
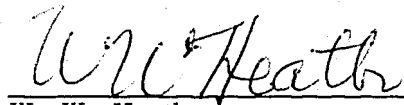


We, the undersigned Members of the Board of Regents of The University of Texas, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

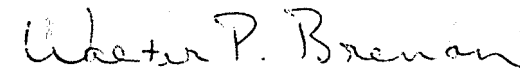
Signed this the 22nd day of July, 1961, A. D.



Thornton Hardie
Chairman

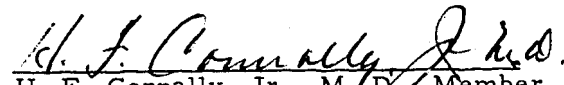


W. W. Heath
Vice-Chairman

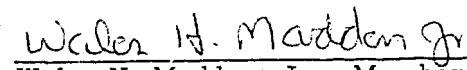


Walter P. Brennan, Member

J. P. Bryan, Member



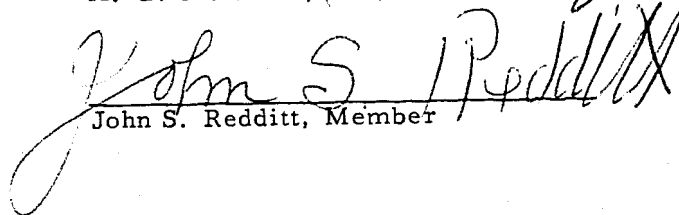
H. F. Connally, Jr., M. D., Member



Wales H. Madden, Jr., Member



A. G. McNeese, Jr., Member



John S. Redditt, Member

MEETING NO. 600 *

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JULY 22, 1961. -- The Committee of the Whole resolved itself into regular session on Saturday, July 22, 1961, at 3:30 p. m. in the Regents' Room (Main Building No. 209), Austin, Texas.

ATTENDANCE **.--

<u>Present</u>	<u>Absent</u>
Chairman Hardie, presiding	Regent Bryan - excused
Vice-Chairman Heath	
Regent Brennan	
Regent Connally	
Regent Madden	
Regent McNeese	
Regent Redditt	
Chancellor Ransom	
Secretary Thedford	

Also among those present were the following University officials and representatives:

Mr. Lanier Cox, Vice-Chancellor (Administrative Services)
Doctor J. C. Dolley, Vice-Chancellor (Fiscal Affairs)
Doctor L. D. Haskew, Vice-Chancellor (Developmental Services)
Mr. W. E. Keys, Director, University News and Information Service
Mr. C. H. Sparenberg, Comptroller
Mr. W. W. Stewart, Endowment Officer
Mr. Burnell Waldrep, Land and Trust Attorney

R. Lee Clark, Jr., M. D., Director of M. D. Anderson Hospital and Tumor Institute
A. J. Gill, M. D., Dean of Southwestern Medical School
John V. Olson, D. D. S., Dean of the Dental Branch
Doctor Joseph M. Ray, President of Texas Western College
Doctor J. R. Smiley, President of Main University
Grant Taylor, M. D., Dean of the Postgraduate School of Medicine
John Truslow, M. D., Executive Director and Dean of the Medical Branch

* Meeting No. 599 incorporated on Pages 32-36.

**There are only eight Regents. Regent Joe C. Thompson died June 11, 1961.

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APPROVAL OF MINUTES OF REGULAR MEETING, MAY 13, 1961. -- It was moved by Vice-Chairman Heath, seconded by Regent Brenan, and adopted that the minutes of the regular meeting of the Board held in Austin on May 13, 1961, be approved as circulated by the Secretary and as entered in the Official Record, Volume VIII, Pages 805-976.

REPORTS OF STANDING COMMITTEES

On Saturday morning, July 22, 1961, and immediately preceding the regular meeting of the Board, the Committee of the Whole and the standing committees met. Chairman Hardie requested each committee chairman to present a report of his respective committee.

REPORT OF EXECUTIVE COMMITTEE (See Pages E-1 through E-19 following Page 55 of the minutes). -- Committee Chairman Heath presented a report of the interim actions of the Executive Committee for the period April 28-July 19, 1961. Thereafter, he asked Mr. Cox to present four items that came too late for committee consideration.

Committee Chairman Heath commented on each item listed in the original report of the Executive Committee included in the Material Supporting the Agenda and on each item in the Supplementary Report of the Committee distributed at the meeting. In order that the other Regents would not consider it a perfunctory action, Committee Chairman Heath in the supporting material for the meeting had reflected the results of the mail ballots of the Executive Committee as well as had set out the justifications for these requests as presented by the Administration.

Then Mr. Cox, at the request of Committee Chairman Heath, presented the four items set out on Page E-17.

Adoption of Report. -- Thereafter the Board, upon motion of Vice-Chairman Heath, seconded by Regent Connally, approved the Report of the Interim Actions of the Executive Committee and the four additional items presented at the meeting. All of these items are in the Report of the Executive Committee (Pages E-1 through E-19) which is made a part of the minutes and appended thereto following Page 55.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 7 for adoption). -- Committee Chairman McNeese presented the following report of the Academic and Developmental Affairs Committee:

Approval of Docket (Attachment No. 2), as amended. -- The Academic and Developmental Affairs Committee recommends that the Board adopt the docket of Chancellor Ransom dated July 5, 1961 (Attachment No. 2) in the form as circulated to the Regents with the following amendment:

On Page C-2 under "Nominations for Memberships in the Graduate Faculty," add the name of J. Allen Scott, Professor of Preventive Medicine and Public Health, Medical Branch.

[This docket (Attachment No. 2) is made a part of the minutes and is appended following Page PUF-17 of Attachment No. 1.]

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Amendment No. 4 to Rules and Regulations, Part One, Chapter VI, Subsection 6.121, Elected Members with Vote, Graduate Legislative Council. -- At the May 1961, meeting the Board approved Amendment No. 4 to the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter VI, Subsection 6.121, by adding "Astronomy" to Electoral Group A, College of Arts and Sciences, Main University, Graduate Legislative Council.

In order to comply with the Rules and Regulations, Part One, Chapter VII, Subsection 4.1, the Academic and Developmental Affairs Committee recommends that final approval be given to this amendment and that Part One, Chapter VI, Subsection 6.121 read as follows:

6.12 Elected Members with Vote:-- The elected voting members shall be apportioned among the following branches, and electoral divisions of the Main University

6.121 Main University

College of Arts and Sciences

Electoral Group A - Astronomy, Bacteriology, Botany, Chemistry, Geology, Physics, Zoology, Home Economics, Mathematics

Amendment No. 1, Part Two, Rules and Regulations, Overtime. -- In the Material Supporting the Agenda, Chancellor Ransom presented an amendment to the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part Two, Chapter V, Subsection 2.4. However, at the meeting, he concurred in Dean Gill's request that Southwestern Medical School be included in this program rather than made an exception. The Academic and Developmental Affairs Committee recommends that Part Two of the Rules and Regulations, Chapter V, Subsection 2.4 be deleted and the following inserted in lieu thereof:

Sec. 2. General Personnel

2.4 Overtime.

2.41 Classified Personnel.

2.411 The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Equivalent compensatory time off for required overtime of at least one hour or more above established work periods is given employees whose salaries are below the minimum for a full-time instructor at all institutions except the M. D. Anderson Hospital and

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Tumor Institute where definite salary limits are set:

2.412 Overtime equivalent not to exceed a regular work week may be accumulated and compensatory time taken at a mutually convenient time. Under exceptional circumstances payment may be made to eligible employees on a straight time basis from the budget of the employing department, upon approval of the appropriate administrative officials.

2.413 Full-time employees on a twelve months' salary basis shall not be permitted extra employment on government and other sponsored projects, except in rare instances when the interest of the institution is paramount. In the event that such employment is approved, it is limited to a maximum of 10 additional hours per week.

2.42 Faculty.

2.421 Full-time regular faculty members of the rank of Instructor or above (excluding Special Instructors and Lecturers) are permitted to work a maximum of 10 hours per week additional time in government and other sponsored projects upon recommendation of the chairman and dean of their respective departments, schools, or colleges, and with the approval of the project director and the head of the component institution and to receive extra compensation for such work at a pro rata of their regular full-time teaching salary rate; provided, however, that such additional work does not interfere with the regular full-time duties of the individual.

2.422 Part-time regular faculty members of the rank of Instructor or above (excluding Special Instructors and Lecturers) who teach at least one-half time may be similarly approved for additional work in government and other sponsored projects subject to a maximum combined work load of 50 hours per week, compensation in the sponsored project to be at a pro rata of the regular full-time teaching salary rate.

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2.423 In unusual circumstances and only when the best interests of the institution so dictate, the provision of Sec. 2.422 requiring half-time teaching as a condition to additional work on sponsored projects may be waived for regular faculty members of the rank of Assistant Professor or above by advance approval of the institutional head, the Chancellor and the Board of Regents.

2.424 Employees holding a part-time position of Special Instructor or Lecturer combined with a classified position shall be paid at the respective rate applicable to each position. The provisions of Section 2.422 relating to additional work in government or other sponsored projects do not apply.

2.425 Administrative personnel and Academic Deans shall not be permitted extra employment on government or other sponsored projects.

Contract, Texas-O. U. Game in Dallas. --The Academic and Developmental Affairs Committee approves the recommendation of the Athletic Council and the Administration that the existing contract to play the Texas-O. U. game in Dallas not be changed, and that the Chancellor be authorized to press for an extension of the existing contract for an additional five years after its expiration date in 1971.

Voluntary Blanket Tax Fee and Appropriations thereof, 1961-62. --The Academic and Developmental Affairs Committee approves the Chancellor's recommendation of the voluntary Blanket Tax Fee and appropriation thereof for 1961-62 as set out below and as was furnished to each Regent in the Material Supporting the Agenda:

<u>Expenditures by Function</u>	<u>1960-61</u>	<u>1961-62</u>
Athletic Council	\$ 8.65	\$ 8.65
Texas Student Publications	4.10	4.10
Oratorical Association	.16	.21
Great Issues	.075	----
Longhorn Band	.79	.85
Cultural Entertainment	2.25	2.35
Curtain Club	.14	----
Choral Organizations	.18	.15
Student Government	.37	.37
Activities Handbook	.015	----
Round-up	----	.75
Totals	<u>\$16.730</u>	<u>\$17.43</u>

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Allocation of \$19,678.87 to National Defense Student Loan Matching Fund. -- The Academic and Developmental Affairs Committee recommends that the Board approve a transfer of \$19,678.87 from the Price Cross Loan Fund to the National Defense Student Loan Matching Funds Account. This is to match approximately \$166,667.00 that will be made available to the Main University before the end of August.

Athletic Council: Membership; Regents' Rules and Regulations. -- It is recommended by the Academic and Developmental Affairs Committee:

1. That the Athletic Council be composed of four faculty members appointed by the President of Main University, approved by the Chancellor, and approved by the Board of Regents; one Ex-Student appointed by the Ex-Students' Association; one student appointed by the Students' Association; and two members appointed at large by the Board of Regents, all to be appointed annually and properly certified by the respective group.
2. That the Athletic Council be advised of and informed about the Rules and Regulations of the Board of Regents and instructed that it should adhere to such Rules and Regulations; and of its obligation to keep the Chancellor through the President of Main University fully advised on all matters considered by the Council.
3. If the proposed membership of the Athletic Council be approved as set out above, the Committee recommends that John Holmes of Houston and John Thompson of Dallas be appointed as members of the Athletic Council.

It is understood that the foregoing changes in the membership of the Athletic Council will be effective September 1, 1961, and the appointments will be for a period of one year and/or until their successors are appointed.

Complimentary Tickets to Athletic Contests, Main University. -- (Committee Chairman McNeese reporting) The matter of free tickets to athletic contests being provided to selected individuals, and how those individuals shall be selected, was not considered. I am asking that this matter be placed on the agenda for the next meeting and that a list of the group presently receiving such tickets be furnished the members of the Board.

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Engineering Advisory Committee, Texas Western College;
Travel Expenses Authorized. -- Each Regent received in the
Material Supporting the Agenda a report that President Ray
had appointed an Engineering Advisory Committee for Texas
Western College composed of the following:

Dean M. R. Lohmann of Oklahoma State University
Mr. Ben D. Roberts of the El Paso Smelting Works
Dean William W. Hagerty of The University of Texas
Mr. W. V. Holik of the El Paso Electric Company
Mr. John Payne, Jr. of American Metal Climax, Inc.
Mr. Joseph F. Friedkin of the International Boundary
and Water Commission
Mr. E. W. Mars, District Engineer of the State
Highway Department
Mr. William J. Murray of the Texas Railroad Com-
mission
Mr. T. R. Lind of the Westinghouse Electric Company
in El Paso
Mr. C. Lambert Moore of El Paso Natural Gas Products
Company
Mr. M. S. Bell of Phelps Dodge Refining Corporation
Dr. Thomas F. Jones, Jr., the Head of the Electrical
Engineering Department at Purdue University
(Had not accepted as of this date.)
Dr. Frederick C. Lindvall of the California Institute of
Technology (Had not accepted as of this date.)

The purpose of this committee is to study carefully what can
and should be done at Texas Western College to bring about
substantial improvements in the Engineering Program, and
to make a report including recommendations to President
Ray and Chancellor Ransom.

Chancellor Ransom recommends and the Academic and Devel-
opmental Affairs Committee concurs that necessary travel
expenses for members of the Engineering Advisory Committee
for Texas Western College be paid from Central Administration
Funds, and that the Chancellor be authorized to make such
charges against an appropriate account in the Office of the
Chancellor. This recommendation is based on the fact that
the appointment of this committee is the direct result of the
insistence of the Board of Regents for up-grading Engineering
at Texas Western College and this committee will be in effect
advisory to the Chancellor and to the Board.

Adoption of Report. -- Upon the motion of Regent McNeese, seconded
by Vice-Chairman Heath, the Board approved the foregoing report of
the Academic and Developmental Affairs Committee.

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REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 19 for adoption.) --Committee Chairman Redditt, named to this chairmanship as a successor to the late Regent Thompson (P. 28), presented the report of the Buildings and Grounds Committee. In this report set out below are included the original recommendations of the Administration distributed in the Material Supporting the Agenda, the supplementary recommendations mailed to each Regent on July 14 and those distributed at the meeting, and the following additional items:

1. Exchange of Ten Lots at Texas Western College subject to the approval of Chairman Hardie (Page 19)
2. Main University: Award of Contract for Renovation of Electrical Distribution System and Installation of Kilowatt-Hour Meters, University Apartments and Trailer Camp (Page 17)
3. Main University: Acquisition of Archway Properties (Page 18)

Main University: Ratification of Award of Contract for Four Parking Areas. -- At the Regents' Meeting held May 13, 1961, authorization was given for Comptroller Sparenberg to advertise for bids on four parking areas, including improvements in the Stadium grounds, at the Main University, and for a Committee, consisting of Main University Business Manager Landrum, Comptroller Sparenberg, Chancellor Ransom, and Vice-Chairman Heath, to award a contract after receipt of bids, subject to award being made to the low bidder. In accordance with authorization, bids were called for and were opened and tabulated on June 7, 1961, as is shown on Page 42 . Further, in accordance with this authorization, the Committee has awarded a contract to the low bidder, Joe Badgett Construction Company, Inc. , Austin, Texas, for the work in the amount of \$43,461.00, this being well within the amount appropriated for the project.

It is recommended that the Board ratify the action taken by the Committee as reported above.

Main University: Approval of Preliminary Plans for 200 Apartment Units for Married Students and Appointment of Associate Architect. --

As authorized at the Regents' Meeting held January 16, 1961, the preliminary plans for the 200 Apartment Units for Married Students at the Main University have been prepared and the final application has been submitted to Housing and Home Finance Agency. Word has now been received that the final application has been approved by the Agency; it is, therefore, recommended that the preliminary plans and outline specifications for the project, as prepared by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, and approved by the Main University Faculty Building Committee, President Smiley, Comptroller Sparenberg, and Chancellor Ransom, be approved by the Board.

It is further recommended that an Associate Architect be appointed with authorization to proceed with working drawings and specifications to be presented to the Board for approval at a later meeting. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted to the Regents in the supplementary material mailed on July 14, 1961.

It is recommended by the Board that the firm of Barnes, Landes, Goodman, and Youngblood of Austin, Texas, be named as Associate Architect with authorization to the Chairman to execute a contract

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when it has been approved as to subject matter by Comptroller Sparenberg and as to form by Attorney Waldrep.

Main University: Acquisition of Archway Properties. -- Pursuant to the policies and procedures for the acquisition of Archway properties which were adopted by the Board of Regents at the meeting of June 12, 1959, all sales contracts are to be submitted to the Board of Regents before closing.

It is recommended that the Business Manager of the Main University be authorized to sign the contract of sale for the Board of Regents of The University of Texas with John D. Cofer, representing the Cofer Estate, in the amount of \$61,000.00 for the purchase of:

Lots Nos. 6, 7, and 8 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County Plat Records, together with all the improvements thereon.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$61,000.00 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Harold Legge on the Cofer Estate property was \$46,500.00. Mr. Cofer's original asking price for the property was \$75,000.00. On June 4, 1960, Mr. Forest S. Pearson, negotiator for the Archway properties, advised us that Mr. Cofer had informed him that he would take no amount less than \$70,000.00 and was then going to such expense as was necessary to prove his position. The expenses incurred would be added to the \$70,000.00 asking price as of that date. In view of these facts, Mr. Pearson advised us that he could serve the University no further purpose as negotiator with Mr. Cofer and returned the case to us for further handling. Several conferences during the past 12 months have been held with Mr. Cofer. Mr. G. W. Landrum, Business Manager of the Main University, and Dr. J. C. Dolley, Vice-Chancellor (Fiscal Affairs), recommend approval of the Board of Regents to close this transaction at a purchase price of \$61,000.00 with the taxes paid by the seller through 1960.

This recommendation is made after giving consideration to the uncertainty of a jury's decision as to the value if litigation is pursued and with the knowledge that a considerable additional expense to the University would be involved if condemnation proceedings are instituted. We are sure that this is the lowest price for which this property can be obtained by negotiation with Mr. Cofer.

Main University: Award of Contract for Furniture and Furnishings for Research Facilities and Headquarters Building at Institute of Marine Science. -- In accordance with authorization given at the Regents' Meeting held May 13, 1961, the Special Committee appointed approved the specifications for Furniture and Furnishings for the Research Facilities and Headquarters Building at the Institute of Marine Science, and it is recommended that the Board ratify the action taken by this Committee. Further in accordance with authorization granted at

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the May 13, 1961, meeting, bids were called for and were opened and tabulated on June 29, 1961, as is shown on Page 43. After careful consideration of these bids by all concerned, it is recommended that a contract award be made to The Abel Stationers, Austin, Texas, in the amount of \$11,123.00.

Attention is called to the fact that although The Abel Stationers also submitted another bid in a lower amount, the recommended contract award is on the lowest bid meeting specifications. The proposal form for the bids on this furniture calls for the bidder to list the manufacturer and model number of the items to be furnished under the bid. Two of the bidders voluntarily submitted two bids listing different items to be furnished under each bid, the Owner to determine which bids meet specifications. The lower of The Abel Stationers' bids definitely did not meet the specifications and, therefore, could not be considered as a valid bid.

Main University: Award of Contract for Conversion of Certain Rooms in East End of Experimental Science Building. --In accordance with authorization given by the Board at the meeting held May 13, 1961, bids were called for and were opened and tabulated on July 6, 1961, as is shown on Page 44, for Conversion of Certain Rooms in the East End of the Experimental Science Building at the Main University. After consideration of the bids by all concerned, it is the recommendation of Engineers Zunwalt and Vinther, the Main University Physical Plant staff, Comptroller Sparenberg, and Chancellor Ransom that contract awards be made as follows:

General Contract:	
W. D. Anderson Company, Austin, Texas	\$ 28,759.00
Combined Plumbing, Heating, Air Conditioning, and Ventilating Contract:	
Young and Pratt, Austin, Texas	49,625.00
Electrical Contract:	
O. H. Cummins Electric Company, Austin, Texas	17,359.00
Laboratory Equipment Contract:	
W. C. Hixson Company, Dallas, Texas	<u>66,321.00</u>
Total Recommended Contract Awards	<u>\$162,064.00</u>

In each case, the contract award as recommended is to the low bidder, except in the case of the Laboratory Equipment Contract. In this case, the low bid had a letter attached which definitely qualified the bid; this letter stated that the equipment to be furnished would be of certain material and manufacture. In two instances, the material to be used was not in accordance with that specified. Consequently, this bid was not in accordance with specifications and, hence, could not be considered as a valid bid.

These recommended contract awards, together with the Engineers'

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fees thereon, come within the total of \$182,100.00 available for this project.

Medical Branch: Approval of Final Plans and Specifications for Outpatient-Clinical Diagnostic Building. -- In accordance with authorization given at the Regents' Meeting held December 10, 1960, the working drawings and specifications for the New Outpatient-Clinical Diagnostic Building at the Medical Branch have been prepared by the Associate Architect, Pierce and Pierce of Houston, Texas, and submitted to the State Department of Health and the United States Public Health Service for review in connection with the grant of \$1,400,000.00 for this building from Hill-Burton funds. These final plans and specifications have been approved by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, the Medical Branch Faculty Building Committee, Dr. Truslow, Comptroller Sparenberg, and Chancellor Ransom, as well as the Public Health Service, and final commitment has been received on the grant. It is recommended that the final plans and specifications be approved by the Board.

Since the present plan is to call for bids on the Remodeling of the Old Outpatient Building at the same time bids are called for on this project, authorization to advertise for bids will be requested when the final plans and specifications are approved on Remodeling of the Old Outpatient Building.

Medical Branch: Approval of Final Plans and Specifications for Central Water Chilling Station. -- In accordance with authorization given at the Regents' Meeting held December 10, 1960, the working drawings and specifications for the Central Water Chilling Station at the Medical Branch have been prepared by Engineers Bernard Johnson and Associates of Houston, Texas. These final plans and specifications have received the approval of the Medical Branch Faculty Building Committee, Dr. Truslow, Comptroller Sparenberg, and Chancellor Ransom. It is recommended that they be approved by the Board and that authorization be given for Comptroller Sparenberg to advertise for bids, these bids to be presented to the Board for consideration at a later meeting.

Medical Branch: Remodeling Wards 3A and 3B, 4C, and 9A in John Sealy Hospital - Approval of Methods of Handling Plans and Specifications and Construction Work. -- At the Regents' Meeting held May 13, 1961, authority was given to accept a grant from The Sealy and Smith Foundation in the amount of \$180,000.00 for the purpose of remodeling Wards 3A and 3B, 4C, and 9A in the John Sealy Hospital at the Medical Branch. The estimated cost of the individual projects is \$40,000.00 for Wards 3A and 3B, \$40,000.00 for Ward 4C, and \$100,000.00 for Ward 9A. The Medical Branch wishes to perform the work on the two smaller projects with its own Physical Plant staff. To that end plans have been prepared at the Medical Branch and submitted to the Comptroller's Office. These plans have been approved in the Comptroller's Office, and it is recommended that the Medical Branch be authorized to proceed with the work on Wards 3A and 3B and 4C immediately.

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It is contemplated that the work on Ward 9A will be performed on a contract basis, and plans and specifications on this Ward will be prepared also by the Physical Plant staff. Dr. Truslow has requested that a Committee consisting of Dr. Truslow, Comptroller Sparenberg, and Chancellor Ransom be authorized to approve these plans and specifications on Ward 9A and that the Comptroller be authorized to advertise for bids, as soon as the plans and specifications have been completed and checked.

Medical Branch: Remodeling on Sixth Floor of John Sealy Hospital for Department of Surgery - Approval of Methods of Handling Plans and Specifications and Construction Work, and Appropriation Therefor. -- The Medical Branch wishes to remodel Units A and B of the sixth floor of the John Sealy Hospital for the Department of Surgery. This remodeling, the estimated cost of which is \$29,750.00, would provide an office, conference room, and library for the Chairman of the Department, as well as office, examining rooms, fluoroscope room, and research space for four full-time staff members. It is contemplated that the work will be performed by the Medical Branch Physical Plant staff, and plans for this work have been furnished to the Comptroller's Office and approved by that office. It is, therefore, recommended that an appropriation for this purpose be made from the Medical Branch Unappropriated Surplus in the amount of \$29,750.00, and that the Physical Plant staff be authorized to proceed with the remodeling outlined above at a cost not to exceed the amount appropriated.

Southwestern Medical School: Authorization to Prepare Preliminary Plans and Specifications for the Proposed Skillern Student Union Building. -- Southwestern Medical School has in hand investments having a book value of \$100,000.00 and a market value of approximately \$97,200.00, plus cash on time deposit of \$19,191.50, representing gifts from Mr. Rae Skillern, plus accumulated interest, and a commitment from the Southwestern Medical Foundation for the balance of the gifts from Mr. Skillern plus accumulated income still in the hands of the Foundation, in the amount of \$114,905.29, all being pledged to construct the Skillern Student Union Building at the Southwestern Medical School. It is recommended that authorization be given for the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, to prepare preliminary plans and outline specifications on this project, it being understood that these plans are to be for a structure which, together with architects' fees, movable furniture and equipment, and utilities therefor, will not exceed the amount of \$231,000.00, which is now available for the project. These preliminary plans will be presented to the Regents for approval at a later meeting.

Texas Western College: Authorization to Grant Access Road Right-of-Way to El Paso County, Texas, for Access to the Sun Bowl Stadium. (Hart Survey No. 2, El Paso County). -- In connection with the construction of the Sun Bowl Stadium, a request has been made by El Paso County for an access road right-of-way in order to build a northern access road to the proposed Stadium.

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A proposed form of easement granting this right-of-way has been prepared by University Attorney Waldrep and approved by Chairman Hardie. It is recommended that the Board grant this easement to El Paso County (Hart Survey, No. 2) and authorize the Chairman of the Board to sign the easement as prepared by Mr. Waldrep.

Texas Western College: Authorization for Acceptance of Deed from Betty Lee Moor MacGuire, as Executor, Covering Certain Property in City of El Paso. --At an earlier meeting of the Board authorization was given for the purchase of two tracts adjacent to the Campus of Texas Western College. One of these was a tract of approximately 0.92 of an acre of land out of Lot 25 of the Hart Survey No. 2, El Paso County, Texas, owned by the Estate of Lee Moor. All details of the purchase have been worked out, and Mrs. Betty Lee Moor MacGuire, Independent Executor of the Will and Estate of Lee Moor, Deceased, is ready to sign and deliver a deed to the University upon payment of \$1,500.00, the agreed purchase price. At the time this purchase was authorized, it was stated that the purchase price would probably be somewhere between \$1,500.00 and \$2,000.00. It is recommended that authorization be given by the Board to accept a deed to this property from Mrs. MacGuire, as Executor, subject to certain rights of the City to a small strip of this land for a theoretical street, as set out in a deed from Lee Moor to the City of El Paso. It is the opinion of University Attorney Waldrep and Regents' Chairman Hardie that there will not be any difficulty in the use of this land because of this deed restriction, and that we could get the street closed if we wished, and a guaranty title certificate is being secured subject to the rights of the City under the deed referred to above.

South Texas Medical School: Authorization to Accept Deed from San Antonio Medical Foundation for Land to Be Used for South Texas Medical School. --A deed has been prepared conveying to The University of Texas from the San Antonio Medical Foundation the 100 acres of land in San Antonio, Texas, chosen by the University for the site of The South Texas Medical School. This land is described as 100 acres out of the Manuel Tejado Survey No. 89, located in the northwest part of the City of San Antonio, Bexar County, Texas, with a beginning point at the intersection of the northeasterly line of Babcock Road to the northwesterly line of Louis Pasteur Drive.

