

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF SOUTHWESTERN
HELD IN THE DIRECTORS' ROOM
PALMER HALL
SEPTEMBER 1, 1936

The annual meeting of the Board of Directors of Southwestern was held in the Directors' Room, Palmer Hall, on Tuesday, September 1, 1936, at 9 a.m., with E.B. LeMaster, Chairman, presiding.

The meeting was opened with prayer by Dr. W.McF. Alexander.

The roll call showed the following members present:

Chas. E. Diehl, ex officio

ALABAMA:

J.P. Whiteside

LOUISIANA:

E.B. LeMaster

W.McF. Alexander

MISSISSIPPI:

J.B. Hutton

R.W. Hardy

TENNESSEE:

T.H. Tutwiler

B.A. Patch

Moore Moore

Excuses for absence from the meeting were received from the following members: Robert E. Craig, New Orleans, Louisiana; William Hume, Nashville, Tennessee; Alfred C. Glassell, Shreveport, Louisiana; John W. Orr, Memphis, Tennessee; R.T. Simpson, Florence, Alabama.

The Secretary read for information the minutes of the meeting of the Board of Directors held on January 28, 1936. All the minutes of the meetings of the Executive Committee held since January 28, 1936, and all the actions of the Executive Committee for that period, were approved by the Board.

The Secretary read a communication from Dr. W.McF. Alexander, which was ordered spread on these minutes, and is as follows:

"New Orleans, Louisiana

"April 18, 1936

"The Executive Committee,

"Southwestern,

"Memphis, Tennessee.

"Dear Friends and Brethren:

"How shall I thank you for that beautifully mounted Appreciation passed by the Board of Directors in January? I was surprised and humbled when it was read at the meeting of the Board. I do love Southwestern and approve of its design and success as the finest college in the great Mississippi Valley - a Christian college, where the Word of God is taught, and where all the professors are Christians. I am proud, too, of its plant and its ideals, but I did not expect to have such a beautiful token of appreciation to hang on the wall of my home. I never thought of anything but doing my duty to God and to the cause of Christian Education in all that I did.

"Again thanking you, and praying God's blessing on Southwestern and upon you as the Executive Committee, to whom more than to anything else the College owes its success.

"Your friend and brother in Christ, W. McF. Alexander."

The Chairman appointed the following committees:

FINANCE COMMITTEE	-	J.P. Whiteside, T.H. Tutwiler, J.B. Hutton
HOUSE COMMITTEE	-	W.McF. Alexander, B.A. Patch
HONORARY DEGREES COMMITTEE	-	R.W. Hardy, Chas. E. Diehl, E.B. LeMaster
NOMINATING COMMITTEE	-	B.A. Patch, Moore Moore

The President submitted his annual report, supplemental to the one given at the meeting of the Board of Directors on January 28, 1936, a copy of which is appended to these minutes. The report was referred to the House Committee.

President Diehl presented the following paper, which was adopted by the Board, and the Secretary was requested to send a copy to Judge Charles N. Burch:

The Board of Directors of Southwestern desires to record its deep gratitude to Judge Charles N. Burch, of Memphis, who, at a sacrifice to himself and without cost to the College, has during the past three years rendered an unusual service to Southwestern in connection with the litigation incident to the Fentress bequest. With his usual thoroughness, he prepared this case, and had as his willing and able helpers Messrs. E.C. Craig and Vernon W. Foster, of Chicago, members of the legal department of the Illinois Central Railroad, who also declined to accept any fee for their services. With characteristic ability, urbanity and dignity, he presented and argued the case in the Circuit Court of Cook County, Illinois, after having made numerous trips to Chicago at his own expense.

The handling of this case in the Circuit Court was an unusual role for Judge Burch, who, in more recent years, has not appeared in litigation except before the Supreme Court of the States or of the United States. He engaged in this service for Southwestern purely as a labor of love. It is a source of satisfaction to realize that Southwestern has the friendship and approval of so outstanding a citizen as Judge Burch, who is thoroughly familiar with the institution, and who has on many other occasions given evidences of his interest and cooperation and generosity.

The report of the Secretary was contained in the Executive Committee minutes, which the Board approved.

The Treasurer's report was read, and referred to the Finance Committee. A copy of the report is appended to these minutes.

The hour of 12:30 was set for luncheon in Neely Hall, and Mr. S.E. Howie and Professor C.G. Siefkin were invited to have lunch with the members of the Board.

At 10:15 a.m. the Board recessed for committee work.

The Board reconvened at 2:15 p.m.

The Finance Committee submitted the following report, which was adopted:

We have studied the Auditors' report, in connection with the analysis by the Treasurer and Bursar, and are gratified to note the splendid

condition of the College. We note an operating surplus of \$294.26, with the only outside obligations at the close of the fiscal year represented by notes at the bank for temporary loans, amounting to \$12,500.00 and accounts payable of \$290.00. We understand that these outstanding obligations will be paid from revenues received at the beginning of the first semester, and that these temporary loans are not larger than they have heretofore been from year to year.

