

MINUTES OF THE  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS  
MEETINGS NOS. 591-595 Inclusive  
(September 1, 1960-February 18, 1961)

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 24th day of September, 1960, A. D.

Merton M. Minter  
Merton M. Minter, M. D.  
Chairman

J. Lee Johnson, III  
J. Lee Johnson, III  
Vice-Chairman

J. P. Bryan  
J. P. Bryan, Member

Mrs. Charles Devall  
(Mrs.) Charles Devall, Member

Thornton Hardie  
Thornton Hardie, Member

W. W. Heath  
W. W. Heath, Member

Wales H. Madden, Jr.  
Wales H. Madden, Jr., Member

A. G. McNeese, Jr.  
A. G. McNeese, Jr., Member

Joe C. Thompson  
Joe C. Thompson, Member

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MEETING NO. 591

SEPTEMBER 24, 1960. -- The Board of Regents of The University of Texas convened in regular session on Saturday, September 24, 1960, at 11:00 a. m., in the Regents' Room (Main Building 209), Austin, Texas.

ATTENDANCE. --

<u>Present</u>	<u>Absent</u>
Chairman Minter, presiding	Regent Madden - excused
Vice-Chairman Johnson	
Regent Bryan	
Regent (Mrs.) Devall	
Regent Hardie	
Regent Heath	
Regent McNeese	
Regent Thompson	
Chancellor Wilson	
Secretary Thedford	

Also present among University personnel were:

- Mr. Lanier Cox, Vice-Chancellor (Administrative Services)
- Doctor J. C. Dolley, Vice-Chancellor (Fiscal Affairs)
- Mr. Frank Graydon, Budget Officer
- Doctor L. D. Haskew, Vice-Chancellor (Developmental Services)
- Mr. W. E. Keys, Director of News and Information Service
- Mr. C. H. Spareberg, Comptroller
- Mr. W. W. Stewart, Endowment Officer
  
- Doctor R. Lee Clark, Jr., Director of M. D. Anderson Hospital and Tumor Institute
- Doctor A. J. Gill, Dean of Southwestern Medical School
- Doctor Harry H. Ransom, President, Main University
- Doctor J. R. Smiley, Vice-President and Provost, Main University
- Doctor Grant Taylor, Dean of the Postgraduate School of Medicine
- Doctor John Truslow, Executive Dean and Director of the Medical Branch

(In addition to those listed above, Doctor John V. Olson, Dean of the Dental Branch, was present for the committee meetings on Friday, September 23, and earlier on Saturday, September 24, as was Doctor Joseph M. Ray.)

APPROVAL OF MINUTES: REGULAR MEETING JULY 1-2, 1960 AND SPECIAL MEETING JULY 13, 1960. --It was moved by Mr. Thompson, seconded by Mrs. Devall, that the minutes of the regular meeting of the Board on July 1-2, 1960, and of the special meeting on July 13, 1960, both held in Austin, Texas, be approved in the form as circulated by the Secretary. This motion prevailed.

#### COMMITTEE OF THE WHOLE

The following is a report of the special items acted on by the Committee of the Whole which met on Friday, September 23, and on Saturday morning, September 24, 1960. The items referred for consideration by the Standing Committees to the Committee of the Whole are reported by the respective committee chairmen.

(Each institutional head was given an opportunity to appear before and report to the Board.)

PROGRAM SUPPLEMENTATION, MAIN UNIVERSITY. --The Committee of the Whole adopted (1) as a tentative plan the "Proposed Program Supplementation at the Main University" as summarized in Table V on Pages 35, 36, and (2) as a specific approval the following, both (1) and (2) having been recommended by the Administration:

Give the President of the Main University informal assurance that he may incorporate in his budgets for 1961-62 and 1962-63 Supplementation Items 3c, 3d, 3e, 3f, and \$75,000 of Item 20d, totaling \$440,000 for 1961-62 and \$745,000 for 1962-63 or so much thereof as can be expended profitably.

PROSPECT: A PLATFORM FOR THE UNIVERSITY OF TEXAS (PLATFORM DOCUMENT), DISTRIBUTION OF. --Pursuant to the recommendations made to the Board at its meeting on July 2, 1960, "that Prospect: A Platform for The University of Texas (Platform Document) not be distributed in large quantities," the Administration reported the following list for distribution:

1. Regents, for distribution of single copies as they deem wise
2. Each component institution head for personal delivery (not widespread mailings)
3. Members of Development Board, supply for personal distribution
4. Director of Fund Development for mailing to selected prospects
5. Citizen Study groups and those they would like to have a copy
6. Civic clubs, etc., as University representatives make appearances
7. Ex-Student Association officers, including local club presidents

The Committee of the Whole authorized that Prospect: A Platform for The University of Texas be distributed to those on the foregoing list plus the following:

1. Texas Commission on Higher Education and staff
2. Members of the Legislature
3. President of each Texas four-year and junior college, public and private
4. Trustees of all Texas foundations
5. Trustees or officers of national foundations
6. Each high school library in Texas

APPOINTMENT OF MEMBER, DEVELOPMENT BOARD, REPRESENTATIVE OF THE BOARD OF REGENTS. -- In compliance with the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter V, Subsection 2.61, Chairman Minter designated Mr. Wales Madden, Jr. as a member of The University of Texas Development Board for the biennium 1960-1962.

PLEDGES OF DAN DANCIGER FOUNDATION AND OF THE SOUTHWESTERN MEDICAL FOUNDATION. -- The Committee of the Whole accepted with deep gratitude and appreciation the following:

- (1) A pledge from the Trustees of the Dan Danciger Foundation to grant to The University of Texas Southwestern Medical School \$750,000.00 for the construction of a research building on land in Dallas now owned by the Southwestern Medical School. The grant is contingent upon the following conditions:
  - a. At least \$250,000.00 will be obtained from other sources (probably Southwestern Medical Foundation) to apply on the cost of the building. See (2) below.
  - b. Matching federal funds in the amount of at least \$1,000,000.00 will be obtained to help defray the cost of the project. (See Page 22 .)
  - c. Necessary approval and authorization of the project will be obtained from The University of Texas and the Texas Legislature. (See Pages 14, 23.)
  - d. The building shall bear a name that appropriately designates it as a memorial to Mr. Dan Danciger.
- (2) A pledge from the Trustees of the Southwestern Medical Foundation to grant \$250,000.00 to The University of Texas Southwestern Medical School for the purposes set out in the resolution below:

'BE IT RESOLVED: That the Southwestern Medical Foundation make available funds up to \$250,000.00

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towards the establishment of a separate facility for medical research at the Southwestern Medical Center to be owned and operated as part of The University of Texas through its Southwestern Medical School as may be authorized by the Legislature of the State of Texas. This grant is to be added to the generous and important grant of \$750,000.00 of The Dan Danciger Fund to establish this Research Center to be known as "The Dan Danciger Research Center."

BE IT FURTHER RESOLVED: That this combined philanthropy is to be activated when matched by the Federal Government in the amount of \$1,000,000.00 so as to permit the construction of a \$2,000,000.00 facility.

BE IT FURTHER RESOLVED: That the enthusiastic appreciation and gratitude of the Southwestern Medical Foundation be expressed to The Dan Danciger Fund and to its Trustees: Mr. Harry L. Jacobs, Mr. Jacob Feldman, and Mr. Fred F. Florence and Mr. John M. Zuber, representing the Republic National Bank, as a corporate Trustee--for this most generous and philanthropic gift for research. This new facility, specifically for medical research, will advance in a direct and major way the work for health in this Community and throughout the Southwestern Medical Center but to those who have enabled so remarkable a gift."

(This resolution was adopted by the Trustees of the Southwestern Medical Foundation on July 11, 1960.)

OIL PORTRAITS, DOCTOR EDWARD H. CARY AND MR. KARL HOBLITZELLE, SOUTHWESTERN MEDICAL SCHOOL. --Doctor Gill was authorized to accept from an anonymous donor oil portraits of Doctor Edward H. Cary and Mr. Karl Hoblitzelle.

#### REPORTS OF STANDING COMMITTEES

At the request of Chairman Minter, the Committee Chairmen presented the reports of their respective committees, including any item that had been referred to and acted on by the Committee of the Whole.

REPORT OF EXECUTIVE COMMITTEE--INTERIM ACTIONS (JUNE 14--AUGUST 31, 1960). --Committee Chairman Hardie

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submitted the following report of the Executive Committee and moved its adoption:

Twenty-seven items have been presented to and approved (by mail vote) by the Executive Committee since its last report of June 14 as reported in the minutes of July 1-2, 1960. Each item was recommended by the respective institutional head concerned, which recommendation was concurred in by President Wilson. All Budgetary Items and Absences from the Campus are included in the attached docket unless otherwise indicated.

1. Budgetary Items

- a. Medical Branch. --Six items recommended by Executive Dean and Director Truslow and reported in the attached docket in Item 2, Page G-2; Item 4, Page G-2; Item 6, Page G-4; and Item 3, Page G-21.
- b. M. D. Anderson Hospital and Tumor Institute. -- One item recommended by Director Clark and reported in the attached docket in Item 2, Page A-2.
- c. Southwestern Medical School. -- Two items recommended by Dean Gill and reported in the attached docket in Items 2 and 4, Pages S-1 and S-4, and Item 3, Page S-2.

One item was not approved in time to be in the docket. This item will be included in the October 1960 docket.

2. Absences from the Campus in Excess of Two Weeks

- a. Main University. --Absences of Mr. Earl A. Koile, Doctor Winfred P. Lehmann, Doctor Eugene H. Wissler, Mr. Franklin B. Johnson, Mrs. Sylvia M. Goodrich, Doctor David M. Young, Jr., Mr. Walter E. Millett, Doctor Wilson S. Stone recommended by President Ransom and reported in the attached docket on Page M-59.
- b. Medical Branch. --Absences of Doctor Virginia Blocker, Doctor A. Packchanian, Doctor James V. Warren, Doctor George R. Herrmann, Doctor William C. Levin recommended by Executive Director and Dean Truslow and reported in the attached docket on Pages G-11 and G-12.

Item one, (Doctor Wayne E. Truax), Page G-10, was included in the report of the Executive Committee

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at the July 1960 meeting. However, this item was not approved in time to be included in the July docket.

Absence of Doctor Edgar J. Poth and of Doctor John Truslow were not approved by the Executive Committee in time to be reported in the September docket, but will be reported in the subsequent docket.

- c. M. D. Anderson Hospital and Tumor Institute. -- Absence of Doctor Robert J. Shalek recommended by Director Clark and reported in the attached docket on Page A-10.

Also on Page A-10 is reported the absence of Doctor Saul Kit. This item, approved as a part of the Report of the Executive Committee at the July 1960 meeting, was not included in the docket for that meeting.

- d. Southwestern Medical School. -- Absence of Doctor Donald Seldin recommended by Dean Gill and reported in the attached docket on Page S-10.

3. Basic Science and Clinical Science buildings, Southwestern Medical School (See Page 33 .). -- Pursuant to authorization of the Committee of the Whole at the July meeting to name the Basic Science and the Clinical Science buildings at Southwestern Medical School, the Executive Committee has approved the following:

- a. Inscription, Basic Science Building. -- The inscription over the door of the Basic Science Building--the main entrance--shall read EDWARD H. CARY BASIC SCIENCE HALL. This shall be above the inscription now reading "The University of Texas, Southwestern Medical School."
- b. Inscription, Clinical Science Building. -- The inscription on the east wall of the Clinical Science Building (a plain brick surface) shall be of aluminum letters nine inches high in the same pattern of those of the Basic Science Building and shall read THE UNIVERSITY OF TEXAS, SOUTHWESTERN MEDICAL SCHOOL (and just below) KARL HOBLITZELLE CLINICAL SCIENCE CENTER.
- c. Appropriation for Inscriptions. -- There is hereby appropriated for the preparation and placement of the letters of the two inscriptions



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cited above an amount not to exceed \$2,500.00 to be transferred from the Unappropriated Balance - General Funds to Physical Plant-- Additions to Building Designations, with the understanding that competitive bids will be taken on the lettering job.

These items are reported for ratification by the Board.

Adoption of Report. --Mr. Thompson seconded the motion which prevailed.

REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 10 for adoption. ) --The following report of the Academic and Developmental Affairs Committee was presented by Committee Chairman Devall:

Approval of Docket. --The Academic and Developmental Affairs Committee recommends that the docket of Chancellor Wilson dated September 7, 1960, be approved in the form attached and that the approved docket (Attachment No. 2) be made a part of the minutes. (The docket is attached to this set of minutes following Page L-20 of Attachment No. 1.)

Date for Thanksgiving games, 1961 and 1962, Main University. --In 1950, the Board adopted a resolution "declaring it to be the sense of the Board of Regents that the University should adhere to the program followed in the past and have the football game between the University and A. & M. College played on the last Thursday in November." (This was adopted before the State Legislature decreed the fourth Thursday in November as the official Thanksgiving Day.) The athletic departments of A. & M. and Texas have agreed that the games should be played on the official Thanksgiving Day, which would be the fourth Thursday in November. However, in 1961 and 1962 there are five Thursdays in November (only four from 1963 through 1967).

The Academic and Developmental Affairs Committee accepts and presents for the Board's approval the recommendations of the Athletic Council, concurred in by President Ransom and Chancellor Wilson, that the 1961 and 1962 A. & M. - Texas football games be played on the official Thanksgiving Day (the fourth Thursday in November).

Small Class Reports, 1960 Summer Session: Main University, First and Second Six Weeks and Nine Weeks and Texas Western College, First and Second Terms (House Bill No. 4, 56th Legislature, Third Called Session, Article IV, Section 15. --The Small Class

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Reports for the 1960 Summer Session for the first six weeks, second six weeks, and nine weeks for the Main University and for the first and second terms for Texas Western College were furnished to each Regent, together with analytical summaries, in the Material Supporting the Agenda. These reports had been prepared in accordance with House Bill No. 4, 56th Legislature, Third Called Session, Article IV, Section 15 of the special provisions. The classes are listed according to the following Justification Code:

1. Required course for graduation in one or more baccalaureate degree programs. The course is not offered each semester or term, and if cancelled, may affect date of graduation of those enrolled.
2. Required course for graduating seniors in one or more degree programs.
3. Required course for majors in this field and should be completed this semester (or term) to keep proper sequence in courses.
4. Course for which students pay a supplementary fee, and the usual requirements of class size are not considered applicable. (Example: Class Instruction in Applied Music or Applied Art.)
5. Limited laboratory facilities make it necessary to establish an additional section of this course.
6.
  - a. Course in a small department which offers the minimum number of courses consistent with the maintenance of a balanced departmental program.
  - b. Courses in a large department necessary to maintain a well-balanced departmental program.
7. Graduate course that is required for completion of an advanced degree.
8.
  - a. Interdepartmental course meeting with the same course in another department.
  - b. Intradepartmental course meeting with another course in same department.
9. Others:
  - a. Adds, drops, and transfers in transit between departments and the Registrar's Office as of the twelfth class day.
  - b. Courses offered through Summer Linguistics Institute; count includes only degree-credit students.

Main University. -- The small classes in the report for Main University are listed in categories 1-4 and 6-9 inclusive, as set out above.

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Texas Western College. -- The small classes in the report for Texas Western College are listed in categories 1-4, 6, and 8, as set out above.

The Academic and Developmental Affairs Committee recommends that the Board approve for filing with the Texas Commission on Higher Education the 1960 Summer School Small Class Reports for Main University and Texas Western College. (Copies of these reports are in the Secretary's Files, Volume VIII, Page 40 .)

Budget Allocations of the Excellence Fund by Elements of Institutional Costs, Main University, 1960-61. -- The Academic and Developmental Affairs Committee approved for the Board's consideration the following Summary of Budget Allocations of the Excellence Fund by Elements of Institutional Costs for the Main University, 1960-61:

Distribution by Elements of Cost

Item No.	Programmatic Description	Total	Res. Instr. Departmental		Organized Research	Special Items
			Operating Costs	Library		
.	Institutional Research Computation, etc.	\$ 50,000	\$	\$	\$ 50,000	\$
1.	Programmatic Research	159,550			159,550	
3.	Graduate Education Program	362,000	100,000		100,000	162,000
4.	Improvement of Teaching	10,000	10,000			
5.	Surveys and Consultantships	4,450	4,450			
6.	Research Equipment and Collections	200,000		150,000	50,000	
7.	Departmental Research Materials	208,000	100,000		108,000	
8.	Allotment Account for Contingencies	6,000				6,000
	<b>Total</b>	<b>\$1,000,000</b>	<b>\$214,450</b>	<b>\$150,000</b>	<b>\$467,550</b>	<b>\$168,000</b>

Adoption of Report. -- Upon motion of Mrs. Devall, seconded by Vice-Chairman Johnson, the foregoing report and the recommendations contained therein were adopted.

