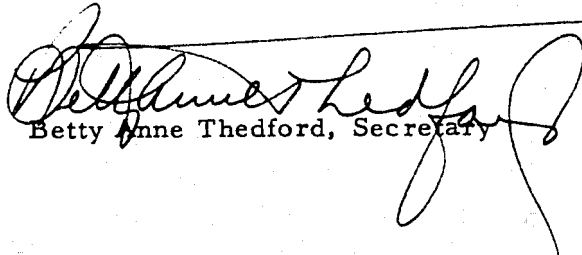


FOREWORD

This volume and its companion (Volume Vb) contain the Official Minutes of the Board of Regents of The University of Texas for the year 1957-58. The Minutes proper were prepared in the Office of the Secretary of the Board of Regents, as were the marginal notations. The docketts that are attached to the Minutes and made a part of the Minutes have been prepared by each institutional head and submitted to the President to be incorporated in the Docket for Central Administration. Any changes in the original docketts submitted by the institutional heads to the President have been made in the President's Office. A bound copy of the Official Minutes for each fiscal year is furnished to the Chairman of the Board of Regents and to the President of the University.



Betty Anne Thedford, Secretary

Dallas, Texas
 October 10, 1957
 Meeting No. 564

The Board of Regents of The University of Texas met as a Committee of the Whole in the Library at The University of Texas Southwestern Medical School, Dallas, Texas, Thursday, October 10, 1957, at 3:20 p. m. with the Chairman presiding and the following in attendance:

Present

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

Absent

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

Each Regent was given the opportunity to present for discussion by the Committee of the Whole any item which he deemed should properly come before the full Board for consideration rather than as a recommendation from one of the standing committees. As soon as the Regents had cleared their discussion topics, each institutional head was likewise given an opportunity to come into the meeting and discuss any matters relating to his institution.

The following is the Report of the Committee of the Whole:

ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE

COMMITTEE OF 75, 75TH ANNIVERSARY: MEMBERSHIP. --Mrs. Devall, Chairman of the Academic and Developmental Affairs Committee, presented the recommendation of the committee that Richard G. Miller of El Paso, Texas, be appointed to the Committee of 75 to fill the vacancy created by the resignation of L. H. Cullum of Wichita Falls. See Page 300.

Mr. Lockwood moved that the recommendation of the Academic and Developmental Affairs Committee be adopted. Mr. Johnson seconded the motion which carried.

TEXAS WESTERN COLLEGE

PROPOSED PURCHASE OF LOT FROM COTTON ESTATE FUNDS (FOR POSSIBLE FUTURE USE AS SITE FOR PRESIDENT'S HOME) TEXAS WESTERN COLLEGE. --Since the Buildings and Grounds Committee was of the opinion that the proposed purchase of a lot for a president's home at Texas Western College might involve a matter of policy, Mr. Lockwood, Chairman of the committee, presented the proposal to the Committee of the Whole for discussion. This item was also on the agenda of the Land and Investment Committee. See Page 1106 and 66.

After consideration by the Buildings and Grounds Committee, the Land and Investment Committee, and the Committee of the Whole, and upon recommendation by the Land and Investment Committee, the Board, upon motion of Mr. Lockwood seconded by Vice-Chairman Sorrell, approved a recommendation by Doctor Holcomb to President Wilson that the Board of Regents purchase, as an investment of Cotton Estate Funds, a lot in the Coronado Country Club Estates, El Paso, Texas. These lots in the Coronado Country Club Estates are each approximately one-half acre in size and the price of each lot is \$7,500.00. It is contemplated that this may be used at some future time as a site for a new president's home, if and when it becomes legally permissible to do so. If construction is not undertaken within five years of the date of purchase of the lot, the sellers reserve the right to purchase the lot for \$10,000.00.

CORNERSTONE OR PLAQUE FOR ADDITION TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE. --Mr. Lockwood moved that Texas Western College be required to put a cornerstone or plaque on the Student Union Building and that on the cornerstone or plaque the standard pattern long approved by the Board be followed and not be deviated therefrom. This motion was duly seconded and carried. See Page 293.

ATTENDANCE. --Vice-President Dolley, Vice-President Haskew, Vice-President Casberg, and Assistant to the President Cox had retired from the meeting.

MAIN UNIVERSITY

At the request of Chairman Jeffers, Doctor Ransom, Vice-President and Provost of the Main University, was asked into the meeting.

PRELIMINARY REPORT ON SELECTED PROGRAMS IN THE FULLY STATE-SUPPORTED ACADEMIC INSTITUTIONS IN TEXAS FROM TEXAS COMMISSION ON HIGHER EDUCATION. --Doctor Ransom briefly explained the Preliminary Report on Selected Programs in the Fully State-Supported Academic Institutions in Texas as it affects The University of Texas. This report had been adopted by the Texas Commission on Higher Education July 8, 1957, and sent to the Chairman of the Board July 15 with the request that the observations and suggestions contained in the report be studied and after careful review that the Board of Regents comment or report to the Texas Commission on Higher Education with reference to these selected programs. See Page 297.

Through proper channels this report had been referred to Doctor Ransom for study. Doctor Ransom pointed out that the report affected the programs in home economics and in library science and affected the library as a center. He outlined the procedure being pursued in making this study.

Chairman Jeffers asked that the recommendations be presented at the next meeting in order that the Board may report to the Texas Commission on Higher Education at the earliest possible time.

RECESS. --The Committee of the Whole recessed at 5:10 p.m. until 9:30 a.m., Friday, October 11, 1957.

ATTENDANCE. --The Committee of the Whole reconvened to complete its discussion matters at 9:45 a.m., Friday, October 11, 1957, in the

Conference Room, 8th Floor, Republic National Bank. All Regents, President Wilson, Vice-President Dolley, Vice-President Haskew, Vice-President Casberg, Assistant to the President Cox, and Secretary Thedford were in attendance.

REGULAR SESSION. --The Committee of the Whole resolved itself into regular session at 11:40 a.m. Comptroller Sparenberg, Endowment Officer Stewart, Assistant Land and Trust Attorney Waldrep, Budget Officer Graydon, Director of News Service Keys, Doctor Clark, Doctor Gill, Doctor Holcomb, Doctor Olson, Doctor Ransom, Doctor Taylor, Doctor Truslow, and other representatives of the University came into the meeting.

COMMITTEE REPORTS

REPORT OF INTERIM ACTIONS, EXECUTIVE COMMITTEE: SMALL CLASS REPORTS, FIRST AND SECOND TERMS, 1957 SUMMER SESSION, MAIN UNIVERSITY AND TEXAS WESTERN COLLEGE. --Mr. Johnson, Chairman of the Executive Committee, presented the following report, a copy of which had been furnished to each Regent ten days prior to the meeting in the bound volume Material Supporting the Agenda:

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

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

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

Main University First and Second Terms, 1957 Summer Session

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

Texas Western College First and Second Terms,
1957 Summer Session

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

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

The Executive Committee submits these reports for ratification.

Adoption of Report. -- Upon motion of Mr. Johnson, seconded by Mrs. Devall, the foregoing report of the Executive Committee was adopted. (A copy of each report is in the Secretary's Files, Volume V, Page 1.)

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE: COMPUTATION LABORATORY. -- Mrs. Devall, Chairman of the Academic and Developmental Affairs Committee, presented the following report:

The establishment of a computation laboratory at the Main University is a prime necessity and should be accomplished immediately. It is recommended by the Academic and Developmental Affairs Committee that the Board of Regents request the President of the University to conduct a diligent search for funds, either from private sources or from unallocated funds now available to the University, and as soon as the necessary funds can be located to proceed with establishment of this laboratory.

Adoption of Report. -- Upon motion of Mrs. Devall, seconded by Vice-Chairman Sorrell, the foregoing report was adopted.

REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 11 for Adoption). -- Mr. Lockwood, Chairman of the Buildings and Grounds Committee, moved the adoption of the following report:

RATIFICATION OF AWARD OF CONTRACT FOR REPLACEMENT OF PEARCE HALL ROOF, MAIN UNIVERSITY. -- In accordance with authorization given at the Regents' Meeting held June 29, 1957, bids for the Replacement of Pearce Hall Roof at the Main University were received, opened, and tabulated on July 9, 1957, as shown on Page 80. After consideration of the bids, Comptroller Sparenberg, in accordance with further authorization given at the June meeting, awarded a contract to the low bidder, as follows:

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

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

APPROVAL OF PRELIMINARY PLANS FOR ADDITION TO POWER PLANT BUILDING, MAIN UNIVERSITY. --In accordance with authorization given at the meeting held September 22, 1956, preliminary plans for the Addition to the Power Plant Building at the Main University have been prepared by the Consulting Architect, Page, Southerland, and Page. See Page 618. These plans have been approved by Mr. Eckhardt, the Main University Faculty Building Committee, Vice-President Ransom, Comptroller Sparenberg, and President Wilson. It is recommended that they be approved by the Board and that the Associate Architect, Fehr and Granger, be authorized to prepare working drawings and specifications to be presented for approval at a later meeting of the Board.

SELECTION OF ENGINEER FOR CONSTRUCTION OF NEW CENTRAL WATER CHILLING STATION, MAIN UNIVERSITY. --In February, 1954, See Page 619. an agreement was entered into between The University of Texas and Zumwalt and Vinther, Consulting Engineers, Dallas, Texas, which covered, among other things, a survey of the Main University Campus for the purpose of determining the best solution to the problems of location, etc., of future Central Water Chilling Station or Stations to air condition existing and future buildings on this Campus. A report on this matter was completed and presented by Zumwalt and Vinther under date of June, 1954.

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

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

COMPLETION OF UNFINISHED AREAS OF THIRD AND FOURTH FLOORS OF WEST END OF EXPERIMENTAL SCIENCE BUILDING, MAIN UNIVERSITY. -- At the Regents' Meeting held June 29, 1957, an appropriation was set up as at September 1, 1957, for the Completion of Unfinished Areas of Third and Fourth Floors of West End of Experimental Science Building, part of which was to come from a grant from U. S. Public Health Service. See Page 901.

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

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

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

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

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

REMODELING OF ATTIC OF PETROLEUM ENGINEERING BUILDING, MAIN UNIVERSITY. --In March of this year a report was submitted by Doctor George H. Fancher, Professor of Petroleum Engineering; Director, Texas Petroleum Research Committee, to the Main University Faculty Building Committee, among others, concerning the need for remodeling of the attic of the Petroleum Engineering Building, plus the installation of an elevator to serve this area as well as the other floors of the building, at an estimated cost of approximately \$75,000.00. Since that time certain revisions have been made in the area to be covered by the remodeling, and the estimated cost is now approximately \$90,000.00. The report of the Main University Faculty Building Committee at the June meeting of the Board with regard to appropriations for building projects did not contemplate this remodeling work being performed during the fiscal year 1957-58, but it now appears that there is more urgency for this work than was understood at first.

It is recommended by the Main University Faculty Building Committee, which recommendation is concurred in by Main University Business Manager Landrum, Vice-President Ransom, Comptroller Sparenberg, and President Wilson, that an appropriation of \$90,000.00 be made from the Unappropriated Balance of the Available University Fund for Remodeling of the Attic of the Petroleum Engineering Building as outlined in Doctor Fancher's report of March, 1957, plus revisions made in April, 1957. (Reports on file in Comptroller's Office). This recom-

mentation by the Faculty Building Committee is with the understanding that the Garrison Hall addition, the addition near Sutton Hall, and the first two floors of the east end of Experimental Science building will later be given priority in use of the new cooling capacity as it becomes available (when the new central water chilling station is completed).

APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR ADDITION AND ALTERATIONS TO STUDENT UNION BUILDING, TEXAS WESTERN COLLEGE. --At the Regents' Meeting held March 16, 1957, the Board approved a loan agreement with Housing and Home Finance Agency for the issuance of bonds to cover the Addition and Alterations to the Student Union Building at Texas Western College. In accordance with previous authorization given by the Board, the Architects were instructed to proceed with the working drawings and specifications on this project. These working drawings and specifications have now been completed and have been approved by Texas Western College Faculty Building Committee, Doctor Holcomb, Comptroller Sparenberg, and President Wilson. It is recommended that these final plans and specifications be approved by the Board, and that the Comptroller be authorized to advertise for bids to be presented later to the Board for consideration. See Page 293.

Since this project is being handled under a loan agreement with the Housing and Home Finance Agency, it will be necessary for the Board of Regents to furnish this agency a resolution showing approval of the final plans and specifications. It is, therefore, recommended that the following resolution be adopted:

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

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

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

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

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

furnishing by the Board of Regents of a resolution approving a schedule of Prevailing Wage Rates for construction in the area involved.

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

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

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

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

BE IT RESOLVED BY THE GOVERNING BODY OF SAID UNIVERSITY:

That it is found and determined that the rates shown for the classifications listed on Page 83 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.