We approve the tentative budget for the 1936-37 session, providing for a total expenditure of \$166,740.00, which represents an increase of approximately \$17,000.00 over the budget for the 1935-36 session. This increase is necessitated by the restoration of a part of the salary reductions and the rising costs of living. We anticipate a larger student enrollment, which will in a measure help to meet the increased expense. We anticipate that the total income will fall short of the budget requirements by approximately \$70,000.00, as was the case last year. We enjoin upon the management of the College the holding of expenses within the revenue in hand and that reasonably to be expected from outside contributions.

We call attention to a former resolution with reference to sending the members of the Board a statement of the result of operations before the annual fall meeting of the Board of Directors. This statement was not received this year before convening of the Board in regular meeting. It is recommended that a copy of the Annual Audit be sent at least to the members of the Finance Committee as soon as same is prepared by the auditors, and that the auditors be instructed to prepare condensed balance sheet and income and expense statement in approximate form as statement attached to the Treasurer's report of this date.

We note that "Accounts Receivable and Suspense Item" of \$14,125.57 appears in audit, which we are informed has resulted largely from efforts to stimulate athletic activities of the College, and a large part of which is uncollectible. We recommend that this item be reduced periodically by charging off as uncollectible such portion of same as the Executive Committee may deem proper.

We note that the increase of operating income of approximately \$20,888.73, with a consequent increase in operating expense of only \$7,171.13, is due largely to increased enrollment of students, and we urge that every reasonable effort be made to increase the enrollment of students as much as practicable for the present capacity of the plant.

We note with gratitude an increase in support fund from the churches and Synods, amounting to \$12,616.41 as against \$4,889.82 for the previous year. This increased interest on the part of the churches and Synods is deeply appreciated, and it is hoped that this source of income will be further increased until the churches and Synods will be contributing as much as the citizens of Memphis are now doing. It is assumed that Memphis will conduct its usual campaign for \$40,000.00 for Southwestern as was the case last year. We recommend that each supporting Synod be requested to raise \$10,000.00 for the support of Southwestern, and each Synod devise its own methods of raising this money.

We recommend that the Board express its appreciation to the citizens of Memphis for their unfailing and loyal support of Southwestern in contributing annually to the support fund, and we recognize our obligation to the people of Memphis to raise from other sources one-half of the annual operating deficit.

We thank Mr. T.H. Tutwiler for his able services as Treasurer, and recommend that the summary financial statement attached to his report be forwarded to the several Synods as an official communication from the College, and request same be printed in the minutes of the several Synods.

We express our sincere thanks for the gifts received from the heirs of the late Col. James Fentress of \$10,000.00, and the bequest of the late Mrs. Nannie P. Harris, approximating \$8,190.00 in securities and unimproved real estate estimated at \$5,000.00, as a memorial to her son Frank M. Harris.

Respectfully submitted,
T.H. Tutwiler
J.B. Hutton
J.P. Whiteside, Chairman

President Diehl offered the following resolution, which was adopted and ordered sent to the Stated Clerks of the four cooperating Synods, together with the condensed financial statement of the Treasurer:

WHEREAS the citizens of Memphis have again generously contributed some \$40,000 towards the annual support fund of Southwestern, which money was subscribed with the tacit understanding that the four cooperating Synods would supply a like amount each year until such time as adequate endowment can be secured:

We, the members of the Board of Directors of Southwestern earnestly renew our appeal to each of the four cooperating Synods of Tennessee, Alabama, Louisiana and Mississippi, which own and control the College

1. To accept the sum of \$10,000.00 as its share of this needed annual support fund;

2. To take whatever steps are necessary by way of the apportionment of benevolences, by way of special appeal, and by any other proper methods, such as encouraging annual gifts from individuals and groups, to secure this quota.

adopted: The House Committee submitted the following report, which was

We have carefully examined the supplemental report of the President concerning the College and its activities, and the Board hereby heartily approves all that has been done. We are gratified that the prospects for the College are so favorable for the future.

Respectfully submitted,
W. McF. Alexander
B.A. Patch

adopted: The Nominating Committee submitted the following report, which was

We nominate the following officers of the Board:

W. McF. Alexander, Chairman
E.B. LeMaster, Vice-Chairman
Moore Moore, Secretary
T.H. Tutwiler, Treasurer

We nominate the following Executive Committee:

E.B. LeMaster
T.H. Tutwiler
Moore Moore
J.W. Orr
B.A. Patch
Chas. E. Diehl

We nominate for reappointment the following Endowment Fund Committee:

R. Brinkley Snowden
Vance J. Alexander
Troy Beatty
President of the College
Treasurer of the College
Chairman of the Executive Committee, ex officio

We authorize the Executive Committee to Appoint a Citizens' Advisory Committee.

