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A History of the Endowment Fund of Ouachita Baptist University 1904-1966

Virginia Cavness Orr
Ouachita Baptist University

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A HISTORY OF THE ENDOWMENT FUND OF
OUACHITA BAPTIST UNIVERSITY

1904-1966

Completed Chairman, Dr. [Name], [Name], Dr. [Name] and
council of [Name] and directed some of the research that
involved unpublished materials. His critical encouragements, encouragements
and advice are given to him for his generous and helpful
time and efforts and invaluable advice.

Acknowledgement is A Thesis Dr. George E. [Name]
for preparing historic. Presented to and accepting the
valuable of the Faculty of the Graduate School of [Name]
of Ouachita Baptist University

Acknowledgement must be given to my family, who have
borne the long trial of having a parental absence for a
mother. Gratitude is expressed to my husband for his patience
and encouragement.

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by

Virginia Cavness Orr

August 1967

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Approval sheet

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Acknowledgement must be given to my family, who have borne the long trial of having a perpetual student for a mother. Gratitude is expressed to my husband for his patience and encouragement.

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TABLE OF CONTENTS
Approval Sheet

CHAPTER		PAGE
I.	GENERAL STATEMENT OF THE PROBLEM.	1
	The Problem	1
	Statement of the problem.	1
	A HISTORY OF THE ENDOWMENT FUND OF	2
	Importance OF OUCHITA BAPTIST UNIVERSITY	2
	Definitions of Terms 1904-1966	3
	Endowment fund.	3
	Ouchita Baptist University	3
	Sources and Methods Used in the Study	5
	Organization.	6
II.	THE ENDOWMENT FUND, 1904-1927	7
	by	
	Launching an Endowment Program.	9
	Virginia Cavness Orr	
	First Contribution.	14
	Debt Payment Campaign, 1912-1917.	15
	Liberty Bond Drive.	20
	Seventy-Five Million	25
	North Central Accreditation	28
	Administration of the Endowment Fund, 1904-1927	34
	Summary	37
III.	THE ENDOWMENT FUND, 1927-1966	39
	Planning for Expansion	40
	Effects of the Depression	42

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TABLE OF CONTENTS

CHAPTER	PAGE
I.	GENERAL STATEMENT OF THE PROBLEM. 1
	The Problem 1
	Statement of the problem. 1
	Scope of the problem. 2
	Importance of the Study 2
	Definitions of Terms Used. 3
	Endowment fund. 3
	Ouachita Baptist University 3
	Sources and Methods Used in the Study 5
	Organization. 6
II.	THE ENDOWMENT FUND, 1904-1927 7
	Launching an Endowment Program. 9
	First Contribution. 14
	Debt Payment Campaign, 1912-1917. 15
	Liberty Bond Drive. 20
	Seventy-Five Million Campaign 25
	North Central Accreditation 28
	Administration of the Endowment Fund, 1904-1927 34
	Summary 37
III.	THE ENDOWMENT FUND, 1927-1939 39
	Planning for Expansion. 40
	Effects of the Depression 42

CHAPTER

PAGE

	First Pledging of Endowment Income	48
	Faculty Contribution	50
	Bond Issue for Teacher's Salaries.	54
	Change of Trustee for Bond Issue	55
	Administration of Dr. Grant.	56
	Bond Issue	58
	Effect of Economic Recovery.	60
	Administration of the Endowment Fund, 1927-1939.	63
	Summary.	69
IV.	THE ENDOWMENT FUND, 1939-1949.	70
	\$150,000 Campaign Planned.	70
	Campaign launched.	72
	Arkadelphia and the Campaign	77
	Campaign progress.	78
	The campaign extended.	81
	Final days of campaign	82
	Reaccreditation.	84
	Debt Free in '43	84
	The Million Dollar Campaign.	85
	Presentation of Plans.	86
	Organization of campaign	88
	Use of campaign receipts	89
	Report of director	92
	Extension of campaign.	93

CHAPTER	PAGE
VII. COMMISSION	
Promotion of the campaign	94
BIBLIOGRAPHY	
Arkadelphia's part in campaign.	95
Final days of the campaign.	98
Administration of the Endowment Fund, 1939-1949	101
Summary	102
V. THE ENDOWMENT FUND, 1949-1966	104
Loss of Accreditation	104
Accreditation Regained.	106
Conger Hall Bond Issue.	107
Endowment fund pledged.	108
Change of Administrator	109
A New Administration.	110
O. C. Bailey Bond Issue	112
Ford Foundation Grant	114
Dormitory System Established.	116
Endowment Campaign.	117
Campaign Launched	120
Perrin estate bequest	126
Continued activity.	127
"Operation 1980".	132
Administration of the Endowment Fund, 1949-1966	134
Summary	138
VI. EARNINGS OF THE ENDOWMENT	141
Summary	143

CHAPTER	CHAPTER	PAGE
VII. CONCLUSIONS		145
BIBLIOGRAPHY		150

Since a private educational institution's permanent endowment fund is an important factor in that school's financial structure and since finances are integrally related to virtually every part of its program, the story of the success of such a fund can be, in part at least, the story of the development of the school.

Dr. John Hale Russell, who has written extensively on financing higher education, said of endowment,

Traditionally, heavy emphasis has been laid on the accumulation of endowment by colleges and universities. For many years the accrediting agencies set aside standards of endowment holdings as a major requirement for membership and recognition of privately controlled institutions of higher learning.¹

The accuracy of this statement is borne out fully by the history of Washita Baptist University's endowment fund.

1. THE FUND

Statement of the problem. The purpose of this thesis is to examine the history of the permanent endowment fund of Washita Baptist University of Ada, Oklahoma.

¹John Hale Russell, "Colleges-Universities: Some New Facts" (Higher Education: Some New Developments, ed. Harold Levin, New York: McGraw-Hill Book Co., 1951, p. 234).

CHAPTER I

GENERAL STATEMENT OF THE PROBLEM

Since a private educational institution's permanent endowment fund is an important factor in that school's financial structure and since finances are integrally related to virtually every part of its program, the story of the accrual of such a fund can be, in part at least, the story of the development of the school.

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The accuracy of this statement is borne out fully in the history of Ouachita Baptist University's endowment fund.

I. THE PROBLEM

Statement of the problem. The purpose of this thesis is to examine the history of the permanent endowment fund of Ouachita Baptist University at Arkadelphia, Arkansas.

¹John Dale Russell, "Dollars-Cents: Some Hard Facts" (Higher Education: Some Newer Developments, ed. Samuel Baskin, New York: McGraw-Hill Book Co., 1965), p. 280.

The nature of the study is such that it must be almost exclusively historical. Any value judgments that may eventually be made will be drawn from the historical structure.

Scope of the problem. The study was arbitrarily limited to the development of the endowment fund at one school, Ouachita Baptist University. Because of the subject of the inquiry, the period of time covered is 1904 through May 31, 1966. The first year is the date the fund began; the second date marks the end of the last fiscal year for which a financial audit was available for study.

The study was not intended to examine the handling of the corpus by various trustees of the endowment fund or to criticize investments, collections, distributions of earnings, or anything else which is a normal part of an endowment operation. The sole intention of the study was to examine, historically, the development of said fund.

II. IMPORTANCE OF THE STUDY

The reasons for this study are threefold. First, there has been no previous compiling of information concerning the establishment and growth of Ouachita's endowment fund.

Second, the importance of the endowment fund to the school's academic accreditation has apparently not been widely recognized heretofore. The role of endowment in the institution's pursuit of academic excellence will be noted.

Third, a review of the pattern of growth, including both successes and failures, could offer important background knowledge for school officials and constituents concerned with the endowment fund's present status and future growth.

III. DEFINITIONS OF TERMS USED

Endowment fund. This term refers to the permanent endowment fund of the school studied. Its usage in the institution follows the classical definition of endowment, defined by Russell as "assets held by the institution in perpetuity, to be used for no purpose other than the production of income."¹

Ouachita Baptist University. This is a school which has operated continuously in Arkadelphia, Arkansas, since opening in 1886. It was known at the time of its founding as Ouachita Baptist College and was identified by this name until 1965, when the Board of Trustees added a School of Nursing in Little Rock, Arkansas, and changed the name to Ouachita Baptist University. The school offers degrees through the Master's level and enrolled approximately 1,700 students in the Fall of 1967.

¹Ibid., p. 279.

Ouachita has always had the word "Baptist" in its official name, although popular usage from time to time has dropped this out. For this reason, some of the records read "Ouachita College" or "Ouachita University." However, "Baptist" has always been a part of the legal name. The school is and always has been owned by the Arkansas Baptist State Convention, which elects trustees empowered to operate the school for the Convention.¹

In this study, when the word "Ouachita" is used alone, it denotes Ouachita Baptist University (or College, if before 1965). There are other "Ouachitas" in the geographical area of the school; these include a town, a river, a lake, and a chain of mountains. However, when used in this study the name will refer to the school.

"Ouachita" is an ancient Indian word the exact meaning of which has been lost. The spelling was influenced by the French, who first explored the area. It is pronounced "Wash'i-taw."²

¹Bulletin of Ouachita Baptist University, School of Arts and Sciences (Arkadelphia, Arkansas, 1967), p. 24.

²Ralph A. Phelps, Jr. (ed.), Administrative Manual of Ouachita Baptist University, Vol. 11 (Arkadelphia, Arkansas, September 1, 1966), (Mimeographed.)

IV. SOURCES AND METHODS USED IN THE STUDY

Since there is no previously published work on the subject of Ouachita's endowment fund, it has been necessary to consult a variety of sources to obtain the information needed. An effort has been made to read every locatable word dealing with this subject.

Principal sources of data have been minutes of the Board of Trustees of Ouachita Baptist University, audit reports of the school, college catalogues, alumni bulletins, faculty minutes, annual reports of the Arkansas Baptist State Convention, student newspapers, published materials of Dr. George T. Blackmon of the University's faculty in religion, local newspapers, annual reports and other papers of President Ralph A. Phelps, Jr., and minutes of the First Baptist Church of Arkadelphia and of the Arkadelphia Chamber of Commerce. Brochures and other materials used in endowment campaigns have also been studied.

Locating some materials has been difficult because of a fire which destroyed Old Main, the school's administration building, in 1949. Some of the materials which were consulted would not have been saved had Dr. George T. Blackmon not rescued them from the smoldering ruins after the fire. However, there are gaps in files and in correspondence which cannot be reconstructed.

Every scrap of information available has been consulted and arranged in chronological order, since the study is to be developed chronologically. Where sources of information are in conflict on a particular point, the divergence will be noted.

While an effort has been made to exhaust sources of information, it must be admitted that in a study covering such a wide span of time and so many different individuals it is impossible to declare that every fragment of material has been unearthed. All known information has been consulted.

V. ORGANIZATION

After these preliminary considerations, the remainder of the study will be presented as follows: Chapter II, The Endowment Fund, 1904 to 1927; Chapter III, The Endowment Fund, 1927 to 1939; Chapter IV, The Endowment Fund, 1939 to 1949; Chapter V, The Endowment Fund, 1949 to 1966; Chapter VI, Earnings of the Endowment Fund; Chapter VII, Conclusions.

The organization of material has been planned to bring into focus the major periods or events in the sixty-two-year history of the endowment fund.

CHAPTER II

THE ENDOWMENT FUND, 1904-1927

Ouachita Baptist College began operations in September of 1886. It was not until 1904, however, that Baptist supporters in Arkansas were called on to aid Ouachita in her time of financial need. In the "Original Articles of Incorporation," the founders of the institution had shown their foresight by providing specific powers for the members of the Board of Trustees of the College. In Article 7 these were stated as follows:

The Board of Trustees shall have power to raise by gifts, bequeaths, or otherwise, funds for the building, equipping and endowing of said College, to the amount of one hundred thousand dollars, or more if they see fit.¹

Dr. J. W. Conger, the first president, operated Ouachita Baptist College under a lease agreement with the Arkansas Baptist State Convention. If he cleared over \$2,000.00 from the operation of the college in any one year, this overage was to be returned to the parent body.² There is no record that this amount was ever exceeded.

¹"Articles of Incorporation of Ouachita College," March 23, 1887, Arkadelphia, Arkansas, (in the files of the office of the President).

²George T. Blackmon, "Beginning Influence that Produced Ouachita," (Founder's Day Program, paper presented February 20, 1964), Arkadelphia, Arkansas.