It is recommended by the Chancellor's Office, the Comptroller's Office, and the University Attorney that the Board authorize acceptance of this deed, subject to proper approval of the title documents by the University Attorney and the Attorney General.

Main University: Award of Contracts for Classroom Furniture and Furniture and Furnishings for the Business Administration-Economics Building. --In accordance with authorization given at the Regents' Meeting held May 13, 1961, bids were called for on Classroom Furniture and Furniture and Furnishings for the

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Business Administration-Economics Building at the Main University and were opened and tabulated on June 22, 1961, as shown on the tabulation sheets, Page 48. After careful consideration of these bids by all concerned, it is recommended that contract awards be made as follows:

Group No. I - Classroom Furniture:	
Heywood-Wakefield Company, Menominee, Michigan - Proposal "C"	\$ 70,730.60
Group No. II - Furniture and Furnishings:	
Rockford Furniture Associates, Austin, Texas	<u>229,614.82</u>
Total Recommended Contract Awards	<u>\$300,345.42</u>

The total of these recommended contract awards is well within the amount of \$330,000.00 estimated as needed for this furniture.

In the case of the Classroom Furniture, the recommended contract award is to the low bidder on Proposal "C". In the case of the Furniture and Furnishings (Group No. II), there was one bid lower than the one recommended, but after inspection of the furniture samples, as called for in the specifications, it was found that more than 35% (dollar-wise) of the items on which this bidder had based his bid did not meet the specifications. Recommendation is therefore made that a contract award be made to the second low bidder.

Main University: Ratification of Issuance of Requisition for Certain Equipment in Connection with Replacement of Filtration System and Modernization of Swimming Pool in Women's Gymnasium. -- Among the various accounts set up for Major Repairs and Rehabilitation Projects at the Main University, there is one in the amount of \$35,000.00 for Women's Gymnasium - Replacement of Filtration System and Modernization of Swimming Pool. This work is being handled by the Main University Physical Plant staff and a number of requisitions have been issued to secure equipment, material, etc., needed in connection with this work. It has been the practice of the Comptroller's Office to ask for ratification of requisitions of this type by the Board where the amount of the purchase was \$5,000.00 or more. It is, therefore, recommended that the Board ratify the action of Comptroller Sparenberg in signing a requisition on the basis of which a purchase order was issued to Infilco, Inc., Tucson, Arizona, in the amount of \$6,596.00, payable out of Account No. 91570 - Women's Gymnasium - Replacement of Filtration System and Modernization of Swimming Pool. This purchase order was for two pressure-type filters and related equipment. Although three bids were received, one was for one vacuum type filter rather than the two pressure type filters specified and, therefore, could not be considered as a valid bid. The other bid was from Texas Chemical Engineering Company, Houston, Texas, and was in the amount of \$8,332.00.

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Business Administration-Economics Building at the Main University and were opened and tabulated on June 22, 1961, as shown on the tabulation sheets, Page 49. After careful consideration of these bids by all concerned, it is recommended that contract awards be made as follows:

Group No. I - Classroom Furniture:

Heywood-Wakefield Company, Menominee,
Michigan - Proposal "C" \$ 70,730.60

Group No. II - Furniture and Furnishings:

Rockford Furniture Associates,
Austin, Texas 229,614.82

Total Recommended Contract Awards \$300,345.42

The total of these

CORRECTION

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HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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7-22-61

Business Administration-Economics Building at the Main University and were opened and tabulated on June 22, 1961, as shown on the tabulation sheets, Page 48. After careful consideration of these bids by all concerned, it is recommended that contract awards be made as follows:

Group No. I - Classroom Furniture:	
Heywood-Wakefield Company, Menominee, Michigan - Proposal "C"	\$ 70,730.60
Group No. II - Furniture and Furnishings:	
Rockford Furniture Associates, Austin, Texas	<u>229,614.82</u>
Total Recommended Contract Awards	<u>\$300,345.42</u>

The total of these recommended contract awards is well within the amount of \$330,000.00 estimated as needed for this furniture.

In the case of the Classroom Furniture, the recommended contract award is to the low bidder on Proposal "C". In the case of the Furniture and Furnishings (Group No. II), there was one bid lower than the one recommended, but after inspection of the furniture samples, as called for in the specifications, it was found that more than 35% (dollar-wise) of the items on which this bidder had based his bid did not meet the specifications. Recommendation is therefore made that a contract award be made to the second low bidder.

Main University: Ratification of Issuance of Requisition for Certain Equipment in Connection with Replacement of Filtration System and Modernization of Swimming Pool in Women's Gymnasium. -- Among the various accounts set up for Major Repairs and Rehabilitation Projects at the Main University, there is one in the amount of \$35,000.00 for Women's Gymnasium - Replacement of Filtration System and Modernization of Swimming Pool. This work is being handled by the Main University Physical Plant staff and a number of requisitions have been issued to secure equipment, material, etc., needed in connection with this work. It has been the practice of the Comptroller's Office to ask for ratification of requisitions of this type by the Board where the amount of the purchase was \$5,000.00 or more. It is, therefore, recommended that the Board ratify the action of Comptroller Sparenberg in signing a requisition on the basis of which a purchase order was issued to Infilco, Inc., Tucson, Arizona, in the amount of \$6,596.00, payable out of Account No. 91570 - Women's Gymnasium - Replacement of Filtration System and Modernization of Swimming Pool. This purchase order was for two pressure-type filters and related equipment. Although three bids were received, one was for one vacuum type filter rather than the two pressure type filters specified and, therefore, could not be considered as a valid bid. The other bid was from Texas Chemical Engineering Company, Houston, Texas, and was in the amount of \$8,332.00.

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Main University: Furniture and Furnishings for Computation Center - Approval of Specifications and Transfer of \$5,000.00 to Cover Additional Amount Needed. --It is estimated that the Computation Center at the Main University will be ready for occupancy the first part of October, and certain furniture and furnishings will be needed for this building. At the time the original estimates were made by the Consulting Architect for this building it was estimated that an amount of \$10,000.00 would cover all the furniture which would be needed to furnish the new building adequately, it being understood that some of the furniture now in use by those who were to occupy this new building would also be used in the new building. As the specifications for this furniture and furnishings were being prepared, however, the Computation Center people urged very strongly that all the furniture for this new building be new. As the specifications have been written, it is estimated that the cost will be approximately \$15,000.00. It is recommended by President Smiley and Comptroller Sparenberg that the specifications as written be approved by the Board, with authorization to Comptroller Sparenberg to advertise for bids, and that a transfer of \$5,000.00 be approved from Account No. 94105 - New Engineering Building to Account No. 91290 - Computation Center - Allotment Account, to cover the estimated cost of the furniture and furnishings for the Computation Center.

Since it is contemplated that this building will be completed by the end of September, and the time of the next Board meeting is unknown, it is further recommended that a Committee consisting of Regent W. W. Heath, President Smiley, Comptroller Sparenberg and Chancellor Ransom be appointed to award contracts for this furniture and furnishings after receipt of bids, it being understood that the amount of the contracts will not exceed \$15,000.00.

Main University: Addition to Physics Building - Transfer Between Appropriations Already Made to Cover Change Order. --Although the Addition to the Physics Building at the Main University has been occupied for some time, final payment has not been made to the Electrical Contractor because of the delay in obtaining some outside electrical fixtures and because of a controversy between the Associate Architect, the Mechanical Engineers, and the Electrical Contractor over payment for certain work which the Electrical Contractor claimed was not covered by his contract. After conferences with all concerned, a tentative compromise settlement was made by the Comptroller with the Electrical Contractor, and a change order has been submitted covering the work in controversy and also some other additional work performed which the Associate Architect had approved but had not yet covered by change order. This change order is in the amount of \$1,819.85 and will necessitate an addition of \$931.63 to the contract price, since there is a balance of only \$888.22 in the Contingency Allowance and the Special Fixture Allowance in this Contract.

It is recommended that Comptroller Sparenberg be authorized to sign and issue this change order to the Electrical Contract on the

Addition to amount needed for the Architect Addition to

Main University Between App When final Building at Architect, the Comptroller and electrical any money Contingency balance in the Comptroller Sparenberg to the Electrical Conditioning in a total amount exceed the made for the refers to cover needed from the General the Allotment

Texas Western Furniture and Building. -- Meeting held approved the furniture and Furniture Western Comptroller the action to authorization called for as shown on Page all concerned to the low bid

Group Pi

Group Th

The total of maximum of

Medical Branch Health for Proposed A

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Addition to the Physics Building in the amount of \$1,819.85, the amount needed to cover the \$931.63 addition to the contract and the Architects' Fees thereon to come from Account No. 94055 - Addition to Physics Building - New East Wing (Allotment Account).

Main University: Addition to Chemistry Building - Transfers Between Appropriations Already Made to Cover Change Orders. --

When final inspection was made on the Addition to the Chemistry Building at the Main University, it was agreed by the Associate Architect, the representatives of the Chemistry Department, and the Comptroller's Office that there was some additional mechanical and electrical work which would be desirable if there was any money available. Since there are balances in several of the Contingency Allowances of the various contracts and a small balance in the Allotment Account, it is recommended that Comptroller Sparenberg be authorized to sign additive change orders to the Electrical, Plumbing, and Heating, Ventilating, and Air Conditioning Contracts for this building to cover the work desired in a total amount, which, plus Architects' Fees thereon, will not exceed the amount available in the various appropriations already made for this project, which is approximately \$5,100.00. Transfers to cover these change orders can be made in the amounts needed from the accounts which have balances available, namely, the General Contract, the Laboratory Equipment Contract, and the Allotment Account.

Texas Western College: Award of Contracts for Classroom Furniture and Furniture and Furnishings for the Liberal Arts Building. --

In accordance with authorization given at the Regents' Meeting held May 13, 1961, the Special Committee appointed approved the specifications for Classroom Furniture and Furniture and Furnishings for the Liberal Arts Building at Texas Western College, and it is recommended that the Board ratify the action taken by this Committee. Further in accordance with authorization granted at the May 13, 1961 meeting, bids were called for and were opened and tabulated on July 6, 1961, as shown on Page 50. After careful consideration of these bids by all concerned, it is recommended that contract awards be made to the low bidders, as follows:

Group No. I - Classroom Furniture:	
Pillow-McMasters, Inc., El Paso, Texas	\$ 49,748.65
Group No. II - Furniture and Furnishings:	
The Abel Stationers, Austin, Texas	<u>70,353.57</u>
Total Recommended Contract Awards	<u>\$120,102.22</u>

The total of the recommended contract awards is well within the maximum of \$150,000.00 estimated and allotted for this furniture.

Medical Branch: Authorization to Apply to the State Board of Health for Hill-Burton Funds to Assist in the Construction of the Proposed Additional Floors (4, 5, and 6) of the New Outpatient-

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Clinical Diagnostic Building. -- At the Meeting of the Board of Regents held December 10, 1960, the Board authorized an application to the United States Public Health Service, Health Research Facilities Division, for matching funds to assist in constructing the proposed additional three floors (four, five, and six) of the new Outpatient-Clinical Diagnostic Building. It is now believed that some Hill-Burton money might be available for this project. Accordingly, it is recommended that authorization be granted to apply through the State Board of Health (the Hill-Burton agency for Texas) for a matching grant of \$900,000.00 of Hill-Burton funds to assist in the construction of the proposed additional three floors of the new Outpatient-Clinical Diagnostic Building. It is believed to be quite important that the preliminary application for this grant be submitted at the first fiscal year meeting of the State Board of Health, which is now scheduled for early September. It is further recommended that the Consulting Architect be authorized to prepare the minimum preliminary sketches necessary to accompany this application.

Medical Branch: Appropriation for Low-Cost Building to House Certain Research, Laboratory, and Storage Areas. -- At the Regents' Meeting held February 18, 1961, authorization was granted to request permission from the 57th Legislature to construct at the Medical Branch a low-cost building of approximately 20,000 square feet, to be located adjacent to the General Services Building, at a cost of approximately \$300,000.00. Legislative approval has been obtained. This building is to house the Surgical Research Unit, the Central Isotope Laboratory, and Physical Plant storeroom and storage areas, which will have to be removed from the Old John Sealy Hospital Building, scheduled for demolition probably late in the Fall. Because of this fact, it is considered to be a building urgently needed in the near future, although it is not included in the ten-year building program adopted by the Board at the meeting held September 24, 1960.

It is contemplated that some private gift and/or federal grant money can be secured to assist in paying for the construction of this building, but since none of this money is yet available, it is recommended that an appropriation of \$300,000.00 for this building be made from Permanent University Fund Bond Proceeds, it being understood that this amount will be reduced by any gift or grant funds received.

It is further recommended that the Consulting Architect be authorized to prepare preliminary plans and outline specifications for this building.

Main University: Award of Contract for Renovation of Electrical Distribution System and Installation of Kilowatt-Hour Meters - University Apartments and Trailer Camp. -- In accordance with authorization granted by the Board at the meeting held May 13, 1961, bids were called for and were opened and tabulated on July 18, 1961, as shown on Page 52. After consideration of the bids by representatives of the Main University Physical Plant staff and

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the Comptroller's Office, it is recommended that a contract award be made to the low bidder, Loyd Electric Company, Inc., San Antonio, Texas, on the basis of that company's Combination Proposal in the amount of \$45,990.00. Since the appropriation for this project was \$50,000.00, this contract award is within the amount appropriated.

Main University: Acquisition of Archway Properties. -- Pursuant to the policies and procedures for the acquisition of Archway properties which were adopted by the Board of Regents at the meeting of June 12, 1959, all sales contracts are to be submitted to the Board of Regents before closing.

It is recommended that the Business Manager of the Main University be authorized to sign the contract of sale for the Board of Regents of The University of Texas with Pat W. Clark, Executor of the Minnie W. Clark Estate and the Isabel C. Moore Estate, in the amount of \$22,000 for the purchase of:

Lot No. 1 in Archway, a subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, as shown by a plat or map recorded in Volume 2, Page 208, of the Travis County Plat Records, together with all improvements thereon.

It is further recommended that in addition to the \$22,000 to be paid, the seller be allowed to reserve the improvements situated on the lot and agrees to remove the improvements within sixty days after consummation of the contract of sale. Failure to remove the improvements by such a date shall terminate this clause and ownership of the improvements shall pass to the University of Texas.

It is further recommended that the Business Manager of the Main University have prepared a warrant in the amount of \$22,000 and deliver said warrant in exchange for a warranty deed and evidence of good title to said property.

The appraisal submitted by Mr. Harold Legge on the Clark Estate property was \$17,500. The original asking price for the property was \$26,000. This offer was reported to and was rejected by the Board of Regents at its July 1960 meeting. A counter offer of \$20,000 cash and an offer of permission to Mrs. Minnie W. Clark to live rent free in the residence she then occupied so long as she lived or until she elected to move was made. This proposal was subsequently rejected by the Seller, and a contract of sale was submitted to the University to sell the property for \$24,000 in cash. This offer was reported to the Board of Regents at their September 1960 meeting and the offer of \$24,000 was rejected by the University.

Mr. Forest S. Pearson, the University's negotiator for the Archway property has continued to negotiate with the heirs. He presented a contract of sale to the University on July 20, 1961, offering the property for \$22,000 cash and allowing the owners to

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remove the improvements. Mr. Pearson has advised that this concludes his effort in this instance and recommends that the figure be accepted by the University. It is his opinion that the University should be prepared to refer the matter to the attorney for such additional action that might be required if this offer is not accepted.

Mr. G. W. Landrum, Business Manager of the Main University, and Dr. J. C. Dolley, Vice-Chancellor (Fiscal Affairs), recommend approval of the Board of Regents to close this transaction at a purchase price of \$22,000 with the taxes paid by the seller through 1960, and allow the seller to remove the improvements within sixty days after consummation of sale.

This recommendation is made after giving consideration to the uncertainty of a jury's decision as to the value if litigation is pursued and with the knowledge that a considerable additional expense to the University would be involved if condemnation proceedings are instituted.

The approval of this recommendation and of the Cofer recommendation at the July meeting of the Board will close negotiations with individual property owners. The City of Austin still owns some lots and parts of lots down on the creek, but no problems are anticipated in dealing with the City.

Exchange of Lots, Texas Western College. -- It is recommended by the Buildings and Grounds Committee that the Board subject to the approval of Chairman Hardie authorize the exchange of ten lots now owned by the College in Block 186 of the Alexander Addition (block bounded by Oregon, New York, El Paso, and Kerby streets) for ten lots now owned by Mr. Homer Salome in Block 210 of the Alexander Addition (block bounded by Oregon, Robinson, El Paso, and Boston streets) and further authorize Texas Western College to pay to Mr. Salome \$12,000 from the Constitutional Tax Construction Fund. It is further recommended that Chairman Hardie be authorized to execute either an exchange deed or deeds conveying said property. A bill granting authority to acquire tracts of land contiguous and/or adjacent to the campus was passed at the last Regular Session of the Legislature. (Chairman Hardie has given formal notice of his approval of this exchange.)

Adoption of Report. -- The foregoing report of the Buildings and Grounds Committee was adopted upon motion of Regent Redditt, seconded by Vice-Chairman Heath.

REPORT OF MEDICAL AFFAIRS COMMITTEE (See Page 21 for adoption.) -- In the absence of Committee Chairman Bryan, Acting Committee Chairman Madden presented the following report of the Medical Affairs Committee:

Ratification: Establishment of Harry Carothers Wiess Professorship in Otolaryngology, Medical Branch, Appointment Thereto of Jehu Mathews Robison, Sr., M. D. -- The Medical Affairs Committee approves the Administration's recommendation that the establishment of the Harry Carothers Wiess Professorship in Otolaryngology, Medical Branch, be ratified and that the balance of \$167,875 in the Olga Keith Weiss Endowment Fund for the benefit of the Medical Branch be redesignated as an endowment of this professorship. The annual income of this endowment is estimated at \$10,000. The establishment of this professorship is in accordance with the Board's policy on Named Professorships.

The Medical Affairs Committee also recommends that the Board ratify the appointment of Jehu Mathews Robison, Sr., M. D., as the first Harry Carothers Wiess Professor of Otolaryngology for the five remaining years of his eligibility for active faculty appointment. It is recommended that this appointment be retroactive to January 1, 1961, and that Doctor Robison's salary be set at \$10,000 per year or at the amount of the annual income of the Wiess Fund, whichever is lesser.

Ratification, Appointment of Edward L. Pratt, M. D., The William Buchanan Professorship in Pediatrics, Southwestern Medical School. -- At the meeting of February 18, 1961, the Board allocated the entire annual income from The William Buchanan Foundation Grant to The University of Texas Southwestern Medical School for support of a chair to be known as "The William Buchanan Professorship in Pediatrics" beginning July 1, 1961. This proposal encompasses the permanent allocation of all future income from The William Buchanan Foundation Grant to support this chair in Pediatrics. The terms and conditions of this Professorship in Pediatrics are set out in the Permanent Minutes, Volume VIII, Page 592.

It is recommended by the Medical Affairs Committee that the Board ratify the appointment of Doctor Edward L. Pratt as The William Buchanan Professor in Pediatrics at the Southwestern Medical School under the terms and conditions previously approved by the Board of Regents and the Trustees of The Buchanan Foundation.

(It is important that the record show that Doctor Pratt is the first appointee of this professorship.)

Increase in Non-Resident Tuition, Medical Branch, Southwestern Medical School, and Dental Branch. -- Senate Bill 428, passed by the 57th Legislature, authorizes the Board of Regents to fix tuition for non-resident students in the medical and dental schools at a minimum of \$300 a semester up to a maximum of \$400 a semester. It is the recommendation of

Doctor Truslow, Doctor Gill, and Doctor Olson that non-resident tuition be set by the Board of Regents at \$400 a semester or its equivalent. It is their further recommendation that resident tuition be continued at the present level of \$150 a semester and that the Board not increase tuition to the maximum permissible rate of \$200 a semester.

The Medical Affairs Committee recommends that non-resident tuition be set at \$400 a semester or its equivalent for non-resident students at the Medical Branch, the Southwestern Medical School, and the Dental Branch, effective September 1, 1961. The committee also recommends that resident tuition be continued at the present level of \$150 a semester and not increased to the maximum permissible rate of \$200 a semester. The recommendation for this increase came through the heads of the institutions involved and was concurred in by the Chancellor.

Fee, Including Expenses, of Preston Shirley, (Howard W. Pratt Case, Medical Branch) \$4,104.50 to be Prorated. -- Preston Shirley, Attorney, Galveston, has presented his statement for services rendered in the Howard W. Pratt case at the Medical Branch. The Board authorized that his fee, including expenses, in the amount of \$4,104.50, be prorated among the component institutions having students registered in degree programs and that the respective amounts be reported in the September docket.

Adoption of Report. -- Upon motion of Regent Madden, seconded by Regent McNeese, the Board adopted the foregoing report of the Medical Affairs Committee.

Institutional Grant, M. D. Anderson Hospital and Tumor Institute. -- Committee Chairman Madden called on Doctor R. Lee Clark, Jr., who reported that M. D. Anderson Hospital and Tumor Institute had received an institutional grant that is to be awarded annually over a period of seven years. The award in the amount of \$575,506 for the year beginning June 1, 1961, has already been received. The details of this grant will be reported through regular channels in the subsequent docket.

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 25 for adoption.) -- The recommendations of the Administration to the Land and Investment Committee (Attachment No. 1) were distributed to each Regent with the Material Supporting the Agenda. However, the following proposals had not been completed in time for inclusion:

1. Hogg Foundation: Varner Properties--Proposal from Houston First Federal Savings and Loan Association for lease on Capitol and Fannin (Mitchell) property in Houston.
2. Archer M. Huntington Museum Fund: Proposal from the City of Texas City for the purchase of beach shell, sand, and gravel from Huntington Lands, Galveston County.

The Administration's recommendations on Item 1 were mailed to each Regent prior to the meeting and the recommendation on Item 2 was distributed at the meeting.

Committee Chairman Madden reported that the Land and Investment Committee had recommended for the Board's approval the Administration's recommendations with the following exceptions:

- 1. Permanent University Investment Program: Proposed Successor for Member of Advisory Committee Whose Term Expires on August 31, 1961 (Page L-6). -- The Land and Investment Committee recommends that Mr. Charles E. Brown, Vice-President of the American National Life Insurance, Galveston, Texas, be appointed as a member of the Investment Advisory Committee to succeed Mr. Carroll D. Simmons, whose term expires as of August 31, 1961.
- 2. Murray Case Sells Estate: Ratification of Resolution Authorizing Execution of Certain Instruments (Page L-14). -- The Land and Investment Committee recommends that the resolution on Page L-14 authorizing execution of certain instruments in connection with the Murray Case Sells Estate be amended by adding the following sentence:

"All actions in this connection shall be reported to the Board of Regents for ratification."

- 3. Main University: Bequest under the Will of Hadley Alva Stiles for the J. V. and H. A. Stiles Foundation (Pages L-15 through L-18). -- The Land and Investment Committee recommends that the bequest to the Main University under the Will of Hadley Alva Stiles for the J. V. and H. A. Stiles Foundation be postponed for further consideration.
- 4. Hogg Foundation: Varner Properties - Prospective Proposal from Houston First Federal Savings and Loan Association on Capitol and Fannin (Mitchell) Property or Walker Avenue (Rossonian) Property in Houston (Page L-24). -- The Land and Investment Committee recommends that the item on Page L-24 relating to the proposal from the Houston First Federal Savings and Loan Association on property in Houston be deleted and that the Administration's recommendations on this same subject be amended and adopted as set out below:

"Hogg Foundation: Varner Properties - Proposal from Houston First Federal Savings and Loan Association for Lease on Capitol and Fannin (Mitchell) Property in Houston. -- One of the properties acquired by the Board of Regents as Trustee of the Hogg Foundation in 1952 from the Hogg family in the Varner Company transaction is situated on the northwest corner of the Capitol and Fannin intersection in Houston comprising approximately 21,200 square feet of ground improved with two buildings whose economic life is nearing exhaustion unless rather extensive repairs and remodeling are done in the near future.

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"The value assigned to this property in the Varner Company acquisition was \$1,370,400, reduced by depreciation and miscellaneous adjustments to a present book value of \$1,263,192. The principal tenant is W. T. Grant Company whose leases, along with most of the other shop space leases, expire on December 31, 1962. This is one of the properties which is now subject to Federal unrelated business income tax. However, income from the property under new lease as proposed herewith, will not be subject to the tax according to advice received to date.

"Total gross income now runs at approximately \$121,000 annually for a net return after repairs and maintenance, depreciation, and income taxes of approximately \$80,000 annually. However, in this particular area of downtown Houston trends to date as to the terms of any renewal of the W. T. Grant Company leases and other leases, indicate that net income from present type of rental of the property might not be maintained at more than \$60,000 annually, or even less, beginning in the next two or three years. Two recent independent appraisals each shows a fair market value of approximately \$1,000,000 on the property.

"As a result of negotiations in recent weeks with the Land and Investment Committee of the Board of Regents, through the University staff, Houston First Federal Savings and Loan Association, established about 1921 with present total assets of \$64,000,000 has submitted a lease proposal on this property, the principal provisions of the proposal being as follows:

- (1) Net annual rental of \$60,000 for a lease beginning January 1, 1963 for a primary term of 25 years with an option in favor of lessee for another 25 years if the option is exercised not less than one year from expiration of the primary term. Fixed annual net rental for the second 25 years would be determined during the last year of the primary term by independent appraisal procedures, both as to value of the property and as to return on value. (Amended - see Page 24 .)
- (2) The lessee will have the option to purchase property at any time during the term of its lease, including the second 25 years if the lease extension

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option is exercised, beginning at a price of \$1,000,000 in 1963 and increasing at a rate of \$10,000 annually thereafter.

- (3) Since Houston First Federal Savings and Loan Association expects to use this property, at least at the beginning, for open parking, it will have the right to remove all improvements at its own expense and will not be required to make other improvements on the property, though the lease will carry provisions relating to any improvements that may be made.
- (4) Permission of the lessor will be required for assignment of the lessee's interest under the lease, if such assignment involves release of liability on the part of Houston First Federal Savings and Loan Association or any successor in interest.
- (5) The lease will be subject to two leases now in effect which expire later in 1963, with Houston First Federal receiving rental after January 1, 1963."

The Land and Investment Committee recommends that the Board of Regents accept the foregoing proposal with the stipulations (1) that if the lessee exercises the option for the second 25 years of the lease it shall be at a minimum rental of \$60,000 annually and (2) that the option for the second 25 years must be exercised before the procedure for appraisal and agreement as to rental is commenced. /Refer to Paragraph (1) on Page 23 .7 If such counter-offer is accepted by Houston First Federal Savings and Loan Association, it is recommended that the Chairman be authorized to execute the appropriate lease when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

5. Archer M. Huntington Museum Fund; Proposal from the City of Texas City for Purchase of Beach Shell, Sand, and Gravel from Huntington Lands (Page L-24). -- The Land and Investment Committee recommends that the item on Page L-24 relating to a proposal from the City of Texas City for purchase of beach shell, sand, and gravel from Huntington Lands be deleted and that the following be substituted in lieu thereof:

"Archer M. Huntington Museum Fund - Proposal from the City of Texas City for Purchase

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of Beach Shell, Sand, and Gravel from Huntington Lands, Galveston County. --So that the supply will be available within the next few weeks, the City of Texas City requests that the Board of Regents authorize an agreement between the City and the Board under which the City may remove for street improvement and similar purposes beach shell, sand, and gravel from the Huntington Lands in the general area of Swan Lake. The City proposes to pay at the rate of 10¢ per cubic yard and will tender \$2,500 as advance payment, after which payments due the University will be made monthly for all material removed in excess of 25,000 yards covered by the advance payment. The agreement will be effective for not more than 1 year. Such operations will be conducted to the satisfaction of the University staff so that no significant damage is done to the land. It is recommended that the Board of Regents accept the proposal and authorize its Chairman to execute the appropriate instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer."

