

MINUTES OF THE BOARD OF DIRECTORS
OF SOUTHWESTERN
HELD IN THE DIRECTORS' ROOM
IN PALMER HALL
APRIL 2, 1929

A called meeting of the Board of Directors of Southwestern was held April 2, 1929, at 9 a.m., in the Directors' Room, Palmer Hall.

The meeting was called to order by the Chairman, and opened with prayer by Dr. G.L. Tucker.

The roll call showed the following members present: President Chas. E. Diehl, ex-officio.

ALABAMA:	A.B. Curry	MISSISSIPPI:	J.D. Duncan
	J.T. Fuller		F.R. Graves
			G.L. Tucker
			S.W. Overton
LOUISIANA:	W. McF. Alexander	TENNESSEE:	Jas. I. Vance
	E.B. LeMaster		T.H. Tutwiler
			Moore Moore

Excuses were received from Messrs. Alfred C. Glassell, J.V. Arnold and Dunbar H. Ogden, which were accepted.

A special delivery letter from Dr. Ogden was received, which, in accordance with his request, was read to the Board.

The minutes of the last Board meeting were read for information, after which the minutes of the Executive Committee meetings since the last Board meeting were read and approved.

The call for this meeting is as follows:

At a meeting of the Executive Committee on March 6th President Diehl presented a communication from Dr. Theodore Jack, Secretary of the Association of Colleges and Secondary Schools of the Southern States, informing us that the standing of the College is greatly jeopardized by reason of our debt, and stating that Southwestern would be dropped from membership in the Association unless the debt can be cared for within the next eight months. This condition was foreseen some years ago, and it was in order to obviate this situation that the pledge was made to the City of Memphis that we would secure from the Presbyterians in the four Synods \$1,200,000.00 provided the citizens of Memphis took care of our current expense needs and interest charges until August 31st, 1930. On this basis the citizens of Memphis subscribed their quota

for operating expenses, and they indicate with a finality which cannot be mistaken that they are through unless and until the Presbyterians do their part. Some way must be found by which our part of this agreement is fulfilled, for we cannot face a violation of our sacred obligation. Nor can we think of allowing Southwestern to be degraded from the standard college rank, much less can we contemplate losing Southwestern as a Presbyterian institution.

In view of this grave situation, the Executive Committee has directed me to call a special meeting of the Board of Directors of Southwestern to consider this matter in all its phases, and to face the absolute necessity for positive action looking to the raising of the necessary funds to pay off the indebtedness. This meeting will be held in the Directors' Room on Tuesday, April 2d, 1929, at 9 a.m., and it is earnestly urged that you make every possible effort to be present.

Very sincerely yours,

E.B. LeMaster,
Chairman.

The letter from Dr. Theodore Jack, referred to in the call for this meeting, is as follows:

"February 27, 1929.

"President Charles E. Diehl,
Southwestern,
Memphis, Tennessee.

Dear President Diehl,

"At the direction of the Commission I transmit to you the report of the Committee on Triennial Reports made at the recent meeting of the Association:

"The Commission realizes something of the difficulty under which the institution has been operating and also understands its excellent equipment and good work. There are about a dozen other institutions very similarly situated among our members and all are failing definitely to meet one of our most important standards. It is with regret that notice is given that unless the financial support standards can be met by our next meeting, or so much progress is made that the requirement is substantially met, it will be necessary to drop Southwestern from the approved list of members'.

With all good wishes, I am,

Sincerely yours,
Theodore H. Jack, Secretary".

Dr. Tucker was asked by the Chairman to preside at this meeting.

Upon motion, Dr. W.S. Lacy, Executive Secretary, was extended the privileges of the floor.

Upon motion, President Diehl was asked to comment on the call for this meeting, presenting the situation as now existing and showing the demoralizing effect upon the faculty and the student body that would be caused by the action indicated in the letter from the Secretary of the Association of Colleges and Secondary Schools of the Southern States.

Mr. LeMaster was recognized by the Chair, and, after reviewing the history of past plans for raising money in Memphis and in the Synods, and giving his views on the present situation, presented the following communication:

"March 30, 1929.

"The Board of Directors of Southwestern.