From early days one expense of operation was special aid to ministerial students and ministers' children. The second catalogue of Ouachita Baptist College stated, "Ministers, all young ministers with proper credentials, will be admitted free of tuition expense."¹ Ministers' children were charged only one-third of the normal rate. The Board of Trustees further liberalized this assistance when in 1910 they passed a resolution stating that free tuition would be offered to wives of ministerial students in the literary department of Ouachita Baptist College.²

As the number of students grew, the need for more classroom space and housing facilities became a great concern. Money was borrowed to construct those buildings most desperately needed. In 1904 a report from a representative of the Education Commission of the Arkansas Baptist State Convention was given to the Convention and indicated that the future of Ouachita Baptist College depended on the speedy settlement of her debts.³ Baptists had not been called on for contributions prior to this time because of other needs

¹Ouachita College Bulletin [Catalogue], p. 1, 1887.

²Minutes of the Board of Trustees, Ouachita-Central College System, October 17, 1911, Little Rock, Arkansas, (in the files of George T. Blackmon).

³Minutes of the Arkansas Baptist State Convention, November 18, 1904, p. 44.

in the state, but the urgency of the situation demanded a solution soon. On May 30, 1904, the Finance Committee of the Board of Trustees of the Ouachita-Central System adopted the following:

Whereas, Ouachita College is in debt about Forty Thousand Dollars and Central College Ten Thousand Dollars.

Therefore, be it resolved

First, that Prof. J. W. Conger be requested to take the management to raise the amount in cash and good notes to settle this debt.

Second, that the Board pay Prof. Conger's necessary expenses.

Third, as money is raised it shall be applied in the payment of said debts under the direction of the Pres. & Sec'y of this Board.

Fourth, in addition to raising means to pay the debts of the colleges, Prof. Conger is requested to secure endowment for chairs in Ouachita College.¹

I. LAUNCHING AN ENDOWMENT PROGRAM

Definite plans for paying the indebtedness of the Ouachita-Central System and for beginning an endowment fund for Ouachita Baptist College were presented to the Arkansas Baptist State Convention in 1904 for approval. A goal for the campaign was set at \$150,000.00.² President Conger was

¹Minutes of the Board of Trustees, Ouachita-Central College System, May 30, 1904, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

²Minutes of the Arkansas Baptist State Convention, November 18, 1904, p. 44.

appointed chairman of a campaign committee, and fifteen men were appointed to work with him. Subscriptions were to be made in five annual notes with one payment each year until the whole amount was paid.¹ The Board of Trustees of Ouachita Baptist College and the Executive Board of Missions of the Arkansas Baptist State Convention were to choose a period of two months to be set aside by the churches for the campaign. All pastors and congregations were encouraged to cooperate in achieving this goal. The Chairman of the Education Committee of the Arkansas Baptist State Convention spoke to the session of the convention in 1904 about the responsibility each one had in this task to assure its success. He said, "It will require time, energy, patience and prudent cooperation."²

In June of 1906 a report to the Board of Trustees of Ouachita Baptist College by President Conger, who had spent four months actively campaigning in all parts of the state, stated,

Gentlemen:

By your appointment I entered upon the work of raising money for the liquidation of the debts of our affiliated schools February 1, 1906. The result of the four months' work up to June 1st is as follows:

Collected in cash \$5884.97. I have taken in notes [sic] something over \$15,000 making a total of about

¹Ibid., p. 44. ²Ibid., p. 47.

\$21,000 in notes and cash. Of the pledges made at Ft. Smith there are \$6425.00 that have not been closed up either by notes or cash.¹

A statement of the receipts was given in the report of the Campaign Committee to the Arkansas Baptist State Convention at their annual meeting in November of 1906:

Cash Collected	\$ 9,497.60
Notes Taken	13,375.00
Pledges Taken	770.00
Endowment Bonds	1,520.00
	<u>\$25,144.60</u> ²

The work he had done as financial agent demonstrated that such an undertaking could produce results.

In the Fall of 1906 President Conger gave this same report to the Arkansas Baptist State Convention. He told the assembly that the duties and demands of holding the two positions of president and fund raiser were so heavy he was unable to give attention to the job of business management of the Ouachita-Central College System, as the administrative setup governing Central College at Conway and Ouachita College at Arkadelphia from 1902 to 1912 was known. He submitted his resignation from the chairmanship of this committee. His resignation was accepted, and Reverend L. E.

¹Minutes of the Board of Trustees, Ouachita-Central College System, June 5, 1906, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

²Minutes of the Arkansas Baptist State Convention, November 19, 1906, p. 40.

Gates was named to succeed him. Baptists were challenged to continue their support of the work of the endowment campaign and were reminded that only as the endowment fund was built up could Ouachita grow.

The opinion of the Board of Trustees of Ouachita Baptist College and the Education Committee on the worth of endowment for this institution was summed up in this statement:

If our views are worth holding, we should propagate them, and to propagate them means to preserve them and one of the ways to do both is to found, endow, and patronize our own school.¹

The alumni group which met in Arkadelphia in June, 1906, was aware that tangible help must be given to the Ouachita endowment fund if the desired goal were to be reached.² A motion was made that an endowment committee of three be appointed by the chairman to cooperate with Dr. Conger in raising \$20,000.00. Five members agreed to pay \$70.00 each year, and one agreed to pay \$50.00 each year, for the next five years. Two men agreed to pay \$100.00 yearly. It was reported to the group that the class of 1905 had already contributed about \$1,500.00 to

¹Ibid.

²Minutes of the Ouachita Baptist College Alumni Association, May, 1906, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

this fund. The committee appointed to work on raising endowment funds was instructed to "turn over the funds collected to the treasurer of the campaign. These funds are to be used as endowment funds alone."¹ These alumni apparently wanted to be certain that their money would be invested to produce revenue for Ouachita.

The task of raising sums of money for the endowment campaign seems to have been both slow and discouraging. At the Baptist State Convention in 1907 the Baptist people were told, "We must face the fact that unless an Endowment is raised for our college they will degenerate into the rank of an [sic] second-class institution."²

To be sure the people would know their investment was protected, the following plan for handling monies was adopted by the Board of Trustees:

All money coming to the board of the Ouachita-Central System of Colleges and Academies for debts and endowment shall pass through the hands of the Financial Agent of the Board by voucher or in actual cash.³

When Ouachita learned that the General Education Board of New York City had given Baylor University in Waco,

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, November 15, 1907, p. 47.

³Minutes of the Board of Trustees, Ouachita-Central College System, December 2, 1908, Little Rock, Arkansas, (in the files of George T. Blackmon).

Texas, a sizable sum for endowment in 1910, a committee was appointed to confer with this foundation to discuss the possibility of a \$100,000.00 donation to Ouachita's endowment fund.¹ "This Board was entering on a program of philanthropic giving to American higher education."² This money was to be given ". . . on the condition that two hundred thousand be raised in Arkansas to match this and all outstanding indebtedness against the institution be paid."³ This would be a much-needed addition to Ouachita's endowment fund.

II. FIRST CONTRIBUTION

In 1910 the administrator of the estate of Mr. J. W. Wilson reported that \$10,000.00 had been left to the endowment fund of Ouachita Baptist College.⁴ Encouraged by this gift, campaign leaders urged the people to continue their support of this drive. This was apparently the first contribution to an endowment fund at Ouachita.

¹Minutes of the Arkansas Baptist State Convention, November 13, 1910, p. 23.

²John Dale Russell, The Finance of Higher Education. (Chicago: University of Chicago Press, 1944), p. 57.

³George T. Blackmon, "Historical Sketch of John Gardner Lile," August 1, 1966, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

⁴Ouachita College Bulletin [Catalogue], 1916-1917, p. 9.

III. DEBT PAYMENT CAMPAIGN, 1912-1917

"In the Spring of 1912 some persons in Little Rock proposed to make a liberal gift to Ouachita College for the removal of the same to Little Rock."¹ A committee representing the citizens of Arkadelphia met with the Board of Trustees of Ouachita Baptist College on April 25, 1912, and proposed to help lift the total indebtedness of approximately \$50,000.00. The Board of Trustees was asked to turn over to this committee

. . . for collection and application on this amount the notes and pledges which would normally fall to the share of Ouachita, and which are now in the hands of the financial agent.²

These sums, coupled with the proposed \$50,000.00 gift of the citizens of Arkadelphia, would liquidate the indebtedness of the institution. In the event the question of removal of Ouachita Baptist College were reopened without consent of the appointed trustees for Arkadelphia, the city stipulated the following:

Ouachita Baptist College will be due the said trustees for the citizens of Arkadelphia, the sum of \$50,000; the said \$50,000 to be due and payable within 90 days after the opening of said question.³

¹Ouachita College Bulletin [Catalogue], 1912-1913, p. 15.

²Minutes of the Board of Trustees of the Ouachita-Central System, April 25, 1912, Little Rock, Arkansas, (in the files of George T. Blackmon).

³Ibid.

The Board of Trustees of Ouachita Baptist College accepted this proposition and passed a resolution permanently locating Ouachita Baptist College in Arkadelphia, Arkansas, on condition that this sum be paid to the institution by June 3, 1912.¹

This report was read at the Arkansas Baptist State Convention in June of 1912.

At the meeting of the Board of Trustees of Ouachita College at Arkadelphia last June the contract between the citizens of Arkadelphia and this Board calling for the payment of the indebtedness of Ouachita College was closed.²

From existent records it is impossible to tell whether Arkadelphia paid its part agreed on in the contract.

The Southern Standard, the weekly paper in Arkadelphia, reported on May 4, 1912, that an effort was being made to fulfill this commitment:

The Ouachita College debt committee met with such success in their canvass and are practically certain to guarantee the necessary \$10,000 which will be added to \$30,000 pledged by the Baptist of the state.³

J. S. Rogers, the business manager of Ouachita Baptist College, was named to collect the money and to put into operation plans for securing at least \$250,000.00 in productive

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, November 26, 1912, p. 26.

³Southern Standard, May 4, 1912.

endowment for the institution.¹ A member of the Board of Trustees of Ouachita-Central College System commented on this action,

Our colleges have been weighed down by debt, but a new day has dawned upon us since the meeting of our last convention, and Arkansas Baptists are rejoicing to know that it is possible for them to wipe out all indebtedness from our schools in the very near future. The citizens of Arkadelphia have manifested such heroism and sacrifice in wiping out the outstanding indebtedness on Ouachita as is seldom to be found in the annals of history.²

A special committee to consider the financial crisis of Ouachita was appointed by the Arkansas Baptist State Convention in 1913. It was necessary to raise \$30,000.00 to meet current obligations, and in order that all sections of the state should share in the burden of this work Arkansas was divided into six sections. These, with the center of each, were as follows: Northeast, Jonesboro; Central, Little Rock; Southeastern, Pine Bluff; Southwest, Hope; Northwest, Fort Smith; and Arkadelphia. The last city was designated a sixth section because of the large portion of the indebtedness it had pledged to pay. The drive was to be terminated by January 1, 1914.³

¹Minutes of the Arkansas Baptist State Convention, November 14, 1912, p. 15.

²Ibid.

³Minutes of the Arkansas Baptist State Convention, November 13, 1913, p. 16.

The Southern Baptist Convention demonstrated its confidence in the work of the Baptists of Arkansas and in Ouachita Baptist College by appropriating \$10,000.00 in 1914 to help liquidate this debt of approximately \$30,000.00.¹

It was becoming increasingly evident that a plan would have to be formulated to meet the continuing needs of Ouachita Baptist College or a deficit of about \$9,000.00 would accumulate annually. A representative of the Board of Trustees of Ouachita spoke to the Arkansas Baptist State Convention at its annual meeting in 1916 and told the messengers --the designation of delegates to Baptist meetings--the following:

We believe that the time has come in the history of the college when the active work of raising endowment should be begun. We do not believe that the raising of an endowment will furnish solutions of all the financial difficulties connected with any school, but we do believe it is a very strong agent in helping reach the solution of these difficulties. We cannot expect our young people to come to us unless we can offer them as good or better training than they can get elsewhere. Endowed institutions can offer better opportunities and equipment than unendowed institutions. . . . We cannot expect them to patronize unendowed institutions long, and we certainly cannot expect to hold ground, much less make progress, unless we have an opportunity of educating our own young people.²

¹Minutes of the Arkansas Baptist State Convention,
December 11, 1918, p. 66.

²Minutes of the Arkansas Baptist State Convention,
December 6, 1916, p. 66.

In June of 1916 the First Baptist Church of Arkadelphia and Ouachita Baptist College were the principal beneficiaries in the will of Mrs. Florence I. Wilson. "Mrs. Wilson left an estate of \$37,500.00, most of which was in cash on deposit at the bank and will be a sum for the endowment fund of Ouachita College."¹ This gift served as the stimulus for the President of the College, the members of the Board of Trustees and the Baptist State Convention of Arkansas to redouble their efforts to raise money for endowment. The Convention used this bequest as the basis for a definite endowment goal. Said a Convention report, "It is our conviction that this should be raised to three hundred thousand dollars at least within the shortest space of time possible."²

An article in the Ouachita Signal told of the report to the 1917 Baptist State Convention by President Charles Dicken, Ouachita President from 1916 to 1926, in which report he presented his interpretation of this goal:

The way is open to success. No stone will be left unturned to further the cause of Christian Education from one side of the state to the other. No such possibilities are in the reach of any other school in the South.³

¹Southern Standard, June 12, 1916.