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE (See Pages 15, 26 for adoption. ) -- At the request of Chairman Minter, Committee Chairman Thompson presented the following report of the Buildings and Grounds Committee in five parts:

1. Report to the Committee of the Whole, Meeting of September 16-17, 1960. -- It is recommended that the report of the meeting on September 16-17, 1960, to the Committee of the Whole as amended be adopted in the following form:

On July 2, 1960, the Buildings and Grounds Committee scheduled a meeting for September 16-17, 1960 to consider the ten-year physical plant development program and invited all members of the Board of Regents to attend. The Buildings and Grounds Committee convened at 9:30 a. m. on Friday, September 16, 1960, with all members present, to-wit: Regents Thompson (Committee Chairman), Hardie, Heath, McNeese, and Minter (ex officio). Also present were Regents Bryan, Devall, and Madden.

Material Supporting the Agenda of the Buildings and Grounds Committee as prepared by the Administration was mailed to each Regent on September 9. With Mr. Thompson presiding as Chairman of the Buildings and Grounds Committee, all eight of the Regents discussed enrollment projections and the proposals submitted by the Administration. Committee Chairman Thompson made a request in which the Regents acquiesced that Chairman Minter preside and that the group act as a Committee of the Whole on the Administration's recommendations set out in the supporting material.

With Chairman Minter presiding, the Committee of the Whole approved the following recommendations which are submitted for ratification by and for the record of the Committee of the Whole at its regularly convened meeting on September 23-24, 1960.

For the Main University, adopt Scheme A, presented by drawings and diorama as a guiding Master Plan for Campus Development excluding plans for Little Campus development and with the understanding that the adoption of Scheme A does not constitute an adoption of the recommendation with reference to any specific project. Also, adopt a policy to make no major purchases of land contiguous to the present campus at this time. It should be emphasized that these recommendations involve neither authorization nor appropriation of funds for any of the projects listed. Rather, if approved by the Board of Regents, the program will provide a flexible guide-line for the Administration in recommending subsequently specific projects for approval through established channels.

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For the Main University, adopt a ten-year building plan, tentative in nature, consisting of a schedule of projects, as listed below:

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<u>Project</u>	<u>Estimated Cost</u>	<u>Authorization Date</u>
A. Law School Addition	1,500,000	1960-61
B. Gregory Gymnasium Addition	1,600,000	1960-61
C. Engineering-Science, Stage I:		
C1. Laboratory Building for Engineering and Defense Research Laboratories	3,100,000	Sept., 1960
C2. Building for Particle Accelerator and Nuclear Physics Laboratories	900,000	Sept., 1960
C3. Tandem Particle Accelerator and Related Equipment	1,800,000	Sept., 1960
D. Modernization and Remodeling of Existing Buildings (a)	2,500,000	1960-67
E. Power Generation Equipment	1,500,000	1960-61
F. Biology (General Purpose) Addition	1,100,000	1961-62
G. Utilities Distribution Systems		
G1.	250,000	1961-62
G2.	300,000	1962-63
G3.	200,000	1966-67

(a) The following schedule was adopted:

<u>Building</u>	<u>Estimated Cost</u>
1. Waggener Hall	\$ 170,000
2. Garrison Hall	140,000
3. Chemical Engineering Building	100,000
4. Old Library Building	110,000
5. Architecture Building	160,000
6. Women's Gymnasium Offices	60,000
7. Biological Laboratories Building	200,000
8. Home Economics Building	150,000
9. Physics Building	260,000
10. Chemistry Building	350,000
11. Petroleum Engineering Building	100,000
12. Geology Building	140,000
13. Experimental Science Bldg. - East End	120,000
14. R. O. T. C. Building	140,000
15. Service Building	25,000
Contingency	275,000
<b>TOTAL</b>	<b>\$2,500,000</b>

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<u>Project</u>	<u>Estimated Cost</u>	<u>Authorization Date</u>
H. Records Storage Warehouse	\$ 250,000	1962-63
I. Physical Plant Storage Warehouse	250,000	1963-64
J. Teaching Laboratory for Home Economics	50,000	1960-61
K. Clearing and Leveling, Archway Property	50,000	1961-62
L. Band Hall, one-half of cost	125,000	1962-63
M. South Mall Office-Classroom	1,250,000	1963-64
N. Continuation Center	600,000	1962-63
O. Addition to Water Chilling Station	400,000	1965-66
P. Up-Dating Teaching Equipment and Classroom Furnishings (W. Coliseum-Field House) *	1,500,000	1961-68
Q. Lump-Sum Allocation for Matching on these Projects:	<u>4,600,000</u>	1961-68
Engineering-Science	\$ 3,800,000	
Engineering-Science	2,800,000	
Chemistry Addition	1,350,000	
Div. of Extension	1,000,000	
Experimental Science Building Addition	1,600,000	
Research Equipment	2,500,000	
Library Collections	2,500,000	
TOTAL, A through Q	<u>\$26,325,000</u>	
R. From Revenue Bonds:		
Women's Dormitory	\$ 3,000,000	
Men's Dormitory	3,250,000	
Apartments	1,400,000	

\* Action on this item postponed until December 1960 meeting.

<u>Project</u>	<u>Estimated Cost</u>
S. From Gifts Entirely:	
Geology Building	2,250,000
Drama Theater	1,500,000
Music Addition	1,300,000
Administration Building	500,000
Museum Additions	(?)
Further Library Collections	(?)
Co-Op Houses for Men or Women	1,000,000
Television Antenna and Tower	200,000

Specific Approvals

Permit the administration to recommend authorization of preparation of preliminary plans and specifications for the Law School Addition at the September 23-24 meeting. (Page 24)

Permit the same action with reference to the Gregory Gymnasium addition. (Page 25)

Permit submission to the September 23-24 meeting of (a) recommendation that preliminary plans and specifications for the buildings designated as Projects C1 and C2 (Engineering-Science, Stage I) and (b) recommendations to contract for purchase of a tandem particle accelerator. (Page 24)

Approve, tentatively, eventual use of Archway property for parking and continuation of Women's Playing Field at present location.

Permit administration to present recommendation to September 23-24 meeting of Buildings and Grounds Committee to contract for the purchase of a transistorized computer, to accept a grant of \$400,000 from the National Science Foundation to be applied thereto, and to recommend appropriation from the Available University Fund of the remaining amount necessary. (Page 24)

Permit administration to make public announcement, after ratification by the September 23-24 meeting of the Regents, that applications have been filed with H. H. F. A. for loan funds to construct a Women's Dormitory, a Men's Dormitory, and Married Student Apartments.

Request the administration to present for submission at the December meeting recommendations regarding development of the East Mall at an economical figure.

For the Medical Branch, adopt tentatively the Master Plan and a Ten-Year Building Plan consisting of projects as listed below, with tentative designation of \$3,700,000 in new Permanent University Fund Bonds and \$1,200,000 in Available University Fund cash for the projects.

A. Outpatient-Clinical Diagnosis Unit	\$ 4,680,000
B. Basic Science-Administration Unit	4,800,000
C. Laundry Addition	135,000
D. Keiller Building Further Remodeling	550,000
E. Central-Water-Chilling Addition	500,000
F. Other Remodeling and Demolition	1,000,000
G. Equipment	1,500,000
TOTAL	\$13,165,000

Specific Approvals

Authorize request to 57th Legislature for approval of use of bond issue funds and Available University Fund cash toward projects listed, remainder to come from gifts and grants.

For Texas Western College, approve tentative plan to construct one classroom-laboratory-office building about 1965 at \$1,000,000 from Permanent University Fund Bond proceeds.

For Southwestern Medical School, reaffirm the Salmon Plan as tentative site-development plan, and adopt Ten-Year Building Plan consisting of projects as listed below, specifically including a central heating and chilling station, with tentative designation of \$1,000,000 in Permanent University Fund Bonds to be applied toward projects chosen.

- A. Research Laboratories at \$2,850,000
- B. Radiation Laboratory at \$250,000
- C. Library Unit at \$600,000
- D. Animal Building at \$450,000
- E. Auditorium and Continuation at \$1,000,000
- F. Student Recreation Center at \$250,000
- G. Central Heating and Chilling Station (cost included in estimates above)

Specific Approvals

Authorize request to 57th Legislature for permission to construct the projects chosen, applying not more than \$1,000,000 from Permanent University Fund Bonds to such construction, the remainder to come from grant and gift funds, and also permission for exchange of property if approved by the Board. (Page 15)

For M. D. Anderson Hospital and Tumor Institute, approve the three projects listed below and request Legislative permission to construct all projects from grant and gift funds:



Three projects, consisting of additions to the present building at a total cost estimate of \$5,344,000. Financing is to come from governmental grants and private donations entirely. Applications to Federal Agencies for grants have been authorized by the Regents but no project itself is yet authorized. Legislative permission exists for one project. We recommend that the 57th Legislature be requested to grant permission to construct the other two projects.

For the Dental Branch, tentative approval of projects listed below:

Completion of basement space and enclosure of animal quarters, funds to come from balances in Dental Branch operating budgets.

Adoption. -- The foregoing report was adopted upon motion of Mr. Thompson, seconded by Mr. Heath.

2. Exchange of Land to Provide Site for Children's Hospital, Southwestern Medical Center. -- It is recommended by the Buildings and Grounds Committee that the following special item (in the form as presented by Dean Gill and the Administration) relating to the exchange of land to provide a site for the Children's Hospital in the Southwestern Medical Center be approved:

Pursuant to authorization by the Board of Regents, Dean Gill has pursued negotiations with the parties concerned. On September 22, he received from the Parkland Hospital Board subcommittee and administrators what he is convinced is their final proposal for exchange. While the offer is not ideal, it is much preferable to all previous offers.

This exchange would involve acquisition of approximately seven acres by the University, located west and south of Parkland Hospital, and transfer to the Parkland Hospital Board of approximately ten acres at the corner of the Railroad right of way and Inwood Road. (Locations on plot map.) Part of the ten acres might be new property which might be acquired and transferred by the Southwestern Medical Foundation or some other agency.

Under all the circumstances, and chiefly because of general agreement that the Children's Hospital should be built in the Medical Center, we recommend that the Board of Regents express its willingness to make this exchange if recommended to the Board by the Southwestern Medical Center Council, subject to legal and technical details being worked out to the satisfaction of the Board of Regents.

Adoption. -- Mr. Thompson moved the adoption of the foregoing. Mr. Bryan seconded the motion which prevailed.

3. Recommendations of the Administration to the Buildings and Grounds Committee. --The following report is recommended to the Board. All of the recommendations were distributed to the Regents either in the Material Supporting the Agenda or at the meeting:
- a. Main University - Approval of Final Plans and Specifications for New Drama Building. --In accordance with authorization given at the Regents' meeting held January 23, 1960, working drawings and specifications for the New Drama Building at the Main University have been prepared by the Associate Architect, Bartlett Cocke. These final plans and specifications have been approved by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, the Chairman of the Drama Department, Main University Faculty Building Committee, Dean of the College of Fine Arts, President Ransom, Comptroller Sparenberg, and Chancellor Wilson. It is recommended that they be approved by the Board and that authorization be given to Comptroller Sparenberg to advertise for bids on this project, these bids to be presented to the Board for consideration at a later meeting.
  - b. Main University - Approval of Final Plans and Specifications for Boat Basin and Related Facilities at the Institute of Marine Science. --In accordance with authorization given by the Regents at the meeting held May 14, 1960, working drawings and specifications for the Boat Basin and Related Facilities at the Institute of Marine Science have been prepared by Smyth and Smyth, Associate Architect on the project. These final plans and specifications have been approved by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, Doctor Howard T. Odum, Director of the Institute of Marine Science, President Ransom, Comptroller Sparenberg, and Chancellor Wilson. It is recommended that they be approved by the Board and that authorization be given to Comptroller Sparenberg to advertise for bids on this project, these bids to be presented to the Board for consideration at a later meeting. It is recommended by the Chancellor's Office that, if the grantor, et al, should ever elect to do any of the additional work covered by the warranty deed and agreement executed as at 30 March 1960 by Mr. Tom McNamara, Trustee, and the Board of Regents, the Comptroller be authorized to check and approve whatever arrangements are made under this agreement.
  - c. Main University - Approval of Final Plans and Specifications for Computation Center. --In accordance with authorization given by the Regents at the meeting held January 23, 1960, working drawings and specifications for the Computation Center at the Main University have been prepared by Fehr and Granger, Associate Architect on the project. These final plans and specifications have been approved by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, the Director of the Computation Center, Main University Faculty Building Committee, President Ransom, Comptroller Sparen-

berg, and Chancellor Wilson. It is recommended that they be approved by the Board and that authorization be given to Comptroller Sparenberg to advertise for bids, these bids to be presented to the Board for consideration at a later meeting.

- d. Main University - Approval of Specifications for Movable Furniture and Equipment for Addition to Chemistry Building. -- In order that the movable furniture and equipment for the project will be ready when the Addition to the Chemistry Building at the Main University is completed, specifications for this furniture and equipment have been prepared by Architects Moore and Burnett, members of the staff of the Comptroller's Office. The amount of money available in the allotment account for this project is now between \$16,000.00 and \$17,000.00, and it is believed that the items included in the specifications will not exceed this amount. These specifications have been approved by the Chairman of the Chemistry Department and President Ransom. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids to be presented for consideration at a later meeting of the Board.
- e. Main University - Acquisition of Archway Properties. -- Lot No. 1 in Archway, a Subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, is owned by M. W. Clark, et al. At the July meeting of the Board of Regents it was reported that an offer to sell the property to the University for \$26,000.00 had been received. It was recommended that the \$26,000.00 offer be rejected, and the Board approved the recommended counter offer of \$20,000.00 cash and other considerations.

Mr. Forest Pearson, the negotiator for the Archway Properties, arranged a meeting with the representatives of Mrs. Clark and the Clark Estate, and presented the offer as authorized by the Board. The representatives of the Clark Estate declined this offer and advised Mr. Pearson that it was the wish of the children that Mrs. Clark be moved closer to them, and that they did not care to go back and attempt to revise her thinking towards not moving.

A contract of sale has now been presented to the University offering the property at a purchase price of \$24,000.00. Mr. Pearson has recommended that this contract of sale be accepted by the University; however, since the offered price of \$24,000.00 is some 41% above the appraisal price of \$17,000.00, and since the University has not paid more than 15% above the appraisal price in other transactions, it is not felt that this price should be paid, particularly in view of the pending condemnation suit on the Cofer properties. Therefore, Mr. Graves W. Landrum, Business Manager of Main University, and Doctor James C. Dolley, Vice-Chancellor for Fiscal Affairs, recommend that the proposed purchase price of \$24,000.00 be rejected by the Board of Regents, and that Mr. Forest Pearson be requested to notify the proper

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representatives of Mrs. Clark and the Clark Estate regarding this action.