Following the presentation of the Committee's amendments to the Administration's recommendations, Committee Chairman Madden called the following items to the attention of the Board:

1. Water Lease No. 29, Gulf Oil Corporation, Crane County: Consent to Assignment of Portion of Lands Covered by Lease to B. H. Mansell (Page L-11). -- The Land and Investment Committee has been assured that the University will receive all the royalty to which it is entitled under this contract.
2. Revenue Bond Financing Matters for both Texas Western College and the Main University (Page L-25 and L-26). -- The Land and Investment Committee took special note of the authorization for the execution of loan agreements with the United States of America and the employment of Bond Counsel for the issuance of Student Housing Bonds of 1961 in the amount of \$1,000,000 for Texas Western College and \$1,800,000 for the Main University.

It is requested the Minutes reflect that the purpose for the issuance of \$1,800,000 Board of Regents of The University of Texas - Main University Student Housing Bonds 1961 is primarily for the construction of housing facilities for graduate students and for undergraduate students over the age of twenty-five, who are married.

Adoption of Report. -- Upon motion of Regent Madden, seconded by Regent McNeese, the Board approved the foregoing report of the Land and Investment Committee. This report consists of the recommendations of the Administration (Attachment No. 1) as amended. Following Page E-19 of the Minutes, Attachment No. 1 (Pp. L-1--L-26, PUF 1-17) is appended and made a part of the official records.

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OTHER MATTERS

THE SOUTH TEXAS MEDICAL SCHOOL, PROGRESS REPORT. -- Vice-Chancellor Haskew reported that the negotiations on activities relating to The South Texas Medical School are moving along under Chancellor Ransom's direction as smoothly and rapidly as they can. In accordance with action of the Board at the meeting on April 7, Chancellor Ransom has appointed a committee composed of Dean A. J. Gill of the Southwestern Medical School, Doctor Truman Blocker of the Medical Branch, and Doctor May Owen of the State Medical Association to make recommendations through the Chancellor to the Board for the selection of a dean of The South Texas Medical School. The Appropriation Bill at the close of the 57th Legislature, Regular Session, carried appropriations for the activation of this school.

Doctor Haskew reported that there have been a series of conferences with the San Antonio Medical Foundation; that the San Antonio Medical Foundation has chosen The South Texas Medical Center as the name of the new center at the Oak Hills site in San Antonio; that the deed conveying land from the San Antonio Medical Foundation to The University of Texas for the site of The South Texas Medical School has been executed and has today (July 22, 1961) been accepted through the Buildings and Grounds Committee (See Page 13); that an agreement between the Board of Regents of The University of Texas and the San Antonio Medical Foundation has been executed in accordance with action taken at the Regents' Meeting on May 13, 1961 (Permanent Minutes, Volume VIII, Page 808, Item 5).

At the present time no hospital agreements have been negotiated, but a meeting in the near future has been arranged with the Southwest Texas Methodist Hospital for this purpose.

On August 19 there will be an official dedication of The South Texas Medical Center.

THE 1961-70 DEVELOPMENT PLAN, SOUTHWESTERN MEDICAL SCHOOL AND REPORT OF H. L. DAVIS MEMORIAL COLLECTION, MAIN UNIVERSITY: POSTPONED UNTIL SEPTEMBER 1961 MEETING. -- Because of the heavy agenda and the time element involved, the 1961-70 Development Plan for the Southwestern Medical School and a report of the H. L. Davis Memorial Collection were postponed for consideration by the Board until the next meeting.

AUTHORIZATION FOR REQUEST OF ATTORNEY GENERAL'S OPINION ON (1) BLOCKED CURRENCIES, (2) INTERPRETATION OF "HONORABLE DISCHARGE" REQUIREMENT, HAZLEWOOD BILL EXEMPTING TEXAS VETERANS ON PAYMENT OF TUITION. --

There was incorporated in the Material Supporting the Agenda a recommendation of Chancellor Ransom that there be submitted to the Attorney General a request for an opinion on the following:

1. Blocked Currencies. -- There are presently several arrangements under discussion relative to the participation of The University of Texas in the exchange

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programs of the Federal Government with foreign countries. A legal difficulty has arisen concerning the question of whether The University of Texas may accept and use funds which are in "blocked currencies" deposited to our credit in the banks of the foreign nation whose currency is involved. The precise legal question to be determined is whether under Article 2543c, Vernon's Civil Statutes, relating to special depositories and deposits by State institutions of higher learning and the Current Appropriation Bill such "blocked currencies" in foreign banks may be used or whether we are limited to funds placed in depository banks in the State of Texas secured by appropriate Government bonds.

2. Interpretation of "Honorable Discharge" Requirement, Hazlewood Bill Exempting Texas Veterans on Payment of Tuition. --A number of Texas veterans who are otherwise entitled to a waiver of tuition under the Hazlewood Act but who have received a discharge "under honorable conditions" rather than an "honorable discharge" as provided in the Act are asserting a right to the benefits therein provided. Since the armed services have made material changes in the type of discharges issued since the passage of the Hazlewood Act, some question exists as to the interpretation and application of the statutory language and in regard to the University's obligation to investigate the specific circumstances in each discharge "under honorable conditions."

Upon motion of Vice-Chairman Heath, seconded by Regent Madden, the Board authorized Chairman Hardie to submit the foregoing questions to the Attorney General.

TEXAS WESTERN COLLEGE DEVELOPMENT COMMITTEE IN EL PASO, UNIVERSITY DEVELOPMENT BOARD. --Each Regent was furnished in the Material Supporting the Agenda the following report from Chancellor Ransom regarding the University Development Board's establishment of a Texas Western College Development Committee in El Paso:

"With the approval of Mr. J. M. Odom, Chairman of the University Development Board, Mr. Hines H. Baker, Chairman of the Development Board's Special Gifts Committee, and Mr. Charles S. Coates, Chairman of the Board's Corporations Committee, and with my concurrence, there has been established a Texas Western College Development Committee in El Paso as recommended by Mr. James S. Triolo.

"The essence of the plan is that the TWC Development Committee will be the approved vehicle for encouraging and soliciting gifts from individuals, business and industry and local foundations in El Paso and vicinity. The committee will work closely with the President of TWC, who will

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provide it with the necessary staff, clerical, publicity and record-keeping assistance. The El Paso member of the University Development Board will serve as chairman of the TWC Development Committee and be responsible for liaison between the Board and the Committee.

"Mr. J. Francis Morgan has been requested to serve as the first chairman of the Committee and he has indicated his willingness so to do. Mr. Morgan will continue to have his name on our Special Gifts Committee although he would not be expected to form an Area Committee and we understand that his primary energies would be devoted to TWC and the local committee. Naturally, in the course of their activities for TWC, Mr. Morgan and his committee will encounter donors interested in supporting other units of the University system, and we know they will be willing and prepared to encourage such gifts."

COMMITTEE OF THE WHOLE

Below is a report of the items considered and the action taken by the Committee of the Whole which met on Saturday morning, July 22, 1961:

APPOINTMENT OF REGENT BRENNAN, BOARD FOR LEASE OF UNIVERSITY LANDS. --Chairman Hardie reported the resignation of Vice-Chairman Heath as a member of the Board for Lease of University Lands and appointment of Regent Brennan to replace Regent Heath in this capacity.

APPOINTMENT OF REGENT REDDITT, CHAIRMAN OF THE BUILDINGS AND GROUNDS COMMITTEE. --Chairman Hardie announced that he had appointed Regent Redditt as Chairman of the Buildings and Grounds Committee to succeed the late Regent Joe C. Thompson.

REVIEW OF PROPOSED 1961-62 BUDGET: AUTHORIZATION TO EXECUTIVE COMMITTEE. --Prior to the meeting each Regent was furnished with a copy of the proposed 1961-62 operating budget for each of the component institutions. The Executive Committee on July 21 reviewed these detailed proposals of the Administration on a tentative basis only as did the Committee of the Whole on July 22, since the Appropriation Bill for 1961-63 had not been passed. The Committee of the Whole instructed the Administration (1) to conform the tentative proposals agreed upon to the appropriations available after the final passage of the Appropriation Bill and (2) to submit the revised budgets to the Executive Committee for approval, with a copy to each member of the Board directing attention to any changes. A copy of the tentative proposals as furnished to each Regent is in the Office of the Secretary of the Board of Regents.

BOARD OF REGENTS' STATEMENT RE INTEGRATION. --In answer to the petitions re integration that were referred to the Board at its May meeting, the Committee of the Whole adopted the following policy statement re integration at Main University:

The Board of Regents is always glad to have constructive suggestions from members of our faculty and of our student body. We can assure you that such views will always receive

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our careful consideration. Whether or not we agree with the decisions of the Supreme Court on racial integration, we shall in good faith proceed and have heretofore proceeded along this path "with all deliberate speed."

Actually, we have admitted Negro boys and girls without reference to their color, and in the classrooms no discriminations have been practiced of which we are aware. There is a shortage of dormitory space for white students, as well as Negro students. We are constantly enlarging these facilities as finances permit.

It is necessary that, as the governing body of a state-supported university, we take into consideration not only the desires of members of our faculty and student body, in whom an active vocal minority does not always speak the wishes of a majority, but we must also be concerned with the sentiment and the wishes of the people of Texas and their elected representatives.

We believe from all indications that we are in this field already considerably in advance of what has in this area occurred in public, private and church-related colleges elsewhere in Texas and throughout the South. We have probably gone further than a majority of the citizens of Texas and of the members of the Legislature would approve.

We have a heavy responsibility to perform, and we respectfully ask you to trust our judgment. We do not feel that any substantial changes should be made in the immediate future, but we shall continue to move forward with due and deliberate speed as we think advisable under all the circumstances which exist from time to time.

COMMITTEE FOR INSTALLATION OF CHANCELLOR RANSOM AND PRESIDENT SMILEY. -- The Committee of the Whole (1) approved the suggestion of Regent Madden, joined by Regent Redditt, that there be a formal installation of the Chancellor of The University of Texas system and the President of Main University; (2) appointed Vice-Chancellor Haskew, Chairman; Vice-Chancellor Dolley, and Vice-Chancellor Cox as a committee to arrange for a formal installation; and (3) authorized the committee to do all things necessary in making arrangements for this ceremony. Chairman Hardie named Regents Madden and Redditt as representatives of the Board to serve with the committee.

AGREEMENT BETWEEN SAN ANTONIO MEDICAL FOUNDATION AND BOARD OF REGENTS RE THE SOUTH TEXAS MEDICAL SCHOOL. -- The Committee of the Whole received a report about and ratified the action of Chairman Hardie in executing the agreement between the San Antonio Medical Foundation and the Board of Regents relating to the site of The South Texas Medical School which had been authorized by the Board at its May 1961 meeting. (Permanent Minutes, Volume VIII, Page 808.)

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COMMITTEE ON SELECTION OF A HOUSE FOR THE PRESIDENT, MAIN UNIVERSITY; REPORT OF COMMITTEE: PURCHASE OF 2101 MEADOWBROOK SUBJECT TO APPROVAL OF GOVERNOR AND LEGISLATIVE BUDGET BOARD. --Chairman Hardie appointed on June 15, 1961, the following Committee on Selection of a House for the President of Main University:

Vice-Chairman W. W. Heath, Chairman
Chancellor Harry H. Ransom
President Joseph R. Smiley
Comptroller Charles H. Sparenberg
Business Manager Graves W. Landrum

Committee Chairman Heath reported that Doctor and Mrs. Smiley had looked at some twelve or fifteen houses and that of these Mr. Sparenberg and Mr. Landrum had checked three of the houses which Doctor and Mrs. Smiley considered the best possibilities as well as had looked at other places.

Doctor Smiley is of the opinion that the house located at 2101 Meadowbrook will serve his needs as President of Main University. This house can be purchased for \$45,000 including draperies, living room and dining room rugs, three window air conditioners as well as wall-to-wall carpets, dishwasher, disposall, central heating and air conditioning systems that are installed in the house.

Description of Property. -- This property is located on a lot (paved street) 160' front by 150' depth in Tarrytown.

The yard has trees, both in the front and the back, and has an underground sprinkler system. The back yard has a rock patio and is completely fenced by a cyclone fence.

This is a two-story frame, double garage and storeroom attached, with a gross area of 5,165 square feet. Of this area, 892 square feet are in porches, garage, utility and storeroom. There are two central heating systems; downstairs excluding the study there is central air conditioning, and upstairs there are three window units in the bedrooms. The entire upstairs and the study downstairs are carpeted. There are rugs in the living room and the dining room.

This house, originally constructed in 1941, with a large addition downstairs and upstairs in 1949, appears to be well constructed and in good condition. It was architect designed throughout and has been lived in only by the seller.

The lot unimproved would cost approximately \$14,000; fence, planting, patio, and sprinkler system would cost at least \$5,000 to replace. Draperies, air conditioners, and rugs acquired are estimated to be worth at least \$1,000. After consideration of above, the cost per square foot would be about \$5.00 for the house. The overall cost of lot, house and improvements is computed to be slightly less than \$9.00 per square foot.

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Recommendation of Committee. -- It is unanimously recommended by the Committee that the house located at 2101 Meadowbrook be purchased at a price of \$45,000, subject to the approval of the Governor and the Legislative Budget Board, from Mr. James S. Swearingen, an employee of The University of Texas. The source of funds for the purchase is to be Permanent University Fund Bond Proceeds.

It is further recommended that the Main University Business Manager and the Comptroller be authorized to proceed with the consummation of the purchase and have a check and/or checks issued in exchange for a deed and clear title to the property. The Attorney General will issue the title opinion.

Action. -- The Committee of the Whole approved the report of the Committee on the Selection of a House for the President of Main University, specifically authorizing:

- (1) that the house located at 2101 Meadowbrook be purchased at a price of \$45,000, subject to the approval of the Governor and the Legislative Budget Board, payable from Permanent University Fund Bond Proceeds;
- (2) that Vice-Chancellor Cox be instructed to report this purchase to and get clearance from the Governor and the Legislative Budget Board;
- (3) that if this purchase is approved by the Governor and the Legislative Budget Board, an appropriation of \$45,000 be authorized from the Permanent University Fund Bond Proceeds to consummate this sale, and that the Main University Business Manager and the Comptroller proceed with the completion of this purchase and have a check and/or checks issued in exchange for a deed and clear title to the property; and
- (4) that the Attorney General be requested for a title opinion on this property.

APPROPRIATION OF \$7,500 FROM ETTER FUND OR OTHER CURRENT RESTRICTED FUNDS, FURNITURE AND FURNISHINGS FOR THE PRESIDENT'S HOME, MAIN UNIVERSITY. -- The Committee of the Whole adopted the following resolution:

WHEREAS, The University of Texas is acquiring a home for the President, Main University, and intends to provide the house and utilities to the President of the Main University and intends to assist with the furnishing of said residence; now

THEREFORE, The Board of Regents hereby approves an appropriation of \$7,500 from the Etter Fund or other Current Restricted Funds available for such purpose to provide a fund for furniture and furnishings for the President's residence; an interior decorator may be engaged to assist with the decorating and furnishing of the President's residence. The necessary refurbishing, painting, refinishing, etc. of the residence will be performed by The Main University Physical Plant staff as would be done in any other University building.

REPORT OF SPECIAL MEETING OF THE BOARD (MEETING NO. 599) ON JULY 11, 1961. -- For the record there was distributed at the meeting, a copy of which is set out below, a Report of the Special Meeting of the Board of Regents of The University of Texas (Meeting No. 599) at which there was not a quorum present. The items considered at this special meeting were formally approved by the Board on July 22 (Pages _____).

REPORT OF SPECIAL MEETING (NO. 599)
OF THE
BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS
JULY 11, 1961

Below is a report of the special meeting of the Board of Regents of The University of Texas held in Austin on July 11, 1961.

JULY 11, 1961. -- The Board of Regents of The University of Texas met with the Board of Directors of the Agricultural and Mechanical College of Texas in a special session in the Little Dining Room of the Driskill Hotel, Austin, Texas, at 2:00 p.m. on Tuesday, the 11th day of July, 1961.

The purpose of the joint meeting was to transact the business as outlined in the Notice of Special Meeting issued by Chairman Hardie and mailed by Secretary Thedford to each member of the Board on June 1, 1961. Each Regent signed the Consent to Meeting at the close of the Notice of Special Meeting and returned it to the Secretary prior to June 27, 1961. (Copies of signed Consent to Meeting by all eight members of the Board are in the Secretary's Files, Volume VIII, Pages 253.)

ATTENDANCE*. -- Below is the attendance upon the joint meeting. Chairman Hardie presided for the Board of Regents of The University of Texas. President Darby presided for the Board of Directors of the Agricultural and Mechanical College of Texas.

Board of Regents
The University of Texas

Present	Absent
Chairman Hardie	Regent Bryan--excused
Vice-Chairman Heath	Regent Connally--excused
Regent Brennan	Regent McNeese--excused
Regent Madden	Regent Redditt--excused
Vice-Chancellor Dolley	
Secretary Thedford	

* There are only eight members of the Board of Regents of The University of Texas. Regent Joe C. Thompson died June 11.

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Also among those present were:

Mr. Lanier Cox, Vice-Chancellor (Administrative Services)
Mr. C. H. Sparenberg, Comptroller
Mr. W. W. Stewart, Endowment Officer
Mr. Burnell Waldrep, Land and Trust Attorney
Miss Mary E. Cook, Assistant to Endowment Officer
Miss Thelma Lockwood, Executive Assistant, Investment Office
Mr. W. E. Keys, Director of News and Information Service

Mr. George W. Sparks of Vinson, Elkins, Weems and Searls of Dallas, Texas, representing the Bond Counsel

Board of Directors
Agricultural and Mechanical College of Texas

Present

Absent

Director Eugene B. Darby, President	Director Sterling Evans
Director H. C. Heldenfels	Director John W. Newton
Director William J. Lawson	
Director L. H. Ridout, Jr.	
Director Clyde Thompson	
Director Clyde C. Wells	
Director S. B. Whittenburg	

Chancellor M. T. Harrington
Secretary E. L. Angell

Also among those present were:

Mr. W. C. Freeman, Comptroller

Mr. Paul Horton of McCall, Parkhurst, Crowe, McCall
Horton of Dallas, Texas, representing the Bond Counsel

(These Minutes reflect only the proceedings of the Board of Regents of The University of Texas. Immediately following the presentation of the four resolutions by the Regents as set out below, the Directors of the Agricultural and Mechanical College of Texas adopted similar resolutions for the issuance of \$5,000,000, Permanent University Fund Bonds, Series 1961.)

PERMANENT UNIVERSITY FUND BONDS, SERIES 1961

Since Regent Connally (M. D.) had notified the Secretary of the Board on July 10 that he could not possibly attend the meeting because of two major operations and since there was no prospect of there being a quorum. Chairman Hardie called the meeting to order.

At the request of Chairman Hardie, Vice-Chancellor Dolley commented briefly on the \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, and the \$5,000,000 Board of Directors of the Agricultural and Mechanical College of Texas Permanent University Fund Bonds, Series 1961. He stated

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that he encountered no difficulty in getting a AAA rating on both of these issues. He outlined the procedure of advertising for bids and called attention to the tabulation of bids for the sale of the bonds, for the paying agency, and for the printing of the bonds that had been distributed at the meeting in the Supplementary Material Supporting the Agenda.

Doctor Dolley suggested that though there was not a quorum present the Board proceed with the presentation of the necessary resolutions in light of a statement by Bond Counsel Sparks that "in a situation such as this, the fifth vote can be taken by telephone with the action of this group ratified by the full Board at the next meeting of the Board, which is July 22."

RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, AND OTHER PROVISIONS RELATING TO THE SUBJECT. -- The Chairman introduced a resolution which was read in full by the Secretary. The caption of the resolution is as follows:

RESOLUTION

OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961; PRESCRIBING TERMS, CONDITIONS, AND DETAILS RELATING THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND THE INTEREST THEREON AWARDDING THE SALE THEREOF; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

Regent Madden made a motion that the resolution be adopted as read. Regent Brenan seconded the motion for adoption of the resolution. The motion, carrying with it the adoption of the resolution, prevailed by the following vote:

AYES: Regents Hardie, Heath, Brenan, and Madden.

Secretary Thedford took by telephone ballot the vote of Regent Connally, who voted "Aye." Vice-Chancellor Dolley, Bond Counsel Sparks, and Mrs. Sarah Neisig, secretary in the Office of the Board of Regents, were witnesses to the telephone ballot.

NOES: None.

The Chairman thereupon announced that the motion had duly carried, and that the resolution had been duly adopted.

(On June 30, 1961, a copy of the proposed resolution authorizing the issuance of these bonds had been mailed to each Regent.)

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SALE OF \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, TO MERRILL LYNCH, PIERCE, FENNER & SMITH, INC., WHITE, WELD & CO. (AND ASSOCIATES). --As authorized, bids were called for and received on \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961. These bids were opened and tabulated at 10:00 a.m. CST on July 11, 1961, as shown on Page 53.

Vice Chancellor Dolley presented the Administration's recommendation that the Board adopt the resolution authorizing the issuance of \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, which resolution includes the awarding of the sale of the bonds to a syndicate headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., White, Weld & Co. (and Associates) at the price of par and accrued interest to date of delivery, plus a premium of \$2,820, at rates of interest shown on the tabulation on Page 53.

It was moved by Vice-Chairman Heath that the Administration's recommendation as set out above be adopted. Regent Brenan seconded the motion, which prevailed with the following vote:

AYES: Regents Hardie, Heath, Brenan,
and Madden.

Secretary Thedford took by telephone ballot the vote of Regent Connally, who voted "Aye." Vice-Chancellor Dolley, Bond Counsel Sparks, and Mrs. Sarah Neisig, secretary in the Office of the Board of Regents, were witnesses to the telephone ballot.

NOES: None.

DESIGNATION OF PAYING AGENCY FOR BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, IN THE AMOUNT OF \$6,000,000. -- The bids for designating a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000 were received and opened on July 10, 1961, at 10:00 a.m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 54.

Vice-Chancellor Dolley presented the Administration's recommendation that the Board of Regents accept the proposal (low bid) of the El Paso National Bank, El Paso, Texas, as paying agent for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000, for a charge of Two Cents (\$0.02) per coupon paid and Ten Cents (\$0.10) per bond paid. The co-paying agents selected by the El Paso National Bank are Bankers Trust Company, New York, New York, and the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois.

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Chairman Hardie stated that he was disqualified to vote on this motion. Since there was not a quorum present and the proposal would need to be formally adopted at the next regular meeting, no ballot was taken on this issue.

AWARD OF CONTRACT FOR PRINTING THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, IN THE AMOUNT OF \$6,000,000. --The bids for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000, were received and opened on July 10, 1961, at 10:00 a.m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 55. The bonds are to be book type bonds, printed on twenty-four pound, one hundred per cent rag bond paper and are to have steel engraved borders.

Vice-Chancellor Dolley presented the Administration's recommendation that the Board of Regents accept the proposal of the Northern Bank Note Company, Chicago, Illinois, to print the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000, for the sum of \$1,325.00, there being three coupon rates. Payment will be made from Account No. 89186 - Endowment Office - Miscellaneous Costs, Permanent University Fund Bonds, Series 1961.

It was moved by Regent Brenan and seconded by Regent Madden that the foregoing recommendation be adopted. The motion prevailed with the following vote:

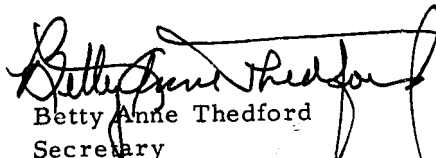
AYES: Regents Hardie, Heath, Brenan,
and Madden.

Secretary Thedford took by telephone ballot the vote of Regent Connally, who voted "Aye." Vice-Chancellor Dolley, Bond Counsel Sparks, and Mrs. Sarah Neisig, secretary in the Office of the Board of Regents, were witnesses to the telephone ballot.

NOES: None.

JOINT MEETING ADJOURNED. --The purpose of the joint meeting of the Board of Regents of The University of Texas and the Board of Directors of the Agricultural and Mechanical College of Texas having been accomplished, the two Boards adjourned at 2:15 p.m.

It was understood that the foregoing proceedings of the Board of Regents would be presented for formal adoption at the next regular meeting, July 22.


Betty Anne Thedford
Secretary

NOTE: See Pages 37-39 for formal action on items reflected in the report of this Special Meeting.

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PERMANENT UNIVERSITY FUND BONDS, SERIES 1961. --

RESOLUTION AUTHORIZING THE ISSUANCE OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, AND OTHER PROVISIONS RELATING TO THE SUBJECT. --The Chairman introduced a resolution which was read in full by the Secretary. The caption of the resolution is as follows:

RESOLUTION

OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS AUTHORIZING THE ISSUANCE OF \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961; PRESCRIBING TERMS, CONDITIONS, AND DETAILS RELATING THERETO; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND THE INTEREST THEREON AWARDING THE SALE THEREOF; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

Regent Redditt made a motion that the resolution be adopted as read. Regent Madden seconded the motion for adoption of the resolution. The motion, carrying with it the adoption of the resolution, prevailed by the following vote:

AYES: Regents Hardie, Heath, Brennan, Connally, McNeese, Madden, and Redditt.

NOES: None.

The Chairman thereupon announced that the motion had duly and lawfully carried, and that the resolution had been duly and lawfully adopted. The resolution as adopted and as certified to by the Secretary is attached to and made a part of these minutes following Page P-8.

SALE OF \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, TO MERRILL LYNCH, PIERCE, FENNER & SMITH, INC., WHITE, WELD & CO. (AND ASSOCIATES). --As authorized, bids were called for and received on \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961. These bids were opened and tabulated at 10:00 a. m. CST on July 11, 1961, as shown on Page 53.

It was moved by Regent Redditt that the Board adopt the resolution authorizing the issuance of \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, which resolution includes the awarding of the sale of the bonds to a syndicate headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., White, Weld & Co. (and Associates) at the price of par and accrued interest to date

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of delivery, plus a premium of \$2,820, at rates of interest shown on the tabulation on Page 53. Regent Madden seconded the motion, which prevailed with the following vote:

AYES: Regents Hardie, Heath, Brenan, Connally, McNeese, Madden, and Redditt.

NOES: None.

PRESIDING OFFICER. -- When the designation of a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, was called up for consideration, Chairman Hardie excused himself from the meeting and Vice-Chairman Heath presided.

DESIGNATION OF PAYING AGENCY FOR BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, IN THE AMOUNT OF \$6,000,000. -- The bids for designating a paying agency for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000 were received and opened on July 10, 1961, at 10:00 a. m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 54.

Regent Redditt moved that the Board of Regents accept the proposal (low bid) of the El Paso National Bank, El Paso, Texas, as paying agent for the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000 for a charge of Two Cents (\$.02) per coupon paid and Ten Cents (\$.10) per bond paid. The co-paying agents selected by the El Paso National Bank are Bankers Trust Company, New York, New York, and the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois. Regent Brenan seconded the motion which prevailed.

AWARD OF CONTRACT FOR PRINTING THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, IN THE AMOUNT OF \$6,000,000. -- The bids for printing the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000, were received and opened on July 10, 1961, at 10:00 a. m. CST, in accordance with specifications previously furnished the bidders. These are tabulated on Page 55. The bonds are to be book type bonds, printed on twenty-four pound, one hundred per cent rag bond paper and are to have steel engraved borders.

