STATE BOARD OF HIGHER EDUCATION

MINUTES OF MEETING HELD AT
ROKE HALL, EASTERN OREGON COLLEGE, LA GRANDE, OREGON

June 9-10, 1964

MEETING #326

A regular meeting of the State Board of Higher Education was held at Roke Hall, Eastern Oregon College, La Grande, Oregon, on June 9-10, 1964.

ROLL CALL

The meeting was called to order at 9:00 A.M. on Tuesday, June 9, 1964, by the President of the Board, Mr. Chas. R. Holloway, Jr., and on roll call the following answered present:

- Mr. J. W. Forrester, Jr.
- Mrs. Elizabeth H. Johnson
- Mr. Philip A. Joss
- Mr. George H. Layman

- Mr. John Merrifield
- Mr. John W. Snider
- Mr. Ray T. Yasui
- Mr. Chas. R. Holloway, Jr.

Absent: R. E. Purvine, M.D.

OTHERS PRESENT:

Centralized Activities--Chancellor R. E. Lieuallen; Secretary R. L. Collins; Dr. M. C. Romney, Vice Chancellor for Academic Affairs; Mr. H. A. Bork, Vice Chancellor for Business Affairs; Comptroller J.L. Watson; Mr. J. L. Hunderup, Director of Facilities Planning; Mr. Wolf D. von Otterstadt, Assistant Attorney General; Mr. Allen McKenzie, Assistant to Vice Chancellor for Business Affairs; Mr. George Diel, Assistant Director of Public Services.

Oregon State University--President J. H. Jensen; Mr. M. Popovich, Dean of Administration; Mr. G. M. Robertson, Business Manager.

University of Oregon--President A. S. Fleming; Mr. W. N. McLoughlin, Business Manager; Mr. I. I. Wright, Superintendent of the Physical Plant; Mr. H. P. Barnhart, Director of University Housing.

University of Oregon Dental School--Dean H. J. Noyes; Mr. Eugene Bauer, Business Manager.

University of Oregon Medical School--Dean D. W. E. Baird; Mr. W. A. Zimmerman, Assistant Dean for Business Affairs.

Portland State College--Mr. W. T. Lemmen, Jr., Director of Business Affairs; and Mr. Brock Dixon, Dean of Administration.

Oregon College of Education--President L. W. Rice; Mr. E. A. Stebbins, Dean of Administration; Mr. Ronald Chatham, Director of Planning.
Southern Oregon College--President E. N. Stevenson; Dr. E. C. McGill, Assistant to the President and Director of Academic Affairs.

Eastern Oregon College--President F. B. Bennett; Mr. E. G. Mauli, Business Manager; Mr. John Miller, Administrative Assistant; Mr. W. M. Osterloh, Institutional Research Assistant.

Oregon Technical Institute--President W. D. Purvine; Mr. W. M. Douglass, Dean of Administration.

Others--Mr. Denis Curry, Management Analyst, Department of Finance and Administration.

RE ABSENCES: Dr. Purvine was absent for business reasons.

MINUTES APPROVED

The Board voted to dispense with the reading of the minutes of the last regular meeting held on April 27-28, 1964, and approved them as printed in the docket.

Emergency Board

Actions May 29

The Chancellor reported that on May 29, 1964, the State Emergency Board had restored funds to the higher education budgets in an amount which would make it possible to rescind the annual tuition increase of $96 previously approved by the Board and to return tuition at the State System institutions to the 1963-64 level. Other restorations to State System budgets included: Funds for agricultural research in cherry disease and a calf virus; funds to avoid closing 34 beds at the teaching hospital and to reopen the isolation ward; restoration of the entire cut in the Crippled Children's Division; and restoration of the rehabilitation money for Agriculture Hall at Oregon State University.

The funds provided for the items indicated above plus restorations of funds to other state agencies amounted to approximately $7,000,000.

The Emergency Board deferred consideration of further budget adjustments.

At the request of President Holloway, Mr. John Merrifield acted as chairman of the Board during the consideration of items related to Buildings and other Physical Facilities, Mr. John W. Snider acted as chairman of the Board during the consideration of items related to Finance and Business Affairs; and Mrs. Elizabeth H. Johnson acted as chairman of the Board during the consideration of the items related to Academic Affairs, Personnel, and Public Affairs.

Appointment of Architect for Capital Improvements at Animal Farm, UOMS

Upon the recommendation of University of Oregon Medical School officials, Architects Dukehart & Kinne of Portland have been commissioned to prepare plans and specifications for the construction of improvements to the animal farm in Washington County recently acquired from the Medical Research Foundation. These improvements include two goat barns, additional dog and cat runs, and a new quarantine building, the total estimated cost of which is expected to be approximately $40,000. The
professional services fee of 6 percent of the direct construction costs includes 1 percent for the preparation of preliminary plans. Funds for this work are being provided from a grant of $24,000 from the Medical Research Foundation supplemented to the extent necessary from Medical School balances available from indirect cost allowances applicable to instructional and research contracts and grants.

The Board accepted the report.

On January 27-28, 1964, the Board authorized the employment of Architects Lutes and Amundson for the preparation of plans and specifications for the initial unit of a crew house, required by Oregon State University for its physical education program, to be located on institutionally-owned property east of the Willamette River and north of U. S. Highway 34, Corvallis. The Board also authorized appropriate Board officials to approve the plans for the structure, which was expected to include a shower room, toilet room, drying room (for wet clothes) and heating plant, as well as to receive bids and award construction contracts.

Upon the recommendation of Oregon State University officials, the preliminary plans prepared by the architects have been approved, recognizing that the concrete block building would contain an enclosed area of approximately 1,500 square feet and would also include a covered perimeter walk of about 1,500 square feet. The direct construction costs are estimated to be approximately $24,850, including site improvements and utilities. Funds for the project are to be provided from the proceeds received from the State Highway Commission for the sale of a portion of the Nellie Beach farm property needed for the construction of a new bridge across the Willamette River. Tentatively, it is expected that bids for the crew house will be received late in June 1964.

The Board accepted the report.

Portland State College officials and Architects Wolff & Zimmer have filed with the Board's Office the completed final plans and specifications for the proposed parking structure which is scheduled for construction on Block 191, Portland Addition, bounded by S. W. Harrison Street, S. W. Broadway, S. W. Hall Street and S. W. Sixth Avenue, east of South Park Hall. These plans are in substantial agreement with the preliminary plans which were approved by the Board December 9-10, 1963, but the estimate of the direct construction costs has been increased from $741,000 to $755,100. Inasmuch as the cost of acquiring the site is approximately $115,000 more than the original budget estimate of $340,000, it appears necessary to increase the project budget from $1,160,000 to $1,295,000. The additional requirements are available to the institution from restricted student building fees balances and from Series 1963 B bond borrowings.
With the concurrence of the Chancellor, President Millar recommended the acceptance of the final plans and specifications for the five-level parking structure at Portland State College which will provide a capacity of approximately 549 automobiles at a total cost of about $1,295,000. For the gross area of 196,542 square feet, the direct construction cost estimate of $755,100 averages about $3.84 per square foot. Construction bids are scheduled to be received on or about June 24 and construction contract awards will be made by the appropriate Board officials if satisfactory bids are received within the funds available for the project.

It was pointed out that some changes might occur in the cost of land for the project since some of the property will probably be acquired by condemnation.

The Board approved the recommendations as presented.

Following the receipt of notice from the National Science Foundation that a supplemental grant of $170,000 was being made available to Oregon State University for the conversion of the 180-foot oceanographic research vessel YAQUINA, as announced by President Jensen and the Chancellor at the April 28 meeting of the Board, a contract award was made to the low bidder, Albina Engine and Machine Works, Inc., Portland, and the following construction budget was approved for the project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Construction - Albina Engine and Machine Works, Inc., Portland</td>
<td>$ 528,423</td>
</tr>
<tr>
<td>Architects' Fees</td>
<td>32,150</td>
</tr>
<tr>
<td>Equipment, including deck machinery, electronics equipment, and wire rope</td>
<td>138,000</td>
</tr>
<tr>
<td>Inspection</td>
<td>8,400</td>
</tr>
<tr>
<td>Engine Room Activation</td>
<td>25,000</td>
</tr>
<tr>
<td>Wharfage, Travel, Telephone, and Other Miscellaneous Costs</td>
<td>10,220</td>
</tr>
<tr>
<td>Contingencies</td>
<td>27,807</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 770,000</strong></td>
</tr>
</tbody>
</table>

The entire project is being financed from the $770,000 grants obtained from the National Science Foundation. Plans and specifications for the work were prepared by W. C. Nickum & Sons, Naval Architects and Marine Engineers, Seattle.

The Board confirmed the contract award.

On April 27, 1964, Mr. H. A. Bork, Vice Chancellor for Business Affairs, inspected and accepted the work of construction contractors for the Radiation Center Building at Oregon State University, subject to the completion of a few minor items. The semifinal revised budget for the project is reflected below in comparison with the original budget approved by the Board following the awarding of construction contracts.
### Project Costs:

**Direct Construction:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised 4-27-64</th>
<th>Original 1-22-63</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Work - Quentin Greenough, Inc., Corvallis</td>
<td>$443,615</td>
<td>$432,886</td>
<td>$10,729 (↑)</td>
</tr>
<tr>
<td>Mechanical Work - C. J. Hansen, Co., Salem</td>
<td>168,548</td>
<td>172,189</td>
<td>(3,641) (↓)</td>
</tr>
<tr>
<td>Electrical Work - Mayer &amp; Ross Electric, Inc., Corvallis</td>
<td>74,768</td>
<td>73,600</td>
<td>1,168 (↑)</td>
</tr>
<tr>
<td><strong>Total Direct Construction Costs</strong></td>
<td><strong>$686,931</strong></td>
<td><strong>$678,675</strong></td>
<td><strong>$8,256</strong> (↑)</td>
</tr>
</tbody>
</table>

**Architects' and Engineering Fees, including soil survey and travel**

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised 4-27-64</th>
<th>Original 1-22-63</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision</td>
<td>38,733</td>
<td>38,254</td>
<td>479</td>
</tr>
<tr>
<td>Site Costs, including steam lines</td>
<td>15,474</td>
<td>15,000</td>
<td>474 (↑)</td>
</tr>
<tr>
<td>Movable equipment</td>
<td>8,000</td>
<td>-</td>
<td>8,000 (↑)</td>
</tr>
<tr>
<td><strong>Contingencies</strong></td>
<td><strong>-</strong></td>
<td><strong>17,686</strong></td>
<td><strong>(17,686)</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$755,280</strong></td>
<td><strong>$755,280</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

### Source of Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised 4-27-64</th>
<th>Original 1-22-63</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation by State Emergency Board from Chapter 597, Oregon Laws 1961</td>
<td>$377,640</td>
<td>$377,640</td>
<td>-</td>
</tr>
<tr>
<td>Grant from National Science Foundation</td>
<td>200,000</td>
<td>200,000</td>
<td>-</td>
</tr>
<tr>
<td>Grant from National Institutes of Health</td>
<td>177,640</td>
<td>177,640</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$755,280</strong></td>
<td><strong>$755,280</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

*Subject to minor modification when site work is completed and all movable equipment items are purchased.*

1. Includes reinstatement of brick veneer and mo-sai panel alternates revision of doors for shielding, and other changes incorporated in 14 change orders.

2. Includes deletion of two sumps, deletion of filters and unit heater, credit on allowance for postponed monitoring system, and other changes included in 10 change orders.

3. Includes provision for conduit for electron generator equipment, provision of single phase energy to laboratory No. 50, and other changes included in 4 change orders.

4. Includes steam distribution facilities.

5. Movable equipment category increased from contingency savings.

The Radiation Center Building, located at Thirty-fifth Street and Jefferson Way on the campus of Oregon State University, was designed by Architects Bear, McNeil, Schneider, Bloodworth & Hawes of Portland. The building comprises a gross area of 33,214 square feet and the direct construction cost of $686,391 averages approximately $20.68 per square foot, including built-in laboratory equipment. The structure is a one-story building of reinforced concrete construction with brick veneer and window wall exterior. It is designed for use in basic research and graduate instruction in the field of radiation science.
An application has been filed with the U. S. Air Force for a grant which would include approximately $10,000 for the construction of a small greenhouse unit on the roof of the Radiation Center Building. If these funds are made available, it is expected that this construction will be incorporated as a part of the project.

The Board accepted the report.

On May 22, 1964, the Vice Chancellor for Business Affairs inspected and accepted the work of construction contractors for the Student Health Service Building at Southern Oregon College. A semifinal budget for the project, subject to minor modification, is indicated below in comparison with the original budget approved by the Board June 11, 1963:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Revised Budget</th>
<th>Original Budget</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-22-64</td>
<td>$120,738</td>
<td>$109,294</td>
<td>$11,444(1)</td>
</tr>
<tr>
<td>6-11-63</td>
<td>$119,331</td>
<td>$108,460</td>
<td>$10,871</td>
</tr>
</tbody>
</table>

### Project Costs:

#### Direct Construction:
- General Work - Dwight L. Seely, Medford: $120,738
- Mechanical Work - McLaughlin Plumbing & Heating Co., Medford: 58,802
- Electrical Work - Enloe Electric, Inc., Phoenix: 11,791
- Total Direct Construction Costs: $191,331

#### Architects’ Fees
- 11,480
- 10,704
- 776

#### Landscaping
- 2,000
- 2,000

#### Construction Supervision and Miscellaneous Costs
- 1,200
- 1,200

#### Furnishings and Equipment
- 13,669
- 11,950
- 1,719

#### Contingencies
- 8,920
- 8,920

#### Total Project Costs
- $219,680
- $213,180
- $6,500

### Sources of Funds:

#### General Obligation Bonds, Series 1962
- (par value $150,000 @ 98.01) $147,015

#### Restricted Fund Balances Available to the Institution
- Total: $72,665
- $66,165
- 6,500

(1) Includes concrete floor slab in lieu of concrete footings originally designed, revision to walks and curbs and additional drapery tracks and pulley housings, etc., incorporated within five change orders.

(2) Includes insulation of steam lines, rough-in for future plumbing, revision to pipe trench and other miscellaneous items incorporated within four change orders.

(3) Provides re-routing of telephone conduit and additional exterior lights within three change orders.

(4) Because of difficult soil conditions encountered during excavation, an increase in total project costs of $6,500 was approved by the Board on September 10, 1963, through the use of additional restricted fund balances available to the institution.
The Student Health Center, designed by Architects Payne & Struble of Medford, is of wood-frame construction with a concrete daylight basement. It is located near Siskiyou Boulevard and Indiana Avenue in close proximity to the student housing area. The facilities on the main floor level include a central reception area, four patient rooms designed to accommodate two students each, a single occupancy patient room, doctors' office and examining rooms, minor surgery, physical therapy space, x-ray suite, apartment for the resident nurse, and related service and storage rooms. It is air conditioned. The gross area of the building is 11,016 square feet. Recognizing that the major portion of the basement area is unfinished and is thus reflected at 50 percent of its area, the direct construction costs of $191,331 average approximately $22.68 per square foot.

The Board accepted the report.

At the June 11, 1963, meeting, the Board confirmed the action of the Executive Committee authorizing the leasing of Hendricks Hall to CO-ED Housing, Incorporated, for a nine and one-half month period beginning September 1, 1963, for $17,783. It was then noted that there appeared to be a disparity in the rates charged students at the University of Oregon and those charged students living in cooperative housing operated by Oregon State University.

President Fleming reported that occupancy experience thus far in 1963-64 indicates that the rental charge in Hendricks Hall is equal to $168 per student for the year, compared to a charge of $210 at Oregon State University. He also advised that anticipated fall term dormitory occupancy at the University of Oregon for 1964-65 is estimated to be below capacity, and Hendricks Hall will not be required as a dormitory.

During 1964-65, the University of Oregon intends to use the west wing of the dormitory as offices for the school organization and educational administration program under a grant from the U. S. Office of Education. The remaining portions of the dormitory which provides housing for 75 students, are intended to be leased to CO-ED Housing, Incorporated for nine and one-half months, beginning September 1, 1964, for an amount of $12,006. Based upon an average occupancy of 92 percent, the rental payment averages about $174 per student per year compared to the charge of $210 made at the cooperative dormitories at Oregon State University. The lease contains the provision that if taxes are assessed against the building, the lease payment would be increased by an equivalent amount.

President Fleming recommended that appropriate Board officers be authorized to enter into a lease with CO-ED Housing, Incorporated, for all except the west wing of Hendricks Hall for the period September 1, 1964, to June 15, 1965, for $12,006. The lease provisions will be substantially the same as last year except for the amount of the rent and space and, in the event taxes are assessed, the amount thereof will be in addition to the stated lease payment.
In the discussion, it was pointed out that the cooperative groups sign a contract for a specified yearly rental and then determine the charge per student to their members on the basis of the number of students who live in the cooperative. It was noted that living unit cooperatives differ from sales cooperatives because the student members do much of their own work. The students pay a fee to belong and the active membership then takes on certain responsibilities and shares in the derived benefits. This element of responsibility usually is not present in a sales cooperative.

The Board approved the recommendation as presented.

President Purvines of Oregon Technical Institute reported that California-Pacific Utilities Company desires to obtain a 10-foot easement beginning at the eastern edge of Campus Drive on the southern side of Oregon Technical Institute on the north side of and immediately adjacent to the Pacific Power and Light Company's pole line easement and extending to the eastern boundary of Oregon Technical Institute, together with a strip of land 3 feet wide, beginning 165 feet east of the east edge of Campus Drive and extending at a 90° angle to the above easement to Oregon Technical Institute meter location. The easement is needed in order to install a 4-inch gas line to serve the new campus of Oregon Technical Institute.

President Purvine, with the concurrence of the Chancellor, recommended that the appropriate officers of the Board be authorized to execute an easement in favor of California-Pacific Utilities Company as indicated.

The Board approved the recommendation as presented. In the discussion, it was indicated that the easement contained the usual protective clauses.

On April 25, 1962, the Board authorized the appointment of Architects Lutes & Amundson to investigate the possibility of developing the plan for the construction of low-cost housing for single students at the University of Oregon. It was expected that the study would include various types of construction, the uses of alternate materials and the feasibility of using some of the units for cooperative student housing.

University of Oregon officials have filed with the Board's Office a copy of the architects' report prepared under date of August 1 1962 which suggests that if lower investments per student are to be achieved through the construction of two- or three-story wood frame dormitories, it would appear necessary to modify the present housing program such as by reducing the area per student for lounges, dining rooms and other ancillary spaces. Their study indicates that it may be possible to reduce slightly the charges to students for room and board if one of four prototype dormitory designs suggested in the report is utilized.
The estimated investment per student in the various prototype buildings, including utility services to the site, ranges from $3,044 to $3,409, compared with the average investment of $3,891 per student in Bean Hall (Dormitories No. 6 and 7), recently completed at the University of Oregon. Estimated direct construction costs, ranging from $15.83 to $16.45 per square foot, are about the same as those for Bean Hall which averaged approximately $16.53 per square foot. The area per student ranges from 162.4 to 192.5 square feet, compared with the area of 199.2 square feet in Bean Hall and the range of 215-235 square feet which the Board acknowledged some time ago as a building planning standard for dormitories. Partially offsetting initial construction savings are slightly higher operating (maintenance) costs, estimated by the architects to be a minimum of $.50 per student per month.

By reducing the area per resident and by effecting economies in construction through the use of wood-frame construction, the architects report that it may be possible to effect a reduction of approximately $3.72 per month in the total room and board cost per student. This would represent about 4 percent of the typical charge applicable in existing dormitories of the University of Oregon during 1963-64.

The conclusions stated in the architects' study are as follows:

1. Construction of dormitories for lower cost must be based upon a reduction in the amount of ancillary facilities required for the student.

2. Wood construction for dormitories, though permitted by today's codes, is unwise to use because of possible code and code enforcement changes, and potentially high maintenance costs.

3. Use of electrical energy for dormitory space heating is uneconomical at this time.

4. Construction of dormitory housing for cooperative living groups is feasible only if student charges for this type of housing are substantially increased and if the University can underwrite such groups through land acquisition and borrowing capacities.

5. The cost savings realized by construction of the prototype dormitories presented in this study would not be sufficiently large in proportion to the students' total board and room costs to justify their construction.

With the concurrence of the Chancellor, President Flemming recommended that the report of Architects Lutes and Amundson entitled, "A Study of Dormitory Housing, University of Oregon, August 1962," be accepted.
President Flemming indicated that there should be further study of some of the conclusions stated in the report.

In response to questions from the Board, the architect stated that the national picture had been examined as far as dormitories were concerned and that the conclusion had been reached that the savings to students were not sufficient to warrant minor economies. It was further noted that there are two ways to cut cost—by cutting space provided for student facilities and by reducing costs of materials. He expressed the view that because of long-term maintenance costs the latter method was less desirable. He also indicated that the reduction in square feet per student, as indicated in the report, was not the result of wood construction but was a deliberate reduction in student facilities.

It was also mentioned that in order to reduce the costs to the students, consideration might be given to changes in living arrangements and the participation of students in providing services instead of attempting to reduce costs by economies in construction.

The Board accepted the report with the recommendation that representatives from the School of Architecture at the University of Oregon and the Schools of Engineering and Forestry at Oregon State University cooperate with the architects in a further study of the dormitory housing program throughout the System.

At the April 23, 1963, meeting, the Board approved the recommendation of President Flemming to reject the bids which had been received a week earlier for proposed Dormitories 8 and 9 at the University of Oregon since they exceeded substantially the direct construction cost allowance of $3,018,000 and would have required a total investment larger than the approved budget total of $3,555,000. Dr. Flemming indicated that he and his staff would work with Architects Wilsen, Endicott & Unthak in making an intensive review of the program to determine the possibility of revising the plans so that (1) the total cost would not exceed $3,555,000; (2) the cost per student would not exceed $4,500; and (3) the square footage per student would be kept within the Board's standards which prescribe a maximum of 235 square feet per student for housing and dining.

After considering several alternatives, University of Oregon officials recommended that Architects Wilsen, Endicott & Unthak be authorized to prepare final plans and specifications for Dormitories 8 and 9, based upon revised preliminary plans which have now been completed. Such plans are similar to the original preliminary plans approved by the Board June 12, 1962, for the project which would house a total of 792 students. The over-all project would consist of four buildings, two of which would be nine stories and two would be three stories high. In order to limit the total project cost to $3,555,000, one of the low-rise units (accommodating 124 students) would be bid as an alternate, reducing the capacity to 668 students. The gross area of
the project, as modified to omit one of the low-rise buildings, would be approximately 153,499 square feet and the estimated direct construction costs thereof, including the built-in study room furniture, would be $3,024,000, or an average of approximately $19.70 per square foot. Based upon the capacity of 668 students, the area per student would be approximately 230 square feet. The estimated total project cost would be $3,537,433, or an average of about $5,325 per student without adjusting for the kitchen and related service areas planned for the ultimate capacity of 792 students in the dormitory complex. (For the entire project, housing 792 students, the architects estimate that the direct construction costs would be $3,364,000, the gross area would be 182,275 square feet, the average area per student would be 230 square feet, the total project cost would be $3,931,100, and the average investment per student would be approximately $4,964.) University of Oregon officials have reviewed their projections of enrollment and dormitory occupancies and have indicated that the estimated requirements for the fall term 1966 will be fulfilled if spaces are provided for 668 students, deferring until the following year the construction of the low-rise building (Units L and M) to take care of an additional 124 students. The rated capacity of all existing dormitories, excluding Hendricks and Campbell Halls, is 3,143 students, or approximately 31 percent of the fall term 1963 enrollment. As noted in a separate recommendation to the Board, Hendricks Hall is being used as a student cooperative. It is expected that Susan Campbell Hall will continue to be used as an office building and will not be used for dormitory housing.

In order to assure the receipt of bids for Dormitories 8 and 9 within the funds available, University of Oregon officials and the architects recommend that the second low-rise building (Units E and F), also housing 124 students, be bid as an alternate, reducing the capacity of the project to 544 students. Other possible alternates would include additions for recreational area development on the north portion of the site, air conditioning of the lounges and dining areas and carpeting in study rooms and study room corridors.

With the concurrence of the Chancellor, President Fleming recommended that the revised preliminary plans for Dormitories 8 and 9, as developed by Architects Wilmot, Endicott & Unthank, be approved, and that the appropriate Board officials be authorized to instruct the architects to complete the final plans and specifications for the project on a time and materials basis not to exceed a maximum charge of $25,000. Unless the fall term 1964 enrollment and/or dormitory occupancies appear to warrant a different course of action, it is expected that construction bids would be solicited early in 1965 and contract awards made immediately thereafter in order that all or a portion of Dormitories 8 and 9 would be completed prior to the fall term 1966. Funds in the total amount of $3,555,000 have been reserved tentatively for the planning and construction of this project, to be financed principally from Series 1963 A general obligation bonds.
The Board considered the financial implications of both high-rise and low-rise dormitory buildings and also the philosophy of small living units within each type of dormitory and its effect on the construction cost.

The Board approved the recommendation as presented, with the understanding that when the final plans and specifications are completed they will be presented to the Board for further consideration before construction bids are solicited.

The listing of self-supporting projects authorized by the 1963 Legislature included a Central Food Service Building for the University of Oregon at an estimated total cost of $470,000, including land. Pursuant to authorization granted by the Board on October 23, 1962, Architects Lutes and Amundson of Springfield were commissioned for this project and were asked to prepare preliminary plans for a building containing about 20,000 square feet and involving a direct construction cost of approximately $257,000.

During the development of the plans for this facility, it became apparent that the proposed area and cost estimate would not be adequate to accommodate the various functions which would be appropriate for such a service structure. University of Oregon officials and the architects have filed with the Board's Office a copy of the preliminary plans for a centralized dormitory service unit which would include areas for food preparation, general warehousing and storage, and laundry facilities to service the dormitories. The recommended site is north of Franklin Boulevard and the Mill Race, and is to be on a site authorized to be secured by condemnation. Utility services would be provided from the central heating and power plant of the University located west of the project site.

The gross area of the building is estimated to be 24,705 square feet and the direct construction costs, including site improvements, are estimated to be $397,950. If a utility tunnel were provided in lieu of a buried steam line, the architects estimate that an additional $188,500 would be required. The total project cost, excluding land and excluding also the incremental cost for the complete tunnel, is estimated to be $600,561.

