

Austin, Texas
 June 28, 1957
 Meeting No. 563

The Board of Regents of The University of Texas met as a Committee of the Whole in the Office of the President, Main Building, Austin, Texas, on Friday, June 28, 1957, at 10:00 a. m. with the following in attendance:

<u>Present</u>	<u>Absent</u>
Chairman Jeffers	Regent Hardie (excused)
Vice-Chairman Sorrell	Regent Johnson (excused)
Regent Bryan	Regent Thompson (excused)
Regent (Mrs.) Devall	(See Page <u>2</u> .) See Page 985
Regent Lockwood	
Regent Minter	
President Wilson	
Secretary Thedford	

Also in attendance upon the meeting were Vice-President Dolley, Vice-President Haskew, Assistant to the President Cox, and Budget Officer Graydon.

CENTRAL ADMINISTRATION

ADOPTION OF 1957-58 ANNUAL BUDGETS. --On June 20, President Wilson mailed to each Regent a proposed annual budget for 1957-58 for each of the component institutions of The University of Texas with the exception of Auxiliary Enterprises at the Main University and at the Medical Branch. However, these proposed budgets for auxiliary enterprises were furnished each Regent at the meeting.

At the request of Chairman Jeffers, Vice-President Dolley called on Budget Officer Graydon to present the summaries and analyses for all the component units. Then as the proposed budget for each institution was considered, the institutional head and business manager were called into the meeting.

After due consideration and upon motion of Vice-Chairman Sorrell, seconded by Mrs. Devall, the 1957-58 Annual Budgets of the component units of The University of Texas system* were adopted in the form as found in the bound volume, Annual Budgets, 1957-58, Volume XII.

*Central Administration and Available University Fund
 Main University - General Budget
 Main University - Auxiliary Enterprises
 Office of Government Sponsored Research Project
 Texas Western College (Including Auxiliary Enterprises)
 Medical Branch - General Budget
 Medical Branch - Auxiliary Enterprises
 Dental Branch
 M. D. Anderson Hospital and Tumor Institute (Including
 Auxiliary Enterprises)
 Southwestern Medical School
 Postgraduate School of Medicine

ACCEPTANCE, RESIGNATION DOCTOR C. P. BONER, VICE-PRESIDENT FOR ACADEMIC AFFAIRS; ASSIGNMENT, EXECUTIVE DIRECTOR OF OFFICE OF GOVERNMENT SPONSORED RESEARCH PROJECTS AND DIRECTOR OF DEFENSE RESEARCH LABORATORY. -- President Wilson reported to the Board the request of Doctor C. P. Boner to be relieved of his duties as Vice-President for Academic Affairs and to be assigned as Executive Director of the Office of Government Sponsored Research Projects and Director of the Defense Research Laboratory.

Chairman Jeffers expressed the appreciation of each member of the Board to Doctor Boner for the very fine dedicated and devoted service he has given to the University in key positions for many years -- in critical research areas, as Dean of the College of Arts and Sciences, and as Vice-President for Academic Affairs -- with much of this service being during periods of transition and difficult times. Chairman Jeffers extended to Doctor Boner the hopes and wishes of the Board members for happiness in his continuing service in the research field.

ATTENDANCE. -- Mr. Lockwood was excused from the meeting for the remainder of the afternoon. Vice-President Casberg, Director Clark, Deans Gill, Olson, and Taylor, Doctor Blocker, and Mr. Walker (the latter two representing Director Truslow) came into the meeting.

MEDICAL AFFAIRS COMMITTEE

At the request of Chairman Jeffers, Doctor Minter presided. The items of the Medical Affairs Committee were considered and acted on by the Committee of the Whole.

MEDICAL BRANCH. -- The items listed below concerning The University of Texas Medical Branch were considered.

Contract with City of Galveston. -- The Board discussed the contract with the City of Galveston which expires June 30, 1957. Particular emphasis was placed on the termination provision, the provision of medicines for the indigents of the city, and the determination of indigency.

Mrs. Devall moved that the contract with the City of Galveston covering services by The University of Texas Medical Branch to the City of Galveston indigents be negotiated along the lines discussed. Vice-Chairman Sorrell seconded the motion which was adopted. The contract will be reported at a subsequent meeting for ratification.

Contract with James A. Hamilton Associates, Master Plan. -- Vice-Chairman Sorrell moved that the Chairman be authorized to execute a contract with James A. Hamilton Associates, Hospital Consultants, for consultation services in connection with the repair and rehabilitation projects at The University of Texas Medical Branch and for the development of a master plan for the Medical Branch for a fee of Fifty Thousand (\$50,000) Dollars plus expenses with Ten Thousand (\$10,000) Dollars of this amount paid by the Sealy and Smith Foundation and the remainder from the Available University Fund. Mrs. Devall seconded this motion which was adopted. A copy of the contract is in the Secretary's Files, Volume IV, page 132.

Progress Report on Water Problem. --At the September 1956 meeting, the Board granted Doctor Truslow permission to employ an appropriate engineer to check an apparent electrolysis of the water main. Business Manager Walker reported that an engineering company report has been obtained without cost and that the trouble is being corrected.

Augmentation Plan, Medical Branch. --At the January 1957 meeting of the Board basic features of the Augmentation Plan for The University of Texas Medical Branch were adopted (Permanent Minutes, Volume IV, Pages 452-454). At that time it was pointed out that these basic features represented an outline to be followed in developing the complete plan. At the Medical Affairs Committee meeting in Galveston June 21-22, 1957, Doctor Truslow presented a complete copy of a proposed Augmentation Plan for The University of Texas Medical Branch.

After a general discussion of the plan, Vice-Chairman Sorrell moved that it be adopted effective September 1, 1957. Mrs. Devall seconded the motion which was adopted. Vice-Chairman Sorrell pointed out and it was understood by the Board that full implementation of the plan could not take place until the second phase of increased legislative appropriations for Medical Branch salaries had been achieved. A copy of the Augmentation Plan as adopted is in the Secretary's Files, Volume IV, page 136.

Special Committee and Authorization for Signature, Doctor Truman G. Blocker. --The Medical Affairs Committee at its meeting June 21-22, 1957, in Galveston, recommended to the full Board that a committee composed of Doctor Truman G. Blocker, Mr. E. Donald Walker, Mr. Warren G. Harding, Doctor E. G. Troutmann, and Mr. Dan Bobbitt be named as a committee to act in the stead of Doctor John B. Truslow during his absence from the campus June 24-August 22, 1957, and further authorized Doctor Truman G. Blocker to sign all necessary papers for the Director of The University of Texas Medical Branch during this period. Upon motion duly made and seconded, the Board unanimously approved the recommendations of the Medical Affairs Committee.

SOUTHWESTERN MEDICAL SCHOOL, FORT WORTH SURGICAL RESEARCH LABORATORY. --Doctor Minter presented the following report from the Council on Medical Affairs regarding the relationship of the Fort Worth Surgical Research Laboratory and The University of Texas Southwestern Medical School:

A. Historical:

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

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

B. Recommendation:

In reviewing the history and proposed activities of the Fort Worth Research Laboratory it is the recommendation of the Medical Affairs Council that if this unit is to be permitted to function as a part of The University of Texas system certain definite lines of responsibility should be established.

1. In view of the contemplated emphasis on surgical research, administratively this laboratory should be a part of the Department of Surgery of Southwestern Medical School and thus responsible to the Dean of the school through the office of the departmental chairman.
2. Staff appointments to the Research Laboratory should be in the Department of Surgery and processed by the department in the routine and accepted manner.
3. Though the procurement of the budget for the Research Laboratory is neither the function nor the responsibility of The University of Texas, nevertheless, all of the fiscal and operating policies should be submitted through departmental channels to the University for approval. In like manner grant applications should have advance approval of the University and be processed in conformity with the usual University policies and regulations.
4. This program should be reviewed after one year of affiliation.

Vice-Chairman Sorrell moved that the foregoing report and the recommendations contained therein of the Council on Medical Affairs be adopted. This motion was duly seconded and carried.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. --The following items concerning The University Cancer Foundation at the M. D. Anderson Hospital and Tumor Institute were considered:

Income Tax Return, The University Cancer Foundation. --Pursuant to authorization at the May 1957 meeting, Chairman Jeffers reported that Mr. Benjamin L. Bird had not yet completed a review of the tax problem that exists by reason of the Association of Physicians of The University Cancer Foundation having had an excess of earnings. However, Mr. Bird will render a final opinion at an early date.

If Mr. Bird recommends in his final opinion that the Department of Internal Revenue Service be requested to give a ruling on the tax status of the Association of Physicians and The University Cancer Foundation, Mr. Jeffers moved that the Medical Affairs Committee be authorized to make the request in the name of the University. Vice-Chairman Sorrell seconded the motion which carried.

Board of Visitors, The University Cancer Foundation: Terminating Date of Appointment, Re-appointments, and Appointments. -- Director R. Lee Clark, Jr., presented the following recommendations:

1. Change the terminating date for the appointment of all members of the Board of Visitors of The University Cancer Foundation to December 31 rather than August 31 in order that the appointments comply with the terms of the trust agreement.
2. Re-appoint as members of the Board of Visitors of The University Cancer Foundation the following for the period beginning September 1, 1957:

<u>Name</u>	<u>Term of Appointment Ending</u>
J. M. Odom	December 31, 1960
Ben R. Barbee	December 31, 1960
Edward Marcus	December 31, 1960
Prentiss Cobb Hale	December 31, 1960
Harmon Whittington	December 31, 1958

3. Appoint Mr. John Mecom as a member of the Board of Visitors of The University Cancer Foundation for the period September 1, 1957, through December 31, 1960.

Upon motion duly made and seconded, the Board approved the foregoing recommendations.

Ratification of Medical Board, The University Cancer Foundation. -- Director Clark requested ratification of the appointment of the following individuals as members of the Medical Board of The University Cancer Foundation and further requested authorization to the Secretary of the Board to insert the names of these members in the trust agreement of The University Cancer Foundation that had been officially executed September 21, 1956:

<u>Name</u>	<u>Termination Date</u>
R. Lee Clark, Jr., M. D.	December 31, 1958
Gilbert H. Fletcher, M. D.	December 31, 1958
Clifton D. Howe, M. D.	December 31, 1958
William O. Russell, M. D.	December 31, 1959
William S. MacComb, M. D.	December 31, 1959
E. C. White, M. D.	December 31, 1959

Upon motion of Vice-Chairman Sorrell, seconded by Mrs. Devall, the Board unanimously approved the foregoing recommendation as presented.

SCHOOL OF MORTUARY SCIENCE. --Doctor Minter presented the following report of the Council on Medical Affairs to whom President Wilson had referred a request by the Texas Funeral Directors and Embalmers Association for a School of Mortuary Science to be established within The University of Texas:

The Medical Affairs Council having studied the data supplied by the Texas Funeral Directors and Embalmers Association and having considered the request of the Association that a School of Mortuary Science be established under the auspices of The University of Texas recommends that this request be denied.

This unfavorable recommendation is not based on the possible need for or surplus of well-trained morticians but rather on the responsibility of the University for an educational priority in the science professions.

Due to certain similarities in curriculum and teaching facilities good pedagogy in mortuary science would dictate an affiliation of such a school with one of the health professions institutions. In view of the current reorganization in progress at the medical and dental branches, any further educational responsibilities or demands at the present time might seriously jeopardize the status of these institutions.

Under these circumstances it would appear unwise for the University to accept added responsibilities which might curtail progress in medical or dental education.

The Board approved the report of the Council on Medical Affairs, upon motion of Mr. Bryan, duly seconded.

RECESS. --Concluding consideration of Medical Affairs Committee matters, Doctor Minter relinquished the chair to Chairman Jeffers.

The Committee of the Whole recessed at 5:45 p. m., Friday, and reconvened in regular session at 10:10 a. m., Saturday, June 29, with the same Regents in attendance as on Friday at 10:00 a. m., President Wilson, and Secretary to the Board Thedford.

Also in attendance were Vice-President Boner, Vice-President Dolley, Vice-President Haskew, Vice-President Casberg, Assistant to the President Cox, and other Administrative Officials.

COMMITTEE REPORTS

REPORT OF EXECUTIVE COMMITTEE, INTERIM ACTION. --See Page 64, Tuition Scholarships (H.B. No. 265, 55th Legislature, R.S.), Main University.

See Page 1047

REPORT OF LAND AND INVESTMENT COMMITTEE (SEE PAGE 47 FOR ADOPTION). --At the request of Chairman Jeffers, Vice-Chairman Sorrell, Chairman of the Land and Investment Committee, presented the following report:

See Page 1030

INVESTMENT AND LAND MATTERS OF PERMANENT UNIVERSITY FUND; INVESTMENT, GIFT, BEQUEST AND ESTATE, REAL ESTATE, AND REVENUE BOND FINANCING MATTERS OF TRUST AND SPECIAL FUNDS; MORTGAGE LOAN CONSULTANT. --(Since the mimeographed report and/or recommendations for the Land and Investment Committee had been prepared by Endowment Officer Stewart and had been forwarded ten days prior to the meeting by the Secretary of the Board to each Regent in the bound volume Material Supporting the Agenda, Vice-Chairman Sorrell called attention only to those items which had been revised in some manner and which had been added since the agenda was prepared. However, he presented in detail the revised portions and the new items as listed below and as included in the report:

I. Revisions

A. Estate of A. C. McLaughlin (California Administration) - Recommendation for Approval of Stipulation re Allotment and Liquidation for Final Distribution, Page 35.

See Page 1018

B. Murray Case Sells Estate - Report on Status of Estate and Recommendation for Appointment of a Director of Sells Petroleum, Inc., Page 36.

See Page 1019

C. James W. McLaughlin Fellowship Fund - Recommendation for Joinder in Unit Agreement and Unit Operating Agreement for Rangely Field (Weber Sand), Page 37.

See Page 1020

D. Hogg Foundation: Varner Properties - Proposal from W. E. Dyche, Jr., on behalf of Houston First Federal Savings and Loan Association of Houston for Purchase of River Oaks Building, Southeast Corner, Capitol and Fannin, Houston, Texas, Page 39.

See Page 1022

E. DeRossette Thomas Fund for the Asa Mitchell Guidance Center - Proposal for Purchase or Lease of Laredo Property by Sames Motor Company, Laredo, Page 42 . See Page 1025

F. Archer M. Huntington Museum Fund - Proposal from Republic Oil Refining Company for Purchase of 75.0967 Acres out of the S. C. Bundick League, Galveston County, Texas, Page 42 . see Page 1025

G. Main University - Proposed Expansion of Texas Union Building - Recommendation for Authority to File Final Loan Application with Housing and Home Finance Agency, Including Preliminary Plans and Provisions for Payment of Architects' and Consultant's Fees, Page 44 . See Page 1027

II. Additional Items Since Agenda Was Prepared

A. Purchases of Securities June 18-24, 1957, Pages 15 & 16 . See Pages 998-999

B. Texas Western College Proposed Lease to Sidney A. Stallman on Approximately 2.5 Acres, Cotton Estate Property, El Paso, Texas, Page 43 . See Page 1026

C. Proposal of Miss Ima Hogg to Sell to the Hogg Foundation - W. C. Hogg Memorial Fund Royalty Interests, West Columbia Field, Brazoria County, Texas, Page 46 . See Page 1029

D. Mortgage Loan Consultant, Permanent University Fund Investment Program, Page 46 . See Page 1029

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --The following purchases have been made by the Permanent University Fund since the report of May 3, 1957. We ask that the Board ratify and approve these transactions:

TEXAS MUNICIPAL BONDS PURCHASED

<u>Purchased</u>	<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
1/1/57	City of Lubbock 2-3/4% Water-works System Revenue Bonds, Series 1956, dated 3/1/56, due 6/1/78-80/68	\$ 142,000	84.822218	3.75%*	\$ 120,447.55	4/26/57
1/1/57	Houston 3-1/2% Independent School District School and Athletic Building Bonds, dated 4/10/57, due 4/10/87	<u>500,000</u>	100.00	3.50 *	<u>500,000.00</u>	5/ 3/57
	Total Texas Municipal Bonds Purchased	<u>\$ 642,000</u>			<u>\$ 620,447.55</u>	

held to maturity.

CORPORATE BONDS PURCHASED

<u>Purchased</u>	<u>Issue</u>	<u>Par Value</u>	<u>Purchase Price</u>	<u>Yield Basis</u>	<u>Principal Cost</u>	<u>Date of Delivery</u>
5/7/57	The Cincinnati Gas & Electric Company 1st Mortgage Bonds, 4-1/8% Series, dated May 1, 1957, due May 1, 1987, rated Aaa by Moody's	\$ 500,000	99.25	4.17%*	\$ 496,250.00	5/20/57
4/18/57	Consolidated Natural Gas Company 4-7/8% Debentures, dated June 1, 1957, due June 1, 1982, rated Aaa by Moody's	<u>500,000</u>	101.085	4.80 *	<u>505,425.00</u>	On or about 6/20/57
	Total Corporate Bonds Purchased	<u>\$1,000,000</u>			<u>\$1,001,675.00</u>	

held to maturity.

MANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASE OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED

<u>Acquired</u>	<u>Issue</u>	<u>No. Shares Purchased</u>	<u>Purchase Price</u>	<u>Total Principal Cost*</u>	<u>Estimated Purchase Yield#</u>
5/57	General Motors Corporation Common Stock	1,000	43-1/4	\$ 43,616.30	4.59%
7/57	Standard Oil Company (New Jersey) Capital Stock	800	61-1/2(500). 61-5/8(100). 61-3/8(100). 61-1/4(100)	49,504.18	3.56
11/57	Commonwealth Edison Company Common Stock	1,200	40-1/2(900). 40-3/4(300)	49,098.39	4.89
2/57	Pacific Lighting Corporation Common Stock	1,300	37-5/8	49,352.03	5.27
4/57	Socony Mobil Oil Co., Inc., Capital Stock	900	58-7/8	53,355.51	4.22
11/57	Baltimore Gas & Electric Company Common Stock	1,400	35-1/4	49,806.82	5.06
12/57	Pacific Gas & Electric Company Common Stock	1,000	50	50,400.00	4.76
1/57	United States Gypsum Company Common Stock	800	60-1/8(100). 60-1/4(100). 61(600)	48,966.14	4.08
4/57 & 5/57	American Cyanamid Company Common Stock	600	84-7/8(200). 87(200). 87-1/4(200)	52,086.84	3.46

*Including commissions, if any charged according to N. Y. S. E. regulations.
#Based on current dividends being paid.

MANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

PORT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

<u>Acquired</u>	<u>Issue</u>	<u>No. Shares Purchased</u>	<u>Purchase Price</u>	<u>Total Principal Cost*</u>	<u>Estimated Purchase Yield#</u>
1/25/57	National Biscuit Company Common Stock	1,300	37-1/8(800) 37-3/4(500)	49,012.88	5.30%
2/1/57	Public Service Electric & Gas Company Common Stock	1,600	31-1/8(800) 31-1/4(800)	50,389.52	5.72
7/1/57	American Smelting & Refining Company Common Stock	1,000	55(200) 55-1/8(800)	55,505.08	5.40
1/28/57	Bethlehem Steel Corporation Common Stock	1,100	45-3/8(100) 45-5/8(300) 45-7/8(700)	50,754.20	5.20
3/22/57	General Electric Company Common Stock	800	65-1/2	52,732.40	3.03
4/22/57	Gulf States Utilities Company Common Stock	1,300	39-1/2(1,200) 39-3/8(100)	51,789.19	4.02
5/22/57	Commercial Credit Company Common Stock	1,000	50-1/2(600) 50-1/4(300) 50-1/8(100)	50,787.90	5.51

*Including commissions, if any charged according to N. Y. S. E. regulations.
#Based on current dividends being paid.

ANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

RT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

Acquired	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield#
1/27/57	Ingersoll-Rand Company Common Stock	600	85(300). 82-3/4(100). 83(200)	50,635.38	4.15%
2/21/57	Atchison, Topeka & Santa Fe Railway Company Common Stock	2,200	23-1/4(300). 23-3/8(700). 23-1/2(1,200)	52,125.22	6.75
3/26/57	Eastman Kodak Company Common Stock	500	99	49,724.50	2.66
4/24/57	Southern Cali- fornia Edison Company Common Stock	1,000	50-5/8	51,025.60	4.70
5/1/57	Ohio Edison Company Common Stock	1,000	52-3/8(700). 52-1/4(300)	52,739.87	5.00
6/1/57	Philadelphia Elec- tric Company Common Stock	1,300	38-7/8(1,000). 39(300)	51,022.90	5.10
6/1/57	Public Service Company of Indiana, Inc., Common Stock	1,300	39	51,148.50	5.08
6/1/57	American Can Company Common Stock	1,200	41-7/8(400). 42(700). 42-1/8(100)	50,794.32	4.72

*Including commissions, if any charged according to N. Y. S. E. regulations.
#on current dividends being paid.

MANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

<u>Acquired</u>	<u>Issue</u>	<u>No. Shares Purchased</u>	<u>Purchase Price</u>	<u>Total Principal Cost*</u>	<u>Estimated Purchase Yield#</u>
5/1/57	General Foods Corporation Common Stock	1,100	44-1/2(900), 45(200)	49,460.25	4.45%
5/1/57	The Texas Company Capital Stock	700	73-1/4	51,571.31	3.33
5/1/57	American Home Products Corporation Capital Stock	300	152	45,750.00	3.54
5/1/57	E. I. duPont de Nemours & Company Common Stock	300	196-1/2	59,100.00	3.30
5/1/57	J. C. Penney & Company, Inc., Common Stock	600	82-1/2	49,759.50	5.12
5/1/57	United Gas Corporation Common Stock	1,400	36-3/4(200). 36-7/8(200) 37(900), 37-1/8(100)	52,206.20	4.02
5/1/57	The Detroit Edison Company Capital Stock	1,200	41-5/8(200). 41-1/2(400). 41-3/4(600)	50,404.90	4.76
6/1/57	R. J. Reynolds Tobacco Company New Class B Common Stock	900	55-5/8(200). 55-7/8(100) 55-1/2(300). 55-3/4(300)	50,452.60	5.71

*Including commissions, if any, charged according to N. Y. S. E. regulations.
#Based on current dividends being paid.

MANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

<u>Purchased</u>	<u>Issue</u>	<u>No. Shares Purchased</u>	<u>Purchase Price</u>	<u>Total Principal Cost*</u>	<u>Estimated Purchase Yield#</u>
5/57	United States Steel Corporation Common Stock	800	67-1/8(100). 67-1/4(200). 67-1/2(200). 67(300)	54,096.27	4.44%
7/57	American Tele- phone & Telegraph Company Capital Stock	300	177-1/4	53,325.00	5.06
7/57	Cincinnati Gas & Electric Company Common Stock	1,800	27-1/2	50,017.50	4.32
7/57	Consumers Power Company Common Stock	1,000	47-3/8(800). 47-1/2(200)	47,787.02	5.02
7/57	Johns-Manville Corporation Common Stock	1,000	49	49,395.00	4.55
6/57	Libbey-Owens- Ford Glass Company Common Stock	600	80-1/4(300). 80-3/4(300)	48,558.33	4.44
6/57	Ex-Cell-O Corporation Capital Stock	1,100	43-3/4(400). 43-7/8(200). 44-1/8(300). 44-1/2(100). 44(100)	48,769.33	3.38

*Including commissions, if any, charged according to N. Y. S. E. regulations.
#Based on current dividends being paid.

ANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

RT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

Acquired	Issue	No. Shares Purchased	Purchase Price	Total Principal Cost*	Estimated Purchase Yield#
1/18/57	Philadelphia Electric Company Common Stock	65	36-1/4 Net plus 20 rights	\$ 2,356.25	5.51%
1/21/57	El Paso Natural Gas Company Common Stock	1,200	40-5/8(100). 40-3/4(100). 40-7/8(200). 41(100) 41-1/8(100) 41-1/4(200). 41-1/2(100). 41-5/8(300)	49,839.57	3.13
6/21/57	Norfolk & Western Railway Company Common Stock	700	66-1/4(100). 66-1/2(100). 66-3/4(500)	46,941.68	5.59
5/22/57	Union Carbide Corporation Capital Stock	400	119-1/2(100). 120(100). 120-1/2(100). 121(100)	48,288.10	2.98
5/22/57	General Electric Company Common Stock	700	68-1/8	47,980.17	2.92
5/22/57	Houston Lighting & Power Company Common Stock	900	55-1/2(400). 56(500)	50,565.20	2.85

*Including commission, if any charged according to N. Y. S. E. regulations.
#Based on current dividends being paid.

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

REPORT OF PURCHASES OF SECURITIES. --(Continued)

CORPORATE STOCKS PURCHASED
(Continued)

<u>Purchased</u>	<u>Issue</u>	<u>No. Shares Purchased</u>	<u>Purchase Price</u>	<u>Total Principal Cost*</u>	<u>Estimated Purchase Yield#</u>
1/21/57	Kennecott Copper Corporation Capital Stock	500	110-1/4(100), 111-1/2(100), 112(300)	\$ 56,005.78	5.36%
1/21/57	International Business Machines Corporation Capital Stock	200	328	65,700.00	0.73
1/21/57	Socony-Mobil Oil Company, Inc., Capital Stock	800	60-1/8(500), 60-1/4(300)	48,465.64	4.13
1/21/57	National Dairy Products Corporation Common Stock	1,500	33-1/8	50,160.90	5.38
1/24/57	Chase-Manhattan Bank (N. Y.) Capital Stock	500	46-5/8 Net	23,312.50	5.15
	Total Corporate Stocks Purchased			<u>\$2,466,642.67</u>	<u>4.38%</u>

*Including commission, if any charged, according to N. Y. S. E. regulations.
#Based on current dividends being paid.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITIONS TO APPROVED LIST OF CORPORATE SECURITIES FOR PURCHASE OF COMMON AND PREFERRED STOCKS. --It is recommended that the following corporations be added to the list as approved May 4, 1957, for purchase of common and preferred stocks:

A. INDUSTRIAL CORPORATIONS

Group I

(Earning Power Stable - 36.6%)

1. Food and Dairy Products (Including Baking & Milling, Beverages & Confectionery, and Meats & Dairy Products) -- (4 approved 5/4/57, need total of 6 corporations)

Add: Borden Company (The)

2. Chemical Products -- (4 approved 5/4/57, after moving Eastman Kodak to the "Miscellaneous Classification," need total of 6 corporations)

Add: Allied Chemical & Dye Corporation*#
Monsanto Chemical Company*#

3. Containers -- (2 approved 5/4/57, need total of 3 corporations)

Add: Continental Can Company*

4. Paper Products -- (1 approved 5/4/57, need total of 3 corporations)

Add: Union Bag-Camp Paper Corporation (Moved from "Container Classification")

5. Retail Trade -- (2 approved 5/4/57, need total of 3 corporations)

Pass

6. Tobacco Products -- (2 approved 5/4/57, need total of 2 corporations)

7. Drugs, Soaps & Cosmetics -- (2 approved 5/4/57, need total of 3 corporations)

Add: Merck & Company*

Group II

(Some variation in earning power -- 36.6%)

1. Air Transport - None.
2. Building Materials -- (4 approved 5/4/57, need total of 5 corporations)

Add: Armstrong Cork Company

3. Electrical - Electronic -- (1 approved 5/4/57, need total of 4 corporations)

Add: Westinghouse Electric Corporation*

*Exception as "growth stock."

#Exception as to "Bond Ratio."

A. INDUSTRIAL CORPORATIONS
(Continued)

Group II - Continued

4. Office Equipment -- (1 approved 5/4/57, need total of 2 corporations)
5. Petroleum Products -- (3 approved 5/4/57, need total of 8 corporations)
Add: Continental Oil Company*
Gulf Oil Corporation*
6. Synthetic Fibres and Textiles -- None.
7. Tires and Rubber -- (1 approved 5/4/57, need total of 3 corporations)
Add: B. F. Goodrich Company*
Goodyear Tire and Rubber Company**
8. Automobiles & Accessories -- (2 approved 5/4/57, need total of 4 corporations)
Add: Ford Motor Company

Group III

(Considerable variation in earning power -- 19.7%)

1. Machinery - Agricultural -- (1 approved 5/4/57, need total of 1 corporation)
2. Machinery & Equipment - Industrial -- (3 approved 5/4/57, need total of 5 corporations)
Pass
3. Metals - Nonferrous -- (2 approved 5/4/57, need total of 4 corporations)
Add: Aluminum Company of America *# (Moved from "Miscellaneous Classification")
4. Steel and Iron -- (2 approved 5/4/57, need total of 4 corporations)
Add: Republic Steel Corporation

Miscellaneous

(3 approved 5/4/57, including Eastman Kodak moved from "Chemicals" to "Miscellaneous Classification," need total of 5 corporations)

Add: Bendix Aviation* (Moved from "Automobiles & Accessories Classification")

B. PUBLIC UTILITY CORPORATIONS

1. Light and Power -- (17 approved 5/4/57, need total of 24 corporations)
Add: Florida Power & Light Company*
Potomac Electric Power Company
Wisconsin Electric Power Company

*Exception as "growth stock."

#Exception as to "Bond Ratio."

B. PUBLIC UTILITY CORPORATIONS
(Continued)

- 2. Gas Service and Gas Transmission -- (4 approved 5/4/57, need total of 6 corporations)

Pass

- 3. Telephone and Telegraph Service -- (2 approved 5/4/57, need total of 2 corporations)

C. RAILROADS

(3 approved 5/4/57, need total of 4 corporations)

Pass

D. BANKS

(13 approved 5/4/57, need total of 24 banks)

Pass

E. FINANCE COMPANIES

(2 approved 5/4/57, need total of 6 companies)

Add: C. I. T. Financial Corporation#

F. INSURANCE COMPANIES

- 1. Fire and Casualty Insurance Companies -- (4 approved 5/4/57, need total of 10 companies)

Add: Aetna Casualty & Surety Company*
Continental Casualty Company*

- 2. Life Insurance Companies -- (3 approved 5/4/57, need total of 4 companies)

Add: Lincoln National Life Insurance Company*

*Exception as "growth stock."

#Exception as to "Bond Ratio."

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM -- RECOMMENDED ADDITIONS TO APPROVED LIST OF SECURITY DEALERS AND BROKERS. --

It is recommended that the following additions be made to the list of security brokers and dealers as approved through May 4, 1957:

To Section IV. A. Group I (full members of the New York Stock Exchange with one or more branch offices in Texas), add the following:

Bache & Company, branch office in San Antonio, Texas

To Section IV. A. Group III (firms which have neither branch offices in Texas nor correspondent firms in Texas), add the following:

- Wood, Struthers & Company, New York City (specialists in bank and insurance stocks)
- Shelby Cullom Davis & Company, New York City (specialists in insurance stocks)
- Smith, Barney & Company, New York City (unusually good in research)

WAIVER OF PREFERENTIAL RIGHT TO PURCHASE VETERANS' LAND BONDS FOR PERMANENT UNIVERSITY FUND. --The Board of Regents is one of the State agencies having a preference right under the Constitution and statutes to purchase new issues of Veterans' Land Bonds. At the request of the Veterans' Land Board, the Endowment Officer wrote the members of the Board of Regents on May 21, 1957, for an expression as to waiving this preference right as to an issue of Veterans' Land Bonds, Series 1957, in the amount of \$12,500,000 on which bids were expected to be opened on May 23. The legal limit on interest on these bonds is 3%. The response to the letter was that the right would be waived. The Veterans' Land Board received no bids for the bonds, and formal waiver or further action by the Board of Regents at this time is not required. This report is for the information of the Board.

REFUNDING PERMANENT UNIVERSITY FUND BONDS, SERIES 1949; AUTHORIZATION FOR EMPLOYMENT OF TEXAS NATIONAL BANK, HOUSTON, TO COMPILE LIST OF BONDHOLDERS, AND INTERIM COMMITTEE TO DRAFT TERMS OF REFUNDING ISSUE, ETC. --At the March 16, 1957, meeting of the Board of Regents, approval was given for the submission to the 55th Legislature of a bill relating to the refunding of Permanent University Fund Bonds issued in 1949 and for the employment of McCall, Parkhurst and Crowe as Special Legal Counsel in matters pertaining to possible refunding or retirement of the bonds. The bill was introduced as Senate Bill 331 and House Bill 637, passed both houses, and was signed by the Governor on May 21, 1957.

At the May 4, 1957, meeting of the Board of Regents, a report was made by Dr. J. C. Dolley, Vice President for Fiscal Affairs, on his conferences and correspondence with Phelps, Fenn & Co., of New York, the head of the syndicate which purchased the bonds. At that meeting, the Vice President for Fiscal Affairs and the Endowment Officer were authorized to negotiate further with Phelps, Fenn & Co., with Texas National Bank of Houston, the paying agent under the bond issue, and with any other firms for a proposal for the refunding services that would be recommended to the Board of Regents at a later meeting. The matter has been explored with Texas National Bank and further with Phelps, Fenn & Co. However, the staff has concluded no definite recommendations on the matter, due in part to the difficulty of judging the work involved in the refunding operation until a list of the bondholders is available. The preparation of the list of bondholders in connection with payment of interest coupons due July 1, 1956, has been discussed with Texas National Bank, and the Bank proposes to prepare as complete a list as possible of these bondholders for a fee of \$ 333.34 from the University and to prepare a like list of the holders of the A. & M. bonds for a fee of \$ 166.66 from A. & M.

It is recommended that the Board of Regents authorize the employment of Texas National Bank for the preparation of the list of bondholders for the fee of \$ 333.34 to be paid from the Available Fund Unappropriated Balance. Authorization for the preparation of the list on the A. & M. bonds is expected from the Board of Directors of A. & M. College.

It appears that it will be of advantage to have any refunding of the bonds made effective on or about December 1, 1957, and that certain of the arrangements should be made prior to the next meeting of the Board of Regents. It is therefore recommended that the Board of Regents appoint an interim staff committee composed of Dr. J. C. Dolley, Vice President for Fiscal Affairs, W. C. Freeman, Comptroller of the Texas A. & M. System, and Wm. W. Stewart, Endowment Officer, with instructions and authority to proceed with drafting the terms of the refunding bond issues for the University and Texas A. & M. College, the employment of a bank or investment banking firm to assist in various phases of the refunding, and related steps necessary prior to the next meeting of the Board of Regents in preparation for timely refunding, all such actions of the interim committee to be subject to approval by the Land and Investment Committee of the Board of Regents and subsequent ratification by the Board of Regents as to the University Permanent Fund Bonds. Similar action regarding the interim committee is expected from the Board of Directors of Texas A. & M. College System.

The Board of Regents on March 16, 1957, authorized the employment of the law firm of McCall, Parkhurst & Crowe of Dallas as special legal counsel in all matters pertaining to the refunding of the Permanent University Fund Bonds, including the general market approving opinion. The law firm has now suggested a fee of \$1.00 for each \$1,000 refunding bond actually delivered, plus out-of-pocket expenses. After July 1, 1957, maturities there will be 6,450 Permanent Fund Bonds outstanding, meaning maximum legal fee, not including out-of-pocket expenses, of \$6,450.00. It is recommended that the Board of Regents approve the proposed fee arrangement and authorize the Chairman to sign the letter of proposal as evidence of approval.