²Minutes of the Arkansas Baptist State Convention, December 6, 1916, p. 66.

³Ouachita Signal, January 1, 1918.

IV. LIBERTY BOND DRIVE

In November of 1917 President Dicken formulated an outline of a plan whereby \$150,000.00 could be raised in less than three months if the churches and individuals would work hard at the job of attaining the goal. His proposed pattern of giving was as follows:

1	Man	\$10,000	Liberty Bond	\$	10,000
3	Men	5,000	Liberty Bond		15,000
5	Men	2,000	Liberty Bond		10,000
10	Men	1,000	Liberty Bond		10,000
20	Men	500	Liberty Bond		10,000
40	Men	250	Liberty Bond		10,000
100	Men	100	Liberty Bond		10,000
500	Men	50	Liberty Bond		25,000
100	W.M.S.'s	100	Liberty Bond		10,000
100	W.M.S.'s	50	Liberty Bond		5,000
500	Sunday Schools	50	Liberty Bond		25,000
100	Organized Sunday School Classes				
			50 Liberty Bond		5,000
100	B.Y.P.U.	50	Liberty Bond		5,000
			Total in Liberty Bonds	\$	150,000

President Dicken seemed to be convinced that his plan was an outstanding opportunity for the Baptists of Arkansas to endow Ouachita Baptist College sufficiently.² He stated the purpose of his plan thus:

By giving Ouachita this endowment in Liberty Bonds nobody will feel the strain; on the other hand, every giver will realize within a few short years that the best act in his Christian giving was the one which endowed Ouachita College with Liberty Bonds. Now is

¹Ouachita Signal, November 17, 1917.

²Ibid.

the time to act wholeheartedly. Talk for it hard and work for it harder.¹

If the Baptists could raise this \$150,000.00, the goal set in President Dicken's plan, Ouachita's endowment fund would then total approximately \$200,000.00 and would enable the College to reach the sum required to obtain the gift of \$100,000.00 offered to the endowment fund by the General Education Board of New York City. The College had applied for this amount in 1910 but had not been able to meet the stipulated matching amount of \$150,000.00.²

The General Education Board has been made trustee of \$32,000,000.00 given by John D. Rockefeller to aid southern colleges worthy of large gifts.

In February of 1918, President Dicken again conferred with the General Education Board about obtaining money for Ouachita's endowment fund. He presented a financial statement prepared by a certified accountant, and these figures were well received. However, it was not until 1924 that requirements were finally met and the grant made by the General Education Board.³

¹Ibid.

²Minutes of the Arkansas Baptist State Convention,
November 13, 1910, p. 23.

³Minutes of the Arkansas Baptist State Convention,
November 18, 1925, p. 46.

The years 1917 and 1918 were productive in the field of fund-raising. By 1917 the endowment fund total had risen to \$51,250.00. At no time prior to that had such enthusiasm and support been shown by the Baptists of Arkansas. "In 1917 the Board of Trustees suggested that the Convention purchase and contribute to the endowment \$100,000 in Liberty Bonds."¹ It was deemed wise to make this investment, for the institution would benefit from the interest. In December of 1917, an article in the Ouachita Signal declared, "Ouachita should have at least \$500,000 in endowment by the time Henderson-Brown² has raised the \$110,000 they just subscribed."³ Students were urged to work to achieve this goal when they went home during the holidays. They were asked to get either the Baptist Young People's Union or Women's Missionary Society to give a Liberty Bond and to bring it back when the students returned from Christmas vacation.⁴

That the directors of the endowment campaign appealed to the patriotic sentiments of the people during World War I

¹George T. Blackmon, "Historical Sketch of John Gardner Lile," August 1, 1966, Arkadelphia, Arkansas (in the files of George T. Blackmon).

²A Methodist college located in Arkadelphia, Arkansas, at that time.

³Ouachita Signal, December 1, 1917, p. 6.

⁴Ouachita Signal, December 15, 1917.

is evidenced by this article in the Ouachita Signal, December 15, 1917:

Just now Ouachita needs the endowment authorized by the Convention last year.

The amount can be raised in government bonds and while the Baptists are helping the Government they can be endowing Ouachita. Why not let the Baptists of Arkansas rise up as one man and say, 'We'll serve our God while we are serving our country.'

The endowment can be raised almost at once if the plan is put into operation.¹

The will of Dr. J. C. Wallis, probated in 1918, bequeathed to Ouachita \$30,000.00 for permanent endowment.²

This was in the form of a life insurance policy and was the largest single amount Ouachita had received for this fund. The student newspaper said of this bequest, "The Endowment of Ouachita will ever stand as a monument in educated men and women dating back to the sacred memory of Dr. J. C. Wallis."³

Mr. John Gardner Lile was appointed endowment secretary for Ouachita Baptist College in January of 1918. He ". . . at once recognized the worth of the Dicken plan and

¹Ibid.

²Ouachita College Bulletin [Catalogue], 1927-1928, p. 8.

³Ouachita Signal, November 9, 1918, p. 1.

advocated it."¹ The Board of Missions of the Arkansas Baptist Convention paid the salary of the field agent and agreed to carry the College's operating deficits up to \$9,000.00 a year. The Board of Trustees of Ouachita Baptist College in 1918 immediately launched an intensive Endowment Campaign with Mr. Lile as Director. The aim for the next five years was to raise \$1,000,000.00 for this fund. The results of this work were reported to the Arkansas Baptist State Convention in 1918. "He raised cash and Liberty Bonds and good interest-bearing notes totaling \$22,008."² When the Arkansas Baptist State Convention held its annual meeting in 1918, it commended the city of Arkadelphia for the part it had paid on the debt of the Ouachita Baptist College. A resolution adopted said,

It is worthy to note that Arkadelphians have paid more than \$70,000 on the debt of the College and have furnished about \$70,000 of the endowment, making a total of \$35.00 per white capita. It shows what Ouachita can do for people whom it reaches intensively.³

In 1918 a member of the Board of Trustees of Ouachita spoke to the Arkansas Baptist Convention and commended the work done by both the endowment secretary, Mr. John G. Lile, and President Dicken: "We can say without reservation that

¹Ouachita Signal, April 13, 1918, p. 4.

²Minutes of the Arkansas Baptist State Convention, December 11, 1918, p. 49.

³Ibid.

the organization and management at Ouachita College merit the help of those interested in financing education."¹

V. SEVENTY-FIVE MILLION CAMPAIGN

The Endowment Secretary, Mr. Lile, joined other people in the Arkansas Baptist Convention in promoting the Seventy-Five Million Campaign, launched by the Southern Baptist Convention in 1919.² This Campaign, a south-wide project, had fourteen specific aims for the next five years. The sixth of these was most applicable to Ouachita Baptist College, since it set a goal of ". . . twenty million dollars for Christian education which will equip and endow them."³ This would not provide all the money needed but was thought to be "sufficient to guarantee the permanence and perpetuity of our educational work. Baptists are in the business to stay."⁴

¹Minutes of the Arkansas Baptist State Convention, December 11, 1918, p. 66.

²George T. Blackmon, "Historical Sketch of John Gardner Lile," August 1, 1966, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

³E. P. Allredge and E. J. McKinney, The Campaign Arsenal. (Little Rock: Pugh Printing Co., September 30, 1919), p. 16.

⁴L. R. Scarborough, Marvels of Divine Leadership or The Story of the Southern Baptist 75 Million Campaign. (Nashville: Sunday School Board Southern Baptist Convention, 1920), p. 174.

In Arkansas the quota to be raised for the campaign was set at \$3,200,000.00. The state had set seventeen aims to accomplish in Arkansas, the tenth of which was "to expend \$550,000 in erecting new buildings, remodeling the old buildings and enlarging endowment at Ouachita College."¹ Ouachita had to postpone her previously-announced endowment campaign in order to avoid a conflict with this \$75,000,000.00 drive. The Board of Trustees said that this postponement was ". . . a sacrifice from the standpoint of individual institutional development for the sake of the success of this great campaign."²

Ouachita's quota to be raised as a part of the \$75,000,000.00 goal was \$12,500.00 and that of the First Baptist Church in Arkadelphia \$80,000.00. After Dr. Dicken organized a detailed plan to carry out Ouachita's part of the campaign, every member of the faculty and practically all the students subscribed. "When the pledges were totalled it was found that the amount reached was \$23,544."³ This was almost double the amount that was set for their quota. The First Baptist Church of Arkadelphia finished their quota,

¹Allredge, op. cit., p. 17.

²Minutes of the Arkansas Baptist State Convention, November 12, 1919, p. 29.

³Ouachita Signal, December 6, 1919, p. 1.

and it was found they ". . . gave the magnificent sum of over \$90,000."¹

These large sums which were pledged were impressive, but only a small portion of this was ever given to the endowment of Ouachita. All the money collected in Arkansas was returned to the Southern Baptist Convention Campaign Headquarters. In 1923, Ouachita Baptist College received only \$1,113.17 for endowment.² This explains, in part, why the president of the institution was always appealing for more contributions to Ouachita's endowment fund.

The Board of Trustees of Ouachita Baptist College recommended to the Arkansas Baptist State Convention in 1922 that a definite drive be started in the last two weeks of June in 1923 to raise endowment. They further recommended that the Convention supplement the income of the College to equal income of an endowment of \$300,000.00 invested at five per cent interest. This sum would amount to about \$12,000.00 per year.³

¹Scarborough, op. cit., p. 148.

²George T. Blackmon, "Historical Sketch of John Gardner Lile," August 1, 1966, Arkadelphia, Arkansas. (in the files of George T. Blackmon).

³Minutes of the Arkansas Baptist State Convention, December 6, 1922, p. 69.

Because sums of money and property were being given to Ouachita Baptist College for its endowment fund, steps were taken to protect these assets from dissipation. In 1923 the Arkansas Baptist State Convention went on record as follows:

The principal of all contributions and donations heretofore and hereafter made for an endowment fund for Ouachita Baptist College shall be forever held sacred and inviolate.¹

Thus, donations were to form a trust fund, with the principal to be invested by the Board of Trustees at its discretion. Whatever the interest, income, dividends, earnings, or profits, these were to be used to support the payment of expenses of the College. No one member of the Board of Trustees of the institution had ". . . the power to contract an obligation for liability with respect to income, dividends, or profits of said endowment fund."²

VI. NORTH CENTRAL ACCREDITATION

Application was made for entrance into the North Central Association of Colleges and Secondary Schools in 1924; but it was rejected, for

¹Minutes of the Arkansas Baptist State Convention, December 12, 1923, p. 68.

²Ibid.

... the barrier here-to-fore [sic] and now is our lack of sufficient endowment. We will not be able to enter until our endowment has been paid to the College.¹

The North Central Association required endowment income as "... demonstrating financial stability as the new earnings of permanent, productive funds assigned for educational purposes."² That year the institution had not provided evidence of financial resources adequate for support of the educational program.

In that same year, it was reported that the College would lose the sum of \$100,000.00 offered by the General Education Board of New York City if the indebtedness of the institution were not paid off. The Convention took immediate steps to remedy this situation, adopting a resolution asking that "... authorization for and power to borrow in its name not to exceed \$135,000 be authorized to issue negotiable interest-bearing notes"³ The Executive Board of the Arkansas Baptist State Convention paid off the overdraft of \$133,997.35. The payment of the principal and interest of this loan was to be charged to funds received

¹Ibid.

²Committee of Colleges and Universities. North Central Association of Colleges and Secondary Schools, Revised Manual of Accrediting. Chicago: 1938, p. 7.

³Minutes of the Arkansas Baptist State Convention, November 19, 1924, p. 72.

annually and set aside for Ouachita Baptist College in the Convention budget.¹

December of 1924 was a special time for Ouachita Baptist College. The Executive Board of the Southern Baptist Convention gave the Board of Trustees of Ouachita a check for \$256,300.00 and \$12,300.00 in Liberty Bonds. This, with the \$100,000 the College received in direct payment from the Education Board of the Southern Baptist Convention, enabled Ouachita to get the long-sought grant from the General Education Board of New York City. This sum of \$100,000.00 combined with the previous amount to make a grand total of approximately \$400,000.00.² The importance of this successful campaign was extolled in these glowing words:

This was the most outstanding and far-reaching event that will ever occur in the history of Arkansas Baptists. It is the greatest single event for one state in all Southern Baptist achievements during the past quarter century. This gives Ouachita College within \$12,000.00 of as much endowment as the greatest Baptist University in the biggest Baptist state in the world, Baylor University, Waco, Texas, which was founded forty years before Ouachita was established!³

¹Ibid.