Regent Connally moved that the Board of Regents accept the proposal of the Northern Bank Note Company, Chicago, Illinois, to print the Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, in the amount of \$6,000,000, for the sum of \$1,325.00, there being three coupon rates. Payment will be made from Account No. 89186 - Endowment Office - Miscellaneous Costs, Permanent University Fund Bonds, Series 1961. Regent Redditt seconded the motion which prevailed.

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PRESIDING OFFICER. -- Chairman Hardie returned to the meeting and presided.

MEMORIAL RESOLUTION TO THE LATE JOE C. THOMPSON. -- Chairman Hardie called on Mr. Madden who read the following resolution honoring Jodie Thompson:

RESOLUTION

Formal resolutions, often perfunctorily passed by public and private groups, expressing regret at the demise of a member of the group, are peculiarly inappropriate on this occasion.

In Joe C. Thompson's death, we lost a dear friend, his family lost a devoted father and husband, the State lost a diligent servant, and society lost a Christian gentleman. We need not now extol the accomplishments of our companion for his record speaks with a degree of clarity denied any eulogy. That this University of Texas will be a more noble institution for his having attended as a student, supported as an ex-student, and served as a member of the Board of Regents is most evident. His dream of a University of the "first class" and his tireless devotion to this cause have been an inspiration to all with whom he labored and this dream will not pass from our purpose.

Because we loved and admired our friend and will miss sorely his wise counsel,

WE NOW RESOLVE that this expression of deep sympathy and respect be transmitted to his lovely and brave wife, Peggy, and that copies be delivered to his fine sons, Johnny, Jere, and Joe, Jr., with whom we reverently join in sharing the loss of Jodie Thompson.

Upon motion of Regent Madden, seconded by Vice-Chairman Heath joined by Regent McNeese, the foregoing resolution was adopted.

PRESIDING OFFICER. -- When renewal of bank depository agreements was introduced for consideration, Chairman Hardie relinquished the chair to Vice-Chairman Heath who in turn asked Regent Madden to preside.

NEGOTIATION FOR RENEWAL OF BANK DEPOSITORY AGREEMENTS AUTHORIZED. -- The Committee of the Whole approved the following recommendation of the Administration with Regents Hardie, Heath, and McNeese present but not voting:

"All of the University's present bank depository contracts with the exception of the one with Texas National Bank, Houston, expire by their terms August 31, 1961. It is recommended that Comptroller Sparenberg, with the

assistance of the Executive Heads and Business Managers of the Branches outside Austin, be authorized to negotiate renewal agreements with each of the present banks (listed below), all agreements to be for the two-year period beginning September 1, 1961.

Austin, Texas

- The American National Bank
- The Austin National Bank
- The Capital National Bank
- City National Bank
- Texas State Bank

Dallas, Texas

- First National Bank
- Mercantile National Bank
- Republic National Bank

El Paso, Texas

- El Paso National Bank
- Southwest National Bank
- The State National Bank

Galveston, Texas

- First Hutchings-Sealy National Bank

Houston, Texas

- Fannin State Bank
- First City National Bank
- Bank of the Southwest National Association"

PRESIDING OFFICER. --Acting Chairman Madden turned the gavel over to Chairman Hardie, who presided for the remainder of the meeting.

RATIFICATION OF TRANSFER FROM VENDING MACHINE PROFITS. --

Each Regent had been furnished in the Material Supporting the Agenda the Chancellor's recommendation re the vending machine profits of 1960-61. The Committee of the Whole authorized Campus Services, Inc., a wholly-owned subsidiary of the Ex-Students' Association, to set up \$2,900 from the vending machine profits of 1960-61 to a special Operation Brainpower account with the understanding that these funds will be spent only in support of this program and that at the end of the year a report of expenditures will be submitted through the Business Manager and President of Main University to the Chancellor and the Board of Regents.

The final accounting of the profits accruing to Campus Services, Inc., will not be accurately known before October. At a subsequent meeting of the Board, Chancellor Ransom will present definite proposals for the use of these funds.

OTHER MATTERS

SCROLL, DOCTOR WILSON. --It was moved by Regent Madden, duly seconded, and adopted that the Chairman of the Board write a letter to Doctor Logan Wilson transmitting a handsomely prepared and framed scroll in his honor. The scroll read as follows:

WHEREAS, a "University of the First Class" has been the dream of Texas since the early years of the Lone Star Republic and

LOGAN WILSON

has rendered dedicated and unselfish service toward achievement of the awe-inspiring predicate set forth in the Constitution of the State of Texas with betterment of each component institution and increased stature of the whole university as the direct result; thus

We, the undersigned regents duly appointed as representatives of the People of Texas, to whom The University of Texas belongs and must serve, do under such special commissions convey to LOGAN WILSON the appreciation and gratitude of these and future millions for his most capable and courageous leadership.

/s/ Thornton Hardie	/s/ Wales H. Madden, Jr.
/s/ W. W. Heath	/s/ J. C. Thompson
/s/ J. P. Bryan	/s/ John S. Redditt
/s/ A. G. McNeese	/s/ H. F. Connally, Jr.
/s/ Walter P. Brennan	

NEXT MEETING OF THE BOARD. -- Upon motion of Regent Redditt, seconded by Regent McNeese, the Board set the next meeting of the Board on September 29-30, 1961.

ADJOURNMENT. -- The Board adjourned at 4:20 p. m.


Betty Anne Thedford

1018

17-22-61

FOUR NEW PARKING AREAS
 MAIN UNIVERSITY OF THE UNIVERSITY OF TEXAS
 AUSTIN, TEXAS

Bids Opened: 2:30 P. M., Wednesday, June 7, 1961

<u>Contractor</u>	<u>Proposal No. 1</u>	<u>Alternate No. 1 Deduct</u>	<u>Alternate No. 2 Deduct</u>	<u>Alternate No. 3 Deduct</u>
Joe Badgett Construction Company, Inc.	\$10,452.00	\$1,100.00	\$323.00	\$224.00
Giesen and Latson Construction Company	- -	1,651.20	900.40	344.50

<u>Contractor</u>	<u>Proposal No. 2</u>	<u>Alternate No. 4 Deduct</u>	<u>Alternate No. 5 Deduct</u>	<u>Alternate No. 6 Deduct</u>
Joe Badgett Construction Company, Inc.	8,936.00	1,009.00	270.00	229.00
Giesen and Latson Construction Company	- -	1,456.50	855.80	316.80

<u>Contractor</u>	<u>Proposal No. 3</u>	<u>Alternate No. 7 Deduct</u>	<u>Alternate No. 8 Deduct</u>	<u>Alternate No. 9 Deduct</u>
Joe Badgett Construction Company, Inc.	9,741.00	918.00	364.00	247.00
Giesen and Latson Construction Company	- -	1,376.46	855.60	287.10

<u>Contractor</u>	<u>Proposal No. 4</u>	<u>Alternate No. 10 Deduct</u>	<u>Alternate No. 11 Deduct</u>	<u>Alternate No. 12 Deduct</u>	<u>Combination Proposal</u>	<u>No. of Working Days</u>
Joe Badgett Construction Co., Inc.	\$14,655.00	\$3,779.00	\$251.00	\$190.00	\$43,461.00	70
Giesen and Latson Construction Co.	- -	3,767.25	869.75	310.40	50,990.30	60

Both bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

Both bidders are located in Austin, Texas.

1019

17-22-61

BIDS ON FURNITURE AND FURNISHINGS
RESEARCH FACILITIES AND HEADQUARTERS BUILDING
INSTITUTE OF MARINE SCIENCE, PORT ARANSAS, TEXAS

Bids Opened: 2:30 P. M., Thursday, June 29, 1961

<u>Contractor</u>	<u>Base Bid</u>	<u>Bidder's Bond</u>
The Abel Stationers Austin, Texas		
Bid No. 1	\$11,123.00	5%
Bid No. 2	9,836.72	5%
American Seating Company of Texas Dallas, Texas	13,751.35	5%
Industrial Office Supply, Inc. Dallas, Texas	12,565.37	5%
Rockford Furniture Associates Austin, Texas		
Bid No. 1	11,188.63	5%
Bid No. 2	12,067.63	5%
John H. Yochem Company Corpus Christi, Texas	12,537.83	5%

1020
17-22-61

REMODELING OF CERTAIN ROOMS IN EAST END OF
EXPERIMENTAL SCIENCE BUILDING
MAIN UNIVERSITY OF THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS

Bids Opened: 2:30 P. M., Thursday, July 6, 1961

GENERAL CONTRACT

<u>Contractor</u>	<u>General Contract</u>	<u>No. of Working Days</u>
W. D. Anderson Company Austin, Texas	\$28,759.00	120
Joe Badgett Construction Co., Inc. Austin, Texas	33,508.00	100
John Broad Construction Company Austin, Texas	41,553.00	--
A. W. Bryant Construction Co. Austin, Texas	35,111.00	120
R. S. Wendler Construction Co., Inc. Austin, Texas	30,160.00	60

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

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7-22-61

BIDS ON REMODELING OF CERTAIN ROOMS IN EAST END OF EXPERIMENTAL SCIENCE BLDG. (CON'T).

PLUMBING, HEATING, AIR CONDITIONING, AND VENTILATING CONTRACTS

<u>CONTRACTOR</u>	<u>PLUMBING CONTRACT</u>	<u>HEATING, AIR CONDITIONING, AND VENTILATING CONTRACT</u>	<u>COMBINED PLUMBING, HEATING, AIR CONDITIONING, AND VENTILATING CONTRACT</u>	<u>NO. OF WORKING DAYS</u>
H. Boyer, Mechanical Contractor Austin, Texas	\$ --	\$ --	\$61,639.00	180
W. Schmidt Austin, Texas	29,066.00	--	--	30 After Lab Equip.
G. Furryear Austin, Texas	--	--	51,200.00	--
Engineering Company, Inc. Austin, Texas	--	34,210.00	--	10 After Gen. Cont.
Young and Pratt Austin, Texas	--	--	49,625.00	--

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

7-22-61

BIDS ON REMODELING OF CERTAIN ROOMS IN EAST END OF EXPERIMENTAL SCIENCE BLDG. (CON'T)

ELECTRICAL CONTRACT

<u>Contractor</u>	<u>Electrical Contract</u>	<u>No. of Working Days</u>
O. H. Cummins Electric Co. Austin, Texas	\$17,359.00	15 After Gen. Cont.
Fox-Schmidt Austin, Texas	23,245.00	30 After Lab. Equip.
Grimes Electric Co. of Austin, Inc. Austin, Texas	18,295.00	3 After Lab Equip.
W. K. Jennings Electric Co., Inc. Austin, Texas	18,886.00	80
Dean Johnston, Inc. Austin, Texas	17,827.00	120
Seco-Smith Electric Co. Austin, Texas	19,498.00	10 After Gen. Cont.
Walter A. Tew Electric Austin, Texas	19,585.00	--

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

1023

7-22-61

BIDS ON REMODELING OF CERTAIN ROOMS IN EAST END OF EXPERIMENTAL SCIENCE BLDG. (CON'T)

LABORATORY EQUIPMENT CONTRACT

<u>Contractor</u>	<u>Laboratory Equipment Contract</u>	<u>No. of Working Days</u>	<u>Bidder's Bond or Cashier's Check</u>
The Abel Stationers Austin, Texas	\$77,580.00	150	5% Bond
American Desk Mfg. Co. Temple, Texas	64,336.00*	--	\$4,000.00 Bond
Hamilton Mfg. Company Two Rivers, Wisconsin	67,745.00	150 After Approval of Shop Drawings	3,400.00 Bond
W. C. Hixson Company Dallas, Texas	66,321.00	150	5% Bond
Laboratory Furniture Co., Inc. Mineola, New York	78,888.00	120	7,500.00 Check
Metalab Equip. Company, Division of Norbute Corp. Hicksville, New York	69,979.00	105	3,500.00 Bond
Prassel Mfg. Company San Antonio, Texas	89,700.00	130	5% Bond

*Bid qualified by letter.

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7-22-61

BIDS ON GROUP NO. I - CLASSROOM FURNITURE
BUSINESS ADMINISTRATION-ECONOMICS BUILDING
MAIN UNIVERSITY OF THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS

Bids Opened: 2:30 P. M., Thursday, June 22, 1961

<u>Contractor</u>	<u>Proposal "A"</u>	<u>Proposal "B"</u>	<u>Proposal "C"</u>	<u>Bidder's Bond</u>
The Abel Stationers Austin, Texas	\$64,846.27	\$71,762.72	\$80,203.17	5%
American Seating Co. of Texas Austin, Texas	61,719.83	73,946.32	97,092.97	5%
Keywood-Wakefield Co. Hendaminee, Michigan	65,890.15	68,943.10	70,730.60	5%

1025

7-22-61

BIDS ON GROUP NO. II - FURNITURE AND FURNISHINGS
BUSINESS ADMINISTRATION-ECONOMICS BUILDING
MAIN UNIVERSITY OF THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS

Bids Opened: 2:30 P. M., Thursday, June 22, 1961

<u>Contractor</u>	<u>Base Bid</u>	<u>Cashier's Check or Bidder's Bond</u>
The Abel Stationers Austin, Texas	\$247,322.18	5% Bond
Miller Blueprint Co. Austin, Texas	257,468.40	\$15,000.00 Bond
Rockford Furniture Associates Austin, Texas		
Bid No. 1	229,614.82	5% Bond
Bid No. 2	236,991.65	5% Bond
Titche-Goettinger Commercial Sales Division Dallas, Texas	225,323.80	5% Bond
Wilhide Equipment Co., Inc. Dallas, Texas	264,700.97	5% Bond
John H. Yochem Company Corpus Christi, Texas	241,955.49	\$12,097.77 Check

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17-33-61

BIDS ON GROUP NO. I - CLASSROOM FURNITURE
LIBERAL ARTS BUILDING, TEXAS WESTERN COLLEGE OF
THE UNIVERSITY OF TEXAS, EL PASO, TEXAS

Bids Opened: 10:30 A. M., Thursday, July 6, 1961

<u>Contractor</u>	<u>Base Bid</u>	<u>Bidder's Bond</u>
The Abel Stationers Austin, Texas	\$52,625.54	5%
American Seating Co. of Texas Dallas, Texas	53,865.47	5%
Heywood-Wakefield Company Menominee, Michigan	60,491.20	5%
Pillow-McMasters, Inc. El Paso, Texas	49,748.65	5%

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'7-22-61

BIDS ON GROUP NO. II - FURNITURE AND FURNISHINGS
LIBERAL ARTS BUILDING, TEXAS WESTERN COLLEGE OF
THE UNIVERSITY OF TEXAS, EL PASO, TEXAS

Bids Opened: 10:30 A. M., Thursday, July 6, 1961

<u>Contractor</u>	<u>Base Bid</u>	<u>Bidder's Bond or Cashier's Check</u>
The Abel Stationers Austin, Texas		
Bid No. 1	\$72,778.65	5% Bond
Bid No. 2	79,039.39	5% Bond
Bid No. 3	70,353.57	5% Bond
American Furniture Co. El Paso, Texas		
Bid No. 1	81,182.96	\$4,059.15 Check
Bid No. 2	76,044.13	3,802.20 Check
Pillow-McMasters, Inc. El Paso, Texas	88,758.20	5% Bond
Rockford Furniture Associates Austin, Texas		
Bid No. 1	73,670.74	5% Bond
Bid No. 2	72,703.43	5% Bond
Wilhide Equipment Co., Inc. Dallas, Texas	82,800.72	5% Bond
John H. Yochem Co. Corpus Christi, Texas	77,952.85	5% Bond

RENOVATION OF ELECTRICAL DISTRIBUTION SYSTEM AND INSTALLATION OF
KILOWATT-HOUR METERS - UNIVERSITY APARTMENTS AND TRAILER CAMP
MAIN UNIVERSITY OF THE UNIVERSITY OF TEXAS
AUSTIN, TEXAS

Bids Opened: 10:30 A. M., Tuesday, July 18, 1961

<u>Contractor</u>	<u>Proposal No. 1</u>	<u>Proposal No. 2</u>	<u>Proposal No. 3</u>	<u>Proposal No. 4</u>	<u>Combination Proposal of Nos. 1, 2, 3, and 4</u>	<u>Time Of Completion (Calendar Days)</u>
A. A. Electric Company	No Bid	No Bid	No Bid	No Bid	\$48,765.00	150
O. H. Cummins Electric Co.	\$47,876.00	\$4,973.00	\$2,866.00	\$3,564.00	58,965.00	120
Fox-Schmidt	45,422.00	2,767.00	4,909.00	5,017.00	58,160.00	210
Grimes Electric Company of Austin, Inc.	40,761.00	3,568.00	2,954.00	4,264.00	49,492.00	80
W. K. Jennings Electric Company, Inc.	42,940.00	5,884.00	5,478.00	4,775.00	58,577.00	150
Dean Johnston, Inc.	43,947.00	5,147.00	3,901.00	4,558.00	56,742.00	120
Landrum Electric, Inc.	43,900.00	3,142.00	2,200.00	2,746.00	50,864.00	150
Loyd Electric Co., Inc.	38,099.00	2,950.00	2,400.00	3,507.00	45,990.00	-
John Olive Electric Co.	39,979.00	3,152.00	2,406.00	4,479.00	48,449.00	60
Seco Smith Electric Co.	No Bid	No Bid	No Bid	No Bid	74,962.00	200
V & V Electric Company	42,429.65	3,660.64	2,507.53	4,025.86	52,623.68	100

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

All firms listed on tabulation sheet are located in Austin, Texas, except Loyd Electric Company, Inc., which is located in San Antonio, Texas.

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7-22-61

\$6,000,000
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
 PERMANENT UNIVERSITY FUND BONDS
 SERIES, 1961

Tabulation of Bids Received
 July 11, 1961 - 10:00 a.m.

(Dated July 1, 1961)

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7-22-61

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	Halsey, Stuart & Co., Inc.	Bear, Starnes & Co. and Eastman Dillon, Union Securities & Co. (joint mgrs.)	Phelps, Fenn & Co., Rauscher, Pierce & Co., Inc. and Associates	Drexel & Co. and Associates	Merrill Lynch, Pierce, Fenner & Smith, Inc., White, Weld & Co. (and Associates)	
Coupon Rate for Bonds Maturing	1962 thru 65 4.50%	1962 thru 64 4.50%	1962 thru 64 4.25%	1962 thru 64 4.50%	1962 thru 65 4.50%	1962 thru ____ %
" "	1966 thru 70 3.0 %	1965 thru ____ 3.80%	1965 thru 72 3.0 %	1965 thru ____ 3.60%	1966 thru 76 3.0 %	____ thru ____ %
" "	1971 thru 75 3.10%	1966 thru 73 3.0 %	1973 thru 75 3.10%	1966 thru 74 3.0 %	1977 thru 81 3.20%	____ thru ____ %
" "	1976 thru 81 3.20%	1974 thru 81 3.25%	1976 thru 81 3.25%	1975 thru 81 3.25%	____ thru ____ %	____ thru ____ %
Premium	\$ 1,740	\$ None	\$ 2,532	\$ 255	\$ 2,820	\$ _____
Net Interest Cost	\$ 2,160,810	\$ 2,177,730	\$ 2,154,153	\$ 2,164,830	\$ 2,131,020	\$ _____
Weighted Average Annual Interest Rate	3.18703 %	3.21199 %	3.1772 %	3.192964 %	3.143097 %	____ %
Attached Check	No. 90208 Amt. 120,000 American National Austin, Texas	No. 90210 Amt. 120,000 American National Austin, Texas	No. 90206 Amt. 120,000 American National Austin, Texas	No. 90204 Amt. 120,000 American National Austin, Texas	No. 47958 Amt. 120,000 Capitol National Austin, Texas	No. _____ Amt. _____

7-22-61 1030

Note: Award for paying agency will be made at meeting of the Board of Regents in Austin, Texas, on July 11, 1961 at 2:00 p.m.

BIDS FOR PAYING AGENCY

\$6,000,000
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
 PERMANENT UNIVERSITY FUND BONDS
 SERIES 1961

(Dated July 1, 1961)

Tabulation of Bids Received
 July 10, 1961 - 10:00 a.m.

Bidder	Co-Paying Agents	Per Coupon Paid	Per Bond Paid
Austin National Bank, Austin, Texas	New York: Bankers Trust Company Chicago: The First National Bank of Chicago	2½¢	10¢
First National Bank in Dallas, Dallas, Texas	New York: Chemical Bank New York Trust Company Chicago: Continental Illinois National Bank and Trust Co.	2½¢	12½¢
Equitable National Bank at Dallas, Dallas, Tex.	New York: Chase Manhattan Bank Chicago: Harris Trust & Savings Bank	3¢	35¢
Republic National Bank of Dallas, Dallas, Texas	New York: Irving Trust Company Chicago: Continental Illinois National Bank & Trust Company	3¢	30¢
Paso National Bank, El Paso, Texas	New York: Bankers Trust Company of New York Chicago: Continental Illinois National Bank & Trust Co.	2¢	10¢
First National Bank of Fort Worth, Fort Worth, Texas	New York: The Hanover Bank Chicago: Continental Illinois National Bank & Trust Company of Chicago	3½¢	25¢
Bank of the Southwest National Association, Houston, Texas	New York: Bankers Trust Company Chicago: Continental Illinois National Bank and Trust Company of Chicago	2½¢	17½¢
First City National Bank of Houston, Houston, Texas	New York: Manufacturers Trust Co. Chicago: The First National Bank of Chicago	2½¢	25¢
National Bank of Commerce Houston, Texas	New York: Chemical Bank New York Trust Company Chicago: Northern Trust Company	3½¢	25¢
Texas National Bank of Houston, Houston, Texas	New York: First National City Bank Chicago: Continental Illinois Natl. Bank & Trust Co.	5¢	30¢
The First-Wichita National Bank of Wichita Falls, Wichita Falls, Texas	New York: Morgan Guaranty Trust Company of New York Chicago: First National Bank of Chicago	5¢	See below

for the first \$100,000 principal amount redeemed	\$1.00
for the next \$900,000	50¢
for the next \$4,000,000	33¢
for all amounts in excess of \$5,000,000	25¢

BIDS FOR PRINTING BONDS

\$6,000,000
 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS
 PERMANENT UNIVERSITY FUND BONDS
 SERIES 1961

(Dated July 1, 1961)

Tabulation of Bids
 Received July 10, 1961
 10:00 a.m.

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7-22-61

Bidder	One Coupon Rate	Two Coupon Rates	Three Coupon Rates	Four Coupon Rates	No. of Working Days
Northern Bank Note Company 833 North Orleans Street Chicago 10, Illinois	\$1,295	\$1,310	\$1,325	\$1,340	20
Security-Columbian Banknote Company 607 San Jacinto Building Houston 2, Texas	\$1,390	\$1,425	\$1,460	\$1,495	18

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Note: Award for printing will be made at meeting of the Board of Regents
 on July 12, 1961, at 2:00 p.m.

' 7-22-61

REPORT OF EXECUTIVE COMMITTEE(See Page 2 .)

INTERIM ACTIONS, APRIL 28-JULY 5, 1961, EXECUTIVE COMMITTEE. -- At the May meeting of the Board, the report of the Executive Committee indicated that seven items had been submitted to the Executive Committee and had been approved by mail vote; however, only six of the items were submitted to and approved by the Executive Committee in time to be included in the May docket for ratification by the Board. The remaining item is reported as No. 1 on Page E-2.

The items listed below have been submitted through proper channels to Chancellor Ransom and have been recommended by him to the Executive Committee. During the period April 28-July 5, 1961, these items have been submitted for ratification by the Board.

BUDGETARY ITEMS. -- For amendments to the budget, the Budget Rules and Procedures for the year 1960-61 (Pink sheets of the 1960-61 Budget) include:

"10. (b) A salary rate increase of \$1,000 or more per annum requires the advance approval of the Chancellor and the Board of Regents, except in cases of emergency, in which case the Executive Committee of the Board, upon recommendation from the Chancellor, shall have the power to act."

In compliance with the foregoing regulation, the following amendments to the 1960-61 Budget have been presented to and approved by the Executive Committee:

Main University, Defense Research Laboratory. -- Amend the 1960-61 operating budget for the Defense Research Laboratory, Main University, by increasing the annual salary rates, effective June 1, 1961, of the following, from government contract funds.

1. Cecil Glenn Shugart, Research Scientist IV, from \$5,784 to \$7,440.
2. Arnold Joseph Tucker, Research Engineer III, from \$5,028 to \$6,468.
3. Albert Nelson Ellis, Research Engineer III, from \$4,200 to \$6,168.

M. D. Anderson Hospital and Tumor Institute, Biochemistry. -- Amend the 1960-61 Budget for the Department of Biochemistry, M. D. Anderson Hospital and Tumor Institute, by increasing the annual salary of Doctor Robert B. Hurlbert, Assistant Biochemist, from \$10,000 to \$11,000, effective May 1, payable from Reserve for Salaries.

7-22-61

Southwestern Medical School, Biochemistry. --Include in the 1961-62 operating budget for the Department of Biochemistry, Southwestern Medical School, the following raise in rank and increase in salary:

Change the status and increase the salary of Doctor Donald Wiggans from Associate Professor of Biochemistry at an annual salary of \$10,200 to Professor at an annual salary of \$12,200 to be paid as follows:

\$9,500 from the departmental budget
1,400 from the National Fund for Medical Education
1,300 from the Southwestern Medical Foundation

(This was an emergency item which arose because of a competing offer, and departs from the normal procedure of 1961-62 budget items being approved before the submission to the Board of the 1961-62 operating budget.)

TRAVEL ITEMS. -- The Board's Rules and Regulations regarding travel are reflected in Part Two, Chapter III, Section 13, Pages 14-19. The travel items submitted to the Executive Committee as set out below are in compliance with Subsection 13.23, which reads as follows:

"Request for permission to be absent for a period in excess of two weeks (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the Chancellor of the University and to the Board of Regents or the Executive Committee of the Board for approval prior to such absence."

The following requests for approval of travel and of waiver of Regents' Rule cited above have been submitted to and have been approved by the Executive Committee:

Main University: Travel Requests and Waiver of Regents' Rule

1. Mr. Dana Chambliss, Automotive Training Specialist in the Division of Extension, to be absent from his regular duties for the period May 6 to May 22, 1961, to attend a carburetion and tune-up school in St. Louis, Missouri, for the purpose of obtaining ideas, information, and materials for use in the extension program. Expenses will be paid from the Maintenance, Equipment, and Travel Account of the Division of Extension.

(Approved prior to May meeting. See Page E-1.)

2. Doctor Wade Lynn Brown, Professor and Research Psychologist in the Radiobiological Laboratory, for the period May 31 to June 15, 1961, to attend the International Atomic Energy Agency of Vienna. There will be no reimbursement of travel expense from University funds. Doctor Brown has been invited to present a paper at the International Symposium in Vienna, Austria, on the results of his research at The University of Texas in connection with the space program.