- f. Main University - Allocation of Appropriation for Major Repair and Rehabilitation Projects. -- In the Available University Fund budget for 1960-61, there is an item of \$200,000.00 for Major Repair and Rehabilitation Projects for the Main University. It is recommended that this \$200,000.00 be allocated to projects as indicated below:

Appropriations to be Carried in Central Administration Accounts, to be Handled by Comptroller Through Chancellor and Regents' Buildings and Grounds Committee

1. Physics Building - Replacement of Inadequate Circuits and Lighting Equipment	\$ 27,000
2. Physics Building - Remodeling and Modernizing of Elevator	20,000
3. Music Building - Retirement of Refrigeration Plant and Conversion to Supply of Chilled Water	28,000
4. Biological Laboratories - Remodeling and Modernizing of Elevator	20,000
5. Geology Building - Remodeling and Modernizing of Elevator	20,000
	<hr/>
Subtotal	\$ 115,000

Appropriations to be Carried in Main University Accounts, To be Handled by Main University Director of Physical Plant and Business Manager

1. Music Building - Replacement of Temperature Control System	\$ 15,000
2. Home Economics Building - Replacement of Inadequate Circuits and Lighting	15,000
3. Replacement of Worn Out Furniture in Classrooms and Offices	15,000
4. Main Building - Cleaning, Waterproofing and Pointing up of Stone on Building	10,000
5. Old Library Building - Cleaning, Waterproofing and Pointing up of Stone on Building	5,000

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6.	Hogg Auditorium - Cleaning, Waterproofing and Pointing up of Stone on Building	\$ 5,000
7.	Music Building - Cleaning, Waterproofing and Pointing up of Stone on Building	5,000
8.	Main Building - Provision of Cross-Connection between Transformer Sub-Stations and Addition of One Spare Single Phase Transformer	5,000
9.	Old Library Building - Replacement of Inadequate Lighting and Circuits	<u>10,000</u>
	Subtotal	<u>\$ 85,000</u>
	Total	<u><u>\$ 200,000</u></u>

The specific projects shown above are the same projects included in The University of Texas Available University Fund Budget Submission for this biennium, as submitted for the consideration of the Texas Commission on Higher Education, the Legislative Budget Board, and the Governor's Office, except for the following changes:

1. The \$15,000.00 originally requested for work in the Drama Building, which has since been torn down, is now requested for Replacement of Worn Out Furniture in Classrooms and Offices.
2. The item originally requested for Replacement of Transformer Sub-Station in the Main Building - \$27,000.00 has been changed to Provision of Cross-Connection between Transformer Sub-Stations and Addition of One Spare Single Phase Transformer - \$5,000.00.
3. The item originally requested for Replacement of Electrical and Communications Duct Systems at Defense Research Laboratory and Garrison Hall - \$3,000.00 has been eliminated.
4. The appropriation requested for Replacement of Inadequate Circuits and Lighting Equipment in Physics Building - \$30,000.00 has now been reduced to \$27,000.00.
5. An item has been added for Retirement of Refrigeration Plant and Conversion to Supply of Chilled Water in the Music Building - \$28,000.00.

These recommendations were made by Mr. Eckhardt and Mr. Landrum and have been approved by President Ransom, Vice-Chancellor Dolley, and Comptroller Sparenberg.

- g. Main University - Increase in Appropriation for Conversion of Certain Rooms in Experimental Science Building - East End. --

At the Regents' meeting held January 23, 1960, an appropriation of \$100,000.00 was made from the Available University Fund - Unappropriated Balance for the Conversion of Rooms 409, 410, and 411 in the East End of the Experimental Science Building at the Main University, for use as laboratories for the Zoology Department. At that meeting the statement was made that part of the cost of this project might be recovered by a grant from either the National Science Foundation or the National Institutes of Health (U. S. P. H. S. ). A grant has now been received from the National Institutes of Health in the amount of \$82,100.00 for "Remodeling and Equipping Some Zoology Research Space." The Zoology Department has revised the earlier plans on which the appropriation of \$100,000.00 was based, deleting some of the original remodeling and adding other remodeling. This department now wishes to request that the appropriation be increased by the amount of the National Institutes of Health grant so that the additional remodeling and laboratory equipment can be included in the project.

The following recommendations are made by the Zoology Department, and are concurred in by President Ransom, Vice-Chancellor Haskew, Comptroller Sparenberg, and Chancellor Wilson:

United States Public Health Service Grant No. RC-745 in the amount of \$82,100.00 for Remodeling and Equipping Some Zoology Research Space be accepted.

The appropriation for Conversion of Certain Rooms in Experimental Science Building - East End be increased to \$182,100.00, with the additional \$82,100.00 to come from United States Public Health Service Grant No. RC-745.

The area to be covered by this remodeling be changed to Rooms 5, 7, 124, 409, 410, 411, 505, and 514.

The original recommendations concerning the preparation of plans and specifications remain the same.

- h. Main University - Ratification of Transfer of Funds to General Contract for Addition to and Remodeling of Texas Union Building. --At the Regents' meeting held December 12, 1958, contracts were awarded on the Texas Union Building Expansion Project. At this same meeting the Regents approved a recommendation "That the Comptroller be authorized to issue change orders to the construction contracts for this project, over and above the Contingency Allowances, not to exceed \$10,000.00 per contract or \$25,000.00 total." During the course of this work it has been considered necessary and advisable by the Associate Architect, the Consulting Architect, and the Comptroller's Office to process change orders to the General Contract with J. M. Odom Construction Company and J. M. Odom in the total amount of \$25,014.29, which is

\$15,014.29 over the amount of the Contingency Allowance and \$5,014.29 in excess of the authority previously granted to the Comptroller by the Board of Regents. Approximately \$15,000.00 of this total of \$25,014.29 covered the installation of new light fixtures in the main ballroom which involved a lot of carpentry and painting work as well as electrical work. According to our records, the authorized total of \$25,000.00 for change orders, above the Contingency Allowances, has not been exceeded.

In order to pay a semi-final estimate submitted by the General Contractor, it was necessary to transfer funds from the allotment account to cover the additional change orders referred to above. Upon recommendation of the Comptroller's Office, Doctor Dolley and Doctor Wilson approved the transfer of \$15,014.29 from Account No. 94200 - Texas Union Building Expansion - Allotment Account to Account No. 94203 - Texas Union Building Expansion - General Contract - J. M. Odom Construction Company and J. M. Odom. It is recommended that the Regents ratify the action taken as outlined above.

- i. Main University - Approval of Preliminary Plans for President's Home. --At the Regents' meeting held July 2, 1960, an appropriation of \$39,800.00 was made for the construction of a house for the President of the Main University, and the architectural firm of Jessen, Jessen, Millhouse, and Greeven was authorized to prepare the plans and specifications necessary for this house. The preliminary plans have now been completed and approved by President Ransom, Comptroller Sparenberg, and Chancellor Wilson. It is recommended that they be approved by the Board and that authorization be given to Jessen, Jessen, Millhouse, and Greeven to proceed with the preparation of working drawings and specifications.
- j. Main University - Authorization for the Sale and Removal of Improvements in the Archway Addition. --Now that a number of the purchases of the Archway properties have been consummated, it is considered in the best interest of the University to try as soon as possible to sell some of the improvements due to the pending condemnation proceedings, and in keeping with the University's commitment to the property owners who sold their properties to the University. Due to the crowded area it is not considered advisable to try to sell all of the improvements at one time, and there are at least three properties which it is planned to use for University purposes until such time as some of the authorized new buildings are completed. Most of the properties are not suitable for University purposes in their present state; however, there are a few that can be used to advantage with a minimum expenditure of funds.

In order that these sales and removal of these improvements may be made as expeditiously as possible, it is recommended by Mr. Graves W. Landrum, Main University Business Manager, and Doctor James C. Dolley, Vice-Chancellor for Fiscal Affairs, that authorization be given to the Business

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Manager of the Main University to sell and remove the improvements from Lots 1 to 25 in Archway Addition, a Subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, after such properties have been acquired by the University.

It is contemplated that plans and specifications will be prepared, advertisements will be placed in local newspapers, bids will be received, and contracts will be awarded, by the Business Manager, for the sale and removal of the improvements. The Business Manager will seek to obtain the best possible bids on the improvements to be sold and removed, and will attempt to time the sales for the best interest of the University. It is expected that the University will receive a net payment for the sale and removal of the improvements; however, in some instances the University may have to pay to have an individual house, garage, or apartment unit removed from the site. It is, therefore, requested that authorization be granted to charge the advertising expenses and the removal costs, if any, to the initial appropriation of \$500,000.00 made for the Acquisition of Archway Properties. The net proceeds from the sale of Archway Property improvements will be deposited in Real Estate Rentals - Sale of Archway Improvements, said account to be carried on the books of the Main University in the Unexpended Plant Funds section series of accounts.

- k. Southwestern Medical School - Authorization to File Application to National Institutes of Health. --A letter has been received by Doctor Wilson from Dean Gill under date of August 22, 1960, reading in part as follows:

"We will soon be in need of an architectural consultant to assist in preparing the detailed application for matching funds in connection with the development of the research building for which the basic \$1,000,000 has been pledged by the Danciger Foundation and Southwestern Medical Foundation. The application itself must be in Washington before October 1 and, unfortunately, requires certain line drawings and information regarding structure and layout of space which can only be done, I think, by architects and engineers. As you know, we have no funds for this type of consultation and we would like to know if the University's consulting architect could be called upon for assistance.

"I believe that we will have put together nearly all of the basic information which our faculty can provide by Wednesday or Thursday of this week and if Mr. Jessen could come up to work with us on Wednesday, Thursday, or Friday, we would be most grateful. Time is so short that I believe that even a few days will make a difference."



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Manager of the Main University to sell and remove the improvements from Lots 1 to 25 in Archway Addition, a Subdivision of Outlot No. 9, Division D, in the City of Austin, Travis County, Texas, after such properties have been acquired by the University.

It is contemplated that plans and specifications will be prepared, advertisements will be placed in local newspapers, bids will be received, and contracts will be awarded, by the Business Manager, for the sale and removal of the improvements. The Business Manager will seek to obtain the best possible bids on the improvements to be sold and removed, and will attempt to time the sales for the best interest of the University. It is expected that the University will receive a net payment for the sale and removal of the improvements; however, in some instances the University may have to pay to have an individual house, garage, or apartment unit removed.

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

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- k. Southwestern Medical School - Authorization to File Application to National Institutes of Health. --A letter has been received by Doctor Wilson from Dean Gill under date of August 22, 1960, reading in part as follows:

"We will soon be in need of an architectural consultant to assist in preparing the detailed application for matching funds in connection with the development of the research building for which the basic \$1,000,000 has been pledged by the Danciger Foundation and Southwestern Medical Foundation. The application itself must be in Washington before October 1 and, unfortunately, requires certain line drawings and information regarding structure and layout of space which can only be done, I think, by architects and engineers. As you know, we have no funds for this type of consultation and we would like to know if the University's consulting architect could be called upon for assistance.

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In view of the short period of time remaining before the deadline for the receipt of the application in Washington, arrangements were made for a representative of the firm of Jessen, Jessen, Millhouse, and Greeven to go to Dallas either August 25 or August 26, 1960, to confer with Dean Gill on this matter.

It is recommended that the Board approve the filing of an application to the National Institutes of Health for a matching grant to construct a Research Laboratories Building at Southwestern Medical School at an estimated total cost of approximately \$2,000,000. It is further recommended that approval be given by the Board for the Consulting Architect to prepare such sketches and plans as are necessary for submission of the application.

The project itself cannot be formally authorized until Legislative permission to construct the building is secured. The approval requested is merely for the filing of an application to National Institutes of Health. Further action is subject to the action of the Buildings and Grounds Committee of the Board on the ten-year building plan.

1. Main University - Recommendations to Contract for Purchase of Tandem Particle Accelerator and Appropriation Therefor. -- The Ten-Year Building Plan considered by the Buildings and Grounds Committee and the Committee of the Whole of the Board of Regents on September 16 and 17, 1960, included an item of \$1,800,000.00 for "Tandem Particle Accelerator and Related Equipment," with authorization contemplated for September, 1960. The Board of Regents at the meeting on March 12, 1960, in accordance with the recommendation of the Buildings and Grounds Committee, agreed "that the information furnished by Comptroller Sparenberg, et al, justified approval of the recommendation by Doctor Kinsey and others that the Van de Graaff Tandem Accelerator and related equipment be purchased from the High Voltage Engineering Corporation of Burlington, Massachusetts, if, when, and as the project as a whole has been approved as an integral part of the Ten-Year Building Program. It was further agreed that the equipment, as distinguished from the building, should be bought, at the proper time, on a negotiated basis, rather than on a competitive bid basis." In accordance with actions by the Regents, including the Buildings and Grounds Committee and the Committee of the Whole, and in accordance with instructions from the Chancellor's Office, Comptroller Sparenberg and Attorney Waldrep have prepared a contract with the High Voltage Engineering Corporation of Burlington, Massachusetts, covering the purchase of the Van de Graaff Tandem Accelerator and related equipment (including two Van de Graaff Vertical Accelerators), at a total cost of \$1,800,000.00.

It is recommended that the Board of Regents at this meeting authorize the Chairman of the Board to execute this contract on behalf of the Board of Regents and that the \$1,800,000.00 necessary to cover this contract be appropriated from Permanent University Fund Bond proceeds.

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- m. Main University - Authorization to Prepare Preliminary Plans for Engineering-Science Building, Including Housing for Tandem Accelerator and Related Equipment, and Appropriation for Preliminary Plans. -- The Ten-Year Building Plan considered by the Buildings and Grounds Committee and the Committee of the Whole on September 16 and 17, 1960, included the construction of an Engineering-Science Building, including housing for Van de Graaff Accelerators and related equipment, at an estimated total cost of \$4,000,000, with plans to be begun during this fiscal year. It is, therefore, recommended that authorization be given for the preparation of preliminary plans for an Engineering-Science Building, including housing for Van de Graaff Accelerators and related equipment, by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven. It is further recommended that \$40,000.00 be appropriated from Permanent University Fund Bond proceeds to cover the Consulting Architect's Fees.
- n. Main University - Authorization to Contract for Purchase of a Transistorized Computer, Accepting a Grant of \$400,000.00 from National Science Foundation, and Appropriation of Balance Needed. -- At this meeting the final plans and specifications for the Computation Center are being presented for approval by the Board, and it now becomes imperative that a new computer be purchased for use in the Center. A thorough investigation of machines available, prices thereon, and delivery dates has been made by Doctor Young, Director of the Computation Center, Doctor Ransom, Doctor Haskew, and others in the Chancellor's Office, and more complete information on this investigation was sent to the Board earlier as supplementary data.

It is recommended by the Buildings and Grounds Committee that action on this item be postponed until the October 1960 meeting.

See Attachment No. 2, Page C-3, Item 2, for acceptance of grant for this purpose from the National Science Foundation.

- o. Main University - Authorization to Prepare Preliminary Plans for Addition to Law School Building (Townes Hall), and Appropriation for Preliminary Plans. -- The Ten-Year Building Plan presented to the Regents included the construction of an Addition to the Law School Building (Townes Hall) at an estimated cost of \$1,500,000, with plans to be begun during this fiscal year. It is, therefore, recommended that authorization be given for the preparation of preliminary plans for the Addition to the Law School Building by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven. It is further recommended that \$15,000.00 be appropriated from Permanent University Fund Bond proceeds to cover the Consulting Architect's Fees.

- p. Main University - Authorization to Prepare Preliminary Plans for Addition to Gregory Gymnasium and Appropriation for Preliminary Plans. --The Ten-Year Building Plan presented to the Regents included the construction of an Addition to Gregory Gymnasium at an estimated cost of \$1,600,000 with plans to be begun during this fiscal year. It is, therefore, recommended that authorization be given for the preparation of preliminary plans for Addition to Gregory Gymnasium by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven. It is further recommended that \$16,000.00 be appropriated from Permanent University Fund Bond proceeds to cover the Consulting Architect's Fees.
  
- q. Texas Western College - Award of Contract for Warehouse-Shops Building. --In accordance with authorization given at the meeting of the Board of Regents held July 2, 1960, bids were called for and were opened and tabulated on September 13, 1960, as shown on Page 37, for the Warehouse-Shops Building at Texas Western College. After consideration of these bids by all concerned, it is recommended by the Consulting Architect, Jessen, Jessen, Millhouse, and Greeven, the Associate Architect, Davis, Foster, Thorpe, and Associates, President Ray, and Comptroller Sparenberg, which recommendation is concurred in by Vice-Chancellor Dolley and Chancellor Wilson, that contract awards be made to the low bidder, as follows:

Ponsford Brothers, El Paso, Texas			
Lot 1		\$105,940.00	
Lot 3		5,750.00	
Lot 4		1,670.00	
Lot 5		3,430.00	\$116,790.00
		<hr/>	
Less Alternate No. 1		10,500.00	
Less Alternate No. 2		1,800.00	
Less Alternate No. 3		600.00	12,900.00
		<hr/>	
			<hr/>
			\$103,890.00

This recommended contract award, together with the Architects' Fees thereon, comes well within the amount of money appropriated for this project, \$140,000.00.