RATIFICATION OF AWARD OF CONTRACT FOR NEW PARKING AREA AT SOUTHWESTERN MEDICAL SCHOOL. --At the Regents' Meeting held June 29, 1957, an appropriation of \$70,000.00 was made for the construction of a New Parking Area and Storm Sewer at the Southwestern Medical School, with authorization to a Special Committee to approve the final plans and specifications and award contracts therefor within the amount of money appropriated (plus the contribution of the City of Dallas), after proper advertising for bids by Comptroller Sparenberg. Pursuant to these authorizations, bids on the New Parking Area were received, opened, and tabulated on August 27, 1957, as shown on Page 82. The low bid was below the portion of the total appropriation estimated to be needed for the Parking Area and the Special Committee composed of Dean Gill, Comptroller Sparenberg, and President Wilson awarded a contract to the low bidder, as follows:

Uvalde Construction Company, Dallas,	
Texas	\$49,956.00

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

RATIFICATION OF AWARD OF CONTRACTS FOR SERVICE BUILDING, SOUTHWESTERN MEDICAL SCHOOL. --At the Regents' Meeting held June 29, 1957, authorization was given to a Special Committee to approve the final plans and specifications for the Service Building at Southwestern Medical School and to award contracts within the amount of the appropriation after proper advertising for bids by Comptroller Sparenberg. In accordance with this authorization, bids were received, opened, and tabulated for this project on August 27, 1957, as shown on Page 81. Without the rejection of some alternates considered highly desirable and essential, as indicated below, the total of the low bids plus architects' fees thereon exceeded the amount of the appropriations; however, the Business Manager of Southwestern Medical School indicated that there was a sufficient balance in the Unappropriated Balance of Current Funds-

General of that institution to cover this deficiency. Since the amount needed was relatively small and the money was available, Doctor Wilson, after consulting with the Chairman of the Regents' Buildings and Grounds Committee and the Executive Committee of the Board of Regents, approved the awarding of contracts by the Special Committee, composed of President Wilson, Vice-President Dolley, Dean Gill, and Comptroller Sparenberg, to the low bidders, as follows:

General Contract:

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

Plumbing, Heating, Ventilating, and
Air Conditioning Contract:

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

Electrical Contract:

Ray Smith Electric Company, Dallas, Texas		
Base Bid		<u>12,600.00</u>
Total Contract Awards		<u>\$101,683.00</u>

It is recommended that the contract awards as reported above be ratified by the Board. It is further recommended by the Special Committee, that, to cover the approved awards, plus Architects' Fees and other costs, an additional amount of \$8,500.00 be appropriated to the proper accounts under the Service Building project from the Southwestern Medical School: Unappropriated Balance, Current Funds - General. The amount originally appropriated for this project was \$100,000.00. The additional appropriation recommended is to cover, in part, additive Alternates No. 1-A on the General Contract and No. 2-A on the Mechanical Contract. The paving of the parking area and drive covered by Alternate No. 1-A and the extension of gas lines and water lines covered by Alternate No. 2-A were not included in the original estimates for the Service Building, but it is considered wise and economical to do this work at this time, rather than to do these jobs as separate projects later.

RATIFICATION OF AWARD OF CONTRACT FOR FURNITURE AND EQUIPMENT, M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. --In accordance with authorization granted at the Regents' Meeting held May 4, 1957, bids were received, opened, and tabulated on August 13, 1957, as shown on Page 80, for Movable Furniture and Equipment for the M. D. Anderson Hospital and Tumor Institute. After consideration of the bids by representatives of M. D. Anderson Hospital and Tumor Institute and the Comptroller's Office, Comptroller Sparenberg, with the concurrence of Doctor R. Lee Clark, Jr., in accordance with further authorization granted at the May, 1957 meeting, awarded a contract for the lowest combination bid, as follows:

Finger Contract Supply Company, Houston, Texas	\$31,436.39	See Page 621.
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It is recommended that the contract award as reported above be ratified by the Board.

RATIFICATION OF AWARD OF CONTRACT FOR RENOVATION OF OLD DENTAL BRANCH BUILDING. --At the Regents' Meeting held June 29, 1957, authorization was given to proceed on the necessary rehabilitation and rearrangement of the Old Dental Branch Building for use of M. D. Anderson Hospital and Tumor Institute for research work. Permission was granted to expend from grant or gift funds an amount not to exceed \$55,000.00, and a Committee composed of Doctor R. Lee Clark, Jr., Doctor J. V. Olson, and Mr. C. H. Sparenberg was authorized to approve plans and specifications and the award of any contracts that might be necessary to carry out this work. On July 22, 1957, bids were received, opened, and tabulated, as shown on Page 80, for a portion of the work involved in the project, and the Committee awarded a contract to the low bidder, Donald W. Pung, Houston, Texas, as follows:

Base Bid	\$23,970.00
Plus Alternate No. 1	560.00
Total Contract Award	<u>\$24,530.00</u>

At the June meeting of the Board permission had been given to negotiate with Dean J. V. Olson of the Dental Branch for payment of that part of the work which would be required to make the building acceptable from the standpoint of fire regulations and structural safety. After a study was made of the bids, Dean Olson agreed that the Dental Branch would pay the total of this contract out of Dental Branch General Funds. Most of the balance of the work involved in this project will be performed through the Physical Plant staff of M. D. Anderson Hospital.

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

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

See Page 618

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

REPORT ON ENGLISH BUILDING CEILINGS, MAIN UNIVERSITY. -- See Page 446. Mr. William B. Saunders, Architect; Assistant to the Comptroller, has made a report to the Regents' Buildings and Grounds Committee, based on investigations made by himself and Engineers on the Main University staff, et al, in regard to the condition of the ceilings in the New English Building and the probable cause of the expansion that has occurred in the ceilings in certain areas of this building. Mr. Saunders has recommended, and the Regents' Buildings and Grounds Committee also recommends, that

this situation be corrected as fast as possible, over a period of months, by the Physical Plant staff of the Main University by cutting certain expansion joints in these ceilings, pulling the steel channels back into place in certain areas, etc., and it is understood that the Comptroller's Office will be responsible for preparing instructions for the Physical Plant staff of the Main University to follow in doing this work.

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

PROPOSED PURCHASE OF LOT FROM COTTON ESTATE FUNDS (FOR POSSIBLE FUTURE USE AS SITE FOR PRESIDENT'S HOME) TEXAS WESTERN COLLEGE. --See Page 1.

Adoption of Report. --Mr. Thompson seconded the motion of Mr. Lockwood which carried.

REPORT OF MEDICAL AFFAIRS COMMITTEE (See Page 17 for Adoption). --Doctor Minter, Chairman of the Medical Affairs Committee, presented the following report:

CONTRACT WITH CITY OF GALVESTON. --In accordance with action of the Board June 28, 1957, (Permanent Minutes, Vol. IV b, Page 985), the Medical Affairs Committee has given consideration to the proposed contract between the City of Galveston and the Board of Regents of The University of Texas covering services by The University of Texas Medical Branch to the City of Galveston indigents. A copy of the proposed agreement is in the bound volume Material Supporting the Agenda that was furnished to each Regent ten days prior to the meeting. At that time this proposed agreement had been negotiated with the City Council of Galveston and had been approved by the administration. However, within the past week there has been a request on the part of City Attorney Phipps that the language in the last two sentences of Section 1 be changed.

It is recommended by the Medical Affairs Committee that the last sentence of Section 1 be changed to read "Outpatients who are totally indigent shall be furnished, as in the past, essential drugs and medicines".

It is further recommended that the Board accept the proposed contract with the change indicated and that the Chairman be authorized to execute the instrument when it has been approved as to subject matter by Assistant to the President Cox and as to form by Assistant Land and Trust Attorney Waldrep.

A copy of the agreement as approved is in the Secretary's Files, Vol. V, Page 9.

PROGRESS REPORTS, MEDICAL UNITS. --The Medical Affairs Committee received reports from the institutional heads of the medical units on conditions in general at their respective institutions. Among these were reports from Doctor Truslow on the progress of the James A. Hamilton and Associates survey, enrollment figures, financial status, new personnel, and progress on the by-laws of the staff and faculty at the Medical Branch. Doctor Olson reported to the entire satisfaction of the Medical Affairs Committee regarding appointments at the Dental Branch.

INCOME TAX RETURN, UNIVERSITY CANCER FOUNDATION, INSTITUTIONAL PROGRAM, DIRECTOR'S REGULATIONS, AND AUGMENTATION PLAN, M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. --The See Page 331. income tax return of the University Cancer Foundation, institutional program director's regulations, and augmentation plan for the M. D. Anderson Hospital and Tumor Institute represent a very complicated program. Due to the press of time, the administration did not receive the proposal for this program in time to prepare a recommendation for the Board.

The Medical Affairs Committee recommends, at the suggestion of President Wilson, this plan be postponed for final action until the next meeting of the Board and that the administration study the proposal and submit recommendations to each member of the Board at the earliest convenience.

MEDICAL COLLEGE ADMISSION TEST AND STUDENT PERFORMANCE IN UNDERGRADUATE MEDICINE. --At the request of President Wilson for an opinion on the correlation between the Medical College Admission Test and the student's performance in undergraduate medicine, the Medical Affairs Council considered a report at its meeting September 30, 1957. This report, based on studies made at Southwestern Medical School, was presented to the Medical Affairs Committee and reflected that students who make very low grades on the admission test are very likely to be in the lower third and failure level while those students who make very high grades will be in the upper third. (A copy of this report is in the Secretary's Files, Vol. V, Page 6.)

After receiving the report, it is the opinion of the Medical Affairs Committee that the Medical College Admission Test is not perfect but it is a valuable adjunct in evaluating a student's chance in medical school.

In view of frequent questions regarding the selection of medical school matriculants President Wilson requested, and the Medical Affairs Committee concurs, that the Medical Affairs Council prepare, and present to the Board for approval, a brochure for distribution to the public setting out a reasonably concise admission policy.

PART-PAY PSYCHIATRIC TEACHING SERVICE, SOUTHWESTERN MEDICAL SCHOOL. --The Medical Affairs Committee considered the following resolution and recommendation of the Dallas County Medical Society, dated June 19, 1957, and approved by the Medical Affairs Council of The University of Texas September 30, 1957:

RESOLUTION

June 19, 1957

The Dallas Neuropsychiatric Society recommends the establishment of a small-fee psychiatric teaching service at South-

western Medical School for the purpose of development of the training program for psychiatric residents, medical students and mental health personnel; clinical research and clinical services to adults and children.

1. We recommend that this service be established primarily for teaching and research purposes.
2. We recommend that an eligibility scale be established so that no patient able to afford private psychiatric care would be accepted for treatment. As a dividing line between those who would be eligible for this service and those who should be referred to private psychiatrists, the Society suggests that any patient who is able to pay less than \$10.00 per treatment hour would be eligible for treatment. It is further felt that this figure may be changed with changing economic conditions and should be subject to periodic review.
3. Funds derived from this service should accrue to the Department of Psychiatry and not to any individual.
4. Members of the Society will actively support this proposed clinic when called upon by the Chairman of the Department of Psychiatry.
5. If it is felt to be desirable, an advisory committee from the Dallas Neuropsychiatric Society will be appointed to assist the Chairman of the Department of Psychiatry to serve as a liaison body, to review eligibility requirements, review fee scales or other pertinent matters.

RECOMMENDATION

The Medical Economics Committee studied this resolution and recommended to the Board of Directors its adoption.

The Board of Directors further points out that this is a limited teaching service only and is not an attempt to solve a community need for psychiatric service.

The Board of Directors recommends it be approved for a trial period of one year subject to a review with formal report at the end of six months, with a complete re-evaluation at one year; and further subject to approval by the Board of Regents of The University of Texas. The Board recommends this service solely for teaching purposes to meet a deficiency, considered to be serious, in the Neuropsychiatric Teaching Program.

The Medical Affairs Committee recommends that a part-pay psychiatric teaching service at The University of Texas Southwestern Medical School be established in accordance with the foregoing resolution and recommendation of the Dallas County Medical Society.

POLICY RE TRANSFER OF PERSONNEL. --The following policy concerning the transfer of personnel between branches of The University of Texas system had been approved by both the administration and the Medical Affairs Council:

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

It is recommended by the Medical Affairs Committee that this policy be adopted.

DISTRIBUTION OF BUCHANAN FOUNDATION GRANT. --Ten days prior to the meeting each Regent was sent in the bound volume Material Supporting the Agenda an approved plan of the Medical Affairs Council for the distribution of the Buchanan Foundation Grant - a grant to be spent primarily for medical and nursing education.

The Medical Affairs Committee recommends that this approved plan of distribution of these funds as listed below be adopted by the Board. It is understood, however, that the committee named in Item 2 of the plan allocates the income with the approval of the Board of Regents.

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

JEANE B. KEMPNER FUND SCHOLARSHIPS. --The Medical Affairs Committee presents to the Board for approval the following recommendations 1, 2, 3, and 4 approved by the Medical Affairs Council at its meeting June 27, 1957:

1. Accept the provisions of clause four of the will pertaining to the Medical Branch of The University of Texas in Galveston.

Clause 4 in the will of D. W. Kempner pertaining to the Medical Branch of The University of Texas in Galveston reads as follows:

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

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

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

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

Mr. R. Lee Kempner advised Doctor Truslow that since the will was written there has been a stock split in the Imperial Sugar Company and a reorganization of Sugarland Industries. The Jeane B. Kempner Fund now owns 2,250 shares of the Imperial Sugar Company, 4,000 shares of Sugarland Industries, Inc., and 4,000 shares of Foster Farms, Inc., and has on hand around \$5,000.00 arising from dividends received on this stock. The annual income from the earnings of this stock is estimated at \$5,000.00 or \$6,000.00.

2. Approve the principles governing the selection of the scholarship recipients as outlined by the special committee of the Medical Branch on the Jeane B. Kempner Fund.