PERMANENT UNIVERSITY FUND--LAND MATTERS. --

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

PIPE LINE EASEMENT NO. 946, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 306). -- This application for a pipe line easement to Humble Pipe Line Company covers 2639.09 rods of 6-inch oil pipe line at \$0.50 per rod in Sections 5, 8, 17, 20, 19, 26, 27, 34 and 35, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. There is a difference of .09 rod between superseded Easement No. 306 and Easement No. 946, which is due to the conversion of feet to rods. The full consideration in the amount of \$1,319.55 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 947, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 2,393 rods of line at \$0.05 per rod per year in Sections 7 and 8, Block 9; Sections 1, 10 and 12, Block 10; Sections 25, 26, 35 and 36, Block 11; Sections 13, 24, 36 and 37, Block 13; and Sections 16, 17 and 19, Block 14; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957, and ending December 31, 1966. The full consideration in the amount of \$1,196.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 948, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 1,963 rods of line at \$0.05 per rod per year in Sections 3 and 10, Block 3; Sections 32, 41 and 42, Block 5; Section 6, Block 8, Section 31, Block 9; Sections 6, 7, 18, 27, 34, 35 and 36, Block 10; and Sections 1, 2, 11, 12, 13 and 14, Block 11; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957 and ending December 31, 1966. The full consideration in the amount of \$981.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 949, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 6,961 rods of line at \$0.05 per rod per year in Sections 2, 3, 4, 5, 9, 10, 15, 20, 21, 22, 23, 27, 28, 31, 32, 33 and 34, Block 4; Sections 18, 19, 26, 27, 34 and 35, Block 1; Sections 35, 37, 38, 47 and 48, Block 9; all in University Lands, Andrews County, Texas. This easement is for a 10-year period beginning January 1, 1957, and ending December 31, 1966. The full consideration in the amount of \$3,480.50 for the 10-year period has been tendered with the application.

POWER LINE EASEMENT NO. 950, TEXAS ELECTRIC SERVICE COMPANY, WARD COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 123 rods of line at \$0.05 per rod per year in Section 6, Block 16, University Lands, Ward County, Texas, for a 10-year period beginning March 1, 1957, and ending February 28, 1967. The full consideration in the amount of \$61.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 951, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF PART OF EASEMENT NO. 309). --This application for a pipe line easement to Humble Pipe Line Company covers 330.28 rods of 8-inch oil pipe line at \$1.00 per rod in Section 43, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957 and ending April 30, 1967. The full consideration in the amount of \$330.28 for the 10-year period has been tendered with the application. This easement is a renewal of part of Easement No. 309, the remainder of the line covered by that easement having been removed.

PIPE LINE EASEMENT NO. 952, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 310). -- This application for a pipe line easement to Humble Pipe Line Company covers 1,604.79 rods of 6-inch oil pipe line at \$0.50 per rod in Sections 12, 13, 24, 25 and 36, Block 11, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$802.40 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 953, GULF OIL CORPORATION, CRANE COUNTY, TEXAS. -- This application for a pipe line easement to Gulf Oil Corporation covers 315.4 rods of 4-inch water pipe line at \$0.25 per rod in Sections 2 and 3, Block 31, University Lands, Crane County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$78.85 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 954, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to El Paso Natural Gas Company covers 170.612 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Sections 24 and 25, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning May 1, 1957, and ending April 30, 1967. The full consideration in the amount of \$127.96 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 955, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS. -- This application for a pipe line easement to Phillips Petroleum Company covers 2516.1 rods of the following size lines in Sections 7, 8, 9, 15, 16, 17, 22, 28, and 37, Block 30, University Lands, Crane County, Texas for a 10-year period beginning May 1, 1957 and ending April 30, 1967: 183.5 rods of 12-3/4-inch line at \$1.50 per rod; 403 rods of 8-5/8-inch line at \$1.00 per rod; 771.1 rods of 6-5/8-inch line at \$0.75 per rod; 862.9 rods of 4-1/2-inch line at \$0.50 per rod; and 295.6 rods of 3-1/2-inch line at \$0.25 per rod. The full consideration in the amount of \$1,761.93 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 956, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to El Paso Natural Gas Company covers 136.503 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$102.38 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 957, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to El Paso Natural Gas Company covers 212.121 rods of 6-5/8-inch natural gas pipe line at \$0.75 per rod in Section 10, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$159.09 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 958, EL PASO NATURAL GAS COMPANY, REAGAN, CROCKETT AND IRION COUNTIES, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 9,167.056 rods of 20-inch natural gas pipe line at \$1.50 per rod in Sections 2, 3, 9, 10 and 11, Block 48, University Lands, Reagan County, Texas; Sections 15, 16, 17, 23 and 24, Block 43, University Lands, Reagan, Crockett and Irion Counties, Texas; and in the following University lands in Crockett County, Texas: Sections 11, 12, 18, 19, 23, 24, 26 and 27, Block 39; Section 25, Block 40; Sections 5, 6, 8, 9, 15, 16, 22, 23, 25 and 26, Block 41; Section 6, Block 42; Sections 3, 4, 6 and 7, Block 44; and Sections 2, 11, 19, 21, 22 and 23, Block 56. This easement is for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$13,750.58 for the 10-year period has been tendered with the application.

HIGHWAY RIGHT-OF-WAY EASEMENT NO. 959, COUNTY OF ANDREWS, ANDREWS COUNTY, TEXAS. --This application for a highway right-of-way easement to the County of Andrews covers a 123.09-acre strip of land in Section 14, Block 3 and Sections 4, 15, 27 and 39, Block 4, University lands, Andrews County, Texas, for the purpose of constructing and maintaining a public road. The County of Andrews will be required, upon request of the University, to provide an adequate stock proof fence on each side of the right-of-way and also provide sources of water supply if construction of this road prevents ready access to existing sources. No consideration is involved in the easement.

POWER LINE EASEMENT NO. 960, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 317). --This application for a power line right-of-way easement to Texas Electric Service Company covers 797 rods of line at \$0.05 per rod per year in Sections 19, 20, 28, 29, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$398.50 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 961, GULF REFINING COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to Gulf Refining Company covers 702 rods of 4-inch line at \$0.25 per rod in Sections 5, 6 and 7, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$175.50 for the 10-year period has been tendered with the application.

BUSINESS SITE EASEMENT NO. 962, C. W. BLANCHARD, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 305). --This application for a business site easement to C. W. Blanchard covers an area 150 feet by 400 feet in Section 17, Block 13, University Lands, Andrews County, Texas, for a period of one year beginning June 1, 1957, and ending May 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from June 1, 1957, upon payment of the annual rental of \$100.00 in advance. This site is to be used for a grocery store. The consideration for the first year's rental has been tendered with the application. This is a renewal of Easement No. 305.

CALICHE PERMIT NO. 109, NEW-MEX CONSTRUCTION COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a caliche permit to New-Mex Construction Company provides for the removal of 1,100 cubic yards of caliche from Block 11, University Lands, Andrews County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$275.00 has been tendered with the application.

POWER LINE EASEMENT NO. 963, WEST TEXAS UTILITIES COMPANY, REAGAN COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 319). -- This application for a power line right-of-way easement to West Texas Utilities Company covers 5532.1 rods of line at \$0.05 per rod per year in Sections 13 through 18, Block 11, Sections 13 through 18, Block 8, and Sections 19 through 24, Block 1, University Lands, Reagan County, Texas, for a 10-year period beginning January 1, 1957, and ending December 31, 1966. Consideration in the amount of \$2,766.05 has been tendered in two payments: \$138.30 sent directly by West Texas Utilities Company to the Auditor's Office and \$2,627.75 tendered with this application.

POWER LINE EASEMENT NO. 964, WEST TEXAS UTILITIES COMPANY, UPTON COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 320). -- This application for a power line right-of-way easement to West Texas Utilities Company covers 3,903.8 rods of line at \$0.05 per rod per year in Section 19, Block 1, Sections 1, 8, 9, 10, 11, 12, 17, 18, Block 4, Section 1, Block 58, and Sections 9, 10, 11, 13, 14, Block 15, University Lands, Upton County, Texas, for a 10-year period beginning January 1, 1957, and ending December 31, 1966. Consideration in the amount of \$1,951.90 has been tendered in two payments: \$97.59 sent directly by West Texas Utilities Company to the Auditor's Office and \$1,854.31 tendered with this application.

RADIO RANGE STATION SITE EASEMENT NO. 965, CIVIL AERONAUTICS ADMINISTRATION, HUDSPETH COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 299). -- This application for a Radio Range Station Site Easement to the Civil Aeronautics Administration of the United States Department of Commerce covers a parcel of land in the E/2 of Section 72, Block M, University Lands, Hudspeth County, Texas, and right-of-way for ingress and egress along and upon a trail from the graded road to Sierra Blanca, Texas. This easement is for a 1-year period beginning July 1, 1957, and ending June 30, 1958, with an option to renew from year to year through June 30, 1967, at an annual rental of \$25.00 per year, payable at the end of each government fiscal year, June 30.

PIPE LINE EASEMENT NO. 966, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 307). -- This application for a pipe line easement to Magnolia Pipe Line Company covers 1,340 rods of 8-inch oil pipe line at \$1.00 per rod in Sections 14 through 18, Block 13, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$1,340.00 for the 10-year period has been tendered with the application.

PUMP STATION SITE EASEMENT NO. 967, GULF REFINING COMPANY, CRANE COUNTY, TEXAS. --This application for a pump station site easement to Gulf Refining Company covers a 5-acre site in Section 44, Block 31, University Lands, Crane County, Texas, for a 1-year period beginning June 1, 1957, and ending May 31, 1958, with the option to extend and renew from year to year, but not to exceed a total period of ten years from June 1, 1957, upon payment of the annual rental of \$50.00 in advance. The consideration for the first year's rental has been tendered with the application.

PIPE LINE EASEMENT NO. 968, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 4.473 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 969, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 23.570 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 970, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 27.145 rods of 4-1/2-inch natural gas pipe line in Section 22, Block 9, University Lands, Andrews County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

CALICHE PERMIT NO. 110, SMOOT CONSTRUCTION COMPANY, CRANE COUNTY, TEXAS. --This application for a caliche permit to Smoot Construction Company provides for the removal of 200 yards of sand for road building purposes from Block 30, University Lands, Crane County, Texas, at the rate of \$0.25 per cubic yard. The full consideration in the amount of \$50.00 has been tendered with the application.

APPLICATION FOR GRAZING LEASE NO. 717, K. H. IRWIN AND GENE IRWIN, ANDREWS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 579 HELD BY K. H. IRWIN). --This application for renewal of a grazing lease held by K. H. Irwin to K. H. Irwin and his son, Gene Irwin, covers 8,995.6 acres in Section 1 and Sections 14 through 26, Block 14, University Lands, Andrews County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.20 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.25 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$11,019.61, to be paid in semi-annual installments as follows: \$899.56 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$1,124.45 to be paid on the first

day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$449.78, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957, for which period the rental of \$449.78 has been tendered with the application.

APPLICATION FOR GRAZING LEASE NO. 718, BUCK HARRIS, PECOS COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 580). --This application for renewal of Grazing Lease No. 580 covers 4,530 acres in that part of Sections 33 and 34 north of railroad, Block 27, and Sections 4, 5, 6, 8, 9, 16, 17 and that part of Sections 7 and 18 north of railroad, Block 28, University Lands, Pecos County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.22 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.30 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$6,613.80, to be paid in semi-annual installments as follows: \$498.30 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$679.50 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$249.15, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 719, E. F. NOELKE ESTATE, CROCKETT AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 581). --This application for renewal of Grazing Lease No. 581 held by E. F. Noelke, to be issued to E. F. Noelke Estate, covers 13,512.4 acres in Sections 1 through 7, 10 through 19, and parts of Sections 8, 9 and 20, Block 14, and parts of Sections 1 and 6, Block 15, University Lands, Crockett and Upton Counties, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.30 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.38 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, with a 25% per year reduction on 3,520 acres of this lease by reason of such acreage being in oil production. The aggregate sum of rental for the five-year period is \$23,496.30, to be paid in semi-annual installments as follows: \$1,894.86 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$2,400.16 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$947.43, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 720, E. F. NOELKE ESTATE, CROCKETT AND UPTON COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 582). --This application for renewal of Grazing Lease No. 582 held by E. F. Noelke, to be issued to E. F. Noelke Estate, covers 26,937

acres in Sections 1 through 9, Block 13, Sections 1 through 4, Sections 9 through 16, Sections 21 through 28, Sections 33 through 36, Block 5, Sections 25 through 27, Sections 34 through 36, and parts of Sections 21, 22, 23, 24, 28, 32 and 33, Block 4, University Lands, Crockett and Upton Counties, Texas. This lease is for a five-year period beginning July 1, 1957, and ending June 30, 1962, at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$65,995.65, to be paid in semi-annual installments as follows: \$5,387.40 to be paid on the first day of July, 1957, (rental reduction as set forth below to apply against this payment); and \$6,734.25 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$2,693.70, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 721, MRS. A. C. HINDE, IRION COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 585 HELD BY A. C. HINDE). -- This application for renewal of a grazing lease held by A. C. Hinde, now deceased, to Mrs. A. C. Hinde, covers 3,064 acres in Sections 1, 2, 3, 8, 9, 10, 11, 12, Block 43, and Sections 1 and 2, Block 40, University Lands, Irion County, Texas, for a five-year period beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$7,506.80, to be paid in semi-annual installments as follows: \$612.80 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$766.80 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$306.40, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

*See P. 47,
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APPLICATION FOR GRAZING LEASE NO. 722, R. B. FERGUSON, REAGAN COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 587 HELD BY MRS. R. C. FERGUSON AND SON). -- This application for renewal of a grazing lease held by Mrs. R. C. Ferguson and Son, is to be issued to Mrs. Ferguson's son, R. B. Ferguson, Mrs. R. C. Ferguson being now deceased. This lease covers 16,797.7 acres in Sections 5, 6, 15, 16, 25, Block 43, Sections 2, 3, 4, 5, Block 47, and Sections 1 through 25, Block 48, University Lands, Reagan County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$41,055.41, to be paid in semi-annual installments as follows: \$3,359.54 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$4,199.43 to be paid on the first day of January and July of each succeeding year

*See P. 47,
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until and including January 1, 1962. A 50% rental reduction in the amount of \$1,679.77, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 723, GEORGE BLACKSTONE AND F. M. ELKINS, REAGAN, IRION AND CROCKETT COUNTIES, TEXAS (RENEWAL OF GRAZING LEASE NO. 588). --

This application for renewal of a grazing lease to George Blackstone and F. M. Elkins, a partnership, covers 16,544.1 acres in Sections 3 through 9 and 11 through 25, Block 43, Sections 1, 12, 13, 24 and 25, Block 40, Sections 4 through 8, Block 44, University Lands, Reagan, Irion and Crockett Counties, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.35 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.42 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$34,163.56, to be paid in semi-annual installments as follows: \$2,895.22 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$3,474.26 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$1447.61, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957.

APPLICATION FOR GRAZING LEASE NO. 724, MRS. ELTA T. MURPHEY, IRION COUNTY, TEXAS (RENEWAL OF GRAZING LEASE NO. 583). -- This application for a renewal of a grazing lease to Mrs. Elta T. Murphey covers 338.2 acres in Sections 2, 3 and 4, Block 3, University Lands, Irion County, Texas, for a period of five years beginning July 1, 1957, and ending June 30, 1962. Rental is at the rate of \$0.40 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957, and \$0.50 per acre per year for the 4-1/2-year period beginning January 1, 1958, and ending June 30, 1962, aggregate sum of which is in the amount of \$828.59, to be paid in annual installments as follows: \$152.19 due on July 1, 1957, and \$169.10 on the first day of July of each succeeding year until and including July 1, 1961. In accordance with action by the Board of Regents at its November 3, 1956, meeting, Mrs. Murphey has signed a 50% stock reduction contract for the period July 1, 1957, through December 31, 1957, and is therefore entitled to a reduction in rental payment of \$33.82 for this period. Mrs. Murphey now has a \$33.82 credit balance in Grazing Lease No. 583 due to overpayment for the period January 1, 1957, through June 30, 1957. Therefore, the net amount due on July 1, 1957, for the 12-month period ending June 30, 1958, is \$84.55.

APPLICATION FOR GRAZING LEASE NO. 725, H. F. NEAL, UPTON COUNTY, TEXAS, (RENEWAL OF GRAZING LEASE NO. 584). -- This application for renewal of a grazing lease to H. F. Neal covers 10,121.7 acres in Sections 1 through 18, Block 15, University Lands, Upton County, Texas. Rental is at the rate of \$0.30 per acre per year for the 6-month period beginning July 1, 1957, and ending December 31, 1957,

and \$0.38 per acre per year for the 4-1/2-year period beginning January 1, 1958 and ending June 30, 1962, aggregate sum of which is in the amount of \$18,826.34, to be paid in semi-annual installments as follows: \$1,518.26 to be paid on the first day of July, 1957 (rental reduction as set forth below to apply against this payment); and \$1,923.12 to be paid on the first day of January and July of each succeeding year until and including January 1, 1962. A 50% rental reduction in the amount of \$759.13, in accordance with action by the Board of Regents at its November 3, 1956, meeting, will apply against the rental for the 6-month period beginning July 1, 1957, and ending December 31, 1957. Rental in the amount of \$759.13 for the 6-month period beginning July 1, 1957, and ending December 31, 1957, has been tendered with the application.