"It is probably fit and proper that the Executive Committee should have some well defined plan covering the situation that confronts us to submit for the consideration of the Board. For obvious reasons the undersigned members of the Executive Committee are joining in this communication as individuals rather than as the Committee. We feel that the final crisis is now at hand and that the only way to meet it is through a plain blunt statement of facts to the Church and individuals, especially to a few who may be large givers by personal solicitation of this Committee hereinafter named. That this appeal may carry weight we recommend that a small committee be chosen to carry out this work, calling on Board members, or any one else available, to assist in the work. We suggest the selection of Drs. Vance, Curry and Alexander, three former moderators of the General Assembly, working with Dr. Diehl, President of the College, as this committee, realizing full well the personal sacrifice it will entail but feeling that their love for the Church and for Southwestern will impel them to accept this responsibility. We are forced to this conclusion on account of the fact that other means have failed. The Board has employed the very best commercial campaigners that could be secured and they have signally failed to reach the people of the contributing synods. Our only hope is that this proposed committee by virtue of their exalted position in the Church can make an effective appeal to the Church.

We believe the love for and pride in it of the Church will not permit Southwestern to go;

that the loss of it would be the greatest blow that could befall the Southern Presbyterian Church.

E.B. LeMaster.
T.H. Tutwiler.
S.W. Overton.
Moore Moore. "

This matter was then discussed by Messrs. Tutwiler, Overton and Moore, followed by Drs. Vance, Alexander and Curry. Upon motion by Mr. LeMaster, seconded by Mr. Tutwiler, the recommendations in this communication were adopted by the Board. It was then moved and carried that a special committee be appointed to bring in recommendations for carrying out this work. On this committee the Chair appointed the four signers of the communication and the committee suggested therein, and this committee was asked to bring in its report immediately after lunch.

The Board recessed at 12:30 for lunch at the Hugh M. Neely Hall, and reassembled at 2:45 p.m.

The special committee which had been appointed brought in the following recommendations, which were unanimously adopted:

It is our conviction that

1. Contributions sought be conditioned upon securing \$400,000 in valid subscriptions.
2. The appeal shall be made personally to individuals of means, and, among others, the following methods shall obtain:
 3. Communications shall go out as follows:
 1. From the Board to all pastors and sessions informing them of the Board's action in the appointment of the special committee.
 2. From the Committee to the same constituency setting forth the urgent need of funds and asking for ~~cooperatiom~~ cooperation in every manner possible to facilitate the Committee's work.
 3. From the Committee to selected prospects, informing them of this effort of the Board, and the urgent need for their cooperation.
 4. President Diehl is asked and appointed to head the movement and make this his chief work so long as may be necessary.
 5. The Executive and Field Secretaries are definitely assigned to labor under President Diehl's direction in planning, promoting and conducting appeals.
 6. All members of this Board shall hold themselves in readiness to assist in every way possible in appealing to and reaching individuals, and in supplying lists of prospects.

7. This movement shall be initiated by a visit on the part of President Diehl and the Committee to a few strategic centers where selected lists of prospects will be invited to dinner, at which time the situation and needs of the college are to be presented.

Upon motion, the Treasurer was requested to supply the Committee with a financial statement for use in securing funds.

Upon motion, Dr. Vance was asked to serve as Chairman of the Committee for this work.

Mr. A.D. McKee, Field Secretary, was accorded the privileges of the floor.

The contract with the Union and Planters Bank and Trust Company, for the handling of endowment securities, which had been arranged was read and approved, and ordered incorporated in the minutes of the Board, and is shown as an addenda to these minutes.

Upon invitation Rev. David Park, of Birmingham, Alabama, was invited to meet the Board and report on his work in Alabama. Upon motion, it was ordered that the services of Rev. Park be dispensed with as of May 1st, 1929.

President Diehl read a letter from Dr. A.C. Dudley, First Presbyterian Church, Memphis, Tenn., upon whom the degree of Doctor of Divinity was to have been conferred at the coming commencement, declining the honor, expressing his very great appreciation for same, but stating that he had heretofore declined such honors, and felt that he would prefer to remain unhonored.

President Diehl suggested that at the coming commencement the honorary degree of Doctor of Laws be conferred upon Mr. T.K. Riddick of this city. The Board, recognizing not only the outstanding ability of Mr. Riddick, but also the fact that he is one of the staunchest friends Southwestern has ever known, concurred in the suggestion enthusiastically and adopted same by a rising vote.