Doctor Truslow appointed a special committee composed of Doctor Milton R. Hejtmancik, Associate Professor of Internal Medicine, Doctor T. G. Blocker, Professor of Surgery, Doctor Don W. Micks, Chairman of the Research and Fellowship Committee, and Doctor Carl A. Nau, Professor of Preventive Medicine and Public Health, to consider the principles to be followed in awarding the Jeane B. Kempner Scholarship. This committee recommended to Doctor Truslow the following:

The general interpretation of the specified fields of "internal medicine and surgery" should be in the broad sense, and should not merely be limited to individuals with M.D. degrees and with appointments in those specific departments of the Medical School; and that the terms "students attending the Medical School of The University of Texas" therefore would include students in the basic sciences as well, provided that the field of special investigative or scholarship interest is related rather directly to internal medicine and surgery.

Individuals selected as recipients of the scholarships should show intent of continuing in academic work, with particular favor shown to those who intend to return to this institution in a teaching capacity. In that manner the Fund could be utilized to provide specialized training to future members of our teaching staff, and improve the qualifications of our future faculty members.

3. Approve the candidate, Doctor Samuel N. Kolmen, selected by the special committee.

Doctor Samuel N. Kolmen had been named by the special committee as recipient of the Jeane B. Kempner Scholarship for a year's study at the

University of London beginning January 1, 1957. The Medical Affairs Committee asks that the Board ratify this award.

4. Approve payment of available scholarship fund in monthly installments.

PROPOSED SCHOOL OF NURSING - TEXAS MEDICAL CENTER. -- Doctor Fred C. Elliott, Director of the Texas Medical Center, and Mr. W. Leland Anderson, President, appeared before the Medical Affairs Committee and discussed the possibility of the Texas Medical Center establishing a school of nursing. Though the plans are indefinite at this time, Doctor Elliott and Mr. Anderson wanted to know if The University of Texas would be interested in operating such a school in the Texas Medical Center if funds were available to provide the facilities.

See Page 478.

The Medical Affairs Committee expressed interest in the plan. It is realized that a school of nursing is very important and has great possibilities.

The Medical Affairs Committee recommends to the full Board that this study be pursued with an open mind by the members of the staff, giving appropriate consideration to the possible views of the Texas Commission on Higher Education and the Legislature.

Adoption of Report. -- Doctor Minter moved adoption of the recommendations of the Medical Affairs Committee. Mrs. Devall seconded this motion which carried.

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 66 for Adoption). -- At the request of Chairman Jeffers, Vice-Chairman Sorrell, Chairman of the Land and Investment Committee, presented the following report:

INVESTMENT, PROPOSED REFUNDING, AND LAND MATTERS OF PERMANENT UNIVERSITY FUND; AND INVESTMENT, GIFT, BEQUEST AND ESTATE, REAL ESTATE, REVENUE BONDS AND FINANCING OF TRUST AND SPECIAL FUNDS. -- (Vice-Chairman Sorrell pointed out that the formal recommendations of the Land and Investment Committee in the Material Supporting the Agenda and in the letter of October 4, 1957, from Endowment Officer Stewart, were routine with a few exceptions. He called attention to the following:

- I. Resolution Authorizing the Purchase from Miss Ima Hogg of the West Columbia Royalty Interests, Brazoria County, Texas, Page 64. (This had been prepared and inserted in the formal recommendations.)
- II. Purchase of Lot from Cotton Estate Funds for Possible Future Site of President's Home, Texas Western College, Pages 1,66. (This was a discussion matter for the Committee that had been approved.)
- III. Additional Items not on the Agenda
 - A. Grazing Lease Rentals, Page 66.
 - B. Los Charros Request, Brackenridge Tract, Page 66.)

PERMANENT UNIVERSITY FUND--INVESTMENT MATTERS. --

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

CORPORATE STOCKS PURCHASED

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
7/2/57	Bankers Trust Co. Capital Stock (New York, N. Y.)	400	60-3/4 Net	\$ 24,300.00	4.94%
7/11/57	The First National City Bank of New York Capital Stock	400	60-3/4 Net	24,300.00	4.94
7/13/57	First National Bank of Boston Capital Stock	400	66-3/4 Net	26,700.00	4.87
7/13/57	Continental Illinois National Bank & Trust Co. of Chicago Capital Stock	300	85-1/4 Net	25,575.00	4.69
7/15/57	Philadelphia National Bank Capital Stock	700	35-1/2 Net	24,850.00	5.07
7/15/57	Bank of America National Trust & Savings Association Capital Stock (San Francisco)	700	36-1/8 Net	25,287.50	4.98
7/19/57	The Chase Manhattan Bank Capital Stock (New York, N. Y.)	500	49-7/8	25,137.20	4.77
7/19/57	Chemical Corn Exchange Bank (New York, N. Y.)	500	50-5/8	25,512.80	4.51
7/19/57	Manufacturers Trust Co. Common Stock (New York, N. Y.)	600	42-7/8	25,943.64	4.63

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

of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/1/57	National Bank of Detroit Common Stock	500	55-3/4 Net	\$ 27,875.00	3.59%
1/1/57	Security-First National Bank of Los Angeles Common Stock	600	46-1/2 Net	27,900.00	3.44
1/1/57	The First National City Bank of New York Capital Stock	400	62-3/4 Net	25,100.00	4.78
1/1/57	Armstrong Cork Co. Common Stock	1,800	27-1/2 Net	49,500.00	5.45
1/1/57	Texas Utilities Co. Common Stock	1,000	45-1/2(800) 45-3/4(200)	45,927.76	3.14
1/1 & 2/1/57	Cleveland Electric Illuminating Co. Common Stock	1,300	38-7/8(200) 39-3/8(400) 39-1/8(100) 38-3/4(300) 39(300)	51,211.34	4.06
1/1/57	Firestone Tire & Rubber Co. Common Stock	500	99-1/2(200) 99-1/4(200) 99-1/8(100)	49,887.17	2.76
1/1/57	Bendix Aviation Corporation Common Stock	900	55-1/4(400) 55-1/8(500)	50,027.17	4.32
1/1/57	Caterpillar Tractor Co. Common Stock	500	87-1/8(300) 87(100) 86-3/4(100)	43,731.01	2.74
1/19, 22, 2/1/57	Union Bag-Camp Paper Corporation Capital Stock	1,400	35-1/2(600) 37-1/8(200) 36-3/4(200) 37(200) 36-7/8(200)	51,917.26	4.05
1/1/57	Potomac Electric Power Co. Common Stock	2,400	20-1/2	49,806.00	5.30
1/1/57	Wisconsin Electric Power Co. Common Stock	1,600	31-1/8(200) 31-1/4(1,400)	50,464.94	5.07

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

of base	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/1/57	Allied Chemical & Dye Corporation Common Stock	500	94-1/4(100) 94-1/2(300) 94(100)	\$ 47,397.18	3.16%
1/1/57	Coca-Cola Co. Common Stock	500	104-1/2(400) 105(100)	52,527.30	4.76
1/1/57	Consolidated Natural Gas Co. Common Stock	1,100	45-1/2	50,465.25	4.14
1/1/57	Gulf Oil Corporation Capital Stock	300	146-1/8(200) 146-1/2(100)	44,023.87	1.70
1/1/57 & 2/1/57	Insurance Co. of North America Capital Stock	200	107-1/4(150) 107-1/8(50)	21,526.36	2.32
1/1/57	Hartford Fire Insurance Co. Capital Stock	200	153 Net	30,600.00	1.96
1/1/57	Lincoln National Life Insurance Co. Capital Stock	100	221 Net	22,100.00	0.79
1/1/57	Travelers Insurance Co. Capital Stock	300	84 Net	25,200.00	1.31
1/1/57	Aetna Life Insurance Co. Capital Stock	100	209 Net	20,900.00	1.63
1/1/57	Connecticut General Life Insurance Co. Capital Stock	100	301 Net	30,100.00	0.60
1/1/57	Aetna Casualty & Surety Co. Common Stock	200	147 Net	29,400.00	1.84
1/1/57	Consumers Power Co. Common Stock	1,100	44-3/4	49,636.18	5.32
1/1/57	Household Finance Co. Common Stock	1,000	28-1/2	28,792.50	4.17

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

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

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

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
1/1/57	Continental Can Co. Common Stock	1,100	46-1/4(500) 46-3/8(500) 46-1/2(100)	\$ 51,382.35	3.85%
1/1/57	Kennecott Copper Corporation Capital Stock	500	108-1/8	54,291.55	5.53
1/1/57	Westinghouse Electric Corporation Common Stock	800	66	53,132.80	3.01
1/1/57	Standard Oil Co. (New Jersey) Capital Stock	800	66-1/2(200) 66-1/4(400) 66-1/8(200)	53,358.04	3.30
1/1/57	The Texas Co. Capital Stock	700	74-3/8(500) 74-1/2(200)	52,384.60	3.27
1/1/57	Bankers Trust Co. Capital Stock (New York, N. Y.)	400	63-1/8	25,371.12	4.73
1/31/57	Manufacturers Trust Co. Common Stock (New York, N. Y.)	600	43(200) 43-1/8(400)	26,001.62	4.62
1/1/57	The Philadelphia National Bank Capital Stock	700	36-3/8	25,637.50	4.91
1/1/57	Continental Casualty Co. Capital Stock	300	88-1/4 Net	26,475.00	1.59
1/1/57	Federal Insurance Co. Capital Stock	700	35-1/2 Net	24,850.00	2.54
1/2/57	St. Paul Fire & Marine Insurance Co. Capital Stock	500	57-1/2 Net	28,750.00	2.09
10, 23, 27/57	Atchison, Topeka & Santa Fe Railway Co. Common Stock	2,200	23-1/8(1,200) 23(500) 22-3/4(100) 22-5/8(100) 22-1/2(300)	51,120.16	6.89

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

of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
11/21/57	J. C. Penney Co., Inc., Common Stock	600	78(200) 78-1/4(100) 77-3/4(100) 80-1/4(200)	\$ 47,507.27	5.36%
11/2/57	Gulf States Utilities Co. Common Stock	1,400	35-3/8(400) 35-1/4(400) 35-5/8(600)	50,083.14	4.47
11/12/57	Florida Power & Light Co. Common Stock	1,000	45-7/8(600) 46-1/8(400)	46,354.88	2.76
11/2/57	Bendix Aviation Corporation Common Stock	1,000	52-3/4(200) 53(600) 53-1/4(200)	53,403.02	4.49
11/2/57	Pacific Lighting Corporation Common Stock	1,400	34-1/4(800) 34-1/8(600)	48,324.40	5.79
11/2/57	Merck & Co. Common Stock	1,300	37-7/8(200) 37-3/4(200) 37-1/2(200) 37-1/4(100) 37(100) 36-7/8(300) 36-3/4(100) 36-5/8(100)	48,887.28	3.19
11/2/57 & 11/1/57	General Motors Corporation Common Stock	1,200	42-3/8(100) 42-5/8(200) 42-3/4(100) 42-1/2(200) 42-1/4(100) 42-1/8(300) 42(100) 41-7/8(100)	51,221.44	4.69
11/2/57	The Dow Chemical Co. Common Stock	800	56-5/8(500) 56-1/2(300)	45,587.75	2.11
11/2/57	International Paper Co. Common Stock	500	92(200) 91-1/2(300)	46,070.85	3.26
11/2/57	The Borden Co. Common Stock	800	59-3/4(200) 60(400) 60-1/8(200)	48,302.98	4.64

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

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

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

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
5/6, 10/57	The American Tobacco Co. Common Stock	700	71-5/8(100) 71-1/2(500) 71-1/4(100)	\$ 50,332.54	6.95%
9/30 & 11/57	Bethlehem Steel Corporation Common Stock	1,100	43-5/8(300) 43-3/4(100) 44-3/8(200) 44-1/2(400) 43-1/2(100)	48,894.94	5.40
9/30 & 11/57	General Telephone Corporation Common Stock	1,300	39-7/8(800) 40(500)	52,354.52	4.47
9/29 & 10/57	Continental Oil Co. Capital Stock	900	58(300) 57-3/4(300) 57-5/8(200) 58-1/2(100)	52,467.11	2.74
9/1/57	United Gas Corporation Common Stock	1,500	32-3/8(500) 32-1/4(400) 32-1/8(300) 32-(300)	48,791.65	4.61
9/1/57	Monsanto Chemical Co. Common Stock	1,500	34-7/8(100) 35(200) 35-1/8(200) 35-1/4(200) 35-3/8(300) 35-5/8(500)	53,477.44	2.81
9/3/57	Westinghouse Electric Corporation Common Stock	800	62(100) 62-1/8(100) 62-3/8(100) 62-5/8(200) 62-3/4(300)	50,330.01	3.18
9/9, 9, 10/57	Union Bag-Camp Paper Corporation Capital Stock	1,600	31-3/4(400) 31-1/4(100) 31-3/8(300) 31-1/2(300) 31-5/8(200) 31-7/8(200) 32(100)	51,080.47	4.70
10 & 11/57	Pittsburg Plate Glass Co. Capital Stock	700	73-1/2(100) 74(200) 73(100) 73-1/8(300)	51,683.88	3.72