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

*See P. 48,
Vol. V.
Cancelled.*

POWER LINE EASEMENT NO. 972, WEST TEXAS UTILITIES COMPANY, UPTON COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 327 TO ILLINOIS PIPE LINE COMPANY OF TEXAS). --This application for a power line right-of-way easement to West Texas Utilities Company, renewal of Easement No. 327 to Illinois Pipe Line Company of Texas, who is assigning its rights under this easement to West Texas Utilities Company, covers 215.6 rods of power and telephone line at \$0.05 per rod per year in Block 15, University Lands, Upton County, Texas, for a 10-year period beginning July 1, 1957, and ending June 30, 1967. The full consideration in the amount of \$107.80 for the 10-year period has been tendered with the application.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 341 FROM NOBLE HOLT TO STOUT & GOODWIN THEATRES, A PARTNERSHIP, REAGAN COUNTY, TEXAS. --This assignment of Business Site Easement No. 341 from Noble Holt to Stout & Goodwin Theatres, a partnership composed of Seth E. Stout, III, and John U. Goodwin, Jr., covers a site in Section 7, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning May 1, 1948, and ending April 30, 1958, at an annual rental of \$200.00 payable in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 364 FROM NOBLE HOLT TO STOUT & GOODWIN THEATRES, A PARTNERSHIP, REAGAN COUNTY, TEXAS. --This assignment of Business Site Easement No. 364 from Noble Holt to Stout & Goodwin Theatres, a partnership composed of Seth E. Stout, III, and John U. Goodwin, Jr., covers a site in Section 7, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning November 1, 1948, and ending October 31, 1958, for an annual rental of \$180.00 payable in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

AMENDMENT OF TERMS OF EASEMENT NO. 942, CABOT CARBON COMPANY, WARD COUNTY, TEXAS. --At the meeting of May 3, 1957, this easement, which was a renewal of Easement No. 314, was approved. As stated at that time, it was for a period of 10 years, beginning July 1, 1957 and ending June 30, 1967, payable in advance for the 10-year period. The easement as prepared and signed by the Company and the Chairman of the Board of Regents provides for payment annually in advance. The rental for the first year, in the amount of \$200.00, has been received.

SOIL BANK CONTRACTS ON UNIVERSITY LANDS. --At the March 16, 1957 meeting of the Board of Regents, approval of U. S. Department of Agriculture Soil Bank Conservation Reserve Contracts on University Lands was given with the understanding that those grazing leases coming under the Soil Bank Program would receive no reduction in grazing lease rental subsequent to the lessee coming under the program, effective January 1, 1957. It was the intent of the recommendation that that portion of the grazing lease under the soil bank contract rather than the entire lease have no reduction and it was upon that basis that additional sums due have been figured and collected. To date only five such grazing leases have had any part of their acreage in the soil bank. They are as follows:

Lease No.	Lessee	No. of Acres in Soil Bank	Additional Rental due for 6 mos. ending 6/30/57
635	W. W. Adams	130	\$11.38
638	Mrs. L. Kathleen St. Clair	142	6.21
645	Louis Brooks	100	4.38
649	Aubrey DeLong	193.6	16.94
687	R. B. Ferguson (for Mrs. R. C. Ferguson & Son)	158	15.80

The additional rental due was on the basis of whether the lessee had chosen a 25% or 50% reduction as approved for the calendar year 1957 by the Board of Regents.

The additional rental has been received from all of the tenants listed.

It is recommended that the action of March 16, 1957 be clarified to read as follows:

"It is further recommended that for those grazing leases coming under the Soil Bank Program no reduction in grazing lease rental be granted on that portion of the grazing lease under such program, effective January 1, 1957."

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 364 FROM NOBLE HOLT TO STOUT & GOODWIN THEATRES, A PARTNERSHIP, REAGAN COUNTY, TEXAS. --This assignment of Business Site Easement No. 364 from Noble Holt to Stout & Goodwin Theatres, a partnership composed of Seth E. Stout, III, and John U. Goodwin, Jr., covers a site in Section 7, Block 11, University Lands, Reagan County, Texas. This easement is for a 10-year period beginning November 1, 1948, and ending October 31, 1958, for an annual rental of \$180.00 payable in advance. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been tendered with the application.

AMENDMENT OF TERMS OF EASEMENT NO. 942, CABOT CARBON COMPANY, WARD COUNTY, TEXAS. --At the meeting of May 3, 1957, this easement, which was a renewal of Easement No. 314, was approved. As stated at that time, it was for a period of 10 years, beginning July 1, 1957 and ending June 30, 1967, payable in advance for the 10-year period. The easement as prepared and signed by the Company and the Chairman of the Board of Regents provides for payment annually in advance. The rental for the first year, in the amount of \$200.00, has been received.

SOIL BANK CONTRACTS ON UNIVERSITY LANDS. --At the March 16, 1957 meeting of the Board of Regents, approval of U. S. Department of Agriculture Soil Bank Conservation Reserve Contracts on University Lands was given with the understanding that those grazing leases coming under the Soil Bank Program would receive no reduction in grazing lease rental subsequent to the lessee coming under the program, effective January 1, 1957. It was the intent of the recommendation that that portion of the grazing lease under the soil bank contract rather than the entire lease have no reduction and it was upon that basis that additional sums due have been figured and collected. To date only five such grazing leases have had any part of their acreage in the soil bank. They are as follows:

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687 5	R. B. Ferguson (for Mrs. R. C. Ferguson & Son)	158	15.80

The additional rental due was on the basis of whether the lessee had chosen a 25% or 50% reduction as approved for the calendar year 1957 by the Board of Regents.

The additional rental has been received from all of the tenants listed.

It is recommended that the action of March 16, 1957 be clarified to read as follows:

"It is further recommended that for those grazing leases coming under the Soil Bank Program no reduction in grazing lease rental be granted on that portion of the grazing lease under such program, effective January 1, 1957."

EXECUTION OF WATER CONTRACT NO. 70 WITH CITY OF MIDLAND, TEXAS. --At the January 11, 1957, meeting of the Board of Regents, the proposal of the City of Midland for Water Exploration and Development Permit was approved by the Board with the Chairman of the Board authorized to execute the instrument upon approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney. This contract covers approximately 77,000 acres of University Lands, being all of Block 5 in Andrews County, all of Block 6 except Sections 1 through 14, Andrews and Martin Counties, and all of Block 7, Andrews and Martin Counties. The contract dated as of March 1, 1957, has been executed on behalf of the University by the Chairman of the Board of Regents and on behalf of the City of Midland by the Mayor, approved as to form by the Assistant Land and Trust Attorney for the University, and the City Attorney for the City of Midland, and as to content by the Endowment Officer. The check of the City of Midland in the amount of \$2,500 in payment of the consideration for the exclusive right to test and explore for a period of two years has been forwarded to the University Auditor.

OPINION FROM THE ATTORNEY GENERAL REQUESTED BY THE CHAIRMAN OF THE BOARD FOR LEASE OF UNIVERSITY LANDS RE DUTIES AND RESPONSIBILITIES OF VARIOUS DEPARTMENTS AND AGENCIES. -- On May 15, 1957, Mr. Earl Rudder, as Chairman of the Board for Lease of University Lands, submitted a request to the Attorney General for an opinion on the duties and responsibilities of various departments and agencies in connection with the oil and gas leasing and administration thereof on lands owned by The University of Texas. On June 11, 1957, the opinion was given by the Attorney General. (Copies of the request and the opinion are in the Secretary's Files, Volume IV.)

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TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS. --

REPORT OF PURCHASES AND SALES OF SECURITIES. --The following purchases and sales of securities have been made for the Trust and Special Funds since the report of May 3, 1957. We ask that the Board ratify and approve these transactions:

PURCHASES

Date	Security	Principal Cost
5/23/57	\$9,000 par value Oklahoma Gas & Electric Company 4-1/2% First Mortgage Bonds, Series 1957, due January 1, 1987, at 102.75 Net to yield 4.33% to maturity. Accrued interest paid to 5/31/57 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	\$9,247.50

PURCHASES (Continued)

Date	Security	Principal Cost
5/23/57	61 Shares American Telephone & Telegraph Company Capital Stock at 178-7/8 (Henry Beckman Scholarship in Mathematics for University of Texas First-Year Students)	\$10,958.95
	100 Shares The Borden Company Capital Stock at 60-7/8	6,128.59
	100 Shares Commonwealth Edison Company Common Stock at 40-1/8	4,047.56
	100 Shares Libbey-Owens-Ford Glass Company Common Stock at 77-3/4	7,817.78
	100 Shares Ohio Edison Company Common Stock at 52-1/2 (Funds Grouped for Investment)	5,290.25
	100 Shares Bethlehem Steel Corporation Common Stock at 46-3/4	4,713.38
	200 Shares The Detroit Edison Company Capital Stock at 41-7/8	8,446.88
	200 Shares National Dairy Products Corporation Common Stock at 34-7/8 (Hogg Foundation: W. C. Hogg Estate Fund)	7,039.88
	100 Shares Commonwealth Edison Company Common Stock at 40-1/4	4,060.13
	100 Shares Ohio Edison Company Common Stock at 52-1/2 (Wilbur S. Davidson Educational Fund)	5,290.25
	100 Shares Commonwealth Edison Company Common Stock at 40-1/8	4,047.56
	200 Shares National Dairy Products Corporation Common Stock at 34-7/8	7,039.88
	150 Shares Norfolk and Western Railway Company Common Stock at 67 (100) and 67-1/4 (50)	10,134.79
	200 Shares The Procter & Gamble Company Common Stock at 48-1/4 (E. D. Farmer International Scholarship Fund)	9,728.26

PURCHASES (Continued)

Date	Security	Principal Cost
4/30 & 5/2/57	\$8,000 par value Public Service Electric and Gas 4-5/8% Debentures, due 3/1/77, at 100-7/8 to yield 4.56% to maturity	\$ 8,090.00
	\$10,000 par value Oklahoma Gas & Electric Company 4-1/2% First Mortgage Bonds, due 1/1/87, at 103-1/2 to yield 4.29% to maturity	10,375.00
	\$10,000 par value Southwestern Gas and Electric Company 4-5/8% First Mortgage Bonds, Series G, due 1/1/87, at 102-1/2 to yield 4.47% to maturity	10,275.00
	\$10,000 par value Southern California Edison Company 3% First and Refunding Mortgage Bonds, due 9/1/65, at 94-1/2 to yield 3.77% to maturity (Special 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)	9,475.00

SALES

Date	Security	Net Proceeds
5/29/57	80/100ths Share Pan American Sulphur Company Common Stock (John Charles Townes Foundation: Wright Chalfant Morrow Fund)	\$20.24
6/10/57	12/100ths Share Monsanto Chemical Company Common Stock (Rehabilitation Clinic Endowment Fund - Medical Branch)	4.03
3/26/57	560 Rights from El Paso Natural Gas Company for new \$5 Convertible Second Preferred Stock (Special 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 - Sold by the Foundation, proceeds not yet known)	

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

ESTATE OF A. C. McLAUGHLIN (CALIFORNIA ADMINISTRATION) - RECOMMENDATION FOR APPROVAL OF STIPULATION RE ALLOTMENT AND LIQUIDATION FOR FINAL DISTRIBUTION. --By Order Determining Heirship dated September 11, 1953, in the Superior Court of California, Los Angeles County, it was decreed that the residue estate within that jurisdiction, which was devised to the University, should be distributed 1/4 to the two children of a deceased daughter of Mr. McLaughlin and 3/4 to the University. Mr. A. C. McLaughlin, Jr., has served as Administrator with Will Annexed in California and is now preparing to close the Estate. He has proposed through the University's special counsel, Mr. Geo. W. Wilson of San Francisco, that the University join in a stipulation for allotment of certain assets, for liquidation, and for final distribution. The stipulation has already been executed by the other interested parties, namely: A. C. McLaughlin, Jr., Stuart W. McLaughlin, Evelyn M. Levison (surviving children of the decedent), Joanne Evelyn Reed Barrett, and James Frazier Reed (children of the deceased daughter).

The stipulation provides as follows: (1) delivery of contents of the home and personal trinkets (as devised in the will) and cemetery lot to the three surviving children, (2) delivery of South African bond in principal amount of L. 5000 and 99.75 ounces of platinum to Mrs. Barrett and Mr. Reed at the value on the date of the Decree of Final Distribution as appraised by professional dealers or appraisers selected by the Administrator, (3) sale of the remaining assets of the Estate, all being securities, and (4) distribution of cash in settlement of the estate in accordance with the order of September 11, 1953. The residue estate of which the University is to receive 3/4 has a value of approximately \$200,000. However, final figures on taxes and costs of administration are not yet available.

It is recommended that the Chairman of the Board of Regents be authorized to execute the proposed stipulation on behalf of the University after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

It is further recommended that the Chairman be authorized to execute any other instruments required of the University prior to the next meeting of the Board in order to facilitate closing of the California Estate, particularly approval of Final Account of the Administrator and receipt and release for the University's share, when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer, with any such actions to be reported to the Board of Regents for ratification.

ESTATE OF FRED M. HUGHES, DECEASED. --At the May 4, 1957, meeting of the Board of Regents, a proposal was accepted for cash settlement of residuary bequest to the University from the Estate of Dr. Fred M. Hughes of Houston from Mrs. Hughes. An instrument conveying to Mrs. Hughes such interest as the University may have under the Will has been executed by the Chairman after approval as to content by the Endowment Officer and as to form by the Land and Trust Attorney. A check in the amount of \$5,000 has been received and forwarded to the Auditor.

Under the terms of the will, which is not to be probated, Dr. Hughes had specified one-half of the funds to come to the University would be used for such purpose or purposes as such governing body may determine for the benefit of The University of Texas and the remaining one-half for the Medical School in Galveston, from both of which he had received degrees. It is recommended that the funds be credited \$2,500 to an unrestricted trust fund for the University and \$2,500 to an unrestricted trust fund for the Medical Branch. (See Page 66.) See Page 1049

MURRAY CASE SELLS ESTATE - REPORT ON STATUS OF ESTATE AND RECOMMENDATION FOR APPOINTMENT OF A DIRECTOR OF SELLS PETROLEUM, INC. -- There have been previously reported to the Board of Regents (see Minutes of May 4, 1957, for last report) arrangements for raising funds to meet claims against the Sells Estate and costs of administration and for termination of the administration of The First National Bank of Dallas as Executor. Arrangements have now been completed for a loan of \$1,800,000 to be made by Southwestern Life Insurance Company; and Messrs. Cecil Morgan and John Scott, attorneys representing the beneficiary institutions, have presented to President Wilson for execution on behalf of the University an instrument of approval of the loan and an instrument requesting the Bank as Executor to pay over to Messrs. Morgan and Scott the sum of \$125,000 to be used in payment of legal fees, recording expenses, travel expenses and other items incurred by the beneficiary institutions in connection with the negotiation of the loan and in other matters of the business of the Estate. These instruments were so executed by President Wilson.

Subsequent to these loan arrangements, a suit was instituted in the United States District Court at Dallas by certain Oklahoma attorneys against The First National Bank of Dallas, individually and as Executor, and the beneficiary institutions were required to execute a release and a save harmless instrument in favor of the Bank in order for the proceeds of the Southwestern Life Insurance Company loan to be paid over. These instruments required of the University were executed by President Wilson upon the request of Messrs. Morgan and Scott.

The attorneys will present to the University and other beneficiary institutions at a later date copies of these instruments, along with any other matters requiring such action, for ratification by the respective governing boards. Copies of the four instruments are distributed at this time for information of the Board of Regents. (Secretary's Files, Vol. IV) Page 157.

In the financing and settlement plan, each of the beneficiary institutions has been requested to appoint a representative on the Board of Directors of Sells Petroleum, Inc., and it is recommended that the Board of Regents appoint J. Lee Johnson, III, to serve as a Director of Sells Petroleum, Inc.

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

COTTON ESTATE - TEXAS WESTERN COLLEGE - ASSIGNMENT OF LEASEHOLD OF EL PASO GRAIN ELEVATOR COMPANY TO SOUTHWEST NATIONAL BANK, EL PASO. --On November 3, 1956, the Board of Regents approved a lease to the El Paso Grain Elevator Company on one acre, Cotton Estate Property, El Paso, Texas, for a period of 20 years, beginning December 15, 1956, at a rental of \$100 per acre per month with option to renew for another 20 years at a rental to be agreed on one year before expiration of the primary term. Mr. A. E. Schuster, President of the El Paso Grain Elevator Company, is requesting approval by the Board of Regents of an assignment of his leasehold interest to the Southwest National Bank as security for a loan for operating capital. The assignment is forwarded with the approval of Mr. A. A. Smith, Business Manager, and Dr. Dysart Holcomb, President, Texas Western College. It is recommended that the assignment be approved and that the Chairman of the Board of Regents be authorized to sign the instrument, subject to approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

ROSALIE B. HITE FUND FOR CONSTRUCTION OF A CANCER RESEARCH LABORATORY - RENTAL ARRANGEMENT WITH CLYDE PAUL ON PROPERTY AT CAPITOL AND LaBRANCH, HOUSTON, TEXAS. --A one-year parking lot lease at rental of \$250 monthly with Clyde Paul covering the Hite Fund's 55x100 feet on the southwest corner of Capitol and LaBranch in Houston expired on May 31, 1957. What Mr. Paul will be able to do on a new lease depends in part on his operating arrangement on other parts of the block, and no agreement has yet been reached that can be recommended to the Board of Regents. He is willing to continue through the month of July at the same rental, and it is recommended that the Board of Regents approve this holding over with the understanding that the Endowment Officer will negotiate further with Mr. Paul and any other prospective tenants and also investigate possibilities for sale of the property.

JAMES W. McLAUGHLIN FELLOWSHIP FUND - RECOMMENDATION FOR JOINDER IN UNIT AGREEMENT AND UNIT OPERATING AGREEMENT FOR RANGELY FIELD (WEBER SAND). --The Board of Regents as Trustee of the James W. McLaughlin Fellowship Fund, devised to the University by A. C. McLaughlin, has been asked to execute a "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" covering the Weber Sand Unit Area in the Rangely Field, Rio Blanco County, Colorado, which unit as proposed would cover 19,153 acres in that field. A large part of the unit area being covered by leases on Government lands, the Unit Agreement and the Operating Agreement have been approved by the Director of the United States Geological Survey on behalf of the Secretary of the Interior and have also been approved by the Colorado Conservation Commission.