7-22-61

3. Mr. Robert Merrill King, Research Assistant in Plant Research Institute, to go to various parts of the Republic of Mexico during the period February 14 to April 13, 1961, to acquire material from Mexico to be used to exchange for certain valuable plant collections in the University of Mexico Herbarium. Expenses are to be paid from an allocation by Doctor Gordon Whaley, Chairman of the Department of Botany and Dean of the Graduate School, of approximately \$1,500 from the National Science Foundation Cooperative Fellowship Program, Improvement of Graduate Programs in the Sciences.
4. Mr. W. A. Stallard, a graduate student and employee of Plant Research Institute, to go to the University of California at Berkeley, during the period April 6 to April 30, 1961, to explore under Professor William A. Jensen's direction techniques for the incorporation of the radioactive thymidine into cells for specific studies of mitosis. The expenses of this trip estimated at \$533.47 will be paid from the National Science Foundation Cooperative Fellowship Program, Improvement of Graduate Programs in the Sciences.
5. Doctor Robert M. Welch, Research Scientist IV in the Genetics Foundation, to travel to Europe for the period June 3 to June 19, 1961. The Administration had previously approved an absence of 13 days for Doctor Welch to go to The Hague, Holland, to present a paper at the Fourth International Congress on Animal Reproduction. The travel expenses for that 13-day trip were to be paid from grant funds for the purpose. This additional 17-day expense submitted to the Executive Committee is for Doctor Welch to visit laboratories in Brussels, Paris, Zurich, Stockholm, and London in connection with research in which the King Ranch has an interest. The King Ranch has made a gift of \$400 for this purpose.

Medical Branch: Travel Requests and Waiver of Regents' Rule

1. Doctor James L. Smith, presently a Resident in Otorhinolaryngology and an Instructor effective July 1, 1961, at the Medical Branch, for the period June 1 through July 15, 1961, to attend a six weeks course in the field of reconstructive otologic surgery in Los Angeles, California, to be directed by Doctor Howard House, one of the world's outstanding otologists. It was pointed out in the request that the benefits derived by Doctor Smith from this course will accrue not only to him personally but to students and other house staff of the hospital through Doctor Smith's teaching. The estimated cost of \$300 will be paid from the Olga Keith Wiess Fund, a current restricted account.

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2. Doctor Ludwik Anigstein, Professor of Preventive Medicine and Public Health at the Medical Branch, for the period May 2 to June 16, 1961, to visit the University of Hamburg as official representative of the Medical Branch for a series of conferences and appointments designed to follow up on Doctor Truslow's visit to the University of Hamburg last fall in the development of student exchange and faculty programs. Doctor Anigstein speaks German fluently, knows personally the principal members of the Hamburg faculty, and is in a unique position to advise Doctor Truslow of the real attitude and interests of the group in Hamburg in giving full academic and financial support to the proposed joint program. Doctor Anigstein also will visit Heidelberg University to participate in the 575th Anniversary Commemoration. The cost to the University for the travel involved is estimated at \$1,200 to be paid from the Daniel W. Kempner Visiting Professorship Fund. The payment of the \$1,200 for this purpose was specifically cleared with Mr. Lee Kempner and represents approximately half of the total cost of the trip. The other half of the cost will be borne by Doctor Anigstein.

Dental Branch: Travel Request

Doctor Ernest Beerstecher, Professor in the Department of Physiology of the Dental Branch, for the period June 23 to July 17, 1961. Doctor Beerstecher is to be reassigned to a special research project of the Dental Branch in Boston, Massachusetts, to attend a series of lectures and laboratories in general pathology to be held June 26 through July 15 at Harvard Medical School. His expenses will be paid from the United States Public Health Research Grant D-1196.

M. D. Anderson Hospital and Tumor Institute: Travel Requests

1. Doctor Robert J. Shalek and Doctor Arthur Cole of the Physics Department of M. D. Anderson Hospital and Tumor Institute, to go to Europe for the period July 28 to September 1, 1961. Travel expenses to and from New York City will be paid from the Tumor Institute travel account (State funds). A grant of funds for payment of their transportation expenses outside the continental limits of the United States from the National Academy of Sciences-National Research Council has been obtained by each of the doctors. Doctor Shalek requests per diem reimbursement for 18 days payable from his National Cancer Institute Grant C-3282. Doctor Cole requests per diem reimbursement for 14 days to be paid from Atomic Energy Commission Contract AT-(40-1)-2832.

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2. Doctor Saul Kit, Biochemist at M. D. Anderson Hospital and Tumor Institute, to be relieved of his regular duties and assigned to a special project for the period July 19 to August 29, 1961. His activities during this period will consist of the following:

July 19: Will present a seminar and discuss research problems at the Laboratory of Physiology of the National Cancer Institute in Bethesda, Maryland. Also plans to meet certain doctors at the Institute for consultation re purification of vaccine. The discussions and consultations are directly concerned with Doctor Kit's research work at M. D. Anderson Hospital and Tumor Institute.

July 20-24: Will confer with Doctor Claude Paoletti and other members of the staff of the Gustave Roussy Institute in Paris, France.

July 25-28 and August 7-8: Will be on annual vacation at own expense.

July 29-August 6: Will go to Weizmann Institute in Israel to discuss research problems.

August 7-17: Will present a paper at the Fifth International Biochemistry Congress in Moscow, Russia.

August 18-25: Will visit research centers in Lund and Stockholm, Sweden.

The cost to M. D. Anderson Hospital and Tumor Institute will be to and from Washington, D. C., and the per diem expense for that portion of the travel. This is estimated not to exceed \$250 and will be paid from the Tumor Institute travel account. The remaining expenses of the trip will be approximately \$1,300, \$1,000 to come from National Cancer Institute Grant C-4238 C2, and the remainder from a Leukemia Society grant approved for Doctor Kit.

CLASSIFIED PERSONNEL PAY PLAN. --The following relating to the Classified Personnel Program has been submitted to and approved by the Executive Committee:

Main University. --At the May meeting the Classified Personnel Pay Plan for the Main University as set out on the following page was deleted from the docket for further study by the Board and for consideration at a later date.

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Effective September 1, 1961:

	From		To		Step Number	
	Monthly	Annual	Monthly	Annual	From	To
Physician, General	\$740-1000	\$8880-12000	\$800-1100	\$9600-13200	47	49
Physician, Specialist (Group of Specialties)	870-1150	10440-13800	910-1250	10920-15000	51	52
Medical Technologist	335-419	4020-5028	350-439	4200-5268	30	31
Supervising Medical Technologist	382-482	4584-5784	400-514	4800-6168	33	34
Assistant Pharmacist	400-514	4800-6168	419-539	5028-6468	34	35
Accountant I	366-460	4392-5520	400-482	4800-5784	32	34
Accountant II	460-565	5520-6780	482-592	5784-7104	37	38
Architect and Superintendent Construction Maintenance	680-835	8160-10020	770-950	9240-11400	45	48
Architect and Assistant to Comptroller	680-870	8160-10440	770-950	9240-11400	45	48
Refrigeration and Heating Engineer	620-770	7440-9240	710-870	8520-10440	43	46
Architect I	514-592	6168-7104	565-680	6780-8160	39	41
Architect II	620-770	7440-9240	710-870	8520-10440	43	46
Assistant Power Plant Engineer	514-620	6168-7440	565-710	6780-8520	39	41
Power Plant Engineer	620-770	7440-9240	710-870	8520-10440	43	46
Assistant Maintenance Engineer	514-620	6168-7440	565-710	6780-8520	39	41

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Title	From		To		Step Number	
	Monthly	Annual	Monthly	Annual	From	To
Maintenance Engineer	\$620-770	\$7440-9240	\$710-870	\$8520-10440	43	46
Electrical Engineer	620-770	7440-9240	710-870	8520-10440	43	46
Superintendent Utilities	680-835	8160-10020	770-950	9240-11400	45	48
Photographic Technician	172-245	2064-2940	190-245	2280-2940	16	18
Photographer	245-305	2940-3660	245-319	2940-3828	23	23
Chief Photographer	292-382	3504-4584	335-419	4020-5028	27	30
Accounting Clerk I	245-292	2940-3504	256-305	3072-3660	23	24
Accounting Clerk II	292-350	3504-4200	305-366	3660-4392	27	28
Food Service Worker	128-215	1536-2580	135-215	1620-2580	10	11
Food Preparation Worker	135-235	1620-2820	142-235	1704-2820	11	12
Cook I	142-215	1704-2580	164-215	1968-2580	12	15
Baker I	142-215	1704-2580	164-215	1968-2580	12	15
Food Service Supervisor I	156-225	1872-2700	181-256	2172-3072	14	17
Food Service Supervisor II	235-305	2820-3660	267-350	3204-4200	22	25
Food Service Supervisor III	319-419	3828-5028	366-482	4392-5784	29	32
Custodial Worker	128-215	1536-2580	135-215	1620-2580	10	11
Housekeeper I	164-225	1968-2700	181-245	2172-2940	15	17
Housekeeper II	225-279	2700-3348	235-305	2820-3660	21	22

In the above cases the official in charge of employment in a given area was having difficulty attracting and holding employees because of the wage scale. In each case the situation was studied by the Personnel Office, a survey being made of comparable positions in offices off the campus when deemed appropriate, and the above recommendations resulted.

Deletions - Effective September 1, 1961:

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Title	Monthly Range	Annual Range	Step Number
Academic Center Librarian	\$565-650	\$6780-7800	41
<u>Additions</u> - Effective September 1, 1961:			
Undergraduate Library Librarian	565-650	6780-7800	41
Housekeeping Supervisor	292-366	3504-4392	27
Food Checker and Cashier	181-245	2172-2940	17
<u>Additions</u> - Effective March 1, 1961:			
Television Production Supervisor	514-620	6168-7440	39
Television Art Supervisor	482-592	5784-7104	38
Television Staging Services Supervisor	482-592	5784-7104	38

The Library title was changed at request of the University Librarian since he feels that Undergraduate Librarian is a more exact title for the work assigned to that position.

The positions in the Division of Housing and Food Service seem necessary to provide new and necessary positions to keep that area staffed and operating at required efficiency.

The Television positions reflect more nearly the type of work assigned to the incumbents than the titles now available.

INTERIM ACTIONS APPROVED AFTER JULY 5 BUT PRIOR TO JULY 19, 1961, EXECUTIVE COMMITTEE. -- The following items, submitted to the Executive Committee, were not approved until after July 5, the date of the original report:

TRAVEL ITEMS. -- Below are requests for approval of travel and/or waiver of Subsection 13.23, Chapter III, Part Two, of the Regents' Rules and Regulations.

Main University:

1. Doctor Frank B. Armstrong for the period June 14 through July 20, 1961, to travel to Raleigh, North Carolina, to give a seminar at North Carolina State College and to go to Upton, Long Island, New York, to work in the Brookhaven National Laboratory with Doctor M. Demerec from June 19 to July 20. The estimated expenses of \$220 for transportation and \$15 per diem will be paid from a grant from the National Institute of Health.

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2. Doctor Jane S. Mouton, Assistant Professor in the Department of Psychology; Doctor Robert Rogers Blake, Professor of Psychology; and Mrs. Freddie Little Groveton, a secretary employed on a grant from the Psychological Research Foundation; to go to Jemez Springs, New Mexico, for the period June 8 through June 26, 1961, to attend a Human Relations Training Laboratory.

Doctor Mouton has been named as a staff member of the Laboratory for this year and will have no other University appointment during this period. Under the specific terms of the grant from the Psychological Research Foundation she will receive salary plus travel expenses estimated at \$113 to \$125 and \$12 per diem to cover living expenses.

Doctor Blake is not otherwise employed by the University during this period and his expenses will be financed by the Psychological Research Foundation.

Mrs. Groveton's salary will continue under the terms of the grant, which also provides for her transportation estimated at \$113 to \$125 plus \$12 per diem for living expenses. She will serve as secretary to the staff of the Laboratory and will assist in the recording of the proceedings and the analysis of research data developed.

3. Doctor David M. Young, Jr., Director of the Computation Center, to be absent from his regular duties for the period July 7 to July 23, 1961, to work at Harvard University in collaboration with Professor G. Birkhoff and Professor R. S. Varga on a paper in advanced numerical analysis.

This paper will appear in the publication Advances in Computing, published by the Academic Press. The travel will be at no expense to the University.

M. D. Anderson Hospital and Tumor Institute:

Doctor John S. Stehlin, Jr., Associate Surgeon, to be absent from his regular duties for the period June 26 to July 13, 1961, to be reassigned to a special project of the M. D. Anderson Hospital and Tumor Institute in South America. Doctor Stehlin will lecture at the Third National Symposium on Cancer of the Peruvian Cancer Society, the First South Pacific International Symposium on the Chemotherapy of Cancer. He will travel to Santiago, Chile; Buenos Aires, Argentina; and Montevideo, Uruguay, for round table discussions and a lecture. The International Union against Cancer will pay the travel expenses in connection with this assignment and will pay part of the per diem allowance. The balance of the per diem allowance will be paid from the University Cancer Foundation and will not be in excess of \$216.

INTERIM ITEMS SUBMITTED TO EXECUTIVE COMMITTEE AFTER JULY 5, DATE OF ORIGINAL REPORT OF EXECUTIVE COMMITTEE. -- The following requests were submitted to members of the committee after July 5, the date the original report of the Executive Committee was prepared. All have now been approved by the committee.

1. Sale of Boat, Ciencia, Marine Science Institute, Main University. -- Approve the sale on sealed-bid basis of the boat Ciencia, Marine Science Institute, Main University, to the South Texas Company, Houston, Texas, for \$1,199.00, the highest of four bids received.
2. Changes in the Classified Personnel Pay Plan, Central Administration. -- Approve the following changes in the Classified Personnel Pay Plan, Central Administration:

Endowment Office - Securities Division - Effective September 1, 1961

From:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step Number</u>
0110	Security Analyst	\$482-592	\$5784-7104	38
0111	Senior Security Analyst	680-835	8160-10020	45
0112	Assistant to the Endowment Officer	620-800	7440-9600	43

To:

0110	Security Analyst	514-620	6168-7440	39
0111	Senior Security Analyst	740-910	8880-10920	47
0112	Assistant to the Endowment Officer	650-835	7800-10020	44

University Lands Office in Midland - Effective September 1, 1961

Add:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step Number</u>
5047	Production and Development Analyst, University Lands	\$460-565	\$5520-6780	37

3. Changes in the Classified Personnel Pay Plan, Main University. -- Approve the following changes in the Classified Personnel Pay Plan, Main University:

Changes in Plan - Effective September 1, 1961

From:

<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step Number</u>
Laboratory Machinist	\$319-400	\$3828-4800	29
Scientific Instrument Maker I	366-460	4392-5520	32
Scientific Instrument Maker II	419-514	5028-6168	35

To:

Laboratory Machinist	350-419	4200-5028	31
Scientific Instrument Maker I	382-460	4584-5520	33
Scientific Instrument Maker II	439-539	5268-6468	36

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Deletions and Additions in Plan - Effective September 1, 1961

Delete:

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step Number</u>
3364	Glassblower Apprentice	\$256-335	\$3072-4020	24
3365	Glassblower	482-592	5784-7104	38
3525	Landscape Gardener	400-460	4800-5520	34
3391	Games Mechanic	292-366	3504-4392	27

Add:

3363	Glassblower Apprentice	256-335	3072-4020	24
3364	Glassblower I	350-460	4200-5520	31
3365	Glassblower II	482-592	5784-7104	38
3508	Groundskeeper	181-245	2172-2940	17
3524	Assistant Grounds Maintenance Supervisor	319-382	3828-4584	29
3525	Grounds Maintenance Supervisor	400-482	4800-5784	34
3391	Games Mechanic I	245-292	2940-3504	23
3392	Games Mechanic II	292-366	3504-4392	27
6631	Television Film Editor	482-592	5784-7104	38
2125	Research Veterinarian	539-650	6468-7800	40
2126	Senior Research Veterinarian	650-770	7800-9240	44
3003	Cartographic Technician I	279-350	3348-4200	26
3004	Cartographic Technician II	366-482	4392-5784	32

Additions in Plan

Add: - Effective June 1, 1961

0075	Assistant Director, Division of Housing and Food Service	710-835	8520-10020	46
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Add: - Effective May 1, 1961

1005	Night Supervisor, Women's Residence Halls	190-256	2280-3072	18
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4. Changes in the Classified Personnel Pay Plan, Texas Western College. -- Approve the following changes in the Classified Personnel Pay Plan, Texas Western College:

Additions to the Plan - Effective September 1, 1961

<u>Code</u>	<u>Title</u>	<u>Monthly Range</u>	<u>Annual Range</u>	<u>Step Number</u>
0430	Laboratory Services Supervisor	\$292-382	\$3504-4584	5
3180	Physical Plant Engineer	400-514	4800-6168	4
3401	Printer Foreman	482-592	5784-7104	4
3402	Cylinder Pressman	319-400	3828-4800	4
5110	Chief of Technical Services (Library)	400-514	4800-6168	4
7100	Director, Dormitory	172-256	2064-3072	7
7101	Assistant Director, Dormitory	100-172	1200-2064	10
7125	Manager, Book Store	460-592	5520-7104	4

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Deletions from the Plan - Effective September 1, 1961

0425 Laboratory Stores Assistant
 3012 Assistant Superintendent of Buildings and Grounds
 3015 Superintendent of Buildings and Grounds
 3400 Printer
 7100 Social Director
 7125 Manager, Student Union

Changes in Ranges of Salaries

3-1 4205 Custodial Supervisor: Increase range one step
 from 292-366 to 305-382.
 3-2 4300 Watchman: Increase range one step from 225-279
 to 235-292.

5. Changes in the Classified Personnel Pay Plan, M. D. Anderson Hospital and Tumor Institute. --Approve the following changes in the Classified Personnel Pay Plan, M. D. Anderson Hospital and Tumor Institute:

Additions in Plan - Effective September 1, 1961

<u>Class Number</u>	<u>Title</u>	<u>Monthly Salary</u>	<u>Annual Salary</u>	<u>Range Number</u>
3020	Fire, Safety, and Security Inspector	\$460-592	\$5520-7104	37
3208	Gardener	245-305	2490-3660	23

Range Adjustments in Plan - Effective September 1, 1961

From:

0205	Assistant Epidemiologist	382-482		33
1215	Chief X-Ray Therapy Technician	460-565		37
3010	Engineer Designer	514-710		39
5005	Assistant Librarian	319-400		29

To:

0205	Assistant Epidemiologist	400-514		34
1215	Chief X-Ray Therapy Technician	514-650		39
3010	Engineer Designer	592-770		42
5005	Assistant Librarian	419-539		35

6. Travel Request and/or Waiver of Regents' Rule, Main University. --Approve the waiver of the Regents' Rule relating to travel and grant permission for the following travel requests:

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
a.	Joe W. Neal, Director of Inter- national Office	July 4-August 4, 1961	Yugoslavia, Germany, and Austria

17-22-61

Purpose: To serve as Administrative Director of the Yugoslav project, including the International Seminar, July 10-23. To hold conferences with German and Austrian University representatives on International Program Development at the invitation of the respective governments, July 23-August 4, 1961.

Expenses Paid From: (1) Travel costs in Germany and Austria will be paid directly by governments of these two countries. (2) Travel to and from Yugoslavia will be paid from grant funds being handled by the Ex-Students' Association.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
b.	Dr. George W. Hoffman, Associate Professor of Geography	July 3-August 31, 1961	Yugoslavia

Purpose: To serve as Academic Coordinator for the Yugoslav program.

Expenses Paid From: Salary will be paid from Ford Foundation grant for the specific purpose of financing this program. Travel expenses will be paid from grant funds being handled by the Ex-Students' Association.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
c.	William Tamminga, Assistant Professor, School of Architecture	July 9-September 1, 1961	Pennsylvania State University

Purpose: To participate in the Professional Development Program to be conducted by the Shelter Research and Study Program.

Expenses Paid From: Salary for two months and \$10 per diem will be paid from the grant for this specific purpose. Travel to and from estimated at \$218 to be paid from the Maintenance and Operation Account of the School of Architecture.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
d.	E. Mott Davis and Shields Mitchell	July 15-August 31, 1961	South Dakota, Washington, Colorado, and possibly Wyoming and California

17-22-61

Purpose: To film an Archeological Film Series, Mr. Mitchell doing the actual photographic work and Mr. Davis providing the technical and scientific knowledge and skill.

Expenses Paid From:* All of Mr. Mitchell's salary and half of Mr. Davis's salary are to be paid from a grant of the National Science Foundation for this purpose. The other half of Mr. Davis's salary is to be paid from the general budget for research in Anthropology.

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
e. Dr. Jack A. Scanlan, Associate Professor in Mechanical Engineering	June 13-July 24, 1961	San Diego, California

Purpose: To attend a TRIGA reactor training program at General Atomic.

Expenses Paid From: Salary, travel, and per diem estimated at \$678.44 will be paid from the Ford Foundation Development Program Expenses - Doctoral Program in Engineering.

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
f. Dr. W. C. Gardiner, Jr., Instructor in Chemistry	June 26-July 14, 1961	Clifton, New Jersey; Cambridge, Mass.; and Germany

Purpose: To confer with top people in the field of his research.

Expenses Paid From: No travel expense to the University is involved.

7. Travel Requests, Main University. -- Approve the following travel requests for Main University:

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
a. Dr. W. W. Hager-ty, Dean of the College of Engineering	August 9-August 31, 1961	Columbia, Ecuador, Peru, and Brazil

Purpose: To serve as consultant under the Exchange of Scientists Mission of the Pan American Union.

* No travel expenses from University funds.

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Expenses Paid From: No University funds are involved. He will receive from other sources travel expenses and per diem, but will not receive additional pay for his services.

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
b. Dr. W. C. Bell, Professor of Geology	September 1- October 1, 1961	Norway and Sweden

Purpose: To make Cambrian investigations. After participating in the International Field Institute, British Isles 1961, Dr. Bell will work with outstanding geologists in the Scandinavian countries. These activities are related directly with his research work at The University of Texas.

Expenses Paid From: Expenses in Norway and Sweden estimated at \$1,500 will be paid from funds of the Geology Foundation, a Current Restricted Fund. Other expenses from NSF grant.

8. Travel Request and/or Waiver of Regents' Rule, Medical Branch. -- Approve the following travel requests for the Medical Branch:

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
a. Don W. Micks, Professor, Department of Preventive Medicine and Public Health	August 10-September 3, 1961	San Francisco; Berkeley; Los Angeles; and Riverside, California; and Honolulu, Hawaii

Purpose: (1) To do research in insecticide resistance at G. W. Hooper Foundation, San Francisco; University of California (School of Public Health and Department of Entomology), Berkeley; State Health Department, Berkeley; Department of Zoology, Los Angeles; University of California (Experimental Station), Riverside. (2) To present a paper in a symposium on "Venomous and Poisonous Animals and Noxious Plants," in the Program of the Section of Public Health and Medical Sciences, at the Tenth Pacific Science Congress in Honolulu, Hawaii.

Expenses Paid From: Expenses estimated at \$375 are to be paid from funds available in the Robert A. Welch Foundation Grant. There is to be no expense to the University.

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<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
b. Dr. Walther J. Hild, Associate Professor of Anatomy	July 31-September 8, 1961	Hamburg; Kiel; and Munich, Germany

Purpose: (1) To attend the IVth International Congress of Neuropathology in Munich, Germany, from September 4-7, 1961. There is to be a special program dealing with questions posed by the cultivation of nervous tissue. (2) To work at the Anatomical Institutes of the Universities of Hamburg and Kiel in order to become acquainted with certain equipment in his research. (3) To give a series of seminars in Kiel and Hamburg relating to the research field of central nervous tissue.

Expenses Paid From: Expenses estimated at \$850 will be paid from a United States Public Health Service (USPHS) Grant.

- c. Approve the Waiver of Regents' Rule and the following travel requests:

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
Dr. Martin Schneider, Professor of Radiology and Dr. Marcel Patterson, Associate Professor, Department of Internal Medicine	June 19-July 27, 1961	New York
	June 23-July 28, 1961	New York

Purpose: To supervise the Medical Student Preceptorship in Nuclear Medicine at the Brookhaven National Laboratory.

Expenses Paid From: There will be no travel reimbursement.

9. Leave of Absence Without Pay, Medical Branch. -- Approve a leave of absence for the following at the Medical Branch:

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
Dr. Rose G. Schneider, Research Associate in the Tissue Metabolism Research Laboratory	June 20-August 6, 1961	New York

17-22-61

Purpose: To do research at the Brookhaven National Laboratory in New York.

Expenses Paid From: Dr. Schneider will be on leave for this period without salary and her travel expenses will not be reimbursed.

ITEMS APPROVED BY COMMITTEE CHAIRMAN HEATH ON JULY 21, 1961. -- The items listed below were submitted to and approved by Committee Chairman Heath on July 21, 1961 (These were explained in detail by Mr. Cox at the meeting of the Board.).

BUDGETARY ITEMS:

Main University, Military Physics Research Laboratory. -- Amend the 1960-61 operating budget for the Military Physics Research Laboratory, Main University, by increasing the annual salary rate, effective June 1, 1961, of Donald W. Goodson, Field Operations Specialist, from \$4,584 to \$6,168.

M. D. Anderson Hospital and Tumor Institute, Radiology. -- Amend the 1960-61 operating budget for Radiology, M. D. Anderson Hospital and Tumor Institute, by increasing the annual salary rate, effective July 1, 1961, of John P. McCraw, Associate Radiologist and Head of Section of Diagnostic Radiology, on half-time basis, from \$12,000 to \$16,000, payable from Reserve for Salaries.

TRAVEL ITEMS:

Main University: Travel Requests and Waiver of Regents' Rule.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
1.	Dr. Bassett Maguire, Assistant Professor of Zoology	July 24-August 26, 1961	Gothic, Colorado

Purpose: (1) To go to Rocky Mountain Biological Laboratory at Gothic, Colorado, to carry out a research project for which he has received a specific grant. (2) To fulfill a specific appointment under the Cave Ecology Research Program for the period June 11-August 31.

Expenses Paid From: Expenses to be paid from a specific grant without any further expense to the University.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
2.	Dr. James W. Jagger, Nuclear Physics Technical Specialist, Department of Physics	May 29-June 23, 1961	Los Angeles, Pasadena, Oakland, San Carlos, and Berkeley, California

17-22-61

Purpose: (1) To discuss with professors at the University of California in Los Angeles matters relating to the screening of the new Nuclear Physics Laboratory with respect to radiation. (2) To discuss with professors at the California Institute of Technology matters concerning the design of the new Nuclear Physics Laboratory. (3) To see the magnetic spectrograph ordered by California Tech from Pacific Electric Motors for their tandem accelerator and to discuss with them the possibility of obtaining a more advanced design. (4) To study the layout of the counting rooms connected with the Bevatron at the University of California at Berkeley. (5) To discuss with electronics specialists standardization of electronic equipment. (6) To discuss with Pacific Electric Motors at Oakland and Spectromagnetic Industries at San Carlos magnetic quadrupole lenses and a high resolution magnetic spectrograph, with the view of obtaining same.

Expenses Paid From: Fourteen days per diem in the amount of \$198 and transportation in the amount of \$288.24 to be paid from Miscellaneous Administrative Expenses in the President's Office.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
3.	Dr. Frank N. Edmonds, Chairman and Associate Professor of Astronomy	August 12-September 16, 1961	Berkeley and Los Angeles, California

Purpose: (1) To attend the International Astronomical Union at Berkeley from August 15-24. (2) To consult with astronomers at UCLA concerning the University's graduate program in astronomy.

Expenses Paid From: Expenses estimated at \$498 (transportation and 16 days per diem) are to be paid from a special federal grant for Materials, Equipment, and Travel under the National Defense Education Act Graduate Fellowship Program. He will not receive a salary during the period August 18-August 31.

	<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
4.	Dr. H. L. Johnson, Professor of Astronomy	August 12-September 1, 1961	Berkeley, California

Purpose: To attend the International Astronomical Union meeting in Berkeley and to consult with astronomers concerning the graduate program in astronomy.

