES AND SALES AND REDEMPTIONS OF SECURITIES. -- The following purchases and sales and redemptions of securities have been made for the Trust and Special Funds since the report of March 12, 1955. We ask that the Board ratify and approve these transactions:

PURCHASES		
Date	Security	Total Cost
3/25/55	\$37,000 par value U. S. Treasury 3% Bonds, due February 15, 1955, purchased at 100-24/32 Net (Archer M. Huntington Museum Fund)	\$37,277.50
3/28/55	70 Shares General Motors Corporation Common Stock, purchased at 95-1/4 per share (Funds Grouped for Investment)	6,707.41
4/14/55	100 Shares E. I. duPont De Nemours Common Stock, purchased at 175 per share	17,552.25
	70 Shares American Telephone & Telegraph Company Capital Stock, purchased at 181 per share	12,721.87
	50 Shares Union Carbide and Carbon Corporation Capital Stock, purchased at 92 per share	4,639.25
	40 Shares Westinghouse Electric Corporation Common Stock, purchased at 78-1/4 per share (Purchased by The Sealy and Smith Foundation for the Fund under Joint Control of The Sealy and Smith Foundation for the John Sealy Hospital and the Board of Regents of The University of Texas)	3,158.65

SALES AND REDEMPTIONS		
Date	Security	Net Proceeds
3/14/55	1/10th of one Share Northern Illinois Gas Company Common Stock	\$ 1.86
3/21/55	100 Shares Union Oil of California \$3.75 Cumulative Preferred Shares, Series A, redeemed @ \$102.50 plus accrued dividends to 4/8/55 (Hogg Foundation: W. C. Hogg Fund)	10,250.00
	50 Shares, Ditto (Funds Grouped for Investment)	5,125.00
4/12/55	\$100.00 par value Phillips Petroleum Company 3.70% Sinking Fund Debentures due 1983, dated June 9, 1953, due June 1, 1983, called for redemption on or before May 4, 1955, at \$103.50	103.50
	20 Rights for Pan American Sulphur Company Common Stock (John Charles Townes Foundation: Wright Chalfant Morrow Fund)	8.40
4/22/55	\$10,000.00 par value Pacific Telephone and Telegraph Company 4% Debentures, due 9/15/84, called for redemption at \$105.70 (Funds Grouped for Investment)	10,570.00
3/22/55	400 Shares American Manufacturing Company Common Stock, sold for 24-1/2 per share (Sold by The Sealy and Smith Foundation for the Fund under Joint Control of The Sealy and Smith Foundation for the John Sealy Hospital and the Board of Regents of The University of Texas)	9,695.03

PROJECT TEX. 41-CH-11 - MEDICAL BRANCH, SELECTION OF McCALL, PARKHURST AND CROWE AS BOND COUNSEL FOR ISSUANCE OF DORMITORY REVENUE BONDS TO FINANCE PART B OF PROJECT. --Under date of June 27, 1953, the Board of Regents selected the legal firm of McCall, Parkhurst and Crowe as counsel to handle the legal proceedings in connection with the issuance of Dormitory Revenue Bonds, the proceeds from which would finance the construction of Part A of the Medical Branch Project. The fee set by this action was \$1,150.00 plus out-of-pocket expenses. It is recommended that McCall, Parkhurst and Crowe also be employed to handle the issuance of \$1,345,000.00 par value additional bonds needed to finance the construction of Part B of the Medical Branch Project, the fee to be \$1,300.00 plus reimbursement for out-of-pocket expenses incurred. This would make the total fee for the entire \$2,512,000.00 par value bonds to finance the housing and food facilities at the Medical Branch under Project Tex. 41-CH-11 to be \$2,450.00 plus reimbursement for out-of-pocket expenses incurred. It is further recommended that the Chairman of the Board be authorized to enter into a letter agreement with McCall, Parkhurst and Crowe for the above outlined services and payment of the fee upon issuance of the bonds. See Page 585

TOREADOR ROYALTY CORPORATION - REPORT OF ANNUAL MEETING. --Endowment Officer Stewart attended the Annual Stockholders' and Directors' Meeting of the Toreador Royalty Corporation held in Dallas, Texas, on March 1, 1955. Mr. James L. Shepherd, Jr., the University's other director of the corporation, was unable to attend the meeting. Both Endowment Officer Stewart and James L. Shepherd, Jr., were elected directors of the corporation for the coming year, representing the entire preferred stock of the corporation held by the Board of Regents as Trustee for the Toreador Trust Fund for Salary Supplementation of the School of Law of The University of Texas.

There were 415,000 shares of the total 800,000 shares of common stock represented at the meeting by proxy or in person and the amendment to the By-Laws, providing for a quorum to consist of 20% of each class of stock in accordance with the amendment proposed at the 1954 Annual Meeting and with a circularized notice prior to the meeting, was carried by an affirmative vote of 411,000 shares of the common stock and all of the 960,000 shares of the preferred stock. This amendment was approved by the Board of Regents at its meeting held on April 9, 1954.