- r. Texas Western College - Approval of Easement to the City of El Paso. -- The City of El Paso has presented a request to Texas Western College for an easement permitting the construction, maintenance, etc., of sewer lines over a portion of the property of the College, containing 0.326 acres, more or less. These lines will be buried in an arroyo and would not interfere in any way with any operations of the College, according to Dean E. M. Thomas.

It is recommended by Doctor Ray, which recommendation is concurred in by Comptroller Sparenberg and Chancellor Wilson, that the easement be granted to the City of El Paso, with

authority to the Chairman of the Board to sign the easement upon approval as to form by the University Attorney.

Adoption of Report. -- Upon motion of Mr. Thompson, seconded by Mr. Hardie, the foregoing report and the recommendations contained therein were adopted.

4. W. J. McDonald Observatory, Main University, Rejection of Bids for New Buildings and Other Improvements. -- Pursuant to authorization given by the Board of Regents at its July 1-2, 1960, meeting Comptroller Sparenberg on August 2, 1960, issued a call for bids on construction of an office building, dormitory, and garage at the W. J. McDonald Observatory, Fort Davis, Texas.

The sealed bids were opened and tabulated on September 13, 1960, as shown on Page 38. It is recommended that all the bids be rejected since none came within the amount of money appropriated for this purpose.

Adoption. -- The foregoing recommendation was adopted upon motion of Mr. Thompson, seconded by Mr. Heath.

5. Information re Undergraduate Library and Academic Center, Main University. -- Committee Chairman Thompson informed the Board that the plans and specifications for the Undergraduate Library and Academic Center have been completed and are to be checked within the next few weeks.

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 29 for adoption.) -- Vice-Chairman Johnson reported that the Land and Investment Committee approved the recommendations of the Administration (Attachment No. 1) with the following deletion and additions. (Attachment No. 1 was distributed to the Regents prior to the meeting, and the additional items were distributed at the meeting.)

I. Deletion

Archer M. Huntington Museum Fund - Proposal from Doctor E. A. Henderson for Purchase of Approximately 312 Acres, Wilson Point, S. C. Bundick League, Galveston County. -- This item in the Administration's recommendations, Page L-20, was not approved by the Land and Investment Committee.

II. Additions

A. Permanent University Fund - Investment Matters. --

Report on Refunding of 2-1/2% Treasury Bonds Issued in 1942 and 1943. -- In various Treasury Department Circulars, dated September 12, 1960, the Treasury Department announced advance refunding terms for several of the 2-1/2% Treasury Bonds issued in 1942 and 1943 as follows, the subscription books to be open only on September 12 through September 20, 1960:

Circular No. 1050:

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Exchange of 2-1/2% Treasury Bonds of 6/15/62-67 (dated 5/5/42) for 3-1/2% Treasury Bonds of 11/15/80 (dated and bearing interest from 10/3/60), to be allotted in full.

Circular No. 1051:

Exchange of 2-1/2% Treasury Bonds of 12/15/63-68 (dated 12/1/42) for 3-1/2% Treasury Bonds of 2/15/90 (dated 2/14/58 with interest from 10/3/60), allotment to be determined by the Treasury Department.

Circular No. 1052:

Exchange of 2-1/2% Treasury Bonds of 6/15/64-69 (dated 4/15/43) and 12/15/64-69 (dated 9/15/43) for 3-1/2% Treasury Bonds of 11/15/98 (dated and bearing interest from 10/3/60), allotment to be determined by the Treasury Department.

Exchange subscriptions were placed by the Endowment Office for advance refunding of the entire holdings of the 2-1/2s permitted for the Permanent University Fund of The University of Texas as follows:

Issues Held	Par Value	Book Value 8/31/60	Annual Income	Current Rate of Return
(1) 2-1/2s due 6/15/62-67	\$ 3,887,000	\$ 3,892,880.32	\$ 94,234.84	2.42%
(2) 2-1/2s due 12/15/63-68	9,437,000	9,391,074.68	240,018.12	2.56
(3) 2-1/2s due 6/15/64-69	7,216,000	7,186,519.42	183,245.52	2.55
(4) 2-1/2s due 12/15/64-69	9,368,000	9,327,764.75	237,578.50	2.55
<b>TOTALS</b>	<b>\$29,908,000</b>	<b>\$29,798,239.17</b>	<b>\$755,076.98</b>	<b>2.53%</b>

Based on possible 100% allotment for all exchanges subscribed for, the following income increase would result for the 3-1/2% Treasury Bonds to be received on a par for par exchange basis:

Issues to Be Received	Annual Income*	Current Rate of Return	Increase in Income from 10/3/60 to Maturity Date of 2-1/2s Exchanged		
			Amount per Yr.	Years to Mat.	Total Income Increase to Maturity
(1) 3-1/2s of 11/15/80	\$ 135,743.45	3.49%	\$ 41,508.61	6.6904	\$ 277,709.20
(2) 3-1/2s of 2/15/90	331,878.63	3.53	91,860.51	8.19726	753,004.48
(3) 3-1/2s of 11/15/98	253,346.15	3.53	70,100.63	8.6904	609,202.51
(4) 3-1/2s of 11/15/98	328,952.94	3.53	91,374.44	9.19726	840,394.48
<b>TOTALS</b>	<b>\$1,049,921.17</b>	<b>3.53%</b>	<b>\$294,844.19</b>		<b>\$2,480,310.67</b>

\*Based on same book value for new bonds as carried for old bonds exchanged.

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It is recommended by the Land and Investment Committee that the Board of Regents ratify and approve the refunding subscriptions entered for the account of the Permanent University Fund of The University of Texas.

B. Trust and Special Funds - Real Estate. --

1. Hogg Foundation - Proposal for Oil and Gas Lease to J. B. Warmack on Arkansas Mineral Property No. 3, Union County, Arkansas. -- The University, as Trustee of the Hogg Foundation, has received a proposal through Mr. Wm. B. Ferguson for an oil and gas lease to J. B. Warmack on its undivided 7/64ths of the minerals under 340 acres in Union County, Arkansas. The lease will be for a primary term of 5 years with bonus at \$10 per acre and annual delay rental at \$1 per acre. The Hogg Foundation's share of the bonus is \$371.87, and its share of annual delay rental when and if paid will be \$37.19. Mrs. Alice Hanszen and Miss Ima Hogg are executing leases under the same terms covering their interests in the property. Though not committed to do so under the lease, Mr. Warmack has assured the Lessors that he is prepared to drill the first well at an early date with perhaps reasonable assurance of production from a thin sand by injection of salt water.

The University's interest of 7/64ths is owned 3/64ths as Trustee under the Will of Tom Hogg, the Board of Regents having acquired by exchange Mrs. Margaret Wells Hogg's life interest in June, 1959, and 4/64ths as Trustee under the Will of W. C. Hogg.

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

2. Medical Branch - Viola F. Corley Estate - Sale of Farm Property, Limestone County, Texas. -- As reported to the Board at its meeting of January 23, 1960, the University owns a portion of the remainder interest in the Estate of Viola F. Corley, which interest is for the benefit of the Psychiatry Department of the Medical Branch.

The remaining real estate in the Estate requiring liquidation in order for the Estate to be settled among several beneficiaries consists of approximately 443.3 acres of farm land with some improvements in Limestone County near Mexia. There has been presented through the representatives of the Estate an offer from Mr. Joe Reistino to purchase this acreage, with its improvements, at a price of \$100 per acre. The University's interest in the proceeds, after payment of 5% sales commission and other costs of sale, will be 6-1/4%.



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The representatives of the Estate have pursued all possibilities for sale of this acreage in recent months, holding out for a cash sale so that proceeds can be distributed, and the offer in hand is in line with appraisals on the property. The sellers will retain a 1/32 non-participating royalty interest for a term of 10 years, which will be owned in undivided interests by the beneficiaries under the will.

It is recommended that the Board of Regents accept this offer as to its interest and authorize its Chairman to join in a contract of sale and deed when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Adoption of Report. --It was moved by Vice-Chairman Johnson, seconded by Mr. Heath, that the foregoing report of the Land and Investment Committee, including the recommendations of the Administration and including the deletion and the additional items recorded herein, be adopted. This motion prevailed. Attachment No. 1, Pages L-1 through L-20 is appended following Page 38 of the Minutes and is made a part of the Minutes.

REPORT OF MEDICAL AFFAIRS COMMITTEE (See Page 31 for adoption.) --Committee Chairman Bryan presented the following report of the Medical Affairs Committee:

Medical Branch: Children's Psychiatric Unit. --At the July 1960 meeting of the Regents, Doctor Truslow was asked to explore with the State Hospital Board the possibilities of an interagency contract to operate a Children's Psychiatric Unit in Psycho Building II and Psycho Building III. Doctor Truslow expressed enthusiasm over the prospects of such a unit; however, he pointed out that it is doubtful the program can get under way by September, 1961.

Southwestern Medical School: Exchange of Land to Provide Site for Children's Hospital. --See Page 15.

M. D. Anderson Hospital and Tumor Institute and the Dental Branch: Temporary Parking Plan and Transfer from Local General Funds. --The Medical Affairs Committee received a joint report from Doctor Clark and Doctor Olson to the effect that it may be necessary to institute controlled parking at the M. D. Anderson Hospital and Tumor Institute and the Dental Branch. The Committee recommends that the Board approve in principle the following joint proposal of the M. D. Anderson Hospital and Tumor Institute and the Dental Branch as a temporary plan until it is determined whether these institutions will be able to participate in the over-all Medical Center parking plan:

1. Proceed with the necessary improvements to facilitate parking within parking areas of the two institutions.
2. Set up a graduated scale of parking fees to faculty, staff, students, patients, and visitors to meet the operating costs for the parking system as well as to amortize any physical changes necessary to the parking areas.

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3. Transfer \$8,500.00 (to be repaid from the parking fees by August 31, 1961) to auxiliary enterprises from Local General Funds of the two institutions to make the necessary changes in the parking areas.

The budgetary details for this plan are to be approved by Chancellor Wilson and submitted to the Board at a subsequent meeting.

Postgraduate School of Medicine, Reorganization Authorization. -- There was distributed to each Regent in the Material Supporting the Agenda a memorandum from Chancellor Wilson concerning The University of Texas Postgraduate School of Medicine. The memorandum contained the proposal for reorganization of the Postgraduate School of Medicine as set out below:

Proposal for Reorganization. -- In brief, reorganization would involve the following steps:

1. Eliminating as promptly as possible (with due notice, of course, to those locally involved) the divisions and hospital affiliations in Corpus Christi, El Paso, San Angelo, Lubbock, and Tyler. Retention of the divisions and hospital affiliations in San Antonio and Temple, with view to holding the former for the development of the University medical school in San Antonio, and with view to dropping the Temple relationship at a later date. Retention of all the present hospital affiliations in Houston, excepting Southern Pacific Hospital. Confining future residency programs to specific hospitals in Houston.
2. Eventually, confine the extension-type teaching programs under Doctor Taylor's supervision to Houston, leaving to the Medical Branch in Galveston, the Southwestern Medical School in Dallas, and to various other organizations the responsibility for this type of work throughout the State as a whole. Again, Doctor Taylor would need to retain for some time the teaching programs in San Antonio and Temple, and would not be expected to phase out programs for which he has already made commitments elsewhere in the State for the coming year.
3. In accordance with Doctor Taylor's views about what would expedite the development of high quality, non-credit education for physicians, authorize him to inform the Medical Center group and other interested parties in Houston that the University would be aided in this area by having erected for its use in the Center an appropriate building to be owned and maintained by the Center at no expense to the University in so far as the physical plant aspect of the operation is concerned. This would house what would hereafter be known as The University of Texas Postgraduate School of Medicine at Houston. Doctor Taylor states that except for \$40,000 to \$50,000 needed as a stable annual income (presumably to come from Legislative appropriation), the whole operations would be supported from fees.

4. Continuation education for medical practitioners for Texas, excluding the Houston area, would become a responsibility of The University of Texas medical schools, with each school to work out its own procedures, under the policy guidance and coordination of the Chancellor. The role of the Houston Division would be primarily to design and operate highly advanced postgraduate offerings. By reducing sharply the present scope of activities under Doctor Taylor's supervision, he thus would be able to concentrate on the development of a really distinctive program in Houston. The faculty of the Houston Division would be highly selective in character and would be supplemented from time to time by visiting lecturers.
5. For the coming biennium, we would go ahead with our legislative request in very much the form already approved by the Regents. The University would make one more strenuous effort to get legislative support for the basic operation. If we are unsuccessful, interested parties would be informed that the continuation of the Postgraduate operation in Houston would depend upon the provision from private sources of a sum adequate to assure its continued existence on a satisfactory level.

Chancellor Wilson proposed this recommendation after he had discussed frankly the issues involved with each of the medical heads separately and with the members of the Council on Medical Affairs as a group.

It is recommended by the Medical Affairs Committee that the proposal for reorganization as submitted by Chancellor Wilson be approved.

Adoption of Report. -- Upon motion of Mr. Bryan, duly seconded, the Board adopted the report of the Medical Affairs Committee and the recommendations contained therein.

BOARD FOR LEASE OF UNIVERSITY LANDS. -- Vice-Chairman Johnson reported that the Board for Lease of University Lands had its meeting on Thursday, September 22, 1960. In addition to regular business, the Board adopted for the first time since it was established Rules and Regulations. (A copy of the Rules and Regulations for the Board for Lease of University Lands is in the Secretary's Files, Volume VIII, Page 4415.)

#### CENTRAL ADMINISTRATION

THE SOUTH TEXAS MEDICAL SCHOOL (San Antonio). -- Each Regent was furnished in the Material Supporting the Agenda the following report which was approved for incorporation in the minutes of the September meeting upon motion of Mr. Bryan, seconded by Mrs. Devall:

On June 14, 1960, The South Texas Medical School Development Committee adopted a resolution which read in part as follows:

"It is essential that some qualified person or persons be employed by or with the approval of The University of Texas to review the studies already made and make such additional

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studies as may be required to assure full approval of the basic coordinated plan by the University particularly the improvement of the Robert B. Green Hospital. . . with the understanding that all plans for the two projects must be coordinated and approved by The University of Texas Medical School and Regents."

On July 30, Chairman Minter circularized each member of the Board for approval or disapproval of the following:

1. The employment by the San Antonio Medical Foundation of Mr. Salmon, the hospital consultant for the Southwestern Medical School, to provide the services suggested in this letter without cost to The University of Texas.
2. The appointment of Doctor A. J. Gill to serve with Mr. Salmon as the representative of The University of Texas in this hospital planning.

The Board of Regents by mail vote on August 15, 1960, designated Doctor A. J. Gill, Dean of Southwestern Medical School in Dallas, as its representative to implement the purposes of the resolution and suggested that Mr. Edwin A. Salmon of New York be employed as the hospital planning consultant for this project. It was the understanding of the Board that Doctor Gill, Mr. Salmon (if employed), members designated by the Bexar County Hospital District, and others who may be designated, would coordinate their efforts for the proper planning of the hospitals as envisioned in the Resolution of The South Texas Medical School Development Committee. It was further understood that the San Antonio Medical Foundation will pay the actual and necessary expenses of Doctor Gill and will pay all fees and expenses of the hospital consultant.

REVISION OF RULES AND REGULATIONS OF THE BOARD OF REGENTS FOR THE GOVERNMENT OF THE UNIVERSITY OF TEXAS, PARTS ONE AND TWO (FINAL APPROVAL). --On August 17, 1960, Chancellor Wilson distributed to each Regent a proposed revision of Pages 6; 9, 10, 11, 12, 14, 16, 17, 18, 43, 45, 46, 49, 51, 52, and 55-60 of Part One of the Rules and Regulations of the Board of Regents for the Government of The University of Texas. This revision incorporates administrative organizational changes effective as of September 1, 1960. He further recommended that editorial changes be made in both Part One and Part Two of the Rules and Regulations. These editorial changes would include the following title substitutions to conform to the recommended revisions:

1. Substitute "Chancellor" for "President."
2. Substitute "President of the Main University" for "Vice-President and Provost."
3. Substitute "Vice-Chancellor (Administrative Services)" for "Vice-President for Administrative Services"; "Vice-Chancellor (Developmental Services)" for "Vice-President for Developmental Services"; and "Vice-

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Chancellor (Fiscal Affairs)" for "Vice-President for Fiscal Affairs."