²George T. Blackmon, "A History of John Gardner Lile," August, 1966, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

³Minutes of the Arkansas Baptist State Convention, November 19, 1924, p. 72.

This was a significant step toward reaching accreditation. During the years of 1924 to 1926 Ouachita Baptist College made the necessary changes in both organization and equipment to qualify as a member of the North Central Association of Colleges and Secondary Schools. "To meet the standards of the Association, the college had had to be improved along three lines, notably the financial endowment, the faculty and the library."¹

With the cooperation of all Arkansas Baptists the necessary sum of \$500,000.00 was finally raised. Ouachita was examined in March of 1926. The Dean of Arts and Sciences at the University of Arkansas had "... spent a day on the campus ... inspecting our work, equipment and attitude."²

Dr. Dicken attended a meeting of the Association the next week in Chicago and spoke to them on the report of Ouachita. On March 18, 1927, Ouachita Baptist College was officially admitted to membership in the North Central Association of Colleges and Secondary Schools.³ The long struggle thus culminated was summed up in the College catalogue as follows:

¹Ouachita Signal, January 30, 1926.

²Ouachita Signal, March 20, 1926.

³Ouachita College Bulletin [Catalogue], 1927-1928, p. 8.

If a college is to be judged by the usefulness of the men and women whom it sends out into the world, the impartial historian will give Ouachita College a very high and honorable place. The financial struggles have been many; but the institution has now passed the experimental stage and has undoubtedly entered upon a period of enlarged growth and usefulness.¹

An editorial in the Ouachita Signal, cautioned everyone to be aware that just because the school had accreditation was no guarantee that membership in this association was permanent. To retain this status, Ouachita must continue a program of improvements in building and grounds; and the endowment must be increased, the writer said.²

A spokesman for the College told the Arkansas Baptist State Convention in 1928 that Ouachita's endowment must be increased by the sum of at least \$1,000,000.00. He recognized the constructive support which could be given by an alumni association accepting its responsibility and said that ". . . an aggressive alumni association of 6,000 graduates and former students can direct sentiment among more than 100,000 Arkansas Baptists."³

The entire edition of the Ouachita Signal on May 24, 1924, was dedicated to alumni. In this, an article on

¹Ibid.

²Ouachita Signal, April 16, 1927.

³Minutes of the Arkansas Baptist State Convention, November 20, 1928, p. 33.

"Ouachita Endowment" pointed out two key ideas every graduate of Ouachita Baptist College should have:

Gratitude for the service which the school has rendered is in itself sufficient reason for liberal endowment by every graduate. Then there is the factor of protection. Your diploma has value as your college has standing. Ouachita should begin very materially to realize upon the financial successes of its alumni. From henceforth, there should [sic] be a steady and continual growth of endowment.¹

Even though accreditation had been gained in 1927, additional sums of endowment had to be raised in 1928 in order to meet the requirement of the North Central Association of Colleges and Secondary Schools. When application for membership was originally made, the enrollment exceeded three hundred, and it became necessary for the Executive Board of the Arkansas Baptist State Convention to guarantee that \$6,000.00 would be raised to supplement the funds received annually from the Ouachita endowment fund. An article in the Ouachita Signal on January 14, 1928, stated that over four hundred letters had been sent to Ouachita supporters over the state and asked that they each be responsible for a \$50.00 contribution. At the writing of this article, \$2,246.00 had been received to keep faith with this agreement to pay the stipulated sum required for accreditation.²

¹Ouachita Signal, May 24, 1924.

²Ouachita Signal, January 14, 1928.

Other states in the Southern Baptist Convention began adopting a plan set up by that body whereby support could be given to the many causes supported by the Convention. "After the five-year period of the Seventy-Five Million Campaign the Southern Baptist Convention adopted the Cooperative Program in 1925, as its plan of work."¹ This was to eliminate competition and friction in securing operating funds and to guarantee each cause a fair portion.

VII. ADMINISTRATION OF THE ENDOWMENT FUND

1904-1927

The first resolution pertaining to endowment was adopted in a meeting of the joint Board of Trustees of Ouachita and Central Colleges on June 19, 1902,² when the following was passed:

Resolved, that the Finance Committee be directed to ascertain the exact financial status of the schools of this system and to advise and prosecute plans for the liquidation of their indebtedness, and to speedily arrange through an active agency to amply endow Ouachita College.³

At this same meeting the committee on permanent organization submitted the following:

¹Minutes of the Arkansas Baptist State Convention, January 21, 1936, p. 56.

²Minutes of the Board of Trustees, Ouachita-Central College System, June 19, 1902, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

³Ibid.

The Finance Committee shall have supervision of the finances of the respective schools and academies, to require reports from all parties interested in or handling the finances, either as agent collecting and soliciting funds or as treasurer receiving and holding the same, and shall inquire into the general condition of the schools in a financial way and bring the same before the board for action.¹

The joint Ouachita-Central Board thus established control of the College's funds. The Boards could now begin to seek an endowment fund on which these controls could be used.

The first appointments to positions that would handle monies were made by the Board on November 17, 1904, when President Conger reported that he had employed Mr. H. F. Vermillion to help with raising money to pay off the debts of the colleges and for the endowment fund.² Mr. E. M. Hall of Arkadelphia was designated treasurer to handle monies collected by Dr. Conger and Mr. Vermillion.³

The first endowment committee was added to the list of Board committees by action of the Board on March 12, 1907.⁴

¹Ibid.

²Minutes of the Board of Trustees, Ouachita-Central College System, November 17, 1904, Pine Bluff, Arkansas, (in the files of George T. Blackmon).

³Ibid.

⁴Minutes of the Board of Trustees, Ouachita-Central College System, March 12, 1907, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

From this meeting until the Board meeting of April 25, 1912, there are no records available which give additional information on the administration of the endowment fund during this five-year period.

The meeting of the Board of Trustees in Little Rock on April 12, 1912, was called for the purpose of considering a proposal from the citizens of Arkadelphia to prevent the proposed removal of Ouachita College from Arkadelphia.¹ The following is an excerpt from the proposal Arkadelphia made at that time:

The citizens of Arkadelphia, with several friends outside the town propose to finance the total present indebtedness of Ouachita College, which is approximately \$50,000; Provided: That the Board of Trustees of Ouachita College pass a resolution permanently locating Ouachita College at Arkadelphia, and guaranteeing to E. M. Hall, W. N. Adams, C. C. Tobey, J. C. Wallis, N. D. Huie and their successors, trustees for the citizens of Arkadelphia

That the above trustees for the citizens of Arkadelphia be made trustees for the endowment funds of the College for a term of ten years, performing their duties under the direction of this Board; said trustees for the citizens of Arkadelphia being required to give satisfactory bond for the faithful performance of their duties, and the handling of whatsoever funds may be entrusted to them.²

¹Minutes of the Board of Trustees, Ouachita-Central College System, April 12, 1912, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

²Ibid.

The Board gave the citizens of Arkadelphia until the regular Trustee meeting on June 3, 1912, to make arrangements to pay off the debt.¹ The Board also stated that the question of removal of Ouachita from Arkadelphia would be reopened if the necessary arrangements to pay the debt were not made. There are no Board of Trustee minutes available to cover meetings from the April 12, 1912, to 1930. However, Minutes of the Arkansas Baptist State Convention of 1912 states that the College negotiated a contract with the citizens of Arkadelphia at the June, 1912, Board meeting.²

A committee composed of Arkadelphia men administered the endowment fund through the remainder of the period covered in this chapter.

VIII. SUMMARY

In the span of years from 1904 to 1928 the endowment fund of Ouachita Baptist College grew from its initial beginning to approximately \$500,000.00 in 1925. With the financial stability gained from this fund, the long-sought accreditation was attained. By including Ouachita Baptist College in the Arkansas Baptist State Convention budget when the Cooperative Program was adopted in 1925, Baptists put the school on firm

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, November 26, 1912, p. 26.

financial footing for the first time. The endowment fund had achieved its initial objectives, and supporters of the school were urged to add to the fund as a means of long-range support.

The accreditation of Ouachita Baptist College in 1927 by the North Central Association of Colleges and Secondary Schools marked the beginning of a new phase of work in the life of the institution. To maintain the educational standards then in effect at Ouachita and to prepare for a projected student body of 500, three new buildings were needed, and an additional sum of \$500,000.00 was required for the endowment fund.¹ This increase of the fund would raise the total to \$1,000,000.00 and would be an indication of financial stability.² The financial requirements set up by the North Central Association of Colleges and Secondary Schools stipulated three years of money for a standard college to be accredited:

Income from \$500,000.00 Endowment	\$75,000
Income from 300 students	\$45,000
Additional guarantee	\$5,000
	\$125,000

¹Minutes of the Board of Trustees, Ouachita Baptist University, January 21, 1927, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 20, 1927, p. 31.

³Minutes of the Board of Trustees, Ouachita Baptist University, May 19, 1927, Little Rock, Arkansas, (in the files of the office of the President).

CHAPTER III

THE ENDOWMENT FUND, 1927-1939

The accreditation of Ouachita Baptist College in 1927 by the North Central Association of Colleges and Secondary Schools marked the beginning of a new phase of work in the life of the institution. To maintain the educational standards then in effect at Ouachita and to prepare for a projected student body of 500, three new buildings were needed, and an additional sum of \$500,000.00 was required for the endowment fund.¹ This increase of the fund would raise the total to \$1,000,000.00 and would be an indication of financial stability.² The financial requirements set up by the North Central Association of Colleges and Secondary Schools stipulated these sums of money for a standard college to be accredited:

Income from \$500,000.00 Endowment	\$25,000
Income from 300 students	\$45,000
Additional guarantee	5,000
	<hr/>
	\$75,000 3

¹Minutes of the Board of Trustees, Ouachita Baptist University, January 23, 1930, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 20, 1928, p. 31.

³Minutes of the Board of Trustees, Ouachita Baptist University, May 19, 1932, Little Rock, Arkansas, (in the files of the office of the President).

I. PLANNING FOR EXPANSION

The Ouachita Signal reported that a committee from the Alumni Association had been appointed to work with the Board of Trustees to formulate a building program to begin in 1927 and to be completed by 1936. "It is hoped they will agree for a program to provide at least \$1,500,000 for buildings and an equal amount for endowment."¹ The alumni spokesman, in writing this article, justified the goal, saying that ". . . it will appeal to men and women of means."² It also related the hope of some alumni that the enthusiasm shown by the Baptists of the state in their endorsement of the endowment fund campaign would encourage men and women who live outside Arkansas to make large contributions.³ The article further explained that if the initial sum of \$1,500,000.00 proposed by the Board of Trustees of Ouachita Baptist College could not be raised in the required time, then the Alumni Association recommended that the Board set the minimum amount to be raised at no less than \$750,000.00. This amount of money would make it possible to take care of four hundred students and to expand the building program.⁴ The alumni were eager to see the expansion of Ouachita. The

¹Ouachita Signal, October 24, 1927.

²Ibid. ³Ibid. ⁴Ibid.

proposed drive would be the biggest in the history of the institution.

In 1929 President Charles D. Johnson of Ouachita addressed the annual meeting of the Arkansas Baptist State Convention and told the messengers that some people had the mistaken idea that because the fund drive for the endowment campaign had been successful "never again would another call for money be necessary."¹ All the educational history, whether of denominational colleges, state colleges, or independent colleges and universities, proves that calls for money are absolutely necessary from time to time.

A committee from the Alumni Association was appointed to cooperate with the Board of Trustees of Ouachita Baptist College in determining what would be the Board's future policy on endowment. In 1930 at the annual meeting of the Arkansas Baptist State Convention a representative of the Board of Trustees presented plans and recommendations for the future development of the College as follows:

We, the members of the Board of Trustees of Ouachita College, endorse the Ouachita Building and Enlargement Movement to cover a period of five years and to include a plan for the erection of three new buildings; for raising the endowment from \$532,000 to one million dollars and to increase the student-body from an average of 300 to an average of 500. It is

¹Minutes of the Arkansas Baptist State Convention,
November 18, 1929, p. 14.

understood that this movement is not to conflict with the debt-raising campaign for the Arkansas Baptist Convention.¹

II. EFFECTS OF THE DEPRESSION

In 1927 the Baptists of Arkansas, the members of the Board of Trustees, and administrative officials of Ouachita could not foresee the nation's economic collapse in the years immediately ahead, which collapse was triggered by the stock market collapse. "The crash of the stock market in October of 1929 was merely a symptom of the deeper instability of the whole economic structure."² This event, combined with over-expansion on borrowed money, caused chaos in both the Arkansas Baptist State Convention and all the other Baptist state conventions of her sister states. The financial crisis at Ouachita Baptist College in the 1930's had actually begun in the 1920's.³

¹Minutes of the Board of Trustees of Ouachita Baptist University, January 23, 1930, Little Rock, Arkansas, (in the files of the office of the President).