The Annual Report for 1954 shows a deficit with no dividends payable on the 960,000 shares of 62-1/2¢ par value 4% preferred stock on which dividends are cumulative to the extent earned. The corporation began operations as of October 1, 1951. Early in 1952 a dividend of \$5,428.85 was received on the preferred stock from 1951 earnings. In 1952 the corporation showed an increase in surplus in the amount of \$6,827.16, and all of this was paid as a dividend on preferred stock early in 1953. The corporation showed a deficit for the year 1953.

Prospects for oil and gas development on the company's lands in West Texas and particularly in and around Cottle County were discussed. It was noted that Superior Oil Company had now released its lease on the Alamositas Ranch belonging to the corporation. It was also noted that the South Matador property of the corporation in Cottle County probably represented the best oil and gas prospects out of the corporation property. The oil situation is being followed and any significant developments will subsequently be reported to the Board.

ESTATE OF LILA BELLE ETTER, DECEASED - RECOMMENDATION FOR SALE OF HARDWICKE-ETTER COMPANY STOCK AND OTHER CLOSED CORPORATION STOCKS. --Under the Lila Belle Etter Residuary Trust, the University is entitled to 1,648 shares of Hardwicke-Etter Company Capital Stock

which has an estate inventory appraised value of \$110.00 per share. The Republic National Bank as executor of the estate has received a firm offer from Mr. J. E. Jamison, President of the Hardwicke-Etter Company, to purchase the 1,648 shares at \$150.00 per share. Based upon the fact that this company is a closed corporation, is a manufacturer of gin equipment, and that the financial report for the year ended December 31, 1954, indicates that the company no longer has substantial Government contracts to support its earnings position, it is recommended that the Endowment Officer be authorized to advise the executor of the estate that the Board of Regents is willing to accept the offer of \$150.00 per share for the Hardwicke-Etter Company stock. It is further recommended that the Endowment Officer be authorized to advise the executor that the University would like to have turned over to it in quarterly distributions as provided in the will the proceeds from the sale of the Hardwicke-Etter stock together with any other cash due to be distributed to the University so that such monies could be invested by the University pending the determination of the use thereof.

The residuary trust for the benefit of the University also contains six shares of Day Manufacturing Company Common Stock, valued at \$500.00 per share for estate purposes and six shares of Pool Manufacturing Company Common Stock valued at \$100.00 per share for estate purposes. The Day Manufacturing Company manufactures set-up and folding paper boxes, and the Pool Manufacturing Company manufactures work clothes, particularly farm clothing. Both companies are closed corporations and are located in Sherman, Texas. It is recommended that the Endowment Officer be authorized to request the executor to obtain firm purchase offers for both the Day Manufacturing Company and Pool Manufacturing Company stocks in the residuary trust and that upon the receipt of a satisfactory purchase offer for each of the stocks, the Endowment Officer be authorized to instruct the executor to proceed with the sale, such price to be subject to the approval of the Land and Investment Committee.

Upon receipt of any partial distribution of the estate, it is recommended that the Endowment Officer be authorized to invest such distribution in short-term United States Government securities pending determination of the use of such money.

Under date of May 28, 1954, the Board of Regents authorized Endowment Officer Taylor to advise the executor of the estate that "for the time being, the University has not formulated plans to expend the money and would like to have securities producing income held for such time as sale would be necessary to provide funds for expenditure or such time as sale would be required to protect the value of the assets." At that time, Endowment Officer Taylor was also authorized to consult with Republic National Bank as executor from time to time regarding the time and price at which to sell the securities and other assets. It is recommended that this authorization of May 28, 1954, be confirmed with the modification that Endowment Officer Stewart be authorized to consult with the executor from time to time regarding sale of any of the assets of the residuary estate.

ESTATE OF LILA BELLE ETTER, DECEASED - COMPENSATION TO THE EXECUTOR AND TO THE COUNSEL FOR THE ESTATE. --Under date of March 31, 1955, the Republic National Bank of Dallas as Executor of the Estate of Lila Belle Etter, Deceased, presented to the University the question of compensation to the executor and to the counsel for the estate. The Republic National Bank has suggested that the executor's compensation be equivalent to 2-1/2% of the value of the estate, which would amount to a fee of approximately \$14,525.00 based on the estate tax valuation of \$581,000.00. Such compensation seems reasonable and is the minimum that would be due the executor under the New Texas Probate Code which will be effective January 1, 1956. At the time of Mrs. Etter's death, there were substantial bank deposits and,

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up to the present time there has been no need for conversion of securities into cash by the executor as a basis for a receiving fee. Also it is estimated by the executor that conversion as a basis for a disbursing fee will likewise be small due to the fact that there were few debts of the decedent to be paid by the executor and the fact that the major part of the estate is a tax-free bequest to The University of Texas. The executor has two courses in the matter of compensation for its services, (1) to apply to the court for a proper allowance, or (2) to seek an agreement with the residuary beneficiary. The executor has requested consideration of its fee at this time so as to arrive at the allowable deduction for succession tax purposes, pointing out that such fee will cover the executor's services until administration is closed, probably about one year hence. After administration of the estate is completed, the Republic National Bank as trustee will be entitled to reasonable compensation during the remaining term of the trust. It is recommended that Endowment Officer Stewart be authorized to advise the executor that a compensation equivalent to 2-1/2% of the value of the estate is deemed reasonable and satisfactory by the Board of Regents for the executor's services in closing out the Lila Belle Etter Estate.