In conformity with Part One, Chapter VIII, Section 4, of the Rules and Regulations, the Board gave final approval to the proposed revisions upon motion of Mr. Heath, seconded by Mr. Hardie. A copy of the proposed revisions is in the Secretary's Files, Volume VIII, Page 2, and a revised copy of the Rules and Regulations of the Board of Regents for the Government of The University of Texas, incorporating these revisions and editorial changes, will be distributed by the Secretary.

**ADOPTION OF POLICY RE ENDOWED CHAIRS (System Wide).** -- Upon recommendation of the Administration and upon motion of Mrs. Devall, seconded by Vice-Chairman Johnson, the Board adopted the following policies with reference to the establishment of Named and Endowed Chairs in The University of Texas system:

1. That two categories, and only two, be established for named endowments of faculty positions; namely, Professorships and Chairs.
2. That (Named) Professorships be established only with a minimum endowment gift of \$100,000 or the equivalent thereof in pledged annual contributions for a ten-year period. Income from the endowment is to be used to supplement the salary and other appurtenances of a normal professorship stipend.
3. That a Named Chair be established only with a minimum endowment of \$400,000. In accepting the donation, the University agrees that it will pay from University Funds at least \$5,000 a year (twelve months) from general funds as salary for the occupant, and the endowment income is to be used for supplementation of the salary and other professional appurtenances of the occupant.
4. That no negotiations or commitments implying the establishment of a Named Chair or Named Professorship be conducted by any officer of the University until there has been formal approval thereof by the head of the component institution thereof.
5. That recommendations to the Regents for the acceptance of gifts pursuant to the foregoing be made in the dockets of the institutional heads or Central Administration and referred to Land and Investment Committee for examination as to the fiscal matters involved.

#### SOUTHWESTERN MEDICAL SCHOOL

**ITEM FOR THE RECORD** -- The following item was distributed to each Regent in the Material Supporting the Agenda and is reported to complete the record of the July 1-2, 1960 meeting:

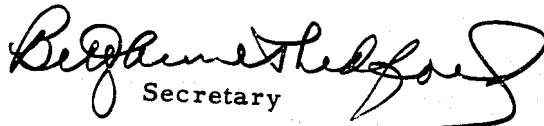
Basic Science and Clinical Science Buildings, Southwestern Medical School, to be Named for Edward H. Cary and Karl Hoblitzelle (Regents' Rule re Naming of Buildings Suspended). -- Acting as a Committee of the Whole on Saturday, July 2, 1960, the Board suspended its Rule re Naming of Buildings and Research Units (Rules

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and Regulations, Part One, Chapter V, Section 4--page 47 of the loose leaf copy) and authorized at The University of Texas Southwestern Medical School that the Basic Science Building be named in honor of Doctor Edward H. Cary and that the Clinical Science Building be named in honor of Mr. Karl Hoblitzelle. The dedicatory exercises are scheduled to be held on October 7, 1960. (See Page 6, 15.)

ADJOURNMENT. -- The Board adjourned at 12:15 p. m.

  
Secretary

V. PROPOSED PROGRAM SUPPLEMENTATION, MAIN UNIVERSITY  
1961-62 to 1964-65 (Buildings Excluded)(1)

(Figures in parentheses are targets for new (a) governmental and national foundation grants or (b) new gifts. They are to be added to Available Fund supplements.)

Categories and Specific Objects(2)

	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
1. General College Services: Added, business, etc., personnel not covered by formula	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
2. General Institutional Expense: Public lectures, consultants, faculty planning sessions, etc.	40,000	40,000	50,000	50,000
3. Resident Instruction:	(50,000)	(100,000)	(175,000)	(200,000)
(a) To set and maintain average UT salaries at mid-point among AAU State Universities	2,030,000 T	2,315,000 T	2,535,000 T	2,610,000 T
(b) Additional positions (above formula) to maintain desirable faculty-student ratio	1,200,000	1,300,000	1,300,000	1,300,000
(c) Additional positions for Assistant Professors (HHR July 1 Report)	270,000	270,000	300,000	300,000
(d) Visiting professors; recruitment supplements for distinguished faculty; supplements for our own distinguished faculty (HHR July 1 Report)	140,000	200,000	210,000	210,000
(e) Permanent instructors to replace teaching assistants (HHR July 1 Report)	(50,000)	(50,000)	(75,000)	(75,000)
(f) Salary supplements, selected teaching assistants and supervisors (HHR July 1 Report)	120,000	120,000	150,000	150,000
(g) Salary supplements, selected teaching assistants and supervisors (HHR July 1 Report)	130,000	200,000	260,000	275,000
(h) Special salary recognition for outstanding teaching performance	95,000	(25,000)	(50,000)	(50,000)
(i) Supplements for departmental maintenance and operation allowances	25,000	125,000	140,000	150,000
(j) Merit supplements for Deans and Assistant Deans	25,000	(25,000)	(25,000)	(25,000)
(k) Merit supplements for Deans and Assistant Deans	50,000	25,000	25,000	25,000
(l) Merit supplements for Deans and Assistant Deans	-0-	75,000	(25,000)	(50,000)
(m) Merit supplements for Deans and Assistant Deans	-0-	-0-	125,000	175,000
(n) Merit supplements for Deans and Assistant Deans	-0-	-0-	25,000	25,000

(1) All anticipated supplements are included. Specifically, figures do include projections of 1959-60 and 1960-61 supplements from Available Fund in Main University budget, except Major Repairs item already deducted in Table III. Categories listed are those used in Legislative Budget Submissions.

(2) See pp. for explanations and justifications.

Categories and Specific Objects

	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
5. Libraries: Supplement for personnel and standard acquisitions	\$ 180,000	\$ 200,000	(50,000) \$ 200,000	(50,000) \$ 200,000
6. Organized Research: Basic organizations for bureaus, institutes, etc.	60,000	75,000	(50,000) 75,000	(50,000) 75,000
7. Extension and Public Service: "Starter" support for new areas	-0-	(25,000)	(50,000)	(50,000)
Sub-totals	(50,000)	-0-	50,000	50,000
20. Separate "Excellence Fund":	<u>\$2,430,000</u>	<u>\$2,750,000</u>	<u>\$3,030,000</u>	<u>\$3,115,000</u>
(a) Service centers (e.g. computation)	1,480,000 T	1,780,000 T	2,120,000 T	2,300,000 T
(b) Divisional and departmental programs	350,000	350,000	450,000	400,000
(c) Individual faculty research and teaching improvement assignments	210,000	300,000	360,000	400,000
(d) Fellowships and other work stipends	450,000	500,000	550,000	600,000
(e) Publications	225,000	315,000	365,000	400,000
(f) Library collections	100,000	100,000	140,000	165,000
(g) Other research expenses	50,000	120,000	150,000	200,000
(h) Miscellaneous	50,000	50,000	60,000	60,000
(New gifts and grants)	45,000	45,000	45,000	75,000
	<u>(250,000)</u>	<u>(400,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>
<b>GRAND TOTAL, AVAILABLE FUND</b> (carried to Line 5, Table IV)	<u>\$3,910,000</u>	<u>\$4,530,000</u>	<u>\$5,150,000</u>	<u>\$5,415,000</u>



WAREHOUSE-SHOPS BUILDING  
 TEXAS WESTERN COLLEGE, EL PASO, TEXAS  
 Bids Opened: 2:30 P.M., Tuesday, September 13, 1960

Contractor	Lot 1	Lot 3	Lot 4	Lot 5	Alternate No. 1	Alternate No. 2	Alternate No. 3
William R. Brown, Builder, Inc. El Paso, Texas	\$118,000.00	\$5,690.00	\$1,700.00	\$3,000.00	\$11,500.00	-\$300.00	-\$1,090.00
Max L. Burscough El Paso, Texas	\$109,946.00	\$5,475.00	\$1,950.00	\$3,475.00	-\$11,057.00	-\$143.00	-\$1,100.00
Grove-Shain, Inc. El Paso, Texas	\$111,952.24	\$7,200.00	\$2,165.00	\$3,617.00	-\$13,380.00	/\$989.88	-\$700.00
Kilgore Bros., Inc. El Paso, Texas	\$109,000.00	\$5,400.00	\$1,959.00	\$1,943.00	-\$2,368.00	-\$10,846.00	-\$585.00
R. D. Lowman, General Contractor, Inc. El Paso, Texas	\$108,700.00	\$5,500.00	\$1,680.00	\$3,300.00	-\$11,000.00	-\$300.00	-\$600.00
The Lynch Co., Inc. El Paso, Texas	\$118,760.00	\$5,600.00	\$1,725.00	\$3,440.00	-\$9,475.00	-\$2,000.00	-\$575.00
Milliken Lumber Co., Ltd. El Paso, Texas	\$128,689.00	\$6,321.00	\$1,865.00	\$3,000.00	-\$11,000.00	/\$1,700.00	/\$558.00
Dan R. Ponder Co., Ltd. El Paso, Texas	\$115,642.00	\$6,700.00	\$1,600.00	\$3,263.00	-\$11,592.00	-\$1,502.00	-\$585.00
Ponsford Bros. El Paso, Texas	\$105,940.00	\$5,750.00	\$1,670.00	\$3,430.00	-\$10,500.00	-\$1,800.00	-\$600.00
Prati and Prati, General Contractors El Paso, Texas	\$116,980.00	\$6,968.00	\$1,940.00	\$2,964.00	-\$12,000.00	-\$1,100.00	-\$585.00
Ray Ward and Son El Paso, Texas	\$108,723.00	\$5,575.00	\$1,670.00	\$3,367.00	-\$12,000.00	-\$813.00	-\$630.00

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

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OFFICE BUILDING, DORMITORY, AND GARAGE  
 W. J. McDONALD OBSERVATORY, MOUNT LOCKE, FORT DAVIS, TEXAS  
 Bids Opened: 2:30 P.M., Tuesday, September 13, 1960

Contractor	Check or Bond	Base Bid	Alternate No. 1	Alternate No. 2	Alternate No. 3	Alternate No. 4
Broad, Construction Co. Texas	5% Bond	\$347,992.00	/ \$3,375.00	/ \$17,242.00	/ \$7,391.00	No Bid
Olds Plumbing and ing Corporation Texas	5% Bond	\$379,202.00	/ \$4,100.00	/ \$17,755.00	/ \$6,941.00	-\$2,664.00
rg and Lavis General ractors, Inc. Texas	5% Bond	\$352,473.00	/ \$5,000.00	/ \$20,815.00	/ \$7,326.00	No Bid
Y. Construction Co., Inc. Texas	5% Bond	\$395,165.00	/ \$5,000.00	/ \$19,400.00	/ \$7,000.00	-\$1,500.00
Lowman General ractor, Inc. Texas	5% Bond	\$324,870.00	/ \$4,800.00	/ \$19,200.00	/ \$6,880.00	-\$2,700.00
Ponder Company, Ltd. Texas	5% Bond	\$418,700.00	/ \$5,400.00	/ \$21,000.00	/ \$7,400.00	No Change
rd and Son Texas	5% Bond	\$348,755.00	/ \$3,544.00	/ \$20,050.00	/ \$7,000.00	/ \$1,181.00

# ATTACHMENT NO. 1

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PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.---

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REPORT OF PURCHASES, SALES AND EXCHANGES OF SECURITIES.--The following purchases, and exchanges of securities have been made for the Permanent University Fund since meeting of July 2, 1960. We ask that the Board ratify and approve these transactions:

## PURCHASE OF SECURITIES

### CORPORATE BONDS

of Purchase	Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
60	Gulf States Utilities Company First Mtge. Bonds, 4-7/8% Series, dated 7/1/60, due 7/1/90	\$ 250,000	100.867 Net	\$ 252,167.50	4.82%
60	Illinois Bell Telephone Company First Mtge. 4-7/8% Bonds, Series G, dated 7/1/60, due 7/1/97	500,000	102.508 Avg.	512,538.20	4.73
60	Southern Counties Gas Company of California 4-3/4% First Mtge. Bonds, Series D, dated 8/1/60, due 8/1/85	250,000	102.214 Net	255,535.00	4.60
60	Southwestern Bell Telephone Com- pany 4-5/8% Debentures, dated 8/1/60, due 8/1/95	500,000	101.307 Net	506,535.00	4.55
60	Ditto	500,000	101.307 Net	506,535.00	4.55
60	Michigan Bell Telephone Company 4-5/8% Debentures, dated 8/1/60, due 8/1/96	250,000	101.75 Net	254,375.00	4.525
60	Republic Steel Corporation 4-3/8% Sinking Fund Debentures, dated 9/1/60, due 9/1/85	500,000	99.60 Net	495,000.00	4.44
Total Corporate Bonds Purchased		<u>\$2,750,000</u>		<u>2,782,685.70</u>	<u>4.59</u>

### COMMON STOCKS

	No. of Shares Purchased				
60	Carolina Power & Light Company Common Stock	1,200	42-1/4(1000)\$ 42 (100) 41-3/4(100)	51,106.18	3.10%
60	R. J. Reynolds Tobacco Company Common Stock	700	70-1/2(600) 70-1/4(100)	49,647.33	3.10
60	Standard Oil Company (New Jer- sey) Capital Stock	1,200	41-3/4(600) 41-1/2(600)	50,427.78	5.35
60	General American Transportation Corporation Common Stock	700	72-3/4(200) 72-1/2(200) 75 (300)	51,874.56	2.83
60	Otis Elevator Company Common Stock	1,000	57-1/8	57,572.10	2.43

Includes brokerage commissions paid.  
Yield to maturity on bonds; yield at present indicated dividend rate for stocks.

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## COMMON STOCKS (Continued)

of Share	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
60	National Biscuit Company Common Stock	800	64 (100) 65 (300) 64-3/4(100) 64-5/8(300)	\$ 52,126.26	3.68%
60	The Dow Chemical Company Common Stock	400	88-1/2	35,591.40	1.57
60	General Electric Company Common Stock	500	92-1/2	46,491.25	2.15
60	Virginia Electric & Power Company Common Stock	1,000	49-7/8(100) 50 (600) 50-7/8(300)	50,690.21	2.37
60	Federal Insurance Company Common Capital Stock	300	57-1/4N(100) 57-1/2N(200)	17,225.00	1.74
60	Bankers Trust Company Capital Stock	400	45 Net	18,000.00	3.82
60	American Telephone & Telegraph Company Capital Stock	500	90-3/8	45,427.70	3.63
60	The Goodyear Tire & Rubber Com- pany Common Stock	1,300	38 (900) 37-3/4(400)	49,793.52	2.35
60	Standard Oil Company of California Capital Stock	1,200	41-3/4	50,578.56	4.75
60	United States Steel Corporation Common Capital Stock	600	81-1/2	49,182.90	3.66
60	International Business Machines Corporation Capital Stock	100	507	50,775.00	0.59
60	Westinghouse Electric Corporation Common Stock	900	56-7/8	51,589.71	2.09
60	Texas Utilities Company Common Stock	600	80-1/2(200) 80-7/8(200) 80-3/4(200)	48,707.44	2.37
60	American Home Products Corporation Capital Stock	200	177	35,513.40	2.42
60	Baltimore Gas and Electric Company Common Stock	1,900	27	51,917.50	3.66
60	The Chase Manhattan Bank Capital Stock	300	59-5/8 Net	17,887.50	4.03
60	The Lincoln National Life Insurance Company Capital Stock	100	234 Net	23,400.00	0.85
60	Corning Glass Works Common Stock	300	164-3/4	49,591.44	1.13
60	Minneapolis-Honeywell Regulator Company Common Stock	300	154-3/4	46,588.44	1.29
60	Household Finance Corporation Common Stock	1,400	32-1/4	45,641.82	3.68