The purpose of the Dormitory Service Building would be to provide well-designed areas for economical food preparation and adjacent centralized storage and laundry facilities for the dormitory department, which now provides housing for 3,143 single students, and to provide space also for the warehousing of furniture and appliances required for servicing the married student housing projects at the University. Preliminary studies by the staff of the institution indicated that by the time the dormitory housing program is enlarged to house approximately 4,000 students, savings of about $10,000 per year can be realized from the direct operation of laundry facilities in lieu of contracting with commercial laundries.
The building design contemplates concrete construction. The floor under the kitchen areas would be of concrete pan construction to provide access to plumbing lines and to increase the flexibility of equipment location. Other floors would be of concrete slab construction directly on rock fill. The exterior walls would consist of 6" and 8" tilt-up concrete panels, extending from the footings to the roof. Concrete block bearing walls would be utilized for the cooler-freezer portions of the building and for the mechanical areas. The roof structure would be of pre-cast, pre-stressed concrete "T" beams, spanning 60' to allow flexibility of partitioning within the major areas of the building.

With the concurrence of the Chancellor, President Flemming recommends that the preliminary plans for the Dormitory Service Building, as prepared by Architects Lutes and Amundson, be accepted and that authorization to prepare final plans and specifications be deferred until a time schedule can be developed for the construction and completion of the building at approximately the same time that institutional housing would be available for about 4,000 single students. In the judgment of the staff of the institution, the economic advantage of having improved centralized service facilities available will be realized when the capacity of institutional dormitories reaches the 4,000-student level. Before authorizing final plans, it is expected that a review will be made of the laundry situation with an appropriate report and recommendation to be presented to the Board. It will also be necessary to develop a revised financial program for the construction of the building since the tentative reservation of $470,000 Series 1965 B bonds, sold August 1, 1963, will not be sufficient to cover the revised project budget.

The architect stated that the building was designed to permit the preparation at one cooking of certain foods for several meals, some of which would be stored for future use by means of new methods of packaging, freezing, and reconstituting or reheating. Mr. Barnhart, Director of Dormitories, reported that the process of large-scale food preparation was changing, particularly in the area of frozen foods. The proposed facilities would permit the use of foods frozen commercially or in the central kitchen.

The Board questioned and discussed the methods of food preparation for which the building is planned, the continued utilization of equipment in the present dormitory kitchens, the equipment requirements for the new facility, and the basic reasons for including a laundry in the building.

The Board approved the recommendation as presented. Mr. Joss cast a negative vote, not to indicate opposition to the project, but to emphasize his conviction that the whole concept needed further study and consideration, particularly in connection with the state's experimenting with a new method of food preparation which might duplicate private industry resources.
Mr. Holloway introduced Mr. Bernard Schur, owner-operator of Schur's Campus Bookstore, near Portland State College, who had asked to appear before the Board to present his ideas regarding certain retail merchandising and other services provided on college and university campuses which could be provided by private business, and also to present his views regarding his experiences as a private businessman in competition with the cooperative bookstore at Portland State College. Mr. Schur was informed that meetings of the State Board of Higher Education are public, proceedings are recorded, and that a record of the proceedings would be available to the public. Mr. Holloway also pointed out that the document distributed to Board members in advance of the meeting by Mr. Schur contained certain references to the operation of the Co-op Bookstore at Portland State College. He stated that even though representatives of Portland State College had not had the advantage of seeing the presentation prior to the meeting, they would be asked to follow Mr. Schur to present a reply to his remarks in order to call attention to any items in the presentation where the reference included Portland State College.

Mr. Schur made his presentation, at the conclusion of which Dr. Brock Dixon, Dean of Administration, and Mr. W. T. Lemman, Jr., Director of Business Affairs, Portland State College, replied in behalf of the Cooperative Bookstore Association to Mr. Schur's comments since representatives of that organization were not present.

The complete text of Mr. Schur's presentation, his supplementary remarks, and the statements by Portland State College officials as recorded at the time of the Board meeting, are included as Supplements A and B to these minutes.

The Board referred the issues raised in Mr. Schur's presentation to the Board's Office and the Finance Committee of the Board for further study and recommendation.

In January 1964, the Board authorized the appointment of Architects Hamlin & Martin of Eugene to develop a site plan for low-cost student cooperative housing facilities for Oregon State University in the two-block area bounded by Ninth Street, Jefferson Street, Eleventh Street and Madison Street. The Board also authorized the preparation of basic studies for the initial two houses which would provide housing and dining accommodations for a total of approximately 120 students.

Oregon State University and the architects have filed with the Board's Office the basic studies for this student cooperative housing project, including a development plan for the total area of about three acres at the eastern edge of the campus. The proposal contemplates the ultimate construction of four new units, each accommodating 60 students, with provision on the site for leisure outdoor activities and parking for student automobiles. The University owns the major portion of the site, but it is estimated that purchase of the remaining area will require an expenditure of approximately $160,000, including the acquisition of a fraternity house which could be converted into a cooperative unit at some later time, if desired.
The first phase of development would involve the construction of two houses near Azalea House, the present women's cooperative, on state-owned land. One unit would be located on Madison Street east of Azalea House and the other unit would be constructed on Eleventh Street south of Azalea House. The estimated project budget for these two new units totals $432,000, or $3,600 per student resident. The buildings would be of wood-frame construction with wood siding, aluminum sash, built-up roof, walls of concrete block and dry wall construction. One building would have three floor levels, containing a gross area of 11,532 square feet, and the other unit, with two floor levels only, would contain approximately 11,672 square feet. The average area per student would range from 192 square feet to 195 square feet, about 10-15 percent lower than the range of 215-235 square feet which the Board adopted as a building planning standard for regular dormitory construction. The estimated direct construction costs of $360,000 average about $15.51 per square foot.

With the concurrence of the Chancellor, President Jensen recommended, that the basic studies and site development plan for the proposed student cooperative housing project at Oregon State University be approved and that the appropriate Board officials be authorized to instruct the architects to proceed with the development of preliminary plans and final plans and specifications, anticipating that the soliciting of bids will be deferred pending the development of a financial program and legislative authorization. Funds for the architectural planning are available to the institution from restricted fund balances.

It was pointed out in the discussion that the cooperatives are self-governing living units which provide an opportunity to students for learning self-discipline. It was pointed out also that the members do much of their own housekeeping which usually results in savings to the students. It was also mentioned that it is desirable to provide on a campus several types of living conditions — dormitories, cooperatives, and fraternities and sororities — because some students are more successful in one type of living arrangement than in another. In this way, the maximum benefit can be obtained from each living organization.

Oregon State University officials indicated that it is planned to provide cooperatives for about 10 percent of the single students housed at Oregon State.

The Board discussed the use of wood for construction in relation to maintenance costs and the potential fire hazard, including fire code requirements. The architect indicated it would not be necessary to provide fire sprinklers for a building of this size and that by using masonry or concrete in areas of heavy wear such as the toilet and shower rooms and in the kitchen areas it would be possible to reduce the maintenance costs.

The Board approved the recommendation as presented. In considering the basic studies for the cooperative housing, the Board reviewed the following report on the financial aspects:
When the Board authorized the employment of architects to plan for low-cost student cooperative housing at Oregon State University at the January 1964 meeting, it requested that financial and other information be presented at the time that the basic architectural studies were presented to the Board. Related to the presentation today of said studies are the following:

<table>
<thead>
<tr>
<th></th>
<th>Cooperative Dormitories</th>
<th>Regular Dormitories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land area per student, approximate</td>
<td>435</td>
<td>217</td>
</tr>
<tr>
<td>2. Gross building area per student occupant for housing and dining service</td>
<td>192-195 sq.ft. 215-235sq.ft.</td>
<td></td>
</tr>
<tr>
<td>3. Approximate investment per student occupant, exclusive of land (Coop dorms have self-contained heating plants, regular dorms do not)</td>
<td>$3,600</td>
<td>$4,145-4,446</td>
</tr>
<tr>
<td>4. Type of construction</td>
<td>Wood frame</td>
<td>Reinforced concrete</td>
</tr>
<tr>
<td>5. Number of floors</td>
<td>2-3</td>
<td>6 for dorms 1 for food service</td>
</tr>
<tr>
<td>6. Room rental charge per student per year</td>
<td>$210</td>
<td>$210 older dorms $255 newer dorms</td>
</tr>
<tr>
<td>7. Board per year - Men</td>
<td>$345</td>
<td>$470</td>
</tr>
<tr>
<td>Women</td>
<td>$317</td>
<td>$470</td>
</tr>
<tr>
<td>8. Time service per year, approximate</td>
<td>126 hours</td>
<td>None</td>
</tr>
<tr>
<td>9. Approximate annual cost of room and board, with time service evaluated at $1 per hour (for work performed by members in the cooperative houses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>$681</td>
<td>$680-$725</td>
</tr>
<tr>
<td>Women</td>
<td>$653</td>
<td>$680-$725</td>
</tr>
</tbody>
</table>

Attention was called to the fact that the above report indicates approximately a 10 percent difference in the square footage per student between the cooperative dormitories and the regular dormitories with a resulting reduction in the investment per student of about 10 percent. It was also pointed out that the board charge per year reflected the fact that men normally consume more food than women which resulted in an annual cost for board and room for men which was approximately equal in both types of dormitories. However, the charge for women resulted in a savings to the student in cooperative living. In this comparison of costs to the student, the time worked by students in the cooperative houses is valued at $1.00 per hour.

The Board accepted the report as presented.
Meeting #326

Lease of Residence for President of OTI

The facilities of the old campus of Oregon Technical Institute included a residence which is occupied by the president of the Institute. When the old campus is released to the federal government, the residence no longer will be available. Therefore, President Purvine, with the concurrence of the Chancellor recommended that authorization be given the appropriate officials of the Board to lease the property at 2051 Melrose Street, Klamath Falls, owned by Mr. and Mrs. William B. Sweetland, at a rental of $275 per month, for two years for the resident of the president.

The Board approved the recommendation as presented.

Report on Clearance of Title to Phi Gamma Delta Property, UO

At the September 1963 meeting, the Board authorized condemnation of a restriction on the north one-half of Lots 7 and 8 in Block 1 of Kincaid's Addition to Eugene, originally acquired from the Phi Gamma Delta fraternity by the University of Oregon Alumni Holding Company. Condemnation proceedings were initiated and judgment in favor of the State Board of Higher Education was received without cost due to the defendant's failure to appear.

The purchase for $12,500 was authorized by the Board at its meeting on May 16, 1944, and the funds were set aside at that time. After receiving, subsequent to the conclusion of the legal proceedings, a title policy satisfactory to the Attorney General, the previously allocated funds in the amount of $12,500 were disbursed to the University of Oregon Alumni Holding Company's successor organization, the University of Oregon Development Fund.

The Board accepted the report.

Purchase of Smith Property, OSU

President Jensen, with the concurrence of the Chancellor, recommended that authorization be given to purchase the Smith property located within the campus boundaries at 905 Jefferson Street, Corvallis, Oregon.

The property consists of portions of two lots containing approximately 5,000 square feet of land area on which is located an older three-story residence. An option has been obtained in line with the appraisals for $17,150. The property is in the area intended for future low-cost housing for single students and funds are to be provided from moneys derived from the sale of 1963 B building bonds.

The Board approved the recommendation as presented.

Purchase of Wright-Johnson Property, SOC

At the March 1964 Board meeting, authorization was given to resort to condemnation action, if necessary, to acquire the Wright-Johnson property for Southern Oregon College. Continued negotiations, in consultation with the Executive Committee of the Board, have resulted in the acceptance of an option to purchase the property for $31,300. Funds for the purchase are being provided from restricted moneys available to the institution for acquiring sites for student family housing.

The Board confirmed the action of the Executive Committee.
At the June 1963 meeting, the Board authorized condemnation of the Rath property located at the southwest corner of Siskiyou Boulevard and Francis Lane, Ashland, needed for future dormitory development at Southern Oregon College. Continued negotiations, in consultation with the Executive Committee of the Board, have resulted in securing the property for $22,500 subsequent to initiating condemnation action.

The Board confirmed the action of the Executive Committee.

On March 9, 1964, the Board was advised that Architects Bear, McNeil, Schneider, Bloodworth & Hawes, in collaboration with Engineer W. Bruce Morrison, were being asked to prepare plans and specifications for the installation of a fire sprinkling system and for the alterations required to minimize the hazards of fire and structural failure which might occur in Agriculture Hall at Oregon State University. Following an intensive study by the staff of the institution, it appears desirable to relocate the undergraduate microbiology laboratories to the basement and first floor levels of the building, closing off entirely the laboratory which is on the fifth floor and limiting the activities of the microbiology department on the fourth floor to those of research and office requirements. The removal of the undergraduate laboratories from the fourth floor would permit a redistribution of much of the equipment that currently is used in the corridors.

In order to finance this rehabilitation work, which is estimated to cost approximately $161,000, a request was made to the Emergency Board to restore this amount to the higher education operating budget (from the budget reductions made last fall). This request was endorsed by the Governor's office and was approved by the Emergency Board on May 29, 1964. Plans and specifications for the project are being prepared by the architects and engineers. President Jensen, with the concurrence of the Chancellor, recommended that the appropriate Board officials be authorized to approve the plans and specifications, solicit bids and award construction contracts for the alterations and requiring in Agriculture Hall within the budget total of approximately $161,000.

The Board approved the recommendations as presented.

When a report of the bids and contract awards for the Marine Science Laboratory at Yaquina Bay was made to the Board in January 1964, it was indicated that all deductive alternates had been exercised, including the deletion of the dockside structure which was principally a service and storage unit. Oregon State University officials have attempted to secure supplemental funds from the federal government to finance the reinstatement of this alternate, but these efforts have not been successful.

Recognizing the need for warehouse-type space to sort, dry, store, maintain and repair equipment for the research vessel YAQUINA, to accommodate watchmen and standby crews, to store spare parts and bulk supplies, etc., and thus to provide general shop facilities for the efficient operation of the vessel and the instructional and research program to be conducted within the Marine Science Laboratory,
President Jensen, with the concurrence of the Chancellor, recommended that the appropriate Board officials be authorized to negotiate change orders with the contractors for the construction of the shell of the dockside structure. The cost is estimated to be $33,000. Funds would be provided from the construction contingency reserve ($10,000) and from restricted fund balances available to the institution from indirect cost allowances on research and instructional contracts and grants (approximately $23,000). A gross enclosed area of 4,450 square feet would be provided in the dockside service building, and it is contemplated that the interior finish, which may require an expenditure of about $10,000, may be accomplished at a later time when and if funds become available to the institution.

The Board approved the recommendation as presented.

In the operating budget reductions which were required to meet the reductions in state funds aggregating $8,270,583 in the State System of Higher Education during the current biennium, the institutional building repair budgets for the biennium were reduced in the amount of $311,892. As a result of these budget reductions, it has been necessary to postpone badly needed building repair and alteration projects at the institutions. In order that some of the most urgent of these physical plant rehabilitation and repair items may be cared for during the summer of 1964, the Chancellor recommended that the following projects be authorized for completion during the summer of 1964, to be financed from the Board's Unappropriated Fund, $228,704, and from the remaining balance in Board's Reserve for Plant Rehabilitation, $5,925:

**Oregon College of Education**

1. Replacement of gymnasium floor and repair and renovation of offices within Physical Education Building $10,229
2. Repair concrete floors and replace damaged tile in four classrooms of campus elementary school 4,000

**Oregon State University**

1. Remodeling within men's gymnasium to convert existing handball courts and corridor, containing approximately 4,672 square feet, for multi-purpose physical education activity spaces 45,000
2. Stair modifications and installation of fire sprinkling system in Farm Crops Building to meet requirements of State Fire Marshal 9,000
3. Enclosure of stairwell and installation of suitable fire alarm and heat detection system in Production Technology Building to comply with recommendations of State Fire Marshal 8,500
Southern Oregon College

1. Remodeling of classroom in Pine Hall to provide faculty offices $ 3,000
2. Remodeling of former carpenter shop in basement of library to create language laboratory and new classrooms 10,000
3. Replacement of ceramic tile floor and wainscot in men's restroom in Churchill Hall 3,000
4. Construction of five-foot sidewalk from Siskiyou Boulevard to physical education area (to minimize hazards to students who now must use city streets since no sidewalks exist) 1,000
5. Paving of roadway from Science Building to Library in campus center 1,000
6. Rehabilitation of classroom and women's restroom in Pine Hall 2,500

University of Oregon

1. Installation of fire sprinkling system and remodeling within McArthur Court to comply with requirements of State Fire Marshal (remaining 50% of cost to be borne by Department of Intercollegiate Athletics) 17,500
2. Recovering of corridor floors in McArthur Court (remaining 50% of cost to be borne by Department of Intercollegiate Athletics) 15,000
3. Alterations in School of Architecture building to increase efficiency of office space, improve ventilation, etc. 15,000

University of Oregon Dental School

1. Remodeling within main floor area to provide oral pathology clinical laboratory need for urinalysis, hematology and blood chemistry findings on patients undergoing surgical procedures 15,000

University of Oregon Medical School

1. Improvement of ventilation to air exhaust system and anatomy morgue in Medical Science Building 6,500
2. Installation of dust collector and exhaust system from carpentry and machine shops in the Physical Plant Building 8,000

Portland State College

1. Conversion of Old Main 219 into chemistry laboratory 7,000
2. Installation of fire sprinkler system and conversion of first two floors of former Parkview Hotel (Jaggar property) for faculty offices 48,000
3. Installation of fire alarm system in Old Main 5,400

Total $234,629
In recognition of the extreme limitation of funds available for plant rehabilitation projects, the Chancellor recommended that authorization be given to the appropriate Board officials to release to the institutions only such amounts as may be required for the projects identified above with the understanding that the maximum allocations shall not exceed the cost estimates for each item unless prior approval is obtained from the Board.

The Board approved the recommendations as presented.

Lease Agreement with Multnomah County Covering the Parking Area of Multnomah County Hospital. Dean Baird of the University of Oregon Medical School has reported that the Multnomah County Commissioners desire the Medical School to take over the operation, maintenance and control of the parking facilities at Multnomah County Hospital.

It has been proposed, therefore, that Multnomah County lease to the Board without any financial obligation, that portion of Tax Lot 48 which is designated as the parking area for Multnomah County Hospital. The lease also provides that the Medical School will extend its parking control program to such area under authority of ORS 352.360. No alterations, additions or improvements on the premises are contemplated. Multnomah County agrees to maintain the leased premises in proper condition for use as parking areas. The lease may be terminated by either party upon 30-days written notice. Income by way of parking fees or fines and penalties for violations is to accrue to the University of Oregon Medical School in the same manner as such fees and fines are now applied pursuant to ORS 352.360 on state-owned lands.

Dean Baird, with the concurrence of the Chancellor, recommended that the appropriate officers of the State Board of Higher Education be authorized to execute the lease with Multnomah County.

The Board approved the recommendation as presented.

Extension of Campus Boundaries, EOC With the concurrence of the Chancellor, President Bennett recommended that the campus boundaries of Eastern Oregon College be extended to include all of Block 48 and the west half of Block 43, Chaplin's Addition to the City of La Grande, located at the northwest corner of the campus. Architects Hewlett & Jamison, who are developing a long-range plan for the institution, have recommended that this area be reserved for additional instructional facilities in close proximity to the proposed new Science-Mathematics Building. Four private ownerships are involved in these blocks and institutional officials estimate that the current value of the property, including the existing improvements, is between $75,000 and $80,000. Independent appraisals have not been secured. The revised campus boundary would extend along Sixth Street northerly to "L" Avenue and along "L" Avenue east. The additional area is estimated to include 3.52 acres, thus increasing the area of the campus within the approved campus boundaries from 101.2 acres to 104.54 acres.

The Board approved the recommendation as presented.
Release of Old Campus, OTI

It is expected that construction now under way on the new campus of Oregon Technical Institute will be completed in time to permit the transfer of operations with the opening of the fall term of 1964. It is also anticipated that the use of the old campus will be discontinued no later than December 1, 1964.

The old campus was deeded to the state by two deeds, one executed in 1947 for approximately 745 acres of land and improvements, and the other in 1957 for about 40 acres with improvements. The two deeds indicated the value of the real property at the time of execution as totaling $1,262,000, including $51,000 for land, and stipulated that the property was to be used for educational purposes. The deeds further provided that an educational discount was to be granted from the stated value on the basis of an expected twenty-five year use for the 745-acre tract and twenty years for the 40-acre tract. Subsequent federal government policy change permits 20 year amortization for both tracts. If the property were no longer used for educational purposes, then title was to revert to the federal government, unless the state wished to secure an abrogation of the educational use restriction by payment of the unamortized educational discount which, with the removal of conditions in December 1964, would require a payment by the state of about $189,775.

The facilities on the old campus include 85 buildings. It does not appear as though the buildings and improvements have any significant market value because of their special design and the deferred maintenance policy in effect at the Institute. Because most of the buildings were constructed for relatively short life use, unusually large expenditures of funds would be required to heat and maintain the facilities.

The Department of Health, Education, and Welfare and the General Services Administration of the federal government are desirous of advising federal agencies and other governmental bodies of the availability of the property, and to offer it for public sale as soon as possible.

President Purvine, with the concurrence of the Chancellor, recommended that the appropriate Board officers be authorized to take such action and execute such deeds, agreements, or other documents as may be necessary to release to the federal government the title and interest which the Board now has in the real property of the old campus of Oregon Technical Institute.

The Board adopted the recommendation as presented.

Water Pipe Line Easement to G. R. Murphy, OSU

President Jensen has reported that Mr. George R. Murphy obtained authority from Umatilla County to dig a water well in the County Road right-of-way in order to supply water to the north-east quarter of the northwest quarter in Section 27, Township 4 north, Range 28, east of the Willamette Meridian, in Umatilla County, on which Mr. Murphy is seeking to prove a desert entry claim. A supply pipeline from that well is proposed to be laid by Mr. Murphy in a southward
direction across the road and a second supply pipeline west along the
north side of the County Road and across the southwest quarter of the
southwest quarter of Section 22, which is part of the property to be
exchanged to the C & B Livestock Company, as approved by the State
Board of Higher Education at its meeting of September 10, 1963. The
C & B Livestock Company is also interested in this well and easement
since they will use a part of the water supply in their livestock
feed yard operations.

The location of the well and the proposed easements are shown on the
map which is attached as Exhibit "A" to the easement prepared by the
Board's attorney. It was reported that Mr. Murphy and his attorneys
had assumed that since they had the county's permission for the well
that this would be sufficient for proof of their desert entry land
claim. However, since title to the property still is vested in the
State of Oregon, the Bureau of Land Management has requested that the
State of Oregon also approve the well and pipe line.

Oregon State University has no objection to the granting of this
easement and considers it desirable, not only as a means of assisting
Mr. Murphy in proving his desert entry land claim, but also as a means
of assuring adequate water supply to the C & B Livestock Company once
the property exchange above referred to is completed and the livestock
feed yard is in operation.

The original United Stater Land Patent to the State of Oregon contained
a nonalienation clause. President Jensen has reported that Oregon
State University will obtain approval from the Bureau of Land
Management, which, in effect, will be a waiver of the nonalienation
clause.

President Jensen, with the concurrence of the Chancellor, recommended
that the easement, as proposed in the drafted document, be granted to
Mr. Murphy and that the appropriate officials of the State Board of
Higher Education be authorized to execute the easement on behalf of
the State of Oregon, acting by and through the State Board of Higher
Education.

The Board approved the recommendation as presented.

Easements on
the Old Campus,
OTI

President Purvine has reported that in the process of reviewing the
abrogation of rights to property being returned to the federal
government, several problems have come to light with regard to ingress
and egress over the campus by third parties.

In 1957, the State Superintendent of Public Instruction executed an
easement document to California-Oregon Power Company, whose successor
is Pacific Power and Light Company, for a transmission line right-of-
way to the transmitter for KOTI-TV. This easement was not approved
by the federal government in accordance with the deed conveying the
property to the State of Oregon.
At about the same time, Southern Oregon Broadcasting Company, owners of KOTI-TV, had made preliminary arrangements for an easement over an access road used also for a fire road. Subsequently, the company determined that since the road existed for purposes of a fire access then it would be unnecessary for them to have a separate easement. The federal government now has advised that this is not the case.

Dr. Purvine, with the concurrence of the Chancellor, recommended that appropriate Board officials be given authority to negotiate and execute easements for the old campus of Oregon Technical Institute with affected third parties, subject to federal government approval.

The Board approved the recommendation as presented.

Condemnation of Karafotias Property, PSC

The Karafotias property located at 940 S.W. Hall Street, Portland, Oregon, is needed as part of the site for the Physical Education Building for Portland State College. The property consists of an irregularly shaped lot having a 100-foot frontage on S.W. 10th Street and a 34-foot frontage on S.W. Hall Street containing approximately 4,072 square feet. The lot is improved with a grocery store. Negotiations for the purchase of the property have been in progress over an extended period of time, but it has not been possible to reach a satisfactory agreement with the owner.

President Millar, with the concurrence of the Chancellor, has recommended that the Board authorize condemnation action for the property unless satisfactory purchase arrangements can be made. In the event a satisfactory price can be reached and the purchase cleared through the Executive Committee, appropriate report is to be made to the Board. Funds for the acquisition of this property have been released by the State Emergency Board.

It was also recommended that the following condemnation resolution be passed:

**RESOLUTION**

WHEREAS, under and by virtue of the laws of the State of Oregon, the State Board of Higher Education is authorized to purchase such real property as in its discretion may be necessary for the present and future development of any schools or institutions under its jurisdiction;

WHEREAS, under and by virtue of the laws of this state whenever any property is required for use by the state and the owner and the board directing the state department or institution for which the property is required cannot agree upon which price is to be paid, said board is authorized to have instituted in the name of the State of Oregon any necessary or appropriate suit, action or condemnation of said property required for such purposes and the assessment of damages for the taking thereof;

WHEREAS, the State of Oregon, by and through the State Board of Higher Education, finds it necessary that the State of Oregon acquire title to the hereinafter described real property situated in the City of Portland, Multnomah County, Oregon, for the public purpose, to wit: the establishing and maintaining thereon of public buildings, grounds, and facilities for the expansion and development of Portland State College; and
WHEREAS, the State Board of Higher Education has made every reasonable effort to negotiate with the owner thereof for the acquisition of title to such property, but to this date has been unable to agree with such owner upon the reasonable market value or price to be paid for such property or upon the compensation or damages to be paid to the owner thereof for the taking of such property for such public use;

NOW, THEREFORE, BE IT RESOLVED BY THE State Board of Higher Education in regular meeting assembled:

1. That the State Board of Higher Education does hereby find and declare that the following described parcel of land is required for public use, is suitable, proper and necessary for the public purpose of establishing and maintaining thereon public buildings, grounds and facilities for the expansion and development of Portland State College:

Beginning at a point at the intersection of the South line of S.W. Hall Street with the East line of S. W. 10th Avenue (formerly 8th Street) said point being the Northwesterly corner of Block 231 in the City of Portland; thence Southerly along the East side line of said S. W. 10th Avenue, 100 feet to the Southwesterly corner of Lot 7 in said Block 231; thence Easterly along the South line of said Lot 7, 62 feet to a stake and tack; thence Northerly and parallel with said East line of S. W. 10th Avenue, 24 feet to a stake and tack; thence Westerly and parallel with South side line of said S. W. Hall Street and with the South line of said Lot 7, 28 feet to a stake and tack; thence Northerly and parallel with the East side line of S.W. 10th Avenue, 76 feet to the South side line of S. W. Hall Street; thence Westerly along said South side line of S. W. Hall Street, 34 feet to the place of beginning, being a part of Lots 7 and 8, Block 231, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

2. That the State Board of Higher Education does hereby find and declare as a result of its investigation that the acquisition of the fee simple title to said real property, free and clear of all interests of every kind and nature, is necessary to carry out the proposed building and grounds program of Portland State College for its expansion and development to meet the public need.