The University's ratification and joinder is recommended by Holme, Roberts, More & Owen, the University's special legal counsel in Colorado, by Dr. Clark F. Barb, Consulting Petroleum Engineer and Professor of Petroleum Engineering at Colorado School of Mines, who has appraised the McLaughlin interests both for the Administrator of the Estate and for the University, and by Mr. Stuart W. McLaughlin.

The unitization is aimed at conservation and maximum recovery from the field and specifically contemplates gas injection and water-flooding. The California Company, the major operator in the field and the operator of the largest and most productive lease of those in which the University is interested, is designated as Unit Operator.

Those leases in the unit in which the University is interested are as follows:

<u>Lease Name</u>	<u>Acres</u>	<u>University's Lease Interest (Per Cent)</u>	<u>Tract Participation (Per Cent)</u>	<u>University's Interest in Unit (Per Cent)</u>
A. C. McLaughlin - Consolidated "A"	1520	1.25 (ORRI)	13.210979	.165137
Kittie Fairfield "A"	120	5.2083 (WI)	.291124	.015162
Kittie Fairfield "B"	40	3.125 (WI)	.017863	.000558
Levison	<u>800</u>	.3125 (ORRI)	2.195766	<u>.006862</u>
	<u>2480</u>			<u>.187719</u>

Dr. Barb's appraisal of the University's interests in the Rangely Field shows a total value of \$644,350.00 for the above interests out of a total value of \$705,220.00 for the University's interests in the entire field. The remainder of the total value is made up of smaller interests, mostly in shallow production.

It is recommended that the Board of Regents authorize its Chairman to execute the "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" upon approval of this form and of the Unit Agreement and Unit Operating Agreement to which it refers by the Endowment Officer as to content and by the Land and Trust Attorney as to form, upon approval by Doctor Barb and the signatures by the three McLaughlin heirs.

HOGG FOUNDATION: VARNER PROPERTIES - PROPOSAL FROM W. E. DYCHE, JR., ON BEHALF OF HOUSTON FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF HOUSTON FOR PURCHASE OF RIVER OAKS BUILDING, SOUTHEAST CORNER, CAPITOL AND FANNIN, HOUSTON, TEXAS. --The University has received a proposal from Houston First Federal Savings and Loan Association of Houston, Texas, for the purchase of the property known as the River Oaks Building property on the southeast corner of Capitol Avenue and Fannin Street in Houston described as Lot 6 and the west 35 x 100 feet of Lot 7, Block 79, S. S. B. B., improved with a three-story brick and stucco building constructed about forty years ago, for \$400,000 cash. The offer is accompanied by a check for \$20,000 as earnest money.

The ground floor space on both Capitol and Fannin is under shop space leases, all of which expire in 1958 except one expiring in 1960. The second and third floors have been rented for several years on a month-to-month basis to the University of Houston and used for their night school. Present rental from the University of Houston is \$750.00 per month. Total gross rental is \$48,780 annually. Insurance premiums paid by the University amount to approximately \$2,000 annually, and depreciation at 10% per annum of the value of the improvements placed on the books in 1952 is at \$7,600 annually. Repairs necessary in the last three years have been small, but it is believed that \$3,000 annually will be a reasonable allowance for such repairs if the University is to hold the property over the next few years. The property is on the exempt tax rolls. Latest definite figures available as to amount of taxes if not exempt is \$8,500 in 1952. Thus income to the University based on the present leases after deducting insurance, depreciation and allowance for repairs amounts to approximately \$36,000 annually.

Appraisals of the property have been as follows:

Harry E. Richards 8/31/51	Land	\$297,500.00
	Improvements	<u>76,000.00</u>
		<u>\$373,500.00</u>
C. E. Woodall 8/30/51	Land	\$255,000.00
	Improvements	<u>76,500.00</u>
		<u>\$331,500.00</u>
M. H. James 3/11/57	Land	\$340,000.00
	Improvements	<u>90,000.00</u>
		<u>\$430,000.00</u>
Neville F. Allison 6/7/57	Land	\$380,000.00
	Improvements	<u>20,000.00</u>
		<u>\$400,000.00</u>

The property was placed on the University's books in 1952 in the Varner Acquisition at the appraised figures given by Mr. Richards. Depreciation since that date will reduce the book value to \$335,500 as of July 31, 1957 (land \$297,500 and improvements \$38,000).

Present net return therefore on book value is approximately 11%. Net return on the offered price and Mr. Allison's appraisal is approximately 9%.

Reinvestment of the proceeds of the sale in securities would make return of approximately 4-1/2% per annum or net annual return of \$18,000.

The above figures as to net return ignore possible Federal Income Taxes on unrelated business income. Due to the terms of the leases on this property, such income has not been subject to Federal Income Taxes.

It is generally conceded that the land is underimproved and that the University will not want to invest in new or additional improvements. This immediate area of downtown Houston is not regarded as one offering advantages from the standpoint of continued increment in value, though the last two appraisers who have reported on the property feel that values will hold up over the next few years.

The subject property is not considered one easy to sell to investors, and the best prospect for full value has been a user purchaser. Houston First Federal Savings and Loan Association expects, based largely on announcement of plans of The Texas Company for construction of a sizable office building in the same block, to improve the property for their own use and possibly with shop and office space available in a structure of some size. Such improvement should be of considerable advantage to another Varner property, the Mitchell (Bettes Building) Property, diagonally across Fannin Street.

Disregarding management problems and possible tax problems, it is believed that continued holding of the property could be considered as speculative.

It is apparent that the ground and building space are actually larger than the 85 x 100 feet given above due to old encroachments of 3 to 4 feet on both Capitol Avenue and Fannin Street, title to this excess appearing to be good in the University.

The only other firm offer made to the University on this property was in the amount of \$315,000 cash or \$325,000 with terms made in 1953. This offer was declined and a counter offer of \$400,000 cash authorized. Prospective best offer in these negotiations was \$375,000 cash less \$15,000 commission which was not accepted.

It is recommended that the Board of Regents approve sale of this property to Houston First Federal Savings and Loan Association for \$400,000 cash, no commission being payable, with the University to furnish complete abstracts and to furnish a survey if required by the

purchasers, and with no liability by the University for any Federal Revenue Stamps that may be required. It is recommended that the following resolution be adopted to accomplish this sale:

R E S O L U T I O N

WHEREAS, on July 31, 1952, the Varner Company, a private corporation, conveyed to the Board of Regents of The University of Texas, in trust, certain lands in Harris County, Texas, including the tract mentioned herein, for the use and benefit of the Hogg Foundation--W. C. Hogg Memorial Fund, said deed being recorded in Volume 2478, page 269 of the Deed Records of Harris County, Texas, to which reference is made for all purposes; and

WHEREAS, the Houston First Federal Savings and Loan Association of Houston, Harris County, Texas, has made an offer to purchase the River Oaks Building Property, which is referred to as Parcel No. 3 in the above-described deed from Varner Company, being situated in the City of Houston and on the South Side of Buffalo Bayou as Lots 6 and 7 in Block 79, except that portion thereof comprising a strip of 15 feet front with 100 feet depth off the east part of said Lot 7 and any land lying south-easterly of the line established by boundary line agreement between T. K. Dixon and wife and Varner Company dated April 5, 1927, recorded in Volume 711, page 404, Harris County Deed Records; and

WHEREAS, this offer is duly accepted by the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, such sale being advantageous to The University of Texas:

NOW, THEREFORE, BE IT RESOLVED, That the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized and directed to enter into a contract of sale covering the above property, and that upon the performance of the contract and upon receipt of the consideration the Chairman, for and on behalf of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, is further authorized and directed to execute, acknowledge and deliver a proper deed conveying the above-described property to the Houston First Federal Savings and Loan Association of Houston, Harris County, Texas, a corporation.

HOGG FOUNDATION: VARNER PROPERTIES - SUPPLEMENT U INCOME TAX. --Since the last meeting of the Board of Regents, the staff has conferred with Mr. Benjamin L. Bird regarding the Supplement U Income Tax matters and, with Mr. Bird, has conferred with the Internal Revenue Agent handling the matter. The Agent is continuing his work in examining the returns of the University for the fiscal years ended July 31, 1953, 1954 and 1955, the last return having been filed as a final return. Further conferences are expected in the near future, and there is some prospect that all matters in dispute will be agreed on without formal protest. It is recommended that the Board of Regents authorize the Vice President for Fiscal Affairs, the Comptroller and the Endowment Officer to take such action as is deemed necessary for an agreed settlement or for protest of any of

these tax matters upon advice of Mr. Bird, our special tax counsel, and upon approval of such action by the Chairman of the Board of Regents and the Land and Investment Committee. Any such action will be reported to the Board of Regents at a later date for ratification.

DeROSSETTE THOMAS FUND FOR THE ASA MITCHELL GUIDANCE CENTER - PROPOSAL FOR PURCHASE OR LEASE OF LAREDO PROPERTY BY SAMES MOTOR COMPANY, LAREDO. --The University has received from Sames Motor Company of Laredo an offer to purchase the Thomas property in Laredo for \$20,000 cash or in the alternative to lease the property for ten years effective with the expiration of the present lease on September 30, 1958, at rental of \$100 per month net to the University. The lease proposal is based on the right to remove the old brick building on the property. The purchase proposal is accompanied by earnest money in the amount of \$1,000.00.

The property is Lot 5, Block 63, Western Division, City of Laredo, at the corner of Houston Street and Flores Avenue fronting approximately 55.5 feet on Houston Street and 111 feet on Flores Avenue. The present lease is with Jacob G. Hornberger for a period of ten years from October 1, 1948, to September 30, 1958, at net rental of \$45.00 per month. The lease carries a provision purporting to give to the lessee an option to purchase the property on the same terms and conditions as offered by any other person. Sames Motor Company advised that they expect to be able to complete arrangements with Mr. Hornberger for waiver of this option if the property is sold to them.

The offer is accompanied by two recent appraisals by Laredo real estate men, one showing value of \$15,000 and the other value of \$15,500. The property was inventoried by the Executors of the Thomas Estate in 1956 at a value of \$30,000, though it is believed the appraisers for the Estate had little accurate knowledge of the property. The University has obtained two appraisals from Laredo realtors. One places the value at \$15,000 and the other at \$25,000. There are definite prospects that a new bank building will be started across the street from the property in about two years.

It is recommended that the Board of Regents decline both proposals of Sames Motor Co. but offer to sell the property to them, subject to the present lease, for \$25,000 cash to be accepted by deposit of earnest money not later than July 31, 1957. It is further recommended that upon acceptance of this counter offer by Sames Motor Co., the Chairman of the Board of Regents be authorized to execute a contract of sale and upon performance of the contract to execute a deed to the purchasers, both instruments to be approved by the Land and Trust Attorney as to form and by the Endowment Officer as to content.

ARCHER M. HUNTINGTON MUSEUM FUND - PROPOSAL FROM REPUBLIC OIL REFINING COMPANY FOR PURCHASE OF 75.0967 ACRES OUT OF THE S. C. BUNDICK LEAGUE, GALVESTON COUNTY, TEXAS. --The University has received from the Republic Oil Refining Company, a division of Plymouth Oil Company, a proposal for the purchase of 75.0967 acres of the Huntington Lands out of the S. C. Bundick

League, Galveston County, for \$800.00 per acre, or a total of \$60,077.40. Cashier's check in the amount of \$3,003.08 has been sent as earnest money.

The acreage covered by the offer lies adjacent to a tract of 120 acres sold to J. C. French, et al, (report of closing of this sale appearing in Minutes of May 4, 1957) for \$1,000 per acre. The pending offer provides for the University to retain one-half of all minerals, including participation in bonuses and royalties, but with full leasing rights in the purchasers. Republic is interested in acquiring this tract so that they may exchange it to Texas City Terminal Railway Company for a tract adjacent to Republic's plant which Republic has leased from the Railway Company.

The tract on which the offer has been received is not as desirable from the standpoint of elevation, topography and frontage as the tract sold to French, et al. However, both tracts were included in a larger tract on which M. H. James, C. E. Woodall and V. J. Schmitt placed a value of \$750.00 an acre in their appraisal of August, 1955.

It is recommended that the offer be declined and further recommended at least until definite decision has been reached with reference to the immediate use of the moneys from the sale of the Huntington Lands that no small parcel sales be made at the prices which are being offered at this time; that the University might consider a sale of the entire tract and would be willing to accept offers on smaller tracts if the price is two and one-half to three times what is now being offered. Offers the University have been receiving are around \$800.00 per acre.

TEXAS WESTERN COLLEGE PROPOSED LEASE TO SIDNEY A. STALLMAN ON APPROXIMATELY 2.5 ACRES, COTTON ESTATE PROPERTY, EL PASO, TEXAS. --Mr. Sidney A. Stallman of Carlsbad, New Mexico, proposes a lease for 20 years at monthly rental of \$75.00 per acre on approximately 2-1/2 acres in the Cotton Estate property fronting on both Fifth and Sixth Streets, the exact acreage to be determined by survey. The lease would carry an option for an additional 20 years at a rental to be negotiated at least one year prior to expiration of the primary term of 20 years. The grounds will be used for operation of a used pipe and machinery and scrap metal business with adequate provisions for

construction of a fence to hide from view the materials stored on the ground. A pre-fabricated steel building is to be constructed on the property.

The proposal is through Mr. J. C. Holmes, Realtor of El Paso, and provides for a commission to Mr. Holmes of 2-1/2% of all rents due for the primary term of the lease. Commission covering the first year's rent will be payable at the end of the first year and commission covering the remaining 19 years of rent will be paid at the end of the second year.

The proposal has been approved by President Holcomb and Business Manager Smith; and it is recommended that the Board of Regents authorize the lease under the proposed terms set out above, and that the Chairman be authorized to execute the instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

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

MAIN UNIVERSITY - PROPOSED EXPANSION OF TEXAS UNION BUILDING - RECOMMENDATION FOR AUTHORITY TO FILE FINAL LOAN APPLICATION WITH HOUSING AND HOME FINANCE AGENCY, INCLUDING PRELIMINARY PLANS AND PROVISIONS FOR PAYMENT OF ARCHITECTS' AND CONSULTANT'S FEES. --On June 1, 1956, the Board of Regents authorized the Endowment Officer to file a Preliminary Application with Housing and Home Finance Agency for a loan commitment not to exceed \$2,000,000 to finance the expansion of the Texas Union Building, subject to approval by the Board of preliminary plans and cost estimates. It was agreed by the Board that all negotiations regarding Texas Union expansion would be approved only subject to adequate planning for the inclusion of facilities for Law School students.

On September 22, 1956, the Board of Regents approved preliminary plans and cost estimates of a total of \$2,356,437 of which \$1,900,000 would come from the bond issue, expected to be purchased by Housing and Home Finance Agency. At the same time the preliminary plans for, including particularly location of, the Annex to serve Law School students, et al., were considered, with final recommendation for a site to be presented to the Board at a later date. (See page 46 .) See Page 1029.

The Preliminary Application for \$1,900,000 was filed with Housing and Home Finance Agency in November, 1956. After conferences with the Regional Office of Housing and Home Finance Agency in connection with their investigation and consideration of the matter, the University was advised by letter of May 22, 1957, that preliminary approval and reservation of funds had been granted by the Agency to the extent of \$1,500,000, to be in the form of bonds maturing over a period of 30 years at 2-7/8% interest, and with the understanding that the University will sell to the public \$400,000 of bonds maturing over the first 15 years of the 30-year period. Preliminary

investigation of prospects for sale of the \$400,000 of bonds to the public indicates a possibility of an interest cost on these bonds that would permit construction of the project under the projected operating budget for the Union.

The entire matter was reviewed at a conference including President Wilson, Vice Presidents Boner and Dolley, Endowment Officer Stewart, Comptroller Sparenberg, and Architect Saunders, and the recommendations set out below were agreed on at that conference.

It is recommended that the Endowment Officer be authorized to file with Housing and Home Finance Agency the Final Application for a commitment to buy the \$1,500,000 of bonds, with the understanding that authorization for construction of the project and sale of the bonds for the financing will be approved by the Board of Regents at a later date, and only after the Board of Regents has approved preliminary planning for the Annex to serve Law School students, et al, cost of such Annex to come from sources other than the Available University Fund and the bond issue or issues referred to above.

It is further recommended that the Comptroller be authorized to instruct the Consulting Architect, Page, Southerland and Page, to proceed immediately with the preparation of preliminary plans and outline specifications for the Expansion of the Texas Union Building, Main University, with the understanding that, if this project is never actually constructed, they will be paid for such services in accordance with the terms of their contract with the Board of Regents dated September 1, 1956 (this means that, for preliminary plans, etc., the fee would be 1/2 of 1% of the estimated construction cost). It is further recommended that, in case the project is not actually constructed, the Consulting Architect's fee be paid out of Account No. 77940, Texas Union Building Fund. It is also recommended that in the event that the preparation of working drawings and specifications for this project is eventually authorized by the Board of Regents, and in the further event that the project is never actually constructed, the additional 1/4 of 1% fee due the Consulting Architect and the 70% of 5% fee due the Associate Architect be paid also from Account No. 77940, Texas Union Building Fund. The estimated total of all these fees is \$83,500.00; the balance in Account No. 77940 at May 31, 1957 was a little over \$100,000.00.