The executor has also informed the University that the firm of Freeman, Wolfe, Henderson and Bryant of Sherman, Texas, counsel for the estate, has suggested a fee of \$12,000.00 for legal services. It is recommended that Endowment Officer Stewart be authorized to advise the executor that the fee of \$12,000.00 for legal services by the counsel for the estate is acceptable to the Board of Regents.

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

ESTATE OF A. C. McLAUGHLIN, DECEASED - ADDITIONAL FEE OF HOLME, ROBERTS, MORE, OWEN AND KEEGAN FOR SERVICES IN CONNECTION WITH SETTLING THE COLORADO PORTION OF THE ESTATE. --The University has received a statement dated March 22, 1955, from the legal firm of Holme, Roberts, More, Owen and Keegan for additional services from September 1, 1954, to March 1, 1955, in settling the Estate of A. C. McLaughlin, including preparation and compilation of land files, research and presentation to Attorney General of memoranda regarding inheritance tax exemption claim, conferences with Attorney General, correspondence and miscellaneous matters. The amount of the March 22, 1955, statement is \$1,391.85, consisting of \$1,275.00 for services and \$116.85 for out-of-pocket expenses. This statement represents the sixth presented by the firm and will bring the total amount paid to the firm to \$40,209.98. It is recommended that Endowment Officer Stewart be authorized to pay this fee out of Account No. 8653, the James W. McLaughlin Fellowship Fund.

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND - PROPOSED MONTH-TO-MONTH LEASE BASIS TO JOHN R. DIAL ON SPACE IN BUILDING ON JENNINGS AVENUE, FORT WORTH, TEXAS. --John R. Dial currently holds a lease on space in the building fronting 50 feet on Jennings Avenue and extending 60 feet on Fifteenth Street, Fort Worth, Texas, which lease expires May 31, 1955, and carries a monthly rental of \$175.00. At the present time plans are not yet definite for the route of the elevated freeway in the area of Jennings Avenue and Lancaster. Geo. Beggs Company, University rental agent in charge of the management of the Jennings Avenue Property belonging to the E. D. Farmer International Scholarship Fund, has reported that there was some prospect that construction would get underway on the freeway by this coming Fall and that definite plans as to right-of-way and layout on the Jennings Avenue side of the Farmer Property should be available within the next few months. The State wants the new right-of-way run in a straight line which would result in taking about 27 feet off the Farmer Property, which would probably mean, as a practical matter, that the city would buy or condemn the entire property. The City has proposed that the north-bound service street

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swing to the west in front of the Farmer Property which would mean possibly none or about ten feet maximum would be taken off the Farmer Building. The Geo. Beggs Company has also pointed out that plans are rather definite for the Lancaster west-bound service street running along the side of the Farmer Property to be laid out so that as much as 20 to 25 feet would be available on that side of Mr. Dial's premises for parking and that after the work is completed, his location would be quite prominent and more convenient and should be worth more than it is now.

The rental agent has proposed to Mr. Dial that he continue his use of the space as an office equipment business on a month-to-month basis at the same monthly rental of \$175.00 until such time as plans are more definite as to the route of the new rights-of-way in that area. It is recommended that Mr. Dial be permitted to continue his lease after May 31, 1955, on a month-to-month basis subject to cancellation by either party on sixty days' written notice.

E. D. FARMER INTERNATIONAL SCHOLARSHIP FUND - PROPOSED RENEWAL OF LEASE TO MOTOR PARTS DEPOT ON SPACE IN BUILDING ON JENNINGS AVENUE, FORT WORTH, TEXAS. -- The Land and Investment Committee has considered an application by Motor Parts Depot, Inc., submitted by the Boozer-Test Management Service, as consultant, for a renewal of lease on the portion of the building now under lease to Motor Parts Depot, located on Jennings Avenue between Thirteenth Street and Fifteenth Street in Fort Worth, Texas. The proposed renewal is for a period of five years beginning June 1, 1955, and ending May 31, 1960, at a monthly rental of \$400.00 per month, being the same rental as paid on the present lease. The terms of the lease are the same as the expiring lease with the exception of an additional escape clause providing that either the Lessor or the Lessee may terminate the lease upon 120 days' written notice to the other party if road construction is commenced in the immediate vicinity of the aforesaid building which might seriously change, interfere with or otherwise affect the Lessee's business at such location or said building. Under the proposed lease terms, the Lessee will have the privilege of assigning or underletting the space or any part thereof, provided the Lessor shall not be responsible for making any improvements to the leased premises as a result, and further provided that the Lessor shall approve the type of proposed assignee or sublessee. It is recommended that the Board approve the proposed renewal to Motor Parts Depot, Inc., as outlined above and authorize the Chairman of the Board to execute the lease instrument upon its approval as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