3. That the Vice Chancellor for Business Affairs is directed to attempt to agree with the owners and persons in interest of said real property as to the compensation to be paid for the taking; and in the event that no satisfactory agreement can be reached, then the Attorney General of the State of Oregon be and he is hereby requested and authorized to commence and prosecute to a final determination such suits, actions and proceedings as may be necessary and appropriate to acquire the title to the real property hereinabove described.
Upon motion by Director Forrester and second by Director Joss, the Board approved the recommendation presented and the above resolution was adopted with the following voting in favor of adoption: Directors Forrester, Johnson, Joss, Layman, Merrifield, Snider, Yasui, and Holloway.

Those voting no: None.

The President of the Board thereupon declared said resolution duly adopted by a unanimous vote.

Condemnation of Houston Property, PSC

The Houston property, located in Block 238, is needed as part of the site for the Physical Education Building at Portland State College. The property consists of a portion of Lot 6 remaining from a larger portion of Lot 6 after deeding of an area fronting on S.W. 11th Street to the Highway Commission for the Foothills Freeway. The remaining unimproved property contains an area of approximately 902 square feet and appears to have no access to any public street.

Negotiations for the purchase of the property have been in progress for some time, but it has not been possible to reach a satisfactory agreement with the owner as to the value of the property.

President Millar, with the concurrence of the Chancellor, has recommended that the Board authorize condemnation action for the property. In the event a satisfactory price can be reached and the purchase cleared through the Executive Committee, appropriate report is to be made to the Board. Moneys for the acquisition of this property are to be provided from restricted funds available therefor.

It was also recommended that the following condemnation resolution be passed:

RESOLUTION

WHEREAS, under and by virtue of the laws of the State of Oregon, the State Board of Higher Education is authorized to purchase such real property as in its discretion may be necessary for the present and future development of any schools or institutions under its jurisdiction;

WHEREAS, under and by virtue of the laws of this state whenever any property is required for use by the state and the owner and the board directing the state department or institution for which the property is required cannot agree upon which price is to be paid, said board is authorized to have instituted in the name of the State of Oregon any necessary or appropriate suit, action or condemnation of said property required for such purposes and the assessment of damages for the taking thereof;
WHEREAS, the State of Oregon, by and through the State Board of Higher Education, finds it necessary that the State of Oregon acquire title to the hereinafter described real property situated in the City of Portland, Multnomah County, Oregon, for the public purpose, to wit, the establishing and maintaining thereon of public buildings, grounds and facilities for the expansion and development of Portland State College; and

WHEREAS, the State Board of Higher Education has made every reasonable effort to negotiate with the owner thereof for the acquisition of title to such property, but to this date has been unable to agree with such owner upon the reasonable market value or price to be paid for such property or upon the compensation or damages to be paid to the owner thereof for the taking of such property for such public use;

NOW, THEREFORE, BE IT RESOLVED BY THE State Board of Higher Education in regular meeting assembled:

1. That the State Board of Higher Education does hereby find and declare that the following described parcel of land is required for public use, is suitable, proper and necessary for the public purpose of establishing and maintaining thereon public buildings and grounds and facilities for the expansion and development of Portland State College:

The South 22 feet of Lot 6, Block 238, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon, EXCEPTING therefrom the following described property:

Beginning at the southwest corner of said Lot 6; thence Northerly along the westerly line of said Lot 6, a distance of 22 feet; thence Easterly, parallel to and 22 feet Northerly of the southerly line of said Lot 6 a distance of 49.98 feet; thence southeasterly in a straight line, 28.44 feet to the south line of said Lot 6 at a point 68 feet easterly of the southwest corner of said Lot 6; thence westerly along said Southerly line 68 feet to the place of beginning.

2. That the State Board of Higher Education does hereby find and declare as a result of its investigation that the acquisition of the fee simple title to said real property, free and clear of all interests of every kind and nature, is necessary to carry out the proposed building and grounds program of Portland State College for its expansion and development to meet the public need.

3. That the Vice Chancellor for Business Affairs is directed to attempt to agree with the owners and persons in interest of said real property as to the compensation to be paid for the taking; and in the event that no satisfactory agreement can be reached, then the Attorney General of the State of Oregon be and he is hereby requested and authorized to commence and prosecute to a final determination such suits, actions and proceedings as may be necessary and appropriate to acquire title to the real property heretofore described.
Upon motion by Director Holloway and second by Director Forrester, the Board approved the recommendation presented and the above resolution was adopted with the following voting in favor of adoption: Directors Forrester, Johnson, Joss, Layman, Merrifield, Snider, Yasui, and Holloway.

Those voting no: None.

The President of the Board thereupon declared said resolution duly adopted by a unanimous vote.

At the April 23, 1963, meeting, the Board approved the east campus urban renewal program at the University of Oregon involving the commitment of approximately $89,173 for the purchase of certain lands within the approved campus boundaries of the institution after existing buildings were removed and various site improvements were made by the Urban Renewal Agency. Funds were reserved for this purpose and the appropriate Board officials were authorized to enter into the necessary agreements and to take such action as required for the completion of the project.

The first portion of this land, consisting of approximately 26,996 square feet and needed as part of the site of the proposed Student Health Service Building on the south side of East 13th Avenue between Agate and Beech Streets, has been made available to the Board by the Urban Renewal Agency of the City of Eugene for $10,300 pursuant to a resolution adopted May 14, 1964.

Based upon the recommendation of President Flemming, in which the Chancellor concurs, arrangements are being made for the purchase of this property from the Urban Renewal Agency, free and clear of all encumbrances, upon payment of $10,300. Funds are being provided from Series 1963 A bond borrowings.

The Board approved the property purchase as previously authorized.

President Millar, with the concurrence of the Chancellor, recommended that authorization be given to purchase the Eberhart property located at 1028 S.W. Hall Street, Portland, Oregon, as part of the site for the Physical Education Building for Portland State College. The property consists of an irregularly shaped lot having a 50-foot frontage on S.W. Hall Street and containing approximately 6,722 square feet on which is located a concrete commercial building. An option has been obtained for $54,000 which is in line with the appraisals. Funds have been released by the Emergency Board for the purchase.

The Board approved the recommendation as presented.
At the October 1963 meeting, the Board authorized condemnation of the Goldenberg property at 1911-1915 S. W. Park Avenue, Portland, needed as part of the site for the Physical Education Building for Portland State College. Continued negotiations in consultation with the Executive Committee of the Board have resulted in securing and accepting an option to purchase the property for $90,000, funds for which were allocated by the Emergency Board for acquisitions of sites for the Physical Education Building.

The Board accepted the report and approved the purchase of the Goldenberg property.

President Bennett, with the concurrence of the Chancellor, recommended that authorization be given to purchase the Easley property, located within the campus boundaries at 1202 "p" Avenue, La Grande, Oregon. The property consists of three lots totaling 19,300 square feet on which is located a frame dwelling which has recently been renovated. An option has been obtained in line with the appraisals at $5,500. The property is to be rented until needed for other institutional purposes. Purchase funds are to be provided from real property rentals balances.

The Board approved the recommendation as presented.

The capital construction program to be presented to the Governor and the 1965 Legislature is now being formulated and is expected to be included on the agenda of the next regular meeting of the Board. Preliminary architectural plans have been completed for most of the projects expected to have highest priority since such plans were needed in support of the requests which were presented to the 1963 Legislature. There are, however, a few building items of relatively urgent need for which architectural planning has not been authorized, including a proposed new library building for Southern Oregon College and the proposed Northeast Unit of State Hall, a classroom, laboratory and office building at Portland State College.

With the concurrence of the Chancellor, President Stevenson and President Millar have recommended that the Vice Chancellor for Business Affairs be authorized to file applications with the Housing and Home Finance Agency for interest free advances of approximately $15,000 for the SOC Library and approximately $17,500 for the Northeast Unit of State Hall. It was also recommended that the Vice Chancellor for Business Affairs be authorized to accept such offers of the federal government as may be tendered, executing agreements which are similar to the form shown in Supplement A of the minutes of the December 12, 1961, meeting of the Board. In order to fulfill the requirements of the federal government, it was recommended that the following resolutions be adopted by roll call vote:
RESOLUTION AUTHORIZING FILING OF APPLICATION WITH THE UNITED
STATES OF AMERICA FOR AN ADVANCE TO PROVIDE FOR THE PREPARATION
OF PRELIMINARY PLANS OF A LIBRARY, SOUTHERN OREGON COLLEGE, UNDER
THE TERMS OF PUBLIC LAW 560, 83rd CONGRESS OF THE UNITED STATES
AS AMENDED

WHEREAS, the Oregon State Board of Higher Education on behalf of
Southern Oregon College herein called the "Applicant," after
thorough consideration of the various aspects of the problem and
study of available data has hereby determined that the construction
of certain public works, generally described as a Library, Southern
Oregon College, is desirable and in the public interest and to that
end it is necessary that action preliminary to the construction of
said works be taken immediately; and

WHEREAS, under the terms of Public Law 560, 83rd Congress, as
amended, the United States of America has authorized the making of
advances to public bodies to aid in financing the cost of engineer-
ing and architectural surveys, designs, plans, working drawings,
specifications, or other action preliminary to and in preparation
for the construction of public works; and

WHEREAS, the Applicant has examined and duly considered such Act
and the Applicant considers it to be in the public interest and
to its benefit to file an application under said Act and to
authorize other action in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY the Oregon State Board of Higher
Education, the governing body of said Applicant, as follows:

1. That the construction of said public works is essential to and
is to the best interests of the Applicant, and to the end that
such public works may be provided as promptly as practicable it
is desirable that action taken preliminary to the construction
thereof be undertaken immediately;

2. That H. A. Bork, Vice Chancellor for Business Affairs, be
hereby authorized to file in behalf of the Applicant an
application (in form required by the United States and in
conformity with said Act) for an advance to be made by the
United States to the Applicant to aid in defraying the cost of
preparation of preliminary plans and specifications for the
above described public works, which shall consist generally
of stack space, reader stations, audio-visual aids space,
staff work space and related service space within an estimated
gross area of approximately 65,000 square feet;

3. That if such advance be made, the Applicant shall provide or
make arrangements to provide such funds, in addition to the
advance, as may be required to defray the cost of the prepara-
tion of preliminary plans of such public works;
4. That said R. A. Bork, Vice Chancellor for Business Affairs, is hereby authorized to furnish such information and take such action as may be necessary to enable the applicant to qualify for the advance;

5. That the officer designated in the preceding paragraph is hereby designated as the authorized representative of the Applicant for the purpose of furnishing to the United States such information, data, and documents pertaining to the application for an advance as may be required; and otherwise to act as the authorized representative of the Applicant in connection with this application;

6. That certified copies of this resolution be included as part of the application for an advance to be submitted to the United States.

Upon motion by Director Joss and second by Director Holloway, the Board approved the recommendations presented, and the above resolution was adopted with the following voting in favor of adoption: Directors Forrester, Johnson, Joss, Layman, Merrifield, Snider, Yasui, and Holloway.

Those voting no: None.

The President of the Board thereupon declared said resolution duly adopted by a unanimous vote.

RESOLUTION AUTHORIZING FILING OF APPLICATION WITH THE UNITED STATES OF AMERICA FOR AN ADVANCE TO PROVIDE FOR THE PREPARATION OF PRELIMINARY PLANS OF STATE HALL, NORTHEAST UNIT, PORTLAND STATE COLLEGE, UNDER THE TERMS OF PUBLIC LAW 560, 83rd CONGRESS OF THE UNITED STATES, AS AMENDED

WHEREAS, the Oregon State Board of Higher Education on behalf of Portland State College herein called the "Applicant," after thorough consideration of the various aspects of the problem and study of available data has hereby determined that the construction of certain public works, generally described as State Hall, Northeast Unit, Portland State College, is desirable and in the public interest and to that end it is necessary that action preliminary to the construction of said works be taken immediately; and

WHEREAS, under the terms of Public Law 560, 83rd Congress, as amended, the United States of America has authorized the making of advances to public bodies to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works; and

WHEREAS, the Applicant has examined and duly considered such Act and the Applicant considers it to be in the public interest and to its benefit to file an application under said Act and to authorize other action in connection therewith;
NOW, THEREFORE, BE IT RESOLVED BY the Oregon State Board of Higher Education, the governing body of said applicant, as follows:

1. That the construction of said public works is essential to and is to the best interests of the Applicant, and to the end that such public works may be provided as promptly as practicable it is desirable that action taken preliminary to the construction thereof be undertaken immediately;

2. That H. A. Bork, Vice Chancellor for Business Affairs, be hereby authorized to file in behalf of the Applicant an application (in form required by the United States and in conformity with said Act) for an advance to be made by the United States to the Applicant to aid in defraying the cost of preparation of preliminary plans and specifications for the above described public works, which shall consist generally of classrooms, faculty and staff offices, music laboratories and practice rooms, geology laboratories and related service spaces, and possibly also facilities for student health services, all within an estimated gross area of approximately 63,000 square feet.

3. That if such advance be made, the Applicant shall provide or make arrangements to provide such funds, in addition to the advance, as may be required to defray the cost of the preparation of preliminary plans of such public works;

4. That said H. A. Bork, Vice Chancellor for Business Affairs, is hereby authorized to furnish such information and take such action as may be necessary to enable the Applicant to qualify for the advance;

5. That the officer designated in the preceding paragraph is hereby designated as the authorized representative of the Applicant for the purpose of furnishing to the United States such information, data, and documents pertaining to the application for an advance as may be required; and otherwise to act as the authorized representative of the Applicant in connection with this application;

6. That certified copies of this resolution be included as part of the application for an advance to be submitted to the United States.

Upon motion by Director Joss and second by Director Holloway, the Board approved the recommendations presented, and the above resolution was adopted with the following voting in favor of adoption: Directors Forrestor, Johnson, Joss, Layman, Merrifield, Suider, Yasui and Holloway.

Those voting no: None.

The President of the Board thereupon declared said resolution duly adopted by a unanimous vote.
As a result of favorable voter action on Ballot Measure 1 at the May 15, 1964, election, the Board is authorized to sell up to $12,500,000 of general obligation bonds to finance the construction of buildings, the acquisition of sites for such buildings, interest and related bond costs.

It is intended to offer for sale, at par value, $12,180,000 State of Oregon, State Board of Higher Education Facilities Bonds, Series 1964, on July 8, 1964. Proceeds from the sale in an amount not to exceed $12,000,000 are expected to finance those projects, including land purchases, of highest priority approved by the Board at the December 1963 meeting. An amount of $180,000 is necessary to finance the estimated cost of the sale and the first semiannual payment of interest.

The Chancellor recommended that the Board adopt the following resolution authorizing the offer of the bonds for sale:

$12,180,000 STATE OF OREGON,
STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1964

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION has determined that there is a need to construct, improve, repair, equip and furnish educational buildings and structures, and to purchase or improve sites therefor, for higher education pursuant to Article XI-G, Oregon Constitution; and

WHEREAS, THE BOARD deems it necessary, pursuant to Chapter 548, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351, to sell general obligation STATE BOARD OF HIGHER EDUCATION FACILITIES BONDS, SERIES 1964, of the State of Oregon, in the principal amount of $12,180,000 to provide funds to construct, improve, repair, equip and furnish buildings and structures and to purchase or improve sites therefor; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, TWELVE MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS ($12,180,000) par value of bonds, authorized by Article XI-G of the Constitution of the State of Oregon, and by Chapter 548, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and by other applicable provisions of ORS Chapter 351, be issued and sold in order to carry out the purposes of said article and said statutes; and
BE IT FURTHER RESOLVED that the said bonds totaling TWELVE MILLION
ONE HUNDRED EIGHTY THOUSAND DOLLARS ($12,180,000) par value, be
issued and the proceeds from the sale of these HIGHER EDUCATION
FACILITIES BONDS, SERIES 1964, be used for the purpose of constructing
improving, repairing, equipping and furnishing educational buildings
and structures, and to purchase or improve sites therefor, as provided
by Chapter 548, Oregon Laws 1963, at an estimated cost of not to
exceed $12,000,000, and an estimated cost of $180,000 for payment of
costs incident to issuance of bonds and the payment of interest
thereon; and

BE IT FURTHER RESOLVED that the principal of the interest on all of
the bonds issued, pursuant to this resolution, be paid on the due
dates thereof at the office of the Fiscal Agency of the State of
Oregon, in the City and State of New York, and that the said bonds be
designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION FACILITIES
BONDS, SERIES 1964, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated August 1, 1964,
and be issued in denominations of $1,000 or $5,000 each, at the
option of the successful bidder, to mature upon the dates and in the
principal installments hereinafter in this resolution set forth,
subject to redemption in regular numerical order at par value and
accrued interest on any interest-paying date on and after August 1,
1979, from the monies and revenues indicated in Article XI-G of the
Constitution, Chapter 548, Oregon Laws 1963, Chapter 584, Oregon Laws
1963, Chapter 6, Oregon Laws 1963, Special Session, and other appli-
cable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the ultimate maturity dates and principal
installments of said bonds be as follows:

<table>
<thead>
<tr>
<th>Date of Payment</th>
<th>Amount</th>
<th>Date of Payment</th>
<th>Amount</th>
</tr>
</thead>
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<tr>
<td>August 1, 1967</td>
<td>$260,000</td>
<td>August 1, 1981</td>
<td>$420,000</td>
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<tr>
<td>August 1, 1968</td>
<td>270,000</td>
<td>August 1, 1982</td>
<td>440,000</td>
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<td>August 1, 1969</td>
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<tr>
<td>August 1, 1970</td>
<td>290,000</td>
<td>August 1, 1984</td>
<td>470,000</td>
</tr>
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<td>August 1, 1971</td>
<td>300,000</td>
<td>August 1, 1985</td>
<td>490,000</td>
</tr>
<tr>
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<td>August 1, 1993</td>
<td>670,000</td>
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<td>August 1, 1980</td>
<td>410,000</td>
<td>August 1, 1994</td>
<td>680,000</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the State Board of Higher Education
furnish to the original purchaser of said bonds, without cost to him,
the written opinion of accredited bond attorneys certifying to the
validity and legality of said bonds; and
BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor, and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

Number of Bond

UNITED STATES OF AMERICA
STATE OF OREGON
STATE BOARD OF HIGHER EDUCATION
FACILITIES BOND
SERIES 1964

$1,000*

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of -------------------------- ONE THOUSAND DOLLARS* -------------------------- ($1,000*) on the first day of August, 19 , with interest on said sum from the date hereof until paid, at the rate of PER CENT ( %) per annum, payable semiannually on the first days of August and February of each year as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the office of the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after August 1, 1980, may be redeemed at the option of the State of Oregon, on and after August 1, 1979, at par and accrued interest, on any interest day or days in regular numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-G of the Constitution, Chapter 548, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351, for the purpose of financing the cost of constructing, improving, repairing, equipping and furnishing buildings and structures, to purchase or improve sites therefor, to be used for higher education and for payment of costs incident to issuance of bonds and interest thereon.

The faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.
IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of August, 1964.

______________________________
Governor

(SEAL)

______________________________
Secretary of State

______________________________
State Treasurer

*Bonds may be issued in $1,000 or $5,000 denominations at the option of the successful bidder.

FORM OF COUPON

(For coupons maturing on February 1, 1965, up to and including August 1, 1979)

No.______ On the first day of February, 1965, THE STATE OF OREGON will pay the bearer $______

__________________________
DOLLARS

at the office of the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Facilities Bond, Series 1964, No.______

__________________________ (facsimile)
State Treasurer

__________________________ (facsimile)
Secretary of State

__________________________ (facsimile)
Governor
(For coupons maturing after August 1, 1979)

No. _____ On the first day of February, 1980, $_____
Unless the bond hereinafter designated shall have been called for
previous redemption and due provision made for the payment thereof,
THE STATE OF OREGON will pay the bearer

________________________ DOLLARS

at the office of the Fiscal Agency of the State of Oregon, in the City
and State of New York, in any coin or currency which, at the time
of payment, is legal tender for the payment of public and private
debts within the United States of America, for six months' interest
then due on State of Oregon, State Board of Higher Education
Facilities Bond, Series 1964, No. ____________.

(facsimile)  (facsimile)  (facsimile)
State Treasurer Secretary of State Governor

The foregoing bond and coupon forms hereby are approved as to legal
form this ____________ day of ____________, 1964.

ROBERT Y. THORNTON, Attorney General
of the State of Oregon

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary
of the State Board of Higher Education be and he hereby is authorized
to advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION
FACILITIES BONDS, SERIES 1964, for public sale thereof at a price of
not less than $100 for each $100 par value thereof, and the accrued
interest thereon, the sale to be held on the 8th day of July, 1964,
and the notice of sale to specify that the Board reserves the right
to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for
Business Affairs of the State Board of Higher Education be authorized
to effect the necessary arrangements to deliver the bonds and to
receive payment therefor.

Upon motion by Director Holloway and second by Director Merrifield,
the above report was accepted and the resolution duly adopted as
read with the following voting in favor of adoption: Directors
Forrester, Johnson, Joss, Layman, Merrifield, Snider, Yasui, and
Holloway.

Those voting against adoption were: None.

The President of the Board thereupon declared said resolution duly
adopted by a unanimous vote.
As a result of favorable voter action on Ballot Measure 1 at the May 15, 1964, election, the Board is authorized to sell up to $1,430,000 of general obligation bonds for state aid on building projects for Community Colleges and Education Centers, including interest and related bond costs.

Appropriate notice was received from the Board of Education on June 8, 1964, and it is intended therefore to offer for sale, at par value, $1,390,000, State of Oregon, Community College and Education Center Bonds, Series 1964, on July 8, 1964. Proceeds from the sale in an amount not to exceed $1,350,000 are expected to finance the individual projects for Community Colleges and Education Centers. An amount of $40,000 is necessary to finance the estimated cost of the sale and the first semiannual payment of interest.

The Chancellor recommended that the Board adopt the following resolution authorizing the offer of the bonds for sale:

$1,390,000 STATE OF OREGON
COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES, 1964

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION has received notice from the State Board of Education, pursuant to Chapter 6, Oregon Laws 1963, Special Session, on the 8th day of June, 1964, that the State Board of Education requests the sale of $1,390,000 bonds authorized for issuance for community colleges and education centers under Article XI-G of the Oregon Constitution; and

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION, with the approval of the State Treasurer, shall sell such general obligation bonds of the State of Oregon, of the kind and character prescribed by said Article as the State Board of Education determines is necessary to provide an aggregate amount not exceeding $1,390,000 for state aid on building projects for community colleges and education centers, as authorized by Section 3, Chapter 564, Oregon Laws 1963; and

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION deems it necessary, pursuant to Chapter 564, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351, to sell general obligation COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1964, of the State of Oregon, in the principal amount of $1,390,000 to provide state aid on building projects for education centers and community colleges; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON that, with the approval of the State Treasurer of the State of Oregon, ONE MILLION THREE HUNDRED NINETY THOUSAND ($1,390,000) per value of bonds, authorized by Article XI-G of the Constitution of the State of Oregon and by Chapter 564, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351, be issued and sold in order to carry out the purposes of said Article and said statutes; and
BE IT FURTHER RESOLVED that the said bonds, totaling ONE MILLION THREE HUNDRED NINETY THOUSAND ($1,390,000) par value, be issued and the proceeds from the sale of these COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1964, be used for the purpose of providing state aid on building projects for community colleges and education centers as provided in Chapter 564, Oregon Laws 1963 and Chapter 6, Oregon Laws 1963, Special Session, at an estimated cost of not to exceed $1,350,000, and an estimated cost of $40,000 for payment of costs incident to issuance of bonds and the payment of interest thereon; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued, pursuant to this resolution, be paid on the due dates thereof at the office of the Fiscal Agency of the State of Oregon, in the City and State of New York, and that the said bonds be designated STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1964, and be numbered consecutively; and

BE IT FURTHER RESOLVED that the said bonds be dated August 1, 1964, and be issued in denominations of $1,000 or $5,000 each, at the option of the successful bidder, to mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in regular numerical order at par value and accrued interest on any interest-paying date on and after August 1, 1979, from the moneys and revenues indicated in Article XI-G of the Constitution, Chapter 564, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351; and

BE IT FURTHER RESOLVED that the ultimate maturity dates and principal installments of said bonds be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1, 1967</td>
<td>$30,000</td>
</tr>
<tr>
<td>August 1, 1968</td>
<td>30,000</td>
</tr>
<tr>
<td>August 1, 1969</td>
<td>30,000</td>
</tr>
<tr>
<td>August 1, 1970</td>
<td>35,000</td>
</tr>
<tr>
<td>August 1, 1971</td>
<td>35,000</td>
</tr>
<tr>
<td>August 1, 1972</td>
<td>35,000</td>
</tr>
<tr>
<td>August 1, 1973</td>
<td>35,000</td>
</tr>
<tr>
<td>August 1, 1974</td>
<td>40,000</td>
</tr>
<tr>
<td>August 1, 1975</td>
<td>40,000</td>
</tr>
<tr>
<td>August 1, 1976</td>
<td>40,000</td>
</tr>
<tr>
<td>August 1, 1977</td>
<td>40,000</td>
</tr>
<tr>
<td>August 1, 1978</td>
<td>45,000</td>
</tr>
<tr>
<td>August 1, 1979</td>
<td>45,000</td>
</tr>
<tr>
<td>August 1, 1980</td>
<td>45,000</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the State Board of Higher Education furnish to the original purchaser of said bonds, without cost to him, the written opinion of accredited bond attorneys certifying to the validity and legality of the said bonds; and
BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the State of Oregon, and that, except as to the variations in the interest rates and maturities, they be of uniform tenor, and be in substantially the following form, prepared by the Attorney General of the State of Oregon:

<table>
<thead>
<tr>
<th>Number</th>
<th>UNITED STATES OF AMERICA</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>STATE OF OREGON</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMMUNITY COLLEGE AND</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EDUCATION CENTER BOND</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SERIES 1964</td>
<td></td>
</tr>
</tbody>
</table>

$1,000*

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of ________________________________ ONE THOUSAND DOLLARS* ______________

($1,000*) on the 1st day of August, 1964, with interest on said sum from the date hereof until paid, at the rate of PER CENT ( %) per annum, payable semiannually on the first days of August and February of each year as evidenced by, and upon the presentation and surrender of, the interest coupons hereto annexed as they severally become due. Both the principal of and the interest on this bond are payable at the office of the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America.