We renominate Reverend T.B. Hay, D.D., of Memphis, as the fourth Director from the Synod of Mississippi.

Respectfully submitted,
B.A. Patch, Chairman
Moore Moore

Upon motion, the Secretary was instructed to cast the vote of this body for the election of the officers. This was done.

The two Directors from the Synod of Mississippi asked to be recorded as voting against the renomination of Reverend T.B. Hay, D.D., of Memphis, as the fourth Director from the Synod of Mississippi, in accordance with the paper which they requested to inserted in the minutes of the meeting of the Board of Directors on January 29, 1935.

The Honorary Degrees Committee submitted the following report, which was adopted:

The Honorary Degrees Committee would recommend that the following names be placed on the docket for consideration at the January, 1937 meeting of the Board of Directors:

DOCTOR OF LAWS

E.C. Craig, Chicago, Illinois
- Courtenay Dinwiddie, '01, New York
- V.M. Foster, Chicago, Illinois
W.H. Frazer, '97, Charlotte, N.C.
S.M. Tenney, Montreat, N.C.
- George A. Works, Chicago, Illinois

DOCTOR OF EDUCATION

- J.W. Kennedy, '15, Port Gibson, Miss.

DOCTOR OF LITERATURE

George Lang, '06, Tuscaloosa, Ala.

DOCTOR OF DIVINITY

Rev. J.N. Brown, Gulfport, Miss.
- Rev. Wm. Crowe, Jr., '21, Talladega, Ala.
- Rev. Sam Burney Hay, Auburn, Ala.
Rev. W.J. Millard, '20, Memphis, Tennessee

Respectfully submitted,
R.W. Hardy, Chairman
E.B. LeMaster
Chas. E. Diehl

Upon motion, the Secretary was instructed to write Mr. William Hume and Dr. John W. Orr, expressing the sympathy of the Board in their illness and absence from the meeting, and wishing for them a speedy recovery.

The following resolution was presented by J.P. Whiteside, which, after some discussion, was adopted:

WHEREAS the Synod of Mississippi and the Directors of the Synod of Mississippi, complainants, have filed a bill in the Chancery Court of Shelby County, Tennessee, against Southwestern, its officers, the Synods of Tennessee, Alabama and Louisiana, and the Directors from these Synods, defendants, with regard to the election and seating of the fourth director from the Synod of Mississippi, and

WHEREAS the Executive Committee has placed this matter of the defense in the hands of our attorney, Mr. Clinton H. McKay, of the firm of Burch, Minor and McKay, of Memphis;

THEREFORE, BE IT RESOLVED

1. That this action on the part of the Executive Committee be approved;
2. That the attorneys for Southwestern represent all the defendants in this case, in order that the matter of this suit be facilitated by presenting a united defense.

Dr. Hutton opposed this motion, stating that, since the suit was brought against Synods and individuals, he thought they should pay for this themselves, instead of having the College bear the expense, thus using money given for educational purposes. The Secretary asked if he wished his objections recorded, and his reply was that "it was immaterial." Dr. Hutton was replied to by the Secretary and by Mr. Whiteside, who stressed the fact that the suit was brought against Southwestern and the Directors not in their personal but in their official capacities.

It was moved by Dr. W. McF. Alexander that the four cooperating Synods be invited to meet concurrently in Memphis for their regular meetings in the fall of 1937. This motion was duly seconded and carried, and the President was directed to extend these invitations to the various Synods.

After a few happy remarks, the retiring Chairman, E.B. LeMaster, turned the Chair over to the newly elected Chairman, W. McF. Alexander.

The minutes of the meeting were read and approved.

The meeting adjourned at 3:30 p.m., after prayer by Dr. J.B. Hutton.


Secretary.