²Wesley M. Gewehr, and others. The United States A History of a Democracy. (New York: McGraw-Hill Book Company, Inc., 1960), p. 521.

³George T. Blackmon, "Debt Payment and Endowment Campaign for O.B.C.," 1961, Arkadelphia, Arkansas, (in the files of the office of George T. Blackmon).

In 1927 the Arkansas Baptist State Convention had floated a \$950,000.00 bond issue to refinance its debts.¹ This financial crisis of the Convention had been caused by building programs projected in anticipation of reaching the objective based on Arkansas' portion of receipts from the Southern Baptists Convention's Seventy-Five Million Campaign, from 1919 to 1924. The total receipts of this Campaign were \$17,000,000.00 less than the anticipated original goal; failure to reach the receipts anticipated led to widespread financial crisis.² To solve the financial problems of the Arkansas Baptist State Convention, \$2, 078,500.00 of Convention properties were put up as security. This included the Baptist State Hospital in Little Rock, Arkansas; the Bottoms Orphanage in Monticello, Arkansas; and other properties. It did not include Ouachita Baptist College, for the institution had been incorporated separate and apart from the corporation of the Arkansas Baptist State Convention. The debts of the Convention could not in any way be placed upon Ouachita Baptist College, and "neither the

¹Ibid.

²Frank Burkhalter, "Seventy-Five Million Campaign," Encyclopedia of Southern Baptists (Nashville: Broadman Press, 1958), II, p. 1097.

endowment fund nor physical properties of Ouachita could be held for the debts of the Arkansas Baptist State Convention."¹

Because of the conditions generally, the Debt Paying Commission of the Arkansas Baptist State Convention requested that Ouachita Baptist College not conduct any sort of campaign until 1931.² This request caused Ouachita to have to delay her five-year building enlargement and endowment campaign.

President Johnson, in an address to the Arkansas Baptist State Convention in November of 1930, told the delegates that the foundation of Ouachita Baptist College was securely laid on the past efforts of many faithful Baptists, alumni, and friends. Ouachita Baptist College had faced her financial crisis as best she could. He pointed out that ". . . any delay in providing at least the minimum in buildings and equipment and endowment would be a disaster."³ He then reported to the Education Committee, "Ouachita faces an educational calamity if the support of the Convention and the cooperation of the Baptists in the

¹Minutes of the Board of Trustees, Ouachita Baptist University, August 5, 1930, Little Rock, Arkansas, (in the files of the office of the President).

²Ibid.

³Minutes of the Arkansas Baptist State Convention, November 18, 1930, p. 18.

state is not given."¹ The churches were asked to cooperate with Ouachita Baptist College by providing scholarships and sending students to the institution to increase the enrollment to at least 400.

In 1931 "Ouachita was maintained as a standard college in the face of greater difficulties than have faced the college since 1913-1914."² The income had decreased from \$155,599.28 to only \$107,970.11. Faculty and administrative expense was again reduced. This made a fourteen per cent reduction of Ouachita's faculty salary scale so that it was lower than any other accredited college, state or denominational, in Arkansas.

During the administration of Dr. Charles D. Johnson, July 9, 1929, to July 19, 1933, Ouachita Baptist College was not in the Arkansas Baptist State Convention's budget for operating expenses, and other income was totally inadequate.³ He fought a constant battle against the Great Depression. Enrollment dropped to 235 in 1931-32, the lowest figure since

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, November 19, 1931, p. 14.

³George T. Blackmon, "Ouachita Baptist College," 1957, Arkadelphia, Arkansas, (in the files of the office of George T. Blackmon).

1886-87.¹ "To keep the doors of the school open was a major struggle."² Many banks closed, and demands were made to Ouachita Baptist College by creditor banks for payment of debts. In order to meet the demands of the banks and to finance the operations of the institution in the year ahead, President Johnson asked authority of the Convention to make plans to finance the institution.³ This permission was necessary, for the Arkansas Baptist State Convention required that the school not acquire any debts it could not finance with operating expenses during this time of financial crisis.⁴

To relieve the many pressing duties of Ouachita's President Johnson, Reverend Pat Murphy, a pastor from Nashville, Arkansas, was elected as Executive Secretary. His duties were to travel throughout the state, raise funds and try to increase support of the institution. He began

¹Ouachita College Bulletin [Catalogue], 1932, p. 60.

²Ralph A. Phelps, Jr. "Ouachita Baptist College," Encyclopedia of Southern Baptists (Nashville: Broadman Press, 1958), II, 1066.

³Minutes of the Board of Trustees of Ouachita Baptist University, February 18, 1932, Little Rock, Arkansas, (in the files of the office of the President).

⁴Interview with Dr. George T. Blackmon, March, 1967, Arkadelphia, Arkansas.

his duties on March 1, 1932.¹ At the Board of Trustees' meeting on May 19, 1932, he presented a report pertaining to his work and travels. He said that he had purchased advertising in the Baptist Advance for the institution. He also had distributed in all the full-time churches coin envelopes to be used on a designated Sunday for a special offering for Ouachita Baptist College. At the time of his report he had only collected \$850.00 in cash and predicted that no more than \$5,000.00 could be raised due to unstable economic conditions of the country at this time.² He explained to the group that while traveling he had gained an awareness of the need for more state-wide interest in Ouachita Baptist College if the institution were to continue operations during this time of extreme financial crisis in both the state and the nation. Millions of men were out of work and millions more were employed only a few hours a week. The gravity of the situation in this era was mentioned on July 2, 1932, in the acceptance speech of Franklin D. Roosevelt at the Democratic National Convention when he said

¹Minutes of the Board of Trustees, Ouachita Baptist University, February 18, 1932, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Board of Trustees, Ouachita Baptist University, May 19, 1932, Little Rock, Arkansas, (in the files of the office of the President).

that "... the clear fact of our economic condition is a depression so deep that it is without precedent in modern history."¹

III. FIRST PLEDGING OF ENDOWMENT INCOME

The effect of the Great Depression was evident at Ouachita Baptist College as the debts of the institution continued to increase. The Board of Trustees, in seeking a solution to the economic problems being experienced by the College, authorized the Finance Committee of the Board to negotiate a loan of \$75,000.00. In other action at this Board of Trustees' meeting on January 16, 1931, the Finance Committee was empowered to pledge the income from the endowment fund as security for the loan.²

The Board of Trustees faced a problem in pledging the future earnings of the endowment fund as security for a loan. Article 10 of the "Articles of Incorporation" would not allow use of the earnings in this manner.³

¹Richard W. Leopold and Arthur Link, Problems In American History. (New York: Prentice-Hall Inc., 1952), p. 839.

²Minutes of the Board of Trustees of Ouachita Baptist University, January 16, 1931, Little Rock, Arkansas, (in the files of the office of the President).

³"Articles of Incorporation of Ouachita Baptist College," 1887, Arkadelphia, Arkansas, (in the files of the office of the President).

However, in 1931 the Board passed a resolution to amend the "Articles of Incorporation of said Ouachita Baptist College, including the amendment thereto" ¹ The change in the wording of Article 10 allowed the future earnings of the endowment fund to be pledged as security for loans. The article stated that ". . . the interest, income, dividends, earnings and profits may be used by said Board for the benefit of said College as said Board may direct." ²

Empowered with authority from the Board of Trustees and cleared of the restriction on using the endowment income as security for a loan, the Finance Committee of the Board proceeded to negotiate a loan for \$75,000.00 through the Union Trust Company of Little Rock, Arkansas. The Trust Agreement for this loan was made effective as of February 2, 1931, with the endowment income pledged as security. The Trust Agreement required that the endowment fund would be transferred to the Union Trust Company to be administered by Mr. Charles Gordon, Sr. as agent for the Board of

¹"Resolutions of the Board of Trustees of Ouachita Baptist College Providing for Amendments to the Charter of said College," February 19, 1931, Little Rock, Arkansas, (in the files of the office of the President).

²Trust Agreement by and between Ouachita Baptist College and Union Trust Company. Miscellaneous Records, Book 149, p. 459. February 1, 1933, Arkadelphia, Arkansas, (in the Circuit Clerk's office, Clark County Courthouse).

Trustees.¹ This action was the first authorized pledge of future earnings of the endowment fund.

IV. FACULTY CONTRIBUTION

In the year of 1931, the Minutes of the Arkansas Baptist State Convention reported,

The members of the Ouachita College faculty this fall formed themselves into a group for the purpose of adding to the endowment. The \$35,000 policy has been made to the college. Attention is called to the fact that nearly \$50,000 of Ouachita's endowment has come from friends who have made policies payable to the college.²

The Audit Report of Ouachita Baptist College, June 30, 1931, does not reveal a receipt of the above mentioned policy.³ No other information was found on this matter.

An example of how these insurance policies were used was demonstrated in the action of the Board in January, 1933.

A recommendation was made

. . . that the Board direct the \$1,212.10 from the insurance on the life of C. E. Condray be applied as follows, \$1,000 paid on the endowment fund and that

¹Endowment Fund Audit Report of Ouachita Baptist College, June 30, 1931, Arkadelphia, Arkansas, (in the files of the Business Office).

²Minutes of the Arkansas Baptist State Convention, November 19, 1931, p. 14.

³Audit Report of Ouachita Baptist College, June 30, 1931, Arkadelphia, Arkansas, (in the files of the Business Office).

\$212.10 thereof be used as part of the fund to reduce a debt.¹

Such occasional additions were inadequate, however.

"It was at this crucial stage that Ouachita was dropped from membership in the North Central Association."²

The Ouachita Signal stated the reason for the action thus:

The fault resulting in the dismissal lies in the financial condition of Ouachita. Stress was placed upon the financial trouble, which is a result of a lack of cash on hand caused by a drop in enrollment and by failure of support from the Arkansas Baptist State Convention who are reported as having donated \$1.55 to the college in the last five years.³

At this critical time in the history of Ouachita a committee of citizens of Arkadelphia sent a letter to President Johnson in February of 1932. They expressed their desire to cooperate with Ouachita Baptist College in meeting their financial needs. They also assured officials of the institution of their help in the continued maintenance and operation during this period of economic depression. They proposed to provide a fund of \$50,000.00 to be paid in installments of \$10,000.00 a year for five years to be used

¹Minutes of the Board of Trustees, Ouachita Baptist University, January 26, 1933, Arkadelphia, Arkansas, (in the files of the office of the President).

²Charles D. Johnson, Higher Education of Southern Baptists. (Waco: Baylor University Press, 1955), p. 235.

³Ouachita Signal, March 22, 1932.

primarily for maintenance and operations.¹ The Arkansas Baptist State Convention Minutes of 1932 declared,

The Executive Board requested that the Arkadelphia proposal be considered. This offer was to be presented to the Commission within two weeks. For some reason this proposal did not materialize.²

The Chamber of Commerce of Arkadelphia, Arkansas, had a group within it called the Ouachita Committee, which were to implement ways to aid the school and town in a better working relationship. In March of 1932 this committee met to decide on the matter of ". . . a proposed offering to the Educational Committee of the Baptist Convention; the \$10,000 subscribed by citizens of Arkadelphia."³ At this time another motion was made to appoint the same committee who had solicited these funds of \$10,000.00 in Arkadelphia to act in a similar capacity for obtaining further sums. This committee hoped their constructive action would stimulate other friends in Arkansas to join in the work of keeping the school open. Another purpose of this action was to show the

¹Minutes of the Board of Trustees, Ouachita Baptist University, February 18, 1932, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 15, 1932, p. 25.

³Minutes of the Chamber of Commerce, March 8, 1932, Arkadelphia, Arkansas, (in the office of the Chamber).

Arkansas Baptist State Convention that Arkadelphia desired this body to continue operations in the original location where it was founded in 1886. On May 27, 1932, the Board of Governors of the Chamber of Commerce advanced D. W. McMillan the sum of \$150.00 to consult attorneys in Little Rock, Arkansas, regarding the situation between the city of Arkadelphia and the Convention. The Chamber's authorization of Mr. D. W. McMillan read as follows:

. . . to consult attorneys for opinion on Ouachita College Contract, Endowment funds and possibility of enjoining the Board on removal of the College from Arkadelphia We agreed to pay \$250.00 if necessary to get the opinion in time for the Executive Board of the State Baptist Convention in Little Rock, May 31, 1932.¹

While other schools in the state were being forced to close their doors, this citizens' committee from Arkadelphia assured convention officials that when the period of general financial instability was over they would cooperate with the Christian Education Committee of the Convention to add to equipment and buildings of the College and also to increase endowment.²

The Ouachita Committee of the Arkadelphia Chamber of Commerce worked with other committees of that body in the

¹Minutes of the Chamber of Commerce, May 27, 1932, Arkadelphia, Arkansas, (in the office of the Chamber).