The bonds of the issue of which this bond forms a part, maturing on and after August 1, 1930, may be redeemed at the option of the State of Oregon, on and after August 1, 1979, at par and accrued interest, on any interest day or days in regular numerical order or in the entire amount of the issue outstanding at call date, upon notice given by the Treasurer of the State of Oregon at least thirty (30) days prior to the redemption date specified therein, by publication thereof in one issue of a newspaper or financial journal of general circulation printed and published within the City and State of New York, and one issue of a newspaper of general circulation printed and published within the City of Salem, Oregon. From the date of redemption designated in any such notice, interest on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its Constitution and under and by virtue of and in all respects in full and strict compliance with its laws, and in particular Article XI-G of the Constitution, Chapter 564, Oregon Laws 1963, Chapter 584, Oregon Laws 1963, Chapter 6, Oregon Laws 1963, Special Session, and other applicable provisions of ORS Chapter 351, for the purpose of providing state aid on building projects for community colleges and education centers, and for payment of costs incident to issuance of bonds and interest thereon.

The faith and credit of the State of Oregon hereby are irrevocably pledged to the punctual payment of the interest on and the principal of this bond as the same become due and payable respectively.
IN TESTIMONY WHEREOF, the STATE OF OREGON has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the first day of August, 1964.

Governor

(SEAL)

Secretary of State

State Treasurer

* Bonds may be issued in $1,000 or $5,000 denominations at the option of the successful bidder.

FORM OF COUPON
(For coupons maturing on February 1, 1965, up to and including August 1, 1979)

No. On the first day of February, 1965, THE STATE OF OREGON will pay the bearer $_______

DOLLARS

at the office of the Fiscal Agency of the State of Oregon, in the City and State of New York, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, Community College and Education Center Bond, Series 1964, No._______.

(facsimile) State Treasurer (facsimile) Secretary of State (facsimile) Governor
(For coupons maturing after August 1, 1979)

No. _________ On the first day of February, 1980 $ _________

Unless the bond hereinafter designated shall have been called for
previous redemption and due provision made for the payment thereof,
THE STATE OF OREGON will pay the bearer

_____________________________ DOLLARS

at the office of the Fiscal Agency of the State of Oregon, in the
City and State of New York, in any coin or currency which, at the
time of payment, is legal tender for the payment of public and
private debts within the United States of America, for six months'
interest then due on State of Oregon, Community College and Education
Center Bond, Series 1964, No. _________.

___________________________ (facsimile)
State Treasurer

___________________________ (facsimile)
Secretary of State

___________________________ (facsimile)
Governor

The foregoing bond and coupon forms hereby are approved as to legal
form this _____________ day of _____________, 1964.

ROBERT Y. THORNTON, Attorney General
of the State of Oregon

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary
of the State Board of Higher Education be and he hereby is authorized
to advertise the said STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION
CENTER BONDS, SERIES 1964, for public sale thereof at a price of not
less than $100 for each $100 par value thereof, and the accrued
interest thereon, the sale to be held on the 8th day of July, 1964,
and the Notice of Sale to specify that the Board reserves the right
to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Secretary and Vice Chancellor for
Business Affairs of the State Board of Higher Education be authorized
to effect the necessary arrangements to deliver the bonds and to
receive payment therefor.

Upon motion by Director Holloway and second by Director Merrifield,
the above report was accepted and the resolution duly adopted as
read with the following voting in favor of adoption: Directors
Forrester, Johnson, Joss, Layman, Merrifield, Snider, Yasui, and
Holloway.

Those voting against adoption were: None.

The President of the Board thereupon declared said resolution duly
adopted by a unanimous vote.
Meeting #326

Revision of Tuition and Fee Charges for 1964-65

Following the action of the State Emergency Board on May 29, 1964, in restoring $2,754,675 of the amounts previously cut from the 1963 appropriations for higher education, the Chancellor recommended that the proposed tuition and fee increase of $32 per student per term, approved by the Board on January 27-28, 1964, be cancelled. The rates of charge per term during the academic year 1964-65 would thus, in most instances, be the same as those effective during the year 1963-64, as follows:

<table>
<thead>
<tr>
<th>Per Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>UO, OSU and PSC</td>
</tr>
<tr>
<td>Resident Undergraduates</td>
</tr>
<tr>
<td>Nonresident Undergraduates</td>
</tr>
<tr>
<td>Graduates (resident and nonresident)</td>
</tr>
<tr>
<td>OCE, EOC and SOC</td>
</tr>
<tr>
<td>Resident Undergraduates</td>
</tr>
<tr>
<td>Nonresident Undergraduates</td>
</tr>
<tr>
<td>UOMS</td>
</tr>
<tr>
<td>Medical Students, Residents</td>
</tr>
<tr>
<td>Medical Students, Nonresidents</td>
</tr>
<tr>
<td>Graduates</td>
</tr>
<tr>
<td>Students in Nursing, Residents</td>
</tr>
<tr>
<td>Students in Nursing, Nonresidents</td>
</tr>
<tr>
<td>Medical Technology Students, Residents</td>
</tr>
<tr>
<td>Medical Technology Students, Nonresidents</td>
</tr>
<tr>
<td>UODS</td>
</tr>
<tr>
<td>Resident Undergraduates</td>
</tr>
<tr>
<td>Nonresident Undergraduates</td>
</tr>
<tr>
<td>Graduates in Basic Sciences</td>
</tr>
<tr>
<td>OTI</td>
</tr>
<tr>
<td>Resident Students</td>
</tr>
<tr>
<td>Nonresident Students</td>
</tr>
<tr>
<td>DCE</td>
</tr>
<tr>
<td>Full-time Students and Auditors</td>
</tr>
</tbody>
</table>

For part-time students, the credit hour rate would continue to be $14.00. Other adjustments are incorporated within the revised schedule of "Tuition, Fees, State Scholarships, Board and Room Charges, and Married Family Housing Charges" prepared under date of June 10, 1964.

The Board approved the recommendation as presented.

It was moved, seconded, and passed to suspend the By-laws of the State Board of Higher Education in accordance with Section 9 thereof in order to adjourn the meeting of June 9, 1964, at 3:00 P.M. of that day and to modify Section 1 of the By-laws to reconvene the second Tuesday meeting of June at 9:00 A.M., P.D.T., at Eastern Oregon College, Wednesday, June 10, 1964, in La Grande for the completion of regular business of the Board.

The meeting was recessed at 3:05 P.M., June 9, 1964, and was reconvened at 9:00 A.M., June 10, 1964, with the following Board members present:

Mr. J. W. Forrester          Mr. John W. Snider
Mrs. Elizabeth H. Johnson    Mr. Ray T. Yasui
Mr. Philip A. Joss           Mr. Chas. R. Holloway, Jr.
Mr. George H. Leyman         

RE ABSENCES Dr. Purvines and Mr. Merrifield were absent for business reasons.
The Drew Lamb-Lithia Lumber Company unimproved property, located at Ashland, Oregon, is needed for the expansion of Southern Oregon College. The property consists of approximately 9.6 acres of land, within the established campus boundaries, and is in the area of development of facilities for physical education and married student housing. The property occupies a trifle more than the easterly half of the area which is bounded on the east by Walker Avenue, on the south by Iowa Street, on the west by Wightman Street, and on the northeast by the railroad track. Negotiations for the purchase of the property have been in progress, but it has been impossible to reach a satisfactory agreement with the owner. Moneys for the acquisition of the property are to come from restricted funds available for such purposes.

President Stevenson, with the concurrence of the Chancellor, recommended that the Board authorize condemnation action for the property, unless satisfactory purchase arrangements can be made. In the event a satisfactory price can be reached and the purchase cleared through the Executive Committee, appropriate report is to be made to the Board.

It was also recommended that the following condemnation resolution be passed:

RESOLUTION

WHEREAS, under and by virtue of the laws of the State of Oregon, the State Board of Higher Education is authorized to purchase such real property as in its discretion may be necessary for the present and future development of any schools or institutions under its jurisdiction;

WHEREAS, under and by virtue of the laws of this state whenever any property is required for use by the state and the owner and the board directing the state department or institution for which the property is required cannot agree upon which price is to be paid, said board is authorized to have instituted in the name of the State of Oregon any necessary or appropriate suit, action or condemnation of said property required for such purposes and the assessment of damages for the taking thereof;

WHEREAS, the State of Oregon, by and through the State Board of Higher Education, finds it necessary that the State of Oregon acquire title to the hereinafter described real property situated in the City of Ashland, Jackson County, Oregon, for the public purpose, to wit, the establishing and maintaining thereon of public buildings, grounds and facilities for the expansion and development of Southern Oregon College; and

WHEREAS, the State Board of Higher Education has made every reasonable effort to negotiate with the owner thereof for the acquisition of title to such property, but to this date has been unable to agree with such owner upon the reasonable market value or price to be paid for such property or upon the compensation or damages to be paid to the owner thereof for the taking of such property for such public use;
NOW, THEREFORE, BE IT RESOLVED BY THE State Board of Higher Educa-
tion in regular meeting assembled:

1. That the State Board of Higher Education does hereby find and
declare that the following described parcel of land is required
for public use, is suitable, proper and necessary for the public
purpose of establishing and maintaining thereon public build-
ings and grounds and facilities for the expansion and develop-
ment of Southern Oregon College:

Commencing at the quarter corner common to Sections 10 and
15 in Township 39 South, Range 1 East of the Willamette
Meridian in Jackson County, Oregon, thence North 59°03' East
112.0 feet to the west line of Walker Avenue in the City of
Ashland, Oregon, thence along said west line of Walker
Avenue, North 0°15' West 1724.48 feet to the TRUE POINT OF
BEGINNING; thence North 89°56' West 707.43 feet to a point,
which is 465.2 feet East of the east line of Wightman
Street; thence North, and 465.2 feet distant from the east
line of Wightman Street, a distance of 168.80 feet to the
northeast corner of Froebel Addition to the City of Ashland,
Oregon; thence West 104.1 feet to the southeast corner of
tract described in Volume 212 page 32 of the Deed Records
of Jackson County, Oregon; thence North 670.50 feet, more
or less, to the southeasterly right-of-way line of the
Southern Pacific Company; thence along said right-of-way,
South 55°15' East 986.22 feet to the west line of Walker
Avenue; thence along said west line, South 0°15' East 278.02
feet to the true point of beginning.

2. That the State Board of Higher Education does hereby find and
declare as a result of its investigation that the acquisition
of the fee simple title to said real property, free and clear
of all interests of every kind and nature, is necessary to
carry out the proposed building and grounds program at Southern
Oregon College for its expansion and development to meet the
public need.

3. That the Vice Chancellor for Business Affairs is directed to
attempt to agree with the owners and persons in interest of
said real property as to the compensation to be paid for the
taking; and in the event that no satisfactory agreement can
be reached, then the Attorney General of the State of Oregon
be and he is hereby requested and authorized to commence and
prosecute to a final determination such suits, actions and
proceedings as may be necessary and appropriate to acquire
the title to the real property hereinabove described.

Upon motion by Director Layman and second by Director Yasui, the Board
approved the recommendations presented, and the above resolution was
adopted with the following voting in favor of adoption: Directors
Forrester, Johnson, Joss, Layman, Snider, Yasui and Holloway.

Those voting no: None.

The President of the Board thereupon declared said resolution duly
adopted by a unanimous vote.
President Jensen reported increases in income in the Agricultural Research-Experiment Stations for the current fiscal year and recommended additions to the current Experiment Stations operating budget as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in federal McIntyre-Stennis funds</td>
<td>$4,844</td>
</tr>
<tr>
<td>Increase in federal Regional Research funds</td>
<td>5,689</td>
</tr>
<tr>
<td>Net decrease in Agricultural Research Gifts below budget estimate</td>
<td>(957)</td>
</tr>
<tr>
<td>Increase in Experiment Station sales, current year</td>
<td>31,300</td>
</tr>
<tr>
<td>Net increase in income for current year</td>
<td>$40,876</td>
</tr>
</tbody>
</table>

Unbudgeted balances from the prior fiscal year recommended for expenditure in the current fiscal year (principally from product sales) | 63,350 |

Recommended additions to the current operating budget for Experiment Stations: $104,226

To be added to the budgets of the following departments or projects:

<table>
<thead>
<tr>
<th>Department</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Squaw Butte-Harney Experiment Station</td>
<td>$9,300</td>
</tr>
<tr>
<td>Eastern Oregon Branch Station</td>
<td>15,000</td>
</tr>
<tr>
<td>Other Branch Stations</td>
<td>4,750</td>
</tr>
<tr>
<td>Forest Research Laboratory</td>
<td>4,508</td>
</tr>
<tr>
<td>Greenhouse Construction</td>
<td>20,000</td>
</tr>
<tr>
<td>Agricultural Chemistry</td>
<td>5,689</td>
</tr>
<tr>
<td>Animal Science</td>
<td>33,300</td>
</tr>
<tr>
<td>Farm Crops</td>
<td>3,000</td>
</tr>
<tr>
<td>Horticulture</td>
<td>4,475</td>
</tr>
<tr>
<td>Botany and Plant Pathology</td>
<td>3,475</td>
</tr>
<tr>
<td>Other Departments</td>
<td>729</td>
</tr>
<tr>
<td>Total budget additions</td>
<td>$104,226</td>
</tr>
</tbody>
</table>

Further explanations of the above increases from Dean Price of the School of Agriculture are shown in Supplement C.

The Board approved the recommendation as presented.

President Jensen reported an increase in the Federal Cooperative Extension income for the current fiscal year and recommended additions to the current operating budget as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in federal Smith-Lever funds</td>
<td>$44,961</td>
</tr>
<tr>
<td>Increase in federal support funds for Cooperative Marketing Management Research</td>
<td>2,900</td>
</tr>
<tr>
<td>Decrease in federal support funds for Research and Marketing below budget estimate</td>
<td>(2,409)</td>
</tr>
<tr>
<td>Increase in federal Bureau of Reclamation funds for project in Umatilla County</td>
<td>2,000</td>
</tr>
<tr>
<td>Decrease in county appropriation funds for county extension work, below budget estimate</td>
<td>(3,562)</td>
</tr>
<tr>
<td>Net increase in income for current year</td>
<td>$42,990</td>
</tr>
</tbody>
</table>
Unbudgeted balances from the prior fiscal year recommended for expenditure in the current fiscal year:

County funds (principally for automobile purchases) $74,170
Federal funds 13,272
State funds 15,674
Extension Income 34,950 $138,066

Recommended addition to the current operating budget for Federal Cooperative Extension Service $181,056

To be added to the budgets of the following departments or projects:

Salary and Wage Savings (anticipated savings from position vacancies which did not occur) $53,351
Administrative Service 3,500
Extension Information 20,000
Extension Agriculture, PHD 7,430
Extension Marketing and Utilization of Agricultural Products 5,500
Home Economics 600
4-H Club Work 10,650
Community and Public Affairs 1,984
County Extension Work 73,446
Umatilla County Reclamation 2,000
Jefferson County Indian Work 1,200
Director’s Reserve 1,395
Total $181,056

Further explanations of above increases from Dean Price of the School of Agriculture are shown in Supplement C.

The Board approved the recommendation as presented, with the understanding that the method of handling unbudgeted balances would be referred for further study to the Committee on Finance and Business Affairs in consultation with the Budget Director.

Malpractice Liability Insurance for Fellows and Research Associates, UOMS

On July 22, 1958, the Board authorized the purchase of public liability insurance to protect Board members, officers and employees against claims resulting from the performance of official duties. It also authorized the purchase of malpractice insurance to protect residents and interns of the Medical School.

The Medical School has advised that there are approximately eight fellows and research associates who render teaching and research service and their duties may necessitate providing incidental medical service to patients, thereby subjecting them to malpractice suits. The salaries of the personnel range from about $5,000 to $8,000 per year.

Dean Baird, with the concurrence of the Chancellor, recommended that authorization be granted to purchase malpractice liability insurance for fellows and research associates engaged in both teaching and research whose duties expose them to malpractice suit. The annual
cost of such premium, estimated to be approximately $90 per employee, would be paid from the present Medical School budget either from unrestricted or restricted funds, depending upon the source of funds for the regular salary of the employee.

The Board approved the recommendation as presented.

Assignment of Invention and Patent Rights of Dr. Monte Greer and Patent License Agreement with Lloyd Brothers, Inc., UOMS

Dr. Monte Greer, Professor of Medicine at the University of Oregon Medical School, has assigned to it his rights in an invention concerning improvements in the Prigoitrin process. The development of the invention was sponsored to some degree by the Public Health Service and therefore involves the granting to the federal government of a nonexclusive, irrevocable, royalty-free license to the government as well as other conditions imposed by the Surgeon General.

The Medical School believes that the process does not have wide market possibilities. Several drug manufacturers were consulted, however, and one of them, Lloyd Brothers, Inc., having principal offices in Cincinnati, Ohio, has agreed to develop and market Prigoitrin products under a license agreement with the Board. The license agreement provides for royalty payments to the Board in the amount of 3 percent of net receipts from the sale of the products developed under the license.

Dean Baird, with the concurrence of the Chancellor, recommended that the appropriate Board officials be authorized to accept the patent assignment from Dr. Greer, with no royalty payments to him, and to execute the license agreement with Lloyd Brothers, Inc.

The Board approved the recommendation as presented.

Report of Indirect Cost Funds, OSU

President Jensen reports that because of an increase in volume of contract projects for research and other purposes, financed from grants at Oregon State University and because of a six-months' accrual from year 1962-63, and also because of the difficulty of estimating indirect cost allowances for a year in advance, there is an increase of $322,891 in the amounts of operating indirect cost funds recognized and provided by the granting agencies above the amount originally estimated in the 1963-64 budget. President Jensen reports that this amount will be applied to reimburse Oregon State University in the following areas for expenses incurred in connection with the projects financed from grants:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Cost Credits Administration</td>
<td>$ 10,420</td>
</tr>
<tr>
<td>Indirect Cost Credits Library</td>
<td>$ 27,546</td>
</tr>
<tr>
<td>Indirect Cost Credits Institutional Services</td>
<td>$ 32,505</td>
</tr>
<tr>
<td>Indirect Cost Credits Instructional Services</td>
<td>$ 4,630</td>
</tr>
<tr>
<td>Indirect Cost Credits Deans and Department Heads</td>
<td>$ 75,926</td>
</tr>
<tr>
<td>Indirect Cost Credits Equipment</td>
<td>$ 43,909</td>
</tr>
<tr>
<td>Physical Plant Overhead Credits</td>
<td>$ 127,955</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 322,891</strong></td>
</tr>
</tbody>
</table>
President Jensen reported also that additional amounts of indirect cost funds are provided from grants for research and other projects in the amount of $80,762 for capital outlay, building use credits, to be used for necessary building alterations to provide space and facilities for research projects; $21,490 to be provided for centralized activity indirect costs, to apply toward indirect costs incurred in the Office of Business Affairs, the Comptroller's Office, the Budget Office, and general administrative offices; and $67,339 for indirect costs applicable to contract projects carried on in the experiment stations. The above amounts are applied as reimbursements against the costs of administration, institutional expenses, physical plant operation and maintenance costs and facilities improvements costs which are incurred in connection with the conduct of the increasing level of contract research and other projects at Oregon State University.

Year 1963-64 was the first year that indirect costs credits were estimated in advance in the operating budget. In its budget estimate for year 1964-65, Oregon State University has made use of the 1963-64 experience and it is expected that the indirect cost credits to be realized during year 1964-65 will be close to the amounts estimated in the operating budget for year 1964-65, approved by the Board on April 27, 1964.

The relatively large amount of indirect cost funds at Oregon State University which has been added to the original estimated budget is due largely to the fact that a new method of allocating the indirect cost funds as reimbursements to operating budget accounts was instituted in fiscal year 1963-64. In the year 1962-63 and previous years, Oregon State University had been in arrears six months in allocating the reimbursements to the institutional budget. Under the new method of accounting in year 1963-64, the amounts of indirect costs are allocated as earned. For this reason, Oregon State is recording indirect cost reimbursements in the current year's budget for both the 1963-64 earnings and also for indirect costs earned during the second half of 1962-63. The new method of accounting for indirect cost funds is now established on the new basis at all of the institutions, and any corrections during the next fiscal year affecting the budget estimates should be relatively minor in amount.

The Board accepted the report and approved the budget adjustments as presented.

Report of Indirect Cost Funds, UO

President Flemming reported that because of an increase in the volume of contract projects for research and other purposes financed from grants at the University of Oregon and because of the difficulty of estimating indirect cost allowances for a year in advance, there is an increase of $129,035 in the amounts of operating indirect cost funds recognized and provided by the granting agencies above the amount originally estimated in the 1963-64 budget. President Flemming reports that this amount will be applied to reimburse the University
Oregon in the following areas for expenses incurred in connection with the research and other projects financed from grants:

| Indirect Cost Credits Administration | $4,468 |
| Indirect Cost Credits Library         | 13,404 |
| Indirect Cost Credits Institutional Services | 36,697 |
| Indirect Cost Credits Instructional Services | 1,489 |
| Indirect Cost Credits Deans and Department Heads | 33,897 |
| Indirect Cost Credits Equipment       | 4,647  |
| Indirect Cost Credits Physical Plant Operation and Maintenance | 34,433 |
| **Total**                             | **$129,035** |

President Fleming reported also that additional amounts of indirect cost funds are provided from grants for research and other projects in the amounts of $19,540 for capital outlay, building use credits, to be used for necessary building alterations to provide space and facilities for research projects; and $357 to be provided for centralized activity indirect costs to apply toward costs incurred in the Office of Business Affairs, the Comptroller's Office, the Budget Office, and general administrative offices. The above amounts are applied as reimbursements against the costs of administration, institutional expenses, physical plant operation and maintenance costs and facilities improvement costs which are incurred in connection with the conduct of the increasing level of contract research and other projects at the University of Oregon.

Year 1963-64 was the first year that indirect cost credits were estimated in advance in the operating budget. In its budget estimate for year 1964-65, the University of Oregon has made use of the 1963-64 experience and it is expected that the indirect cost credits to be realized during year 1964-65 will be close to the amounts estimated in the operating budget for year 1964-65, approved by the Board on April 27, 1964.

The Board accepted the report and approved the budget adjustments as presented.

**Report of Indirect Cost Funds, UOMS**

Dean Baird reported that because of an increase in the volume of contract projects for research and other purposes financed from grants at the University of Oregon Medical School and because of some adjustments in allowance rates, and also because of the difficulty of estimating indirect cost allowances for a year in advance, there is an increase of $135,647 in the amounts of operating indirect cost funds recognized and provided by the granting agencies above the amount originally estimated in the 1963-64 budget. Dean Baird reported that this amount will be applied to reimburse the University of Oregon Medical School in the following areas for expenses incurred in connection with the research and other projects financed from grants:
Indirect Cost Credits Administration (Reduction) $ (11,950)
Indirect Cost Credits Library (Reduction) ( 2,607)
Indirect Cost Credits Institutional Services 82,249
Indirect Cost Credits Deans and Department Heads 6,393
Indirect Cost Credits Equipment 20,821
Indirect Cost Credits Physical Plant Operation and Maintenance 40,741
Total $ 135,647

Dean Baird reported also that additional amounts of indirect cost funds are provided from grants for research and other projects in the approximate amount of $35,479 for capital outlay, building use credits, to be used for necessary building alterations to provide space and facilities for research projects; and approximately $8,924 to be provided for centralized activity indirect costs to apply toward costs incurred in the Office of Business Affairs, the Comptroller's Office, the Budget Office, and general administrative offices. The above amounts are applied as reimbursements against the cost of administration, institutional expenses, physical plant operation and maintenance costs and facilities improvement costs which are incurred in connection with the conduct of the increasing level of contract research and other projects at the Medical School.

Year 1963-64 was the first year that indirect cost credits were estimated in advance in the operating budget. In its budget estimate for year 1964-65, the University of Oregon Medical School has made use of the 1963-64 experience and it is expected that the indirect cost credits to be realized during year 1964-65 will be close to the amounts estimated in the operating budget for year 1964-65, approved by the Board on April 27, 1964.

The Board accepted the report and approved the budget adjustments as presented.

The Chancellor recommended the transfer of $2,332 from the Board's Unappropriated Fund to the Presidential Search account at Eastern Oregon College. The above amount represents out-of-state travel costs for Eastern Oregon College staff members to visit candidates on their own campuses and also interview travel allowances for candidates requested to visit La Grande.

The Board approved the recommendation as presented.

President Millar has reported that the volume of activity in the production of transcripts and processing of late applications for admission has resulted in an increase in necessary expenditures in the Business Office and in the Registrar's Office of Portland State College. He reports also that the increased volume in this activity has resulted in collections of fee income for transcripts, fines and special fees in the amount of approximately $18,000 more than estimated in the current year's budget. He recommended the following budget additions to be financed from the overrealized fee income:

Business Office--Wages $ 8,120
Registrar's Office--Wages and Materials and Expense 9,880
$18,000

The Board approved the recommendation as presented.
Meeting #326

Addition to Audio-Visual Services Budget, DCE

Vice Chancellor Sherburne report an increased volume of film and equipment rentals to schools and other agencies by the Audio-Visual Services in the Division of Continuing Education, with an accompanying increase in operating expenses in the department. He recommended an addition to the budget of the Audio-Visual Services Department to the materials and expense item in the amount of $4,000 to be financed from an estimated increase in rental fee income to be received during the current year by the Audio-Visual Services Department.

The Board approved the recommendation as presented.

Confirmation of Institutional Degree Lists

In accordance with Board regulations, the Chancellor represented the Board at the March 20, 1964, Commencement exercises of the University of Oregon and acted for the Board in approving candidates for degrees and diplomas. The signed copies of the list of approved candidates are on file in the Board’s Office.