At 5:05 p.m. the meeting adjourned with prayer by Dr. Vance.

Moore Moore Secretary.

A G R E E M E N T.

THIS AGREEMENT made in duplicate this 30th day of March, 1929, by and between Southwestern, of Memphis, Tennessee, by its Executive Committee acting through its Chairman, of the first part (hereinafter called the Owner), and UNION PLANTERS BANK AND TRUST COMPANY, of Memphis, Tennessee, of the Second Part (hereinafter called the Company), W I T N E S S E T H:

First: The Owner hereby nominates and appoints the Company to act as Custodian, upon the terms hereinafter specified, for the Owner, of the properties hereinafter mentioned and to exercise and perform the duties hereby delegated and imposed.

Second: The said Owner hereby delivers to the said Company and said Company hereby acknowledges to have received from the Owner to hold and safely keep as custodian as aforesaid the securities, investments and papers itemized and set out in the schedule hereto annexed and made a part hereof and marked Schedule "A", the same constituting the Endowment Fund of the Southwestern.

Third: The said Company hereby agrees to collect and receive the income, issues and profits of the investments so placed in its charge under the terms of this agreement or which may hereafter be so placed and to pay over to the said Owner the income so collected, less charges and necessary expenses, as stated in paragraph Tenth, at such periods as will from time to time be mutually agreeable to the said Owner and the said Company.

Fourth: The said Company shall collect, receive and receipt for the principal of all investments and securities which may from time to time be in its care as custodian when and as the same may mature or be redeemed. Said Company shall hold and retain all principal moneys so collected and received in a principal account until said principal moneys shall be invested or withdrawn by the Owner. The Company shall notify the Owner immediately upon the receipt of any principal moneys as aforesaid.

Fifth: The Company agrees that, with regard to real estate mortgages and deeds of trust and fire insurance policies delivered to it by the Owner applicable to any of the securities deposited with the Company, it, the Company, will keep itself advised as to the payment of taxes on the real estate covered in such mortgages and deeds of trust and the payment of insurance premiums on such policies covering the improvements on the properties therein described and further agrees promptly to notify the Owner of any delinquency or lapse in regard to either such taxes or insurance premiums.

Sixth: The Company agrees to submit to the Owner at annual periods, or at such other reasonable times as the Owner may request, a full statement of account showing all dealings with the principal of the investments and the income derived therefrom since the date of the last preceding statement.

Seventh: The Company agrees to suggest or submit to the Owner, upon their request therefor, such investments as the Company may consider suitable for such principal moneys as may from time to time be uninvested, but without assuming any responsibility for the values

of safety of such investment of uninvested principal moneys and the entire duty and responsibility in that regard shall remain with the Owner.

Eighth: The uninvested moneys, securities and investments which may hereafter come into the hands of the Owner as property belonging to said Endowment Fund may be from time to time delivered to and deposited with the Company and brought under the terms of this agreement by the addition hereto of a schedule or schedules shall bear the signatures of the parties hereto.

Ninth: Any and all securities, investments and uninvested principal moneys may be withdrawn from the Company by a written order signed by the said Owner. Upon receipt of such order for each such withdrawal, the Company shall deliver the withdrawn securities, investments and principal moneys described in said order upon an appropriate receipt being given therefor by the Owner.

Tenth: The Company shall be paid and receive as compensation for its services a commission of one (1%) per cent of the gross income received by it from the securities and investments so placed in its charge.

Eleventh: This agreement may be altered at any time and in such manner as may be mutually agreed upon by the Company and the Owner and may be terminated at any time by the Owner or by the Company, written notice of such termination being given by the party or parties so terminating the agreement to the other party or parties hereto. Whereupon, all moneys, assets, securities and property of every kind or nature within the care and custody of the Company under this agreement shall be paid over, delivered and surrendered to the Owner upon an appropriate receipt therefor being given.

WITNESS the hands and seals of the parties hereto the day and year first above written.

SOUTHWESTERN
By E.B. LeMaster, Chairman of
Executive Committee.

UNION PLANTERS BANK & TRUST COMPANY
By W.W. Hughes, Trust Officer.