It is further recommended that Mr. Porter Butts, Director of the Wisconsin Union, University of Wisconsin, be engaged as a Consultant for the Union Building Expansion, to work with and advise the staff of the Texas Union, the Consulting Architect, Page, Southerland and Page, and the Comptroller's Office. It is further recommended that the Texas Union be authorized to enter into a contract with Mr. Butts, based upon a contract form insisted upon by Mr. Butts, with the total fee of \$4,700.00 required by Mr. Butts to be divided as follows:

Stage No. 1	\$2,500.00
Stage No. 2	1,200.00
Stage No. 3	<u>1,000.00</u>
Total	\$4,700.00

The fee of \$4,700.00 required by Mr. Butts does not include a trip to Austin; he inspected the Texas Union at Austin June, 1952; for any further visits to the site, authorized by the University, the fee for the Consultant shall be at the rate of \$100.00 per day for conference time and \$50.00 per day for travel time, plus trip expenses, in addition to the schedule of fees above listed. The Butts Contract may be terminated by either party at the end of any of the stages outlined above upon a thirty day notice in writing. All payments to Mr. Butts shall be out of Texas Union General Funds.

Under Housing and Home Finance Agency regulations, the University is allowed 90 days from May 22, 1957, to file the Final Application for Loan Commitment of \$1,500,000. Extensions of time are granted for reasonable cause. Since additional time may be required for completion of the Final Application, it is recommended that the Endowment Officer, with the approval of the Vice President for Fiscal Affairs and the Comptroller, be authorized to apply for extensions of such time if needed for filing the Final Application in complete and satisfactory form.

(At a conference in the President's Office on July 2, including representatives of the President's Office, Comptroller's Office, Union Building Committee, Faculty Building Committee, Dean of Student Services, Student Association, and both the Dean of the Law School and the President of the Law School student body, it was agreed that the location of the East Side Union Annex should be in the area east of Simkins Hall and west of the main Defense Research Laboratory buildings.)

PROPOSAL OF MISS IMA HOGG TO SELL TO HOGG FOUNDATION - W. C. HOGG MEMORIAL FUND CERTAIN ROYALTY INTERESTS, WEST COLUMBIA FIELD, BRAZORIA COUNTY, TEXAS; AUTHORIZATION FOR GEOLOGIST. --The University received from Miss Ima Hogg a proposal dated June 26, 1957, to sell to the Board of Regents as Trustees of the Hogg Foundation - W. C. Hogg Memorial Fund all of her royalty interests subject to certain reservations in the West Columbia Field, Brazoria County, Texas. (At that time a copy of the proposal was handed each member of the Board, and a copy is filed in the Secretary's Files, Volume IV.)
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There was insufficient time for detailed study and consideration of the proposal. However, it is recommended to the Board that in view of the size of the proposal, the Endowment Officer, with the advice of the Chairman, be authorized to employ a geologist in that area who is familiar with the West Columbia Field to make a record study of production, reserves, and values, with a subsequent report to the Board.

After the report is received, further consideration will be given to the proposal which will be reported in detail.

MORTGAGE LOAN CONSULTANT, PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM. --It is recommended that George A. Nicoud be employed as Mortgage Loan Consultant in the Endowment Office for a period of twelve months beginning July 1, 1957, with the understanding the appointment would be on a part-time basis until December 1, 1957,

and with the understanding the salary terms are to be negotiated with Mr. Nicoud but that the total compensation for twelve months will not exceed \$8,500.00.

Adoption of Report. -- Vice-Chairman Sorrell moved the adoption of the foregoing report. Mr. Lockwood seconded the motion which carried unanimously.

PLANS TO CONFORM WITH SENATE RESOLUTION, NO. 601, 55TH LEGISLATURE, R. S. -- Chairman Jeffers stated that at the May meeting of the Board actually no purchases had been made under the Permanent University Fund Investment Program. He called on Vice-President Dolley to present plans for conforming with Senate Resolution No. 601, 55th Legislature, R. S. This resolution calls for a full disclosure of all the details concerning the investments made by the Board of Regents under the powers contained in the Constitutional Amendment (HJR 15) adopted in November 1956.

Vice-President Dolley reported he had prepared for release a summary of all action taken to date on the investment program. (A copy of this release is in the Secretary's Files, Volume IV // ^{Page 180} He also reported he planned to prepare an interim report on a continuing basis at quarterly intervals, beginning September 15, 1957.

As a matter of form and for the record, Vice-Chairman Sorrell suggested, and it was agreed, that the representatives of the news services should be informed that these lists are filed in the Regents' Office at the University and in the offices of the Texas Commissioner on Higher Education, the Legislative Budget Director, and the State Auditor at the Capitol.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE. -- At the request of Chairman Jeffers, Mr. Lockwood presented the report of the Buildings and Grounds Committee. He called attention to "Proposed Expansion of Texas Union Building, Main University, Etc.," (Page 50), pointing out that the location of the East Side Union Annex for Law School Students, et al, is not included. The Faculty Building Committee of the Main University, at the request of Comptroller Sparenberg, had re-studied the four proposed locations of this Annex as set out in the Regents' Minutes of September 1956 and had recommended the location be either No. 1 - Area east of Simkins Hall and west of the main Defense Research Laboratory buildings, or No. 4 - Area just west of the University Tea House, the annex to be built as an extension of the Tea House. The Buildings and Grounds Committee, President Wilson and Comptroller Sparenberg approved either of these locations. The Buildings and Grounds Committee reported this to the full Board to make the choice.

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The Board agreed that the final choice between these two locations should be made by representatives of the Law School. President Wilson was instructed to confer with the Law School representatives to reach a mutual agreement on the location for this Annex and to inform the Secretary of the Board in order that the site chosen might be inserted at the proper places in both the Buildings and Grounds Committee and the Land and Investment Committee reports. (Pages 46 & 52) See Pages 1029 & 1035

RATIFICATION OF REJECTION OF BIDS FOR REPLACEMENT OF PEARCE HALL ROOF AND AUTHORITY TO AWARD CONTRACT FOR THIS PROJECT, MAIN UNIVERSITY. --At the Regents' Meeting held May 4, 1957, authority was given to the Comptroller to award a contract for the Replacement of Pearce Hall Roof at the Main University, within the amount of the appropriation of \$20,000.00. When the bids for this project were opened, it was found that one of the two bids received was unsigned and, hence, could not be considered as a valid bid. Although the signed bid received was just barely within the appropriation for the project, the unsigned bid was so much lower that it was felt the valid bid was much too high. After careful study of the matter, and after consultation with Attorney Waldrep and Mr. Eckhardt, it was decided to reject all bids received and re-advertise for bids after a revision of specifications.

It is recommended that the action of the Comptroller in rejecting the bids for Replacement of Pearce Hall Roof be ratified and that authority be given to the Comptroller to award a contract within the appropriation of \$20,000.00 when bids are again received on July 9, 1957.

RATIFICATION AND APPROVAL OF REQUISITIONS FOR CERTAIN MATERIALS IN CONNECTION WITH EXPANSION OF POWER PLANT AT MAIN UNIVERSITY. --In connection with the expansion of Power Plant facilities at the Main University, it has been necessary to issue requisitions for certain equipment, and at earlier meetings of the Board actions taken by the Comptroller in signing requisitions to cover part of this equipment have been ratified. Two more requisitions for this type of equipment and labor for installation thereof have now been signed by Comptroller Sparenberg, on the basis of which purchase orders in the amount of \$8,913.00 and \$7,248.12, payable out of Account No. 91120 - Expansion of Power Plant, have been issued to A. M. Lockett and Company, Houston, Texas, and Westinghouse Electric Corporation, Pittsburgh, Pennsylvania, respectively. These purchase orders covered material and/or labor needed to convert or install equipment already purchased and, hence, could of necessity be issued only to the companies from whom the equipment was originally purchased.

It is recommended that the actions taken by Comptroller Sparenberg in signing these two requisitions be ratified and approved by the Board.

FINAL ACCEPTANCE AND PAYMENT FOR R. O. T. C. BUILDING, MAIN UNIVERSITY. --On June 12, 1957, an inspection of the R. O. T. C. Building at the Main University was made by a Committee consisting of President Wilson, Vice-President Boner, Vice-President Dolley, Comptroller Sparenberg, and Architect William B. Saunders. This Committee recommends that the building be accepted, with the exception of certain minor deficiencies still to be taken care of, and that final payment be made to the Contractors, except for the retainage of \$2,000.00 from the General Contract, \$500.00 from the Electrical Contract, and \$500.00 from the Mechanical Contract, until the deficiencies mentioned above are corrected. Consulting Architect Mark Lemmon and Associate Architect Ayres and Ayres concur in this recommendation.

It is further recommended that the Board ratify the action of the Committee named above in having the University assume responsibility for the building as of June 24, 1957, in order that the R. O. T. C. unit offices could be moved into the building before many of the officers left for the balance of the summer.

APPROPRIATION FOR THREE EXPANSION CHAMBERS TO REPLACE EXPANSION DEVICES IN UNDERGROUND STEAM SYSTEM, MAIN UNIVERSITY. --During the fiscal year 1954-55, an appropriation of \$61,400.00 was placed on the books for certain work to be done in the underground utility system of the Main University. At the beginning of the fiscal year 1956-57, this money still had not been spent, as it was thought best to wait for the completion of the plans for the expansion of the power plant and certain other work before beginning this particular work in the underground system. At that time certain improvements at University Junior High School were considered to be urgently needed, and since it was thought that it would be some time before the Physical Plant staff would be in position to proceed with this work, at the Regents' Meeting held September 22, 1956, this amount was lapsed back to the Unappropriated Balance of the Available University Fund so that \$60,000.00 thereof might be appropriated for these much needed improvements at University Junior High School.

It is now deemed advisable to proceed with the underground work, and it is, therefore, recommended that an appropriation of \$61,400.00 be made from the Unappropriated Balance of the Available University Fund to an account to be entitled "Three Expansion Chambers to Replace Expansion Devices in Underground Steam System."

It is further recommended that the Main University Physical Plant staff be authorized to proceed with the preparation of plans and specifications for this project, these plans and specifications to be presented at a later meeting of the Board for approval.

APPROPRIATION FOR REPLACEMENT OF DEFICIENT LIGHTING AND WASTE LINES IN CHEMISTRY BUILDING OUT OF MAJOR REPAIRS AND REHABILITATION PROJECTS ACCOUNT, MAIN UNIVERSITY. -- At the Regents' Meeting held April 6, 1956, an appropriation of \$231,000.00 was made to cover Major Repairs and Rehabilitation Projects at the Main University, with the individual projects to be itemized later. A number of projects have been presented for the Regents' approval at various times, and specific appropriations have been made from the original amount set up, which still has a balance of \$66,455.20. It is now recommended that an appropriation of \$61,900.00 for Replacement of Deficient Lighting and Waste Lines in the Chemistry Building be set up out of this Account No. 91500, Major Repairs and Rehabilitation Projects, with authority for the Main University Physical Plant staff to proceed with the work necessary to accomplish this project.

It is further recommended that the University Comptroller be given authority to sign requisitions within the total amount appropriated for materials needed by the Physical Plant staff to perform the work involved in the project.

APPROPRIATION FOR IMPROVEMENT OF GROUNDS AROUND R. O. T. C. BUILDING OUT OF R. O. T. C. BUILDING ALLOTMENT ACCOUNT, MAIN UNIVERSITY. --Now that the R. O. T. C. Building at the Main University is ready for acceptance, certain landscaping and improvement of the grounds around the building need to be done, including sodding, shrubbery, and an irrigation system. The Main University Physical Plant staff has made an estimate of \$7,500.00 for the cost of the work which should be performed. It is, therefore, recommended that an appropriation of \$7,500.00 be made out of the R. O. T. C. Building allotment account to an account to be entitled "Improvement of Grounds around R. O. T. C. Building."

It is further recommended that the Main University Physical Plant staff be authorized to prepare plans and specifications for these projects and that Comptroller Sparenberg be authorized to award whatever contracts are necessary in order to carry out the work, the remainder of the work to be performed by the Main University Physical Plant staff.

RECOMMENDATION TO BE SUBMITTED TO THE BOARD OF REGENTS THROUGH BOTH THE BUILDINGS AND GROUNDS COMMITTEE AND THE LAND AND INVESTMENT COMMITTEE. --PROPOSED EXPANSION OF TEXAS UNION BUILDING, MAIN UNIVERSITY - RECOMMENDATION FOR AUTHORITY TO FILE FINAL LOAN APPLICATION WITH HOUSING AND HOME FINANCE AGENCY INCLUDING PRELIMINARY PLANS, AND PROVISION FOR PAYMENT OF ARCHITECTS' AND CONSULTANT'S FEES. --On June 1, 1956, the Board of Regents authorized the Endowment Officer to file a Preliminary Application with Housing and Home Finance Agency for a loan commitment not to exceed \$2,000,000 to finance the expansion of the Texas Union Building, subject to approval by the Board of preliminary plans and cost estimates. It was agreed by the Board that all negotiations regarding Texas Union expansion would be approved only subject to adequate planning for the inclusion of facilities for Law School students.

On September 22, 1956, the Board of Regents approved preliminary plans and cost estimates of a total of \$2,356,437 of which \$1,900,000 would come from the bond issue, expected to be purchased by Housing and Home Finance Agency. At the same time the preliminary plans for, including particularly location of, the Annex to serve Law School students, et al, were considered, with final recommendation for a site to be presented to the Board at a later date. (See Page 52.) See Page 1035.

The Preliminary Application for \$1,900,000 was filed with Housing and Home Finance Agency in November, 1956. After conferences with the Regional Office of Housing and Home Finance Agency in connection with their investigation and consideration of the matter, the University was advised by letter of May 22, 1957, that preliminary approval and reservation of funds had been granted by the Agency to the extent of \$1,500,000, to be in the form of bonds maturing over a period of 30 years at 2-7/8% interest, and with the understanding that the University will sell to the public \$400,000 of bonds maturing over the first 15 years of the 30-year period. Preliminary investigation of prospects for sale of the \$400,000 of bonds to the public indicates a possibility of an interest cost on these bonds that would permit construction of the project under the projected operating budget for the Union.

The entire matter was reviewed at a conference including President Wilson, Vice-Presidents Boner and Dolley, Endowment Officer Stewart, Comptroller Sparenberg, and Architect Saunders, and the recommendations set out below were agreed on at that conference.

It is recommended that the Endowment Officer be authorized to file with Housing and Home Finance Agency the Final Application for a commitment to buy the \$1,500,000 of bonds, with the understanding that authorization for construction of the project and sale of the bonds for the financing will be approved by the Board of Regents at a later date, and only after the Board of Regents has approved preliminary planning for the Annex to serve Law School students, et al, cost of such Annex to come from sources other than the Available University Fund and the bond issue or issues referred to above.

It is further recommended that the Comptroller be authorized to instruct the Consulting Architect, Page, Southerland and Page, to proceed immediately with the preparation of preliminary plans and outline specifications for the Expansion of the Texas Union Building, Main University, with the understanding that, if this project is never actually constructed, they will be paid for such services in accordance with the terms of their contract with the Board of Regents dated September 1, 1956 (this means that, for preliminary plans, etc., the fee would be 1/2 of 1% of the estimated construction cost). It is further recommended that, in case the project is not actually constructed, the Consulting Architect's fee be paid out of Account No. 77940, Texas Union Building Fund. It is also recommended that in the event that the preparation of working drawings and specifications for this project is eventually authorized by the Board of Regents, and in the further event that the project is never actually constructed, the additional 1/4 of 1% fee due the Consulting Architect and the 70% of 5% fee due the Associate Architect be paid also from Account No. 77940, Texas Union Building Fund. The estimated total of all these fees is \$83,500.00; the balance in Account No. 77940 at May 31, 1957, was a little over \$100,000.00.

It is further recommended that Mr. Porter Butts, Director of the Wisconsin Union, University of Wisconsin, be engaged as a Consultant for the Union Building Expansion, to work with and advise the staff of the Texas Union, the Consulting Architect, Page, Southerland and Page, and the Comptroller's Office. It is further recommended that the Texas Union be authorized to enter into a contract with Mr. Butts, based upon a contract form insisted upon by Mr. Butts, with the total fee of \$4,700.00 required by Mr. Butts to be divided as follows:

Stage No. 1	\$2,500.00
Stage No. 2	1,200.00
Stage No. 3	<u>1,000.00</u>
Total	\$4,700.00

The fee of \$4,700.00 required by Mr. Butts does not include a trip to Austin; he inspected the Texas Union at Austin June, 1952; for any further visits to the site, authorized by the University, the fee for the Consultant shall be at the rate of \$100.00 per day for conference time

and \$50.00 per day for travel time, plus trip expenses, in addition to the schedule of fees above listed. The Butts Contract may be terminated by either party at the end of any of the stages outlined above upon a thirty day notice in writing. All payments to Mr. Butts shall be out of Texas Union General Funds.

Under Housing and Home Finance Agency regulations, the University is allowed ninety days from May 22, 1957, to file the final application for loan commitment of \$1,500,000.00. Extensions of time are granted for reasonable cause. Since additional time may be required for completion of the final application, it is recommended that the Endowment Officer, with the approval of the Vice-President for Fiscal Affairs and the Comptroller, be authorized to apply for extension of such time if needed for filing the final application in complete and satisfactory form.

(At a conference in the President's Office on July 2, including representatives of the President's Office, Comptroller's Office, Union Building Committee, Faculty Building Committee, Dean of Student Services, Student Association, and both the Dean of the Law School and the President of the Law School student body, it was agreed that the location of the East Side Union Annex should be in the area east of Simkins Hall and west of the main Defense Research Laboratory buildings.)