Expenses Paid From: Estimated cost of \$542 includes per diem and travel from Denver, Colorado, to Berkeley and return by plane and travel from Denver to Austin by automobile. He will receive no salary during this period and travel expenses are to be paid from a special federal grant for Materials, Equipment, and Travel under the National Defense Education Act Graduate Fellowship Program.

7-22-61

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
5. Dr. G. de Vaucouleurs, Associate Professor of Astronomy	August 9-August 27, 1961	Berkeley, California

Purpose: To attend the International Astronomical Union meeting in Berkeley and to consult with astronomers concerning the graduate program in astronomy.

Expenses Paid From: Estimated cost of \$264 includes per diem and travel from Pasadena, California--where he is in residence for the summer--to Berkeley and return to Pasadena, resulting in a partial savings on transportation costs. He will receive no salary for this period and travel expenses are to be paid from a special federal grant for Materials, Equipment, and Travel under the National Defense Education Act Graduate Fellowship Program.

Medical Branch: Travel Request and Waiver of Regents' Rule.

<u>Name</u>	<u>Period of Absence</u>	<u>Destination</u>
Dr. Don W. Micks, Professor of Preventive Medicine and Public Health	July 7-July 23, 1961	El Paso

Purpose: To provide health training for the Peace Corps Volunteers in training at Texas Western College. This is a part of the involvement of The University of Texas in the Peace Corp project at Texas Western College.

Expenses Paid From: No expense involved other than his continuing salary.

The foregoing items are recommended for approval and/or ratification. (See Page 2 for action.)

ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

17-22-61

1051

REPORT OF PURCHASES, CALL AND SALE OF SECURITIES.--The following purchases, call and sale of securities have been made for the Permanent University Fund since the meeting of 13, 1961. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

OMISSION

Pages 1051 - 1232

A. Ruth Baker

SIGNATURE OF OPERATOR

61	General American Transportation Corporation Common Stock	300	80-1/2	24,291.15	2.78
61	Merck & Company, Inc. Common Stock	200	90	18,096.00	1.77

Includes brokerage commissions paid.

Yield to maturity on bonds; yield at present indicated dividend rate for stocks.

ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

C. 256.206.4051

REPORT OF PURCHASES, CALL AND SALE OF SECURITIES.--The following purchases, call and sale of securities have been made for the Permanent University Fund since the meeting of May 13, 1961. We ask that the Board ratify and approve these transactions:

Office Copy

PURCHASES OF SECURITIES

CORPORATE BONDS

Date of Purchase	Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
5/3/61	The Bell Telephone Company of Pennsylvania 4-3/4% Debentures, dated 5/1/61, due 5/1/2001	\$ 500,000	102.732 Net	\$ 513,660.00	4.60%
5/3/61	Continental Oil Company 4-1/2% Debentures, dated 5/1/61, due 5/1/91	500,000	99.25 Net	496,250.00	4.55
5/23/61	Ohio Edison Company First Mortgage Bonds, 4-3/4% Series, dated 6/1/61, due 6/1/91	250,000	101.608 Net	254,020.00	4.65
5/23/61	Armco Steel Corporation 4-1/2% Sinking Fund Debentures, dated 6/1/61, due 6/1/86	500,000	99.25 Net	496,250.00	4.55
5/25/61	Consolidated Natural Gas Company 4-3/4% Debentures, dated 5/1/61, due 5/1/86	250,000	100.73 Net	251,825.00	4.70
6/13/61	P. Lorillard Company 4-7/8% Sinking Fund Debentures, dated 6/1/61, due 6/1/86	250,000	99.00 Net	247,500.00	4.94
6/13/61	Virginia Electric and Power Company First and Refunding Mortgage Bonds, Series Q 4-7/8%, dated 6/1/61, due 6/1/91	250,000	101.185 Net	252,962.50	4.80
Total Corporate Bonds Purchased		<u>\$2,500,000</u>		<u>2,512,467.50</u>	<u>4.65</u>

COMMON STOCKS

Date of Purchase	Security	No. of Shares Purchased	Price	Total Cost	Yield
4/21/61	Carolina Power & Light Company Common Stock	500	54-1/4(300) 53-7/8(200)	\$ 27,272.07	2.71%
4/21/61	United States Gypsum Company Common Stock	200	105-1/2	21,199.10	2.83
4/24/61	Caterpillar Tractor Company Common Stock	800	33-5/8	27,186.48	2.94
4/24/61	General American Transportation Corporation Common Stock	300	80-1/2	24,291.15	2.78
4/24/61	Merck & Company, Inc. Common Stock	200	90	18,096.00	1.77

*Includes brokerage commissions paid.

**Yield to maturity on bonds; yield at present indicated dividend rate for stocks.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
4/26/61	The Firestone Tire & Rubber Company Common Stock	600	36-1/8(200) 35-3/4(200) 35-5/8(200)	\$ 21,721.50	2.76%
4/26/61	Virginia Electric & Power Company Common Stock	400	55-3/8(200) 55 (200)	22,253.08	2.34
4/26/61	Wisconsin Electric Power Company Common Stock	500	44-1/8(300) 43-3/4(200)	22,192.44	4.06
4/28/61	General Telephone & Electronics Corporation Common Stock	1,300	29 (1200) 28-7/8(100)	38,122.94	2.59
4/28/61	National Biscuit Company Common Stock	200	81-1/4	16,344.26	3.43
4/28/61	Shell Oil Company Common Stock	300	43-1/2(100) 43-1/4(100) 43 (100)	13,096.88	2.52
5/1/61	National Bank of Detroit Capital Stock	100	64 Net	6,400.00	3.13
5/1/61	Chemical Bank New York Trust Company Capital Stock	200	67-1/4 Net	13,450.00	3.87
5/1/61	Connecticut General Life Insurance Company Capital Stock	100	205 Net	20,500.00	0.68
5/2/61	Inland Steel Company Capital Stock	500	45 (200) 44-7/8(300)	22,669.82	3.53
5/2/61	Phillips Petroleum Company Common Stock	400	58-5/8	23,629.44	2.88
5/3/61	General Foods Corporation Common Stock	300	79	23,840.70	2.01
5/3/61	Household Finance Corporation Common Stock	500	45-3/8	22,895.95	2.62
5/3/61	Norfolk & Western Railway Company Common Stock	200	111	22,300.20	4.48
5/4/61	General Electric Company Common Stock	400	65-3/8	26,332.16	3.04
5/4/61	Potomac Electric Power Company Common Stock	500	42-3/4	21,576.90	3.34
5/4/61	Public Service Electric & Gas Company Common Stock	400	55-1/4(100) 54-1/2(300)	22,052.88	3.63
5/5/61	Allied Chemical Corporation Common Stock	400	58-3/8	23,529.36	3.06
5/5/61	Johns-Manville Corporation Common Stock	400	66-5/8	26,832.64	2.98

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
5/5/61	Kimberly-Clark Corporation Common Stock	300	84-3/4	\$ 25,567.44	2.11%
5/5/61	First City National Bank of Houston Common Capital Stock	500	40-3/4 Net	20,375.00	3.07
5/8/61	The Chase Manhattan Bank Capital Stock (New York, N.Y.)	100	70-1/4 Net	7,025.00	3.56
5/8/61	Hartford Fire Insurance Company Capital Stock	200	65-5/8 Net	13,125.00	1.68
5/8/61	Mellon National Bank & Trust Company Common Capital Stock (Pittsburgh, Pa.)	100	159 Net	15,900.00	2.52
5/9/61	International Business Machines Corporation Capital Stock	100wi	473-1/8	47,387.50	0.51
5/9/61	United States Steel Corporation Common Capital Stock	300	88-3/8(100) 88-1/4(100) 88 (100)	26,605.97	3.38
5/10/61	Utah Power & Light Company Common Stock	700	35-1/4(200) 35-1/8(100) 35 (300) 34-3/4(100)	24,793.20	3.73
5/11/61	American Home Products Corporation Capital Stock	200	214	42,920.80	1.96
5/11/61	Consumers Power Company Common Stock	300	70-1/2	21,288.15	3.66
5/11/61	Public Service Electric & Gas Company Common Stock	500	54-3/4	27,597.40	3.62
5/15/61	The Kroger Company Common Stock	800	31-1/2(300) 31-1/4(500)	25,352.40	3.47
5/15/61	Libbey-Owens-Ford Glass Company Common Stock	300	52 (200) 51-3/4(100)	15,707.58	4.87
5/17/61	Eastman Kodak Company Common Stock	200	114	22,900.80	1.92
5/17/61	The Procter & Gamble Company Common Stock	300	81-1/8(100) 81 (200)	24,453.81	1.72
5/17/61	Shell Oil Company Common Stock	600	44-5/8(100) 44-1/2(200) 44-1/4(300)	26,884.70	2.45
5/22/61	Bank of America National Trust & Savings Association Common Capital Stock (San Francisco)	200	59-3/8 Net	11,875.00	3.37
5/22/61	The Lincoln National Life Insurance Company Capital Stock	100	115-1/2 Net	11,550.00	0.69

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued).

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
5/22/61	Oklahoma Gas & Electric Company Common Stock	500	39-5/8	\$ 20,006.55	3.00%
5/22/61	Potomac Electric Power Company Common Stock	500	44-1/2	22,456.25	3.21
5/22/61	Public Service Electric & Gas Company Common Stock	400	54-1/2	21,977.80	3.64
5/24, 25 & 26/61	Kimberly-Clark Corporation Common Stock	300	84 (200) 83-3/4(100)	25,317.18	2.13
5/24 & 26/61	Minneapolis-Honeywell Regulator Company Common Stock	200	154 (100) 159 (100)	31,409.30	1.27
5/24, 25 & 26/61	J. C. Penney Company, Inc. Common Stock	500	39-1/4(100) 40 (200) 39-7/8(100) 39-5/8(100)	20,069.38	3.74
5/26/61	E. I. du Pont de Nemours & Company Common Stock	200	208	41,719.60	3.24
5/26/61	Otis Elevator Company Common Stock	300	68-1/4(100) 67 (200)	20,362.23	2.21
5/26/61	R. J. Reynolds Tobacco Company Common Stock	200	119 (100) 118-1/4(100)	23,826.73	2.18
5/26/61	Texaco Inc. Capital Stock	200	101-3/4	20,448.36	2.79
5/31/61	Bankers Trust Company Capital Stock (New York, N.Y.)	200	57-7/8 Net	11,575.00	3.40
5/31/61	Security First National Bank Common Stock (Los Angeles)	100	79-1/4 Net	7,925.00	2.02
6/2/61	Corning Glass Works Common Stock	200	170-1/2	34,212.10	1.17
6/2/61	Socony Mobil Oil Company, Inc. Capital Stock	600	47-7/8	28,982.64	4.14
6/5/61	American Home Products Corporation Capital Stock	100	222-1/2	22,311.25	1.88
6/5/61	E. I. du Pont de Nemours & Company Common Stock	200	211-1/2	42,420.30	3.18
6/5/61	Westinghouse Electric Corporation Common Stock	600	45 (200) 44 (300) 43-7/8(100)	26,834.44	2.68
6/7/61	Central & South West Corporation Common Stock	600	43-1/4(300) 43 (300)	26,118.39	2.34
6/9/61	General Foods Corporation Common Stock	300	82-1/8	24,779.13	1.94

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

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
6/9/61	United States Gypsum Company Common Stock	300	102-1/4(100) 102 (100) 101-3/4(100)	\$ 30,747.61	2.93%
6/9/61	United States Steel Corporation Common Capital Stock	200	86-3/4	17,445.36	3.44
6/13/61	Caterpillar Tractor Company Common Stock	600	38	23,028.00	2.61
6/13/61	Public Service Electric & Gas Company Common Stock	500	53-1/4	26,846.65	3.72
6/14/61	Public Service Company of Colo- rado Common Stock	300	83-1/4	25,116.99	2.51
6/19/61	Public Service Company of Indiana, Inc. Common Stock	400	60-1/2(200) 59-1/2(200)	24,180.00	3.64
6/19/61	Union Pacific Railroad Company Common Capital Stock	700	33 (300) 32-7/8(200) 32-3/4(200)	23,273.14	4.81
6/19/61	The Goodyear Tire & Rubber Com- pany Common Stock	600	40-1/2(500) 40-1/4(100)	24,510.38	2.20
6/21/61	The Borden Company Capital Stock	400	61-1/4	24,680.52	2.43
6/21/61	Continental Oil Company Capital Stock	400	53-1/8	21,427.24	3.17
6/21/61	Owens-Illinois Glass Company Capital Stock	200	93	18,696.60	2.67
6/22/61	Commercial Credit Company Common Stock	500	43-1/4	21,828.15	3.66
	Total Common Stocks Purchased	<u>26,800</u>		<u>1,693,627.97</u>	<u>2.77</u>
	TOTAL CORPORATE SECURITIES PURCHASED			<u>\$4,206,095.47</u>	<u>3.89%</u>

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

CALL OF CORPORATE SECURITIES

Date Called	Security	Net Principal Proceeds
6/2/61	\$500,000 par value The Bell Telephone Company of Pennsylvania 5-3/8% Debentures, dated 12/1/59, due 12/1/94, called at 108.125% plus accrued interest (Gain on call over book value \$28,029.67) (Total holding called)	\$540,625.00

SALE OF CORPORATE SECURITIES

Date Sold	Security	Net Sales Proceeds
5/23/61	1/2 share International Business Machines Corporation Capital Stock received in 50% stock split-up	\$231.00#

#Cash received deposited to principal endowment and holding of stock involved written down by the same amount.

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED SUCCESSOR FOR MEMBER OF INVESTMENT ADVISORY COMMITTEE WHOSE TERM EXPIRES ON AUGUST 31, 1961.--Pursuant to action of the Board of Regents in September, 1958, the four members of the Investment Advisory Committee for the Permanent University Fund investment program were placed on a rotation system with the term of one member expiring on each August 31. To take the place of Mr. Carroll D. Simmons whose term expires as of August 31, 1961, it is recommended by the Staff Investment Committee and concurred in by the Land and Investment Committee that Mr. W. Neil Johnson, Jr., Vice President and Investment Officer, The Southland Life Insurance Company, Dallas, Texas, be appointed to the Investment Advisory Committee for a four-year term beginning on September 1, 1961, and ending on August 31, 1965.

See P. 22 of the minutes.

C-256/a.

②-756.1

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN DIVERSIFICATION PATTERNS.--The following table reports the present industry percentage allocations for common stocks, as approved by the Board of Regents in July, 1960, and the recommended changes in such allocations. It is recommended that the Board approve the proposed percentage allocation changes as shown in the table:

PROPOSED CHANGES IN INDUSTRY PERCENTAGE ALLOCATIONS (Dollar Allocations Based on \$200,000,000 in Common Stocks)

Table with 5 columns: Corporations by Industry Groups, % of Total Common Stocks (Present/Recommended), and Dollar Group Allocation (Present/Recommended). Rows include A. INDUSTRIALS (Groups I-IV), B. PUBLIC UTILITIES, C. RAILS, and D. FINANCIAL CORPORATIONS.

C-256,1

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - RECOMMENDED CHANGES IN APPROVED LIST OF CORPORATIONS FOR BOND, PREFERRED STOCK, AND COMMON STOCK PURCHASES.-- It is recommended that the addition and deletion of the following corporations to and from the list approved by the Board of Regents on July 1, 1960, for the purchase of bonds, preferred stocks, and common stocks for the account of the Permanent University Fund be approved by the Board of Regents. It is further recommended that the Endowment Officer be authorized to sell the holdings in common stocks of those corporations approved for deletion from the approved list, the timing of such sales to be subject to the discretion of the Staff Investment Committee with the understanding that the Staff Committee is to take as much time as necessary to sell on strength in the market on a dollar averaging basis for each common stock to be sold:

	<u>Recommended Additions to Approved List</u>	<u>Recommended Deletions from Approved List</u>
A. INDUSTRIAL CORPORATIONS -- <u>Group I</u> <u>Drugs:</u>	Bristol-Myers Company	<u>Paper Products:</u> Crown Zellerbach Corporation Union Bag-Camp Paper Corp.
D. FINANCIAL CORPORATIONS -- <u>Banks:</u>	Morgan Guaranty Trust Co.	<u>Banks:</u> Marine Midland Corporation

A copy of the "Policies Governing Permanent University Fund of The University of Texas Investment Program" with amendments thereto through recommended changes approved by the Board of Regents on July 22, 1961, is attached as pages 1-17 PUF.

A copy of a table on the "Permanent University Fund Common Stock Portfolio" was distributed to the Board of Regents as supporting information only. The table presents the weightings currently approved by the Staff Investment Committee for common stock purchases within the industry groups, with dollar allocations to each industry and company, based on the changes recommended in the industry percentage allocations, the changes recommended in the approved list of corporations, and assuming a total of approximately \$200,000,000 in common stocks at such time when the Permanent University Fund is in balance with 50% in corporate securities and 50% in government securities, estimated to be achieved sometime during the 1968-69 fiscal year.

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 rates, unless otherwise stated, are on the University's standard forms, with grazing leases carrying provision for renewal for an additional five years at negotiated terms. Payments for easements and caliche permits have been received in advance. All have been approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. Approval of the applications and execution of the instrument involved by the Chairman of the Board or the Endowment Officer is recommended.

EASEMENTS:

No.	Grantee	Type of Permit	County	Location	Distance or Area	Period	Consideration
1578	B T A Oil Producers	Pipe Line	Andrews	Secs. 35, 36, 38, Blk. 9	141.62 rds. 4½ in.	5/1/61-4/30/71	\$70.81
1579	B T A Oil Producers	Pipe Line	Andrews	Sec. 13, Blk. 1	130 rds. 2-in.	5/1/61-4/30/71	50.00
1580	El Paso Natural Gas Company	Pipe Line	Andrews	Sec. 27, Blk. 1	20.152 rds. 4½ in.	6/1/61-5/31/71	50.00
1581	El Paso Natural Gas Company	Pipe Line	Andrews	Sec. 23, Blk. 9	55.576 rds. 3-in.	6/1/61-5/31/71	50.00
1582	Shell Pipe Line Corporation	Pipe Line	Andrews	Sec. 38, Blk. 1	179 rds. 6-5/8-in.	5/1/61-4/30/71	134.25
1583	Atlantic Pipe Line Company	Tower Site	Crockett	Secs. 21, 28, Blk. 41	8.26 acres	6/1/61-5/31/71	1,000.00
1584	El Paso Natural Gas Company	Pipe Line	Andrews	Sec. 34, Blk. 1; Sec. 14, Blk. 9	11.909 rds. 4½ in. 6.848 rds. 8-5/8-in.	6/1/61-5/31/71	50.00
1585	State Highway Commission	Drainage Channel	Upton	Secs. 13, 14, Blk. 15	11.279 acres	So long as used for highway purposes	-0-
1586	Northern Natural Gas Producing Company	Pipe Line	Crockett	Secs. 12, 13, 14, Blk. 29	384.85 rds. 4½ in.	5/1/61-4/30/71	192.43
1587	L. C. Perrin (Renewal of 471)	Business Site	Andrews	Sec. 17, Blk. 13	250 x 400 feet	6/1/61-5/31/62*	100.00
1588	Skelly Oil Company	Pipe Line	Andrews	Secs. 28, 29, 31, 32, 42, Blk. 9	649 rds. 2-3/8-in.	6/1/61-5/31/71	162.25
1589	Gulf Oil Corporation	Water Well	Crane	Sec. 9, Blk. 30	5 acres	5/4/61-5/3/71	500.00
1590	County of Andrews	Highway	Andrews	Secs. 18, 19, Blk. 1	80 x 2,443.8 ft.	So long as used for highway purposes	-0-
1591	American Telephone and Telegraph Company	Radio Relay Site and Access Road.	Hudspeth	Sec. 40, Blk. G	1 acre tract Road 33 x 3,241.44 ft.	7/1/61-6/30/71	1,000.00
1592	American Telephone and Telegraph Company	Radio Relay Site	Hudspeth	Sec. 37, Blk. J; Sec. 42, Blk. K	1.20 acres	7/1/61-6/30/71	1,000.00

CALICHE PERMITS:

<u>No.</u>	<u>Grantee</u>	<u>County</u>	<u>Location</u>	<u>Quantity</u>	<u>Consideration</u>
203	Younger Construction Co., Inc.	Andrews	Block 9	202 cu. yds.	\$50.50
204	B T A Oil Producers	Andrews	Block 9	485 cu. yds.	121.25

WATER CONTRACTS:

<u>No.</u>	<u>Grantee</u>	<u>County</u>	<u>Location</u>	<u>Period</u>	<u>Consideration</u>
92	Helmerich & Payne, Inc.	Pecos	Sec. 24, Blk. 16	Effective August 1, 1961 and for so long as secondary recovery is secured in water flooding operations on University Lands in Sections 13, 14 and 24, Block 16, Pecos County	none

EASEMENT NO. 523, ASSIGNMENT TO THE PERMIAN CORPORATION FROM ATLANTIC REFINING COMPANY, REAGAN COUNTY.--This is a Tank Farm Easement covering one acre in Section 2, Block 48, Reagan County to Atlantic Refining Company for a period of one year beginning June 27, 1952 with option to renew from year to year for a period not to exceed ten years at rental of \$10 per year payable annually in advance. Permission is requested and recommended for assignment to The Permian Corporation for the remaining period, through June 26, 1962. Assignment fee of \$25 has been received by the University and \$1 filing fee will be forwarded to the Commissioner of the General Land Office.

EASEMENTS NOS. 809 and 810, ASSIGNMENT TO THE PERMIAN CORPORATION FROM CACTUS PETROLEUM INC.--These are Tank Farm Easements to Cactus Petroleum Inc., both for a one year period beginning May 1, 1956 with option to renew from year to year for a period not to exceed ten years at rental of \$50 per year payable annually in advance. The locations are as follows:

- Easement No. 809 - One acre site out of SE/4 of Section 6, Block 50, Crockett County
- Easement No. 810 - One acre site out of SW/4 of Section 21, Block 46, Crockett County

Permission is requested and recommended for assignment to The Permian Corporation for the remaining period, through April 30, 1966. Assignment fees of \$25 each have been received by the University and filing fees of \$1 each will be forwarded to the Commissioner of the General Land Office.

GRAZING LEASE NO. 782, ASSIGNMENT TO GEORGE BUNGER, SR. FROM ROY HENDERSON, CROCKETT COUNTY.--This grazing lease to Roy Henderson covers 8,843.3 acres in Block 31, Crockett County for a five year period, January 1, 1960 through December 31, 1964 at annual rental of \$.50 per acre payable in semi-annual installments of \$2,210.85 by the first day of January and July during the term of the lease. Permission is requested and recommended for assignment to George Bunger, Sr. Mr. Bunger is the son-in-law of Mr. Henderson and no bonus is involved. Assignment fee of \$25 to the University and filing fee of \$1 to the Commissioner of the General Land Office have been received.

WATER LEASE NO. 29, GULF OIL CORPORATION, CRANE COUNTY - CONSENT TO ASSIGNMENT OF PORTION OF LANDS COVERED BY LEASE TO B. H. MANSELL.--The Board of Regents at its meeting of September 24, 1960 approved assignment of portion of lands covered by this lease to B. H. Mansell only for production of brine from the NE/4 of Section 4, Block 31, Crane County. It is now requested that the permission be granted to B. H. Mansell to produce and sell not more than 1,000 barrels of fresh water per month from said lands for a period of 3 years from June 9, 1961. As provided in Section 14 of the Gulf Lease, consent by the University to such assignment is required and it is recommended that such consent be granted.

TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS.---

0-350.1

782

REPORT OF PURCHASES AND SALES OF SECURITIES.--The following purchases and sales of securities have been made for the Trust and Special Funds since the meeting of May 13, 1961. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
5/11/61	\$500,000 par value United States 4% Treasury Notes of Series E-1962, dated 4/14/60, due 5/15/62, at 101:8 Net (101.25) to yield 2.72% to maturity (Archer M. Huntington Museum Fund)	\$ 506,250.00
	\$1,200,000 par value United States 3-1/4% Treasury Notes of Series F-1962, dated 11/15/60, due 2/15/62, at 100:13 Net (100.40625) to yield 2.69% to maturity (Temporary Investments - Proceeds from Sale of Permanent University Fund Bonds)	1,204,875.00
6/12 & 15/61	400 Shares Socony Mobil Oil Company, Inc. Capital Stock, purchased 200 at 45-1/2 and 200 at 45-1/4 (Hogg Foundation: Varner Properties)	18,316.76
6/15/61	300 Shares Socony Mobil Oil Company, Inc. Capital Stock, purchased at 45-1/4 (Hogg Foundation: W. C. Hogg Estate Fund)	13,699.89
6/23/61	\$21,000 par value P. Lorillard Company 4-7/8% Sinking Fund Debentures, dated 6/1/61, due 6/1/86, at 99-1/2 plus 1/4 commission to yield 4.89% to maturity (Hogg Foundation: W. C. Hogg Estate Fund)	20,947.50
	\$19,000 par value Ditto (Hogg Foundation: Varner Properties)	18,952.50
	\$9,000 par value Ditto (Funds Grouped for Investment)	8,977.50
	\$5,000 par value Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion - Medical Branch)	4,987.50
	\$1,000 par value Ditto (E. D. Farmer International Scholarship Fund)	997.50

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SALES OF SECURITIES

<u>Date Sold</u>	<u>Security</u>	<u>Net Proceeds</u>
5/31/61	33 Shares National Old Line Insurance Company Class BB Common Stock, sold at 29-1/4 Net (M. D. Anderson Hospital and Tumor Institute - Unrestricted - Gift from Mr. W. W. Heath, Vice Chairman, Board of Regents)	\$ 964.81

SALES OF SECURITIES
(Continued)

<u>Date Sold</u>	<u>Security</u>	<u>Net Proceeds</u>
6/23/61	1692 rights to subscribe for Pacific Gas & Electric Company Common Stock, 1600 sold at 10/32nds, 92 sold at 9/32nds (Based on holding of Pacific Gas & Electric Company Common Stock)	
	300 rights sold for Funds Grouped for Investment	\$ 87.20
	787 rights sold for Hogg Foundation: W. C. Hogg Estate Fund	228.74
	100 rights sold for The James W. McLaughlin Fellowship Endowment Fund (Medical Branch)	29.06
	205 rights sold for The James W. McLaughlin Fellowship Fund - Reserve for Depletion (Medical Branch)	59.58
	300 rights sold for Rosalie B. Hite Endowment for Cancer Research	87.20
6/26/61	2100 Shares General Crude Oil Company Capital Stock at 27-1/2 (Gain on sale over book value \$664.17) (Geology Foundation - George Stuart Heyer Memorial Fund)	57,039.17

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

MURRAY CASE SELLS ESTATE - REVISION OF RESOLUTION AUTHORIZING EXECUTION OF CERTAIN INSTRUMENTS.--At the meeting of the Board of Regents on March 14, 1959, and pursuant to recommendation of those administering the Estate and action by the governing boards of other beneficiary colleges and universities, the President of the University was authorized to execute on behalf of the Board of Regents certain instruments pertaining to the properties received from the Sells Estate. Various division orders, proxy designations and the like have since that time been signed on behalf of The University of Texas by Dr. Logan Wilson as President and then, since September 1, 1960, as Chancellor, and since April 1, 1961 by Dr. Harry Ransom as Chancellor. It is therefore recommended that the resolution adopted March 14, 1959, be revised to read as follows:

BE IT RESOLVED, That the Chancellor of The University of Texas be and he is hereby authorized to execute, acknowledge and deliver for, in the name of and in behalf of The University of Texas, all such instruments and documents (including but not being limited to instruments releasing, assigning or reducing overriding royalty interests, production payments, or pooling such interests or amending or modifying pooling agreements to which said interests may be subject) pertaining to the properties received by the said The University of Texas under the terms of or in connection with the Will of Murray Case Sells, deceased, in such form, and upon such consideration, and upon such terms and conditions as the said Chancellor may deem proper. *See p. 227 the minutes.*

HOGG FOUNDATION - W. C. HOGG FUND - TERMINATION OF SEISMOGRAPHIC LICENSE AGREEMENT, TEXACO DEVELOPMENT CORPORATION.--In May, 1961, the University received a letter agreement from Texaco Development Corporation requesting approval of termination of a Seismographic License Agreement for the United States effective January 22, 1937, between various individuals, including Mike Hogg, Ima Hogg, Thomas E. Hogg and others, and the Texaco Development Company. Under the Will of Mr. Thomas E. Hogg, the Board of Regents would receive his interest in the agreement upon the termination of Mrs. Hogg's life interest therein. Texaco Development Corporation advised of the conclusion that the declining patent coverage under the agreement made it appropriate to terminate the agreement as of December 30, 1960, and relieve Mrs. Hogg, and ultimately the University, of the contractual obligation to account for and pay royalties thereunder. *m-8080*

The University had no record of such Agreement and upon inquiry learned it was not included as an asset of the Estate of Thomas E. Hogg because his rights thereunder were deemed to have no value, with his obligations under the agreement exceeding any asset value he might have held. Mrs. Thomas E. Hogg has signed the agreement of termination which has also been signed by the Endowment Officer on behalf of the Board of Regents of The University of Texas, Trustee of the Hogg Foundation - W. C. Hogg Fund. Ratification of such signature is recommended.