HUNTINGTON LANDS (ARCHER M. HUNTINGTON FUND) - PROPOSED SALE TO COMMUNITY PUBLIC SERVICE OF PART OF ACREAGE IN THE LITTLEFIELD SURVEY, GALVESTON COUNTY, TEXAS. -- An offer has been received from the Community Public Service Company for the purchase of 6.31 acres out of the Littlefield Survey of the Huntington Lands owned by the Board of Regents as trustee for the Archer M. Huntington Fund. The company proposes to purchase a strip of land 200 feet wide extending from State Highway No. 341 along the north line of the University's property in the Littlefield Survey a distance easterly of approximately 1,572 feet. The company plans to install a substation 200 feet square at the east end of the tract proposed to be purchased. The purchase price offer is at \$2,000.00 per acre all cash, the definite acreage purchased to be determined by mutually acceptable field notes to both parties. The offer is made subject to the conveyance of good and marketable title satisfactory to the legal counsel for Community Public Service. The University will retain three-fourths of the minerals with conveyance of one-fourth of the minerals to Community Public Service with leasing rights to be in the purchaser, mineral leases to be subject to joinder by the Board of Regents.

In March of 1953, a Texas City realtor furnished to the University a more or less general and quickly made appraisal of all of the Huntington Lands,

showing an appraised value of \$1,500.00 per acre for the 139.1-acre tract out of which the proposed purchase offer has been made. The sale of a 20-acre tract out of the northwest corner of this 139.1-acre tract at \$1,500.00 per acre to the University has recently been consummated, said sale having been approved by the Board of Regents at its meeting held on December 11, 1954. Subsequent to the receipt of the above-outlined purchase offer, another Texas City realtor was asked for an up-to-date appraisal on the 6.31-acre tract involved in the purchase offer. His appraisal of the tract involved was \$750.00 per acre which, in the opinion of the Endowment Officer and the Land and Investment Committee, is quite low for the strip.

It is recommended that the Board of Regents accept the offer of Community Public Service for the purchase of 6.31 acres, more or less, at \$2,000.00 per acre out of the northeast corner of the 139.1-acre tract in the Littlefield Survey, said strip of land to be 200 feet wide and to extend approximately 1,572 feet along the north boundary from State Highway No. 341. It is further recommended that the Board of Regents authorize the Chairman to execute the contract of sale and the deed to the property upon payment by the purchaser of the total purchase price, such instruments to be approved as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

HUNTINGTON LANDS (ARCHER M. HUNTINGTON FUND) - PROPOSED JOINT APPRAISAL OF REMAINING UNSOLD HUNTINGTON LANDS. --At the request of Endowment Officer Taylor, the Mainland Company of Texas City, Texas, made a quick 1953 appraisal of the various tracts of land owned by The University of Texas in trust for the Archer M. Huntington Fund in Galveston County, Texas. The appraisal ranged from \$1,500.00 per acre for 150 acres in the Littlefield Survey to \$500.00 an acre for the least attractive tract in the Bundick Survey. At present the total acreage owned by the University in the H. B. Littlefield Survey is 1,129.09 acres more or less, and in the Bundick Survey 2,464.46 acres more or less, for a total of approximately 3,593.55 acres in both surveys. This total acreage does not include a tract of 200 acres in the Littlefield Survey now under long-term lease to Union Carbide and Carbon Corporation, which lease is a residue deposit agreement providing that, after each section of the 200 acres, these sections amounting to approximately twenty acres each, is filled to approximately eight feet above sea level, there will be no further deposits on that section and all rights of the lessee to that section will cease.

In recent months, the University has had tentative inquiries regarding the possible purchase of acreage out of the Huntington Lands and one particular inquiry regarding a possible offer on 1,000 acres out of the Littlefield Survey.

In the light of any possible further purchase offers for a portion of the Huntington Tract, it is recommended that Endowment Officer Stewart be authorized to obtain an up-to-date and competent appraisal of the entire tract. It is further recommended that Mr. Stewart be authorized to have a joint appraisal made by as many as three competent appraisers, the total cost not to exceed \$2,250.00, with the selection of the appraisers to be subject to the approval of the Chairman of the Land and Investment Committee.

HOGG FOUNDATION: THOMAS E. HOGG ESTATE - PROPOSED JOINDER BY BOARD OF REGENTS AS REMAINDERMAN ON MINERAL LEASE TO W. T. JONES IN MONTGOMERY COUNTY, TEXAS. --Mr. William B. Ferguson has submitted an oil, gas, and mineral lease contract dated April 12, 1955, wherein Mrs. Margaret Wells Hogg as life tenant under the will of Thomas E. Hogg, Miss Ima Hogg, Mrs. Alice N. Hanszen, and the Board of Regents of The University of Texas, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, as remainderman under the will of Thomas E. Hogg, are