²Minutes of the Board of Trustees, Ouachita Baptist University, February 18, 1932, Arkadelphia, Arkansas, (in the files of the office of the President).

Spring of 1932 to form a \$50,000.00 municipal bond issue to cover the proposed gift to Ouachita Baptist College.

The Minutes of the Chamber of Commerce on June 22, 1932, stated that the bond issue was defeated.¹ No record of this proposal was found in the Minutes of the City of Arkadelphia.

V. BOND ISSUE FOR TEACHER'S SALARIES

In August of 1932 the Board of Trustees met to discuss ways to relieve the financial stress of the College.

In order to carry out contracts which the College had made it was considered wise to float a bond issue of \$75,000.00 hypothecating the income from the endowment, and redeemed in five years.²

The Board then passed the following resolution stating their plans:

Be it resolved that the President and Secretary of this Board are hereby authorized and empowered to issue, as of February 1, 1933, fifteen thousand dollars principal amount of the 6% five year bonds of Ouachita C., pledging the income from the endowment fund, and said bonds to be subject only to the then \$60,000.00 bonds previously issued through the Union Trust Co, of Little Rock, Arkansas and that the said bonds, when and as issued be used to pay the teachers and operatives and other necessary operating expense of the College.³

¹Minutes of the Chamber of Commerce, June 22, 1932, Arkadelphia, Arkansas, (in the files of the office of the Chamber).

²Johnson, op. cit., p. 233.

³Minutes of the Board of Trustees, Ouachita Baptist University, August 30, 1932, Little Rock, Arkansas, (in the files of the office of the President).

By December of 1932 the financial affairs were so involved that seven members of the Board of Trustees of the College were appointed to work closely with the administration of Ouachita Baptist College. The Union Trust Company of Little Rock, Arkansas, was to be the Trustee of this proposed sum of \$15,000.00 which the Board of Trustees desired to borrow.¹ The original bond issue of 1931 had \$15,000.00 due to be paid on February 1, 1933. The Board of Trustees needed the money to pay teachers' and employees' salaries so a new bond to cover the said \$15,000.00 was issued to the holder of the original issue, and the bonds were used to pay the teachers and employees.²

VI. CHANGE OF TRUSTEE FOR BOND ISSUE

In 1934, Union Trust Company, the original trustee in the agreement by which the endowment interest was pledged to secure certain bonds, informed the Trustees of Ouachita Baptist College that it was no longer qualified to continue as their trustee because of the uncertainty of business conditions. The Union Trust Company requested that the

¹Minutes of the Board of Trustees, Ouachita Baptist University, December 30, 1932, Little Rock, Arkansas, (in the files of the office of the President).

²Endowment Fund Audit Report, June 30, 1933, Arkadelphia, Arkansas, (in the files of the Business Office).

College secure a new custodian of the endowment funds. The Board was also informed that court action would probably be necessary to change the custodian of the fund and to appoint a new trustee.¹

The Endowment Committee of the Board of Trustees was authorized to take any action it deemed necessary to provide for a new custodian of the endowment. They were to select and carry out the appointment of a new trustee. If the committee chose, they were authorized to make contact with Simmons National Bank of Pine Bluff, Arkansas. "This bank would become the custodian of the said funds and the trustees in the trust agreement."² Mr. C. Hamilton Moses of the Little Rock law firm of House, Moses and Holmes offered the services of his firm if any court action became necessary to make this change.³

VII. ADMINISTRATION OF DR. GRANT

Dr. J. R. Grant, a member of the Ouachita Baptist College faculty at the time of the resignation of President Johnson in June, 1933, was elected vice-president in June,

¹Minutes of the Board of Trustees, Ouachita Baptist University, July 9, 1934, Little Rock, Arkansas, (in the files of the office of the President).

²Ibid. ³Ibid.

1933. A year later he was elected to the office of President of the College.¹

As long as the endowment fund was tied up with the loan made through the Union Trust Company of Little Rock, Ouachita was unable to realize any return from it for operating expenses. President Grant realized that this fund needed to be freed, so in January, 1934, he recommended to the Board of Trustees that a drive be started to raise \$45,000.00 to release the fund from the Union Trust Company.²

The Arkansas Baptist, dated May 10, 1934, contained a letter of appreciation, written by Dr. Grant, from Ouachita Baptist College to alumni and friends in the state of Arkansas. This letter said,

On behalf of the Board of Trustees we express our appreciation for what you have done to make Ouachita what it is We appreciated the loyalty of Ouachita's students.³

This letter also contained information about the forming of the Ouachita 1,000 Club by the Senior Class of 1934.⁴ The aim of this organization was to secure one thousand friends

¹Johnson, op. cit., p. 234.

²Minutes of the Board of Trustees, Ouachita Baptist University, January 30, 1934, Little Rock, Arkansas, (in the files of the office of the President).

³Arkansas Baptist, May 10, 1934, p. 11.

⁴Ibid.

of the institution to give \$1.00 a month for four years to build a better Ouachita.¹

Mr. D. W. McMillan, a representative of the Ouachita Committee of the Arkadelphia Chamber of Commerce, explained the Ouachita 1,000 Club to the Chamber members and outlined the part that Arkadelphia needed to play in starting this program.² After discussion, a motion was made to give \$150.00 to the 1,000 Club Chairman. The Arkadelphia Chamber went on record as asking the cities of Hot Springs, El Dorado, Pine Bluff, and Texarkana to pay their designated part of this program.

VIII. BOND ISSUE

After the endowment committee of the trustees had conferred with officials of the Simmons National Bank of Pine Bluff, on May 4, 1935, the committee received the following communication from the bank:

After several conversations with Mr. Porter and Dr. Grant in reference to the now existing bonded indebtedness, which is secured by income of the Endowment Fund, it appears that it may be to the best interest to the college to refund the balance now outstanding and increase this to a new issue of \$60,000.00 This would

¹Ibid.

²Minutes of the Chamber of Commerce, August 7, 1934, Arkadelphia, Arkansas, (in the files of the office of the Chamber).

then automatically release approximately \$11,000.00 now on hand and give the college about \$25,000.00 new money with which to settle and adjust at least a part of the floating indebtedness. The Simmons National Bank will agree to lend its efforts in the sale of bonds and will furthermore agree to buy for its own account and to lend its aid in the sale of the remaining \$35,000.00.¹

The Board of Trustees reconvened on May 23, 1935, to discuss the adjustment and settlement of debts with the creditors of Ouachita Baptist College.² It was not until the next year, however, that final action was taken on this matter.

In 1935 at about the time of the consideration of the new bond issue a committee from the North Central Association of Colleges and Secondary Schools visited Ouachita Baptist College in an attempt to determine whether conditions had been met to allow the school to re-enter the Association. A report was presented to the Arkansas Baptist State Convention in 1936 as follows:

We are informed that we cannot be admitted under present conditions. We must reduce the enrollment by 150-200 or increase the budget to a minimum of \$30,000.00 a year.³

¹Minutes of the Board of Trustees, Ouachita Baptist University, May 4, 1935, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Board of Trustees, Ouachita Baptist University, May 23, 1935, Arkadelphia, Arkansas. (in the files of the office of the President).

³Minutes of the Arkansas Baptist State Convention, January 21, 1936, p. 21.

The delineation of the financial criteria for reaccreditation made the need for the bond issue even more pressing and the necessity for a sound financial base even clearer.

The Board of Trustees of Ouachita Baptist College issued bonds for \$75,000.00 in 1936 with the Simmons National Bank as trustee.

During the period under review, a new issue of Endowment Income Bonds amounting to \$75,000.00 and bearing interest at 5% was sold. The proceeds of the sale of these bonds was used to retire all outstanding bonds of the old issues and in compromising other liabilities of the college.¹

This refinancing made it possible for the institution to obtain \$7,500.00 annually from the previously hypothecated income.

IX. EFFECT OF ECONOMIC RECOVERY

From 1932 to 1934 national legislative measures designed to rescue the economy of the country from the worst depression in its history were implemented and called a "New Deal."² President Franklin D. Roosevelt's speech to Congress in 1938 in justification of his legislative program began by stating the purpose of a democratic type of government:

¹Endowment Fund Audit Report, June 31, 1936, Arkadelphia, Arkansas, (in the files of the Business Office).

²Leopold and Link, op. cit., p. 839.

. . . Democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way to sustain an acceptable standard of living.¹

The effect of this crash legislative program was felt throughout the country as the economy of the nation was reestablished on a more substantial footing. Even Ouachita shared in these economic gains as business affairs of the nation began an upswing in 1937. At this time, the institution received for plant operations \$10,000.00 from the interest of the endowment fund.²

The messengers to the Arkansas Baptist State Convention were reminded, "The college will never grow and render the service that it should until Baptist Churches throughout Arkansas contribute to its support."³

The major obstacle in obtaining reaccreditation was lack of adequate finances for plant operations. It was reported at the Arkansas Baptist State Convention in 1938 that a minimum of \$20,000.00 was needed for the school to be admitted to this Association as a senior college. The Education Commission of the Arkansas Baptist State Convention expressed the belief in 1938 at their annual meeting

¹Ibid., p. 875.

²Minutes of the Arkansas Baptist State Convention, January 21, 1937, p. 16.

³Ibid.

that Ouachita Baptist College could soon raise this minimum amount if everyone in the state would aid in this endeavor. It was stated, "She would be getting this amount if we did not have to use a large part of the annual \$20,000 endowment income to pay on the college debt."¹

A committee of the North Central Association of Colleges and Secondary Schools again inspected Ouachita Baptist College in March of 1939. It commended the faculty and students for doing such an excellent grade of work in spite of financial handicaps. The examiners made the following recommendations:

- a. That the physical education building, the little theater, and the boys new dormitory be completed and that the other two dormitories and the infirmary be repaired.
- b. That the mortgage on the endowment income be lifted.
- c. That the enrollment of 556 be reduced to 500.
- d. That Ouachita give fewer scholarships and less work to help students pay expenses.

An outstanding need presented to the Convention and the people of Arkansas in December of 1939 was a plan to lift the debt of \$75,000.00 against Ouachita Baptist College

¹Minutes of the Arkansas Baptist State Convention, December 6, 1938, p. 39.

²"A Dozen Facts About Ouachita College," July 15, 1939, Arkadelphia, Arkansas, (in the files of the office of George T. Blackmon).

so that the school could again receive endowment income. "This income amounts to more than \$20,000 a year. The greater part of it goes to pay a mortgage made 10 years ago."¹

A committee representing the Christian Education Board of the Arkansas Baptist State Convention reported in 1939 these findings to the messengers:

Ouachita College faces the imperative necessity of raising \$150,000.00 in order to free the income of the endowment for \$74,000.00 and to erect a new building containing an adequate chapel and other needed equipment, which calls for \$76,000.00.²

During 1939 Ouachita was given unified support by the Baptists of the state. Various committees continued to recommend that a concerted effort be made to free Ouachita's endowment fund by a special fund-raising campaign.

X. ADMINISTRATION OF THE ENDOWMENT FUND

1927-1939

In the beginning of the period covered by this chapter, the endowment fund continued under the control of a group of trustees from Arkadelphia. The balance sheet of each year's activities by this group was certified as correct by

¹Minutes of the Arkansas Baptist State Convention, December 5, 1939, p. 53.

²Ibid.

Rebsamen, Brown and Company, certified public accountants.¹ The audit dated August 31, 1928, after the death of Mr. E. M. Hall, who had kept the records, said, "The books and records reflect the usual care and painstaking effort always given them by the late Secretary Mr. E. M. Hall."²

However, in less than two years, there was an indication of concern about the handling of the endowment funds in the Board meeting of May 5, 1930:

The committee which was appointed to investigate the handling of the Endowment Fund asked for more time. The request was granted. On motion Dr. H. L. Winburn was elected to succeed W. N. Adams, who resigned, as a member of the endowment committee.³

There are no records available to ascertain when or why this committee was appointed, nor is there any recorded report of the committee's findings.

A personal interview with Dr. Charles D. Johnson, President of Ouachita Baptist College at that time, revealed that he had no knowledge of this committee's having been

¹Endowment Fund Audit Reports, May 31, 1927, August 31, 1928; June 30, 1929; June 30, 1930, Arkadelphia, Arkansas, (in the files of the Business Office).