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

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COMMON STOCKS (Continued)

of Case	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
60	Armstrong Cork Company Common Stock	1,200	43-3/4(100) 43-1/2(100) 43-1/4(100) 43 (500) 42-7/8(100) 42-1/2(300)	\$ 52,073.45	3.92%
60	Inland Steel Company Capital Stock	1,100	42 (500) 41-1/2(200) 41 (400)	46,137.50	3.81
60	National Dairy Products Corporation Common Stock	800	56-3/4(700) 56 (100)	45,682.36	3.50
60	Parke, Davis & Company Capital Stock	1,200	43-3/4(700) 43-5/8(200) 43-1/2(300)	52,890.03	3.18
	American Electric Power Company Common Stock	1,000	54-1/4(400) 53 (200) 54-3/4(100) 54 (200) 53-7/8(100)	54,406.49	3.31
60	Philadelphia Electric Company Common Stock	1,000	50 (800) 49-3/4(200)	50,389.76	4.45
60	First National Bank in Dallas Common Capital Stock	400	38-3/8 Net	15,350.00	3.91
2, 60	Central & South West Corporation Common Stock	1,400	35-1/2(400) 35-1/4(400) 35-5/8(200) 36-7/8(100) 36-5/8(100) 36-3/8(100) 36-1/4(100)	50,553.71	2.66
2, 4/60	Houston Lighting & Power Company Common Stock	600	82-1/2(200) 82-1/4(100) 83-1/2(100) 85-1/4(100) 84-3/4(100)	50,359.09	1.91
60	Continental Oil Company Capital Stock	1,000	48-5/8(300) 48-1/2(400) 48-3/8(300)	48,932.50	3.47
60	Minnesota Mining & Manufacturing Company Common Stock	700	73-3/4(200) 73-1/2(100) 73-1/8(100) 72-7/8(100) 72-5/8(100) 72-1/4(100)	51,511.70	0.82
60	Smith Kline & French Laboratories, Inc., Common Stock	900	49-1/4	44,717.67	2.52
60	United States Steel Corporation Common Capital Stock	700	80-3/4(300) 80-5/8(200) 80-1/2(200)	56,779.46	3.70

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

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COMMON STOCKS (Continued)

of base	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
0	General Electric Company Common Stock	700	79-7/8(100) 79-3/4(200) 79-5/8(100) 79-1/2(300)	\$ 56,078.76	2.50%
60	Johns-Manville Corporation Common Stock	800	54-5/8(400) 54-1/2(400)	44,005.64	3.64
60	The Kroger Co., Common Stock	1,500	30-7/8(500) 30-3/4(1000)	46,703.50	3.53
60	Mellon National Bank and Trust Company Common Capital Stock	200	133 Net	26,600.00	3.01
60	Addressograph-Multigraph Corporation Common Stock	700	79 (500) 78-3/4(200)	55,578.26	1.13
11 60	Cleveland Electric Illuminating Company Common Stock	900	56-1/2(100) 58-1/4(200) 58-3/4(600)	52,953.59	3.06
60	Pacific Gas & Electric Company Common Stock	800	65-3/8(200) 65 (400) 65-1/4(200)	52,489.14	3.96
60	General Telephone & Electronics Corporation Common Stock	2,000	28-1/2(300) 28-3/8(200) 28-1/4(1500)	57,263.08	2.65
60	United States Gypsum Company Common Stock	400	99-1/4	39,895.72	3.01
60	Eastman Kodak Company Common Stock	400	121-3/4	48,904.72	1.47
12 60	McGraw-Edison Company Common Stock	1,600	36 (600) 35 (300) 36-1/4(700)	58,066.41	3.86
60	Minneapolis-Honeywell Regulator Company Common Stock	300	152-1/2	45,912.75	1.31
60	Chas. Pfizer & Company, Inc., Common Stock	1,500	33	50,032.50	2.40
60	Southern California Edison Company Common Stock	800	63-1/2(100) 63-1/4(400) 64 (200) 63-7/8(100)	51,200.36	4.06
60	General American Transportation Corporation Common Stock	700	75	52,825.50	2.78
60	Monsanto Chemical Company Common Stock	1,200	40-3/8(600) 40-1/4(600)	48,844.92	2.46
60	American Home Products Corporation Capital Stock	300	184 (200) 183 (100)	55,272.10	2.33
60	Texas Utilities Company Common Stock	600	82-1/4(200) 82 (400)	49,533.26	2.33

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

## COMMON STOCKS (Continued)

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of Share	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
60	Virginia Electric & Power Company Common Stock	1,000	48-5/8(800) 48-3/8(100) 48 (100)	\$ 48,970.17	2.45%
7/60	Corn Products Company Common Stock	900	59-1/2(700) 59 (200)	53,854.45	3.68
60	Libbey-Owens-Ford Glass Company Common Stock	1,000	49-7/8	50,314.40	5.76
60	Bethlehem Steel Corporation Common Stock	1,100	44-1/4	49,127.43	5.37
60	Westinghouse Electric Corporation Common Stock	900	56-1/4(300) 56-1/8(300) 56 (300)	50,914.02	2.12
60	The First National City Bank of New York Capital Stock	300	72-1/4 Net	21,675.00	4.15
60	Continental Casualty Company Common Stock	300	72 Net	21,600.00	1.98
2/60	American Telephone & Telegraph Company Capital Stock	600	92-1/4(300) 92-1/8(300)	55,601.82	3.56
60	Union Pacific Railroad Company Common Capital Stock	1,800	27-1/8(300) 27 (500) 26-7/8(300) 26-3/4(300) 27-3/8(400)	49,260.40	5.85
60	General Electric Company Common Stock	600	83-1/2(400) 83-3/8(200)	50,359.08	2.38
60	Sinclair Oil Corporation Common Stock	1,500	37-3/8(100) 37-1/4(900) 37-1/8(100) 37 (400)	56,338.92	5.32
25 60	Merck & Company, Inc., Common Stock	500	89 (100) 89-1/2(100) 90-1/2(300)	45,240.00	1.77
60	Gulf States Utilities Company Common Stock	1,600	36-1/2(1100) 36-3/8(500)	58,933.20	2.71
60	Commonwealth Edison Company Common Stock	800	65-3/4(200) 65-5/8(600)	52,889.52	3.03
60	Smith Kline & French Laboratories, Inc., Common Stock	900	53-1/2	48,549.15	2.32
60	Armstrong Cork Company Common Stock	1,100	45 (400) 44-3/4(300) 44-5/8(300) 44-1/2(100)	49,717.82	3.76
60	Republic Steel Corporation Common Stock	800	64-1/2	51,963.60	4.62
Total Common Stocks Purchased		<u>61,000</u>		<u>3,424,599.91</u>	<u>3.03</u>
Total Corporate Securities Purchased				<u>\$6,207,285.61</u>	<u>3.73%</u>

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

SALES OF CORPORATE SECURITIES

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	Security Sold	Net Sales Proceeds
10	5,800 Rights to subscribe for Consumers Power Company 4-3/8% Convertible Debentures, due 8/15/75, at 22/64ths (Based on holding of Consumers Power Company Common Stock)	\$ 1,877.71#
160	3,500 Rights to subscribe for El Paso Natural Gas Company Common Stock, at 15/64ths (Based on holding of El Paso Natural Gas Company Common Stock)	784.97#
13, 160	5,800 Shares Pacific Lighting Corporation Common Stock, sold 100 at 50-3/8, 100 at 50-1/4, 400 at 50, 400 at 49-3/4, 800 at 49-5/8, 600 at 49-1/2 and 3,400 at 49-3/8 (Gain on sale over book value \$34,300.43)	284,346.81
13, 8 & 0	4,600 Shares El Paso Natural Gas Company Common Stock, sold 400 at 34-1/8, 2,400 at 34, and 1,800 at 33-7/8 (Gain on sale over book value \$1,470.16)	154,320.19
18, 0	6,160 Shares Consolidated Natural Gas Company Capital Stock, sold 100 at 48-1/8, 300 at 48, 1,360 at 47-7/8 and 4,400 at 47-3/4 (Gain on sale over book value \$9,780.27)	291,404.06
22, 160	4,000 Shares Phelps Dodge Corporation Capital Stock, sold 100 at 51-1/2, 2,000 at 51-1/4, 300 at 51-1/8 and 1,600 at 51 (Gain on sale over book value \$1,503.02)	202,576.90
	#Cash received deposited to principal endowment and holding of stock involved written down by same amount.	

SALES AND EXCHANGES OF U. S. TREASURY SECURITIES

	Book Value New Securities	
160	\$2,000,000 par value U. S. 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75, switched into marketable 1-1/2% Treasury Notes, due 4/1/65, which were sold and the proceeds used to purchase like par amount of U. S. 3-1/4% Treasury Bonds, due 5/15/85, with necessary principal adjustment of \$1,875.00 paid to the University.	\$2,008,418.46
160	\$2,000,000 par value U. S. 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75, switched into marketable 1-1/2% Treasury Notes, due 4/1/65, which were sold and the proceeds used to purchase like par amount of U. S. 3-1/4% Treasury Bonds, due 5/15/85, with necessary principal adjustment of \$7,500.00 paid to the University.	2,002,793.46



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**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, and all have been approved as to form by the University Land and Trust Attorney and as to content by the Endowment Officer. The Land and Investment Committee recommends that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

**PIPE LINE EASEMENT NO. 1495, PHILLIPS PETROLEUM COMPANY, CRANE AND ECTOR COUNTIES (RENEWAL OF NO. 448).**--This application for a pipe line easement covers 2,211.0 rods of 6-5/8 - inch line at \$0.75 per rod for a 10-year period beginning July 1, 1960 and ending June 30, 1970, located in Sections 1 through 6, 9 and 12, Crane and Ector Counties. The number of rods under this easement, based upon current field notes, differs somewhat from the number of rods under Easement No. 448, of which it is a renewal. Consideration of \$1,658.25 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1496, SHELL PIPE LINE CORPORATION, ANDREWS COUNTY.**--This application for a pipe line easement covers 104 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning July 1, 1960 and ending June 30, 1970, located in Section 14, Block 9, Andrews County. Consideration of \$52.00 for the 10-year period has been received.

**PIPE LINE EASEMENT NO. 1497, GULF OIL CORPORATION, ANDREWS COUNTY.**--This application for a pipe line easement covers 160.71 rods of 1-inch line and 160.71 rods of 2 1/2-inch line, at \$0.25 per rod, for a 10-year period beginning May 1, 1960 and ending April 30, 1970, located in Section 25, Block 13, Andrews County. Consideration of \$80.36 for the 10-year period has been received.

**ANTENNA SITE EASEMENT NO. 1498, MID-AMERICA PIPELINE COMPANY, ANDREWS COUNTY.**--This application for an easement covers a 5-acre site in the NW/4 of Section 19, Block 13, Andrews County, for the location and operation of an antenna for use in connection with the communication and transmission system of lessee. This easement is for a period of 10 years beginning June 15, 1960 and ending June 14, 1970, at a total consideration of \$1,000.00, which has been received.

**PUMP STATION SITE EASEMENT NO. 1499, PHILLIPS PIPE LINE COMPANY, CROCKETT COUNTY.**--This application for an easement covers a 2 1/2-acre site in Section 2, Block 39, Crockett County, for the location and operation of a pump station to be used in connection with the operation of certain pipe lines transporting oil or gas, or products thereof. This easement is for a period of 10 years beginning June 1, 1960 and ending May 31, 1970, at a total consideration of \$250.00, which has been received.

**PIT SITE EASEMENT NO. 1500, THE ATLANTIC REFINING COMPANY, ANDREWS COUNTY.**--This application for an easement covers a 1-acre site in the NW/4 of Section 14, Block 9, Andrews County, for the location of a pit to be used for flaring, burning and disposing of waste products in connection with secondary recovery operations in the Block 9 (Wolfcamp) Unit and in connection with a compressor station located on a site under Easement No. 1459. This easement is for a period of 10 years beginning June 1, 1960 and ending May 31, 1970, at a total consideration of \$100.00, which has been received.

**PIPE LINE EASEMENT NO. 1501, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY.**--This application for a pipe line easement covers 180.2 rods of 3 1/2-inch line at \$0.25 per rod and 339.2 rods of 4 1/2-inch line at \$0.50 per rod, for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Section 28, Block 9, and Sections 19 and 30, Block 10, Andrews County. Consideration of \$214.65 for the 10-year period has been received.

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MICROWAVE STATION SITE EASEMENT NO. 1502, EL PASO NATURAL GAS COMPANY, REAGAN COUNTY (REPLACEMENT OF NO. 550).--This application for a microwave station site easement covers 1.52 acres in Section 34, Block 9, Reagan County, for a 10-year period beginning September 1, 1960 and ending August 31, 1970. Included in the 1.52 acres under this easement is a .74-acre tract covered by Easement No. 550, due to expire November 30, 1962, which is being cancelled due to the necessity for the larger site which will be covered under Easement No. 1502. Consideration of \$100.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1503, EL PASO NATURAL GAS COMPANY, UPTON COUNTY.--This application for a pipe line easement covers 336.182 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning September 1, 1960 and ending August 31, 1970, located in Sections 4 and 9, Block 3, and Sections 11 and 12, Block 58, Upton County. Consideration of \$168.09 for the 10-year period has been received.

POWER LINE EASEMENT NO. 1504, COMMUNITY PUBLIC SERVICE COMPANY, PECOS COUNTY.--This application for a power line easement covers 501.8 rods of electric line at \$0.50 per rod for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Sections 6 and 7, Block 28, Pecos County. Consideration of \$250.90 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1505, PHILLIPS PETROLEUM COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 151.0 rods of  $3\frac{1}{2}$ -inch line at \$0.25 per rod and 556.6 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning September 1, 1960 and ending August 31, 1970, located in Sections 14 and 43, Block 9; Sections 14 and 23, Block 10; and Sections 10, 15 and 36, Block 13, Andrews County. Consideration of \$316.05 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1506, HUMBLE PIPE LINE COMPANY, REAGAN COUNTY.--This application for a pipe line easement covers 20.3 rods of 2-inch line at \$0.25 per rod for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Sections 2 and 3, Block 48, Reagan County. Minimum consideration of \$50.00 for the 10-year period has been received.

ASSIGNMENT OF BUSINESS SITE EASEMENT NO. 1460 TO LLOYD M. BENTSEN AND ELMER C. BENTSEN FROM M. F. KLOSE, REAGAN COUNTY.--This assignment of Business Site Easement No. 1460 covers a tract 600' by 415' in Section 7, Block 11, Reagan County, on which is located a drive-in theater, for a period of 3 years beginning May 1, 1960 and ending April 30, 1963. Annual rental of \$500.00 for the first year of the lease has been paid by Mr. Klose, and the assignment fee of \$25.00 and General Land Office filing fee of \$1.00 have been received from assignees.

PIPE LINE EASEMENT NO. 1507, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 162.8 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning February 1, 1960 and ending January 31, 1970, located in Section 34, Block 9, Andrews County. Consideration of \$81.40 has been received.

PIPE LINE EASEMENT NO. 1508, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 189.8 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning October 1, 1959 and ending September 30, 1969, located in Section 46, Block 9, Andrews County. Consideration of \$94.90 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1509, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 116.8 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning April 1, 1959 and ending March 31, 1969, located in Section 35, Block 10, Andrews County. Consideration of \$58.40 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1510, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 92.6 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning January 1, 1959 and ending December 31, 1968, located in Section 34, Block 1, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1511, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 86.8 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning September 1, 1959 and ending August 31, 1969, located in Section 34, Block 1, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1512, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 518.52 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning February 1, 1959 and ending January 31, 1969, located in Sections 39, 46 and 47, Block 9, Andrews County. Consideration of \$259.26 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1513, HUMBLE PIPE LINE COMPANY, REAGAN COUNTY.--This application for a pipe line easement covers 21.3 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Section 2, Block 48, Reagan County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1514, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 194.9 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning March 1, 1958 and ending February 29, 1968, located in Section 22, Block 10, Andrews County. Consideration of \$97.45 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1515, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 168.86 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning December 1, 1958 and ending November 30, 1968, located in Section 27, Block 1, and Section 36, Block 9, Andrews County. Consideration of \$84.43 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1516, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 46.1 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning November 1, 1959 and ending October 31, 1969, located in Sections 35 and 36, Block 9, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1517, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 265.4 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning February 1, 1959 and ending January 31, 1969, located in Sections 46 and 47, Block 9, Andrews County. Consideration of \$132.70 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1518, HUMBLE PIPE LINE COMPANY, CRANE COUNTY.--This application for a pipe line easement covers 191.9 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning August 1, 1959 and ending July 31, 1969, located in Section 6, Block 30, and Section 1, Block 31, Crane County. Consideration of \$95.95 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1519, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 228 rods of 4 1/2-inch line at \$0.50 per rod for a 10-year period beginning May 1, 1959 and ending April 30, 1969, located in Sections 39 and 40, Block 9, Andrews County. Consideration of \$114.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1520, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 247.9 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning March 1, 1959 and ending February 28, 1969, located in Section 36, Block 9, Andrews County. Consideration of \$123.95 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1521, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 162.6 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 11 and 14, Block 10, Andrews County. Consideration of \$81.30 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1522, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 178.9 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning April 1, 1960 and ending March 31, 1970, located in Sections 45 and 46, Block 9, Andrews County. Consideration of \$89.45 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1523, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 106 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning July 1, 1959 and ending June 30, 1969, located in Sections 22 and 23, Block 10, Andrews County. Consideration of \$53.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1524, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 53 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning February 1, 1959 and ending January 31, 1969, located in Section 26, Block 10, Andrews County. Minimum consideration of \$50.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1525, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 223.2 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod for a 10-year period beginning April 1, 1960 and ending March 31, 1970, located in Sections 34, 39 and 40, Block 9, Andrews County. Consideration of \$111.60 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1526, PAN AMERICAN PETROLEUM CORPORATION, ANDREWS COUNTY.--This application for a pipe line easement covers 7.45 rods of  $4\frac{1}{2}$ -inch line at \$0.50 per rod and 89.76 rods of 6-5/8 - inch line at \$0.75 per rod for a 10-year period beginning July 1, 1960 and ending June 30, 1970, located in Sections 19 and 44, Block 13, Andrews County. Consideration of \$71.05 for the 10-year period has been received.