named as Lessors and W. T. Jones of Harris County, Texas, as Lessee. The Lease covers five tracts of land out of the Mary Corner League in Montgomery County, Texas, the total acreage for the purpose of calculating the payments and royalties provided for in the lease being estimated to comprise 1,368.6 acres more or less. The lease is for a primary term of three years from May 1, 1955, and will continue so long thereafter as either (1) oil, gas, or other mineral is produced from said land or land with which said land is pooled, or (2) drilling or reworking operations are conducted on said land or land with which said land is pooled. The lessees are to receive a one-eighth royalty on all oil, gas, or other minerals produced, mined, and marketed on land, except that on sulphur the royalty shall be \$1.00 per long ton payable when marketed. The lease further provides that where a gas well is on the land but gas is not being sold or used, the lessee may pay as royalty on or before the first day of January of each year after the bringing in of the well a sum equal to \$2.50 per acre on the number of acres in the lease. The lease also provides for an overriding royalty of (a) 1/32 of 7/8 of all oil, distillate, condensate, and other liquid hydrocarbons produced and saved from the lands to be delivered and/or paid for in the same manner as other royalty provisions, and (b) 1/32 of 7/8 of gas, including casinghead gas, produced and saved from the land; (c) 1/32 of 7/8 on all other minerals produced, mined, and marketed, except that on sulphur. The overriding royalty will be 12-1/2¢ per long ton payable when marketed. The lease shall terminate as to both parties unless the Lessee shall commence on or before July 1, 1955, the actual drilling of a well on the land and unless such drilling shall be continuously prosecuted thereafter until a depth of at least 6,200 feet is reached. Delay rentals of \$1.00 per acre and pooling of acreage are also provided for. The interest of the University is that of remainderman under the will of Thomas E. Hogg, Deceased. The Land and Investment Committee recommends that the Board of Regents approve this lease and authorize the Chairman to execute it upon approval as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

TEXAS WESTERN COLLEGE - PROPOSED RENEWAL OF FARM LEASE TO JOHN T. BEAN ON COTTON ESTATE PROPERTY IN EL PASO COUNTY, TEXAS. --Mr. A. A. Smith, Acting President of Texas Western College, has submitted with his approval a proposed renewal of the farm lease to John T. Bean on a 115.429-acre tract of land out of the Cotton Estate Property for the year 1955. The terms of the proposed renewal are on the same basis as those for the 1954 calendar year whereby the Cotton Estate received 1/3 of the gross proceeds from cotton sales as rental on the land. Rental has been received by the University to date for the calendar year 1954 in the amount of \$11,400.00. The renewal lease provides an option to renew the lease 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. The Land and Investment Committee recommends that the Board grant the renewal lease for the calendar year 1955 as outlined above and authorize the Chairman of the Board to execute such lease upon its approval as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

TEXAS WESTERN COLLEGE - PROPOSED RENEWAL OF GROUND LEASE TO RIO GRANDE BROADCASTING COMPANY ON COTTON ESTATE PROPERTY IN EL PASO COUNTY, TEXAS. --Mr. A. A. Smith, Acting President of Texas Western College, has submitted with his approval a proposed renewal of the ground lease to Rio Grande Broadcasting Company on 8.265 acres of land out of the Cotton Estate Property in El Paso, Texas. The original lease was for a period of ten years beginning January 1, 1946, and ending December 31, 1955, at an annual rental of \$800.00 per year for the entire tract. Mr. Smith has negotiated with the Broadcasting Company for the renewal lease to be for an initial term of five years beginning January 1, 1956, and ending December 31, 1960, at an annual rental of \$2,400.00 per year for the entire tract, payable in advance. The lessee would be given an option to renew for a

second term of five years at a negotiated rental rate, said option to be exercised not less than one year prior to the expiration of the initial term. The lease further provides that if the option for the second five-year term is exercised, either lessee or lessor may cancel the lease by giving written notice of cancellation not less than twelve months before the expiration of the calendar year. It is recommended that the Board of Regents approve the renewal of the ground lease to Rio Grande Broadcasting Company as outlined above and authorize the Chairman of the Board to execute the lease instrument upon its approval as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

HOGG FOUNDATION: VARNER PROPERTIES - PROPOSED LEASE TO D. G. KURJIAN ON SPACE AT 1102 CAPITOL AVENUE IN THE RIVER OAKS BUILDING, HOUSTON, TEXAS. --Endowment Officer Stewart has negotiated with D. G. Kurjian of Houston, Texas, for a lease on the vacant space at 1102 Capitol Avenue in the River Oaks Building, Houston, Texas, the space to be used for a sandwich and soft drink shop. Mr. Kurjian has been in Mobile, Alabama, most of the time for the past twelve or thirteen years. A bank reference there reports that they have known Mr. Kurjian during that time, that he has shown marked ability in the operation of small cafes and sandwich shops in Mobile, that the bank has loaned him up to \$500 unsecured with prompt repayment, and that the bank has confidence in Mr. Kurjian's judgment and character. Mr. Kurjian has stated that he has around \$5,000.00 in cash for equipping and starting a sandwich shop in the space desired and that he can borrow additional funds. He and his wife plan to operate the shop so that little additional help will be required. The proposed lease would be for a three-year period beginning June 1, 1955, and ending May 31, 1958. The space would be rented as is with all necessary improvements, including those required by City of Houston health regulations, to be made by the lessee at the lessee's expense. The rental would be at the rate of \$250.00 per month for the first six months of the lease and at \$300.00 per month thereafter to the end of the lease, with the first month's and the last month's rental in the total amount of \$550.00 to be paid in advance. The Land and Investment Committee recommends that the Board approve the lease as outlined above and authorize the Chairman of the Board to execute the necessary lease instrument upon its approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: VARNER PROPERTIES - PROPOSED LEASE TO FRED HAMMOND ON SPACES AT 1106 AND 1108 CAPITOL AVENUE IN THE RIVER OAKS BUILDING, HOUSTON, TEXAS. --At the present time, Fred Hammond holds a three-year lease on the space at 1108 Capitol Avenue, beginning January 1, 1954, and expiring December 31, 1956, at a monthly rental of \$500.00 per month, the space being used for Hammond Photo Shop. Endowment Officer Stewart has negotiated with Mr. Hammond for his leasing of the vacant space at 1106 Capitol Avenue in addition to the space at 1108 Capitol Avenue. Mr. Hammond's present lease would be cancelled out as of June 30, 1955, and in lieu thereof, he would be granted a five-year lease beginning July 1, 1955, and ending June 30, 1960, on both 1108 and 1106 Capitol Avenue. The total rental for the two combined spaces would be \$700.00 per month, payable monthly in advance. All improvements to both spaces would be made by the Lessee and at the Lessee's expense. It is recommended by the Land and Investment Committee that the proposed new leasing arrangement with Mr. Hammond as outlined above be approved by the Board and that the Chairman of the Board be authorized to execute the necessary instrument to effect the cancellation of the old lease and the substitution of the new lease upon its approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION: VARNER PROPERTIES - PURCHASE OFFER OF GROOS NATIONAL BANK FOR CENTRAL COMPANY PROPERTY, SAN ANTONIO,