The action of the Chancellor was confirmed and made a matter of record.

Report of Meeting of Committee on Academic Affairs, Personnel and Public Affairs

A study meeting of the Academic Affairs Committee was held in the Memorial Union Building in Corvallis on April 26, 1964. Present were:

**Committee Members:** Mrs. Elizabeth H. Johnson, Chairman; Mr. J. W. Forrester, Jr.

**Centralized Activities:** Chancellor R. E. Lieuallen; Dr. M. C. Romney, Vice Chancellor for Academic Affairs; Dr. J. W. Sherburne, Vice Chancellor for Continuing Education; Secretary R. L. Collins.

**Oregon State University:** President James H. Jensen; Mr. M. Popovich, Dean of Administration; Dr. E. H. Volkhart, Dean of Faculty; Dr. Gordon W. Gilkey, Dean of the School of Humanities and Social Sciences; Dr. Clifford E. Maser, Dean of the School of Business and Technology; Dr. Robert Chick, Dean of Students; Dr. Henry A. Ten Pas, Chairman, Curriculum Council; Dr. K. D. Patterson, Chairman, Curriculum Committee, Humanities and Social Sciences; Dr. Allen B. Scott, Professor of Chemistry and Chairman of the Guidelines Committee; Mr. Fred Shideler, Head of Information Services.

**University of Oregon:** President A. S. Flemming.

**Portland State College:** President B. F. Millar; Dr. John M. Swarthout, Dean of Faculty; Dr. Brock Dixon, Dean of Administration.

**Oregon College of Education:** President Leonard W. Rice.

**Eastern Oregon College:** President Frank Bennett.

**Oregon Technical Institute:** President W. D. Purvine; Mr. William Douglass, Dean of Administration.

**Others:** Mr. Upendra Dutta, Under Secretary for Higher Education, Ministry of Education, Nepal; Mr. Jim Running, reporter for the Oregon Journal; Mr. Dan Wyant, reporter for the Eugene Register Guard.
Mrs. Johnson called the meeting to order and the Chancellor and Dr. Romney made brief introductory statements regarding the present guidelines documents of the various institutions and of the State System.

At the request of Mrs. Johnson, three of the institutional executives presented the guidelines for their institutions, as follows:


After the presentation for each institution, there was general discussion regarding the harmony of the proposed institutional guidelines with the guidelines of the Oregon State System of Higher Education which had been adopted by the Board of Higher Education on September 11, 1962. Also discussed was the matter of the possible granting at future dates of master's and doctor's degrees in areas in which graduate work has not been allocated to the particular institution.

As indicated in the announcement by the Academic Affairs Committee when this meeting was called, the Committee devoted its time only to study and consideration of the guidelines offered by each of the institutions. The Committee decided that at its next meeting it will study the guidelines of the University of Oregon Medical School, the University of Oregon Dental School, Oregon Technical Institute, and the Division of Continuing Education, and that it will at that time begin the formulation of its recommendations to the Board regarding its adoption of the guidelines for each institution in the Oregon State System of Higher Education.

The statements of the guidelines as presented for Oregon State University, the University of Oregon, and Portland State College, together with the document entitled, "Curricular Allocations and Institutional Guidelines," dated March 1964, are on file in the Board's Office and will be considered as a supplement to these minutes. The official report on curricular allocations and institutional guidelines and statements of guidelines from all State System institutions, when finally approved and adopted by the Board, will be bound in a separate document with excerpts from applicable Board minutes.

The Board accepted the report.
Meeting #326

A study meeting of the Academic Affairs Committee was held in the Division of Continuing Education Building, Conference Room in Portland on May 28, 1964. Present were:

Board Members: Mrs. Elizabeth H. Johnson, Committee Chairman; Mr. J. W. Forrester, Jr., Mr. George H. Layman; and Mr. Chas. R. Holloway, Jr.

Centralized Activities: Chancellor R. E. Lieuallen; Dr. M. C. Romney, Vice Chancellor for Academic Affairs; Dr. J. W. Sherburne, Vice Chancellor for Continuing Education; Secretary R. L. Collins; Mr. D. R. Larson, Assistant Chancellor and Director of Public Services; Mr. George Diel, Assistant Director of Public Services.

University of Oregon: President A. S. Fleming.

University of Oregon Medical School: Dean D. W. E. Baird.

University of Oregon Dental School: Dean H. J. Noyes.

Oregon College of Education: President L. W. Rice; Dr. Floyd Albin, Director of General Studies and Professor of Education.

Eastern Oregon College: Dr. Roy L. Skeen, Director of Instruction and Professor of Psychology.

Oregon Technical Institute: President W. D. Purvine; Mr. W. M. Douglass, Dean of Administration.

Division of Continuing Education: Dr. Daniel W. Fullmer, Director of Development and Evaluation; Mr. Ralph W. Staetle, Director of Divisional Relations; Mr. R. Duane Andrews, Director of Continuation Centers.

Others: Mr. Jim Running, reporter for the Oregon Journal; Mr. John Guernsey, reporter for the Oregonian.

Mrs. Johnson called the meeting to order and asked four of the institutional executives to present the guidelines for their institutions as follows:


In connection with the guidelines for the University of Oregon Medical School, Dean Baird was asked to add a statement relating to the School of Nursing.
After the presentation for each institution, there was general discussion regarding the particular developments taking place in each of the institutions, the particular problems which are being encountered and the needs in the areas of course offerings, transfers of credits and other matters.

The Committee devoted its time only to study and consideration of the guidelines offered by each of the institutions. The Committee decided that at its next meeting it would formulate recommendations regarding the adoption of the guidelines for each institution in the State System.

The statements of the guidelines as presented for the University of Oregon Medical School, the University of Oregon Dental School, Oregon Technical Institute, and the Division of Continuing Education, together with the document entitled, "Curricular Allocations and Institutional Guidelines," dated March 1964, are on file in the Board's Office and will be considered as a supplement to these minutes. The official report on curricular allocations and institutional guidelines and statements of guidelines from all State System institutions, when finally approved and adopted by the Board, will be bound as a separate document with excerpts from applicable Board minutes.

The Board accepted the report.

President Fleming reported that in 1930 a trust was established by Mr. Ion Lewis for a scholarship in architecture. In Article III of the Declaration of Trust the trustee (State Board of Higher Education) is required to appoint a managing committee of three members which was given the power to regulate the disposal and payment of the income from the trust and generally to adopt rules governing the awards. The Article specified that the managing committee shall consist of one member of the Corps of Instructors of the School of Architecture and Allied Arts of the University of Oregon, to be nominated by the President of the University; two members of the Oregon Chapter of the American Institute of Architects were to be nominated by the Executive Committee of that organization.

The Board's Office has been advised by the University of Oregon that at the time the trust was established the Oregon Chapter of the American Institute of Architects was the only chapter existing in Oregon. This organization has ceased to exist and was succeeded by the Portland Chapter, Inc., the American Institute of Architects. However, in the meantime, a Southwestern Chapter of the American Institute of Architects has been created and a Salem Chapter of the American Institute of Architects has been created. The coordinating body for all three of these chapters is the Oregon Council of Architects, American Institute of Architects.

It has, therefore, been recommended by the University of Oregon and by the Portland Chapter, Inc., American Institute of Architects, and the Oregon Council of Architects, American Institute of Architects, that the Oregon Council of Architects, American Institute of Architects, be named as the organization empowered to nominate members to the managing committee of the Ion Scholarship Fund in place of the now defunct Oregon Chapter or the Portland Chapter which represents only the one
region of the state. The Portland Chapter, Inc., American Institute of Architects, adopted a resolution on May 4, 1964, in which it transferred all of its duties and powers to the Oregon Council of Architects, American Institute of Architects, in connection with the management of the Ion Lewis Scholarship in architecture, subject, however, to acceptance and approval of the transfer by the State Board of Higher Education which is named as trustee in the Declaration of Trust.

In view of the various terms of the trust which give the trustee the right to reject and veto action taken by the managing committee and further to reject nominees by the managing committee, the State Board of Higher Education, as trustee, remains the principal party in interest under the Declaration of Trust.

Furthermore, it is clear that it was the intent of Mr. Ion Lewis to have as broad a representation on the managing committee throughout the state as is possible. The recommendation of the Portland Chapter and the Oregon Council of Architects, concurred in by the University of Oregon, most nearly carries out the terms of the trust. A trustee, under the law, is required to conform with the provisions of the trust in their true spirit and meaning and he has authority to adopt measures and to do acts which, though not specified in the instrument, are implied in their general directions and are reasonable and proper means for making them effectual.

It was, therefore, recommended by the President of the University of Oregon, with the concurrence of the Chancellor, that the resolution of transfer of authority under the Ion Lewis Scholarship Fund, as adopted by the Portland Chapter, Inc., American Institute of Architects, be accepted by the State Board of Higher Education and that henceforth the Oregon Council of Architects, American Institute of Architects, be the body responsible for designating and electing representative members of the managing committee of the Ion Lewis Scholarship Fund in architecture but that in all other respects the Declaration of Trust shall remain in force and effect as written and amended in 1935.

The Board approved the recommendation as presented.

Walter L. Creese and Everett B. Franks Named to Ion Lewis Scholarship Managing Committee

The Board is trustee of the Ion Lewis Scholarship Fund, the income from which provides travel scholarships for advanced students in architecture at the University of Oregon. The awards are to be made by a managing committee of three members. The appointments of the three members of the committee are subject to approval of the State Board of Higher Education.

The following nominations have been submitted for two persons whose appointment to membership on the committee requires action at this time:

1. Walter L. Creese, Dean of the School of Architecture and Allied Arts, nominated by the President of the University of Oregon, effective July 1, 1963, for continuous service.

2. Everett B. Franks, A.I.A., nominated by the Oregon Council of Architects, of the American Institute of Architects, for a two-year period effective October 2, 1962.
The appointment of a third member of the committee, representing A.I.A., will not expire until September 1964.

The Chancellor recommended that the State Board of Higher Education approve and elect the indicated nominees as members of the Managing Committee of the Ion Lewis Scholarship in Architecture.

The Board approved the recommendation as presented.

**PERSONNEL**

**Personnel Adjustments**

The Board approved the following personnel adjustments as submitted by the Institutional Executives concerned, the necessary funds being provided in the 1963-64 and 1964-65 budgets:

**University of Oregon Medical School**

**R. L. Jolley, Jr., Increase in Salary**

Increase in annual salary, effective June 1, 1964, for Dr. Russell L. Jolley, Jr., Research Associate in Biochemistry, from $7,500 to $8,000. The required funds are provided specifically in the research grant under which Dr. Jolley is employed.

**B. T. Allen, Increase in Salary**

Increase in annual salary for Dr. Barrington T. Allen, Research Associate in Biochemistry, from $7,700 to $8,000, effective May 1, 1964. The required funds are provided in the grant under which Dr. Allen is employed.

**R. Campbell, Increase in Salary**

Increase in annual salary for Dr. Robert Campbell, Assistant Professor of Pediatrics, from $15,000 to $15,500, effective May 1, 1964. The required funds are provided specifically in the grant budget under which Dr. Campbell is employed.

**J. Robinson, Increase in Salary**

Increase in annual salary for Mr. James Robinson, Research Assistant in Pediatrics, from $6,000 to $7,000, effective May 1, 1964. The required funds are provided specifically in the grant budget under which Mr. Robinson is employed, and are in recognition of his high level of performance since his appointment.

**Portland State College**

**J. N. Stahley, Appointment**

Appointment of Mr. Jacob Neil Stahley as Director of Athletics and Professor of Phys. Educ., yearly tenure, 12-months' service, at an annual salary of $14,000, effective July 1, 1964. The appointment is to be financed 21 percent, or $2,940, from the Health and Physical Education Instruction budget and 79 percent, or $11,060, from the Athletic Department funds.

**Eastern Oregon College**

**A. M. Rempel, Appointment as President, EOC**

Appointment of Dr. Averno M. Rempel, Head of the Department of Education at Purdue University, as President of Eastern Oregon College, effective September 1, 1964, 12-months' service, indefinite tenure, at an annual salary of $19,350, and with an expense allowance of $500 per year.
The following gifts and grants to the institutions have been approved for acceptance and expenditure by the institutions and the Board's Office in accordance with Board action on January 27-28, 1964. It was recommended that the Secretary of the Board be authorized to make suitable acknowledgement to the donors and grantors. The Board accepted the report and approved the recommendation.

**Oregon State University**

Gifts totaling $25,997.86 from the following donors for scholarships and fellowships:

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<tr>
<th>Donor and Institution</th>
<th>Amount</th>
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<tr>
<td>Lamb Weston, Inc., Weston</td>
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<td>Oregon Section of the American Society of Civil Engineers, Corvallis</td>
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<td>Oregon State Elks Association, Madras</td>
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<td>Portland Wholesale Lumbermen's Association, Portland</td>
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<td>African-American Institute, New York City</td>
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<td>The Kamehameha Schools, Honolulu, Hawaii</td>
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<td>Key Club, Scappoose High School</td>
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<td>United Scholarship Service, Inc., Denver, Colorado</td>
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<td>Various donors through Medford Senior High School</td>
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<td>Rotary Club, Woodburn</td>
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<tr>
<td>National Merit Scholarship Corporation, Evanston, Illinois</td>
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<tr>
<td>Shell Companies Foundation, Inc., New York City</td>
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American Cancer Society

Grants totaling $13,018 from the American Cancer Society, Inc., for research as follows:

1. $10,768 - "Biochemical Changes During Embryonic Development," July 1, 1964, through February 28, 1966, under the direction of Dr. Robert W. Newburgh, Assistant Director of Science Research Institute.


Atomic Energy Commission

Grants totaling $79,917 from the Atomic Energy Commission, Hanford Operations Office, Richland, Washington, for research as follows:

1. $16,100 - "Energy Conversion in Lower Trophic Levels in the Marine Environment," April 1, 1964, through March 31, 1965, under the direction of Dr. Herbert C. Curl, Jr., Assistant Professor of Oceanography.

2. $32,367 - "The Electronic Properties of Liquid Semiconductors," March 16, 1964, through March 15, 1965, under the direction of Dr. Melvin Cutler, Associate Professor of Physics.

3. $31,450 - "Effect of Irradiation on the Microbial Flora Surviving Irradiation Pasteurization of Seafoods," April 1, 1964, through March 31, 1965, under the direction of Dr. Russell O. Sinnhuber, Associate Professor for Food Science and Technology.

Campbell Soup Company

Grant of $4,500 from the Campbell Soup Company, Camden, New Jersey, as an unrestricted gift to the University and to provide scholarships.

General Services Company

Grant of $1,000 from the General Services Company, Corvallis, "to conduct research on the current and past literature on variable frequency power resources," March 15 through June 30, 1964, under the direction of Mr. J. G. Knudsen, Assistant Dean of Engineering.

McKinney Bequest

Bequest of $1,000 from the estate of Harding McKinney to apply toward the Harding McKinney Memorial Fund to be used for student loans.

National Science Foundation

Grants totaling $364,580 from the National Science Foundation, Washington, D.C., for research, training programs, equipment, and other purposes, as follows:

1. $12,600 - "Physiology of Dormancy and Winter Rest," May 1, 1964, through April 30, 1966, under the direction of Dr. Melvin N. Westwood, Associate Professor of Horticulture.

2. $45,900 - "Structures, Dynamics and Vibrational Potential Functions of Molecules," May 1, 1964, through April 30, 1966, under the direction of Dr. Kenneth Hedberg, Associate Professor of Chemistry, and Dr. J. C. Decius, Professor of Chemistry.
3. $25,000 - "Alkalinity of Sea Water," May 1, 1964, through April 30, 1966, under the direction of Dr. Kilho Park, Assistant Professor of Oceanography.


5. $8,400 - "Undergraduate Science Education Program," February 19 through October 31, 1964, under the direction of Dr. R. W. Newburgh, Assistant Director, Science Research Institute.

6. $5,550 - "Undergraduate Instructional Scientific Equipment Program," May 1, 1964, through May 31, 1965, under the direction of Dr. Bert E. Christensen, Head of the Department of Chemistry.

7. $4,000 - "Undergraduate Instructional Scientific Equipment Program," May 1, 1964, through May 31, 1966, under the direction of Dr. W. D. Wilkinson, Chairman of the Geology Department.

8. $13,000 - "Undergraduate Instructional Scientific Equipment Program," May 1, 1964, through May 31, 1966, under the direction of Dr. James R. Welty, Associate Professor of Mechanical Engineering.

9. $7,150 - "Undergraduate Instructional Scientific Equipment Program," May 1, 1964, through May 31, 1966, under the direction of Dr. J. Richard Bell, Associate Professor of Civil Engineering.

10. $36,000 - "Reconstitution of the Mitochondrial Respiratory Chain," May 1, 1964, through April 30, 1966, under the direction of Dr. Taiyo E. King, Assistant Director, Science Research Institute.

11. $3,800 - "In-Service Institute in Mathematics for Secondary School Teachers of Science and Mathematics," March 27, 1964, through June 30, 1965, under the direction of Dr. Albert R. Poole, Professor of Mathematics.

12. $170,000 - "Converting and Outfitting a 180-Foot Oceanographic Vessel," March 31, 1964, through March 31, 1965, under the direction of Dr. Wayne V. Burt, Chairman of the Department of Oceanography.

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Oregon Fish Commission Grant of $2,000 from the Oregon Fish Commission, Portland, for "Research and Development To Provide an Inexpensive High Efficiency Fish Pass Device," February 1, 1964, through January 31, 1965, under the direction of Dr. J. G. Knudsen, Assistant Dean, School of Engineering.
Grant of $1,578 from the Oregon State University Foundation to cover that portion of the salary of the Executive Secretary of the OSU Foundation paid for by Foundation funds.

Grant of $3,000 from the Upjohn Company, Kalamazoo, Michigan, for research entitled, "Insecticidal Carbamate Metabolism Research," under the direction of Dr. C. H. Wang, Director, Science Research Institute.

Grant of $669.65 from the U. S. Army, San Francisco, California, for the addition of one student to ROTC flight training, March 24 through June 30, 1964, under the direction of Lt. Col. John B. Hancock, Military Science.

Grant of $46,329 from the U. S. Department of Agriculture for "Investigations on the nature of substances in wheat bran responsible for the coloration of wheat grain as a basis for developing food products for expanded utilization use," April 30, 1964, through October 30, 1966, under the direction of Dr. Harvey Aft, Assistant Professor, Forest Products Chemistry Research Laboratory.

Grant of $275.58 from the U. S. Navy Department to support a study of "Electrode Reaction in Voltaic Cells for Application in High Energy Reserve Batteries," March 1, 1962, through February 28, 1963, under the direction of Dr. Robert E. Meredith, Assistant Professor of Chemical Engineering.

Grants totaling $154,953 from the U. S. Public Health Service for research, training grants and other purposes as follows:

1. $17,785 - "Factors Influencing Stream Temperatures," May 1, 1964, through April 30, 1965, under the direction of Mr. John Seaders, Instructor in Civil Engineering.

2. $11,472 - "The Comparative Physiology of Estrogens," April 1, 1964, through March 31, 1965, under the direction of Dr. Frederick L. Hisaw, Jr., Associate Professor of Zoology.

3. $498 - "EM Study Cell Adhesion in Epithelial Cells and Tissue," June 10, 1963, through June 9, 1964, under the direction of Dr. Alfred Owczarsk, Associate Professor of Zoology.

4. $17,336 - "Relations of Nuisance Algae to Fishes in Klamath Lake," June 1, 1964, through May 31, 1965, under the direction of Mr. Carl E. Bond, Associate Professor of Fisheries.

5. $16,527 - "Respiration and Phosphorylation in Insects and Plants," May 1, 1964, through April 30, 1965, under the direction of Dr. LeMar F. Remmert, Professor of Agricultural Chemistry.

6. $30,571 - "Effects of Pesticides on Estuarine Organisms," May 1, 1964, through April 30, 1965, under the direction of Dr. R. E. Millemann, Associate Professor of Fisheries.
7. $12,436 - "Infectious Diseases," November 1, 1963, through June 30, 1964, under the direction of Dr. C. B. Thorne, Professor of Microbiology.

8. $27,448 - "Pulp Mill Waste Degradation in Marine Water," April 1, 1964, through March 31, 1965, under the direction of Mr. Frederick J. Burgess, Associate Professor of Civil Engineering.

9. $20,880 - "Special Purpose Traineeship Grant in the Environmental Health Sciences," September 1, 1964, through August 31, 1965, under the direction of Mr. Frederick J. Burgess.

Various Donors
Gifts totaling $723 from various donors representing accumulated memorial contributions from friends of the late Dr. E. C. Gilbert, to be used for adding a second copy of an outstanding chemistry reference tool to the departmental chemistry library.

Grants to Agric. Exper. Stations from:
Grants to the several Agricultural Experiment Station departments and divisions for research work and other purposes from various donors as follows:

Agricultural Research Foundation

$3,012 - "Methods of Flavor Testing with Laboratory and Consumer Panels," under the direction of Mrs. Lois A. Sather, Associate Professor of Food Science and Technology.

$4,257.50 - "Toxicology and Testing of Insecticides," under the direction of Dr. L. C. Terriere, Professor of Insect Toxicology; "Insects Affecting Forage Crops and Forage Crop Seed Production," under the direction of Dr. E. A. Dickason, Associate Professor of Entomology; "Bionomics and Control of Injurious Soil Arthropods," under the direction of Mr. H. E. Morrison, Associate Professor of Entomology.

$6,510 - "Improvement of Yield and Quality of Hops," under the direction of Mr. S. N. Brooks, Professor of Agronomy; and "Weed Research in Chile," under the direction of Dr. W. R. Furtick, Associate Professor of Agronomy.

$2,500 - "The Mode of Action, Toxicity and Factors Influencing the Effectiveness of Fungicides," under the direction of Dr. M. E. Corden, Associate Professor of Plant Pathology.

Bonneville Power Administration

$312.50 - "Inspection and Preservative Treatment of Poles in Line," under the direction of Mr. Robert D. Graham, Associate Professor of Forest Products.

Chemagro Corporation

$100 - "Residue Sampling of Pears," under the direction of Dr. P. H. Westigard, Assistant Professor of Agronomy.

Diamond Alkali Company

$500 - "Evaluating the Uses of Dacamine and Daclthal on Horticultural Crops," under the direction of Dr. R. L. Ticknor, Associate Professor of Horticulture.

Stauffer Chemical Company

$4,000 - "In support of weed control research," under the direction of Dr. W. R. Furtick, Associate Professor of Agronomy.
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<tr>
<th>Organization</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. I. du Pont de Nemours &amp; Company</td>
<td>$4,000</td>
<td>&quot;To investigate the biological efficiency of weed killers,&quot; under the direction of Dr. W. E. Furtick, Associate Professor of Agronomy</td>
</tr>
<tr>
<td>FMC Corporation, Niagara Chemical Division</td>
<td>$750</td>
<td>&quot;In support of work on the application and evaluation of diluted and impregnated dusts with mites,&quot; under the direction of Dr. P. H. Westgard.</td>
</tr>
<tr>
<td></td>
<td>$250</td>
<td>&quot;A study on the control of fire blight on pears,&quot; under the direction of Dr. Porter B. Lombard, Associate Professor of Horticulture.</td>
</tr>
<tr>
<td>Fish Commission of Oregon</td>
<td>$800</td>
<td>&quot;Investigation of viruses and bacteria pathogenic for fish,&quot; under the direction of Dr. K. S. Pilcher, Professor of Microbiology.</td>
</tr>
<tr>
<td>Geigy Agricultural Chemicals</td>
<td>$5,000</td>
<td>&quot;In support of work on the evaluation of certain herbicides and their potential usefulness in various crops,&quot; under the direction of Dr. W. R. Furtick.</td>
</tr>
<tr>
<td>Louis W. &amp; Maud Hill Family Foundation</td>
<td>$4,750</td>
<td>&quot;Seed Orchard Production Problems-Pollen Collection and Storage and Grafting Practices,&quot; under the direction of Dr. Kim K. Ching, Associate Professor of Forest Genetics; Dr. Te May Ching, Associate Professor of Seed Physiology; and Dr. H. Irgens-Moller, Assistant Professor of Forest Genetics.</td>
</tr>
<tr>
<td>Humble Oil and Refining Company</td>
<td>$500</td>
<td>&quot;A Study of the Use of Oil for the Control of Insects and Mites on Pear Trees,&quot; under the direction of Dr. P. H. Westgard.</td>
</tr>
<tr>
<td>Mobil Chemical Company</td>
<td>$1,200</td>
<td>&quot;Entomological Pests Affecting Vegetable, Forage, and Tree Fruit Crops,&quot; under the direction of Dr. S. C. Jones, Professor of Entomology; and Dr. E. A. Dickason and Dr. H. H. Crowell, Associate Professors of Entomology.</td>
</tr>
<tr>
<td>Northwest Canners &amp; Freezers Association</td>
<td>$4,905.50</td>
<td>&quot;Snap Bean Breeding and Blossom Drop Research,&quot; under the direction of Dr. W. A. Frazier and Dr. R. M. Bullock, Professors of Horticulture; and Dr. R. F. Cain, Professor of Food Science and Technology. The funds are to be distributed as follows: Food Science and Technology, $1,000; North Willamette Station, $1,250; and Horticulture Department, $2,655.50.</td>
</tr>
<tr>
<td>Oregon Cattlemen's Association</td>
<td>$1,350</td>
<td>&quot;To develop an impact study of meat imports on the Oregon cattle industry,&quot; under the direction of Mr. J. A. Edwards, Assistant Professor of Agricultural Economics.</td>
</tr>
<tr>
<td>Oregon State Game Commission</td>
<td>$6,065</td>
<td>&quot;A study of the demand for sports fishery in Oregon,&quot; under the direction of Dr. E. N. Castle, Professor of Agricultural Economics.</td>
</tr>
<tr>
<td>OSU Foundation</td>
<td>$1,500</td>
<td>&quot;Development in Timber Mechanics,&quot; under the direction of Mr. Robert L. Kramer, Assistant Professor of Forest Products.</td>
</tr>
<tr>
<td>The Upjohn Company</td>
<td>$1,000</td>
<td>&quot;Gift to strengthen laboratory research on evaluation of fungicides,&quot; under the direction of Dr. M. E. Corden, Associate Professor of Plant Pathology.</td>
</tr>
</tbody>
</table>
### Meeting #326

**Pennsalt Chemicals Corporation**
- $900 - "The Metabolism of Herbicides by Plants as Related to the Residue Problem," under the direction of Dr. V. H. Freed, Professor of Chemistry.