MICROWAVE STATION EASEMENT NO. 1104, EL PASO NATURAL GAS PRODUCTS COMPANY, HUDSPETH COUNTY - CONSENT FOR USE OF PORTION OF TRACT BY GAME AND FISH COMMISSION OF THE STATE OF TEXAS.--El Paso Natural Gas Products Company holds Microwave Station Easement No. 1104 from the Board of Regents covering a tract in Hudspeth County of 1.435 acres in the NW/4 of the SE/4 of Section 44, Block G, University Lands, for a period of 10 years beginning July 1, 1958 at \$100 per year, payable annually in advance. Article 8 of the easement provides that the lessee may not assign or sublet the whole or any part of the premises without the written consent of the lessor. Previously, upon approval of the Board, the United States Government was given permission to sublet a portion of the tract. Application has now been received for approval of an Agreement between El Paso Natural Gas Products Company and The Game and Fish Commission of the State of Texas for use of a portion of the tract for the installation, maintenance and operation of a two-way radio communication system, the terms of the agreement to be co-extensive with Easement No. 1104. The Agreement, dated July 5, 1960 has been signed on behalf of El Paso Natural Gas Products Company and The Game and Fish Commission of the State of Texas. It is recommended that the Chairman of the Board of Regents be authorized to sign the Consent to the Agreement after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

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COMPRESSOR STATION SITE EASEMENT NO. 1527, TRANSWESTERN PIPELINE COMPANY, WARD COUNTY.--This application covers a 5-acre tract in Section 3, Block 16, Ward County, for a period of 10 years beginning August 8, 1960 and ending August 7, 1970, on which shall be located a compressor station for use in servicing oil and gas pipe lines. Consideration of \$500.00 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1528, GULF REFINING COMPANY, CRANE COUNTY.-- This application for a pipe line easement covers 340.74 rods of 4 1/2-inch line at \$0.50 per rod and 226.65 rods of 2-3/8 - inch line at \$0.25 per rod for a 10-year period beginning September 1, 1960 and ending August 31, 1970, located in Sections 1, 2 and 3, Block 31, Crane County. Consideration of \$227.03 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1529, PERMIAN BASIN PIPELINE COMPANY, ANDREWS COUNTY.--This application for a pipe line easement covers 702.54 rods of 10-3/4 - inch line at \$1.00 per rod for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Sections 2, 11 and 14, Block 9, Andrews County. Consideration of \$702.54 for the 10-year period has been received.

PLANT SITE EASEMENT NO. 942, CABOT CARBON COMPANY, WARD COUNTY - APPROVAL OF ASSIGNMENT.--This easement for a gasoline plant site covers a 20-acre site in the S/2 of N/2 of Section 3, Block 16, Ward County for a 10-year period beginning July 1, 1957 and ending June 30, 1967 at the rate of \$10 per acre per year payable annually in advance. Effective October 1, 1960 Cabot Carbon Company is merging with Cabot Corporation and the University has been requested, in accordance with the terms of the easement, to approve the assignment of this easement to Cabot Corporation. It is recommended that the Chairman of the Board be authorized to sign the appropriate instrument approving the assignment after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

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 July 13, 1960, approved proposal of B. H. Mansell Brine Sales for Mineral Lease No. 2 on approximately 2.25 acres in the N/2 of the N/2 of Section 4, Block 31, Crane County. In the preparation of the lease, it was discovered this area was covered by Water Lease Contract No. 29 granted to Gulf Oil Corporation "for a period of ten years from September 1, 1948 and as long thereafter as water is produced in paying quantities, but not to exceed twenty-five years." Assignment dated August 8, 1960 for the production of brine only has now been made by Gulf Oil Corporation to B. H. Mansell of 2.41 acres, more or less, in the NE/4 of Section 4, Block 31, Crane County, with a provision that upon termination of the Mansell lease the assigned acreage will revert to Gulf under its water lease if at that time the water lease is still in effect as to the remainder of Section 4. As provided in Section 14 of the Gulf Lease, consent by the University to such assignment is required. It is therefore recommended that the Chairman of the Board of Regents be authorized to sign such consent after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

PIPE LINE EASEMENT NO. 1530, BARNHART HYDROCARBON CORPORATION, REAGAN COUNTY.--This application for a pipe line easement covers 225.82 rods of 4-inch line at \$0.25 per rod for a 10-year period beginning August 1, 1960 and ending July 31, 1970, located in Sections 19 and 20, Blk. 48, Reagan County. Consideration of \$56.46 for the 10-year period has been received.

PIPE LINE EASEMENT NO. 1531, CABOT CORPORATION, WARD COUNTY.-- This application for a pipe line easement covers 59.88 rods of 4-1/2-inch line at \$0.50 per rod for a 10-year period beginning October 1, 1960 and ending September 30, 1970, Section 1, Block 16, Ward County. Minimum consideration of \$50.00 for the 10-year period has been received.

GRAZING LEASE NO. 749-A, FRED FORSTER, JR., REAGAN COUNTY, (ASSIGNMENT OF PART OF GRAZING LEASE NO. 749, FROM P. D. "VAL" GOHMERT TO FRED FORSTER, JR.)--- This application covers an assignment from P. D. "Val" Gohmert to Fred Forster, Jr., of 5,932.8 acres out of 12,671.9 acres under Grazing Lease No. 749 in Blocks 9, 10 and 58, Reagan County. Grazing Lease No. 749-A shall be for the remaining period, and at the same rate, as Grazing Lease No. 749, which was granted for a 5-year period beginning July 1, 1958 and ending June 30, 1963, at the rate of \$0.50 per acre annually, due January 1 and July 1. Due to a boundary line dispute involving 350 acres of the assigned portion of 5,932.8 acres, rental will not be charged on 350 acres of Grazing Lease No. 749-A until such time as there is a final determination of the boundary line. Therefore, semiannual rental shall be \$1,684.78 on 6,739.1 acres remaining under Grazing Lease No. 749; and \$1,483.20, less \$87.50 reduction on 350 acres, or \$1,395.70, under Grazing Lease No. 749-A. Assignment bonus of \$4,500.00 and General Land Office filing fee of \$1.00 have been received.

CALICHE PERMIT NO. 176, T. B. TRIPP & SONS, ANDREWS COUNTY.-- This application for a caliche permit provides for the removal of 448 cubic yards of caliche from Section 46, Block 9, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$112.00 has been received.

CALICHE PERMIT NO. 177, CAGE BROTHERS, REAGAN COUNTY.-- This application for a caliche permit provides for the removal of 340 cubic yards of caliche from Block 11, Reagan County, at the rate of \$0.25 per cubic yard. Consideration of \$85.00 has been received.

CALICHE PERMIT NO. 178, YOUNGER CONSTRUCTION COMPANY, INC., ANDREWS COUNTY.-- This application for a caliche permit provides for the removal of 594 cubic yards of caliche from Section 47, Block 9, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$148.50 has been received.

CALICHE PERMIT NO. 179, HUGH MCMILLAN, INC., HUDSPETH COUNTY.-- This application for a caliche permit provides for the removal of 3,895.35 cubic yards of caliche from Section 13, Block J, Hudspeth County, at the rate of \$0.25 per cubic yard. Consideration of \$973.84 has been received.

CALICHE PERMIT NO. 180, RUMBAUGH, INCORPORATED, ANDREWS COUNTY.-- This application for a caliche permit provides for the removal of 400 cubic yards of caliche from Section 41, Block 9, Andrews County, at the rate of \$0.25 per cubic yard. Consideration of \$100.00 has been received.

BUSINESS SITE EASEMENT NO. 1186 TO DAVID KER (ASSIGNED TO THREE KERS, LTD.)-- LOSS OF BUILDING BY FIRE AND AUTHORIZATION FOR AMENDMENT TO LEASE.-- Warehouse lease on former Airbase facilities at Pyote to David Ker and assigned to Three Kers, Ltd., as amended, is for 10 years from October 20, 1958, at annual rental of \$4,200. The lease provides that the Lessee will carry fire and extended coverage on the buildings, with policies payable to the University, in minimum amounts of \$2,000 on some buildings and \$3,000 on other buildings as specified in the lease. Total coverage required is \$33,000 which is in force, and the Lessee has made reasonable efforts to obtain additional coverage without success. There was reported to the Board on May 14 insurance settlement of \$25,613 for hail damage to the buildings, all of which was used for repairs. The lease provides that, in the event of total destruction of one of the buildings, insurance proceeds will be retained by the University with pro rata rental reduction or, at the option of the Lessee, will be made available to apply on the cost of rebuilding the structure.

About August 4, 1960, Building No. 203, one of the smaller frame warehouses, was totally destroyed by fire caused by lightning, and it appears that other buildings would have been destroyed had it not been for Lessee's good attention to water lines and water supply. It now develops that the \$33,000 insurance which is carried is blanket coverage, prorated according to square footage of the buildings, and that such proration will bring insurance settlement of \$1,217.75 rather than minimum of \$2,000 provided for in the lease. The University staff is convinced by information furnished by Mr. Ker that specific coverage as required in

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the lease is not obtainable from responsible underwriters. The Lessee proposes to waive rental reduction, which would amount to approximately \$115 annually on square footage basis, for the remaining 8 years of the lease to reimburse the University for the difference in insurance proceeds to be collected on the recent loss.

It is recommended that the Board of Regents approve acceptance of \$1,217.75 to cover the fire loss, together with waiver of the rental reduction, and that the Board authorize execution by its Chairman of an amendment to the lease setting out the loss of the building, waiver of rental reduction, and change of insurance requirement to blanket coverage basis as against coverage in specific amounts for separate buildings. The amendment will be approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

WEST TEXAS UNIVERSITY LANDS, SYSTEM ANALYSIS.-- The Board, at its meeting of July 1-2, 1960, approved the recommendation that Dr. Dolley be authorized to negotiate with Arthur Andersen & Company concerning the cost of a comprehensive survey (including organization and procedure) of the administration of West Texas University Lands with a report to be made at the September, 1960 meeting, if possible.

After conferences between representative of the Company and Dr. Dolley, a gross fee of approximately \$1,000 was quoted, from which the Company will make a substantial discount and in effect conduct the survey as a public service to the University. The survey will be primarily from the viewpoint of sound business administration procedures, with minor reference only to geological and petroleum engineering problems.

Approval was secured from the Regent members of the Board for Lease of University Lands, and Arthur Andersen & Company has been advised that they have been retained to undertake the study on the terms indicated. Dr. Wilson has approved this action. Ratification by the Board of Regents is recommended with the fee to be paid, after submission of the statement, from the Unappropriated Balance of the Available Fund.

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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 July 2, 1960. We ask that the Board ratify and approve these transactions:

## PURCHASE OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
3/60	\$1,000 par value U. S. 3% Treasury Bonds, dated 2/28/58, due 8/15/66, purchased at 95.3125 Net to yield 3.99% to maturity (Isabella H. Brackenridge Scholarship Fund - Medical Branch)	\$ 953.13
2/28/60	\$48,000 par value U. S. 4-5/8% Treasury Notes of Series A-1965, dated 5/15/60, due 5/15/65, purchased at 102.4375 Net to yield 4.06% to maturity (Dormitory Revenue Bond Fund, Series 1954 - Reserve for Bond and Interest Sinking Fund)	49,170.00
	\$34,000 par value Ditto (Dormitory Revenue Bond Fund, Series 1956 - Reserve for Bond and Interest Sinking Fund)	34,828.75
	\$10,000 par value Ditto (Dormitory Revenue Bond Fund, Series 1955 (Medical Branch) - Reserve for Bond and Interest Sinking Fund)	10,243.75
	\$18,000 par value Ditto (Student Union Revenue Bonds, Series 1957 (Texas Western College) Reserve for Bond and Interest Sinking Fund)	18,438.75
30/60	200 Shares Baltimore Gas and Electric Company Common Stock, purchased at 25-7/8 (Funds Grouped for Investment)	5,238.88
1/60	200 Shares Gulf States Utilities Company Common Stock, purchased at 36-1/4 (Funds Grouped for Investment)	7,324.26
	200 Shares American Telephone & Telegraph Company Capital Stock, purchased at 88-3/4	17,845.76
	800 Shares Baltimore Gas and Electric Company Common Stock, purchased at 26-7/8	21,759.52
	600 Shares Gulf States Utilities Company Common Stock, purchased at 36-1/2	22,123.50
	600 Shares Oklahoma Gas & Electric Company Common Stock, purchased at 34	20,616.00
	500 Shares Virginia Electric & Power Company Common Stock, purchased at 45-1/4 (Hogg Foundation: W. C. Hogg Estate Fund)	22,833.15
	100 Shares Southern California Edison Company Common Stock, purchased at 62-5/8	6,307.76
	200 Shares The Southern Company Common Stock, purchased at 47-5/8 (Hogg Foundation: Varner Properties)	9,610.62
1/60	400 Shares Philadelphia Electric Company Common Stock, purchased at 50-1/2 (Hogg Foundation: W. C. Hogg Estate Fund)	20,376.20
	100 Shares Ditto (Rosalie B. Hite Endowment for Cancer Research)	5,094.05



PURCHASE OF SECURITIES  
(Continued)

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Date	Security	Principal Cost
11/60	\$800,000 par value U. S. 2-3/4% Treasury Bonds, dated 11/9/53, due 9/15/61, purchased at 99.50 Net to yield 3.19% to maturity	\$ 796,000.00
1/5 & 7/60	\$100,000 par value U. S. 1-1/2% 5-Year Treasury Note, dated 10/1/55, due 10/1/60, purchased at 99.953125 Net to yield 2.22% to maturity	99,953.13
	\$200,000 par value U. S. 4-3/4% Treasury Certificate of Indebtedness of Series C-1960, dated 11/15/59, due 11/15/60, purchased at 100.59375 Net to yield 2.31% to maturity	201,187.50
	\$500,000 par value U. S. 4-3/4% Treasury Certificate of Indebtedness of Series C-1960, dated 11/15/59, due 11/15/60, purchased at 100.5625 Net to yield 2.28% to maturity	502,812.50
	\$100,000 maturity value U. S. Treasury Bills, Special Series, dated 1/15/60, due 1/15/61, purchased at 99.0875 Net to yield 2.25% to maturity	99,087.50
	\$500,000 par value U. S. 4-7/8% Treasury Certificate of Indebtedness of Series A-1961, dated 2/15/60, due 2/15/61, purchased at 101.125 Net to yield 2.58% to maturity	505,625.00
	\$700,000 maturity value U. S. Treasury Bills, Tax Anticipation Series, dated 7/13/60, due 3/22/61, purchased at 98.392 Net to yield 2.68% to maturity	688,744.00
	\$900,000 maturity value U. S. Treasury Bills, Special Series, dated 4/15/60, due 4/15/61, purchased at 98.213333 Net to yield 2.68% to maturity	883,920.00
	\$1,800,000 par value U. S. 4-3/8% Treasury Certificate of Indebtedness of Series B-1961, dated 5/15/60, due 5/15/61, purchased at 101.171875 Net to yield 2.75% to maturity	1,821,093.75
	\$1,000,000 maturity value U. S. Treasury Bills, Special Series, dated 7/15/60, due 7/15/61, purchased at 97.526694 Net to yield 2.69% to maturity	975,266.94
	\$1,000,000 par value U. S. 3-1/8% Treasury Certificate of Indebtedness of Series C-1961, dated 8/15/60, due 8/1/61, purchased at 100.296875 to yield 2.82% to maturity	1,002,968.75
	\$100,000 par value U. S. 2-3/4% Treasury Bonds, dated 11/9/53, due 9/15/61, purchased at 99.90625 Net to yield 2.81% to maturity	99,906.25
	\$800,000 par value U. S. 2-3/4% Treasury Bonds, dated 11/9/53, due 9/15/61, purchased at 99.859375 Net to yield 2.92% to maturity	798,875.00
	(Temporary Investments - Proceeds from Sale of Permanent University Fund Bonds)	
3/60	\$20,000 par value City of Austin 3.40% General Obligation Bonds, dated 4/1/60, due 7/1/79-75, purchased at 101.163656 Net to yield 3.30% to option	20,232.73
	\$20,000 par value City of El Paso 3.80% General Obligation Bonds, dated 7/1/60, due 7/1/78-75, purchased at 102.862721 Net to yield 3.55% to option	20,572.54
	\$17,000 par value City of San Antonio 3-5/8% General Obligation Bonds, dated 3/1/60, due 3/1/78-75, purchased at 102.560715 Net to yield 3.40% to option	17,435.32
	(The William Stamps Farish Professorship in Geology)	
3/60	200 Shares Cleveland Electric Illuminating Company Common Stock, purchased at 57-5/8	11,614.52
	200 Shares Philadelphia Electric Company Common Stock, purchased at 52-1/2	10,588.50
	(Funds Grouped for Investment)	