TEXAS. --An offer has been received from The Groos National Bank of San Antonio, Texas, for the purchase of the Central Company Property in San Antonio, Texas, belonging to the Varner Properties in the Hogg Foundation: W. C. Hogg Memorial Fund. The total purchase price offered is \$196,050.00. The offer has been accompanied by a good faith check in the amount of \$19,605.00 and a proposed form of purchase contract which has been executed on behalf of the bank by Mr. Ernest M. Groos, President.

The Central Company Property consists of Lots 6 and 12 and the west 1/2 of Lot 8, City Block 108, San Antonio, Texas, located at the southwest corner of West Commerce and Navarro Streets and the northwest corner of West Market and Navarro Streets, fronting 65.35 feet on the south side of West Commerce, 192.4 feet, more or less, on Navarro Street, and 65.1 feet on West Market Street. The property has been appraised as high as \$253,000.00 in November, 1953, by Mr. Paul Adams, San Antonio appraiser, said appraisal having been recently revised by Mr. Adams as being too high, the gross rental of \$18,000.00 less ad valorem taxes or net rental of \$15,184.80 being capitalized to bring a rate of return of 6-1/2%, giving a revised appraisal figure of approximately \$233,000.00. In 1951, the property was appraised by Mr. Harry E. Richards of the Second National Bank of Houston at \$114,950.00, which figure was used in setting up the property on the books of the University. Also in 1951, Mr. C. E. Woodall of the Houston Bank and Trust Company appraised the property at a low figure of \$81,250.00. The parking lot lease on the property to Classified Parking System, running from April 1, 1954, through March 31, 1959, at a monthly rental of \$1,500.00 plus 50% of excess of \$30,000.00 per year gross revenue, brought in the base rental only in the amount of \$18,000.00 for the year ended March 31, 1955, the total gross revenue for the year amounting to only \$24,261.25. The lease is subject to a 60 days' cancellation clause in the event of sale of the property.

It is recommended by the Land and Investment Committee that the Board decline the above offer of \$196,050.00 cash for the property and authorize the Endowment Officer to make a firm counter offer of \$250,000.00 cash for the property, subject to acceptance or rejection within thirty days after notice is received by The Groos National Bank of the counter offer. It is further recommended that if The Groos National Bank accepts the counter offer herein recommended, that the Chairman of the Board be authorized (1) to execute a revised contract of sale and (2) to execute a deed to the property upon the payment by the purchaser of the balance of the purchase price, such instruments to be approved as to form by Land and Trust Attorney Gaines and as to content by Endowment Officer Stewart.

Adoption of Report. --Mr. Jeffers moved that the recommendations in the foregoing report be adopted. Vice-Chairman Voyles seconded the motion, which carried.

REDUCTION OF GRAZING LEASE RENTAL PAYMENTS DUE JULY 1, 1955. --Mr. Jeffers presented the following report of the Land and Investment Committee: [See Page 545

The Land and Investment Committee has reviewed with Chairman Sealy, Land Agent Compton and others the prevailing serious drought situation on the Permanent University Fund lands on which grazing leases are held. Mr. Compton has reported that some rainfall early in 1955 had made general conditions look better until the hard freeze in late Spring killed everything and that since then dust storms and high winds had taken over the scene. During the past several weeks, parts of the grazing lands have had some rain but not enough to improve materially the serious drought conditions prevailing. Unless substantial, continuous and drought-breaking rains are experienced widely over the area during May and June, it is the opinion of both Messrs. Sealy and Compton that the country will be in the worst condition that the ranchers have ever seen.