RATIFICATION OF APPROVAL OF PLANS AND SPECIFICATIONS AND ADVERTISING FOR BIDS FOR EXCAVATION AND HAULING FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE. --In connection with the Addition and Alterations to the Student Union Building at Texas Western College, it is necessary that certain excavation work be performed on the site of the Addition, since a number of years ago a ravine on this site was filled with loose dirt and rock. It is felt that a better price will be received on the contract for construction if this fill is removed before calling for bids for the construction work. In order that the bids could be considered at this Regents' meeting for the excavation and hauling referred to above, plans and specifications for this work, as prepared by Davis, Foster, Thorpe, and Associates, Architect on the project, were approved by President Holcomb and Comptroller Sparenberg, and advertisements were placed beginning May 30, 1957, with bids to be opened June 27, 1957. This procedure was approved orally by Vice-President Dolley, President Wilson, and the Regional Office of H. H. F. A.

It is recommended that the actions taken in approving the plans and specifications for the Excavation and Hauling for Addition and Alterations to the Student Union Building at Texas Western College and advertising for bids on this project be ratified and approved by the Board. It is further recommended that the following resolutions required by H. H. F. A. in connection with this project with reference to wage rates and approval of plans and specifications be adopted by the Board:

RESOLUTION RE WAGE RATES

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

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

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

BE IT RESOLVED BY THE GOVERNING BODY OF SAID UNIVERSITY:

That it is found and determined that the rates shown for the classifications listed on Pages 68 - 69 marked "Exhibit A" are the prevailing rates of per diem pay for laborers and mechanics engaged in similar work at the place where such work is to be performed. See Pages 1051 & 1052

RESOLUTION RE APPROVAL OF PLANS AND SPECIFICATIONS

WHEREAS, the Board of Regents of The University of Texas has determined that it is necessary to perform certain Excavation and Hauling in connection with the Addition and Alterations to the Student Union Building at Texas Western College, El Paso, Texas; and

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

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

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 Davis, Foster, Thorpe, and Associates for Excavation and Hauling for the Addition and Alterations to the Student Union Building at Texas Western College, be and the same are hereby approved.

APPROVAL OF APPROPRIATION AND SELECTION OF ARCHITECTS FOR REMODELING AND ENLARGING OF LIBRARY BUILDING, TEXAS WESTERN COLLEGE. --At the Regents' Meeting held September 18, 1954, the firm of Carroll and Daeuble, Architects, El Paso, Texas, was engaged to draw preliminary plans and make cost estimates for the conversion of the Library-Administration Building at Texas Western

College to a Library Building. The new Administration Building has since been completed and occupied, and Carroll and Daeuble have prepared the preliminary plans and made a cost estimate of \$99,000.00 for the remodeling and enlarging of the Library Building. The amount of \$108,000.00 appropriated by the 55th Legislature for Major Repairs and Rehabilitation of Buildings and Facilities at Texas Western College for the next biennium included an amount of \$99,000.00 designated for conversion of Library Building. It is therefore recommended that the amount of \$99,000.00 be appropriated, as at September 1, 1957, for Remodeling and Enlarging the Library Building from the Legislative Appropriation for Major Repairs and Rehabilitation, etc., at Texas Western College.

It is further recommended that the preliminary plans as prepared by Carroll and Daeuble be approved and that this firm also be engaged to prepare final plans and specifications for the project, the fee for this work to be 5% of the cost of the building, this fee to be inclusive of the 1% already authorized for preliminary plans and cost estimates, and that this firm be authorized to proceed with the preparation of these final plans and specifications to be presented at a later meeting of the Board for approval.

REPORT ON DELAYED COMPLETION OF CLINICAL SCIENCE BUILDING, SOUTHWESTERN MEDICAL SCHOOL. --The bid from George A. Fuller Company, the successful bidder for the General Contract on the Clinical Science Building at Southwestern Medical School, specified that the work would be completed within 450 calendar days from commencing date, and this figure was made a part of the contract with the company. Although it is now long past the time when the building should have been completed, it is estimated to be still six months away from completion, and after consultation between Comptroller Sparenberg, Mr. Mark Lemmon, Dr. Gill, and Vice-President Dolley, it was decided that the company should be notified that the University expected to exercise its rights under the contract as to the assessment and retention of liquidated damages. The following letter was written May 24, 1957, by Comptroller Sparenberg to George A. Fuller Company:

Mr. Mark Lemmon, Architect for the Clinical Science Building of The University of Texas Southwestern Medical School, has reported to this office from time to time that you are not keeping up with the progress schedule submitted to him by you.

It is now apparent that you will not complete your work within the contract time, plus calendar day extensions for delays on account of bad weather; on the contrary, at the construction pace your firm has set in the past on this work, the Architect and this office are of the opinion that you cannot possibly turn over the building to The University of Texas before December, 1957. The Southwestern Medical School will therefore be deprived of the use of the building for at least one full semester at the cost of considerable money and inconvenience. Therefore, we are advising you of our decision to exercise our rights under

the specifications and contract documents as to the assessment and retention of liquidated damages, in accordance with Article II of our contract agreement dated December 19, 1955.

According to your original progress schedule submitted to Mr. Mark Lemmon, Architect, on January 18, 1956, this contract should have been completed on April 5, 1957 (exclusive of extra days allowed for bad weather). Moreover, your revised progress schedule submitted to Mr. Lemmon on October 12, 1956, shows a scheduled date of completion for this building of June 15, 1957. We intend to recommend to the Board of Regents at its meeting on June 28 and 29, 1957, that the liquidated damages clause be enforced in accordance with the contract agreement.

As at June 18, 1957, no answer has been received from the company. This report is being made for the information of the Board.

NEW PARKING AREA AND STORM SEWER AT SOUTHWESTERN MEDICAL SCHOOL - APPROVAL OF PRELIMINARY PLANS, APPROPRIATIONS, AND AUTHORITY TO AWARD CONTRACTS. --At the Regents' Meeting held May 4, 1957, authorization was given for the preparation of preliminary plans and cost estimates for a new parking area and a storm sewer at Southwestern Medical School. A preliminary set of preliminary plans and cost estimates have been prepared by the Director of Physical Plant at Southwestern Medical School, and the cost estimates are as follows:

New Parking Area	\$55,000.00
Storm Sewer	<u>30,000.00</u>
Total	<u>\$85,000.00</u>

Also, at the Meeting held May 4, 1957, authorization was given to Messrs. Sparenberg, Saunders, Gill, and Gell to confer with officials of the City of Dallas as to the possibility of the City of Dallas making contributions either in cash or in material and labor towards the construction of the storm sewer. At this conference the City Manager, et al, agreed that the City of Dallas would contribute all the labor on the storm sewer, either by contract or with their own force, provided that The University of Texas would pay for the cost of pipe and materials used on our property. It is now estimated that the value of the City's contribution will be approximately \$15,000.00.

It is recommended that the amount of \$70,000.00 be appropriated from the Unappropriated Balance - General Funds of Southwestern Medical School for the construction of a New Parking Area and Storm Sewer. Since these facilities are badly needed by the school, and it is hoped that construction can begin this summer, it is further recommended that Dean Gill, Comptroller Sparenberg, and President Wilson be authorized to approve the final plans and specifications for these projects and award a contract or contracts within the amount of money appropriated plus the contribution of the City of Dallas, after the proper advertising for bids by Comptroller Sparenberg.

An easement ten to fifteen feet in width will be required by the City of Dallas for the storm sewer. It is recommended that the Board of Regents authorize the Chairman to execute this easement, after approval as to substance by the Comptroller and approval as to legal form by Attorney Waldrep.

AUTHORITY TO APPROVE FINAL PLANS AND SPECIFICATIONS AND ADVERTISE FOR BIDS ON SERVICE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL. --At the Regents' Meeting held May 4, 1957, approval was given to the preliminary plans for the Service Building at Southwestern Medical School as prepared by the Consulting Architect, Page, Southerland, and Page, and the Associate Architect, Mark Lemmon, was authorized to proceed with the preparation of working drawings and specifications. This work has proceeded to the point where it is believed it will be possible to award contracts for the building before the end of the fiscal year. Since this building is urgently needed at Southwestern Medical School, since there will not be a meeting of the Board until some time after September 1, and since there are questions in regard to use of re-appropriations involved, it is recommended that a Committee composed of President Wilson, Vice-President Dolley, Dean Gill, and Comptroller Sparenberg be authorized to approve the final plans and specifications for this project and award contracts within the amount appropriated for the building after the proper advertising for bids by Comptroller Sparenberg.

PRIORITY OF BUILDING PROJECTS AT MAIN UNIVERSITY AND APPROPRIATIONS THEREFOR. --At the Regents' Meeting of May 4, 1957, a report by the Faculty Building Committee of the Main University dated May 2, 1957, signed by Robbin C. Anderson, Chairman, entitled "Report on Future Building Needs" was distributed to all members of the Board of Regents. This report included a "Recommended Priority for Building Projects in the Biennium 1957-59", supported by certain detailed schedules. After careful consideration of the report of May 2, 1957, a supplement thereto from Chairman Anderson to Comptroller Sparenberg under date of June 17, 1957, and related information, the Regents' Buildings and Grounds Committee recommends that the Board of Regents approve the recommendations listed below. These recommendations are made jointly by the Faculty Building Committee of the Main University and Comptroller Sparenberg, and are concurred in by Vice-Presidents Boner and Dolley and President Wilson.

It is recommended that the following appropriations be made for construction projects at the Main University out of the Unappropriated Balance of the Available University Fund for 1957-58:

Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building	\$ 100,000.00
Major Repairs and Rehabilitation Projects (to be itemized later)	175,000.00
Addition to Chemistry Building	1,000,000.00
New Business Administration - Economics Building	1,500,000.00
New Central Water Chilling Station	<u>1,300,000.00</u>
Total	<u>\$4,075,000.00</u>

According to the latest estimates, there will be \$223,760.00 left in the Estimated Unappropriated Balance of the Available University Fund for 1957-58, after providing for appropriations already made, the appropriations above recommended, and the \$61,400.00 appropriation for Expansion Chambers recommended on Page 49. See Page 1032

It is further recommended that a total amount of \$250,000.00 be appropriated for Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building, with sources of funds to be as follows:

From Available University Fund, as above recommended:	\$100,000.00
Grant from U. S. Public Health Service, National Institutes of Health, Division of Research Grants, Health Research Facilities Branch, already approved	100,000.00
Account No. 75310, Current Restricted Funds, Pantothenic Acid Royalties	<u>50,000.00</u>
Total	<u>\$250,000.00</u>

According to information furnished to President Wilson by Dr. Roger J. Williams, Director of the Biochemical Institute of the Main University, which will be the main occupant of the area involved in this recommendation, it is expected that most, if not all, of the \$100,000.00 recommended to be appropriated from the Available University Fund will be directly and/or indirectly reimbursed to the University, during the next eight or nine years, by the use of a grant of \$50,000.00 from the Clayton Foundation, expected to be received by the Biochemical Institute during the next five years, and additional receipts to the Pantothenic Acid Royalties Account.

The recommendation of \$1,500,000.00 for the new Business Administration - Economics Building is made with the expectation and further recommendation that the additional \$2,500,000.00 required to make up the \$4,000,000.00 for the main portion of the Business Administration - Economics Building, included in the Faculty Building Committee report of May 2, 1957, will be appropriated in the fiscal year 1958-59, either from the Unappropriated Balance of the Available University Fund or from the proceeds of the sale of Permanent University Fund Bonds.

It is further recommended that the Consulting Architect, Page, Southland, and Page, be authorized and instructed by the Comptroller to start work immediately on preliminary plans for the proposed Art Building and Museum, with their 1% fee to be paid from Account No. 77050, Archer M. Huntington Museum Fund. It is contemplated that this work will be based on an estimated total cost of \$2,500,000.00, including architects' fees, and including both the first unit and the second unit expected to be built some years later. As indicated by the reports of the Faculty Building Committee, it is planned that recommendations will be forthcoming later for the appropriation of \$900,000.00 from the

Available University Fund and \$500,000.00 to \$600,000.00 from the Huntington Fund for the first unit of the Art Building and Museum. It is also contemplated that the balance of approximately \$1,000,000.00, the estimated cost of the completion of the Art Building and Museum, will also be appropriated later from the Huntington Fund, when funds are available.

AWARD OF CONTRACT FOR EXCAVATION AND HAULING FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE. --Bids were opened and tabulated on June 27, 1957, for Excavation and Hauling for Addition and Alterations to Student Union Building, Texas Western College, as shown on the tabulation sheet, Page 70 . After consideration of the bids by Mr. Ralph V. Davis of Davis, Foster, Thorpe, and Associates, Architect on the project, Dr. Holcomb, Mr. Smith, Mr. R. W. Anderson, representing Housing and Home Finance Agency, and Comptroller Sparenberg, it is recommended that award of a contract on this project be made to the low bidder, as follows:

See Page 1053.

Borsberry Construction Company, Inc., El Paso, Texas (Based on an estimated quantity of 5,200 cubic yards at \$0.65 per cubic yard)	\$3,380.00
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It is further recommended that the amount of \$6,000.00 be appropriated from Current Funds General -- Unappropriated Balance of Texas Western College to cover: payments to be made to Borsberry Construction Company, Inc., for this work at the rate of \$0.65 per cubic yard, Architect's Fees on this work, advertising costs, and other preliminary expenses. It is understood that payments made from this appropriation will be reimbursed to Current Funds General later from the proceeds of the sale of bonds on this project.

It is further recommended that the following resolution required by H.H.F.A. in connection with this project with reference to the award of a contract be adopted by the Board:

WHEREAS, the Board of Regents of The University of Texas has advertised for bids for Excavation and Hauling for Addition and Alterations to the Student Union Building, at Texas Western College, El Paso, Texas, and

WHEREAS, bids have been received as shown on the attached tabulation sheet; and

WHEREAS, the Board of Regents of The University of Texas is of the opinion that the bid of Borsberry Construction Company, Inc., El Paso, Texas, is the lowest and best bid:

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of The University of Texas

SECTION 1. That Borsberry Construction Company, Inc., has submitted the lowest and best bid for the work involved in said project;

SECTION 2. That the bid of the said Borsberry Construction Company, Inc., in the amount of the base bid of \$3,380.00 is hereby accepted.

SECTION 3. That the officials of The University of Texas upon whom such duty properly devolves shall, and they are hereby directed to prepare and execute in behalf of said The University of Texas all necessary contracts and documents relating hereto.

REHABILITATION AND REARRANGEMENT OF THE OLD DENTAL BRANCH BUILDING. -- Plans are being made for the activation of research projects in part of the old Dental Branch Building under the authority given by the Board of Regents at the March, 1957 meeting.

The United States Public Health Service National Cancer Institute has now entered into an agreed research program in cytology with M. D. Anderson Hospital, which is the first such joint research program in this area. The USPHS grant will furnish the personnel, operating supplies and research and office equipment necessary and M. D. Anderson Hospital is to furnish the facility and consultive staff. The USPHS budget is for at least a three-year period.

The Board of Regents' action at the March, 1957 meeting gave authority to carry out any physical changes in the Dental Branch property for this purpose from grants or gifts. Permission of the Board of Regents is requested to proceed on the necessary rehabilitation and rearrangement of this building from grant or gift funds in an amount not to exceed \$55,000. Whatever plans and specifications are required and the award of any contracts necessary will be approved jointly by Dr. R. Lee Clark, Jr., Dr. J. V. Olson and Mr. C. H. Sparenberg. It is anticipated that a major portion of the project can be accomplished with temporary employees under the supervision of the Physical Plant staff of M. D. Anderson Hospital. Some air conditioning equipment will be required as a part of this project and is included in the cost indicated above.

It is felt that this rehabilitation will enhance the value of the building and permission is requested for negotiations with Dean J. V. Olson of the Dental Branch for sharing in that portion of the cost of this project which will be required to make the building acceptable from the standpoint of fire regulations and structural safety.

The operating costs for this building will be paid from gift funds received for cancer research.

Adoption of Report. -- The foregoing report of the Buildings and Grounds Committee was unanimously adopted upon motion of Mr. Lockwood, seconded by Vice-Chairman Sorrell.

CENTRAL ADMINISTRATION

APPROVAL OF MINUTES, May 4, 1957. --Upon motion of Doctor Minter, seconded by Mr. Lockwood, the minutes of the Board of Regents' meeting in Austin on May 4, 1957, were approved in the form as distributed by the Secretary to each member of the Board.

APPROVAL OF DOCKET. --President Wilson mailed to each member of the Board June 19, ten days prior to the meeting, a docket for Central Administration. To this docket he had attached and incorporated the dockets of the component institutions of The University of Texas; namely: See Page 1054

Main University and Extramural Divisions - submitted by Vice-President C. P. Boner	See Page 1057
Texas Western College - submitted by A. A. Smith for President Dysart E. Holcomb	See Page 1104
Medical Branch - submitted by Director John B. Truslow	See Page 1109
Dental Branch - submitted by Dean John V. Olson	See Page 1121
M. D. Anderson Hospital and Tumor Institute - submitted by Director R. Lee Clark, Jr.	See Page 1124
Southwestern Medical School - submitted by Dean A. J. Gill	See Page 1130
Postgraduate School of Medicine - submitted by Dean Grant Taylor	See Page 1140

President Wilson requested that action be deferred on Item 6 of Page G-1 until reported in a subsequent docket. Doctor Minter moved that the Central Administration docket, dated June 19, 1957, be approved as presented and that the Director of the Postgraduate School of Medicine be instructed to consider eliminating all academic designations other than lecturers for the Postgraduate School of Medicine in all localities. Vice-Chairman Sorrell seconded the motion which was adopted. See Page 1109

MAIN UNIVERSITY

FINAL APPROVAL, AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS: FACULTY ATTENDANCE AT COMMENCEMENT EXERCISES, MAIN UNIVERSITY. --Section 2, Chapter V of Part I 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, requires that amendments to the Rules and Regulations lie over thirty days before final approval. The following amendment was approved at the May 1957 meeting (Permanent Minutes, Volume IV, Page 897):

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

In accordance with the provisions of Section 2, Chapter V, referred to in the preceding paragraph, the foregoing amendment to the Rules and Regulations of the Board of Regents for the Government of The University of Texas was finally adopted upon motion of Mrs. Devall, seconded by Mr. Bryan.