HOGG FOUNDATION - GIFT BY MISS IMA HOGG OF VARNER PLANTATION ACREAGE, BRAZORIA COUNTY, TEXAS.--The Regents, as Trustee of the Hogg Foundation, on January 23, 1960, expressed to Miss Ima Hogg their willingness to accept gift of her Varner Plantation acreage (surface only) in Brazoria County amounting to approximately 3,100 acres with the understanding that the income from the property and the proceeds from any sales would be divided, one-third each, among the Hogg Foundation, the Houston Symphony Society, and the Houston Museum of Fine Arts. Time has been necessary for title work and planning, and Miss Hogg now proposes to convey approximately 700 acres lying east of Nash Road out of the Varner Plantation under the same terms approved *m-8111e*

by the Board of Regents except that Varner Bayou Bend Heritage Fund will be one of the three beneficiaries in place of the Houston Museum of Fine Arts. An appraisal made in January, 1960, placed a value of \$100 per acre on the tract to be conveyed. However, later information indicates a higher value. It is under grazing lease at \$1.50 per acre annually.

It is recommended that the Board of Regents accept this gift and adopt the following resolution:

WHEREAS, Miss Ima Hogg of Houston, Harris County, Texas, has offered to convey to the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation--W. C. Hogg Memorial Fund, by deed of gift certain "Varner Plantation Lands" owned by her, being that portion of the Martin Varner League in Brazoria County, Texas, lying east of the center line of Nash Road; and

WHEREAS, the income from said property shall be allocated one-third to the Trustees of the Varner Bayou Bend Heritage Fund to be used for charitable purposes, one-third to the Houston Symphony Society for charitable purposes, and the remaining one-third to the Hogg Foundation--W. C. Hogg Memorial Fund, and, in the event of sale of such acreage and after costs of the sale and administration have been deducted, one-third of the proceeds shall be paid to the Trustees of the Varner Bayou Bend Heritage Fund to be used for charitable purposes, one-third to the Houston Symphony Society for charitable purposes, and the remaining one-third to the Hogg Foundation--W. C. Hogg Memorial Fund; and

WHEREAS, the Board of Regents of The University of Texas is willing to accept said gift in aid of furthering the purposes of the Hogg Foundation--W. C. Hogg Memorial Fund:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas does hereby accept the gift from Miss Ima Hogg to be held and administered for the Hogg Foundation--W. C. Hogg Memorial Fund, Varner Bayou Bend Heritage Fund, and the Houston Symphony Society, and hereby grants full power and authority to the Chairman of the Board to execute all instruments and do every act necessary to be done in accepting this gift as fully to all intents and purposes as the Board could or might do in its own behalf.

BE IT FURTHER RESOLVED, That the Board of Regents hereby expresses its sincere appreciation to Miss Ima Hogg for her generous gift.

Postponed. See P. 27 of the Minutes

~~MAIN UNIVERSITY - BEQUEST UNDER THE WILL OF HADLEY ALVA STILES FOR THE J. V. AND H. A. STILES FOUNDATION.--Mr. Hadley Alva Stiles, an ex-student of the University and a resident of Taylor, died on May 19 leaving a Will, now probated in Williamson County, under which his residue estate is devised to the Board of Regents as Trustees for "The J. V. and H. A. Stiles Foundation". The provisions of the Will which relate to the University, except for some provisions as to powers of the trustees, etc., which are in satisfactory form, are as follows:~~

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SIXTH

All the rest and residue of my estate, whether real, personal or mixed, of which I may die seized and possessed and not disposed of under some other section of this will I hereby will, devise and bequeath to those persons who at the time of my death constitute the Board of Regents of the University of Texas, and their successors in office, as Trustees, the same to be held by the Board of Regents of the University of Texas for the uses and purposes and subject to the terms and conditions hereinafter set out:

Article I.

Name

The Trust hereby created shall be known as "THE J. V. AND H. A. STILES FOUNDATION".

Article II.

Object and Purpose of the Trust

1. Realizing the value to the youth of Texas of the educational opportunities which are available and may be made available at The University of Texas, and realizing the value to all of the citizens of the State of Texas of the activities of teaching, research, and statewide services constantly rendered by The University of Texas, I suggest, but do not direct, that the income from The J. V. and H. A. Stiles Foundation shall be applied, in the discretion of the Trustees, to one or more of the following purposes:

a. The supplementation of salaries of members of the faculty of The University of Texas who have full professorial rank and who would receive within \$500.00 of the maximum salary for that rank; this provision being made in order that distinguished and outstanding teachers and scholars may be from time to time added to or retained upon the faculty, whose services might not otherwise be available.

b. The establishment of one or more chairs of instruction in the University for the purpose of improving undergraduate or graduate teaching to the end that the sons and daughters of Texas who attend The University of Texas shall be better prepared and equipped to meet the problems which they will confront after leaving the University.

c. The support of a publishing program through and by The University of Texas Press which may include books, scholarly journals and other worthwhile publications. In case of the application of funds from the Foundation to this purpose, I suggest that such funds shall not be used for the paying of salaries or for other ordinary operating expenses of The University of Texas Press, but for actual costs of the publishing program.

d. To provide scholarships or fellowships, either undergraduate or graduate, for students, either men or women, who, in the judgment of the Trustees, as advised by the Administration and the Faculty, show particular promise of outstanding intellectual, moral and cultural development.

e. For other purposes which, in the judgment of the Trustees, may best assist The University of Texas in discharging its trust as the capstone of the public education system of the State.

.....

Article IV.

General

1. If the Board of Regents of The University of Texas should not accept the devise herein made for the establishment of The J. V. and H. A. Stiles Foundation within one year after my death, then this devise herein made to the Board of Regents of The University of Texas, as Trustees, is hereby cancelled and terminated and I hereby direct that my Executor establish an incorporated non-profit educational corporation to be known as "The J. V. and H. A. Stiles Foundation" for the purpose of carrying out the purposes of this Trust and thereupon all property herein devised to the Board of Regents of The University of Texas, as Trustees, shall vest in said corporation.

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Mr. Harris A. Melasky (University of Texas LL.B. 1914) is Independent Executor of the estate and is keeping in close touch with the University.

Mr. Stiles made sizable specific bequests of cash and real estate, and it appears that the residue estate coming to the University will consist of the remainder of approximately 1730 acres of land in Nueces County, or the remainder of the proceeds from sale of that land, after sale of part of it by the Independent Executor in order to pay cash bequests, taxes, costs of administration and the like. There is some cash and liquid assets in the estate but not in sufficient amount to meet the cash requirements.

Practically all of the Nueces County land is in cultivation, and there are some tenant houses and similar improvements. Most of it is considered first-class farm land at an estimated present fair market value of \$300 to \$350 per acre. It is farmed by share tenants who have rented from Mr. Stiles for several years. Based on information available to date, the bequest to the University should amount to somewhere around \$200,000 to \$300,000.

Mr. Stiles majored in English at the University, and there is at least an indication that though he wished the Board of Regents to have broad discretion as set out in his Will, he would have been pleased to know that the Department of English would be given priority as to the use of the income from The J. V. and H. A. Stiles Foundation.

It is recommended that the Board of Regents accept the bequest for The J. V. and H. A. Stiles Foundation, and that it adopt the following resolution:

WHEREAS, under the will of Mr. Hadley Alva Stiles of Taylor, Williamson County, Texas, dated July 16, 1960, the residuary estate was devised to the Board of Regents of The University of Texas, as Trustee; and

WHEREAS, in said will Mr. Stiles created "The J. V. and H. A. Stiles Foundation" for the purpose of supplementing salaries of faculty who have full professorial rank, the establishment of chairs of instruction, the support of publishing programs of The University of Texas Press, scholarships and fellowships for outstanding students, and for other purposes which in the judgment of the Trustee may best assist The University of Texas in discharging its trust as the capstone of the public education system of the State; and

WHEREAS, the Board of Regents of The University of Texas is willing to accept this generous gift in furtherance of the aims and purposes of The University of Texas:

NOW, THEREFORE, BE IT RESOLVED, That the Board of Regents of The University of Texas does hereby gratefully accept said gift under the will of Mr. H. A. Stiles to be held and administered for the purposes set forth in said will, and hereby grants full power and authority to the Chairman of the Board of Regents to execute all instruments and do everything necessary in accepting this gift as fully to all intents and purposes as the Board could or might do in its own behalf.

BE IT FURTHER RESOLVED, That prior consideration be given to the Department of English of The University of Texas in the use of the income from "The J. V. and H. A. Stiles Foundation."

Mr. Melasky, as Independent Executor, has asked that the following matters be brought to the attention of the Board of Regents for any expressions that the Board may care to make:

1. At date of death, there was an unpaid balance of \$600 to \$700 on a pledge made by Mr. Stiles for the year 1961 to the Episcopal Church in Taylor payable \$100 per month, and a balance of \$4,000 on a pledge of \$5,000 to the Scott and White Hospital Building Fund at Temple payable \$500 annually. Since there is some question as to whether or not pledges of this nature are legal claims against the estate, Mr. Melasky will be glad to have any expression from the Board of Regents as to payment of the balances.

2. Mr. Stiles' books showed at date of death an account receivable from Eddie Hall, a servant who had been with him for about forty-three years, amounting to approximately \$400. Mr. Stiles' accountant verified that payment by Hall was never expected on these accounts, and that Mr. Stiles usually wrote them off at the end of each year. The account is considered uncollectible except for the fact that Hall is left a cash bequest of \$5,000 under the Will. Mr. Melasky recommends that this item be charged off.

3. Particularly since it appears it will be necessary to sell part of the Nueces County acreage during the Independent Executor's administration of the estate, Mr. Melasky will be glad to receive from the Board of Regents an expression as to procedures and policies for sale of parts or all of this acreage.

It is recommended that the Board of Regents approve payment of the outstanding balance on each of the pledges mentioned above and approve charging off the account of Eddie Hall. As to sale of the Nueces County acreage, it is recommended that the Board of Regents express to Mr. Melasky its appreciation for his desire to cooperate with the University and further that the Board will be glad to consider from time to time sales proposals or prospects, preferably for all cash and without brokerage commission but for these to be considered if necessary, and that the Board will be glad to see all or parts of the acreage sold during the administration of the estate, subject to price and terms, so that as much of the bequest for the Stiles Foundation be received in cash by the Board of Regents as may be determined by prices that can be obtained during the period of administration.

MAIN UNIVERSITY - BEQUEST UNDER THE WILL OF ROSWELL STANDISH NOTHWANG.--Mr. Roswell Standish Nothwang died in Austin on July 31, 1959, leaving a will now probated in Travis County under which the University receives his residue estate "without stipulation of any kind." Major Walter A. Gaetjens, Jr., of Austin serves as Executor of the Estate and has recently delivered to the University a check for \$6,000, retaining a small cash balance until administration on the Estate is closed in the next few weeks. The other property coming to the University is Mr. Nothwang's home at 1106 Taylor Street in Austin, and the Executor has now turned over this property to the University. It is a lot 30 x 90 feet and a small house located in East Austin near the River and has been vacant since Mr. Nothwang's death. A current independent appraisal gives it a market value of \$3,300.

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Mr. Nothwang was a graduate student at the University in Summer Sessions of 1936 to 1939 and apparently completed all work for the degree of Doctor of Philosophy in English except for his dissertation.

It is recommended that the Board of Regents accept the bequest under Mr. Nothwang's will, with recommendations as to use of the funds to come through appropriate channels in due course. It is further recommended that, due to the desirability of liquidating the real estate at an early date and perhaps before another meeting of the Board of Regents, the University staff be authorized to offer the property for sale at \$3,600 cash and accept not less than \$3,000 cash, with the Chairman authorized to execute a deed when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. Further, it is recommended that the staff be authorized to give an exclusive listing on the property to a licensed real estate firm and pay the customary commission out of prices authorized above, if necessary, in order to sell the property within a reasonable time.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - BEQUEST OF MRS. MARY ADLINE GILLESPIE NIXON, ALPINE, TEXAS.--This bequest for cancer research was reported to the Board and accepted on December 10, 1960, with distribution of \$4,198.45 from the Executor reported in the docket for the M. D. Anderson Hospital and Tumor Institute for the March, 1961 meeting of the Board. We are now in receipt of the Final Statement and certified copy of Order Closing the Estate together with check in the amount of \$267.52, which will be added to the endowment account. Acceptance and approval of the Final Statement of the Executor is recommended.

m-8186

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

HOGG FOUNDATION: WILL C. HOGG MEMORIAL FUND - SALE OF BECKER-MYER PROPERTY AT SMITH AND TEXAS IN HOUSTON TO FENTRESS BRACEWELL, TRUSTEE.--The University has received from Fentress Bracewell, Trustee, through W. A. Horne Company, realtors in Houston, a firm offer to purchase for \$125,000 cash the Hogg Foundation property on the northeast corner of the Texas Avenue and Smith Street intersection in Houston. The property came to the University from the Estate of Will C. Hogg in 1939 and is carried on the books at \$47,687.50, the appraised value around 1939, perhaps with minor adjustments. A current appraisal by Neville F. Allison, MAI-SRA, of Houston, shows market value of \$125,000. The property, comprising approximately 13,125 square feet, fronts 95 feet on Smith Street and 127.5 feet on Texas Avenue, with a small projection on the back side of the property. It is rented to Classified Parking System at minimum rental of \$350 per month (\$4,200 annually) plus 6% of excess over \$800 per month gross revenue. The excess rental provision has brought some return, but in recent months such additional rental has averaged only about \$33 per month. Poster-sign space rental provides another \$30 per month rental. The location is on the fringe of downtown Houston, north of Texas Avenue, where values have done well to remain even stable in recent years, except for the last year or two after completion of some additional traffic arteries and some additional publicity as to proposed civic center construction in the area across Smith Street extending north to Buffalo Bayou. Apparently these factors have resulted in some speculative interest in the area. However, during the past year, the University has indicated a price of approximately \$125,000 on this property through realtors in Houston who have inquired, and the offer in hand is the first firm offer received since an offer of \$75,000 in 1954. The offer in hand is conditioned upon payment of 5% commission to W. A. Horne Company by the University.

It is recommended that this offer be accepted by the Board of Regents and that the following resolution be adopted:

WHEREAS, by deed dated July 1, 1939, Mike Hogg, as Independent Executor of the Estate of W. C. Hogg, deceased, et al., granted and conveyed to the Board of Regents of The University of Texas certain properties more specifically described in said deed which was executed under the authority granted by the will of W. C. Hogg, deceased, with full power in the Board of Regents of The University of Texas to sell, dispose of and convey the property, the deed being recorded in Volume 1127, page 463 of the Deed Records of Harris County, Texas, to which reference is made for all purposes; and

WHEREAS, Fentress Bracewell, as Trustee, of Houston, Harris County, Texas, has made an offer to purchase the Becker-Myer Property which is referred to as Tract 4, Parcel A - Myer Property, and Parcel B - Becker Property, in the above-described deed from Mike Hogg, the same being situated in the City of Houston and described as follows:

All of Lot Six (6) and parts of Lots Seven (7), Eleven (11) and Twelve (12), Block Sixty (60) SSB, City of Houston, Harris County, Texas, described by metes and bounds as follows:

BEGINNING at the Southwest corner of said Lot Six (6);

THENCE in a northerly direction along the West line of said Lot Six (6) and Lot Seven (7), a distance of 95' to a point for corner;

THENCE in an easterly direction parallel to the South lines of said Lot Six (6) and Lot Seven (7), a distance of 85' to a point for corner;

THENCE in a northerly direction parallel to the West line of said Lot Six (6) and Lot Seven (7), a distance of 5' to point for corner in the North line of said Lot Seven (7);

THENCE in an easterly direction along the North line of said Lot Seven (7), a distance of 15' to point for corner, being the northeast corner of said Lot Seven (7);

THENCE in a northerly direction along the West line of Lot Twelve (12) and Lot Eleven (11) a distance of 37.5' to point for corner in the West line of said Lot Eleven (11);

THENCE in an easterly direction parallel to the south line of Lot Eleven (11), a distance of 27.5' to point for corner;

THENCE in a southerly direction parallel to the East and West lines of said Lot Eleven (11) and Lot Twelve (12), a distance of 137.5 feet to point for corner in the South line of Lot Twelve (12);

THENCE in a westerly direction along the South line of said Lot Twelve (12) and Lot Six (6), a distance of 127.5' to the PLACE OF BEGINNING;

and

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

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

HOGG FOUNDATION: WILL C. HOGG MEMORIAL FUND - LEASE FOR ADDITIONAL TERM TO SIMPSON DINING CAR, INC. ON PROPERTY AT MAIN AND BELL (WHITE PROPERTY) IN HOUSTON.--Mr. E. A. Simpson and later Simpson Dining Car, Inc. have operated a dining car on the Hogg Foundation property on the northeast corner of Main and Bell in Houston for approximately 25 years under two ten-year leases and now under a five-year lease which expires December 31, 1961. The last ten-year lease was at \$750 per month. The current lease is at \$1,500 per month plus 6% of gross receipts above \$300,000 annually. The guaranteed rental of \$1,500 per month has been

paid as agreed. Gross business has recently been running at about \$150,000 a year, and no additional rental has been payable. The present lease reserves to the University the right to cancel in the event of sale or lease for a term of twenty-five years or more, upon one year's notice to the lessee. All improvements on the property have been constructed by the lessee with right of removal upon termination of the lease.

In order to plan its operations and allow further time for depreciation of improvements, Simpson Dining Car, Inc. now proposes that the Board of Regents join with it in a lease for an additional term of two years beginning January 1, 1962 at minimum rental of \$1,000 per month plus 6% of gross receipts above \$200,000 annually. Such lease will carry forward the same provisions as to cancellation by the University, except that required notice to the tenant will be six months instead of one year. The current lease carries with it an escrow deposit of \$9,000 in Government bonds with one of the Houston banks to secure payment of the last six months' rental. The tenant proposes that this escrow deposit be released to him upon execution of the lease for the additional term, so that it may be used for working capital, with continued payment of monthly rental in advance and deposit with the University of \$1,000 covering the last month of the extended term. It is believed that salvage value of the improvements on the property afford adequate security to the University for rental.

Though this property has an appraised value of \$600,000 to \$650,000 with the result that rental of \$1,000 per month yields a return of only 2%, the University staff has determined that it is very unlikely that more than \$750 per month can be obtained from a parking lot tenant, which appears to be the only other possible use of the property without a sale or a long-term lease. Considering all of the circumstances, it is recommended that the Board of Regents accept the tenant's proposal and authorize its Chairman to execute the appropriate instruments when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION - PURCHASE OF MISS IMA HOGG'S DEFERRED PRODUCTION PAYMENT RESERVED IN 1958 CONVEYANCE OF WEST COLUMBIA ROYALTIES.--The Regents on May 13 accepted Miss Ima Hogg's proposal to sell to the Board as Trustee of the Hogg Foundation her deferred production payment in the West Columbia Field for \$500,000, payable in semi-annual installments of \$50,000 each without interest, with Miss Hogg to retain a vendor's lien and deed of trust lien on the production payment. However, Miss Hogg's attorneys have pointed out that, since at present rates of production the Board of Regents will receive payment in full on the \$500,000 production payment in 3 to 3½ years and the Board's note to her will take 5 years to pay out, Miss Hogg should be given a lien on the West Columbia Royalties already conveyed to the Board so as to afford her reasonable security. The University staff agrees, and it is recommended that the Board of Regents grant the additional lien as requested and that the Chairman be authorized to execute appropriate papers incorporating such additional lien, as well as the provisions indicated in the Minutes of May 13. The note payable to Miss Hogg, as well as the deed of trust and the deed from her, are to be dated June 15, 1961, with the first \$50,000 payment on the note being due on December 15, 1961.

TEXAS WESTERN COLLEGE - FRANK B. COTTON TRUST - GRAZING LEASE TO L. M. BENNETT AND WIFE.--For several years prior to 1957, when his operations were discontinued due primarily to the drought, Mr. L. M. Bennett had grazing leases on 16,911 acres of the Cotton Trust land in Hudspeth County. Mr. Bennett has now applied for another grazing lease on this acreage for one year beginning August 1, 1961, at 5¢ per acre annually. Total rental of \$845.55 will be paid in advance. This acreage is check-boarded and not under separate fences, and the rental rate is in line for the area. It is recommended that the Board of Regents authorize the lease to be executed by the Chairman when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. This is in accordance with recommendation by President Ray.

T-130

MEDICAL BRANCH - JAMES W. McLAUGHLIN FELLOWSHIP FUND - EXCHANGE OF MINERAL RIGHTS UNDER TWO TRACTS, RANGELY FIELD, RIO BLANCO COUNTY, COLORADO.--On March 18 the Board of Regents authorized an exchange transaction relating to the oil and gas rights under two leases in the Rangely Field in Colorado, and papers to complete the entire transaction have been executed by the Chairman of the Board of Regents and by California Oil Group Limited. The transaction has been orally approved by Mrs. Frances Adcock, sister of A. C. McLaughlin, deceased, who receives under Mr. McLaughlin's will \$12,000 annually during her lifetime from the receipts by the University from Rangely Field interests, including the two leases involved in the exchange; and her execution of appropriate instruments as evidence of her consent is expected shortly.

m-81806

In the authorization of March 18, it was stated that the McLaughlin Fellowship Fund would receive in the exchange an overriding royalty interest of 5% of 7/8 of production from the A. C. McLaughlin, Jr., Lease. The interest actually received is 5% of 8/8 of production, payable out of 7/8 of production.

BRACKENRIDGE TRACT - ASSIGNMENT OF LEASE ON LAKE AUSTIN MARINA (FORMERLY BENNETT BOAT DOCKS) BY W. W. BENNETT AND/OR TWIN STAR INDUSTRIES, INC. TO J. H. FROST, JR.--The Board of Regents on May 13 authorized assignment by W. W. Bennett and/or Twin Star Industries, Inc., of the lease on the boat dock facilities on Lake Austin to Boat Town of Texas, Inc., with personal guarantee by Mr. J. H. Frost, Jr., principal owner of Boat Town, of performance of obligations of the lessee. Mr. Frost has determined that it will be of advantage to have the lease assigned and held in his name individually rather than by Boat Town of Texas, Inc., and it is recommended that the Board of Regents approve this change of assignee. Papers to complete the transaction are being placed in final form, and the University has received Mr. Frost's check for \$1,000 in payment of the agreed consideration for approval of the assignment.

m-80200

MAIN UNIVERSITY - ESTATE OF LOURANIA MILLER - SALE OF PROPERTY AT 2543 GLADSTONE DRIVE, DALLAS, TEXAS.--The Board of Regents on May 13 authorized the sale of the property at 2543 Gladstone Drive, Dallas, for \$7,000 cash to J. A. Nall and wife. Due to circumstances beyond their control, Mr. and Mrs. Nall have had to withdraw from the purchase, forfeiting earnest money of \$100. The agent now has another purchaser at the same price, and it is recommended that the Board's resolution of May 13 be amended to substitute George E. Campbell and wife, Leatha Campbell as purchasers. The deed to Mr. and Mrs. Nall already executed by the Chairman is being cancelled and placed in the Secretary's files.

m-8183a

See pp. 22 + 24 of the minutes.

HOGG FOUNDATION--VARNER PROPERTIES - PROSPECTIVE PROPOSAL FROM HOUSTON FIRST FEDERAL SAVINGS & LOAN ASSOCIATION ON CAPITOL AND FANNIN (MITCHELL) PROPERTY OR WALKER AVENUE (ROSSONIAN) PROPERTY IN HOUSTON.-- The Land and Investment Committee at its May 12 meeting considered a proposal from Houston First Federal Savings & Loan Association for a long-term lease, with option to purchase, on the Capitol and Fannin (Mitchell) Property in Houston, and the Committee authorized the staff to submit to the Association a proposal, which is subject to acceptance by the Association on or before July 31, that the Committee would recommend to the Board of Regents. The Association has now become perhaps more interested in the purchase of the Walker Avenue property and wishes to submit to the Board of Regents at the July 22 meeting a proposal on one or the other of the two properties. Due in part to negotiations with a prospective tenant for several floors in the new building which they are planning, it has been impossible for the Association to submit a proposal in time for inclusion in the docket material. The staff recommends that, if a proposal is submitted by the Association prior to the Board meeting, it be considered by the Land and Investment Committee for possible recommendation to the Board of Regents.

ARCHER M. HUNTINGTON MUSEUM FUND - PROSPECTIVE PROPOSAL FROM THE CITY OF TEXAS CITY FOR PURCHASE OF BEACH SHELL, SAND, AND GRAVEL FROM HUNTINGTON LANDS.--The Mayor of Texas City has notified the University that the City wishes to propose to the Board of Regents an arrangement for use by the City of beach shell, sand, and gravel from a tract out of the Huntington Lands, and that the availability of this supply within the next few weeks is highly desirable for the City. However, the terms of such proposal were not worked out in time for inclusion in the docket material. It is recommended that the Land and Investment Committee consider, for possible recommendation to the Board of Regents, at the July 22 meeting any proposal that can be worked out and recommended by the staff.

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

TEXAS WESTERN COLLEGE - AUTHORIZATION FOR EXECUTION OF LOAN AGREEMENT WITH UNITED STATES OF AMERICA ((HHFA PROJECT NUMBER CH-TEX-124 (D)) AND EMPLOYMENT OF BOND COUNSEL FOR ISSUANCE OF \$1,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS - TEXAS WESTERN COLLEGE OF THE UNIVERSITY OF TEXAS, STUDENT HOUSING BONDS OF 1961.--Comptroller Sparenberg has been notified by Housing and Home Finance Agency's letter of May 26 of the approval of the final application (see Regents' authorization of December 10, 1960) for a loan of \$1,000,000 to cover total estimated construction costs, except for movable furniture and equipment, of student housing facilities at Texas Western College for the accommodation of 180 men and 60 student families, and the proposed Loan Agreement for execution on behalf of the Board of Regents was submitted with that notification. Under the proposed Loan Agreement, the \$1,000,000 40-year serial bonds bearing interest at $3\frac{1}{2}\%$ will be offered by the Board of Regents at public sale, divided up into four blocks according to maturities. In the event any bidder or bidders other than the Government offer to purchase all of the bonds, or any portion in block specified, at an interest cost of not more than $3\frac{1}{2}\%$ per annum those bonds will be sold to such bidder or bidders. The Government will enter its bid for all of the bonds at par (interest at $3\frac{1}{2}\%$) and for any one or more of the blocks. The Government commits itself to take all bonds not sold to outside bidders under the terms stated above.