**Rohm & Haas Company**
- $250 - "For investigations on insects affecting pear trees," under the direction of Dr. P. H. Westigard.
- $1,000 - "To support research on tree fruit fungicides," under the direction of Dr. N. D. Dobie, Associate Professor of Plant Pathology.

**Stauffer Chemical Company**
- $1,500 - "The Nature and Control of Forage Crop Diseases," under the direction of Dr. J. R. Hardison, Professor of Plant Pathology.
- $750 - "The Bionomics and Control of Injurious Soil Arthropods," under the direction of Dr. H. E. Morrison, Associate Professor of Entomology; and Dr. P. H. Westigard.

**United Buckingham Freight Lines, Inc.**
- $4,000 - Highway trailer especially equipped for bulk handling research and valued at $4,000.

**USDA Agricultural Research Service, Crops Research Division**
- $2,100 - "To conduct research on Verticillium Wilt of Peppermint," under the direction of Dr. C. E. Horner, Associate Professor of Plant Pathology.

**Western Oregon Onion Growers Association**
- $875 - "To partially support research on onion diseases," under the direction of Dr. E. K. Vaughan, Professor of Plant Pathology.

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**University of Oregon**

**Scholarships & Fellowships**

Gifts totaling $10,814.50 from the following donors for scholarships and fellowships:

- Bethel Education Association, Eugene: $100.00
- Bureau of International Education, Washington, D.C.: $300.00
- The Firestone Tire & Rubber Company, Akron, Ohio: $470.00
- Georgia-Pacific Foundation, Portland: $2,750.00
- North American Aviation, Inc., El Segundo, California: $110.00
- North Eugene High School Associated Student Body: $110.00
- Oregon Congress of Parents and Teachers, Inc.: $1,416.00
- National Merit Scholarship Corporation, Evanston, Illinois: $400.00
- Portland Rose Festival Association: $330.00
- Saudi Arabian Educational Mission, New York City: $900.00
- Evans Scholars Foundation, Golf, Illinois: $902.00
- African-American Institute, New York City: $1,870.50
- The Danforth Foundation, St. Louis, Missouri: $116.00
- Agency for International Development, Washington, D.C.: $710.00
- Wright-Patterson Air Force Base, Ohio: $110.00
- The Rockefeller Foundation, New York City: $110.00
McDowell-Catt Foundation
Gift of $250 from the McDowell-Catt Foundation, Albany, to be added to the student loan fund account.

National Park Service
Grants totaling $3,000 from the National Park Service, San Francisco, California, for the following:

1. $125 - For "a report in four copies on the archaeological information obtained on the proposed Oregon Dunes area for better planning and development," April 13, 1964, through May 1, 1965, under the direction of Mr. David Cole, Curator, Museum of Natural History.

2. $1,075 - For "a report in five copies on archaeological salvage investigations in the Fall Creek Dam Reservoir," April 13, 1964, through May 1, 1965, under the direction of Mr. David Cole.

3. $1,800 - "In support of archaeological salvage excavations in the Mason Dam Reservoir in Baker County, Oregon, to be conducted over the period March 15, 1964, through June 30, 1965," under the direction of Mr. Cole.

National Science Foundation
Grants totaling $100,600 from the National Science Foundation, Washington, D.C., for research, equipment and training programs, as follows:

1. $18,400 - "Undergraduate instructional scientific equipment program," terminating May 31, 1966, under the direction of Mr. Fred Mohr, Deputy Director, Office of Scientific Research.

2. $61,200 - "Genetic Coding and the Mechanism of Recombination," May 1, 1964, through April 30, 1965, under the direction of Dr. George Streisinger, Associate Professor of Biology.

3. $21,000 - "For support of an Undergraduate Science Education Program for Summer 1964 and Academic Year 1964-65," under the direction of Dr. Richard A. Littman, Professor and Head of the Department of Psychology.

Office of Naval Research
Grant of $4,050 from the Office of Naval Research in continued support of research entitled, "The Covering of Lattice Points," June 15, 1963, through August 31, 1964, under the direction of Dr. Ivan Miven, Professor of Mathematics.

Resources for the Future, Inc.
Grant of $7,775 from Resources for the Future, Inc., Washington, D.C., "for a study of contractual arrangements between petroleum and mining companies and the governments of less developed countries and the effects of these arrangements on future supplies," May 1, 1964, through October 1, 1964, under the direction of Dr. Raymond Mikesell, W. E. Miner Professor of Economics.

U. S. Public Health Service
Grants totaling $163,995 from the U. S. Public Health Service for research, fellowships, training programs and other purposes, as follows:

1. $13,634 - "Synthesis in the Gibberellin and Physostigmine Series," June 1, 1964, through May 31, 1965, under the direction of Dr. Lloyd J. Dolby, Assistant Professor of Chemistry.
2. $31,271 - "Reactions of Terminal Nucleotides of Ribonucleic Acid," June 1, 1964, through May 31, 1965, under the direction of Dr. Edward Herbert, Associate Professor of Chemistry.

3. $41,473 - "Evaluation of State Mental Hospital Decentralization," May 1, 1964, through April 30, 1965, under the direction of Dr. Frances Scott, Assistant Professor of Education.

4. $15,589 - "Associated Students, University of Oregon, Training Program for Migrant Health Workers," April 22, 1964, through March 31, 1965, under the direction of Dr. Miriam Tuck, Associate Professor of Health Education.

5. $7,840 - "Social Mobility, Role Stress, and College Success," May 1, 1964, through April 30, 1965, under the direction of Dr. Robert A. Ellis, Associate Professor of Sociology.

6. $12,014 - "Auxin and Carbohydrate Metabolism of Gynosperm Tissues," May 1, 1964, through April 30, 1965, under the direction of Dr. Jacob Straus, Associate Professor of Biology.

7. $7,899 - "Electron Correlation in Large Molecules," May 1, 1964, through April 30, 1965, under the direction of Dr. Martin L. Sage, Assistant Professor, Institute of Theoretical Science.

8. $1,550 - "Continuation of predoctoral fellowship in behalf of Mr. H. Edward Tryk," effective for approximately three months, under the direction of Dr. Frederick R. Fosmire, Associate Professor of Psychology.

9. $5,700 - "Predoctoral fellowship - terminal year - in behalf of Mr. Kenneth P. Langton," April 15, 1964, through October 31, 1965, under the direction of Dr. Daniel Goldrich, Associate Professor of Political Science.

U. S. Atomic Energy Commission

Grant of $300,000 from the U. S. Atomic Energy Commission, Richland, Operations Office, Richland, Washington, "For the procurement and installation of a 4 MEV Van De Graaff accelerator to be located on the University of Oregon campus," May 1, 1964, through April 30, 1966.

The Board approved the acceptance of this grant including the obligation to provide a special facility at an estimated cost of $54,000 with funds to be provided from indirect cost allowances on research and other restricted funds. The facility consists of a small addition to the Health Service building and improvements to the basement of the building, and the Board authorized the appropriate Board officials to accept the plans and specifications, receive bids and make contract awards in an amount approximating $54,000.

Oregon Dept. of Employment

Grant of $9,200 from the Department of Employment, State of Oregon, Salem, "For support of an Employment Service Counselor Program to be held at the University of Oregon June 22, 1964, through July 24, 1964," under the direction of Dr. J. W. Loughary, Associate Professor of Education.
Gifts to the University of Oregon Library from various donors as follows:

Dr. J. Davis  
A collection of books on the development of Christian economics in the United States, the recent progress in academic relationships and current trends in sociology, valued at $1,515, from Dr. Jerome Davis, West Haven, Connecticut.

Mr. R. Dunnire  
Fifteen volumes of the Tacoma City Directory, 1941-1962, valued at $165, from Mr. Russell Dunnire, Tacoma, Washington.

Mr. A. L. Mills, Jr.  
A manuscript collection which includes correspondence and account books concerned with Mr. Mills' family and with his banking activities, also including records of transactions involving the organization, reorganization, and sale of the Oregon Electric Railway Co., Portland Consolidated Railway Co., and the Portland Gas Company, valued at $5,500, from Mr. A. L. Mills, Jr., Washington, D.C.

Senator Maurine B. Neuberger  

University of Oregon Dental School

U. S. Public Health Service  
Grants totaling $115,039 from the U. S. Public Health Service for research and training programs as follows:

1. $41,820 - "Research on Programmed Instruction," June 1, 1964, through May 31, 1965, under the direction of Dr. R. L. Lang, Professor of Dentistry.

2. $68,219 - "To continue the Program for Basic Research Training of Pedodontists," July 1, 1964, through June 30, 1965, under the direction of Dr. Donald R. Porter, Head of the Department of Pedodontics.

3. $5,000 - "To continue the grant-supported cancer training program," June 1, 1964, through May 31, 1965, under the direction of Dr. Norman H. Rickles, Head, Oral Pathology Department.

University of Oregon Medical School

American Cancer Society  
Grant of $7,000 from the American Cancer Society, Oregon Division, Portland, "To determine the Correlation between Tumor Uptake of Isotope Tagged Hormones and the Response of Tumors to Hormone Therapy," April 1, 1964, through September 1, 1964, under the direction of Dr. William S. Fletcher, Assistant Professor of Surgery.

AMA Education and Research Foundation  
Grant of $15,386.71 from the American Medical Association, Education and Research Foundation, Chicago, Illinois, "for support of instructional program at the Medical School," under the direction of Dean D. W. E. Baird.
Grant of $10,800 from the Doernbecher Hospital Guild, Portland, "for research in pediatrics," under the direction of Dr. R. W. Olmsted, Chairman of the Department of Pediatrics.

Grant of $600 from the Council for Tobacco Research, U.S.A., to provide a "Summer student research fellowship - to support studies in basic medical research."

Gifts totaling $1,395.87 from Dr. Dietrich Kirchheim, Portland, for research as follows:

1. $810.87 - "For research in the Division of Urology," under the direction of Dr. C. V. Hodges, Head of the Division of Urology.

2. $585 - "For special prostatic enzyme studies in the Division of Urology," under the direction of Dr. Hodges.

Grant of $1,200 from the Lederle Laboratories, Pearl River, New York, to provide student research fellowships for designated students, under the direction of Dean D. W. E. Baird.

Gift of $355.63 from the McDowell Catt Foundation, Inc., representing the annual disbursement of the Foundation of which the Medical School is a designated beneficiary. The funds are to be used for research under the direction of Dean Baird.

Gift of $100 from Mr. and Mrs. Clifford H. Moulton, Portland, for research in the Department of Ophthalmology, under the direction of Dr. Kenneth C. Swan, Chairman of the Department.

Grants totaling $78,000 from the National Science Foundation, for research and other purposes, as follows:

1. $36,700 - "Emotional Factors in Self-Punitve Behavior," May 1, 1964, through May 1, 1967, under the direction of Dr. Judson S. Brown, Professor of Medical Psychology, and Dr. Robert D. Fitzgerald, Instructor of Medical Psychology.

2. $41,300 - "Single Cell Activity and Repetitive Firing of Ganglion Cells and Spinal Neurons," May 1, 1964, through May 1, 1966, under the direction of Dr. George Austin, Professor and Head of the Division of Neurosurgery.

Grant of $1,143.95 from the Oregon Heart Association, Portland, in continued support of research entitled, "A study of the gross anatomy and coronary circulation of the whole heart and a correlation of these findings with chemical studies of the blood to be conducted by other persons," July 1, 1963, through June 30, 1964, under the direction of Dr. Richard B. Lyons, Assistant Professor of Anatomy.

Gift of $170 from the Portland Federation of Women's Organizations for the unrestricted use of Doernbecher Hospital, under the direction of Dr. Charles N. Holman, Medical Director.
Gift of $800 from the Portland Chi Omega Alumnae to be used for research in the Department of Pediatrics, under the direction of Dr. R. W. Olmsted, Chairman of the Department of Pediatrics.

Gift of $610 from the Valley Land and Warehouse Company, Inc., Portland, for research in the Division of Neurosurgery, under the direction of Dr. George Austin, Head of the Division of Neurosurgery.

Grant of $1,000 from Oregon Arthritis and Rheumatism Foundation, Inc., Portland, to be used for summer scholarships in the Department of Pathology and Rheumatology, May 14 to September 30, 1964, under the direction of Dr. Adam W. Lis, Department of Pathology, and Dr. Daniel M. Bachman, Department of Rheumatology.

Grants totaling $324,335 from the U. S. Public Health Service for research, training grants and other purposes, as follows:

1. $4,166 - "16-Alpha-Hydroxylation of Steroids," April 1, 1964, through August 31, 1964, under the direction of Dr. Howard J. Tatum, Professor of Obstetrics and Gynecology.

2. $15,644 - "Hemoglobin Function in Aging Red Cells," May 1, 1964, through April 30, 1965, under the direction of Dr. Donald M. Pitcairn, Head of Chest Diseases, Department of Medicine.

3. $15,905 - "Mechanisms of Oxygen Metabolism," April 1, 1964, through May 31, 1964, under the direction of Dr. Howard S. Mason, Department of Biochemistry.

4. $19,796 - "EEG and Behavior Study of Epilepsy and Mental Disease," April 1, 1964, through March 31, 1965, under the direction of Dr. Janice R. Stevens, Assistant Professor of Neurology.

5. $76,145 - "Steroid Inhibition of Lymphoma Cells in Vitro," April 1, 1964, through May 31, 1965, under the direction of Dr. John D. Gabourel, Associate Professor of Pharmacology.

6. $25,529 - "Structural and Physiological Studies of Mammary Cells," May 1, 1964, through April 30, 1965, under the direction of Dr. Sefton Wellings, Associate Professor of Pathology.

7. $5,487 - "In further support of Graduate Training Grant for Oncology, experimental and clinical training," April 1, 1964, through June 30, 1964, under the direction of Dr. Howard J. Tatum.

8. $550 - "Effect of the Hypothalamus on Gastric Function," January 1, through August 31, 1964, under the direction of Dr. John A. Benson, Jr., Associate Professor of Medicine.

9. $32,513 - "Pathways of Estriol Formation During Pregnancy," April 1, 1964, through March 31, 1965, under the direction of Dr. Antonio Colas, Associate Professor of Biochemistry.
10. $48,147 - "Lung Cancer Preoperative Radiation Therapy Study," April 1, 1964, through March 31, 1965, under the direction of Dr. Clifford V. Allen, Department of Radiology.

11. $45,317 - "Graduate Training in Medical Psychology," July 1, 1964, through June 30, 1965, under the direction of Dr. Joseph D. Matarazzo, Assistant Professor of Medical Psychology.

12. $35,136 - "Surgical Studies in Autologous Organ Transplantation," May 1, 1964, through April 30, 1965, under the direction of Dr. Stanley W. Jacob, Assistant Professor of Surgery.

Scholarships & Fellowships
Gifts totaling $2,877 from the following donors for scholarships and fellowships:

Miss Elizabeth C. Ducey, Portland $450.00
Phelps-Stokes Fund, New York City 700.00
Reynolds High School Teachers Association, Troutdale 100.00
Washington Congress of Parents & Teachers, Tacoma, Washington 150.00
Elks Lodge #142, Portland 110.00
Oregon Congress of Parents & Teachers, Portland 1,142.00
East Side Rotary Women, Portland 225.00

National Science Foundation
Grants totaling $20,175 from the National Science Foundation, Washington, D.C., for conferences and institutes as follows:

1. $15,135 - "A Working Conference To Effect the Integration of Physics and Chemistry in the High School Curriculum," February 11, 1964, to September 30, 1964, under the direction of Dr. Vernon Cheldelin, Dean of the School of Science, Oregon State University.

2. $5,040 - "An 8½-Month In-Service Institute for Secondary School Teachers of Mathematics," March 27, 1964, to June 30, 1965, under the direction of Dr. J. Richard Byrne, Professor of Mathematics.

U. S. Public Health Service
Grant of $9,386 from the U. S. Public Health Service for research entitled, "Control of Biosynthesis of Dihydroorotic Dehydrogenase," May 1, 1964, through April 30, 1965, under the direction of Dr. W. Herman Taylor, Assistant Professor of Biology.

Oregon College of Education
Scholarships & Fellowships
Gifts totaling $1,250 from the following donors for scholarships and fellowships:

United Scholarship Service, Inc., Denver, Colorado $100.00
American Legion Auxiliary, Dundee 200.00
CEC Dad's Club 850.00
Pepsi-Cola Bottling Company, Salem 100.00
U.S. Public Health Service
Grant of $29,272 from the U. S. Public Health Service to "conduct a training program in speech and hearing," July 1, 1964, through June 30, 1965, under the direction of Dr. Robert L. Mulder, Professor of Speech Pathology.

U.S. Dept. of Health, Education & Welfare
Grant of $85,350 from the U. S. Department of Health, Education and Welfare, for the 1963-64 academic year, to be used for student loans under the direction of Mr. John N. Sparks, Business Manager.

National Science Foundation
Grant of $5,710 from the National Science Foundation, "To conduct an In-Service Institute in Mathematics for Elementary School Personnel," during the 1964-65 academic year, under the direction of Dr. Ernie L. Cummins, Associate Professor of Physical Sciences and Science Education.

Southern Oregon College
Scholarships & Fellowships
Gifts totaling $5,410.74 from the following donors for scholarships and fellowships:

American Association of University Women, Ashland $175.00
Soroptimist Club of Ashland 390.00
Upsilon Chapter of Beta Sigma Phi, Medford 100.00
Chapter EN, PEO, Ashland 130.00
Delta Kappa Gamma, Grants Pass 300.00
Victor Mills Awards, Ashland 100.00
Coquille Lions Club 250.00
Phelps-Stokes Fund, New York City 600.00
The Carpenter Foundation, Medford 2,466.74
Theodore Richards Scholarship, Honolulu 639.00
Tri Zeta, Southern Oregon College, Central Point 130.00
Lincoln School Parent-Teacher Association, Ashland 130.00

Eastern Oregon College
Scholarships & Fellowships
Gifts totaling $5,067 from the following donors for scholarships and fellowships:

Burton and Miller Vending, La Grande $300.00
Elks Lodge #338, Baker 900.00
Delta Kappa Gamma, Zeta Chapter, La Grande 196.00
Grande Ronde Grain Co., Island City 100.00
La Grande Fruit Co. 100.00
Lions Club, La Grande 275.00
La Grande Observer 294.00
Mr. J. Donald Myers, La Grande 588.00
Rotary Club, La Grande 779.00
Parent-Teacher Association, Elgin 135.00
Boise Cascade Corporation, La Grande 900.00
Oregon Council for Education in Politics, Portland 200.00
Mr. and Mrs. Welby Vaughan, La Grande 300.00
Meeting #326

Gifts totaling $400 from the following donors for matching money for USAF Loan Funds:

- Burleigh, Carey and Gooding, La Grande $200.00
- Eastern Oregon Television, Inc., La Grande 100.00
- Falk's I.D. Store, La Grande 100.00

Oregon Technical Institute

Gifts totaling $1,650 from the following donors for scholarships and fellowships:

- Oregon State Employees Association, Salem $100.00
- Turner Educational Trust, through the U.S. National Bank of Oregon, Portland 150.00
- Mrs. Sarah F. Wolverton, Pasadena, California 1,200.00
- Mrs. Ruth Powers, Portland 200.00

Oxford Laboratories

Gift of equipment, valued at $225, from the Oxford Laboratories, San Mateo, California, for instruction and classroom demonstration in Medical Technology.

Division of Continuing Education

Gift of $100 from the Multnomah District #14, Oregon Federation of Garden Clubs, Troutdale, to provide scholarships during the 1964 summer term for the Basic Conservation Workshop, under the direction of Mr. Robert J. Gridley, Chairman of Special Programs.

President Holloway stated that many individuals and organizations were instrumental in the successful passing of Ballot Measure 1, but indicated that he particularly wished to commend Mr. Donald R. Larson, Assistant Chancellor, for his sensitivity to the needs of higher education and for the implementation and leadership which he provided during the campaign. He recommended that the Board formally recognize Mr. Larson's contribution beyond and above the call of duty during the bond measure campaign.

It was moved, seconded, and passed that the Board formally commend Donald R. Larson for his contribution to the success of the higher education bond measure.

Mr. Holloway asked Mrs. Johnson to report on the annual Association of Governing Boards meeting held in Reno and Las Vegas, Nevada, on May 10-12, 1964.

Mrs. Johnson reported that several major topics were discussed at length, including the importance of the role of the lay board in higher education; the interpretation to the public and legislatures of the cost per student at the lower-division, upper-division, and graduate levels, or the cost at an undergraduate liberal arts college as compared with the cost at universities offering substantial graduate programs; the varying philosophies and practices with reference to the amount of tuition and other fee charges; and the problems of determining the residence status of some students. It was evident that all states have varying problems of administration in their higher educational systems.
Mrs. Johnson also reported that Mr. Layman had been named chairman of the Committee on Constitution and By-Laws and that she was serving as chairman of the Scholarship and Studies Committee.

Following Mrs. Johnson's report, Mr. Holloway commented on the outstanding talk at the meeting by President Joseph R. Smiley of the University of Colorado. Copies of the draft of Dr. Smiley's report will be prepared and mailed to all Board members. Mr. Holloway also mentioned that Dr. Ernest V. Hollis, Director, Higher Education, Administration Branch, U. S. Department of Health, Education and Welfare, had indicated that his office had completed a study of how various institutions across the country presented their needs to their legislatures. It was Mr. Holloway's suggestion that if available a copy of the report be obtained from Dr. Hollis for the Board's reference library.

The Secretary reported that he had received a communication from Mr. Richard R. Ryan of Portland recommending that the 1964 summer session tuition be lowered to correspond with the lowering of the 1964-65 academic-year tuition. Mr. Ryan indicated that the higher rate would be an unfair burden on the teachers of Oregon who must take work at the various State institutions during the summer.

The Secretary was instructed to respond to Mr. Ryan indicating that funds had not been received to permit the lowering of tuition and fees during the summer of 1964. (Note: Subsequently, at its meeting of June 12, 1964, the State Emergency Board did restore state appropriated funds for a reduction of 1964 summer session fees from $132 to $110.)

The Secretary read letters from both Mr. Wm. E. Walsh, former President of the Board, and Mr. Allan Hart, former member of the Board, expressing their appreciation of the Board's March 10, 1964, resolutions of commendation.

The Chancellor reported that the New York World's Fair is featuring an exhibit in the U. S. Pavilion which focuses attention on the University of Oregon Medical School. Dean Baird explained it was an exhibit of the circulation through the heart and the heart valves which were first invented and then used in a successful open heart operation at the University of Oregon Medical School.

The Chancellor presented a report on the activities of the Educational Coordinating Council. He indicated that the membership of the Council had been modified since it was originally established and now included the President and Vice President of the State Board of Higher Education, the Chairman and Vice Chairman of the Board of Education, the two representatives from the private colleges, two persons appointed by the Governor, the State Superintendent of Public Instruction and the Chancellor.
The Council has a variety of purposes, the three major ones of which are:

1. To coordinate the planning for post-high school education;

2. To coordinate the activities of the various agencies engaged in post-high school education where their interests coincide; and

3. To administer the grants provision of Title I of the Higher Education Facilities Act.

In order to carry out these responsibilities, there have been established subcommittees on community colleges, educational television and radio, and post-high school education. In addition, subcommittees on high school-college relations and teacher education are being established. Responsibilities related to the Higher Education Facilities Act require the Council to:

1. Establish and obtain from the Federal government approval of a State plan for determining priorities of projects submitted by institutions requesting federal matching funds under the provisions of Title I;

2. Establish the priority of projects which are submitted; and

3. Determine the federal share to be allotted to each approved project, except those for community colleges.

The Chancellor indicated that the activities of the Coordinating Council have grown at a rapid rate, particularly since its designation by the Governor as the State Commission for the purposes of Title I, Higher Education Facilities Act of 1963. In the discussion, it was noted that any action growing out of the recommendations of the Governor's Coordinating Council which involve higher education (except those related to the Higher Education Facilities Act) are subject to the approval of the Board of Higher Education.

The Council was described as having an indirect statutory basis in that the Governor was authorized in the statute to designate a body to administer the grant provisions of the Higher Education Facilities Act.

F. B. Bennett, Retirement

The Chancellor announced that this was the last meeting of the Board to be held on the campus of Eastern Oregon College during the tenure of President Bennett. He expressed his admiration and affection for President Bennett and his appreciation for the opportunity of working with him. He stated that this opportunity was a privilege which many shared and appreciated deeply.
A. M. Rempel, Appointment as President, EOC

The Chancellor then recommended the appointment of Dr. Averno M. Rempel, presently Head of the Department of Education at Purdue University, as President of Eastern Oregon College, effective September 1, 1964. Budgetary details of the appointment are included in the personnel adjustments for this meeting.

The Board approved the appointment of Dr. Rempel as recommended.

Mr. Holloway closed the meeting by expressing for the Board members their thanks as guests of Eastern Oregon College and their appreciation to Dr. Bennett for his many years of cooperative service. He continued, "Dr. Bennett's contributions cannot be measured. As we look back over the growth of this institution and its very splendid relationship with the other institutions, we owe then to you, Dr. Bennett, a real debt of gratitude, and we wish you every success as you move on through your life."

ADJOURNMENT

The meeting was adjourned at 10:30 A.M.

Chas. R. Holloway, Jr., President

R. L. Collins, Secretary
Meeting #326

SUPPLEMENT A

APPEARANCE OF MR. BERNARD SCHUR
before the
STATE BOARD OF HIGHER EDUCATION
June 9, 1964

(Prepared statement distributed by Mr. Schur, owner-operator of Schur's Campus Bookstore, Portland, Oregon, to State Board of Higher Education, June 9, 1964)

"PRICE-WAR" at PORTLAND STATE COLLEGE

TOPIC: Survival of competition and private enterprise at Portland State College as concerns the college textbook business.

SPECIFIC RELATION: Present "Price-war" between Schur's Campus Bookstore and the Portland State College Co-op Bookstore:

THE PROBLEM: History and background

In June of 1963 Schur's Campus Bookstore opened in competition with the Portland State College Co-op Bookstore at a location 1 1/2 blocks west of the PSC College Center at 1024 S.W. Montgomery Street. Schur's Bookstore is privately owned and operated providing the PSC student with all the services and books available at the Co-op in a competitive price situation with added used text facilities.