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

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
9/1/57	International Harvester Co. Common Stock	1,500	34-1/2(100) 34-1/2(1,100) 34-3/8(300)	\$ 52,170.95	5.75%
9/1/57	American Smelting & Refining Co. Common Stock	1,000	49-1/2(500) 50(300) 50-1/8(200)	50,173.77	5.98
9/1, 12, 19, 20, & 27/57	Ex-Cell-O Corporation Capital Stock	1,400	35-3/4(200) 35-5/8(400) 34-1/4(200) 36-5/8(200) 36-3/4(100) 37(100) 35-1/2(100) 35-7/8(100)	50,547.95	4.15
9/1, 12, 16, & 18/57	B. F. Goodrich Co. Common Stock	800	67(400) 66-3/4(100) 68-1/2(200) 68-3/8(100)	54,346.52	3.24
9/13/57	National Bank of Detroit Common Stock	400	56	22,562.40	3.55
9/13/57	Security-First National Bank of Los Angeles Common Stock	500	46-1/2	23,441.25	3.41
9/16 & 17/57	American Cyanamid Co. Common Stock	1,200	41-1/8(400) 41-3/4(800)	50,279.28	3.58
9/16 & 20/57	Ohio Edison Co. Common Stock	1,100	47(600) 47-5/8(500)	52,437.55	5.54
9/17/57	Cincinnati Gas & Electric Co. Common Stock	2,100	24-3/4	52,549.98	4.80
9/17/57	Gulf Oil Corporation Capital Stock	400	139-1/8	55,845.64	1.79
9/17/57	International Business Machines Corporation Capital Stock	100	309-3/4	31,025.00	0.77
9/18/57	Coca-Cola Co. Common Stock	500	99-3/4(100) 100(300) 100-1/4(100)	50,225.01	4.98

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

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
9/2 & 17/57	Philadelphia Electric Co. Common Stock	1,400	36-3/8(500) 36-1/2(900)	\$ 51,502.70	5.44%
9/11/57	Ingersoll-Rand Co. Common Stock	600	79(200) 79-1/4(400)	47,757.52	4.40
9/11 & 23/57	Consolidated Natural Gas Co. Capital Stock	1,200	40-1/2(400) 41(200) 41-1/8(400) 41-1/2(200)	49,575.74	4.60
9/12/57	First City National Bank of Houston Capital Stock	800	61-1/2 Net	49,200.00	3.25
9/20/57	St. Paul Fire & Marine Insurance Co. Capital Stock	500	44-1/4 Net	22,125.00	2.71
9/20/57	Chase-Manhattan Bank Capital Stock	500	50-3/8 Net	25,187.50	4.76
9/20/57	Bank of America National Trust & Savings Association Capital Stock (San Francisco)	700	35-1/8 Net	24,587.50	5.12
9/23/57	Household Finance Corporation Common Stock	800	29-1/2	23,838.00	4.03
9/23/57	Eastman Kodak Company Common Stock	500	97(400) 97-1/8(100)	48,736.01	2.72
9/23/57	Armstrong Cork Company Common Stock	2,000	24-3/4(1,700) 24-5/8(300)	50,009.89	6.00
Total Purchases from 6/28/57 through 9/23/57		<u>97,300</u>		<u>\$4,621,778.50</u>	<u>4.08%</u>

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

SALE OF RIGHTS

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

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

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED ADDITION TO APPROVED LIST OF SECURITY BROKERS AND DEALERS. --It is recommended that the following addition be made to the list of security brokers and dealers as approved through June 28, 1957: See Page 458.

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

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

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGE IN POLICIES GOVERNING INVESTMENT IN CORPORATE SECURITIES. --It is recommended that Part V of "Policies Governing Investment in Corporate Securities" be changed to read as follows: See Page 304.

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

That Is --

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

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

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

Classification	Approved Policy Quota thru 6/28/57	Change in Quota Recommended 10/10/57	New Policy Quota Recommended 10/10/57	No. of Cos. Approved thru 6/28/57	Additional Cos. Needed
INDUSTRIALS:					
Autos & Auto Parts	4	-	4	3	1
Building Materials	5	-	5	5	0
Chemical Products	6	-	6	6	0
Containers	3	-	3	3	0
Drugs & Cosmetics, Soaps & Veg. Oils	3	1	4	3	1
Electrical - Electronic	4	1	5	3	2
Food (Incl. Baking & Milling, Bev. & Confec., and Meats & Dairy Products)	6	-	6	5	1
Machinery & Equipment (Combination of Mach. - Agricultural and Mach. & Equipment - Industrial)	6	- 1	5	4	1
Metals - Nonferrous	4	-	4	3	1
Office Equipment	2	1	3	1	2
Paper Products	3	1	4	2	2
Petroleum Products	8	1	9	5	4
Retail Trade	3	-	3	2	1
Steel & Iron	4	-	4	3	1
Tires & Rubber	3	-	3	3	0
Tobacco Products	2	-	2	2	0
Miscellaneous	5	1	6	3	3
TOTALS - INDUSTRIALS	<u>71</u>	<u>15</u>	<u>76</u>	<u>56</u>	<u>20</u>

Classification	Approved Policy Quota thru 6/28/57	Change in Quota Recommended 10/10/57	New Policy Quota Recommended 10/10/57	No. of Cos. Approved thru 6/28/57	Additional Cos. Needed
PUBLIC UTILITIES:					
Light and Power	24	-	24	20	4
Gas Service & Gas Transmission	6	-2	4	4	0
Telephone & Telegraph Service .	<u>2</u>	-	<u>2</u>	<u>2</u>	<u>0</u>
TOTAL - PUBLIC UTILITIES	<u>32</u>	<u>-2</u>	<u>30</u>	<u>26</u>	<u>4</u>
RAILROADS AND RAIL EQUIPMENT					
	<u>4</u>	-	<u>4</u>	<u>3</u>	<u>1</u>
FINANCIAL CORPORATIONS:					
Finance Companies	6	-3	3	3	0
Banks	24	-7	17	13	4
Fire and Casualty Insurance . .	10	-3	7	6	1
Life Insurance	<u>4</u>	<u>1</u>	<u>5</u>	<u>4</u>	<u>1</u>
TOTAL - FINANCIAL CORPORATIONS	<u>44</u>	<u>-12</u>	<u>32</u>	<u>26</u>	<u>6</u>
TOTALS	<u>151</u>	<u>-9</u>	<u>142</u>	<u>111</u>	<u>31</u>

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

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

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

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

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

B. Broad diversification program --

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

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

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

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

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

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

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

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

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

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

See Page 458.

A. INDUSTRIAL CORPORATIONS

Group I

(Earning Power Stable - 36.8%)

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

Add: Corn Products Refining Company

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

Add: *Crown Zellerbach Corporation
Kimberly-Clark Corporation

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

Add: Federated Department Stores

7. Drugs and Cosmetics, Soaps and Vegetable Oils -- (Three approved through 6/29/57; need total of four corporations)

Add: *Charles Pfizer & Co., Inc.

Group II

(Some variation in earning power -- 38.2%)

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

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

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

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

*Exception as "growth stock".

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

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

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

Add: Borg-Warner Corporation

Group III

(Considerable variation in earning power -- 17.1%)

1. Machinery and Equipment -- (Four approved through 6/28/57; need total of five corporations)

Add: Link-Belt Company

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

Add: Phelps Dodge Corporation

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

Add: Armco Steel Corporation

Miscellaneous
 (7.9%)

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

Add: *National Lead Company
 *Freeport Sulphur Company

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

B. PUBLIC UTILITY CORPORATIONS

1. Light and Power -- (Twenty approved through 6/28/57; need total of twenty-four corporations)

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

*Exception as "growth stock".

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

C. RAILROADS AND RAIL EQUIPMENT

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

Add: #*General American Transportation Corporation

D. BANKS

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

Add: *First National Bank of Chicago

*First National Bank in Dallas

Marine Midland Corporation (New York, N. Y.)

*Mellon National Bank & Trust Company (Pittsburgh, Pa.)

F. INSURANCE COMPANIES

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

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

2. Life Insurance Companies -- (Four approved through 6/28/57; need total of five companies)

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

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

RESOLUTION OF AUTHORITY

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

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

*Exception as "growth stock".

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

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

PERMANENT UNIVERSITY FUND--PROPOSED BOND REFUNDING. --

PROPOSED REFUNDING OF PERMANENT UNIVERSITY FUND BONDS, SERIES, 1949. --On June 29th the Board of Regents appointed an Interim Staff Committee comprised of J. C. Dolley, W. C. Freeman (of A & M College), and W. W. Stewart to plan the terms of the bond refunding and to recommend the employment of an agent to handle the refunding operation. At a meeting held in July, this Committee recommended that the date for the refunding to become effective be fixed at July 1, 1958, rather than in December, 1957, and this recommendation has been approved by the respective committees of the two governing boards. It is recommended that this action of the Land and Investment Committee be confirmed and ratified. See Page 459.

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

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

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

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

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

PERMANENT UNIVERSITY FUND--LAND MATTERS. --

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

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

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

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

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

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

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

APPLICATION FOR BUSINESS SITE EASEMENT NO. 979, CACTUS PETROLEUM, INCORPORATED, REAGAN COUNTY, TEXAS. --

This application for a business site easement to Cactus Petroleum, Incorporated, covers an area 200 feet by 200 feet in Section 7, Block 11, University Lands, Reagan County, Texas, for a period of one year beginning August 1, 1957, and ending July 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from August 1, 1957, upon payment of the annual rental of \$150.00 in advance. This site is to be used for a butane storage tank. The consideration for the first year's rental has been tendered with the application.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 776 FROM J. B. DOWNING TO JOHN R. SUMRALL, REAGAN COUNTY, TEXAS. --

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

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

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

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

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

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

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

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

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

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

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

PIPE LINE EASEMENT NO. 988, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 4.758 rods of 4-1/2-inch natural

gas pipe line at \$0.50 per rod in Section 22, Block 1, University Lands, Andrews County, Texas, for a 10-year period beginning August 1, 1957, and ending July 31, 1967. The full minimum consideration in the amount of \$50.00 for the 10-year period has been tendered with the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POWER LINE EASEMENT NO. 1005, TEXAS ELECTRIC SERVICE COMPANY, ANDREWS COUNTY, TEXAS. --This application for a power line right-of-way easement to Texas Electric Service Company covers 1,096 rods of line at \$0.05 per rod per year in Sections 2 and 3, Block 11, Section 4, Block 3, and Sections 31, 33 and 40, Block 4, University Lands, Andrews County, Texas, for a 10-year period beginning June 1, 1957, and ending May 31, 1967. The full consideration in the amount of \$548.00 for the 10-year period has been tendered with the application.

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

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

PUMP STATION SITE EASEMENT NO. 1008, MAGNOLIA PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS (RENEWAL OF EASEMENT NO. 324). --This application for a pump station site easement to Magnolia Pipe Line Company covers 10 acres in Section 14, Block 13, University Lands, Andrews County, Texas, for a period of one year beginning September 1, 1957, and

ending August 31, 1958, with an option to renew from year to year but not to exceed a total of ten years from September 1, 1957, upon payment of the annual rental of \$100.00 in advance, which is based at the rate of \$10.00 per acre per year. The consideration for the first year's rental has been tendered with the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

ASSIGNMENT OF PIPE LINE EASEMENT NO. 728 BY TEXON GAS, INC. TO DORCHESTER CORPORATION, REAGAN COUNTY, TEXAS. --This assignment of Pipe Line Easement No. 728 by Texon Gas, Inc., to Dorchester Corporation covers 803 rods of 3-inch and 4-inch gas pipe line at \$0.25 per rod in sections

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

PIPE LINE EASEMENT NO. 1013, EL PASO NATURAL GAS COMPANY, ANDREWS COUNTY, TEXAS. --This application for a pipe line easement to El Paso Natural Gas Company covers 1,939.685 rods of 20-inch gas pipe line at \$1.50 per rod in Sections 18, 19, 30 and 31, Block 10 and Sections ~~18, 19, 30 and 31, Block 10 and Sections~~ Andrews County, Texas, for

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

per rod in Section 15, Block 10, University Lands, Texas, for a 10-year period beginning February 1, 1957 and ending January 31, 1967. The full minimum consideration in the amount of \$50.00 has been tendered with the application.

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

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

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

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

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

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

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

ASSIGNMENT OF PIPE LINE EASEMENT NO. 728 BY TEXON GAS, INC. TO DORCHESTER CORPORATION, REAGAN COUNTY, TEXAS. --This assignment of Pipe Line Easement No. 728 by Texon Gas, Inc., to Dorchester Corporation covers 803 rods of 3-inch and 4-inch gas pipeline at \$0.25 per rod in sections

2, 11 and 12, Block 2 and Sections 25, 35 and 36, Block 9, University Lands, Reagan County, Texas for a 10-year period beginning July 1, 1955 and ending June 30, 1965, with the full consideration for the 10-year period being tendered with the application. The standard assignment fee in the amount of \$25.00 and the \$1.00 fee covering filing of the instrument in the General Land Office have been received.

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

REPORT ON E. H. COX AND BLEVINS-MCKENZIE VACANCY APPLICATIONS TO COMMISSIONER OF THE GENERAL LAND OFFICE. --At the meetings of the Board of Regents held on January 12, 1957, and March 16, 1957, reports were made relative to the vacancy applications of E. H. Cox, S. F. 15880, and Blevins-McKenzie, S. F. 15891. These have been under consideration by the Honorable Earl Rudder, Commissioner of the General Land Office, and on September 17, 1957, were acted upon by him. The E. H. Cox application was rejected on the basis that no vacancy existed. The Blevins-McKenzie application was approved and corrected field notes describing the vacant area will be furnished to the General Land Office. This vacancy is below the south line of Surveys 19, 20, 21, and 22, Block 21, University Land in Pecos County. See Page 469

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

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

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

Ratification of this action is recommended.