Accordingly, it is recommended by the Land and Investment Committee that the Board of Regents grant a straight 50% reduction on the grazing lease rental payments due on July 1, 1955, for the period July 1 to December 31, 1955. This 50% reduction would actually effect a 25% reduction on grazing lease rentals for the entire 1955 year; but since rentals due on the first six months of 1955 have already been paid on January 1, 1955, without reduction, the entire reduction would have to be granted at the rate of 50% on the July 1, 1955, payments. In the case of grazing lessees in Hudspeth County, the above-recommended reduction would in effect amount to a 37-1/2% reduction for the 1955 year, since the Board granted these lessees a 25% reduction on January 1, 1955, payments. It is further recommended that Land Agent Compton be authorized to prepare supplemental agreements to effect the above-recommended grazing lease rental reduction so that grazing lessees can be notified not later than June 15, 1955, of the reduction granted by the Board.

Adoption of Report. --The recommendations in the foregoing report were adopted upon motion of Mr. Jeffers, seconded by Mr. Sorrell.

PROJECT NO. TEX. 41-CH-11, MEDICAL BRANCH -- PROPOSED METHOD OF OFFERING \$2,512,000.00 PAR VALUE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS (MEDICAL BRANCH) DORMITORY REVENUE BONDS, SERIES 1955, FOR PUBLIC SALE WITH AUTHORIZATION AND TIMING INCLUDED. --Mr. Jeffers presented the following report of the Land and Investment Committee:

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Under date of May 28, 1954, the Board of Regents authorized the Endowment Officer to negotiate for the sale of Dormitory Revenue Bonds for both the Main University Project No. Tex. 41-CH-12 in the amount of \$3,402,000.00 and for the Medical Branch Project No. Tex. 41-CH-11 in the then amount of \$1,167,000.00, "either directly negotiating with investment dealers and private investors for the sale of the bonds at an effective rate of interest not to exceed 3.15%, or failing this, advertising for competitive bids for the bonds, establishing the terms thereof, opening the bids, etc., subject only to the actual acceptance or rejection of the best bid by the Board of Regents." Subsequent to this authorization, the Medical Branch Project by Amendatory Loan Agreement approved by the Board of Regents on October 29, 1954, was increased \$1,345,000 to the total of \$2,512,000.00. This Amendatory Loan Agreement calls for \$1,167,000.00 par value of Dormitory Revenue Bonds at 3.01% and \$1,345,000 par value at 3.25% provided the bonds are sold to the Housing and Home Finance Agency. According to the terms of the Loan Agreement, the maximum yield price at which bonds would be awarded to a public purchaser would be at 3.11% for the Part A Series of the bonds and at 3.50% for the Part B Series.

The Land and Investment Committee recommends the following:

1. That the entire issue of bonds in the amount of \$2,512,000.00 par value be offered first to the public under an advertised competitive sealed bid sale, with the right reserved to reject any and all bids received.
2. That if satisfactory bids are not received under a competitive sealed bid sale, that the Endowment Officer be authorized to then negotiate for the sale of the bonds.
3. That the advertising material sent out by the Endowment Officer for the competitive sealed bid sale be subject to the approval of the Chairman of the Board of Regents, the Chairman of the Land and Investment Committee, and the Vice-President for Fiscal Affairs.

4. That contingent upon construction awards being made in June, 1955, the date of the competitive sealed bid opening for the bonds be set at least two days prior to the regular meeting date scheduled for the Board of Regents in July so that the Bids received can be tabulated and studied and a recommendation made to the Board at its July meeting.

4a. That a Special Committee, composed of the Chairman of the Board of Regents, the Chairman of the Land and Investment Committee, the Vice-President for Fiscal Affairs, the Comptroller, and the Endowment Officer, be authorized to study the competitive bids received and, if the low bid received is determined to be satisfactory, to make a firm commitment on the day the competitive bids are publicly opened and read for the sale of the bonds to such low bidder, such commitment to be subject to ratification by the Board of Regents at its meeting to be held on July 8, 1955.

5. That contingent upon a satisfactory sale of the bonds in July, the bonds be dated September 1, 1955, and delivered as soon thereafter as practicable, the bonds to mature on September 1, 1957, through September 1, 1994.

Adoption of Report. --Mr. Jeffers moved, and Vice-Chairman Voyles seconded the motion, that the Board approve the recommendations in the foregoing report. The motion carried.

CENTRAL ADMINISTRATION

APPROVAL OF DOCKET. --President Wilson presented to the Board a docket under date of May 4, 1955, for Central Administration to which he had attached and incorporated as a part of his docket, together with his recommendation for approval, the dockets of the component institutions of The University of Texas; namely:

- Main University and Extramural Divisions -
submitted by Vice-President C. P. Boner, P. 590
- Texas Western College -
submitted by Acting President A. A. Smith, P. 637
- Medical Branch -
submitted by Director Chauncey D. Leake, P. 640
- Dental Branch
submitted by Dean John V. Olson, P. 650
- M. D. Anderson Hospital -
submitted by Director R. Lee Clark, Jr., P. 655
- Southwestern Medical School -
submitted by Dean A. J. Gill, P. 682
- Postgraduate School of Medicine -
submitted by Dean Grant Taylor, P. 699

The Board approved the docket of President Wilson upon motion of Mr. Sorrell, seconded by Mr. Johnson. (This docket is attached to and made a part of these minutes. Page 589.)