To compete with the Co-op's 7% rebate and encourage the students to stray from the normal campus traffic pattern and in an attempt to offer the entire student body savings on textbooks and supplies; Schur's offered prices within a 2-3% competitive structure and a rental text system that saved the student on discontinued books. The opening of Schur's was greeted with much enthusiasm and support in the Fall (Sept.) term. It is estimated that this private bookstore was able to serve 28% of the total student body. This was accomplished despite adjustment problems with the college administration, lack of booklist information, inability of Schur's to properly compete with the Co-op location and advertising advantage, extra promotional costs, and lack of staff because of pre-registration program.

SCOPE OF THE PROBLEM

In January the Co-op instituted a price cut of 5% on new texts as well as a 20% cut on many supply items, this was in addition to an advertised rebate of 7%. Schur's was forced to counter with a 10% price cut to remain competitive.

Then again in Spring term the Co-op issued an across the board 5% price cut on all text books both new and used and began an enlarged buy back or used text repurchase program allowing the student an extra 25% on the resale of books to the Co-op. In addition further paperback and supply items were cut in price. Despite claims by the Co-op that they did not need this used text market the Co-op produced misleading advertising inferring a price comparison between our stores on repurchase of books. This "hand-out" sheet and its statement were later retracted thru the school newspaper, the statement admitted to misleading in a survey.

THE PRESENT PROBLEM

As it stands now we have been informed that the PSC Co-op will give a 10% rebate in cash and also institute an additional price cut to about 8%. This will result in a net discount price of 18% off normal or suggested retail prices observed by 1,200
other college bookstores who are members of the Nat'l Ass'n. of College stores. The overall mark-up of new texts is 20%; used texts 25%; supply items 30-40%. We are now forced to sell on a gross profit margin of 2-6%. It costs 2-3% to freight books, 4-6% for administration. Thus we now operate at a loss of from 1% to 3%. Unfortunately we can not continue to pay inventory taxes, property taxes, and be faced with potential income taxes and operate at this close margin.

CONFLICTING PROBLEMS

The Co-op has refused to arbitrate this problem with our store and has refused to seek any solution. The Co-op management claims that it does not need the used text book business and that it is but 5-10% of gross income, yet it goes to great expense to promote this phase of the book business. The Co-op is presently selling its surplus stock to an out-of-state wholesale company and has refused to consider selling this surplus used text market to me at 5% more profit than the out-of-state company has offered and keep the profits in Oregon. Yet the Co-op claims it must cut prices to cut its great surplus profits and avoid payment of state and Federal taxes. And I quote out of context of the Co-op management: "we must keep our profits below the 5% bracket or pay too much in taxes."

Schur's argues that payment of taxes is a basic business responsibility on the state as well as federal level. The Co-op does not reimburse the local or state government for any services such as Fire, Police, Military protection, street and sewer maintenance, local administration etc. We must however face this responsibility.

We argue that the evasion of taxes is a burden to the general tax paying public. After all the Co-op location is a subsidy of tax funds to a large extent. We argue that the Co-op is creating a disservice to the student by claiming to save the student money thru a 10% rebate on average book costs of $100.00 per year or $10. While at the same time refusing to reimburse the taxpayer with finances that will allow for lower tuition costs that will rise about $96.00. This is a net loss of $86.00 to the average student.

CONCLUSIONS

If the book "price-war" is not ended Schur's must discontinue its service. It should be remembered that the Co-op was in business for 15 years without any price cut, gave a cash rebate only 3 years and did not lower prices until Schur's obtained 28% of the market. Schur's is presently the only private, competitive, free enterprise facility directly competing with any Oregon college business outlet. Not only is the existence of Schur's imperiled by the price war but the entire future of competitive private business at all of Oregon's colleges. A potential $15,000,000 in private capital investment will either be greatly delayed or discouraged by the treatment of this first private capital venture. At stake is the future investment by private capital in Dormitories, bookstores at U. of O.; OSU, OCE, etc., parking structures, food facilities, recreation facilities, etc. In the meantime the co-ops of Oregon are in monopoly control of the 3½ million dollar untaxed book business at Oregon colleges.

POSSIBLE SOLUTIONS

If the Co-op sincerely does not wish to make profits and still benefit the students then let them operate at a profit and put the profits in a general fund used only to decrease or off-set possible rises in tuition. This will give tax relief and educational cost relief. Have the Co-op space on campus put up for bid and allow the state to recoup the maximum for its investment.

Have the Co-op face its tax responsibility to all of Oregon's citizens.
Schur's entrance into the college textbook business resulted in savings to students that was non-existent for 15 years prior to June 1963 when competition entered the campus of PSC.

Now because of a superior location on campus, because of superior tax advantages, because of administration protection under the guise of "quasi-institutional" operation, the Co-op will flourish while a private capital investment may disappear. Schur's has asked to bid on the new bookstore location in the College Center Addition and has been refused. Schur's has also asked to bid for a competitive food facility in this new center addition and has also been refused. Thus it is our conclusion that in a capital economy and "free enterprise" system the College seeks to eliminate competition and suffer the college student to know of this economic system only thru theory but not in practice.

Schur's bookstore has grossed about $130,000.00 in its first year thus proving that the potential market exists. Schur's has provided jobs for 30 PSC students and paid salaries over $10,000.00 affording these students an educational opportunity thru employment. Schur's has given books scholarships amounting to over $800.00, school organization advertising over $3,500.00, and other financial aids and has thus attempted to become a part of the educational community of PSC.

With the disappearance of Schur's how much strength will be given to present claims: "EDUCATION AND BUSINESS PARTNERS IN PROGRESS"

This report prepared for delivery before the June 9, 1964 meeting of the State Board of Higher Education at La Grande, Oregon at 11:15 a.m. by BERNARD M. SCHUR, owner operator of Schur's Campus Bookstore, 1024 S.W. Montgomery St., Portland Oregon 227-0691

I thank you for your patience and consideration in reviewing this problem facing Oregon's educational system.

B. Schur
SUPPLEMENT B

APPEARANCE OF MR. BERNARD SCHUR
before the
STATE BOARD OF HIGHER EDUCATION
June 9, 1964

(Transcript from taped recording of June 9, 1964, presentation to State Board of Higher Education by Mr. Bernard Schur, owner-operator of Schur's Campus Bookstore Portland, Oregon, and responses to his presentation by Portland State College staff members, Dr. Brock Dixon, Dean of Administration, Mr. W. T. Lemman, Director of Business Affairs, and Chancellor R. E. Llewallen)

MR. HOLLOWAY: "We have with us today a Mr. Bernard Schur who has asked for an audience before this Board. I believe he has distributed to all the Board members, either by mail or this morning, a statement that he will wish to present relating to campus book store operation and the investment of private funds in the facilities. I will ask you to come forward Mr. Schur--would you be seated there. It's important I believe, that you know that in these public meetings we record all of the proceedings, so that a record will be available. Also, in your document there are certain references to the operation of facilities at Portland State. Even though the representatives of Portland State did not have the advantage of seeing your presentation until just this morning, I'm going to ask those representatives to follow you in order that they may call attention to any items in here where the reference includes Portland State. You may proceed please.

MR. SCHUR: Thank you, Mr. Chairman, Members of the Board, Guests, and Administrators of Higher Education in Oregon. I have come before you with a problem that faces not only myself as a private entrepreneur and businessman, but I feel faces the entire economy of Oregon and the future of private enterprise and private capital investment in the entire state of Oregon as it is concerned with colleges. Recently, in one of the Portland newspapers, specifically on June 7, 1964, Professor Vernon A. Mund, who is Professor of Economics at the University of Washington, had the following comment to make about rebate and about competition in general. He said this, referring to rebates: "It is simply unfair competition based upon sheer financial strength." Secondly he mentioned that business competition cannot be simply wars of extermination. And, in conclusion, he said, with relationship to business of all levels and rules of business and procedures of business, that fair and exact rules must be set for business, just as in baseball.

Before you, you have an outline which I prepared. Unfortunately my mimeograph machine is not much of a speller, or isn't much of a typewriter, so there will be some errors, and I hope you will bear with me on it, and I prepared for you an outline of my problem, the topic of which is "Survival of Competition and Private Enterprise at Portland State College as Concerns the College Textbook Business." And its specific relation to you people is thus: the present price-war between Schur's Campus Book Store and the Portland State College Co-op. I came into business in Oregon and I resided in Oregon because I felt that there was a great potential in this state, not only in education but in private business. I came because of a speech I heard by Dr. Millar, the president of Portland State College, at a local business association group. And at that meeting he appealed to the businessmen to come into Portland State College, to become a part of the community, and to invest in the future of Oregon's education, and I was very much moved by this speech, because I believe in these concepts and these principles. And so I approached Dr. Millar and set upon a dream, and the dream was to get the capital to go into business to supplement and augment the needs of private education in Oregon.

And I did this first by forming a small development company, called the Campus Development Company, which has investors in it. And these investors set upon a
MR. SCHUR: (continued) philosophy to create private enterprise institutions to augment, supplement and compete with those existing facilities now in the colleges, facilities such as private dormitories, possibly parking lots, food facilities, recreation facilities, and in our particular instance we decided to start with a bookstore. Why a bookstore? A bookstore simply because every student, in order to get an education, must purchase books in order to get that education. He cannot do so without the use of textbooks. Secondly, because of the great precedent that had been established throughout the entire country. Oregon is the only major state, because I consider Oregon a major state among the nation's states, that does not have private competitive book stores at its colleges. The University of Washington in Seattle has four. California at Berkeley has about six to eight depending upon the level of service. The University of Michigan has no state or cooperative book store. It has nine private competing book stores. The University of Wisconsin has four, and so on and so forth. Oregon had none. And so we came into Portland State College.

The administration at Portland State College was very friendly, very cooperative, and I might say, at the beginning and the outset, somewhat enthusiastic about our venture. However, when they found out that private enterprise does face some problems of competition, and that is problems of equal opportunity, equal opportunity to reach the market—that is the student, equal opportunity to service that market with regards to location, and equal opportunity of psychological consideration, and that is the role of private business as concerns the student. Is business to be concerned only as a profit-maker, or is business going to be concerned as a profit-maker, number one for itself, and number two, a direct service for the students?

We have found, after going into business, that we were somewhat successful in many of our problems with the College. The problems of promotion were ironed out. The problems of book list information were ironed out. And several other problems that faced us were ironed out, principally through the cooperation of Mr. Lemman, Dr. Dixon and Dr. Millar.

But in other areas, gentlemen, we face very serious problems, and those are the problems of attitude and problems of atmosphere. Let me give you a specific example. When I came into business I went to see one of the administrators of the College, and I stood before him with my hand outstretched, and I was very embarrassed because that's how I stood before him. He pushed himself away from his seat and he quoted to me from Voltaire, when he said, "I will defend to the death your right to go into private business, but I'll be damned if I'll shop there." I had never met this gentleman before, but yet this was the kind of attitude that I had to overcome, and I tried my darndest to do this. I put on an advertising campaign, which many people said was very Madison Avenueish. Possibly this is my eastern flavor because I come from the East. And I put on other programs which were new to Portland State College, and possibly alien in some way, but I did these things because I had to overcome a great psychological disadvantage, and that is one of non-competing businesses at our colleges.

Upon opening my store, I muddled through the summer and in the fall was able to capture 28 percent of the total business of Portland State College students. There was no price war at that time. We were all dealing on the basic suggested retail price, except that I was competitive within 2 percent or 3 percent in order to offset the rebate system. Since only 50 or 60 percent of the students at the time belonged to the College Co-op, I felt that I could get to the students who do not belong to the Co-op, as well as to those who do belong, by offering somewhat lower prices and giving them an immediate savings. In January, however, the Co-op dropped the prices of its new textbooks by 5 percent across the board. It also raised its re-purchase price on used textbooks, which I was not able to do,
MR. SCHUR: (continued) and therefore closed the gap of profit as concerned textbooks, so it claimed. Then again, in the spring, another price cut was dropped upon me, that was in the area of used textbooks and further cuts in supplies and further services.

Now, the Co-op has been in business for fifteen years, and I realize that there is a great deal of loyalty on the part of the College, and I think it's understandable and it's admirable. Many of the faculty wives serve on the Co-op and work there. Many of the members of the Co-op who work there put themselves through school, and many of the faculty served on the Co-op board. There is a great emotional attachment to the Co-op. But, still, private enterprise, I felt, had a place at the College, and had a service to perform, by being competitive. So, I had to lower my prices 10 percent below suggested retail prices in order to compete with the Co-op. At the same time, I want to see the Co-op, and they told me that the only reason they lowered their prices was to avoid paying taxes. And I said to them that this was unsound, because philosophically it was the responsibility of every business and every citizen to meet the needs of fire, police and military protection, water and sewer maintenance, street and sidewalk construction, and so on and so forth, and these can only be paid by taxes. I further pointed out to them that a growing economy and a standard economy is based specifically on the expansion of private capital and taxes, and that tuition and buildings and other facilities and salaries come basically from the fund of taxation, and that this was their responsibility. The Co-op said that it must cut its prices to reduce these taxes so that there was nothing that they could possibly do.

But at the same time that they said that they had too many profits, they proceeded to introduce to the student body, this particular handout. For those of you in the audience, I'll hold it up. Now this handout specifically was given at the winter term, in which it said, "compare, when selling your used books, the Co-op prices," and it quoted that "elsewhere you could find these specific books at such and such a price," it said, "the Co-op pays you such a price, and elsewhere you will receive another price." Unfortunately I could not get enough of these to hand to the members of the Board. I am the only other bookstore in town that carries these other books, so I'm sure they were specifically mentioning my particular store. Two of the prices listed here were completely misleading, in fact we had to engage an attorney in order to present this information to the school, whereupon about four weeks later, the information was publicly retracted by the student newspaper as being misleading. In fact, on the bottom it said that they determined these prices by a survey, and the paper said there was in fact no survey. And we also concluded, there was in fact, no real comparison of prices, simply because we paid more than indicated here and in all cases, more than the Co-op had quoted to the student. This particular handout, gentlemen, cost me about $8,000 of business in buy-back opportunity from the students, and this can be specifically proved. It went on to point out that all of these savings were also with the consideration of a possible rebate which in advance was 7 percent.

First of all, they told me they didn't need the business, they wanted to cut their profits, then they went to great expense and great trouble to produce this kind of advertising and promotion to get more used books which have a higher profit margin than new books, and then to get a larger percentage of the market, because in the spring term and in the fall term we were successful in capturing about 35 percent of all the textbook buy-back market. A private book store survives basically because it can do three things for its students: it can offer competitive prices, number one; number two, it can offer more used books; and three, it can offer more personalized service, as far as individual decision and responsibility is made—as far as the student is concerned—on books, supplies and personal problems.
Mr. Schur: (continued) And I want to give to the Board members at this time, another element that the Co-op has done. I don't know if I have enough so I'll distribute one to two individuals. You have before you a copy of the for sale list by the Co-op which is printed in the National Association of College Stores weekly journal. This weekly journal offers all the wholesale books that are put on the market by particular colleges for sale. Now the colleges buy the books that you see listed here from a wholesale catalog which is usually from 20-25 percent of the retail price of the book. They advertise in this journal and sell them at, from 50 percent of the retail price to 80 percent of the retail price, thus giving them a gross profit margin of from 25 percent to 55 percent. Now, if the Co-op is truly not interested in making any profit, then certainly it wouldn't be advertising trying to sell a great quantity of books at a profit margin of from 25 to 55 percent. Now, I had gone to the Co-op and asked them if they would consider selling to me, their wholesale books at a 5 percent profit to them. They said, "No, Mr. Schur, we're not interested in selling you our surplus wholesale stock. We've been dealing with a firm in Chicago for a great many years and will consider to continue doing so." Whereupon I said to them, "Gentlemen, don't you think it would be much to the advantage of the people of Oregon if we kept the profit here in Oregon, allow me to make a profit and pay taxes on it," and so on and so forth. Whereupon the administration of the Co-op related to me, "No, Mr. Schur, we would just as well give these books to the wholesaler." I could have taken these books and sold them at a considerable profit on the wholesale market, but the Co-op chose not to sell me the books but to do so themselves and make the profit. But at the same time, every time I have asked them about this question of profit and the price-cutting, they have told me they must cut prices to cut their profits because they are making too much money, and they are now considered a profit-making organization.

Well, where does this specifically leave us in the problem of the bookstore price war. It is the contention of the Co-op that they cannot produce this surplus money because they are a co-op. Now this leads us to several legal dilemmas as well as philosophical dilemmas. If they are a co-op under the organization and charter of a co-op in the State of Oregon, they cannot produce a profit. But the Internal Revenue Service has determined that the Co-op is indeed a profit-making organization. We've maintained it must be either fish or fowl--it can't be a co-op, and non-profit, and by the government be a profit-making organization. It must be one or the other.

Now we have asked to bid on the new space going in the college center addition of Portland State College, and this center addition, I understand, costs between $1.2 and $1.5 million. Now, we have been told that the Co-op will be given this space, because, number one, they are a co-op and a non-profit organization; and number two, because the Co-op must conform to certain specific standards set up by the administration of the College. And, therefore, they did not feel that free enterprise and private enterprise could conform to the standards desired by the College, so that they wouldn't recognize our desire for the bid on this space. But on the other hand, the Co-op is a profit-making, private corporation, and we feel it has no argument, or any more rights, to bid on that space than we have--that is, it has no more rights to exclusive use of the space. It is our contention that the Co-op, therefore, or the College, therefore, should put this space up for bid. Now we were told that the basic rental to the Co-op was $10 per square foot. Now we tried to track this down. We have written to the Board asking to read the lease; we've been asked to come to Eugene to do so. However, I might point out that this is an expensive process for an attorney to go from Portland to Eugene to read a lease which is indeed on file in the business office at Portland State College. We've asked why we couldn't read it there and thus far have received no reply, possibly for many extemporaneous reasons which I couldn't answer.
MR. SCHUR: (continued) Now, the point that I want to make here is this: that if private enterprise is going to exist in this state, it must have a toe-hold to do so. It must have certain cooperation and certain consideration to continue to do so. Now, we would like from the Board some determinations. Number one, is the Co-op, at Portland State College, and possibly co-ops in general in the state, private corporations or institutional organizations? We've been told they are quasi-institutional, which seems to me to be a harmonious compromise for the benefit of the Co-op. But we would like to know whether they are fish or fowl—are they private or are they institutional? If they are private, we argue that they should not be given any more consideration than any profit-making tax-paying organization like ourselves. If they are institutional, we feel that the profits that they make, and that they should operate on a profit basis, should possibly go directly to offset the possible rise in tuition. Why do we argue this? Number one because we maintain that the average student in Oregon and at PSC spends from $90 to $100 a year on textbooks, and the 10 percent rebate saves them only about 10 percent or about $10, but the Co-op business in Portland, rather in Oregon as a whole, is over $3.5 million, and we feel that the profits from this over $3.5 million could go directly to offset the cost of tuition or other costs burdened down by the taxpayers of Oregon. And we feel that a determination here would give us an opportunity to make some decision in which direction we should go. If they are determined as private, then we feel that the opportunity to serve the students in a prejudicial location—and I think you will admit that being located directly on the campus is a prejudicial location, because it's much easier to walk downstairs in the College Center to buy your books on a rainy day than it is to walk a block and a half to, in this instance, Schur's Campus Book Store in the rain to buy your books. A great many students have done so because my gross income was about $130,000 last year, which we feel indicates that a market does exist.

Where does this leave us now? I am here, not only to ask that something be done about the price-war to save my business, but I'm also here because I feel the entire potential of private enterprise in Oregon is affected.

We have gone to the administrators of the Board of Higher Education and proposed to them a private dormitory project. In fact, it would have been designed by the Frank Lloyd Wright Foundation. It was one of Mr. Wright's last designs. We have been working with the administrators of the Board on this project. It would be a project to house from 200 to 400 students and would cost $2 to $3 million. Now, we cannot possibly expect the Board, or the administrators of the Board of Higher Education, or the lending institutions, or my backers, to possibly look at me and say, "Mr. Schur, should we consider you for $2 or $3 million on another one of your hairbrained schemes if you can't even be successful in the book business." How can we possibly consider your cooperation on a venture of this scope if you can't get cooperation on a lower level. In fact, gentlemen, my bank has already drawn the line, that if I cannot settle this dispute, they are not going to go along with me; and we are presently engaged in a pilot dormitory project in Portland, to prove that this market can be utilized and that we have the administrative capacity to do it. Now this affects not only private dormitories, which are non-existent in Oregon colleges, but it affects private parking lots that can be operated on the same basis as the so-called self-liquidating projects— in fact, gentlemen, and ladies, it affects all the so-called self-liquidating projects in Oregon. We maintain and argue that private enterprise and private capital can participate in the areas where self-liquidating projects are now taking hold, and it can do so on a private profit basis. We indicate, and our studies indicate, that there is a potential $15 million investment in the next five years in Oregon in this area. Now at the University of Ohio at Athens, they are now, there is now under construction about $5 million in private dormitories. At the University of Missouri at Columbia, about $5 million, in Louisiana, in
I have made mention, and I feel that this is a bold step forward for Oregon, but we cannot take this step unless we have a foundation upon which we can walk, and I feel that the existence of my bookstore is the foundation upon which Oregon can walk hand in hand with private enterprise. If Oregon fails to do so, it is my contention that it will make a mockery out of all these insignias that we have put on all the envelopes that come out of higher education, that say "Education and Business, Partners in Progress." Thank you.

MR. HOLLOWAY: Thank you, Mr. Schur. As I indicated, I would like now to excuse you and invite representatives of Portland State College to make comments they might find pertinent. I would like to point out, however, that this is a Co-op bookstore and not a Portland State College bookstore, and I'm asking Portland State College representatives only because the Co-op is not represented here today. So, Mr. Schur, if you would retire to your seat, we will ask Dr. Brock Dixon, and you may want Mr. Lemman to accompany you.

DR. DIXON: Mr. Chairman, Mrs. Johnson, Gentlemen: Reasonable and honest men can disagree, and in the absence of Co-op representation here, I'd like to present another viewpoint—an institutional viewpoint, I hope—concerning the Co-op. And all this in no spirit of contention with my friend Mr. Schur. I hope you'll pardon a certain disorganization in approach, but unlike members of the Board, we had access to Mr. Schur's statement for only a few minutes. First I should like to emphasize the educational importance, indeed the indispensability, of an assured, stable, and responsible source of supplies and textbooks. We know of no college which does not rely for this purpose, on a Co-op, a student-body owned, or a wholly-owned institutional store for this purpose. It is, I think, ridiculous to attempt to picture these vital educational enterprises as selfish or grasping monsters.

Now, if you'll bear with me, I'd like to turn to some statistics, referring from time to time to Mr. Schur's statement which is before us. If you look down toward the end of his second paragraph under "History and background," you'll find he says this, "It is estimated that this private bookstore was able to serve 28 percent of the total student body." I'd like to differentiate between the student body and the market. I doubt really, that this represents the magnitude of Mr. Schur's interest in the market which is probably down around 15 percent although it may well be that 28 percent or 28 percent of the students have bought something at the store from time to time. Then if you'll read a little further please, "This was accomplished despite adjustment problems with the college administration, lack of booklist information, inability of Schur's to properly compete with the Co-op location and advertising advantage, extra promotional costs, and lack of staff because of pre-registration program."

I'd like to say a word or two on a couple of these points. As soon as Mr. Schur announced his intention to go into business in the vicinity of the campus, we adopted an institutional policy, at some institutional cost, of providing duplicate book lists to him and the Co-op on a perfectly equal and indeed identical basis. This was done from the very beginning, and we felt rather virtuous about this, not because he was getting more than his due, but because we were able to react so promptly to a crisis situation. Previously the Co-op had dug out this information about the books that were to be used from the faculty members at its, the Co-op's own expense. The College undertook to gather this information, duplicate it, give duplicate lists to the two stores.

On the pre-registration matter, which might not be entirely clear from the context,
DR. DIXON: (continued) I'd like to say a word. Certain students who work for the College are allowed the privilege of pre-registration so that their services will be available to the College during the registration period when the mass of students is registering. Mr. Schur requested this privilege for his employees, something that we have never granted to the employees of private business, because almost all of our students, as you know, are employees of some private business, and then pre-registration would become the mass registration. Well anyway, Mr. Schur requested this privilege for his employees after the deadline in fall quarter, when the pre-registration lists had been made up. The privilege was denied but effective winter quarter it was granted and will be continued to be granted. He's the only exception to a standing policy on this matter.

Let's look now to the next paragraph. The price cut of 5 percent. Mr. Schur said this, but I think I'd like to reiterate it. We are assured, we do believe, that the price-cut was due to taxes and not to Mr. Schur's competition. Down toward the end of the following paragraph, the so-called misleading statements. It was misleading I think, only in calling the comparative shopping of one individual a survey. That was at least the extent of the retraction. We believe that the basic facts were not seriously misrepresented. And, I think even reasonable men can disagree as to whether or not comparative shopping by any individual is a survey.

Now, if you will kindly turn over to the next page, third paragraph on the next page, the paragraph just before conclusions--"We argue that the evasion of taxes is a burden to the general tax-paying public," etc. I'm not an attorney, but I think it was Mr. Justice Holmes who stated in a famous Supreme Court case, something to the effect that no one should be expected to pay more taxes than the law requires. We believe that there is nothing unethical in holding profits down and simultaneously selling books to students at minimum cost. Incidentally, I think that the term evasion here is a rather strong one, it has a criminal or quasi-criminal connotation, I think avoidance might have been a better word.

Now a general remark, it may be, it probably is true, that Mr. Schur's competition has resulted in stimulating the Co-op in many ways. This is a principal advantage of the free-enterprise system, and one reason why we welcomed Mr. Schur to the campus community and cooperated with him from the beginning. Competition does lower costs and it does improve service. Any agreement between the Co-op and Schur's to fix prices would cost the students this basic advantage of the free-enterprise competitive system, and it might be of doubtful legality, although I'm not really qualified to comment very effectively on this point. Certainly I would think it improper for the College to use its influence, not its power, but its influence over the Co-op to push it into an agreement which was economically harmful to students and, as I said a moment ago, of doubtful legality.

Now, Mr. Lemman, our chief business officer, is better equipped than I to talk about some of the more technical aspects of this thing, and I would like to call on him to make a few more points.

MR. LEMMAN: Thank you. Again, we do not intend to dispute Mr. Schur, but in certain instances we have different information which has been supplied to us, and I would like to present it to you.