²Endowment Fund Audit Report, August 31, 1928, Arkadelphia, Arkansas, (in the files of the Business Office).

³Minutes of the Board of Trustees, Ouachita Baptist University, May 5, 1930, Arkadelphia, Arkansas, (in the files of the office of the President).

appointed or what their findings were.¹ He stated, "The endowment fund administration was not my responsibility. All matters of this nature were handled through the Board of Trustees."²

The endowment committee in 1930 was composed of Mr. C. C. Tobey, Mr. A. J. Vestal, Dr. H. L. Winburn, Mr. C. Hamilton Moses and Mr. Charles Gordon, Sr. The first three of these were from Arkadelphia.

The Trust Agreement dated February 2, 1931, for a loan of \$75,000.00, discussed in detail earlier in this chapter, required that the endowment fund be transferred to the Union Trust Company of Little Rock, Arkansas. This Trust Agreement appointed Mr. Charles Gordon, Sr. as agent of the Board of Trustees with the following authority:

. . . as agent of this Board of Trustees, so long as he is willing and able to act, and may make such investments, exchanges and sales as he deems to the advantage of the college, provided his action is first approved by the Union Trust Co.³

¹Personal interview with Dr. Charles D. Johnson (President Ouachita Baptist College, July 9, 1929, to July 19, 1933), July 16, 1967, Magnolia, Arkansas.

²Ibid.

³Trust Agreement by and between Ouachita Baptist College and Union Trust Company. Miscellaneous Records, Book 149, p. 459, February 1, 1933, Arkadelphia, Arkansas, (in the Circuit Clerk's Office, Clark County Courthouse).

Mr. C. Hamilton Moses and Mr. A. J. Vestal were added as agents of the Board along with Mr. Gordon.¹

The next official action in regard to endowment fund control was taken at the Board of Trustees' meeting on May 25, 1931, when the following transpired:

A motion was made and carried that the Endowment books being kept by A. J. Vestal be turned over to the Business Manager of Ouachita College when audited.²

The Endowment Fund Audit Report of June 30, 1931, shows a period during which the fund was being transferred, but apparently no one assumed the responsibility for record-keeping at this time, according to the following statement:

"Since March 14, 1931, the records of the Endowment Fund have not been kept up. . . ."³

The Endowment Fund Audit Report of June 30, 1932, states, "The books and records are kept by the business manager of Ouachita College and they reflect careful attention to all details."⁴ The report also indicates that the

¹Minutes of the Board of Trustees, Ouachita Baptist College, January 16, 1931, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Board of Trustees, Ouachita Baptist College, May 25, 1931, Arkadelphia, Arkansas, (in the files of the office of the President).

³Endowment Fund Audit Report, June 30, 1931, Arkadelphia, Arkansas, (in the files of the Business Office).

⁴Endowment Fund Audit Report, June 30, 1932, Arkadelphia, Arkansas, (in the files of the Business Office).

endowment fund had been transferred to the Union Trust Company of Little Rock, Arkansas.¹

The next change in administration came as a result of the transfer of the endowment fund from Union Trust Company to the Simmons National Bank of Pine Bluff. The details of this loan refunding and transfer are discussed earlier in this chapter. The only change that resulted in this transfer was that Simmons National Bank replaced Union Trust Company as trustee.² The Trust Indenture dated December 2, 1936, appointed Mr. Charles Gordon, Sr., an official of Simmons Bank and a Ouachita trustee, as agent of the Board of Trustees with the same authority as was contained in the Trust Agreement with the Union Trust Company of Little Rock.³

The By-Laws of Ouachita Baptist College, revised and adopted on July 3, 1936, place a considerable amount of restriction on the use of the endowment funds:

The endowment funds shall neither be expended nor hypothecated for current expenses, but shall be retained and preserved inviolate. Investment of endowment funds shall be retained and preserved inviolate. Investment funds shall be made as heretofore provided by the Committee on Finance and Investment. There

¹Ibid.

²Trust Indenture by and between Ouachita Baptist College and Simmons National Bank. Miscellaneous Records, Book 155, p. 600, December 2, 1935, Arkadelphia, Arkansas, (in the Circuit Clerk's Office, Clark County Courthouse).

³Ibid.

shall be no restrictions as to the kinds of investments which may be made, except as hereinafter provided, but other things being equal, preference shall be given to securities issued by the federal and state governments, and to obligations issued by cities having over twenty-five thousand inhabitants, and to real estate mortgages on improved property, but in no case shall the amount loaned on mortgages exceed 50 percent of a fair valuation.

No loan shall be made to any trustee, officer, or employee of the college, nor to any religious, fraternal, or charitable organization.

Funds for special purposes shall consist of all gifts, grants, donations, and bequests for special purposes whose principal and income may be used, and shall be expended for purposes in accordance with the terms of the gift.

Building funds shall consist of all gifts, grants, donations, and bequests for the erection and equipment of buildings and of other moneys and properties appropriated or assigned by the Board of Trustees for the purpose.

The current funds shall consist of income on endowments, tuition receipts and other fees, gifts, grants or bequests for current purposes, receipts from business and commercial operations of the college, and all other receipts for current use.

Endowment funds, funds for special purposes, and building funds, shall not be deposited with or combined in any way, the current funds of the college.¹

Mr. Charles Gordon, Sr. and the Simmons National Bank continued to exercise control of the endowment fund throughout the remainder of the period covered by this chapter.

¹The By-Laws of Ouachita Baptist College, (revised and adopted, July 3, 1936), Arkadelphia, Arkansas, (in the files of the office of the President).

XI. SUMMARY

Ouachita Baptist College entered the period covered by this chapter in a strong position academically. The endowment fund had contributed to this condition by providing the financial stability required for accreditation by the North Central Association.

The Great Depression, beginning in 1929, plummeted Ouachita into a critical financial situation. The economic condition of the nation created circumstances out of which the school could not extricate itself if the endowment income had not been available. The Arkansas Baptist State Convention, parent body of the College, was unable to contribute any support through this desperate period. Student enrollment dropped, and those who did attend usually needed some financial help.

There were virtually no gifts or grants available at this time. The future of Ouachita looked grave.

The endowment fund became the chief hope for the continued operation of the College. The future earnings of the endowment fund were pledged four different times for loans during this period.

The endowment fund proved its importance in making it possible for Ouachita to continue operations during these trying years.

CHAPTER IV

THE ENDOWMENT FUND, 1939-1949

In 1939 the members of the Board of Trustees of Ouachita Baptist College met in joint session with the Finance Committee of the Arkansas Baptist State Convention's Executive Board to consider plans to raise funds for the school. It is significant that this joint committee believed that adequate support would be given to Christian education by Arkansas Baptists.

I. \$150,000 CAMPAIGN PLANNED

This body recommended that plans for a fund-raising campaign be formulated immediately. The suggested purpose of this campaign was two-fold: ". . . that the first moneys secured will be used to release the endowment income for the use of the college"¹ and that the rest of the sum go into ". . . the erection of a chapel on the campus for religious services."²

¹Minutes of the Board of Trustees, Ouachita Baptist University, July 11, 1939, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, December 5, 1940, p. 20.

It was reported to the Board of Trustees of Ouachita Baptist College, during this same meeting, that the first receipts of the proposed campaign would retire the \$74,000.00 indebtedness of the college. The retirement of this debt would release the approximately \$15,000.00 annual endowment income which had been pledged to this debt service for the next six years. In light of the dire financial crisis the institution had just weathered, it was generally recognized that this \$15,000.00 was needed for operating expenses incurred by the institution. Another factor that was considered was that \$12,000.00 in interest could be saved over a period of six years if this debt were retired then. After consideration of these facts, ". . . it was recommended by a committee from the Board that a campaign be started immediately to be finished in December, to raise \$150,000" ¹

Seldom if ever in the history of Ouachita Baptist College had there been a campaign which anticipated the raising of such a large sum of money in such a short period of time. This group passed the following resolution:

RESOLVED that the Administrative Committee of the Executive Board of the Arkansas Baptist State Convention do hereby endorse the plan of the Ouachita College Board to raise \$15,000 Emergency Fund immediately, and if the Ouachita Board elects to put on a campaign for \$150,000

¹Minutes of the Board of Trustees, Ouachita Baptist University, July 11, 1939, Little Rock, Arkansas, (in the files of the office of the President).

this fall, that the Executive Board be called to consider the matter.¹

An article in the Bulletin Ouachita College Alumni Number reported the meeting as follows:

At a recent joint meeting of the Ouachita College Board and the Executive Board of the Arkansas Baptist Convention it was enthusiastically and unanimously voted to promote a program to raise \$150,000.00²

It was also pointed out in this article that if the stipulated sum was raised it would improve Ouachita's rating by the North Central Association of Colleges and Secondary Schools and help produce the financial stability necessary to regain accreditation. Another gain foreseen was that the money ". . . would help Ouachita to render still more service to still more people."³

Campaign Launched

The Arkansas Baptist State Convention in December, 1939, gave approval to a fund-raising drive and authorized ". . . the Ouachita College Board to go afield this winter to raise additional finances."⁴

¹Ibid.

²Bulletin Ouachita College Alumni Number, October, 1939.

³Ibid.

⁴Arkansas Baptist, January 11, 1940.

On January 11, 1949, the Arkansas Baptist in an article titled "Romance of Ouachita College," related that in the recent Baptist State Convention the Baptists of Arkansas voted to join Ouachita College in a crusade to raise \$150,000.00. The section in the article pertaining to endowment read thus:

Endowment Low By Comparison--Whereas Ouachita enrollment is surpassed by only ten Southern Schools its endowment is surpassed by 14 denominational senior colleges. The total endowment is \$576,000 as compared with \$3,000,000 at the University of Richmond and more than \$1,000,000 for six other colleges with students bodies much smaller than Ouachita.¹

An illustration of cooperation of Arkansas Baptists in working for the success of the \$150,000.00 Campaign was the resolution passed by the First Baptist Church of Arkadelphia in January of 1940:

That our church go on record as heartily favoring the campaign for Ouachita College for raising of \$150,000 and that we assure them our fullest financial cooperation.²

The Board of Trustees of Ouachita Baptist College in the Board meeting of February 29, 1940, unanimously elected Robert E. Naylor, pastor of the First Baptist Church,

¹Arkansas Baptist, January 11, 1940.

²Minutes of the First Baptist Church, January 17, 1940, Arkadelphia, Arkansas, (in the files of the office of the Church).

Arkadelphia, as director of the \$150,000.00 Campaign.¹

Active and aggressive support was given to the campaign by the Alumni Association. The Alumni Bulletin printed in January, 1940, solicited support of all of the former students with the following proposal:

Our General Goal: Each Class 100% contribution to the Greater Ouachita Program.

Our Individual Slogan: Ouachita Can Count On Me.
O.B.C. must build or go back.²

This article presented several reasons that the alumni should want to have a part in building a greater Ouachita. It stated that over 10,000 teachers and laymen had been trained at Ouachita Baptist College during the past fifty-four years. The article continued, "We want to see Ouachita College equal to the best, free of debt, fully accredited and with a new chapel hall and music conservatory on the campus."³ The article concluded with the challenge, "We need Ouachita as much as Ouachita needs us."⁴

President James R. Grant spoke to the Ouachita faculty at their monthly meeting on March 4, 1940, about the Board

¹Minutes of the Board of Trustees, Ouachita Baptist University, February 29, 1940, Little Rock, Arkansas, (in the files of the office of the President).

²Bulletin Ouachita College Alumni Number, January, 1940.

³Ibid. ⁴Ibid.

of Trustee meeting in Little Rock at which Reverend Naylor had been elected director of the \$150,000.00 Campaign. "Dr. Grant felt very much encouraged over the prospects for raising the money."¹

The President of the Ouachita Baptist College Alumni Association, Mr. Joe Hankins, wrote a letter titled "Victory Sunday for O.B.C.'s Program,"² to the alumni in the Alumni Bulletin of May, 1940. He urged the alumni to come to homecoming and commencement on May 26, 1940, the day designated as Victory Sunday. "All indications point to this day as a red letter day in the history of Ouachita College and Christian Education."³

Following is a sample pledge included in this open letter to the members of the Alumni Association:

My Loyalty Pledge

Because of my faith in and my vote for Ouachita College and Christian Education, I am pledging \$ _____ on the \$150,000 program to free Ouachita's endowment income; (2) erect and equip a chapel hall and music conservatory. I promise to send this amount to Dr. Ben L. Bridges, Executive Secretary, Little Rock, Arkansas on

¹Minutes of Ouachita College Faculty Meeting, March 4, 1940, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

²Bulletin Ouachita College Alumni Number, May, 1940.