DEGREES IN COURSED CONFERRED AT THE COMMENCEMENT EXERCISES OF SOUTHWESTERN

TUESDAY, JUNE 2, 1936

BACHELOR OF ARTS

Richard Taylor Alexander	Memphis, Tennessee
Virginia Alice Alexander	Houston, Mississippi
Mary Frances Baker	Kingsville Texas
Dorsey Jamison Barefield	Lookout Mountain, Tennessee
Edna Langdon Barker	Memphis, Tennessee
Francis Buchanan Benton	Bessemer, Alabama
Adele Frances Bigelow	Memphis, Tennessee
William Lacy Blue	Memphis, Tennessee
Elizabeth Hopestill Brewster	Atlanta, Georgia
Billie Mills Bush	Malvina, Mississippi
Maurice Irwin Carlson	Memphis, Tennessee
Bernice Jackson Cavett	Memphis, Tennessee
Marion Reed Cobb	Delrose, Tennessee
Laura Lee Cooke	Memphis, Tennessee
Margaret Frances Drake	Memphis, Tennessee
Louis Anderson Duffee	Laurel, Mississippi
Richard Lamb Dunlap, Jr.	Paris, Tennessee
Shannon Walter Fisher	Memphis, Tennessee
Kate Chadwell Galbreath	Memphis, Tennessee
Walker McMath Givens	Bastrop, Louisiana
Shirley Elizabeth Ham	Memphis, Tennessee
Charles Harrison Hamilton	Brookhaven, Mississippi
James Raymond Haygood	Memphis, Tennessee
Harvey Brown Heidelberg, Jr.	Clarksdale, Mississippi
Raford Watson Herbert	Lexington, Mississippi
Edmond Carlton Hutchinson	Memphis, Tennessee
Curtis Fillmore Johnson	Clarksdale, Mississippi
Grace Meredith Johnson	Memphis, Tennessee
Harvey Ellis Jones	Montgomery, Alabama
Jameson Miller Jones	Corinth, Mississippi
Hilliard Earl Jordan	Kosciusko, Mississippi
Sherman Kelley	Enid, Mississippi
Susie Ellen Knowlton	Perthshire, Mississippi
Norma Lee	Memphis, Tennessee
Lucile Logan	Malvina, Mississippi
William Hiram Lumpkin	Center, Alabama
Mary Frances McCollum	Memphis, Tennessee
Mollie Royall McCord	Memphis, Tennessee
Sarah Fox Martin	Memphis, Tennessee
Savilla Driver Martin	Memphis, Tennessee
John Thomas Mills	Bogalusa, Louisiana
Claudine Davis Moss	Memphis, Tennessee
Henry Clay Nall	Memphis, Tennessee
Elizabeth Caldwell Pearce	Memphis, Tennessee
Jeremiah Porter	Memphis, Tennessee
Murray Otis Raspberry	Clarksdale, Mississippi
Jean Cravens Reid	Memphis, Tennessee
Lola Ellis Robertson	New York, N.Y.
Elizabeth Robinson	Marvell, Arkansas
Lola Howerton Sale	Memphis, Tennessee
Martha Shaeffer	Memphis, Tennessee
Marion Elizabeth Spencer	Glen Allan, Mississippi
Mary Anna Stockard	Memphis, Tennessee
Sidney Johnson Strickland, Jr.	Maud, Mississippi
Ethel Woodson Taylor	Memphis, Tennessee

JUNE 2, 1936

BACHELOR OF ARTS CONTINUED

Richard Alexander Thomas
Audrey Gertrude Townsend
Sara Louise Tucker
Richard Young Wallace
John Owens Wallis, Jr.
Robert Harcourt Williams
Lucile Ruth Woods

Memphis, Tennessee
Memphis, Tennessee
Tucker, Arkansas
Atoka, Tennessee
Clarksdale, Mississippi
Memphis, Tennessee
Memphis, Tennessee

BACHELOR OF SCIENCE

Roger William Breyspraak
Clarence Raymond Brown
Harold Groves Cooke, Jr.
William Wallace Cox
Jacob Adolph Danciger
John Richard Drake, Jr.
Frank Fiederling
Glenn Davis Gates
Jeff McLemore Hart, Jr.
Rolland Hazlewood
George Leslie McKee, Jr.
Malcolm Vernon Parker
William Hamilton Walker

Memphis, Tennessee
Tupelo, Mississippi
Memphis, Tennessee
Memphis, Tennessee
Memphis, Tennessee
Memphis, Tennessee
Clarksville, Tennessee
Clarksdale, Mississippi
Memphis, Tennessee
Vassar, Michigan
Memphis, Tennessee
Memphis, Tennessee
Memphis, Tennessee

Virginia Churchill Jones, Paducah, Kentucky, is to receive the degree of Bachelor of Arts as of June 2, 1936 at the close of the 1936 summer session.

STUDENTS GRADUATING WITH HONORS

Audrey Gertrude Townsend, with high honors in English and high honors in Political Science
Maurice Irwin Carlson, with honors in English and honors in Greek

STUDENTS GRADUATING WITH DISTINCTION

Virginia Alice Alexander
Edna Langdon Barker
William Lacy Blue
Elizabeth Hopestill Brewster
Laura Lee Cooke
William Wallace Cox
John Richard Drake, Jr.
Louis Anderson Duffee
Richard Lamb Dunlap, Jr.
Kate Chadwell Galbreath
Glenn Davis Gates
Raford Watson Herbert
Edmond Carlton Hutchinson
Jameson Miller Jones
Norma Lee
Malcolm Vernon Parker
Mary Anna Stockard
Richard Alexander Thomas
Richard Young Wallace

<u>Major Subject</u>
English
English
Political Science
English
Bible
Chemistry
Chemistry
Economics
History
English
Chemistry
English
Economics
English
English
Biology
English
English
History

Craig Moffett Crenshaw has been granted permission to read for honors in mathematics and physics during the session 1936-37