PURCHASE OF SECURITIES  
(Continued)

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<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
1/26/60	100 Shares American Telephone & Telegraph Company Capital Stock, purchased at 94-3/8	\$ 9,485.94
	200 Shares Philadelphia Electric Company Common Stock, purchased at 52-1/2 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	10,588.50
	300 Shares American Electric Power Company Common Stock, 100 purchased at 57-7/8, 200 purchased at 58	17,521.89
	300 Shares Cleveland Electric Illuminating Company Common Stock, 100 purchased at 57-1/4, 200 purchased at 57-7/8	17,434.31
	100 Shares Philadelphia Electric Company Common Stock, purchased at 52-1/2	5,294.25
	500 Shares Potomac Electric Power Company Common Stock, purchased at 30-5/8	15,484.05
	300 Shares The Southern Company Common Stock, 100 purchased at 49-7/8, 200 purchased at 50 (Hogg Foundation: W. C. Hogg Estate Fund)	15,119.44
	300 Shares Virginia Electric & Power Company Common Stock, purchased at 48-7/8 (Hogg Foundation: Varner Properties)	14,792.82
	200 Shares The Southern Company Common Stock, purchased at 49-7/8 (Will C. Hogg Memorial Scholarships Fund)	10,062.88
	100 Shares Carolina Power & Light Company Common Stock, purchased at 40-3/4	4,114.38
	100 Shares Potomac Electric Power Company Common Stock, purchased at 30-1/2 (Wilbur S. Davidson Educational Fund)	3,084.25

## SALES OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
1/17/60	1/2 fractional share Tennessee Gas Transmission Company Common Stock, received in 50% stock distribution (Engineering Foundation - Alfred and Nellie King Graduate Fellowship)	\$ 11.56
2/1/60	175 Shares Standard Oil Company (New Jersey) Capital Stock, 100 sold at 40-3/4, 75 sold at 40-1/2 (\$7,000.00 of proceeds used to pay on stock gift) (W. H. Francis, Jr. Chair - School of Law)	7,030.93
11/18/60	1,165 Shares Pacific Lighting Corporation Common Stock, 1,100 sold at 49-1/8, 65 sold at 48-7/8 140 shares sold for Funds Grouped for Investment 600 Shares sold for Hogg Foundation: W. C. Hogg Estate Fund 350 Shares sold for Hogg Foundation: Varner Properties 75 Shares sold for Rosalie B. Hite Endowment for Cancer Research	6,805.53 29,166.54 17,013.82 3,645.81
2/2/60	2,500 Shares Standard Oil Company (New Jersey) Capital Stock, sold at 40-1/4 (The William Stamps Farish Professorship in Geology)	99,598.71

SALES OF SECURITIES  
(Continued)

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Date	Security	Net Proceeds
12/60	4,050 rights to subscribe for El Paso Natural Gas Company Common Stock, 4000 sold at 15/64ths, 50 sold at 13/64ths (Based on holding of El Paso Natural Gas Company Common Stock) 683 rights sold for Funds Grouped for Investment 2,087 rights sold for Hogg Foundation: W. C. Hogg Estate Fund 400 rights sold for Hogg Foundation: Varner Properties 400 rights sold for The James W. McLaughlin Fellowship Fund - Reserve for Depletion 280 rights sold for Will C. Hogg Memorial Scholarships Fund 200 rights sold for Wilbur S. Davidson Educational Fund	\$ 152.91 467.25 89.55 89.55 62.69 44.78
	100 rights to subscribe for Consumers Power Company 4-3/8% Convertible Debentures, due 8/15/75, at 22/64ths (Based on holding of Consumers Power Company Common Stock (Funds Grouped for Investment))	32.31
1/9/60	4,050 Shares El Paso Natural Gas Company Common Stock, 1,450 sold at 33-7/8, 1,900 sold at 34, 700 sold at 34-1/8 683 Shares sold for Funds Grouped for Investment 2,087 Shares sold for Hogg Foundation: W. C. Hogg Estate Fund 400 Shares sold for Hogg Foundation: Varner Properties 400 Shares sold for The James W. McLaughlin Fellowship Fund - Reserve for Depletion 280 Shares sold for Will C. Hogg Memorial Scholarships Fund 200 Shares sold for Wilbur S. Davidson Educational Fund	22,922.64 70,043.26 13,424.68 13,424.68 9,397.28 6,712.34
12/60	15 Shares Standard Oil Company (New Jersey) Capital Stock, sold at 41-7/8 1/2 proceeds for use and benefit of Dr. Charles Pomerat's work at the Medical Branch 1/2 proceeds for Thompson-Singleton Congenital Facial Deformity Clinic Fund (Medical Branch)	309.41 309.42
	20 Shares Standard Oil Company (New Jersey) Capital Stock, sold at 41-7/8 (Department of Geology Student Loan Fund)	825.11

## TRUST AND SPECIAL FUNDS - GIFT, REQUEST AND ESTATE MATTERS.--

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A. C. McLAUGHLIN ESTATE - ADDITION TO ENDOWMENT FUND FOR J. W. McLAUGHLIN FELLOWSHIP FUND.--The attorneys for the Colorado portion of this estate recently advised the University of the discovery of a stock certificate in the name of A. C. McLaughlin, Sr. for one of the five shares of stock of the Colorado-Pacific Oil Company. The other four shares of stock are owned by members of the McLaughlin family. The certificate was found among the papers of A. C. McLaughlin, Jr. who died in August, 1958 and would, of course, have been inventoried in the estate of A. C. McLaughlin Sr. had its existence been known. The sole asset of the company was a checking account in Denver, Colorado in the amount of \$619.95. The attorneys recommended that rather than re-open the estate of A. C. McLaughlin, Sr. to clear this relatively trivial asset, the University accept the check of the President of Colorado-Pacific Oil Company for one-fifth of \$619.95 (\$123.99) the value of the one share of stock and that the Endowment Officer execute a receipt and disclaimer. The receipt and disclaimer has been approved as to form by the Land and Trust Attorney, executed by the Endowment Officer, returned to the attorneys, and the sum of \$123.99 added to the endowment fund of the James W. McLaughlin Fellowship Fund. Ratification of these actions by the Board of Regents is recommended.

DENTAL BRANCH - ESTATE OF AMELIA S. McCARTHY - REPORT ON DISTRIBUTION AND ESTABLISHMENT OF AMELIA McCARTHY MEMORIAL FUND FOR DR. WALTER HENRY SCHERER.--Several months back the University received notice of hearing in California for probate of the Will of Mrs. Amelia S. McCarthy, who died on July 7, 1959, and later received a copy of the Will. The provisions in which the University is interested are as follows:

"To the BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS, Austin, Texas, the sum of Ten Thousand Dollars (\$10,000.00) or five (5%) per cent of my Estate, whichever amount is smaller, to be used only in the School of Dentistry and to be used in any manner as the Dean of the Dental School may determine. This bequest is made in the memory of my beloved brother, Dr. Walter Henry Scherer and shall be referred to as the 'Amelia McCarthy Memorial Fund.'"

.....

"With reference to the percentages referred to hereinabove, these percentages shall be computed on the net estate after payment of all administration expenses and all estate and inheritance taxes."

Pursuant to Decree of Preliminary Distribution dated July 1, 1960, the University has received a check in the amount of \$5,000.00, and a receipt has been signed by the Endowment Officer. Indications are that the full amount of \$10,000.00 will be received in due course.

At the request of the Dean of the Dental Branch, it is recommended that an endowment account be established in Funds Grouped for Investment to be known as the "Amelia McCarthy Memorial Fund for Dr. Walter Henry Scherer" with the \$5,000.00 already received to be added as of September 1, 1960. Income from the endowment account will be used as provided in the Will.

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MEDICAL BRANCH - SIVERT BROWN ESTATE - REPORT ON CLOSING OF SALE OF 15 ACRES, JOHN CUMMINGS LEAGUE, BRAZORIA COUNTY, TEXAS, TO LEON FINLEY.-- The Board of Regents at its meeting of January 11, 1958, accepted the proposal of Leon Finley, the grazing lease tenant for several years, for purchase of 15 acres out of the John Cummings League, Abstract 57, Brazoria County, Texas. The property came to the University from the Estate of Sivert Brown in 1934 in settlement of an account due John Sealy Hospital. Purchase price was \$75 per acre with the University reserving all of the minerals except a royalty of 1/32, perpetual and non-participating. A contract of sale, dated February 6, 1958 was executed calling for conveyance to be completed within six months from contract date. However, due to problems of delinquent taxes and other matters to be worked out in connection with a title policy, the closing of the sale was delayed. By agreement, Mr. Finley paid the taxes for the period 1931 through 1934 and a title policy was obtained. The warranty deed, dated July 27, 1960 has been signed by the Chairman of the Board of Regents and delivered to the purchaser. Purchase price of \$1,125.00, less surveying cost of \$115.00 and title policy cost of \$36.00, has been deposited with other funds accumulated from this property, disposition of which funds will be by recommendation through appropriate channels.

HOGG FOUNDATION: VARNER PROPERTIES - CANCELLATION OF AUTHORIZATION FOR SUBROGATION OF LIEN ON PORTION OF PAPPAS BUILDING PROPERTY.--The Board of Regents, at its meeting of March 14, 1959, approved a proposal from the Pappas Company for subrogation of its lien on the south portion of the property, amounting to 10,200 square feet of ground and 22,000 square feet of floor space. The purpose of the request was for the construction of a 200-car ramp type garage. It was understood that no instrument would be executed on behalf of the Board of Regents until final arrangements were made. We have now been advised that the Pappas Company found the space allotted was not large enough for the garage and that it will be omitted in their remodeling. It is therefore recommended that the authorization for the subrogation of the University's lien be cancelled.

HOGG FOUNDATION: VARNER PROPERTIES - AUTHORITY TO FILE FEDERAL INCOME TAX RETURN FOR FISCAL YEAR ENDED JULY 31, 1960.--It is recommended that the Comptroller and Endowment Officer be authorized to sign and file a Federal Income Tax Return on Unrelated Business Income (Supplement U) for the fiscal year ended July 31, 1960 on the Varner Properties. This is Form 990-T, Exempt Organization Business Income Tax Return. The return, due to be filed by October 15, has been prepared by the Branch College Auditor, and the tax will be \$22,868.80 (Tax for 1959 was \$26,704.36). These taxes have been paid for each year, beginning with 1953, since acquisition of the Varner Properties, and the basis for payment and other legal matters have been worked out with Mr. Benjamin L. Bird of the firm of Weeks, Bird, Cannon & Appleman of Fort Worth, which firm has served as tax counsel on these matters by authority of the Board of Regents.

TEXAS WESTERN COLLEGE - COTTON ESTATE TRUST - ASSIGNMENT OF LEASE, SUNSET MOTOR LINES TO CONSOLIDATED COPPER STATE LINES, EL PASO.--On March 13, 1951, the Board of Regents approved a lease with Sunset Motor Lines covering a tract of approximately 4.31 acres in Cotton Addition for a period of twenty years, effective May 1, 1951 at a monthly rental of \$258.60, subject to renewal and extension for an additional twenty years at a negotiated rate. The lease further provides it shall not be assigned without approval in writing of the University. Sunset Motor Lines has transferred its assets to and become a part of Consolidated Copper State Lines and assignment of the lease to the latter company has been requested. It is recommended that the Board of Regents approve the assignment, effective August 1, 1960, and that the appropriate instrument be signed by the Chairman of the Board upon approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

A. C. McLAUGHLIN ESTATE - JAMES W. McLAUGHLIN FELLOWSHIP FUND - "REQUEST FOR RECOGNITION" IN CONNECTION WITH RANGELY UNIT - DENVER 032675.-- At the request of the attorneys for the Colorado portion of this estate, the Chairman of the Board of Regents executed a Request for Recognition as Holder of Record Title and Overriding Royalty Interests in Denver 032675 and Statement of Qualifications on July 19, 1960. The form was requested for filing with the Bureau of Land Management for record purposes establishing the University's title to the properties. It was attested by the Secretary of the Board and approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. Ratification of such signature is recommended.

HOGG FOUNDATION: VARNER PROPERTIES - SALE TO A. S. KOEHLER OF SENS PROPERTY, MILAM AND CONGRESS, HOUSTON.-- On July 13, 1960, at its special meeting in Austin, the Board of Regents authorized the sale of the Sens property, which is located at the corner of Milam and Congress in Houston, and is one of the Varner properties acquired by the Board of Regents, as Trustee of the Hogg Foundation, in 1952. The sale as contemplated at the time of this authorization was to A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler. Subsequent to this authorization, we have been informed that Mr. Koehler is desirous of purchasing this property in his individual right rather than as Independent Executor of the Estate of George L. H. Koehler. It is therefore recommended that the resolution adopted by the Board of Regents on July 13, 1960, be amended so as to strike the name of A. S. Koehler, Independent Executor of the Estate of George L. H. Koehler, wherever it appears in the resolution and substitute in lieu thereof the name of A. S. Koehler.

ARCHER M. HUNTINGTON MUSEUM FUND - PROPOSAL FROM DR. E. A. HENDERSON FOR PURCHASE OF APPROXIMATELY 312 ACRES, WILSON POINT, S. C. BUNDICK LEAGUE, GALVESTON COUNTY.-- Of approximately 3,550 acres in Galveston County still owned under the deed from Archer M. Huntington, approximately 312 acres is on Wilson Point in Galveston Bay, separated from the other University acreage and from the mainland by other ownership and by a channel. Dr. E. A. Henderson of Galveston owns acreage on both sides of the channel and offers to pay the University \$110 per acre cash for its land on the Point. The University would retain one-half of the minerals, fully participating, but with leasing rights in the purchaser. Dr. Henderson's offer comes through the real estate firm of Kellner, Ayers and Schmitt and carries a 5% commission to be paid by the University to that firm.

This is marsh land with elevation, according to Government maps and the like, of approximately 2.5 feet above mean low water. Though the Intercoastal Canal is near the acreage, the adjoining Bay is shallow, and development of the land for any use will require extensive filling. As to possible industrial uses, it appears to be the last in line of the remaining Huntington Lands.

There has been no survey of this tract, and it seems likely that it may be something less than the 312 acres carried on the University's records. A joint appraisal by three appraisers, one of whom was Mr. Vincent J. Schmitt of the firm of Kellner, Ayers & Schmitt, in 1955 gave this tract a market value of \$60 per acre. Inquiries have been received in the past two or three years indicating interest at \$10 up to \$70 per acre.

It is recommended that the Board of Regents accept Dr. Henderson's offer and authorize the Chairman to execute a contract of sale, pending survey at the University's expense and determination of amount of acreage, after which a formal resolution of sale will be presented for adoption by the Board of Regents.