I don't know in the remarks of the University of Washington professor about rebates that Mr. Schur quoted, whether or not he had reference to cooperatives or not, or to rebates in general--I think there is some difference. On the first page, again of Mr. Schur's printed statement, in the paragraph in the middle of the page that starts "The Scope of the Problem," Mr. Schur states that, "... the Co-op instituted a price cut of 5 percent on new texts as well as a 20 percent cut on many
MR. LEMMAN: (continued) supply items. . . . " We have been informed by the manager of the Cooperative that the 5 percent discount was on new texts only, and that no discount has ever been given for supply items, nor is there any intention to do so. In the next paragraph, the impression might be gained here where it says, "Then again in Spring term the Co-op issued an across-the-board 5 percent cut on all text books both new and used. . . ." It might be your impression that this was an additional 5 percent cut, but this was merely sustaining the 5 percent discount that was initiated the previous quarter. It was extended to used books as well as to new ones. The next sentence says that--toward the last part of that sentence--says the Co-op " . . .began an enlarged buy-back program allowing the student an extra 25 percent. . . ." It is true that the Co-op changed its buy-back policy to one of paying 50 percent of the new book price, which is an increasingly common practice, I understand, in bookstores, and is practiced by many other bookstores in the state of Oregon. In the last paragraph on the first page, the statement says, "The Present Problem." "As it stands now, we have been informed that the PSC Co-op will give a 10 percent rebate in cash and also institute an additional price cut to about 8 percent." I don't know the source of Mr. Schur's information, but the Co-op manager again informs me that they have no plans whatsoever to extend any discounts beyond the 5 percent discount on new and used textbooks. Since new and used textbooks approximate only 75 to 80 percent of the gross sales of the Cooperative, this means that in actuality a 3 and 3/4 to 4 percent discount on total purchases or total sales. Of course, many students do not bother to join the Co-op and save the receipts and thus do not share in the rebate. I believe it is misleading to indicate that an 8 percent total of all sales is discounted by one way or another, either by rebates or otherwise.

The statement that has been made about the Co-op making too much profit and that by law the Co-op cannot make profit. I think that my impression would be that the law states that the profits of a cooperative may not inure to any individual, when they are a non-profit corporation. That does not mean that they cannot make one, but that the profits may not inure to the benefit of any individual. There is a difference. Also, the profits that are made on various items go into the total business picture of the organization and if good profits are made on used books, for example, this increases the opportunity of the Cooperative, or any business, to add to its working capital requirements or to increase, in the case of a cooperative, a refund based on the patronage.

And on the second page, the third paragraph, Mr. Schur states, and I believe he also made this statement in his oral presentation, that the "Co-op is creating a great disservice to the students by claiming to save them $10 per year through the rebate system, while costing them by not paying taxes $86.00 per year on the average. I think it is fantastic to assume that the Co-op is responsible for the tuition increases and if they only paid a few more dollars in taxes that the tuition of the State System could be lessened.

And the next paragraph, Mr. Schur indicates "potential of $15 million investment in private capital" and equates the possibility of this investment taking place to his success or failure. We have long been amazed at Portland State that no more private businesses have come into being to serve the students than have, because we feel it is a big market, and we have encouraged them. We have a small men's shop on the campus now and other businesses as well. We have had conferences from time to time with many business men of Oregon, some of whose names you would certainly recognize as being among the most prominent, who have expressed interest or intentions to make private investment in various types of operations, in the vicinity of the College. And I have no indication from these gentlemen that their decision will be based on the success or failure of Mr. Schur's bookstore. It seems to me that any private investor, or cooperative for that matter, which comes into business does so at his own risk.
MR. LEMMAN: (continued) At the very last sentence of this paragraph called "Conclusions," "In the meantime the co-ops of Oregon are in monopoly control of the $3$ million dollar untaxed book business. . . ." The Cooperative bookstore at Portland State College, and I believe this is true of the others in the State System, pay state income tax, pay federal income tax, it pays personal property tax, pays business inventory tax, pays social security tax, it pays unemployment tax and other payroll taxes. In the next item, oh, I'll skip that.

The next to the last sentence on that page, "Have the Co-op space on campus put up for bid and allow the state to recoup the maximum for its investment." It is my belief that space where there has been state-appropriated buildings or self-liquidated buildings is not in the business of building space to be leased to the highest bidder. If this suggestion were to be taken seriously, there should be no bookstore, co-op or otherwise on any of the campuses. This space is provided because of the necessity to insure an adequate supply of books and supplies to the students, and if any private bookstores do come on, do intend to serve any of the institutions, it would appear to me that it would be on private property and not on state-owned property.

Mr. Schur alleges in his final statement on page three, that he has also asked to bid on a competitive food facility in the new College Center addition and has been refused. Dean Dixon is the man with whom Mr. Schur normally deals with at Portland State College with regard to his problems--I have discussed various problems with him from time to time. Neither of us is aware of any request by Mr. Schur to get into the food business on our campus. In the next to the last paragraph on the last one that is, Mr. Schur indicates that he has given $800 in scholarships and $3,500 in advertising in the student newspapers, and pays student salaries of about $10,000. It might also be said that the student cooperative since 1946 has employed students, that with the exception of the National Defense Student Loan contributions of the federal government, they have been the largest contributor to the Student Loan Program, in fact, in many years, the only contributor. This year, they gave about $1,500 to the Student Loan Fund, and in the event of liquidation of the Cooperative, all of its assets would go to the PSC Student Loan Fund.

We'll be glad to answer any further questions the Board might have?

MR. HOLLOWAY: Thank you, Dr. Dixon and Mr. Lemman. There seems to be a rather sharp declamation on some basic issues. Inasmuch as the Board has become aware of this only recently--except for the mailings that were received last Thursday, and certainly this is the first opportunity we've had to hear the other side of the story and this side while not closely identified with the Co-op effort--I'd like the Chancellor to comment.

DR. LIEUALLEN: The information I had on this presentation came at the same time to me as to the representatives of Portland State, so I have not had an opportunity to make a careful study of this. I would just observe that one of the crucial tasks we face is to provide a stable and dependable source of books for our student this is a really a part of the educational enterprise. I think we welcome competition here, and hope that somehow arrangements can be made that Mr. Schur and his business will survive here and flourish, because I think this provides substantial advantages to PSC and might very well on some of our other campuses. We're keenly interested in the conversations we've had with him related to private dormitories. I certainly hope again that something will come up.

I guess my suggestion at this point, Mr. President, would be that the Board refer this matter to the Board's Office and the Finance Committee of the Board for
DR. LIEUALLEN: (continued) further study and recommendation, because stemming from this soon will be a lease proposal. Certainly we've got to develop a lease arrangement for this, and we'll have to have a proposal worked out. I would hope that when the Board considers it again that there would be an opportunity for Mr. Schur to be present, and either participate in, or certainly be aware of, these discussions and the decision. Since the question of a lease will come before you soon, then I suggest this be referred to the Board's Office and the Finance Committee for a recommendation.

MR. HOLLOWAY: Thank you Mr. Chancellor. I want to thank Mr. Schur for taking the time to come to La Grande and meet with us, I certainly want to thank Dr. Dixon and Mr. Lemman for having prepared their comments in a very brief manner. We will then refer this to the Board's Office and to the Finance Committee of the Board for study and report at a subsequent Board meeting.

MR. LAYMAN: Perhaps just one question, it's not very basic, but only as to attitude, I'd like to know if it is true that Mr. Schur was told that this existing lease could only be read in the Board's Office in Eugene and not examined in Portland or a copy of it given. I just wanted to ask, as far as attitude, was that done.

DR. DIXON: I can't say that it was or was not. Mr. Lemman can you?

MR. LEMMAN: We received a request, and not knowing whether the lease was an item of public record or not, since all documents of higher education are by no means a matter of public record, we referred the request to the Board's Office, and it is my understanding that since the request was of an unusual nature and that the Board's Officers were desirous to discuss the matter with them, and that they were invited to Eugene for the purpose of discussion as well as looking at the lease itself.

MR. BORK: That's my recollection of it.

MR. LAYMAN: But, assuming they are of public record, I couldn't see any reason not to grant that request.

MR. BORK: The official Board copies are at Eugene.

MR. HOLLOWAY: This matter now has been returned to the Board's Office and the Finance Committee.
A STATEMENT REGARDING BUDGET INCREASES IN COOPERATIVE EXTENSION AND AGRICULTURE-FOREST RESEARCH

BY F. E. PRICE

This explanatory material is presented to clarify the recommendations submitted to the Board of Higher Education for budgeting of funds for the Cooperative Extension Service and the Agriculture and Forestry Experiment Station of Oregon State University at its meeting on June 9 and 10.

All funds recommended for use in Extension Service budget increases are restricted to be used for Extension Service operations and for no other purpose.

All funds which were recommended for use in Experiment Station budget increases are restricted to be used in Forest, Agriculture, and related research.

The October election resulted in the reduction of state funds for Cooperative Extension in the amount of $607,000 and for the Experiment Station, $752,000 for the 1963-65 biennium. Fifty eight professional staff positions have been terminated during the current year ending June 30, 1964. Fifty Civil Service positions have also been terminated.

This has been a most difficult year of fiscal complications involving more than the usual number of budget transfers and reductions, and in some instances later budget increases from funds restricted to either Extension or Research to avoid deficits on June 30, 1964. The budget increases which were considered by the Board of Higher Education and approved on June 9-10 will enable both Extension and Forest and Agricultural Research to use available funds to continue operations to end the year without any deficits.

In an ordinary year many of these budget increases would have been submitted at an earlier date.

Oregon State University Agricultural Experiment Station

Details of Budget Increases
Board of Higher Education Meeting June 9-10

<table>
<thead>
<tr>
<th>Use</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Increase in Federal McIntyre-Stennis funds</td>
<td>$ 4,844</td>
</tr>
<tr>
<td>Restricted to Forest Research - received in May</td>
<td></td>
</tr>
</tbody>
</table>

| Added to (1) Forest Research Laboratory | $ 4,508 |
| (2) Forest Soils Research              | 336     |

| II Increase in Federal Regional Research Funds |
| Restricted to cooperative research with other states |
| Added to (1) Agricultural Chemistry Department |
| Herbicide residues research               | 5,689   |
Meeting #326

June 9-10, 1964

III Increase in Experiment Station Sales, current year,
Department of Animal Science

   Added to Animal Science - Research $ 31,000

IV Unbudgeted balances (sales $58,650 and Gifts $4,700)
prior fiscal years 63,350

   Added to (1) Squaw-Butte-Harney Branch Station Sales 9,300
   (2) Eastern Oregon Branch Station Sales 15,000
   (3) Umatilla Branch Station Sales 3,000
   (4) North Willamette Br. Sta. - Gifts 750
   (5) Sou Ore Br Station Sales 1,000
   (6) Greenhouse Constr. - advance from Sales to be adjusted from Experiment Station Research Building appropriation - 1964-65 budget 20,000
   (7) Animal Science Sales 2,000
   (8) Farm Crops Sales 3,000
   (9) Horticulture sales $4,000 Gifts $475 4,475
   (10) Botany - gifts 3,475
   (11) Entomology - gifts 393

V Net decrease in Agricultural Gifts below budget estimate (957)

   Total $104,226

A Statement Regarding Agricultural Experiment Station Sales Balances

It has been an approved practice to carry forward unexpended sales balances or deficits from the 30 separate departments, branch experiment stations or other units having sales of crops, animal, poultry or other products. The unexpended sales from all departments and units are placed in one fund but the amount received from each department is recorded to the credit of that department. If a department’s estimated sales income which is budgeted for a current year is not realized it essentially borrows from the reserve fund but is required to adjust operations during the next 1, 2 or 3 years to pay back the borrowed funds.

Reserve of unrestricted sales funds on July 1, 1963 amounted to approximately $57,000. This is an average of $1,900 per department, which I believe is a smaller balance than we should have to be prepared to adjust estimated sales income for major price drops, losses by plant or animal diseases and other crop damage.

By this plan of operation the Agricultural Experiment Station has never appeared before the Emergency Board of the Oregon Legislature and requested additional funds to meet operating expenses. We think this can be classed as good business procedure and we are proud of this record. It is only when new research has been requested during a fiscal year because it has reached emergency status which we believe is beyond our resources that we appear before the Emergency Board.

The budget transfers presented to the Board of Higher Education on June 9-10 provided for the proper budgeting of funds available for Forest or Agricultural research only and will avoid research stoppage where original budgets could not meet operating costs.
Meeting #326

By budgeting estimated sales income at the beginning of the year and with budget adjustments later in the year, all sales of crops and animal products resulting from research are budgeted to research in the department from which the sale was made.

**Budget Adjustments for Federal Cooperative Extension, OSU**

### Income Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase of Federal Smith Lever</td>
<td>$44,961</td>
</tr>
<tr>
<td>Made available after January 1, 1964. Used to cover part of deficit in budget as a result of the anticipated &quot;Vacancy Experience Adjustment&quot; which did not occur because 52 Extension Staff positions were discontinued to meet the emergency reduction.</td>
<td></td>
</tr>
<tr>
<td>Increase of Federal Contract Funds (Marketing Management)</td>
<td>2,000</td>
</tr>
<tr>
<td>Made available April 20, 1964 for contract work under supervision of Federal Extension Service, Washington, D.C. This amount needed to cover June expenses under this contract.</td>
<td></td>
</tr>
<tr>
<td>Decrease of Research and Marketing funds</td>
<td>(2,409)</td>
</tr>
<tr>
<td>We over estimated income.</td>
<td></td>
</tr>
<tr>
<td>Increase of Federal Contract Funds (Bureau of Reclamation)</td>
<td>2,000</td>
</tr>
<tr>
<td>Additional funds provided by Bureau of Reclamation for Umatilla County Irrigation project received April 15, 1964. This amount required to cover estimated expenditures in latter part of May and all of June expenses.</td>
<td></td>
</tr>
<tr>
<td>Decrease of County Appropriated Funds</td>
<td>(3,562)</td>
</tr>
<tr>
<td>We over estimated income.</td>
<td></td>
</tr>
</tbody>
</table>

**Net increase in income for current year (Non-State funds)** $42,930
### Budget Adjustments for Federal Cooperative Extension, OSU

<table>
<thead>
<tr>
<th>Unbudgeted Balances From Fiscal Year 1962-63 Recommended for Expenditure in Current Fiscal Year</th>
<th>$138,066</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Fund Balances</td>
<td>74,170</td>
</tr>
<tr>
<td>Federal Fund Balance</td>
<td>13,272</td>
</tr>
<tr>
<td>State Fund Balances</td>
<td>15,674</td>
</tr>
<tr>
<td>Extension Income</td>
<td>$34,950</td>
</tr>
<tr>
<td>Plan Service Balances</td>
<td>1,100</td>
</tr>
<tr>
<td>Foreign Service Visitor Funds</td>
<td>2,000</td>
</tr>
<tr>
<td>4-H Summer School Balances</td>
<td>10,650</td>
</tr>
<tr>
<td>Revolving Sales Balances</td>
<td>20,000</td>
</tr>
<tr>
<td>Warm Springs Indian Fund</td>
<td>1,200</td>
</tr>
</tbody>
</table>

These were balances of 25 separate county appropriations brought forward at this time to cover car replacements and June payroll costs. Any unexpended balance of funds appropriated by a county is restricted for future use in that particular county budget.

Smith Lever funds remaining from Fiscal year ending 6/30/63 were held in reserve to be used if needed to cover deficit in budget as a result of the anticipated "Vacancy Experience Adjustment." $8,390 of these balances were needed to cover the balance of this deficit. The remainder of these balances $4,882 was budgeted to the various Extension projects to cover unemployment insurance costs and other payroll assessments.

This was balance in 61-63 state fund appropriation to cover obligations on 6/30/63.

This is a grouping of several individual restricted funds as follows:

Accrued from prior years sales and being budgeted to prevent overdraft in account because of increased costs for production of Farm Plans.

Receipts from prior fiscal year being budgeted to prevent overdraft because of increased costs in this program.

Balances accrued from prior years being budgeted at this time to cover 4-H Summer School starting June 15.

Receipts from prior year bulletin sales to other states being budgeted at this time to cover printing of other sales series.

Unexpended balance from prior year being budgeted to prevent overdraft in account because of increased costs of project.
STATE BOARD OF HIGHER EDUCATION  
MINUTES OF MEETING HELD AT  
ROOM 321, STATE CAPITOL BUILDING, SALEM, OREGON  
June 22, 1964  

MEETING #327  

In compliance with the June 20, 1964, written request of a majority of the members of the Board for a special meeting, and at the call of the President of the Board, the Oregon State Board of Higher Education convened in special session in Room 321, State Capitol Building, Salem, Oregon, on June 22, 1964.

ROLL CALL  

The meeting was called to order at 4:00 P.M. on Monday, June 22, 1964, by the President of the Board, Mr. Chas. R. Holloway, Jr., and on roll call the following answered present:

Mr. Philip A. Joss  
Mr. George H. Layman  
Mr. John Merrifield  
R. E. Purvine, M.D.  

Mr. John W. Snider  
Mr. Ray T. Yasui  
Mr. Chas. R. Holloway, Jr.  

Absent: Mrs. Elizabeth H. Johnson and Mr. J. W. Forrester, Jr.

Others Present: Chancellor R. E. Lieuallen; Secretary R. L. Collins; Mr. James M. Shea, Director of University Relations, University of Oregon; Mr. Herb Penny, Director of Informational Services, University of Oregon; and Mr. Denis Curry, Management Analyst, Department of Finance and Administration.

RE ABSENCES  

Mr. Forrester was absent for business reasons and Mrs. Johnson was out of the state.

Consideration of Grange Resolution re A. S. Flemming  

President Holloway stated that the special meeting had been called for the purpose of considering accusations against and requesting the dismissal of the President of the University of Oregon, Dr. Arthur S. Flemming, by Mrs. Florence Reed Cook at the June 9-10, 1964, Board meeting and in a resolution reportedly passed by the Oregon State Grange. The criticisms and charges were based primarily on the offensive material appearing in The Northwest Review, a University of Oregon literary publication.

President Holloway asked each Board member present to comment and to indicate the posture that the Board ought to assume. It was the consensus of Board members that the reported resolution of the Oregon State Grange was hasty and inappropriate since it was taken without full knowledge of the facts concerning President Flemming's decisions regarding the publication of The Northwest Review. Some members felt there was no official Board action required. Others expressed the view that it was appropriate to meet the campaign attacking President Flemming by adopting a strong statement affirming the Board's confidence in him.

There was agreement that no defense could be made of the poor taste shown by the excerpts of poetry and other writings from The Northwest Review, which were duplicated and widely distributed by Mrs. Cook and others. It was noted that this distribution far exceeded the original circulation of the magazine. However, there was also agreement that Dr. Flemming, or any other administrator, cannot be held personally accountable for every item published or every action taken on the University campus.
In his statement to the Board, Mr. Snider explained that his reticence to concur in calling a special Board meeting for the purpose specified was based on two concerns: (1) It was his feeling that the Board should not place itself in a vulnerable position of being available for special meetings to consider resolutions similar to the one reportedly adopted by the Grange; and (2) after checking with several responsible individuals he felt that there was a misunderstanding in that some of them appeared to believe that Dr. Flemming was aware of the editorial content of The Northwest Review and approved it. If such a release had not already been issued, Mr. Snider said he would recommend a strong statement from Dr. Flemming expressing his disapproval of the offensive writings in The Northwest Review, and indicating that he had not given advance approval for their publication.

The Chancellor stated that in replying to certain questions from Governor Hatfield related to The Northwest Review he had asked for and received the following comments from Dr. Flemming:

"I think that the following information will cover the points raised by Governor Hatfield in his letter:

1. The Northwest Review since it began publication in 1957 has been under the direction of the Student Publications Board. This Board has had responsibility for the selection of editors. In accordance with a longstanding policy at the University of Oregon, there has been no prior censorship of material included in a particular issue by an editor.

2. Responsibility for the Northwest Review has been transferred from the Student Publications Board to the Publications Committee of the Faculty, with the understanding that in the future the editor of the publication will be a full-time member of the faculty.

3. There has been no issue of the Northwest Review published since the Fall 1963 issue.

4. There will be no further issues of the Northwest Review until the Faculty Publications Committee has made a study to determine what the objectives of the publication should be in the future and until the recommendations incorporated in such a study have been acted upon both by the full faculty and the President.

5. The University does not encourage or condone the type of writing which was incorporated in the Fall 1963 issue and which has been the subject of controversy. In explaining to the faculty my decision to suspend publication until new objectives had been worked out and passed on by both the faculty and the President, I characterized the writings in question as excessively offensive and repugnant to many persons both inside and outside of the academic community. I definitely associate myself with that group.
6. The normal circulation of the Northwest Review is 600.

"If I can provide you or the Governor with any additional information, please feel free to get in touch with me."

/s/ Arthur S. Fleming
President

Mr. Holloway indicated the special meeting had been called on the assumption that a strong stand one way or the other would forestall further criticism. He then presented a prepared statement in support of President Flemming and asked for comments from Board members. As a result of the discussion, several minor editorial changes were made and the revised statement follows:

"At an executive meeting of the Board of Higher Education held in La Grande on June 9, demands were made by Mrs. Florence Cook that the Board should dismiss the President of the University of Oregon, Arthur S. Flemming. More recently, a similar demand has been made in resolutions adopted by the Oregon State Grange.

"Mrs. Cook's charges ranged from allegations of responsibility for charges of sexual misconduct directed against some University students, to statements that a new University student conduct code encourages immorality, to suspicions that federal research grants received through President Flemming's efforts detract from the University's educational role, and even to the inference that President Flemming's presidency of the Oregon Council of Churches is somehow improper. In particular, Mrs. Cook criticized President Flemming because of the content of a University of Oregon publication, The Northwest Review. The resolutions reportedly made by the Grange were also concerned with this subject, and demanded that publication of The Northwest Review should cease.

"The Board assumes that the protests are motivated by a genuine concern for the welfare of the University of Oregon, a concern which the Board shares in full measure. Commenting on Mrs. Cook's allegations, the following observations can be made:

"First--the Student Conduct Code. This Code was formulated as the result of long study by a faculty committee, consulting closely with other faculty members and with students and making an extensive review of practices at other campuses. The Code was formally adopted at a regular meeting of the entire faculty. It has been reviewed widely and commented on by parent groups, the press and other interested citizens and groups. As a result of these consultations, certain regulations concerning closing hours were never put into effect. The Code has been changed in other important ways as experience with its implementation has accumulated. The Board notes that the Code has been functioning less than one year and believes that it should be given a reasonable trial period."
"Second--the charges of sexual misconduct made against some University of Oregon students. The Board deplores the circumstances which led to these charges and joins all Oregonians in disapproval of the alleged misconduct. It does not, however, believe that University of Oregon officials were negligent in any way in this case, nor that the adoption of the new Conduct Code was related to the alleged misbehavior.

"Third--the allegations concerning research funds, and concerning the Oregon Council of Churches. The Board feels no comment is needed on these charges.

"Fourth--The Northwest Review. The Board does not hold University administrators responsible for everything written or spoken by the members of the University community. If such requirements were made it would be impossible to maintain the spirit of free inquiry which is essential to a free university. Both The Northwest Review and the University's policies concerning freedom of inquiry in written and spoken form were in existence long before President Fleming became University president. A graduate student was assigned the editorial responsibility for The Northwest Review, and as long as this responsibility was carried out in a fashion acceptable to the University the editor was free to choose and edit the materials included in the publication. When, however, the University became convinced that there had been an apparent shift in the character of the publication resulting in the inclusion of materials with which the University did not wish to be associated, responsibility for its publication was transferred from the student publication board to the faculty publication committee and further publication of The Northwest Review was suspended, pending a review of the magazine's objectives by an appropriate faculty committee. The Board would therefore, like to repeat here a statement issued earlier by its Chancellor on this matter in relation to the resolution passed by the Oregon State Grange. In this statement, the Chancellor said, 'It is extremely unfortunate that a responsible body like the Grange would take such an action without checking the facts.' The Board concurs wholeheartedly with that statement.

"This Board would like to emphasize that it believes that it would be improper for any university to accept responsibility for the pre-censorship of the written or spoken views of the members of its community or its guests.

"A university may, however, decide whether it wishes to continue to support the expression of views and the publication of materials with which it does not wish to be associated. Thus, the Board believes that the University of Oregon and its President, in suspending publication of The Northwest Review has taken appropriate action.
"In the three years since Arthur S. Flemming became president of the University of Oregon the University has seen a remarkable growth in almost every field of endeavor. The establishment of the 'Project English' program through a $250,000 grant from the U. S. Office of Education, the expansion of the program of the University Institute of International Studies and Overseas Administration through a $500,000 grant from the Rockefeller Corporation, the foundation of an Educational Research Center through a $2.5 million grant from the U. S. Office of Education, are only a few of the remarkable accomplishments during President Flemming's tenure."

"The enrollment of the University has grown from 7,651 in the 1960 fall term before President Flemming's arrival to 9,982 in the 1963 fall term, an increase of about 30 per cent. To meet this increase, new faculty members of national repute have been attracted to the University through President Flemming's efforts. These include such men as Dr. Albert Kitzhaber, head of the 'Project English' program at the University and a national expert in curriculum studies; Dr. Marshall Fixman, head of the University's Institute of Theoretical Science and named last year as the nation's outstanding young chemist; Dr. Edward Herbert, the state's first recipient of a life-time grant, and many other distinguished men. At the same time, other members of the faculty have received many distinctions, including the naming of one faculty member, Dr. Virgil Boekelheide as Oregon's first member in history of the National Academy of Science. Dr. Flemming himself has won national distinction as the recipient of the Alexander Meiklejohn Award of the American Association of University Professors for his outstanding contributions to academic freedom."

"During the same period, gifts and grants to the University have increased from about $2.7 million in the 1960-61 fiscal year to a figure which will total about $7 million at the close of the present fiscal year. In the University of Oregon Development Fund, collections totaled about $62,000 in 1961, but reached $192,000 last year, and has a goal of $225,000 set for the current year."

"The Board continues to be impressed by President Flemming's administrative acumen, his courage and loyalty, and his Christian character. It is the consensus of the Board that the request for his removal by Mrs. Cook and reportedly the Grange are unfounded, and we hereby reaffirm our confidence in his administration of the University of Oregon."

The Board adopted the above expression of confidence in President Flemming, with Mr. Snider casting a negative vote. Mr. Snider indicated he was not in accord with taking any action on the basis of the resolution reportedly adopted by the Grange; he felt that the statement should be considered by the Committee on Academic Affairs, with a possible report to be made following the Committee discussion. Prior to the adoption of the statement, Mr. Holloway contacted Mr. Forrester by telephone and reported that Mr. Forrester had expressed approval of the statement.

**ADJOURNMENT**

The meeting was adjourned at 5:00 P.M.

Chas. R. Holloway, Jr., President

R. L. Collins, Secretary