THE FOLLOWING HONORARY DEGREES WERE CONFERRED BY SOUTHWESTERN
TUESDAY, JUNE 2, 1936

DOCTOR OF DIVINITY

The Reverend Robert Irvin Hough
Pastor, Central Presbyterian Church

Jackson, Mississippi

The Reverend James Kelly Unger
Missionary, Southern Presbyterian Church

Soonchun, Korea

DOCTOR OF EDUCATION

Frank Sweeney
President, LeMoyne College

Memphis, Tennessee

DOCTOR OF LITERATURE

Herbert Agar
Author and Lecturer

Louisville, Kentucky

Oliver C. Carmichael
Dean, The Graduate School of Vanderbilt University

Nashville, Tennessee

DOCTOR OF LAWS

Samuel Watkins Overton
Mayor, The City of Memphis

Memphis, Tennessee

ANNUAL REPORT OF THE PRESIDENT

To the Board of Directors of SOUTHWESTERN:

The President of the College takes pleasure in submitting the following report, supplemental to the one given at the meeting of the Board of Directors on January 28, 1936:

There has been no change in the personnel of the Board of Directors since the last meeting of the Board, except the loss which Southwestern and the Synod of Mississippi has sustained in the death of our colleague, Reverend E.L. Storey. The following brief of Board of tribute is suggested for adoption by the Board.
Directors

IN MEMORIAM - EDGAR L. STOREY

It is with deep sorrow that the Board of Directors of Southwestern records the sudden death on Wednesday, June 3, 1936, of Reverend Edgar L. Storey, of Mt. Olive, Mississippi, since September, 1933 a member of this Board, and extends heartfelt sympathy to Mrs. Storey and the other members of his family.

Mr. Storey was born in Smith County, Mississippi, sixty-nine years ago. He received his A.B. degree from Daniel Baker College, at Brownwood, Texas, and his B.D. degree from Southwestern Presbyterian University, at Clarksville, Tennessee. He was an earnest preacher and a faithful pastor. He spent a long and useful life in the ministry, holding pastorates in Texas for the larger part of his ministerial life, but was, at the time of his death, pastor of the Mt. Olive group of churches in the Synod of Mississippi.

He was a good presbyter, active in the affairs of the church, and diligent in his attendance upon the church courts. He was a commissioner from the Presbytery of Meridian to the meeting of the General Assembly in Augusta, Georgia, and had just returned from that meeting when he was suddenly stricken with some heart affection, and passed into the other world without lingering. He was regular in his attendance upon the meetings of the Board of Directors of Southwestern during the brief time of his membership on the Board, and tried, as he did in all other cases, to discharge his duties with fidelity. We who remain recognized him as a good man, and we mourn the passing of our colleague.

The Registrar has submitted a supplemental report, including statistics for the second semester of the past session. A tabulation of the students according to classes and residences for the session of 1935-36 is as follows:

Report of the
Registrar

SUMMARY OF STUDENTS ENROLLED DURING SESSION 1935-36

	Men	Women	Total
Senior Class	42	31	73
Junior Class	57	28	85
Sophomore Class	63	49	112
Freshman Class	140	78	218
Special Students	5	4	9
Extension Students	23	0	23
	330	190	520

TABULATION OF STUDENTS ACCORDING TO RESIDENCE

Tennessee (Memphis 330)	374
Mississippi	56
Arkansas	38
Alabama	32
Louisiana	6
Georgia	2
Missouri	2
Texas	2
Florida	1
Illinois	1
Kansas	1
Kentucky	1
Michigan	1
New York	1
Rhode Island	1
Japan	<u>1</u>
	520

At the commencement exercises in June, 1936, there were conferred 76 degrees in course and 6 honorary degrees. A tabulation of these is herewith given. The names and addresses of the recipients of these degrees will be recorded by the Secretary in the minutes of the Board.

<u>DEGREES IN COURSE</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>
Bachelor of Arts	30	33	63
Bachelor of Science	13	0	13
	<u>43</u>	<u>33</u>	<u>76</u>

<u>HONORARY DEGREES</u>	
Doctor of Divinity	2
Doctor of Education	1
Doctor of Literature	2
Doctor of Laws	1

MAJOR SUBJECTS OF GRADUATES

English	24
Social Sciences (History, Political Science, Sociology, Economics)	23
Biology	7
Chemistry	7
Education	7
Philosophy, Psychology and Bible	5
Classical Languages	3
Mathematics	1
Modern Languages	<u>1</u>
	78*

*Includes both majors of two honors students

Number of Students Graduating With Honors	2
Number of Students Graduating With Distinction	19

Number of Graduates Entering as:

Freshmen	59	Juniors	12
Sophomores	5	Seniors	0

There are a number of changes in the faculty and staff because of resignations. Professors E.G. Haden, F.C. Huber, W.P. McLendon, J.E. Wenger and Allen Tate, who were members of the faculty, resigned; Mr. John Faculty and Miller, a member of the athletic staff, also resigned, and Staff Changes Professor C.G. Siefkin has been granted a two-year leave of absence, in order to accept a fellowship from the General Education Board. He will enter the Graduate School of Princeton University this month, at which institution he expects to complete the requirements for his doctor's degree. Professor A.S. McIlwaine, '24, who is completing his doctor's degree at the University of Chicago, will return from his leave of absence, supplying the place in the English Department which has been so satisfactorily filled by Mr. Allen Tate. Dr. J.E. Wenger accepted a position at Princeton, and Dr. M.E. Porter, another Princeton man, has been secured for that position. Professor E.G. Haden is entering the Yale Graduate School to complete the requirements for his doctor's degree, and his place is being filled by Mr. Fritz Caspari, a Rhodes Scholar from Germany. Dr. Ogden Baine, '31, who was listed in the catalogue last year as Instructor in Chemistry, but who actually did the work of Alumni Secretary, is taking the place of Dr. F.C. Huber, and is listed in the 1936-37 catalogue as Assistant Professor of Chemistry. Mr. W.P. McLendon's position is being filled by Dr. W. Ross Junkin, who for the past nine years has been teaching at Cornell University. Mr. Paul Hug, of the University of Tennessee, has been secured as Director of Physical Education for Men, in the place of Mr. John Miller. Mr. C.P. Lee, Jr., a Rhodes Scholar from Arkansas, has been appointed Assistant Professor of Public Speaking and Director of Dramatics. Mr. David M. Amacker, a graduate of Princeton University, and a Rhodes Scholar from Louisiana, who has for the past six years been a member of the faculty of Dartmouth College, is coming to Southwestern as Professor of Political Science. Rev. Samuel E. Howie, of Tupelo, Mississippi, has been secured as Director of Public Relations and Alumni Secretary.

Action was taken by the Board at its January meeting authorizing the restoration of 10% of the salary cut for the members of the faculty and staff, to take effect at the beginning of the second semester. A careful Salary investigation of our financial condition, in conference with the Adjustments Bursar, made it seem unwise to the President to carry out this recommendation, which he himself had made, and to which he was heartily committed, unless it were possible to secure from some source the additional \$5,000 which would be needed to carry out this program. He made earnest efforts to secure this additional money, but was unsuccessful. He hereby confesses with great regret that this 10% salary restoration was not put into effect as ordered. However, the budget recently adopted by the Executive Committee for the year 1936-37 provides for this 10% salary restoration, and the members of the faculty have been notified of this action. The response on their part has been cordial and appreciative, and we believe that no serious harm was done by deferring the execution of the Board action. It is absolutely necessary for us to make this provision now, for the reason that the living costs have risen decidedly, and will continue to rise. It is estimated that living costs will be 20% higher within the next few months. It is only the assurance of this salary restoration that kept us from losing from our faculty Dean A.T. Johnson, one of our most valuable men, who, at a financial sacrifice, this summer declined the offer of a position in North Carolina. Even with the salary restoration which is promised his salary at Southwestern is \$400.00 less than he would have received at the North Carolina institution.

A number of improvements have been made on the campus during the summer. The Southwestern Christian Union, at its own expense, has had erected on the campus a beautiful fireplace and chimney which will be used by it, and by other groups to which the Southwestern Christian Union grants the privilege, for steak fries and similar outings.

Dr. W.S. Lacy is establishing a memorial to his father, Captain W.E. Lacy in the form of a permanent concrete tennis court, built according to exacting specifications and marked with a bronze plate indicating the memorial feature.

A band house has been erected, as a result of which the college band will have a place for practice, which will not interfere with the entire academic work of the college as was the case last year when the band practiced in the tower room of Palmer Hall just above the library. It was impossible also, for acoustical reasons, to continue practice in the tower room. It would have required several hundred dollars to procure the necessary celotex covering which would kill the resonance of that room, and for a few hundred dollars more the band house will be erected. The band house will serve another desirable purpose, in that it will provide some other place than the auditorium for the weekly broadcasting programs. When these programs were broadcast from the auditorium, and when the band appeared on the program, it was necessary every time to unscrew several rows of seats in order to provide space for the band. Besides causing considerable trouble and some expense, this matter of the removal of the seats in the auditorium was not a happy arrangement. This house has a storage room for equipment, and has in it also an office for the Director of Music.

Southwestern has recently received an unconditional gift of \$10,000 from the six heirs of the late Colonel James Fentress. This gift was made as the result of our decision not to prosecute the appeal in the Fentress suit, which we had lost in the Circuit Court of Cook County, Illinois. In view of the fact that Judge Charles N. Burch, who, in addition to many other acts of friendship and cooperation, has rendered such an unusual service to Southwestern in the Fentress case, it is suggested that the Board of Directors of Southwestern formally express to him its appreciation.

Mr. E.R. Barrow, of Memphis, holds as Trustee for Southwestern money and property, amounting to a little more than \$12,000 for the establishment of the Frank M. Harris Memorial.