CENTRAL ADMINISTRATION

GIFT OF GAVEL AND STAND (WOOD FROM OLD MAIN BUILDING), A. GARLAND ADAIR. --The Board of Regents accepted with deep appreciation a gift from A. Garland Adair of a gavel and stand made from the wood of the Main Building that was demolished in 1934, and requested that the Secretary communicate the thanks and appreciation of the Board of Regents to Mr. Adair for this very thoughtful gift. The Physical Plant Staff has properly marked the gavel and the stand in order that their identity through the years may not be lost.

BANK DEPOSITORY CONTRACTS, 1957-59 (RENEWAL). --The recommendation of Comptroller Sparenberg, concurred in by Vice-President Dolley and President Wilson, that all of the University's present bank depository contracts (as listed below) which expire August 31, 1957, with the exception of the Texas National Bank, Houston, be renewed for the two year period beginning September 1, 1957, was considered.

The depository contract with Texas National Bank of Houston (formerly the South Texas National Bank of Houston) was awarded on the basis of advertised competitive bids at the time the Permanent University Fund Bonds were sold, and it continues in effect so long as the University has any part of the bond proceeds still on hand. The contract provides interest at the rate of 1.21% per annum on such of the bond proceeds as are on ninety-day Time Deposit Open Account.

Depository Banks Whose Contracts Expire August 31, 1957:

The American National Bank		
The Austin National Bank		
The Capital National Bank		Austin, Texas
City National Bank		
Texas State Bank		
First National Bank		
Mercantile National Bank		Dallas, Texas
Republic National Bank		
El Paso National Bank		
Southwest National Bank		El Paso, Texas
The State National Bank		
Hutchings-Sealy National Bank		Galveston, Texas
Fannin State Bank		
First City National Bank		
Bank of the Southwest National Association		Houston, Texas

Vice-Chairman Sorrell moved that Comptroller Sparenberg be authorized to negotiate renewal agreements with the banks as listed for the two-year period beginning September 1, 1957, and that the Chairman be authorized to sign these instruments when approved as to subject matter by Comptroller Sparenberg and as to form by Assistant Land and Trust Attorney Waldrep. Mr. Lockwood seconded this motion which carried.

COMMITTEE OF SEVENTY-FIVE, 75TH ANNIVERSARY: MEMBERSHIP.--

Vice-President Haskew gave a brief report on the progress of the Committee of Seventy-five, stating that the response of members has been very gratifying. He reported the resignation of Mr. William H. Wood and of Mr. Charles F. Haas. Both of these gentlemen resigned because of business commitments that would prevent their continuing service on this committee.

Upon motion of Vice-Chairman Sorrell, seconded by Mr. Lockwood, the Board ratified the appointment of Mr. Joe Cook of Mission to succeed Mr. William H. Wood and appointed Senator Hubert R. Hudson of Brownsville to succeed Mr. Charles F. Haas.

TUITION FEES, THE UNIVERSITY OF TEXAS.--The following scale of tuition fees for the several component institutions of The University of Texas to comply with H.B. No. 265, 55th Legislature, R.S., was adopted to be effective September 1, 1957, upon recommendation of President Wilson and on a motion duly made and seconded. It was pointed out that in the event of any discrepancy between this scale of fees and the scale of fees which may be included in the docket (Pages W-4, G-7, D-3, and S-2), the following shall be effective:

See Pages 1107,
1115, 1123, &
1131

Main University

	Semester Fees	
	<u>Resident</u>	<u>Non-Resident</u>
12 semester credit hours or more	\$50.00	\$200.00
1--3 semester credit hours	15.00	
Each additional semester credit hour	4.00	
First semester credit hour		18.50
Each additional semester credit hour		16.50
<u>In absentia</u> registration	15.00	18.50

Texas Western College

	Semester Fees	
	<u>Resident</u>	<u>Non-Resident</u>
12 semester credit hours or more	\$50.00	\$125.00
First 3 semester credit hours	15.00	35.00
Each additional semester credit hour	4.00	10.00

Medical Branch
and
Southwestern Medical School

	Semester Fees		
	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
Medical students, 1957-58 - resident and non-resident	\$ 75.00	\$125.00	\$200.00
Medical students, effective September, 1958 - resident and non-resident	150.00	150.00	300.00

All others shall be charged fees in accordance with the scale of tuition fees at the Main University. Students in any program conducted on a quarter basis are to be charged a prorata amount.

Dental Branch

Dental students, 1957-58 - resident and non-resident	\$ 91.67 a term
Dental students, effective September 1, 1958	100.00 a term

Dental Hygiene students shall be charged fees in accordance with the scale of tuition fees at the Main University, prorated on a quarter basis.

Accredited School Scholarships

The Medical Branch, the Southwestern Medical School and the Dental Branch are authorized and directed to issue Accredited School Scholarships as provided in Article 2654b-1, Section 2, Vernon's Revised Civil Statutes, beginning in September, 1957. These scholarships are applicable only to those programs requiring no more than high-school graduation for admission. The rules and regulations presently in effect at the Main University for the awarding of these scholarships shall be effective at the medical and dental institutions.

GENERAL POLICY, TUITION FEES SCHOLARSHIPS. --Upon a motion duly made and seconded the following statement of general policy to govern the granting of tuition scholarships authorized by H. B. No. 265, 55th Legislature, R. S., as recommended by President Wilson was unanimously adopted:

1. Scholarships authorized by House Bill No. 265 of the 55th Legislature shall be designated as "Tuition Fee Scholarships."
2. Subject to approval by the President and the Board, each component institution shall set apart in a separate account on the books of the institution such amount as may be deemed necessary for the relief of cases of real financial hardship caused by the increase in tuition under House Bill No. 265.

3. Tuition Fee Scholarships shall be processed and granted by or under the supervision of scholarship committees of the several component institutions.
4. Recipients of such scholarships must be classified as "resident students" as defined by House Bill No. 265.
5. Awards shall be based primarily on financial need, giving consideration to the financial capacity of the parents, the student's own efforts to finance his education as evidenced by part-time jobs, and loans from private sources. A questionnaire designed to secure the information necessary for determination of need shall be submitted by each component institution to the President for approval. The questionnaires shall be as uniform as possible.
6. Awards shall be based also on character and general scholastic record.
7. Tuition Fee Scholarships shall be granted to full-time students in an amount not to exceed the difference in the resident tuition fee charged in 1956-57 and the resident tuition fee effective for the semester, term or session for which the student is registered. Such awards shall not be made for summer terms or sessions. The amount of an award shall be a credit against the total required tuition fee for the student.
8. Detailed rules or procedures conforming to the provisions of House Bill No. 265 and to this statement of general policy shall be submitted by each component institution to the President for approval and then included in the appropriate institutional catalogues.
9. Not later than 30 days after the close of each fiscal year, each component institution shall transfer any remaining balance in the account set up for Tuition Fee Scholarships to the tuition income account from which the scholarship account was established. The amount of such transfer shall be reported to the President and to the Board as part of an annual accounting indicating the number of applications received, the number of scholarships credited, and the total scholarships credit used.

TUITION SCHOLARSHIPS (H. B. NO. 265, 55TH LEGISLATURE, R.S.), MAIN UNIVERSITY (REPORT OF EXECUTIVE COMMITTEE, INTERIM ACTION). --In order that the Scholarship Bulletin, Main University, include information on the award of tuition scholarships as authorized by H. B. No. 265, 55th Legislature, President Wilson presented to the Executive Committee by mail June 7, 1957, the following:

(1) Proposal for Handling the Award of the Tuition Scholarships

The Tuition Scholarship awards will be made by the Committee on Loans and Scholarship Information. The

scholarship applications will be screened by the Chairman of this Committee.

The Committee will prescribe the procedure for making the awards, set policies and pass on doubtful, controversial or contested cases. Routine awards will be handled by the Chairman.

(2) Proposed Statement for the Scholarship Bulletin

Origin: Legislative action.

Amount: \$50.00 per Long Session.

Eligibility: Resident of Texas, character, satisfactory academic record, but primarily on need.

Apply to: Chairman, Committee on Loans and Scholarship Information.

General Statement: These scholarships may be awarded for each semester of the Long Session. The scholarship entitles a student to \$25.00 per semester or \$50.00 per Long Session credit on his tuition.

The Executive Committee by individual vote by mail approved President Wilson's recommendation.

Upon a motion duly made and seconded, the foregoing report was ratified.

TEXAS WESTERN COLLEGE

VOLUNTARY STUDENT ACTIVITY FEE, TEXAS WESTERN COLLEGE. -- President Wilson presented and concurred in the recommendation of Doctor Holcomb that the voluntary student activity fee at Texas Western College for the 1957-58 Long Session be set at \$20.00 on a yearly basis, with a \$5.00 refund to students not in school during the spring semester; that if the student elects to purchase the activity fee on a semester basis, the fee for the 1957 fall semester be set at \$15.00 and \$10.00 for the 1958 spring semester. The foregoing recommendation was adopted by the Board upon a motion duly made and seconded.

SOUTHWESTERN MEDICAL SCHOOL

DEDICATION, CLINICAL SCIENCE BUILDING, SOUTHWESTERN MEDICAL SCHOOL, DEFERRED. -- Since the Clinical Science Building at The University of Texas Southwestern Medical School will not be completed by October 10, 1957, Mr. Lockwood moved that the dedication of the building be deferred. Mrs. Devall seconded this motion which carried.

CENTRAL ADMINISTRATION

RATIFICATION AND AUTHORIZATION, OUT-OF-STATE TRIPS: PRESIDENT WILSON AND VICE-PRESIDENT DOLLEY. -- Upon motion of Mrs. Devall, seconded by Mr. Lockwood, the Board ratified the trip of President Logan Wilson, May 4-9, 1957, to New York City, expenses charged to the Office and Travel account of the Office of the President, to (1) represent The University of Texas at a meeting of the State Universities Association, (2) present papers before meetings of the National Association of State Universities and a Workshop on Faculty-Administration Relations conducted by the American Council on Education, and (3) confer with other officials of leading universities pertaining to mutual educational problems.

Upon motion of Mrs. Devall, seconded by Mr. Lockwood, the Board granted the request of Vice-President Dolley to go to New York and possibly to Boston in connection with the Permanent University Investment Program and the bond refunding problem, expenses to be paid from Account No. 89171 (Office and Travel Expense Account of the Endowment Office), and the date of the trip to be within the period August 1-September 15, 1957.

DISPOSITION, FRED M. HUGHES BEQUEST. -- President Wilson read the following memorandum from Vice-President Dolley regarding the disposition of the Fred M. Hughes Bequest:

The bequest of Dr. Fred M. Hughes is reported in detail in the Permanent Minutes, Volume IV, Pages 876 and 877 (May 1957 meeting). A check in the amount of \$5,000.00 has been received as settlement in full of the University's residuary interest in the estate of Dr. Hughes. (See Page 35.) See Page 1018

The terms of the will specify (1) that the bequest is unrestricted as to use, and (2) that one-half of the bequest is for the use and benefit of the Main University and the other half is for the use and benefit of the Medical Branch at Galveston.

Accordingly, I recommend the following disposition of the proceeds of this bequest:

1. At the Main University, the sum of \$2,500.00 is to be credited to an unrestricted trust account to be expended for educational and developmental purposes for which legislative appropriations are not available. All such expenditures require approval by the President of the University, and the Auditor's Office is directed to maintain an accurate record of all payments made.

2. At the Medical Branch, the sum of \$2,500.00 is to be credited to an unrestricted trust account to be expended for educational and developmental purposes for which legislative appropriations are not

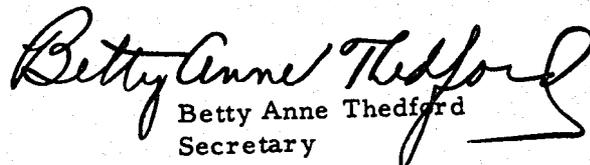
available. All such expenditures are to be recommended by the Director of the Medical Branch and approved by the President of the University, and the Auditor's Office is directed to maintain an accurate record of all payments made.

President Wilson concurred in the recommendation of Vice-President Dolley and the Board, upon motion of Mrs. Devall, seconded by Vice-Chairman Sorrell, adopted the recommendation as presented.

MAIN UNIVERSITY

REMOVAL OF PECAN TREES, FRESHMAN FOOTBALL PRACTICE FIELD. -- Upon recommendation of President Wilson, Mrs. Devall moved that the Athletic Council be granted permission to remove three pecan trees from the freshman football practice field. Mr. Bryan seconded this motion which carried.

ADJOURNMENT. -- The Board adjourned at 12:45 p. m.


Betty Anne Thedford
Secretary

PREVAILING WAGE RATES

EL PASO, TEXAS
AS AT JUNE 14, 1957

Exhibit A

That the general prevailing rate of per diem wages must be paid to all laborers, men, and mechanics directly employed on the work covered by this contract.

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 June 14, 1957, in El Paso, Texas:

<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>	<u>Classification</u>	<u>*Wages Per Diem</u>	<u>Wages Per Hour</u>
Pool Man	\$10.80	\$1.35	Form Setter (Strs.)	\$10.00	\$1.25
Gravel Raker	10.00	1.25	Form Setter Helper (Strs.)	8.80	1.10
Gravel Shoveler	8.00	1.00	Laborer, Common	8.00	1.00
Graveling Plant Scaleman	11.20	1.40	Laborer, Semi-Skilled	10.00	1.25
Gravelboard Setter	12.40	1.55	Manhole Builder, Brick	12.00	1.50
Graveler, Rough	12.00	1.50	Mechanic	13.20	1.65
Graveler Helper, Rough	12.00	1.50	Mechanic Helper	10.00	1.25
Graveler Finisher (Pavg.)	12.00	1.50	Oiler	10.00	1.25
Graveler Finisher Helper (Pavg.)	10.56	1.32			
Graveler Finisher (Strs.)	12.00	1.50	<u>Power Equipment Operators</u>		
Graveler Finisher Helper (Strs.)	8.00	1.00	Asphalt Distributor	12.00	1.50
Graveler Rubber	10.80	1.35	Asphalt Paving Machine	11.20	1.40
Graveler	11.20	1.40	Bulldozer, 80 H. P. & Less	12.00	1.50
Graveler Builder (Strs.)	12.00	1.50	Bulldozer, Over 80 H. P., GR I	17.52	2.19
Graveler Builder Helper (Strs.)	8.00	1.00	Concrete Paving Curing Machine	12.00	1.50
Graveler Liner (Pavg. & Curb)	10.00	1.25	Concrete Paving Finishing Machine	17.40	2.175
Graveler Setter (Pavg. & Curb)	10.00	1.25	Concrete Paving Joint Machine	16.00	2.00
Graveler Setter Helper (Pavg. & Curb)	8.80	1.10			

Based on eight hours per day

Classification	*Wages Per Diem	Wages Per Hour	Classification	*Wages Per Diem	Wages Per Hour
Concrete Paving Longitudinal Float	\$16.60	\$2.075	Tractor (Crl.) 80 H.P. & Less	\$12.00	\$1.50
Concrete Paving Saw	12.00	1.50	Tractor (Crl.) Over 80 H.P.	16.00	2.00
Concrete Paving Spreader	20.40	2.55	Tractor (Pneu.) 80 H.P. & Less	10.00	1.25
Concrete Paving Grader	20.00	2.50	Tractor (Pneu.) Over 80 H.P.	12.00	1.50
Clamshell, Back- Derrick, Drag- Shovel (less than 1/2 C. Y.) GR I	14.80	1.85	Trenching Machine, Light	12.00	1.50
Clamshell, Back- Derrick, Drag- Shovel (less than 1/2 C. Y.) GR II	12.00	1.50	Trenching Machine, Heavy	12.40	1.55
End Loader (1 C. Y. & Less)	12.00	1.50	Reinforcing Steel Setter (Strs.)	12.80	1.60
End Loader (Over 1 C. Y.)	14.00	1.75	<u>Truck Drivers</u>		
(Conc. Pavg.)	21.60	2.70	Single Axle	10.00	1.25
Grader Operator, GR I	16.00	2.00	Single Axle, Heavy	12.00	1.50
Grader Operator, GR II	14.80	1.85	Tandem Axle & Semi-Trailer	10.00	1.25
Crete	12.00	1.50	Lowboy	12.00	1.50
Steel Wheel (Ant-Mix Pavement)	13.20	1.65	Welder	14.80	1.85
Steel Wheel (Paver)	13.20	1.65	<u>Miscellaneous</u>		
Pneumatic S. P.	10.00	1.25	Asphalt Screedman	10.00	1.25
Trucks (7 C. Y. or Less)	12.00	1.50	Dumpton	9.20	1.15
Trucks (Over 7 C. Y.) GR I	16.16	2.02	Plumber	12.00	1.50
			Rock Mason	14.80	1.85

on eight hours per day

rates as given above compiled from Prevailing Wage Rates as recognized by Associated General Contractors, Texas Highway Heavy Duty Branch for the El Paso County

TABULATION OF BIDS

EXCAVATION AND HAULING FOR
ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING
TEXAS WESTERN COLLEGE
TEX 41-CH-56(S)10:00 A. M., Thursday
June 27, 1957

<u>Name of Bidder</u>	<u>Base Bid</u>	<u>Check or Bond</u>	<u>Remarks</u>
Bersberry Construction Company, Inc. El Paso, Texas	\$3,380.00	Bond - \$169.00	@\$.65 per cu. yd.
Robert E. McKee. General Contractor, Inc. El Paso, Texas	7,800.00	Bond - 500.00	@\$1.50 cu. yd. Bond Not Dated
Hugh McMillan Contractor El Paso, Texas	5,980.00	Bond - 5%	@\$1.15 cu. yd.