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

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

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

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

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

1. Maximum damage fees to be paid for seismic operations shall be on the following basis:
 - a. Single Shot (Reflection or Refraction Shooting) : \$10.00 per shot hole.
 - b. Pattern Shooting : \$10.00 per pattern where holes are not over 60 feet in depth.
: \$15.00 per pattern where holes are deeper than 60 feet and not more than 100 feet in depth.
: \$10.00 per shot hole for any single hole in excess of 100 feet in depth.
: \$30.00 per pattern for three or more holes 100 feet or more in depth.
 - c. Seismic weight-dropping : \$25.00 per day.
 - d. Gravimeter and Magnetometer Survey Operations : \$10.00 per day per crew.
 - e. Geological Surface Mapping Operations : \$ 5.00 per day per crew.

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

b. Pattern shooting:

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

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

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

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

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

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

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

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

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

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

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

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

TRUST AND SPECIAL FUNDS--INVESTMENT MATTERS. --

REPORT OF PURCHASES, INCLUDING CONVERSIONS, AND SALES OF SECURITIES. --The following purchases, including conversions, and sales of securities have been made for the Trust and Special Funds since the report of June 28, 1957. We ask that the Board ratify and approve these transactions:

Date	PURCHASES		Principal Cost
		Security	
7/2/57	110	Shares The First National City Bank of New York Capital Stock at \$60.00 per share plus 5 rights (Hogg Foundation: W. C. Hogg Estate Fund)	\$ 6,600.00
8/5/57	200	Shares American Cyanamid Company Common Stock at 42-7/8 per share	8,647.88
	100	Shares American Smelting & Refining Company Common Stock at 54-5/8 per share	5,502.96
	300	Shares Baltimore Gas & Electric Company Common Stock at 34-1/2 per share	10,446.75
	100	Shares Bethlehem Steel Corporation Common Stock at 47 per share	4,738.50
	100	Shares The Borden Company Capital Stock at 60 per share	6,041.00
	200	Shares Chase-Manhattan Bank (New York) Capital Stock at 50-3/8 Net per share	10,075.00
	100	Shares Colgate-Palmolive Company Common Stock at 46-1/4 per share	4,663.13
	200	Shares Commercial Credit Corporation Common Stock at 48-1/4 per share	9,728.26
	200	Shares Commonwealth Edison Company Common Stock at 39-7/8 per share	8,044.88
	100	Shares Continental Can Company, Inc., Common Stock at 45-3/4 per share	4,612.88
	100	Shares The First National City Bank of New York Capital Stock at 63-1/4 Net per share	6,325.00
	100	Shares General Electric Company Common Stock at 67-1/4 per share	6,766.73
	100	Shares The Goodyear Tire & Rubber Company Common Stock at 90-7/8 per share	9,131.59
	100	Shares Ingersoll-Rand Company Common Stock at 78 per share	7,842.80
	100	Shares Johns-Manville Corporation Common Stock at 44-7/8 per share	4,524.94
	100	Shares Libbey-Owens-Ford Glass Company Common Stock at 83 per share	8,343.30

Date	PURCHASES Security	Principal Cost
8/5/57 100	Shares National Dairy Products Corporation Common Stock at 36-7/8 per share	\$ 3,720.94
100	Shares Owens-Illinois Glass Company Common Stock at 64 per share	6,441.40
100	Shares J. C. Penney Company, Inc., Common Stock at 78-1/4 per share	7,867.83
100	Shares Phelps Dodge Corporation Capital Stock at 53-3/8 per share	5,377.84
100	Shares The Procter & Gamble Company Common Stock at 49-1/4 per share	4,964.63
200	Shares The Continental Insurance Company Capital Stock at 45-3/4 per share	9,225.76
100	Shares Socony-Mobil Oil Company, Inc., Capital Stock at 61 per share	6,141.10
300	Shares Southern Company Common Stock at 24-7/8 per share	7,544.82
200	Shares Southern California Edison Company Common Stock at 47-1/2 per share	9,577.50
90	Shares Standard Oil Company of California Capital Stock at 58-7/8 per share	5,337.41
100	Shares Standard Oil Company of New Jersey Capital Stock at 66-3/8 per share	6,679.14
100	Shares U. S. Gypsum Company Common Stock at 59-1/2 per share	5,990.95
100	Shares U. S. Steel Corporation Common Stock at 69-1/4 per share (Hogg Foundation: Varner Properties)	6,966.93
\$10,000	par value Allied Chemical & Dye Corporation 25-year 3-1/2% Debentures, due 4/1/78, pur- chased at 94 Net to yield 3.83% to maturity	9,400.00
\$15,000	par value Aluminum Company of America 4-1/4% Debentures, due 1/1/82, purchased at 99.75 Net to yield 4.24% to maturity	14,962.50
\$15,000	par value American Telephone & Telegraph Company 4-3/8% Debentures, due 4/1/85, pur- chased at 97.25 Net to yield 4.55% to maturity	14,587.50

Date	PURCHASES Security	Principal Cost
8/5/57 \$10,000	par value Consolidated Edison Company of New York, Inc. First & Refunding Mortgage, 3-1/2% Series I, Bonds due 2/1/83, purchased at 90 Net to yield 4.13% to maturity	\$ 9,000.00
\$15,000	par value General Electric Company 3-1/2% Debentures, due 5/1/76, purchased at 92.875 Net to yield 4.04% to maturity	13,931.25
\$10,000	par value General Motors Corporation 25-year 3-1/4% Debentures, due 1/1/79, purchased at 90 Net to yield 3.93% to maturity	9,000.00
\$15,000	par value Inland Steel Company First Mortgage 4-3/8% Bonds, Series K, due 7/1/87, purchased at 100.875 Net to yield 4.32% to maturity	15,131.25
\$15,000	par value Metropolitan Edison Company First Mortgage Bonds, 4-7/8% Series, due 6/1/87, purchased at 101 Net to yield 4.81% to maturity	15,150.00
\$15,000	par value Southern California Edison Company 4-3/4% First & Refunding Mortgage Bonds, due 7/1/82-62, purchased at 101.50 Net to yield 4.65% to maturity	15,225.00
8/6/57 200	Shares Kimberly-Clark Corporation Common Stock at 49-1/2 per share	9,979.50
100	Shares General Foods Corporation Common Stock at 48-1/2 per share	4,889.25
8/8/57 \$10,000	par value The Pacific Telephone & Telegraph Company Thirty-six year Series 3-5/8% Debentures, due 8/15/91, purchased at 85-3/4 Net to yield 4.44% to maturity	8,575.00
8/12/57 60	Shares American Home Products Corporation Capital Stock purchased at 159-1/4 per share	9,597.62
8/15/57 \$10,000	par value Virginia Electric & Power Company First & Refunding Mortgage Bonds, Series L 3-1/4%, due 6/1/85, purchased at 83-1/4 Net to yield 4.27% to maturity (Hogg Foundation: Varner Properties)	8,325.00
8/16/57 \$96,000	par value Amarillo Independent School District (Potter County, Texas) 3.90% Unlimited Tax Bonds, dated July 1, 1957, due \$46,000 on 7/1/79-72, \$25,000 on 7/1/80-72, and \$25,000 on 7/1/81-72, to yield 3.90% to maturity (The W. J. McDonald Observatory Fund)	95,996.74

Date		PURCHASES Security	Principal Cost
8/16/57	\$6,000	par value Philadelphia Electric Company First & Refunding Mortgage Bonds, 3-1/8%, due 4/1/85, purchased at 84-1/2 Net to yield 4.07% to maturity	\$ 5,070.00
8/20/57	\$15,000	par value Northern States Power Company (a Minnesota corporation) First Mortgage Bonds, 5% Series, due 8/1/87, purchased at 102 Net to yield 4.87% to maturity	15,300.00
8/29/57	\$15,000	par value Public Service Electric & Gas Company, First & Refunding Mortgage Bonds, 4-7/8% Series due 1987, due 9/1/87, purchased at 101.026 Net to yield 4.81% to maturity (Hogg Foundation: Varner Properties)	15,153.00
9/4/57	12	Shares American Telephone & Telegraph Company Capital Stock with surrender of \$100 par value Convertible Debentures due October 13, 1967, plus \$44 in cash per share (total of \$1,200 par value of convertible debentures plus cash) (Hogg Foundation: W. C. Hogg Estate Fund)	1,728.00
	12	Shares American Telephone & Telegraph Company Capital Stock Ditto (Funds Grouped for Investment)	1,728.00
9/10/57	\$12,000	par value Public Service Electric & Gas Company First & Refunding Mortgage Bonds, 4-7/8% Series, due 9/1/87 (Dated 9/1/57) purchased at 101.026 Net to yield 4.81% to maturity (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	12,123.12
	\$10,000	par value Pacific Gas & Electric Company First & Refunding Mortgage Bonds, 5% Series BB, due 6/1/89, purchased at 104-1/2 Net to yield 4.72% to maturity	10,450.00
	\$10,000	par value Aluminum Company of America 4-1/4% Debentures, due 1/1/82, purchased at 99-3/4 Net to yield 4.27% to maturity	9,975.00
	\$10,000	par value National Steel Corporation First Mortgage Bonds, 3-7/8% Series, due 11/1/86, purchased at 97-3/4 Net to yield 4.01% to maturity (Funds Grouped for Investment)	9,775.00

PURCHASES		
Date	Security	Principal Cost
9/11/57	\$14,000 par value U. S. 3-1/4% Treasury Bonds of 1983-78, due 6/15/83-78, purchased at 94.375 Net to yield 3.59% to maturity (Student Property Deposit Scholarship Fund)	13,212.50
	\$16,000 par value U. S. 2-7/8% Treasury Note of Series A-1958, due 6/15/58, purchased at 99.25 Net to yield 3.90% to maturity (Archer M. Huntington Museum Fund)	15,880.00
	100 Shares Bethlehem Steel Corporation Common Stock at 43-1/2 per share	4,386.75
	70 Shares National Dairy Products Corporation Common Stock at 35-1/2 per share (The Will Rogers Memorial Scholarship Fund)	2,510.67

SALES		
Date	Security	Net Proceeds
6/24/57	200 Rights to subscribe for The Timken Roller Bearing Company Capital Stock at \$1.00 each (Hogg Foundation: W. C. Hogg Estate Fund)	186.96
	400 Rights Ditto (Hogg Foundation: Varner Properties)	373.93
	200 Rights Ditto (Funds Grouped for Investment)	186.96
	100 Rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	93.48
8/5/57	100 Rights to subscribe for The First National City Bank of New York Capital Stock (Walter Henry Scherer Fund in Dentistry)	39.59
	4 Rights Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	1.58

PURCHASES

Date	Quantity	Security	Net Proceeds
9/6/57	2,087	Rights to subscribe for El Paso Natural Gas Company 5-1/4% Convertible Debentures, due September 1, 1977 at \$0.07 net each (Hogg Foundation: W. C. Hogg Estate Fund)	146.09
	400	Rights Ditto (Hogg Foundation: Varner Properties)	28.00
	653	Rights Ditto (Funds Grouped for Investment)	45.71
	200	Rights Ditto (W. S. Davidson Educational Fund)	14.00
	280	Rights Ditto (Will C. Hogg Memorial Scholarships Endowment)	19.60
	400	Rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	28.00
	30	Rights Ditto (Will Rogers Memorial Scholarship Fund)	2.10

TOREADOR ROYALTY CORPORATION - PROPOSED ACTION RE INCREASE IN AUTHORIZED COMMON STOCK OF THE CORPORATION. --Toreador Royalty Corporation's authorized Capital Stock is 800,000 shares of Common and 960,000 shares of 4% Cumulative Preferred Stock, each class being with par value of 62-1/2¢ per share. All of the Preferred Stock is held by the Board of Regents as Trustee of the Toreador Trust Fund for Salary Supplementation for the School of Law. The Board of Directors of the Corporation is comprised of five members elected by the Common Stockholders and two members elected by the Preferred Stockholders. Mr. James L. Shepherd, Jr., and the Endowment Officer by appointment from the Board of Regents serve as the two Directors representing the Preferred Stock. See Page 473.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

R E S O L U T I O N

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

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

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

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

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

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

Being the same property bequeathed by Miss DeRossette Thomas to the Board of Regents of The University of Texas, said will having been duly admitted to probate in the County Court of Bexar County, Texas, in Probate Cause No. 90512, entitled Estate of DeRossette Thomas, deceased;

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

JAMES W. MCLAUGHLIN FELLOWSHIP FUND; RANGELY FIELD UNITIZATION. --At the June, 1957 meeting of the Board of Regents, it was reported that the University had been asked to execute a "Ratification and Joinder of Unit Agreement and Unit Operating Agreement" covering the Weber Sand Unit of the Rangely Field, Rio Blanco County, Colorado. At that meeting authorization was given for the Chairman to execute the agreement upon approval by the Endowment Officer as to content, the Land and Trust Attorney as to form and upon approval by Doctor Clark Barb of Golden, Colorado, and the signing of the agreement by the three McLaughlin heirs. See Page 60.