The General Education Board is continuing its aid to Southwestern in providing this year the salaries for three professors, which relieves the budget of an expense of \$7,700. In addition to this, a fellowship at the Princeton Graduate School is being provided for Professor C.G. Siefkin, and a grant of \$500.00 is being made for some library equipment for the course in Public Affairs.

Recently there was presented to Southwestern by Dr. Hardwig Peres, of Memphis, a portrait of his brother, the late Judge Israel H. Peres, in whose memory have been established the Peres Scholarships. This portrait was painted by Mr. Jascha Shaffran, and it is an excellent piece of work. We have had a large photograph of the late Judge Peres, but we did greatly desire the oil painting, and it is a gift which we highly prize.

Some four years ago the students of Southwestern decided to set aside each year a sum of money from the contingent fund for the purpose of having painted a portrait of the President. This portrait has been painted by Mr. Irving R. Wiles, of New York, has been paid for by the students, and is now on exhibition in the Macbeth Galleries, 11 East 57th Street, New York City. It will be sent to Southwestern sometime this fall.

A number of suits have been filed against Southwestern in connection with the collapse of the building at 241 N. Main Street, Memphis, on May 30, 1936, in which three negro helpers were killed, a number were injured, and adjoining property was damaged. This property became Southwestern's through foreclosure proceedings, and the building was being wrecked, in accordance with the condemnation notice from the City of Memphis. These suits are being defended by our attorney, Mr. Clinton H. McKay, of the firm of Burch, Minor and McKay, Memphis.

Inasmuch as this is the annual meeting of the Board, it would probably be well to appoint or reappoint the Endowment Fund Committee, as well as to elect or reelect the officers of the Corporation.

September 1, 1936.

Chas. S. Diehl,

ANNUAL REPORT OF THE TREASURER

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 1936

To the Board of Directors of SOUTHWESTERN:

The Treasurer herewith submits to the annual meeting of the Board the audit of the books of accounts and records of the College as prepared by independent certified public accountants for the twelve months period ended June 30, 1936, the same having been made by Oliver P. Cobb and Company, certified public accountants of Memphis. This report is voluminous and in detail showing the financial condition of the College at the end of the period, its assets and liabilities, and the results of operation for the fiscal year ended June 30, 1936.

The audit is made the basis of this report and the figures are in agreement therewith, but, in order to conserve space, statements and tabulation are in condensed form and summaries and net figures are in instances used.

Appended is a condensed Balance Sheet setting forth Assets and Liabilities as of June 30, 1936, and also a statement of Operating Income and Expense for the twelve months period ended June 30, 1936.

Referring to Balance Sheet Assets under sub-head "Permanent Funds (Endowment)" a total of \$438,801.50 is shown, which is an increase of \$2,413.75 as compared with the previous audit.

Referring to Balance Sheet "Liabilities" under sub-head "Current Funds," attention is called to item "Notes Payable \$12,500.00." This represents temporary bank loans made in June to meet current expense pending the collection of anticipated revenue. It is expected that this amount plus any additional loans that may be necessary to meet July and August current expense can be paid in full in September from tuition, etc paid by students when the College opens in September. As in previous reports, attention is again called to the item "Reserve Funds" appearing as a liability amounting to \$39,421.96, which indicates a necessary use of these funds to meet operating deficits. A year ago the amount was \$32,133.98. Under sub-head "Plant Funds" the item "Due to Current Funds" \$8,671.05 represents the accumulated amount of interest paid for account of Plant Fund from Current Funds. This item a year ago was \$5,671.47. These advances were made necessary due to inability to collect past due Plant Fund subscription pledges throughout the Synods amounting to more than \$100,000.00. While these last two mentioned items appear as liabilities they are only such as between the various funds owned by the College. The only liability to the public at date of audit June 30, 1936 was "Notes Payable \$12,500.00" and "Current Accounts Payable \$290.00." At the conclusion of the Balance it will be noted that the College has excess assets over liabilities amounting to \$1,939,775.21, a decrease of \$3,238.32 as compared with similar figures as of June 30, 1935.

Referring to Income and Expense statement hereto appended. It is gratifying to note the substantial increase in income received from students and from other sources within the College, and the consequent moderate increase in operating expenses as compared with the previous year. Income from students was increased by \$17,733.01. From other sources within the College the increase was \$3,155.72. The total operating income from these sources, of \$94,949.06 compared with \$75,060.33 the previous year. The increases above shown are due to the

increased enrollment of students, the average number being 436 as compared with 342 the previous year. The work of publicity and promotion is being continued with the hope of enlisting a greater measure of financial support throughout the Synods and encouraging a larger patronage in the way of students.