Coverage of estimated net income from the housing project over estimated average annual bond service requirements is approximately 1.44 times.

It is recommended that the Board of Regents by adoption of the following resolution authorize execution of the Loan Agreement when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer:

WHEREAS, the Board of Regents of The University of Texas made application to the Housing and Home Finance Agency of the Federal Government, the same being HHFA Project No. CH-Tex-124 (D), for a loan to cover construction costs of student housing facilities at Texas Western College, El Paso, Texas; and

WHEREAS, the Housing and Home Finance Agency has approved the application of the Board of Regents for a loan of \$1,000,000 to cover the costs set forth in the application; and

WHEREAS, it is deemed advisable that a representative of The University of Texas be authorized to enter into contracts and agreements for and on behalf of the University in connection with said application:

NOW, THEREFORE, BE IT RESOLVED, That the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized to approve and execute on behalf of the Board of Regents any and all proper and necessary contracts and agreements with the United States of America in connection with said project.

Adopted and approved this 22nd day of July, 1961.

It is further recommended that the Board of Regents employ the firm of Vinson, Elkins, Weems & Searls of Houston as bond counsel for this issue of bonds, subject to approval by the Regents at a later date of the fee to be paid.

MAIN UNIVERSITY - AUTHORIZATION FOR EXECUTION OF LOAN AGREEMENT WITH UNITED STATES OF AMERICA ((HHFA PROJECT NUMBER CH-TEX-121 (D)) AND EMPLOYMENT OF BOND COUNSEL FOR ISSUANCE OF \$1,800,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS - MAIN UNIVERSITY STUDENT HOUSING BONDS OF 1961.-- Announcement has been made from Washington, D.C. of approval of the final application (see Regents' authorization of January 16, 1961) for a loan of \$1,800,000 to cover estimated construction costs, except for movable furniture and equipment, of student housing facilities at the Main University for 200 student families, and the proposed Loan Agreement for execution on behalf of the Board of Regents is expected in the near future. Under the Loan Agreement, the \$1,800,000 40-year serial bonds will bear interest at $3\frac{1}{2}\%$. Other terms will probably be as outlined in the authorization for Texas Western College, above.

Coverage of estimated net income from the housing project over estimated average annual bond service requirements is approximately 1.49 times.

It is recommended that the Board of Regents, by adoption of the following resolution, authorize execution of the Loan Agreement when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer:

WHEREAS, the Board of Regents of The University of Texas made application to the Housing and Home Finance Agency of the Federal Government, the same being HHFA Project No. CH-Tex-121 (D), for a loan to cover construction costs of student housing facilities at the Main University, Austin, Texas; and

WHEREAS, the Housing and Home Finance Agency has approved the application of the Board of Regents for a loan of \$1,800,000 to cover the costs set forth in the application; and

WHEREAS, it is deemed advisable that a representative of The University of Texas be authorized to enter into contracts and agreements for and on behalf of the University in connection with said application:

NOW, THEREFORE, BE IT RESOLVED, That the Chairman of the Board of Regents of The University of Texas be and he is hereby authorized to approve and execute on behalf of the Board of Regents any and all proper and necessary contracts and agreements with the United States of America in connection with said project.

Adopted and approved this 22nd day of July, 1961.

It is further recommended that the Board of Regents employ the firm of McCall, Parkhurst, Crowe, McCall and Horton of Dallas as bond counsel for this issue of bonds, subject to approval by the Regents at a later date of the fee to be paid.

POLICIES GOVERNING
PERMANENT UNIVERSITY FUND OF THE UNIVERSITY OF TEXAS
INVESTMENT PROGRAM

(As adopted by the Board of Regents of The University of Texas on January 12, 1957, pursuant to the provisions of a self-enacting amendment to Section 11a, Article VII, Constitution of the State of Texas, which was approved at the General Election of November 6, 1956; and as subsequently amended through July 22, 1961.)

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PERMANENT UNIVERSITY FUND OF THE UNIVERSITY OF TEXAS
INVESTMENT PROGRAM

Investment Requirements

I. Change in Investment Restrictions:

Constitution and subsequent interpretations of the Attorney General --

Authorize placing up to 50% of the total Permanent University Fund in --

Corporate bonds and stocks

Remainder to be invested in --

Government securities issued by --

The United States, State of Texas, and Texas Municipalities

II. Nature of the Permanent University Fund:

A perpetual endowment fund --

Principal cannot be expended for any purpose other than --

To purchase investment securities

Trading profits and losses to be credited and charged
to principal

It follows that liquidity and marketability are of little relative
importance in the selection of investment securities

Tax exemption is of no value

The size of the income return (especially cash income) is of major
importance

Because a permanent endowment fund --

The volume of switching transactions would normally be small --

Switches made only --

To improve quality, i.e., to get out of a deteriorating
situation or to improve yields where offsetting losses
would not be too great

III. Investment Objectives:

A. Safety of principal, to be accomplished by --

1. Emphasis on quality --

Minimum quality standards as to all but United States
Government securities

Continuous review after purchase

2. Diversification, especially as to corporate securities

B. High income return consistent with safety requirement

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Policies Governing Investment in Corporate and Government Securities

I. Investment of Cash:

A. To be limited exclusively to corporate securities until the Permanent University Fund's distribution as to types is as follows (the percentages to be based on book value--cost or amortized cost--of all securities purchased) --

Government Securities (Issued by the United States,
State of Texas, and Texas Municipalities) 50%

Corporate Bonds (including rail equipment trust
certificates) and Preferred Stocks. 10

Common Stocks 40

B. Exceptions to the above provision, regarding exclusive purchase of corporate securities until the distribution is 50% in corporate securities, are approved as follows --

1. Temporary investment in United States Treasury Bills is authorized when a large amount of cash is received (for example, from bonus payments on mineral leases or from bond maturities), with the object of earning some income pending orderly investment of the funds in corporate securities. Such purchases of Treasury Bills are to be made at the discretion of the Staff Investment Committee.

2. Exchange of United States Treasury securities held by the Fund into refunding offers made by the Treasury Department is authorized, provided that those Treasury securities maturing prior to 1965 are not to be exchanged for Treasury securities with maturities extending beyond 1965. Such exchanges are to be made at the discretion of the Staff Investment Committee.

C. Any amendments to the above investment limitations or to the following investment policies require specific approval of the Board of Regents.

II. Sources of Funds for the Purchase of Corporate Securities:

A. New money paid into the Permanent University Fund from --

1. Royalties (oil, gas, water, etc.)
2. Bonus payments from sale of mineral leases
3. Mineral lease rentals

B. Proceeds from maturities of government securities

C. Proceeds from authorized sales of corporate and/or government securities --

1. It is not contemplated that government bond holdings will be sold in order to provide funds for the purchase of corporate securities. However, such sales may be authorized by the Board of Regents when government bonds can be sold advantageously.

III. Investment Standards and Diversification Patterns:

A. The sections following entitled "Minimum Investment Standards to Determine Eligibility for Purchase" and "Investment Diversification Patterns" for corporate securities, as approved by the Board of Regents, are to be adhered to by the Staff Investment Committee.

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Policies Governing Investment in Corporate and Government Securities
(Continued)

IV. Eligibility for Specific Corporate Securities:

A. To be eligible for purchase, corporate bonds (including bonds issued by wholly-owned subsidiaries), preferred stocks, and common stocks must be issued by corporations which have been formally approved by the Board of Regents, as listed under the section entitled "Procedures," beginning on page 10, except as noted in Section IV. B, following:

B. Corporate bonds issued by corporations not on the approved list as outlined in IV. A. above must meet both the requirements of the Constitutional Amendment and the financial statement ratio standards and price requirement of the policy as formally approved by the Board of Regents as detailed below:

1. Constitutional Amendment Requirements --

- a. Company must be incorporated within the United States.
- b. Not more than 1% of the Permanent University Fund may be invested at any one time in securities issued by any one corporation.

2. Rating Requirement --

- a. Bonds must be rated "A" or higher by either Moody's or Standard & Poor's, with the following exception:

Bonds offered by private placement, by custom not rated, will carry the same rating as comparable bonds issued by the same company which have been rated "A" or better.

3. Financial Statement Ratio Standards --

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

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

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

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

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

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

4. Price Requirement --

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

5. Approval by the Board of Regents --

Any corporate bond meeting the above requirements is approved by the Board of Regents for purchase either on original offering or in the secondary market.

Policies Governing Investment in Corporate and Government Securities
(Continued)

V. Dollar Cost Averaging Principle:

- A. Corporate securities are to be purchased on the dollar cost averaging principle, averaging to be based on industry groupings rather than on 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 of companies within each industry group will be weighted in favor of the companies considered to have better than average long-term investment merit and growth potentials. Size becomes a factor in weighting only when considered in relation to the Constitutional Amendment restriction that not more than 5% of the voting stock of any one corporation may be owned by the Permanent University Fund at any one time.

VI. Policies with Respect to Purchases and Sales of Corporate and Government Securities:

- A. As funds become available, the Endowment Office is authorized to purchase corporate and government securities within the policies and program as approved by the Board of Regents.
- B. Sales of corporate and government securities, except for sales of temporary investments in Treasury Bills, require prior approval of the Board of Regents. Liquidation of Treasury Bills prior to maturity is to be made at the discretion of the Staff Investment Committee. After approval by the Board of Regents, the Endowment Office is empowered to effect the authorized sales.
- C. All purchases and sales of corporate and government securities shall be reported through the Regents' Land and Investment Committee to the Board of Regents at the next following meeting for ratification and approval.

VII. Policies with Respect to Stock Rights, Fractional Shares and Proxies:

- A. As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Staff Investment Committee.
- B. As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Staff Investment Committee.
- C. With few exceptions, voting stocks held are to be voted by returning proxies to present management. Exceptions require approval of the Board of Regents.

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Minimum Investment Standards to Determine Eligibility for Purchase

I. As to Quality:

- *A. Stocks must be issued by companies incorporated within the United States.
- *B. Except for bank and insurance shares, stocks must be listed on a registered security exchange.
- *C. Stock must have an unbroken dividend record over the preceding ten years.
- D. Issuer must be one of the leading corporations in its industry.
- *E. Not more than 1% of the Permanent University Fund may be invested at any one time in securities issued by any one corporation.
- *F. Not more than 5% of the voting stock in any one corporation may be owned by the Permanent University Fund at any one time.
- G. Corporate bonds must be rated "A" or higher by either Moody's or Standard & Poor's.
- H. The corporation must measure up to the following minimum financial statement ratio standards. (These standards apply to initial purchase only. If after purchase, a corporation should drop below the minimum levels, the Staff Investment Committee will decide whether or not to recommend sale of the corporations's securities held by the Fund.) --

1. Bonded Debt to Book Value of Total Investment# --

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

#Total Investment is Fixed Liabilities plus Net Worth.

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

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

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

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

*Required by provisions of Constitutional Amendment authorizing investment in corporate securities for the Permanent University Fund.

II. As to Price:

- A. As a general rule, corporate bonds and preferred stocks will be purchased to the extent possible at yields to exceed the yield on the longest term Treasury Bond by the following minimum margins:

Corporate Bonds - 1/4%
Preferred Stocks - 1/2%

Investment Diversification Patterns

I. Size of Permanent University Fund when Investment Diversification Patterns Become in Balance:

That is, 50% in Government Securities and 50% in Corporate Securities

Assumptions (From September 1, 1960 through August 31, 1968) --

	<u>Millions</u>
Size of Permanent University Fund as of August 31, 1960	\$350
<u>Add --</u>	
Estimated Additions (new money and profit from sales of securities) for Next Eight Years - at Average Annual Rate of \$19 Million	152
Estimated Total Size of Permanent University Fund as of August 31, 1968.	\$502

Broad Investment Diversification Patterns --

Total Government Securities Held as of August 31, 1960.	\$272
<u>Deduct --</u>	
Government Security Maturities through August 31, 1968	14
Total Government Securities to Be Held as of August 31, 1968	258
Total Corporate Securities Held as of August 31, 1960	78
<u>Add --</u>	
Investment of All Additions Estimated to Be Received through August 31, 1968, in Corporate Securities.	152
Reinvestment of All Government Security Maturities through August 31, 1968, in Corporate Securities.	14
Estimated Total Corporate Securities to Be Held as of August 31, 1968	244
Estimated Total to Be Held in All Securities as of August 31, 1968.	\$502

Broad Investment Diversification Patterns Balance --

If above assumptions are realized, the broad diversification patterns balance would be achieved in the 1968-69 fiscal year --

When the Permanent University Fund reaches over \$502 million

When the balance is achieved, purchases in all classes of securities, including government securities in all eligible categories, would be resumed so as to maintain the balance as required by the Constitutional Amendment of at least 50% in government securities.

II. Investment Diversification Patterns by Types of Securities:

When the Permanent University Fund reaches an approximate total of \$500,000,000 --

	Total Approximate Amount	Per Cent
A. United States Government Securities and Texas Municipal Bonds	\$250,000,000	50%
B. Corporate Bonds and Preferred Stocks.	50,000,000	10
C. Common Stocks	200,000,000	40
Totals.	\$500,000,000	100%

Investment Diversification Patterns
(Continued)

III. Corporate Bonds and Preferred Stocks Broad Diversification Patterns:

Based on estimated total of \$50,000,000 in corporate bonds and preferred stocks --

Investment of about \$500,000 or \$250,000 each purchase,
depending upon size of individual issue

	<u>No. Issues</u>	<u>Total Approximate Amount</u>	<u>Per Cent</u>
A. Industrials	15	\$ 7,500,000	15%
B. Public Utilities.	120	40,000,000	80
C. Railroads (including rail equipment).	2	1,000,000	2
D. Finance Companies	<u>3</u>	<u>1,500,000</u>	<u>3</u>
Totals	<u>140</u>	<u>\$50,000,000</u>	<u>100%</u>

IV. Common Stocks Broad Diversification Patterns:

Based on estimated total of \$200,000,000 in common stocks --

Average investment of about \$50,000 each purchase in common stocks
of all companies except banks and insurance companies where each
purchase averages about \$20,000

Total amount invested in common stock of each company depends upon
the weight assigned to each company within a particular industry
group, weights being subject to change at any time when deemed
advisable by Staff Investment Committee

	<u>No. Issues</u>	<u>Total Approximate Amount</u>	<u>Per Cent</u>
A. Industrials	75	\$126,000,000	63.0%
B. Public Utilities.	28	49,000,000	24.5
C. Railroads	3	4,000,000	2.0
D. Financial Corporations.	<u>29</u>	<u>21,000,000</u>	<u>10.5</u>
Totals	<u>135</u>	<u>\$200,000,000</u>	<u>100.0%</u>

Investment Diversification Patterns
(Continued)

V. Common Stocks Diversification Patterns by Industries:

Based on per cent of total common stocks --

A. Industrials (Based on total of \$127,000,000)

	<u>No.</u> <u>Issues</u>	<u>Total</u> <u>Approximate</u> <u>Amount</u>	<u>Per Cent</u>
<u>Group I (Earning Power Stable - 25.0%)</u>			
1. Food and Household.	7	\$ 14,000,000	7.0%
2. Chemical Products	6	10,000,000	5.0
3. Containers.	3	3,000,000	1.5
4. Paper Products.	3	4,000,000	2.0
5. Retail Trade (Merchandising).	4	6,000,000	3.0
6. Tobacco Products.	2	4,000,000	2.0
7. Drugs	6	9,000,000	4.5
Sub-Total - Group I	(31)	(50,000,000)	(25.0)
<u>Group II (Some Variation in Earning Power - 22.5%)</u>			
1. Air Transport	0	-	-
2. Building Materials.	5	\$ 10,000,000	5.0%
3. Electrical - Electronic	5	10,000,000	5.0
4. Office Equipment.	3	6,000,000	3.0
5. Petroleum Products.	9	16,000,000	8.0
6. Synthetic Fibres and Textiles	0	-	-
7. Tires and Rubber Products	3	3,000,000	1.5
Sub-Total - Group II.	(25)	(45,000,000)	(22.5)
<u>Group III (Considerable Variation in Earning Power - 11.0%)</u>			
1. Autos & Auto Parts.	3	\$ 5,000,000	2.5%
2. Machinery & Equipment	3	4,000,000	2.0
3. Metals - Nonferrous	3	3,000,000	1.5
4. Steel and Iron.	5	10,000,000	5.0
Sub-Total - Group III	(14)	(22,000,000)	(11.0)
<u>Group IV (Miscellaneous)</u>	<u>(5)</u>	<u>(9,000,000)</u>	<u>(4.5)</u>
Totals - Industrials	<u>75</u>	<u>126,000,000</u>	<u>63.0</u>

Investment Diversification Patterns
(Continued)

V. Common Stocks Diversification Patterns by Industries:
(Continued)

B. Public Utilities (Based on total of \$49,000,000)

	No. Issues	Total Approximate Amount	Per Cent
1. Light and Power	26	\$ 45,000,000	22.5%
2. Gas Service and Transmission. . .	0	-	-
3. Telephone and Telegraph	2	4,000,000	2.0
Totals - Public Utilities.	<u>28</u>	<u>49,000,000</u>	<u>24.5</u>

C. Railroads (Based on total of \$4,000,000).

3	\$ 4,000,000	2.0%
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D. Financial Corporations (Based on total of \$21,000,000)

1. Banks	15	\$ 11,000,000	5.5%
2. Fire & Casualty Insurance Cos . .	6	3,000,000	1.5
3. Life Insurance Companies.	5	3,000,000	1.5
4. Finance Companies	3	4,000,000	2.0
5. Mutual Funds.	0	-	-
Totals - Financial Corporations	<u>29</u>	<u>21,000,000</u>	<u>10.5</u>
TOTALS - ALL CORPORATIONS	<u>135</u>	<u>\$200,000,000</u>	<u>100.0%</u>

Procedures

I. Changes in Investment Policies and in Lists of Approved Corporations and of Approved Broker-Dealer Firms:

A. To be initiated by the Staff Investment Committee and requiring approval of the Chairman of the Committee --

1. Comprised of --

Vice Chancellor (Fiscal Affairs), Chairman
Endowment Officer
Assistant to the Endowment Officer

B. Recommended changes to be submitted through the Regents' Land and Investment Committee to the Board of Regents for approval

C. Investment Advisory Committee --

1. Comprised of --

Four members selected from the investment and trust department staffs of the larger commercial banks in Texas, from the investment department staffs of the larger life insurance companies in Texas, and from financial officers of public utility corporations in Texas.

2. Selection procedure --

Recommended by the Vice Chancellor (Fiscal Affairs) --

Approved by the Board of Regents

3. Meetings -- Quarterly beginning March 1, 1957

4. Functions --

To advise Staff Investment Committee concerning recommendations as to --

Changes in investment policies and procedures
Changes in list of approved corporations
Changes in security purchase and sale patterns

5. Consultant Fee -- \$100 each member per meeting attended

6. Term -- Four-year rotation system with the term of one member expiring each August 31

II. Purchases and Sales of Corporate and Government Securities:

A. The Staff Investment Committee is empowered to determine the following --

1. The weights to be assigned to the companies within each industry group for the purchase of common stocks.

2. The specific corporate and government securities to be purchased and the timing of such purchases as cash becomes available for investment.

3. The timing of sales authorized by the Board of Regents.

B. Decisions of the Staff Investment Committee shall be by majority vote, with the vote of the Chairman decisive. In the absence of the Chairman, the Endowment Officer shall serve as Acting Chairman of the Committee.

C. The specific issues of corporate and government securities purchased are to be presented to the next subsequent meeting through the Regents' Land and Investment Committee to the Board of Regents for ratification and approval.

Procedures
(Continued)

III. Approved List of Corporations for Bonds, Common and Preferred Stock Purchases
(As approved through July 22, 1961)

A. INDUSTRIAL CORPORATIONS --

Group I (Earning power stable - 25.0%)

1. Food and Household:

Borden Company, The
Coca-Cola Company, The
Corn Products Company
General Foods Corporation
National Biscuit Company
National Dairy Products Corporation
Procter & Gamble Company, The

2. Chemical Products:

Allied Chemical Corporation
American Cyanamid Company
Dow Chemical Company, The
E. I. du Pont de Nemours & Company
Monsanto Chemical Company
Union Carbide Corporation

3. Containers:

American Can Company
Continental Can Company, Inc.
Owens-Illinois Glass Company

4. Paper Products:

International Paper Company
Kimberly-Clark Corporation
Scott Paper Company

5. Retail Trade (Merchandising):

Federated Department Stores, Inc.
Kroger Co., The
J. C. Penney Company, Inc.
Sears, Roebuck and Company

6. Tobacco Products:

American Tobacco Company, The
R. J. Reynolds Tobacco Company

7. Drugs:

American Home Products Corporation
Bristol-Myers Company
Merck and Company, Inc.
Parke, Davis & Company
Chas. Pfizer & Company, Inc.
Smith Kline & French Laboratories, Inc.

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Procedures
(Continued)

III. Approved List of Corporations for Bonds, Common and Preferred Stock Purchases
(As approved through July 22, 1961) (Continued)

A. INDUSTRIAL CORPORATIONS (Continued) --

Group II (Some Variation in earning power - 22.5%)

1. Air Transport - None

2. Building Materials:

Armstrong Cork Company
Johns-Manville Corporation
Otis Elevator Company
Pittsburgh Plate Glass Company
U. S. Gypsum Company

3. Electrical - Electronic:

Bendix Corporation, The
General Electric Company
Minneapolis-Honeywell Regulator Company
McGraw-Edison Company
Westinghouse Electric Corporation

4. Office Equipment:

Addressograph-Multigraph Corporation
International Business Machines Corporation
National Cash Register Company, The

5. Petroleum Products:

Continental Oil Company (Delaware)
Gulf Oil Corporation
Phillips Petroleum Company
Shell Oil Company
Sinclair Oil Corporation
Socony Mobil Oil Company, Inc.
Standard Oil Company of California
Standard Oil Company (New Jersey)
Texaco Inc.

6. Synthetic Fibres and Textiles - None

7. Tires and Rubber:

Firestone Tire & Rubber Company, The
B. F. Goodrich Company, The
Goodyear Tire and Rubber Company, The

Procedures
(Continued)

III. Approved List of Corporations for Bonds, Common and Preferred Stock Purchases
(As approved through July 22, 1961) (Continued)

A. INDUSTRIAL CORPORATIONS (Continued) --

Group III (Considerable variation in earning power - 11.0%)

1. Autos and Auto Parts:

Ford Motor Company
General Motors Corporation
Libbey-Owens-Ford Glass Company

2. Machinery & Equipment:

Caterpillar Tractor Co.
Ex-Cell-O Corporation
Ingersoll-Rand Company

3. Metals - Nonferrous:

Aluminum Company of America
American Smelting & Refining Company
Kennecott Copper Corporation

4. Steel and Iron:

Armco Steel Corporation
Bethlehem Steel Corporation
Inland Steel Company
Republic Steel Corporation
United States Steel Corporation

Group IV (Miscellaneous)
(4.5%)

Corning Glass Works
Eastman Kodak Company
General American Transportation Corporation
Minnesota Mining & Manufacturing Company
National Lead Company

Procedures
(Continued)

III. Approved List of Corporations for Bonds, Common and Preferred Stock Purchases
(As approved through July 22, 1961) (Continued)

B. PUBLIC UTILITY CORPORATIONS --

1. Light and Power - (22.5%):

American Electric Power Company, Inc.
Baltimore Gas and Electric Company
Carolina Power and Light Company
Central and South West Corporation
Cincinnati Gas and Electric Company, The

Cleveland Electric Illuminating Company
Commonwealth Edison Company
Consumers Power Company
Detroit Edison Company, The
Florida Power and Light Company

Gulf States Utilities Company
Houston Lighting & Power Company
Ohio Edison Company
Oklahoma Gas and Electric Company
Pacific Gas and Electric Company

Philadelphia Electric Company
Potomac Electric Power Company
Public Service Company of Colorado
Public Service Electric and Gas Company
Public Service Company of Indiana, Inc.

Southern Company, The
Southern California Edison Company
Texas Utilities Company
Utah Power & Light Company
Virginia Electric & Power Company
Wisconsin Electric Power Company

2. Gas Service and Gas Transmission - (None)

3. Telephone and Telegraph Service - (2.0%):

American Telephone and Telegraph Company
General Telephone & Electronics Corporation

C. RAILROADS -- (2.0%):

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

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Procedures
(Continued)

III. Approved List of Corporations for Bonds, Common and Preferred Stock Purchases
(As approved through July 22, 1961) (Continued)

D. FINANCIAL CORPORATIONS --

1. Banks - (5.5%):

a. New York City Banks:

Bankers Trust Company
Chase Manhattan Bank, The
Chemical Bank New York Trust Company
First National City Bank of New York, The
Morgan Guaranty Trust Company of New York

b. Other Eastern Banks:

First National Bank of Boston, The
Mellon National Bank and Trust Company (Pittsburgh, Pa.)

c. Middle West Banks:

Continental Illinois National Bank & Trust Co. of Chicago
First National Bank of Chicago, The
National Bank of Detroit

d. Southwest Banks:

First National Bank in Dallas
First City National Bank of Houston
Republic National Bank of Dallas

e. Pacific Coast Banks:

Bank of America National Trust & Savings Association
(San Francisco, Calif.)
Security First National Bank (Los Angeles, Calif.)

2. Finance Companies - (2.0%):

C. I. T. Financial Corporation
Commercial Credit Company
Household Finance Corporation

3. Fire and Casualty Insurance Companies - (1.5%):

Continental Casualty Company
Federal Insurance Company
Hartford Fire Insurance Company
Insurance Company of North America
St. Paul Fire & Marine Insurance Company
United States Fidelity and Guaranty Company (Baltimore, Md.)

4. Life Insurance Companies - (1.5%):

Aetna Life Insurance Company
Connecticut General Life Insurance Company
Lincoln National Life Insurance Company, The
National Life & Accident Insurance Company, The
(Nashville, Tenn.)
Travelers Insurance Company, The

Procedures
(Continued)

IV. Purchase (and Sale) of Securities:

A. Individuals Authorized to Place Purchase and Sale Orders --

In the order as listed below --

Assistant to the Endowment Officer
Senior Security Analyst
Endowment Officer
Vice Chancellor (Fiscal Affairs)

B. Orders Placed --

Through broker and dealer firms on the approved list --

At the discretion of the Endowment Office, orders to be placed either with the main office of the New York Stock Exchange member firm or with a local Texas office (bona fide branch office or Texas firm correspondent).

The firm to allocate commission fees to its offices and correspondents in Texas, if any.

In the case of unlisted securities and secondary offerings --

Whenever practicable, two approximately simultaneous offers will be taken.

V. Selection of Security Brokers and Dealers:

A. Objectives --

1. To obtain sound information and advice
2. To get the best possible price
3. To obtain efficient handling of orders
4. To distribute the business fairly --

Among a limited number of firms which can render exceptional service

B. Criteria for Selection --

1. Well-established and well-regarded firms, with adequate capital financing
2. With very few exceptions, members of the New York Stock Exchange
3. Firms operating excellent research departments

C. Selection procedure --

1. Recommended by Staff Investment Committee --

Approved by the Board of Regents