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

R E S O L U T I O N

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

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

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

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

MEDICAL BRANCH, JAMES W. MCLAUGHLIN FELLOWSHIP FUND - ADDITIONAL FEE OF HOLME, ROBERTS, MORE & OWEN FOR SERVICES IN CONNECTION WITH RANGELY FIELD UNITIZATION AND OTHER MATTERS. --The University has received a statement dated September 11, 1957, from the legal firm of Holme, Roberts, More & Owen for legal services for the period December 1, 1956 through August 31, 1957, in the amount of \$388.19, \$315.00 for services and \$73.19 for out-of-pocket expenses. This was in connection with the Rangely Field Unitization and other miscellaneous matters of the McLaughlin Estate and the Fellowship Fund. This will be the ninth payment to the firm and will bring the total amount paid to \$45,299.80. It is recommended that this fee be paid from Account No. 82320, The James W. McLaughlin Fellowship Fund. See Page 614.

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

The property is carried at a book value of \$10,367.50, being the appraised value in the McDonald Estate in 1929. It is rented on a year-to-year basis to Mr. Ralph Bolton on a share basis of one-fourth of cotton and one-third of grain and feed crops. Average rental for the preceding five years has been \$134.03. The tract was placed under the Soil Bank program for 1957, and the University has received \$120.25 as its share of the payment. A farm-to-market road is on two sides of the tract. Improvements consist of an old two-room dwelling now vacant, an old four-room dwelling occupied by a relative of the tenant, and two sheds. All improvements are dilapidated.

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

The files show no proposals to the University for oil and gas leases on this property. Some acreage in the area is under lease at low rentals. There is no production or drilling activity within several miles. Mr. John Rushing of the First National Bank of Paris appraised the property in 1956 at \$6,925.00 for land, based on 138-1/2 acres, and \$500.00 for.

improvements. Another appraiser in the area has expressed the opinion that this land should be worth around \$7,000 with little value on the improvements.

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

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

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

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

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

MEDICAL BRANCH (JOHN SEALY HOSPITAL) - SIVERT BROWN ESTATE - PROPOSAL FROM PAN AMERICAN PETROLEUM CORPORATION FOR OIL AND GAS LEASE ON 15 ACRES, JOHN CUMMINGS LEAGUE, BRAZORIA COUNTY. --A tract of 15 acres in the John Cummings League, Abstract 57, Brazoria County, was acquired by John Sealy Hospital in 1934 from the Estate of Sivert Brown as partial settlement on a hospital bill. The tract is adjacent to the Old Ocean Field. However, three tests have been drilled from 1,000 to 2,500 feet from it to depths of around 11,000 feet testing each of the principal producing sands in the

See Page 476.

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CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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MEDICAL BRANCH (JOHN SEALY HOSPITAL) - SIVERT BROWN ESTATE
- PROPOSAL FROM PAN AMERICAN PETROLEUM CORPORATION FOR
OIL AND GAS LEASE ON 15 ACRES, JOHN CUMMINGS LEAGUE, BRAZORIA COUNTY. --A tract of 15 acres in the John Cummings League, See Page 476.
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MEDICAL BRANCH (JOHN SEALY HOSPITAL) - SIVERT BROWN ESTATE - PROPOSAL FROM PAN AMERICAN PETROLEUM CORPORATION FOR OIL AND GAS LEASE ON 15 ACRES, JOHN CUMMINGS LEAGUE, BRAZORIA COUNTY. --A tract of 15 acres in the John Cummings League, Abstract 57, Brazoria County, was acquired by John Sealy Hospital in 1934 from the Estate of Sivert Brown as partial settlement on a hospital bill. The tract is adjacent to the Old Ocean Field. However, three tests have been run from 1,000 to 2,500 feet from it to depths of around 11,000 feet testing each of the principal producing sands in the See Page 476.

Old Ocean Field, and all three wells were dry. The University leased the tract to Magnolia Petroleum Company and Old Ocean Oil Company in 1947 at \$50 an acre bonus and \$5 an acre annual rental. Delay rentals were paid for two years before the lease was dropped. A lease was made in 1953 to Magnolia and J. S. Abercrombie Co. at the same bonus and rental for a five-year term, and this lease was dropped in January, 1955.

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

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND -- VARNER PROPERTIES SUPPLEMENT U INCOME TAX MATTERS. -- A brief report was made to the Board of Regents at its June 28-29, 1957 meeting regarding the status of the Varner Properties Supplement "U" (Exempt Organization Business Income) Income Tax Returns for the Fiscal Years ended July 31, 1953, 1954, and 1955, and the Board authorized "the Vice President for Fiscal Affairs, the Comptroller, and the Endowment Officer to take such action as is deemed necessary for an agreed settlement or for protest of any of these tax matters upon advice of Mr. Bird, our special tax counsel, and upon approval of such action by the Chairman of the Board of Regents and the Land and Investment Committee," with any such action to be reported to the Board of Regents at a later date for ratification. After further conferences with Mr. Bird and a conference by him and the University staff with the Internal Revenue Service, tax deficiencies were agreed to by the staff with the approval of the Chairman of the Board and the Land and Investment Committee, for the three years as follows: 1953, \$15,497.56; 1954, \$27,222.94; and 1955, \$23,323.46. Deficiencies with interest at 6% to September 15, 1957, were paid on that date from accumulated Varner Properties income, and a tabulation of the tax results, with interest, for the three years is as follows: See Page 474

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

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

The return for the Fiscal Year ended July 31, 1955, was filed as a Final Return showing no tax due, as authorized by the Board of

Regents, on the basis that all indebtedness except that owed to Miss Ima Hogg had been paid and that she had released her lien as to the Supplement "U" properties prior to the end of the fiscal year. However, the indebtedness to Miss Hogg arising from the Varner Properties acquisition remains, except for reduction by semi-annual payments; and it has been concluded, based on advice from Mr. Bird, that the contention of the Internal Revenue Service that indebtedness as contemplated under the Internal Revenue Code is still outstanding cannot be overcome. Therefore, it is necessary to file at this time returns for the fiscal years ended July 31, 1956 and 1957. These returns have been prepared showing tax of \$23,464.08 for 1956, on which interest at 6% for one year will be due, and \$23,751.28 for 1957. It is recommended that the Comptroller and the Endowment Officer be authorized to file these returns by October 15, 1957, upon the advice of Mr. Bird and the approval of the Vice President for Fiscal Affairs, and pay the tax for each year, together with interest due on the tax for 1956.

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

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

See Page 612.

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

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

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

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

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

It is therefore recommended that the Board of Regents accept Miss Hogg's proposal and adopt the following resolution:

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

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

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

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

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

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

TEXAS WESTERN COLLEGE - FINANCING OF PROPOSED EXPANSION OF STUDENT UNION BUILDING. --By Loan Agreement dated as of March 1, 1957, and authorized by resolution of the Board of Regents on March 16, 1957, the Housing and Home Finance Agency has agreed to purchase revenue bonds in the amount of \$580,000 to be sold by the University to finance remodeling and expansion of the Texas Western College Student Union Building. Under the Loan Agreement, the bonds will be publicly offered by the University, the Agency will enter its bid at interest cost of 2 7/8% to the University, and the Agency will purchase the bonds on that bid basis unless a bid is received by the University at an interest cost no greater than the 2 7/8%. See Page 306.

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

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

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

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

See Page 440.

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

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

PROPOSED PURCHASE OF LOT FROM COTTON ESTATE FUNDS (FOR POSSIBLE FUTURE USE AS SITE FOR PRESIDENT'S HOME) TEXAS WESTERN COLLEGE. --See Page 1. See Page 1106.

Adoption of Report. --Vice-Chairman Sorrell moved that the foregoing report of the Land and Investment Committee be adopted. Mr. Johnson seconded the motion which carried.

RECESS. --The Board recessed at 12:00 noon for a luncheon in the Executive Dining Room of the Republic National Bank as guests of Mr. Fred Florence, Chairman of the Executive Committee of the Republic National Bank, and Regent Joe C. Thompson, a Director of the bank.

ATTENDANCE. --The Board reconvened in regular session at 2:00 p. m. with the same attendance as at the morning session.

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

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Having dispensed with the reports of the standing committees, Chairman Jeffers called up for consideration the special items on the agenda. Formal recommendations of the following items presented under Central Administration had either been mailed to the Regents in the Material Supporting the Agenda or were distributed in the Supplement to the Material Supporting the Agenda.

CENTRAL ADMINISTRATION

RATIFICATION OF BOARD REPRESENTATIVE, COMMITTEE ON TEACHER RETIREMENT PROCEDURES (SCR 78). --Chairman Jeffers reported to the Board that as an interim action he had appointed to the Committee on Teacher Retirement Procedures Mr. J. Lee Johnson, III, to fill the vacancy of former Regent Voyles. This is a statutory committee composed of representatives of the governing boards of all the State-Supported Institutions of Higher Learning for the purpose of implementing SCR 78, 54th Legislature, R. S.

Upon a motion duly made and seconded, the Board ratified the action of Chairman Jeffers.

MAIN UNIVERSITY

FORMAL APPROVAL, DOCTOR HARRY H. RANSOM AS VICE-PRESIDENT AND PROVOST, MAIN UNIVERSITY. --Though informal approval heretofore had been obtained for the appointment of Doctor Harry H. Ransom as Vice-President and Provost of the Main University, Vice-Chairman Sorrell moved and Mr. Bryan seconded that this appointment be ratified and reflected in the minutes in addition to the docket item of Central Administration (Page C-4). This motion was adopted. See Page 89.

Chairman Jeffers expressed a word of welcome on behalf of the Board to Doctor Harry H. Ransom as Vice-President and Provost of the Main University. He stated that the Board of Regents is happy and fortunate to have Doctor Ransom fill this position and that his appointment was met with hearty approval from the faculty of the Main University and elsewhere.

CENTRAL ADMINISTRATION

AMENDMENT TO THE RULES AND REGULATIONS OF THE BOARD OF REGENTS: ADMINISTRATIVE REORGANIZATION AMENDED (Vice-President and Provost). --In accordance with informal approval by the Board earlier that the office of Vice-President for Academic Affairs in Central Administration be abolished, effective September 1, 1957, it was further recommended by President Wilson that in the Main University the title "Vice-President of the Main University" be changed to "Vice-President and Provost" effective September 1, 1957, and that the Rules and Regulations of the Board be conformed thereto. See Page 301.

The Board, upon a motion duly made and seconded, adopted the foregoing recommendation.

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

SYSTEM PERSONNEL ADVISOR; AMENDMENT OF POLICY RE CLASSIFIED PERSONNEL PROGRAMS. --Upon the recommendation of Vice-President Dolley, concurred in by President Wilson, and upon motion of Doctor Minter, seconded by Mrs. Devall, the Board adopted the following recommendations and amended the existing Policy on Development and Coordination of the Classified Personnel Programs (Permanent Minutes, Vol. III, Page 235):

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

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

- I. The Development and Operation of the Branch Personnel Program as Defined in the Duties of the Branch Personnel Officer
 - A. The Administration of the Classified Personnel Program in His Institution

1. Knows the objectives and all of the details of the program.
 2. Assumes responsibility for recommending all changes in the written program to his chief executive officer.
 3. Interprets the personnel program to his institution--administration, supervisors, and employees.
- B. The Classification Plan
1. Recommends on all changes in any existing job classification or the creation of any new job classification.
 2. Writes all class specifications.
 3. Allocates all jobs to the proper job classification.
 4. Assures that no person is appointed in a position in the classified service under a title not included in the Classification Plan.
- C. The Pay Plan
1. Recommends all changes in approved salary ranges together with the ranges for all new job classifications.
 2. Makes salary studies to determine correctness of existing salary ranges and to substantiate recommendations for new ranges or changes in existing ranges.
 3. Assures that no appointment and/or change of salary is made which is:
 - a. Below the minimum salary for the class range (except for a "Trainee").
 - b. Above the maximum salary for the class range.
 - c. Not on a regular step (or fraction thereof if part-time).
- D. The Policies and Rules
1. Provides a uniform interpretation of the institution's personnel policy.
 2. Advises his chief executive officer of any violation or abuse of this policy.
 3. Recommends any necessary change in the written Policies and Rules.
- E. Personnel Transactions
1. Approves all budget recommendations, appointments, changes of status, military leaves, leaves without pay, separations or other personnel transactions involving classified employees prior to final consideration by his chief executive officer to assure conformity with all provisions of the Classified Personnel Program.
 2. Calls to the attention of his chief executive officer in writing any violation of the program which may be approved outside the channels provided above, with a copy to the President of The University of Texas.
- F. Personnel Services
- Provides necessary personnel services to departments of his institution as rapidly as time and staff permit. These

services should include, as a minimum, the following:

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

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

A. The Classification Plan

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

B. The Pay Plan

1. A uniform system of salary steps providing for an increase of five per cent, to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
2. A uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.
3. Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by pay surveys.

C. The Policies and Rules

1. Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.

2. Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.

D. Classified Personnel Officer

1. The chief executive officer of each component institution shall designate one qualified official who shall be responsible under the chief executive officer of that institution for the development and operation of the Classified Personnel Program. The System Personnel Advisor shall be available for advice and assistance in the selection of this personnel officer.
2. Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the Office of the President of The University of Texas.

E. Approval of additions to and changes in the Classified Personnel Program

1. Formal approval of the Classification Plan, Pay Plan, and Policies and Rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
2. Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution must be made upon the recommendation of the branch personnel officer, the chief executive officer of the institution, and the approval of the President and the Board of Regents. Such changes must have the approval of the President prior to inclusion in the Regents' Docket for the institution concerned.

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

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

G. Reports

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

BUDGET POLICIES, ANNUAL BUDGET 1958-59. -- At the request of See Page 767.
 President Wilson, Vice-President Dolley presented the following policies
 to be used in preparing the operating budget for The University of Texas
 for 1958-59:

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

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

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

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

Upon motion of Doctor Minter, seconded by Mrs. Devall, the foregoing budget policies for 1958-59 were adopted.