The invested funds plus cash in the Endowment Fund as of June 30, 1936 amounted to \$438,801.50. Investment earnings amounted to \$18,935.75 equaling an average over all yield of 4.31 per cent, ^{an} decrease from 4.88 per cent for the previous year. Due to the low rate of interest at which investment funds can now be secured, there is a growing tendency on the part of corporations and governmental agencies, where that right obtains to call their outstanding bonds and sell new ones bearing a less interest rate. The endowment earnings have suffered to some extent for that reason. Endowment Real Estate account as of June 30, 1936 was carried at \$46,049.74 of which \$38,049.74 represents six pieces of Memphis real estate acquired through foreclosure.

The Board is well aware of the fact that the endowment fund is greatly inadequate to yield sufficient revenue to bridge the gap between what the student pays and the cost of what the student receives and that for that reason the problem of financing the deficit through other sources is an ever present one. Memphis citizens have been generous, and for several years past, including 1935-36 college year, have contributed one-half of the deficit, with the understanding that the other half would be secured from the Synods or elsewhere. During the year ended June 30, 1936 collections from Memphis citizens subscriptions amounted to \$35,843.00 net. In addition Memphis churches contributed in benevolences \$2,274.15 and the four Synods outside of Memphis \$5,542.10 in benevolences and \$4,800.16 in contributions. An additional grant of \$5,000.00 was received elsewhere. The accrued operating deficit September 1, 1936 will amount to approximately \$20,000.00. This resulting deficit is in practical accord with the financial requirements as outlined by the President and Treasurer in letters addressed to the Directors and the constituency several months ago.

The Synod benevolences amount to practically the same as the previous year. Synod contributions of \$4,800.00 was an increase of that amount over last year. It is confidently expected that the improved economic conditions prevailing in the four Synods will result in a substantial increase in both benevolences and contributions from the Synods during the college year beginning September 1, 1936.

Respectfully submitted,

T.H. Tutwiler, Treasurer

S O U T H W E S T E R N

CONDENSED BALANCE SHEET

June 30, 1936

ASSETS

Current Funds

Net Cash Balance	\$	21,540.44	
Notes Receivable		4,013.44	
Accounts Receivable and Suspense Items		14,125.57	
Inventories		2,125.99	
Stocks and Bonds		570.00	
Real Estate - Presbyterian Hospital		6,000.00	
Due from Plant Fund		<u>8,671.05</u>	
Total Current Fund Assets	\$		57,046.49

Plant Funds

Cash Fund	\$	729.86	
Accounts Receivable - Subscriptions		216.00	
Stock - Par Value		200.00	
Fixed:			
Buildings	\$1,203,540.22		
Real Estate	188,055.88		
Equipment	38,339.72		
Furniture & Fixtures	38,728.55		
Library	<u>35,000.00</u>	<u>1,503,664.37</u>	
Total Plant Funds			1,504,810.23

Permanent Funds

Cash Fund		16,941.78	
Accounts Receivable - Miscellaneous		301.00	
Stocks, Bonds, Mortgages	\$380,508.98		
Real Estate	<u>46,049.74</u>		
Total	<u>426,558.72</u>		
Less Annuities	<u>5,000.00</u>	<u>421,558.72</u>	
Total Permanent Funds			<u>438,801.50</u>
TOTAL ASSETS			<u>2,000,658.22</u>

LIABILITIES and FUNDS

Current Funds

Notes Payable	\$	12,500.00	
Accounts Payable - Miscellaneous		290.00	
Reserved Funds		<u>39,421.96</u>	
Total Current Liabilities and Funds	\$		52,211.96

Plant Funds

Due to Current Funds			<u>8,671.05</u>
TOTAL LIABILITIES			<u>60,883.01</u>
Excess Assets over Liabilities			<u>1,939,775.21</u>
Total Liabilities and Funds			2,000,658.22

CONDENSED INCOME and EXPENSE
Fiscal Year Ended June 30, 1936

INCOME

Matriculation and Tuition, net	\$ 61,657.71
Students - Miscellaneous	<u>3,758.33</u>

Total Income From Students	65,416.04
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OTHER OPERATING INCOME

Endowment Invested Funds	\$ 18,935.76	
Dormitories, Dining Hall and Bookstore - net	9,870.61	
Miscellaneous Other Operating Income	<u>726.65</u>	<u>29,533.02</u>

Total Operating Income	94,949.06
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EXPENSES

Instructional	\$ 88,617.04	
Physical Plant and Grounds	16,461.94	
General and Administrative	36,457.51	
Notes and Accounts Charged Off	<u>6,577.72</u>	
Total Operating Expenses		148,114.21

Unprovided for Operating Expenses (Deficit)	53,165.15
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CONTRIBUTED INCOME

Memphis Campaign	\$ 35,843.00	
Memphis Churches - Benevolences	2,274.15	
Synods Outside of Memphis - Benevolences	5,542.10	
Synods Outside of Memphis - Contributions	4,800.16	
Gifts - Sources Outside of Memphis & Synods	<u>5,000.00</u>	
Total Contributed Income		<u>53,459.41</u>

Surplus After Contributions	294.26
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