APPROVAL OF MINUTES, MARCH 11 and 12, 1955. --Upon motion by Mr. Voyles, seconded by Mr. Lockwood, the Board approved the minutes of March 11 and 12, 1955, in the form in which they were multigraphed and distributed by the Secretary.

RESOLUTION BY BOARD OF DIRECTORS, TEXAS TECHNOLOGICAL COLLEGE, CONCERNING DOCTOR DYSART HOLCOMB. --Chairman Sealy called to the attention of the Board a resolution by the Board of Directors of Texas Technological College expressing regret of the Board in the loss of Doctor Holcomb as Dean of Engineering at Texas Technological College and commending him to the Board of Regents of The University of Texas.

REPORT OF DEVELOPMENTAL PROJECTS, ETTER ESTATE FUND. -- At the request of President Wilson, Vice-President Haskew reported that the restricted funds accounts of the Etter Estate as authorized at the January, 1955, meeting of the Board are being implemented through several methods and in accordance with the intent expressed by the Board when the funds were set up. The first report from The University of Texas should be complete about June 1. A copy will be in the Secretary's Files, Volume II, page (21)

In answer to Vice-President Haskew, Vice-President Dolley assured the Board that the Etter Estate is liquid.

"THIS IS YOUR UNIVERSITY". --Upon motion of Mr. Sorrell, duly seconded, the Board commended the Staff of the News and Information Service and all others concerned in the production of the film "This Is Your University".

TENTATIVE POLICY CONCERNING TRANSFER OF PERSONNEL BETWEEN BRANCHES, THE UNIVERSITY OF TEXAS SYSTEM. --There was a general discussion as to the employment of personnel between branches of The University of Texas system. President Wilson expressed the opinion employment should not be frozen nor the advancement of an individual blocked. He did recommend, however, that an approach should not be made to employ a person in another branch without consulting the head of the branch concerned and the President of the University and procuring the consent of the Board of Regents.

Upon motion of Doctor Minter, seconded by Mr. Jeffers, the Board adopted the recommendation of President Wilson pending further study and final approval.

MAIN UNIVERSITY

JOINT RESOLUTION COMMENDING FIELDS OF COTTON MARKETING AND MERCHANDISING RESEARCH, MAIN UNIVERSITY. --The Board expressed appreciation for the joint resolution, presented by President Wilson, that had been submitted by the Texas Cooperative Ginners' Association and the stockholders of the Houston Bank for Cooperatives. This resolution commended the work at The University of Texas in the fields of cotton marketing and merchandising research.

REPORT OF REGISTRAR, MAIN UNIVERSITY. --For information, President Wilson presented to each member of the Board a mimeographed report from the Office of the Registrar for the Second Semester, 1954-55.

MEDICAL BRANCH

REPORT, PSYCHOLOGICAL TESTING PROGRAM FOR ENTERING MEDICAL STUDENTS (DROP-OUTS). --Dean Bailey Calvin commented briefly on the research program being conducted by Doctor Molly R. Harrower under funds provided by Josiah Macy, Jr., Foundation of New York City. He pointed out that this is a five-year research program and is still in its formative stage. The purpose of this program is to establish a better understanding of all psychological factors, intellectual and emotional, which make for success or failure in academic work. After this study has been completed, it is the hope of the

Medical Branch to have a basis for screening its students and to have new methods of counseling students to enable them to make the most of their natural abilities.

A copy of the report was furnished to each member of the Board and a copy is in the Secretary's Files, Volume II, p. 73

AWARD OF LEASE, BOOK STORE AND STOREROOM, MEDICAL BRANCH. -- Upon the recommendation of President Wilson and on motion of Mr. Sorrell, seconded by Mr. Lockwood, the Board ratified and approved the award of lease by the State Board of Control for approximately 1200 square feet of floor space located at 923 Avenue C, Galveston, to be used as a book store and storeroom for the Medical Branch for the period March 1, 1955, through February 29, 1956, at a monthly rental rate of \$100, and further authorized Comptroller Sparenberg to sign the lease agreement with E. Bovio.

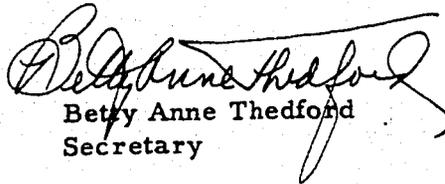
STUDENT UNION PROJECT, MEDICAL BRANCH. -- The Medical Affairs Committee approved a report by Dean D. Bailey Calvin, Director of Student and Curricular Affairs at The University of Texas Medical Branch, regarding the status of the Student Union Project together with specific recommendations concerning this project, but no final action was taken by the Board. It will be brought to the attention of the Board at a later date.

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APPROPRIATION OF \$200,000, CHILDREN'S HOSPITAL. -- Upon motion of Mr. Sorrell, seconded by Doctor Minter, the Board appropriated \$200,000 from the Available Fund for the repair and reconditioning of the Children's Hospital at The University of Texas Medical Branch.

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ADJOURNMENT. -- Upon a motion duly made and seconded the Board adjourned at 10:30 a. m. Saturday, May 14, 1955, to convene in Austin, July 8, 1955.


Betty Anne Thedford
Secretary