REPORT AND RATIFICATION, BANK DEPOSITORY AGREEMENTS. -- See Page 906.
 Upon motion of Mr. Lockwood, seconded by Mr. Johnson, the Board ratified the actions in negotiating the bank depository agreements as listed in the following report by Comptroller Sparenberg:

Pursuant to authorization given at the Regents' Meeting of June 29, 1957, and with the assistance of the Executive Heads and Business Managers of the branches outside of Austin, I have negotiated bank depository agreements as listed below. All of these agreements are renewals and all are for a two-year period beginning September 1, 1957

and ending August 31, 1957. The tabulation given below shows some of the terms of the agreements which have just expired and of the new agreements:

	1955-57		1957-58	
	Interest Rate on Time Deposits	Maximum Amount of Time Deposits	Interest Rate on Time Deposits	Maximum Amount of Time Deposits
<u>University and Central Administration, Austin</u>				
The American National Bank of Austin	2 3/4%	\$1,500,000	2-1/2%	\$1,500,000
The Austin National Bank, Austin	2 3/4%	1,500,000	2-1/2%	1,500,000
Capital National Bank, Austin	2 3/4%	1,500,000	2-1/2%	1,500,000
City National Bank of Austin	2 3/4%	150,000	2 3/4%	150,000
Texas State Bank of Austin	2 3/4%	150,000	2 3/4%	150,000
<u>Southwestern Medical School, Dallas</u>				
City National Bank in Dallas	2 3/4%	150,000	2-1/2%	150,000
Merchants National Bank in Dallas	2 3/4%	150,000	2-1/2%	150,000
Republic National Bank of Dallas	2 3/4%	150,000	2-1/2%	150,000
<u>El Paso Western College, El Paso</u>				
El Paso National Bank, El Paso	2 3/4%	100,000	2 3/4%	100,000
Southwest National Bank, El Paso	None	None	2 3/4%	100,000
The State National Bank of El Paso	2 3/4%	100,000	2 3/4%	100,000
<u>Local Branch, Galveston</u>				
Barings-Sealy National Bank of Galveston	2 3/4%	1,000,000	2-1/2%	1,000,000
<u>H. D. Anderson Hospital and Tumor Institute, Houston</u>				
First State Bank, Houston	None	None	None	None
First City National Bank of Houston	2-1/2%	500,000	2-1/2%	500,000
Bank of the Southwest National Association, Houston	2-1/2%	500,000	2-1/2%	500,000
<u>Local Branch, Houston</u>				
First City National Bank of Houston	2-1/2%	250,000	2-1/2%	250,000
Bank of the Southwest National Association, Houston	2-1/2%	500,000	2-1/2%	500,000
<u>Postgraduate School of Medicine, Houston</u>				
First City National Bank of Houston	None	None	None	None

and ending August 31, 1959. The tabulation given below shows some of the terms of the agreements which have just expired and of the new agreements:

1955-57		1957-59	
Interest Rate on Time Deposits	Maximum Amount of Time Deposits	Interest Rate on Time Deposits	Maximum Amount of Time Deposits

University and Central Administration, Austin

CORRECTION

THIS DOCUMENT HAS BEEN REPHOTOGRAPHED TO ASSURE LEGIBILITY

First City National Bank of Houston	1-1/2%	200,000	2-1/2%	350,000
Bank of the Southwest National Association, Houston	1-1/2%	300,000	2-1/2%	350,000
Graduate School of Medicine, Houston				
First City National Bank of Houston	None	None	None	None

and ending August 31, 1959. The tabulation given below shows some of the terms of the agreements which have just expired and of the new agreements:

	1955-57		1957-59	
	Interest Rate on Time Deposits	Maximum Amount of Time Deposits	Interest Rate on Time Deposits	Maximum Amount of Time Deposits
<u>University and Central Administration, Austin</u>				
The American National Bank of Austin	2%	\$1,500,000	2-1/2%	\$1,800,000
The Austin National Bank, Austin	2%	1,500,000	2-1/2%	2,000,000
Capital National Bank, Austin	2%	1,300,000	2-1/2%	1,800,000
City National Bank of Austin	2%	150,000	3%	300,000
Texas State Bank of Austin	2%	150,000	3%	250,000
<u>Southwestern Medical School, Dallas</u>				
First National Bank in Dallas	2%	150,000	2-1/2%	200,000
Mercantile National Bank at Dallas	2%	150,000	2-1/2%	200,000
Republic National Bank of Dallas	2%	150,000	2-1/2%	200,000
<u>Texas Western College, El Paso</u>				
El Paso National Bank, El Paso	1%	100,000	2%	200,000
Northwest National Bank, El Paso	None	None	2%	200,000
The State National Bank of El Paso	1%	100,000	2%	200,000
<u>Medical Branch, Galveston</u>				
Hitchings-Sealy National Bank of Galveston	2%	1,000,000	2-1/2%	1,000,000
<u>M. D. Anderson Hospital and Tumor Institute, Houston</u>				
Fannin State Bank, Houston	None	None	None	None
First City National Bank of Houston	1-1/2%	200,000	2-1/2%	300,000
Bank of the Southwest National Association, Houston	1-1/2%	300,000	2-1/2%	300,000
<u>Dental Branch, Houston</u>				
First City National Bank of Houston	1-1/2%	200,000	2-1/2%	350,000
Bank of the Southwest National Association, Houston	1-1/2%	300,000	2-1/2%	350,000
<u>Postgraduate School of Medicine, Houston</u>				
First City National Bank of Houston	None	None	None	None

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

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

APPROVAL OF RESERVE TO COVER POSSIBLE LOSSES UNDER \$100,000.00 DEDUCTIBLE CLAUSE OF BLANKET SYSTEM-WIDE FIRE AND EXTENDED COVERAGE INSURANCE POLICY --Chairman Jeffers presented for consideration the recommendation of Comptroller Sparenberg, approved by Vice-President Dolley and President Wilson, that a reserve account of \$100,000.00 be set up out of the Available University Fund Unappropriated Balance entitled, "Reserve to Cover Possible Losses under \$100,000.00 Deductible Clause of Blanket System-Wide Fire and Extended Coverage Insurance Policy. "

Comptroller Sparenberg in a written report furnished the Regents prior to the meeting pointed out that the current blanket system-wide fire and extended coverage insurance policy with the Continental Casualty Company of Chicago, Illinois, in the amount of \$132,973,800.00 on a 90% coinsurance basis provides that:

1. The Company shall be liable in respect of each and every loss occurrence irrespective of the number and kinds of risks involved, for 100% of the excess over and above an initial net loss to the Insured of \$100,000.00 each and every loss occurrence, subject to the limits set forth in Article VI.
2. It is warranted by the Insured that in respect of each and every loss occurrence its initial net loss retention of \$100,000.00 shall be retained at its own risk and not insured in any way.

Mr. Thompson moved that the reserve account in accordance with the foregoing recommendation be authorized. Mr. Johnson seconded the motion which carried.

FINANCIAL REPORT OF THE COMMITTEE FOR HIGHER EDUCATION, (HJR 15 CAMPAIGN), FEBRUARY 10, 1955 to AUGUST 15, 1957. -- Assistant to the President Cox reported for information only that the Financial Report of the Committee for Higher Education (HJR 15 Campaign) February 10, 1955 to August 15, 1957, reflected a zero balance. A copy of the report is in the Secretary's Files, Vol. V, Page 11.

AMENDMENT TO THE RULES AND REGULATIONS, BOARD OF REGENTS: APPROVAL OF TRAVEL EXPENSE REIMBURSEMENTS FOR 1957-59 BIENNIUM. --President Wilson presented the following recommendation which was adopted upon motion of Mr. Lockwood, seconded by Vice-Chairman Sorrell:

See Page 301.

Pursuant to the provisions of Section 33, Article VI, H. B. 133, 55th Legislature, Regular Session, the Board of Regents hereby delegates to the executive

heads named below the authority to approve official travel reimbursements for all in-state travel during the period from September 1, 1957 to August 31, 1959.

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

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

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

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

SIDNEY E. MEZES AWARDS. --Upon motion of Vice-Chairman Sorrell, duly seconded, the Board approved the recommendation of the Sidney E. Mezes Faculty Donation Committee. Secretary's Files, Vol. V, Page 14.

PROGRESS REPORT, WEATHER MODIFICATION REPORT. --President Wilson called attention to the Summary of the Activities of "The Study of Weather Modification" during the Fiscal Year 1956-57 in the Supplement to the Material Supporting the Agenda. A copy of this summary and the Annual Report are in the Secretary's Files, Vol. V, Page 15.

BOUNDARY AGREEMENT, EL PASO NATURAL GAS COMPANY AND TEXAS WESTERN COLLEGE. --Because of a discrepancy in the field notes of a tract of land purchased by El Paso Natural Gas Company, there was presented to the Board a proposed boundary agreement. Upon motion of Mr. Hardie, seconded by Mrs. Devall, the Board approved the proposed boundary agreement definitely establishing the boundary line between El Paso Natural Gas Company and Texas Western College and authorized the Chairman of the Board to execute the agreement which had been approved as to subject matter by Doctor Dysart Holcomb and as to form by Mr. Waldrep.

APPROVAL OF MINUTES, JUNE 28-29, 1957. --Upon motion of Mrs. Devall, seconded by Mr. Johnson, the minutes of the Board of Regents' meeting in Austin on June 28-29, 1957, were approved in the form as distributed by the Secretary to each member of the Board.

APPROVAL OF DOCKET. --Upon motion of Vice-Chairman Sorrell, seconded by Mrs. Devall, the Board approved the Central Administration Docket, dated October 2, 1957, as recommended by President Wilson, and to which President Wilson had attached and incorporated as a part of his docket the dockets of the component institutions of The University of Texas; namely:

Main University and Extramural Divisions -(Page 93)
 submitted by Vice-President and Provost Harry H. Ransom
 Texas Western College - (Page 178)
 submitted by President Dysart E. Holcomb
 Medical Branch - (Page 185)
 submitted by Director John B. Truslow
 Dental Branch - (Page 213)
 submitted by Dean John V. Olson
 M. D. Anderson Hospital and Tumor Institute - (Page 222)
 submitted by Director R. Lee Clark, Jr.
 Southwestern Medical School - (Page 270)
 submitted by Dean A. J. Gill
 Postgraduate School of Medicine -(Page 287)
 submitted by Dean Grant Taylor

(This docket is attached to and made a part of these minutes, Page 86.)

ATTENDANCE. --At the request of Chairman Jeffers, who absented himself from the meeting for a brief period, Vice-Chairman Sorrell presided.

INVITATION, AUSTIN CHAMBER OF COMMERCE. --President Wilson presented to the Board the invitation of the Austin Chamber of Commerce to be dinner guests at a meeting in January, 1958. This invitation was accepted by the Board for the evening of January 10, 1958.

SCHEDULE OF MEETINGS. --Upon motion of Mr. Lockwood, duly seconded, the Board set the following meetings:

November 21-23, 1957, in Galveston	See Page 290.
January 10-11, 1958, in Austin	See Page 437.

RESOLUTIONS. --Mr. Jeffers moved that the following resolutions be spread on the minutes:

RESOLUTION

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

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED, That this resolution be spread upon the formal minutes of the Board of Regents, and the Secretary of the Board be instructed to provide the Chairman with a certified copy to be sent by the Chairman to the members of his family as a token of our sympathy.

RESOLUTION OF APPRECIATION
TO DOCTOR C. PAUL BONER

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

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

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

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

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

RESOLUTION OF APPRECIATION

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

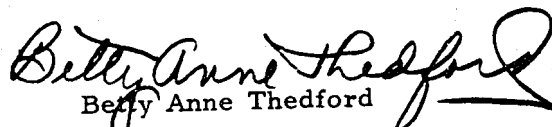
WHEREAS, The Republic National Bank and its distinguished directors and officers, Mr. Fred Florence, Mr. James Aston, and Mr. Joe C. Thompson, our eminent colleague on the Board of Regents, have graciously and generously entertained the members of the Board of Regents and the administrative staff of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

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

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

Adoption of Resolutions. -- Mrs. Devall seconded the motion which was adopted.

ADJOURNMENT. -- The Board adjourned at 3:45 p. m.


Betty Anne Thedford
Secretary

TABULATION OF BIDS

REPLACEMENT OF PEARCE HALL ROOF
THE UNIVERSITY OF TEXAS - MAIN UNIVERSITY, AUSTIN2:00 p. m., Central Standard Time
Tuesday, July 9, 1957

<u>Contractor</u>	<u>Base Bid</u>	<u>Alt. No. 1</u>	<u>No. of Working Days</u>	<u>Check or Bond</u>
Roofing Co.	\$12,896.00	+ \$400.00	90	B-5%
Little & Co.	19,965.00	+ 550.00	120	B-5%
L. Wimberly	16,310.00	+ 1,000.00	70	B-5%

TABULATION OF BIDS

FURNITURE AND FURNISHINGS
THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE
HOUSTON, TEXAS10:00 a. m., Central Standard Time
Tuesday, August 13, 1957

<u>Contractor</u>	<u>Proposal A</u>	<u>Proposal B</u>	<u>Proposal C</u>	<u>Combination A, B, & C</u>
Abel Stationers, Austin, Texas	\$32,760.40	No Bid	\$2,043.90	- -
Temporary House Furnish- ings, Dallas, Texas	28,030.45	\$3,839.32	1,714.71	\$33,584.48
Water Contract Supply Co., Houston, Texas	26,305.91	3,618.60	1,511.88	31,436.39
Merrick-Clarke, Houston, Texas	30,899.15	No Bid	No Bid	- -
Sealand Furniture Co., Houston, Texas	28,357.64	3,163.31	1,713.60	33,234.55

Contractor's Bond: All 5% bonds except those indicated by asterisks.
 * Bond - \$1,750.00
 * Check - \$1,600.00

TABULATION OF BIDS

RENOVATION OF THE OLD DENTAL SCHOOL BUILDING
THE UNIVERSITY OF TEXAS DENTAL BRANCH
HOUSTON, TEXAS2:00 p. m., Central Standard Time
July 22, 1957

<u>Contractor</u>	<u>Base Bid</u>	<u>Alt. No. 1</u>	<u>Alt. No. 2</u>	<u>Calendar Days</u>
P. Locher	\$23,809	+ \$ 935	+ \$3,816	60
G. Bell & Co.	24,785	+ 1,050	+ 4,500	90
Wald W. Pung	23,970	+ 560	+ 4,100	90
Max A. Davis Constr. Co.	25,320	+ 930	+ 4,505	70
W. E. Murphree	No Bid			

TABULATION OF BIDS

SERVICE BUILDING
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL
DALLAS, TEXAS

Page, Southerland & Page, CONSULTING ARCHITECTS
Mark Lemmon, ASSOCIATE ARCHITECT

Office of C. H. Sparenberg, Comptroller
10:00 a. m., Central Standard Time
Tuesday, August 27, 1957

General Contract

<u>Contractor *</u>	<u>Bid No. 1 General</u>	<u>Alternate Bid No. 1A</u>	<u>Check/ Bid Bond</u>	<u>Calendar Days</u>
W. J. ... Incorporated	\$69,246	/\$7,300	B-5%	150
W. J. ... & Company	81,342	/\$6,893	B-5%	150
W. J. ... Construction Co.	68,220	/\$8,000	B-5%	120
W. J. ... & Beckham	74,195	/\$6,750	B-5%	180
W. J. ... Cheek	79,962	/\$7,417	B-5%	200
W. J. ... V. Sumner	73,960	/\$7,585	B-5%	200
W. J. ... Crain & Company	69,481	/\$6,892	B-5%	210
W. J. ... Coleman	89,957	/\$5,460	B-5%	160
W. J. ... H. Wallace Construction Company	76,577	/\$9,015	B-5%	126
W. J. ... A. Fuess Company	64,866	/\$6,400	B-5%	150

Mechanical Contract

<u>Contractor *</u>	<u>Bid No. 2 Mechanical</u>	<u>Alternate Bid No. 2A</u>	<u>Check/ Bid Bond</u>	<u>Calendar Days</u>
W. J. ... Brothers, Inc.	\$16,560	/\$3,990	B-5%	10 days after general
W. J. ... Plumbing Company	18,997	/\$6,150	B-5%	30 days after general
W. J. ... H. Kuhn & Sons	14,550	/\$5,840	B-5%	10 days after general
W. J. ... Plumber Plumbing & Htg. Co.	16,410	/\$4,050	B-5%	5 days after general
W. J. ... Plumber Plumbing & Htg. Co.	16,200	/\$5,200	B-5%	15 days after general
W. J. ... Kahn Plumbing Co., Inc.	15,458	/\$5,200	B-5%	10 days after general
W. J. ... tyn Brothers, Inc.	17,900	/\$6,400	B-5%	10 days after general
W. J. ... F. Kaun & Son	18,614	/\$5,972	B-5%	15 days after general
W. J. ... tty Engineering Co.	11,970	/\$5,847	B-5%	90 days
W. J. ... us-Frank Company	13,894	/\$4,546	B-5%	10 days after general
W. J. ... y Plumbing Company	18,290	/\$5,135	B-5%	10 days after general
W. J. ... hwestern Sheet Metal Mfg. Company	16,287	/\$4,880	B-5%	70 days

Electrical Contract

<u>Contractor *</u>	<u>Bid No. 3 Electrical</u>	<u>Check/ Bid Bond</u>	<u>Calendar Days</u>	<u>Remarks</u>
W. J. ... rock Brothers	\$15,199.44	B-5%	10 days after general	
W. J. ... k Electric Company	13,625.00	B-5%	10 days after general	

All contractors are from Dallas.

TABULATION OF BIDS (Continued)

SERVICE BUILDING
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL
DALLAS, TEXAS

<u>Contractor *</u>	<u>Bid No. 3 Electrical</u>	<u>Check/ Bid Bond</u>	<u>Calendar Days</u>	<u>Remarks</u>
ern States Electric pany, Inc.	\$12,903.00	B-5%	5 days after general	
Fisk Electric Co., Inc.	15,476.00	B-5%	10 days after general	
am Electric Co.	13,200.00	B-5%	- - -	
cap Electric Co., Inc.	13,780.00	B-5%	10 days after general	
rior Electric Co.	14,997.00	B-5%	- - -	
Smith Electric Co.	12,600.00	B-5%	15 days after general	
Electric Company	13,888.00	B-\$750	15 days after general	This bid accept- able only with general contractor - open shop.
merican Electric Contrs., (<u>Not an acceptable</u>)	12,000.00	Check - \$600	- - -	Company check not Cashier's or certified; therefore not an acceptable bid.
Electric Company	13,274.00	B-\$1,000	10 days after general	

All contractors are from Dallas.

TABULATION OF BIDS

PARKING LOT
THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL SCHOOL
DALLAS, TEXAS

August 27, 1957

<u>Contractor*</u>	<u>Bid Bond</u>	<u>Base Bid</u>	<u>Working Days to Complete</u>
nde Construction Company	Bond - 5%	\$49,956.00	60
as Bitulithic Company	Bond - 5%	51,250.00	75
in Paving Company	Bond - 5%	55,350.00	60

All contractors are from Dallas.

PREVAILING WAGE RATES

EL PASO, TEXAS
AS AT OCTOBER 10, 1957

Exhibit A

Unless otherwise specified, the minimum wages shall be not less than the general prevailing rate of per diem wages must be paid to all laborers, journeymen, and mechanics directly employed on the work covered by this contract.

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

Classification	*Wages Per Diem	Wages Per Hour	Classification	*Wages Per Diem	Wages Per Hour
BESTOS WORKERS			HOD CARRIERS, BUILDING AND COMMON LABORERS		
Foreman	\$ 26.80	\$ 3.35	Operator, Jack-hammer	\$ 14.40	\$ 1.80
Journeyman	24.80	3.10	Operator, Outside, Wagon Drill	18.40	2.30
BRICKLAYERS, MASONS			Operator, Cement Gun or Gunite Wagon Drill	16.40	2.05
Foreman	30.80	3.85	Tender	18.40	2.30
Bricklayers, Masons			Asphalt Raker	14.40	1.80
Tile Layers, Terrazzo, Mosaic, Marblemasons, and Blocklayers	28.80	3.60	Carpenters, Tenders	13.20	1.65
Rock-Stone Masons	24.00	3.00	Concrete Workers	13.20	1.65
Apprentices, start at 50% and raise 5% each 6 months			Kettle Man, Asphalt or Port Man	14.40	1.80
CARPENTERS			Mason Tender (Limited to one for not less than 5 Journeymen of the Bricklayers Union)	16.40	2.05
Foreman	26.00	3.25	Pipe Layers other than Metal	15.40	1.925
Journeyman	24.00	3.00	Powder Man or Blasters	20.40	2.55
Apprentices			Laborers (Building Construction)	13.20	1.65
1st 6 mos.		55%	Laborers (Highway only)	13.20	1.65
2nd 6 mos.		61%	Foreman	19.40	2.425
3rd 6 mos.		66%	Sub-Foreman (Pusher)	18.40	2.30
4th 6 mos.		72%	Miner	18.40	2.30
5th 6 mos.		77%	Timber Man	16.40	2.05
6th 6 mos.		83%	Machine Man	16.40	2.05
7th 6 mos.		89%	Track Man	16.40	2.05
8th 6 mos.		94%	Chuck Tender	16.40	2.05
Millwrights	26.00	3.25	Ceramic Tile Helper	14.00	1.75
CEMENT MASONS					
Journeyman	23.20	2.90			
ELECTRICIANS					
Foreman	26.80	3.35			
Journeyman	24.80	3.10			
Apprentices					
1st 6 mos.		50%			
2nd 6 mos.		55%			
2nd year		60%			
3rd year		70%			
4th year		80%			

Classification	*Wages Per Diem	Wages Per Hour	Classification	*Wages Per Diem	Wages Per Hour
WORKERS	\$	\$	OPERATING ENGINEERS	\$	\$
Journeyman (Finisher, Rigger, and Structural)	25.40	3.175	(Continued)		
Welder	25.40	3.175	Shovel, Crane, Dragline, Clamshell, Backhoe, Piledrive, Hydrocrane, and Hydro-lift, under 3 yds.	24.60	3.075
Journeyman Rodman	24.60	3.075	Shovel, Crane, Dragline, Clamshell, Backhoe, Piledrive, Hydrocrane and Hydrolift, 3 yds and over	26.20	3.275
OTHERS			Guy and Stiffleg Derricks	26.20	3.275
Foreman	28.00	3.50	Side Boom and Swing Boom Tractors, Hysters, Cat, Cranes, and Attachments	24.60	3.075
Journeyman Apprentices	26.00	3.25	Winch Truck, A-frame, Mixermobile, Air Tugger	23.40	2.925
1 to 6 mos.		45%	Building Hoist, One Drum	23.40	2.925
6 to 12 mos.		50%	Building Hoist, two or more Drums	24.60	3.075
12 to 18 mos.		60%	Mine Hoist, Mucking Machine, Slusher	24.60	3.075
18 to 24 mos.		70%	Haulage Motorman, Lumber Form Operator, Refrigeration Operator	23.40	2.925
24 to 30 mos.		80%	Drilling Machines (Core, Rotary and Diamond)	23.40	2.925
30 to 36 mos.		90%	Traxcavator, Athey and Barber Green Loader, Scoopmobile, Elevating Belt-Type Loader, Euclid Loader, Dumor, Forklift, Lumber Stacker, Overhead and Front End Loader, Highlift	23.40	2.925
OPERATING ENGINEERS			Trenching Machine	23.40	2.925
Air Compressors, Power Plants, Pump Operators	23.40	2.925	Steam Engineer, High Pressure	24.60	3.075
Asphalt Plants, Distributors, Laydown Machine, Roller, Oil Heater, Screed and Pub-Mill Operators	23.40	2.925	Steam Engineer, Low Pressure	23.40	2.925
Bulldozer, Scraper, Patrol, Euclid, DW-10, DW-20, DW-21			Crushing and Screening Plants	23.40	2.925
Tournarockers and Similar Scraper Type Equipment, Highlanders, Elevating Graders, and Tractors over 35 H. P.	23.40	2.925	Industrial Locomotive Operator	23.40	2.925
Concrete Mixers, Under 1 yd.	23.40	2.925	Mechanic and Welder	23.40	2.925
Concrete Mixers, 1 yd. and over	24.60	3.075			
Concrete Paving Machines	24.60	3.075			
Concrete Batch Plants, Pump-concrete and Guniting Machines, Bull Floats, Finishing Machines, Spreading Machines, Concrete Saws	23.40	2.925			

Classification	*Wages Per Diem	Wages Per Hour	Classification	*Wages Per Diem	Wages Per Hour
OPERATING ENGINEERS \$		\$	PLUMBERS AND PIPE	\$	\$
(Continued)			FITTERS		
Service Truck Operator	23.40	2.925	General Foreman	28.80	3.60
Foreman, Oiler, Greaser, Service Truck Helper, Mechanic, and Welder Helper	19.00	2.375	Foreman	26.80	3.35
Tractor, Under 35 H.P., with attachments	23.40	2.925	Journeyman	24.80	3.10
Pneumatic Roller Under 35 H.P.			Apprentices		
Ladivators and Conveyors under 5 H.P., Scale Operator	19.00	2.375	1st 1,000 hours		35%
Tractor, Under 35 H.P. without attachments	19.00	2.375	Up to 2,000 hours		52%
PAINTERS			Up to 3,000 hours		55%
Foreman	20.00	2.50	Up to 4,000 hours		58%
Journeyman - brush	19.00	2.375	Up to 5,000 hours		62%
Journeyman - spray	24.00	3.00	Up to 6,000 hours		68%
Glaziers	18.00	2.25	Up to 7,000 hours		75%
PLASTERERS			Up to 8,000 hours		82%
Foreman	28.00	3.50	Up to 9,000 hours		90%
Journeyman	26.00	3.25	Up to 10,000 hours		95%
Apprentices			ROOFERS		
1 to 6 mos.		45%	Foreman	19.20	2.40
6 to 12 mos.		50%	Journeyman	18.00	2.25
12 to 18 mos.		60%	SHEET METAL WORKERS		
18 to 24 mos.		70%	Journeyman	26.00	3.25
24 to 30 mos.		80%	Apprentices, start at 40%, raise 5% each 6 months up to the 8th 6 months		
30 to 36 mos.		90%	TRUCK DRIVERS		
			Driver	15.08	1.885
				to	to
				17.08	2.135

*Based on eight hours per day

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