³Ibid.

or before October 31, 1940.

Name _____
 Address _____
 Class of _____ 2

Hankins' letter closed with the statement,

. . . we are all perked up over recent developments at Ouachita College and the statewide and alumni-wide interest shown in the Campaign to build a greater Ouachita College. There is much more to be said but it will wait until we meet at Commencement.³

The Bulletin also contained letters from C. Hamilton Moses, president of the Board of Trustees of Ouachita Baptist College, and Reverend Naylor, director of the campaign.

VICTORY-----

Dear Alumni:

As an Alumnus of Ouachita College, and as Chairman of the Board of Trustees, I am asked to say a word about Ouachita and the \$150,000 Program. For several years our Alma Mater has been growing rapidly. No college in our nation has done more with the same amount of money than has been done at Ouachita during recent years. This \$150,000 program to build a greater Ouachita offers us one big opportunity to join hands with thousands of others to help build our Alma Mater. The mortgage on the endowment income must be lifted and a chapel hall and music conservatory must be built before Ouachita can render its greatest service. This program will do these two things. Ouachita can be fully accredited and take its deserved place among the best colleges of our country.

All Alumni will want to have a part in this far reaching program. Send in your pledge today. It will help make May 26, truly a Victory Sunday.

¹Ibid. ²Ibid. ³Ibid.

Looking forward to seeing you at Homecoming, May, 26, 27

Sincerely,
C. H. Moses, President,
Board of Trustees

1

THANKS TO THE ALUMNI
Dear Alumni Friends:

As General Director of the O.B.C. \$150,000 campaign, I have been working with Ouachita Alumni throughout Arkansas and neighboring states. The loyalty among the alumni is an inspiration. It goes far toward explaining Ouachita's rapid development.

Sunday, May 26, will be Victory Sunday, thanks to Ouachita College Alumni and a few others who appreciate the great program for Christian education that is being carried on at your alma mater. I know that you will want to have a part and that you will want your pledge here on or before May 26.

I am glad to work with you in this great program to build a better Ouachita College. I have enjoyed meeting hundreds of you personally. This contact has given me the Ouachita Spirit.

Looking forward to seeing you at Commencement, May 26-27.

Sincerely,
R. E. Naylor, General Director
O.B.C. Campaign and Pastor
First Church Arkadelphia

2

Arkadelphia and the Campaign

The Chamber of Commerce of Arkadelphia took an active part in the \$150,000.00 Campaign. In April of 1940 the group met to consider the recommendation of the Ouachita Committee of the Chamber that a campaign be undertaken to raise

¹Ibid. ²Ibid.

\$10,000.00 for Ouachita Baptist College. The Chamber also passed a resolution endorsing the fund drive and pledging support of this endeavor.¹

Another example of cooperation in reaching this goal was shown by the faculty members of Ouachita Baptist College. On May 1, 1940, at their monthly meeting President Grant informed the faculty of the \$3,000.00 quota set for Ouachita in the campaign.

It was understood that this was to be given out of the increase in salary for the next year. A motion was made and carried to take the amount in two equal installments from each faculty member's check for the next year.²

The Arkansas Baptist magazine, in a progress report in July 18, 1940, edition stated:

To succeed with definiteness and certainty will give a dynamic power and blessing to the whole work of Baptists through all the months ahead.³

Campaign Progress

BE IT RESOLVED that all designation of moneys being contributed to Ouachita College be fully respected and deeded solely to the designated purpose.

Be It Further Resolved that J. E. Berry, of Smackover, Arkansas, and D. D. Glover of Malvern, Arkansas, be named as a special committee to work with Ben L. Bridges

¹Minutes of the Chamber of Commerce, April 12, 1940, Arkadelphia, Arkansas, (in the files of the office of the Chamber).

²Minutes of the Ouachita College Faculty Meeting, May 1, 1940, Arkadelphia, Arkansas, (in the files of George T. Blackmon).

³Arkansas Baptist, July 18, 1940.

in matter of determining as to when various amounts should be transferred to these two funds, and when the various obligation to be retired therefrom should be paid.

Be It Further Resolved that all moneys collected on the \$150,000 Campaign be divided equally into two funds-- fifty per cent to debt retirement and fifty per cent to building fund.¹

Reverend Naylor gave a complete report on the progress of the campaign to the Ouachita Board of Trustees at its meeting on November 1, 1940. He reported

. . . that \$86,000 had been subscribed, and that about \$27,000 in cash had been paid in. He continued . . . if the churches met their quota more than \$110,000 would be subscribed. The report was only fairly encouraging.²

Alumni President Joe Hankins asked in a letter published in the Bulletin Alumni Number of November, 1940,

Have you made your offering yet to the Campaign to free Ouachita's endowment and to build that beautiful chapel? We believe every Ouachita Alumnus ought to have a part in this worthy undertaking, even though your offering might have to be small. We believe the loss will be yours if you should let the opportunity pass.³

President Hankins related, further, that an architect had been chosen but work would not be started on the chapel until the money on hand was sufficient for this project. He

¹Minutes of the Board of Trustees, Ouachita Baptist University, September 3, 1940, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Board of Trustees, Ouachita Baptist University, November 1, 1940, Arkadelphia, Arkansas, (in the files of the office of the President).

³Bulletin Ouachita College Alumni Number, November, 1940.

also stated, "The Board of Trustees is seeking a gift from anyone who will name the chapel in memory of a friend."¹

C. Hamilton Moses, President of the Board of Trustees of Ouachita Baptist College, in a report to the messengers at the Arkansas Baptist State Convention in December of 1940, discussed the need of adequate support of Christian education:

Never before was the world in greater need of Christian education. Isolation, legislation, organization, education, all have failed. Today the cry is "National defense program" . . . this nation never can be safe, able to enjoy peace and prosperity until the principles of Christianity are substituted for might and militarism, to settle disputes between groups of people. The business of Ouachita College is to train Christian leaders for the pulpit and pew.²

At the same convention, Reverend Naylor reported that over \$91,000 had been pledged and about \$50,000.00 in actual cash received so far. Mr. Moses then presented this resolution: "Be it resolved that Ouachita Board be authorized and directed to proceed with the \$150,000 Campaign for Ouachita College."³ This resolution passed.

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, December 5, 1940, p. 80.

³Ibid., p. 86.

The Campaign Extended

A called meeting of the Board of Trustees was held at the home of President Grant on January 21, 1941. The motion was made ". . . that the last Sunday in April be designated Ouachita Loyalty Day for Ouachita's \$150,000 Campaign, and that the first Sunday in May be designated as Victory Day."¹

An editorial in the Arkansas Baptist on January 2, 1941, stressed the urgency of finishing the \$150,000 Campaign. The article was appropriately titled, "Finish Campaign Now."² The Baptists of Arkansas were reminded that they had spoken through their Convention messengers when Ouachita Baptist College was instructed to proceed in the campaign to raise \$150,000.00

It is urged that this campaign be completed now and not drawn out until it ceases to be a campaign. There are still \$44,000 in unpaid pledges . . . not a single one of our 152,000 Baptists are exempt from their share in raising this amount. Nothing will be gained by waiting for a more propitious time. Get right into the opportunity of this special service with a sense of its privilege and in a sense of prayer.³

¹Minutes of the Board of Trustees, Ouachita Baptist University, January 21, 1941, Arkadelphia, Arkansas, (in the files of the office of the President).

²Arkansas Baptist, January 2, 1941.

³Ibid.

The Arkansas Baptist in February of 1941 in an article, "Arkansas Baptists Plan Final Steps in Ouachita Campaign,"¹ reported, "It is hoped \$60,000 will be raised by pledges by May 4 when this campaign is to be concluded."² On April 4, 1941, the paper declared the need for the College to complete this campaign for Christian Education:

Every person who appreciates Christian Education has no thought except to complete this campaign. Arkansas Baptists must have Ouachita College. We are endeavoring to build it up to the standard Christian College in every respect.

It is an imperative task that promises glorious results for the Baptists of Arkansas. Let's complete it!³

The Campaign had enjoyed remarkable success but had not raised enough money to complete the task. Of the \$80,000.00 contributed by 1941, one-half of it had gone into retirement of the endowment indebtedness. The date set by the Convention when the Campaign would be concluded was drawing near. President Grant asked the Board of Trustees to meet in November of 1941, at which time it was decided to petition the State Executive Board to approve ". . . the continuation of the Campaign to complete the auditorium and

¹Arkansas Baptist, February 27, 1941.

²Ibid.

³Arkansas Baptist, April 4, 1941.

retire the indebtedness against the endowment income."¹ The amount of this indebtedness was now \$21,000.00.

At the Arkansas Baptist State Convention on November 11, 1941, "Ouachita Baptist College was given authority to extend this campaign to March 1, 1942."² A representative of the Board of Trustees addressed the messengers:

Ouachita College stands today as the institutional expression of our denomination's interest in and loyalty to the cause of education. In these days of social and political revolution there is imperative need that both the denomination and our schools understand clearly and maintain courageously the ideals of the Christian College.³

The campaign goal was not reached in the original time period set, but efforts were continued in spite of difficulties.

The \$74,000.00 debt on the endowment fund continued to be lowered, primarily through receipts for the \$150,000.00 campaign and income from the fund itself. In May of 1942, Trustees were told the debt had been reduced to \$15,000.00.⁴ At the Arkansas Baptist State Convention in

¹Minutes of the Board of Trustees, Ouachita Baptist University, November 2, 1941, Little Rock, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 11, 1942, p. 68.

³Ibid.

⁴Minutes of the Board of Trustees, Ouachita Baptist University, May 25, 1942, Arkadelphia, Arkansas, (in the files of the office of the President).

the fall of 1943, the Ouachita report stated, "There is a \$9,000 debt against the Endowment Fund, which is part of an old debt, and we hope will be paid off by December 31, 1943."¹

II. REACCREDITATION

Despite financial handicaps Ouachita Baptist College continued to grow throughout these trying years. The College had applied for reaccreditation with the North Central Association of Colleges and Secondary Schools in 1939 but failed to receive the desired status. The school was examined again in 1941, with the result that reaccreditation was granted on March 25, 1942. The report of the examiners stated,

The financial situation of the college is well under control. The budget has been balanced every year recently. Stable income has been increased. One of the most impressive evidences of strength is the fact that the large accumulation of indebtedness owed by the College has been practically wiped out.²

III. "DEBT FREE IN '43"

The Bulletin Ouachita College Alumni in the February, 1944, edition commented on the most important event in the

¹Minutes of the Arkansas Baptist State Convention, November 15, 1943, p. 52.

²Minutes of the Arkansas Baptist State Convention, November 18, 1942, p. 70.

past year at Ouachita:

"Ouachita Debt Free in '43," was a slogan that came true. On December 29, 1943, the old \$9,000 balance of the old \$65,000 debt was paid in full. With this handicap out of the way our Alma Mater can grow faster.¹

Years of hard work had culminated in victory, but there was a realization that continued effort would be necessary to keep Ouachita's standards high. A letter, written by Mrs. Ruth Hall, the Ouachita Alumni President in the February, 1944, issue of the [Alumni] Bulletin, issued this challenge:

How did you feel when you read the headlines, "Ouachita debt free." Wasn't it great? Weren't you happy you had helped, even though in a small way to make her debt free? Now where do we go from here? . . . It seems that we are coming into an era of specialized education. We'll want post-war Ouachita to keep pace won't we? Let us Think, Talk, Plan and Act for post-war Ouachita!²

IV. THE MILLION DOLLAR CAMPAIGN

The \$150,000.00 Campaign was hardly completed when the Executive Committee of the Arkansas Baptist State Convention and the Board of Trustees of Ouachita Baptist College realized that the task before them required another tremendous effort in order to survive. The ending of World War II indicated a larger student enrollment which would require the College to provide more of all the ingredients necessary

¹Bulletin Ouachita College [Alumni], February, 1944.

²Ibid.

to offer quality education. A need for physical facilities and a strengthening of the endowment fund were seen as the two items around which a fund raising campaign could be built.

Presentation of Plans

The problem was presented to the messengers of the Arkansas Baptist State Convention in November, 1944. In a report on Christian Education the messengers were warned of the danger of complacency in education:

It has been the experience of our great nation in the past to let down at the close of a great crisis and after the battle has been won. Our task is to restore faith in our institutions of learning, to somehow teach the present generation there is no substitute for Christian education.¹

A possible solution to the problem came from the Finance Committee of the Board of Trustees when they recommended on June 19, 1945, ". . . a one Million Dollar Campaign for buildings and endowment."² The plan was to be presented to the Arkansas Baptist State Convention at the Fall assembly, and if approved, would begin immediately thereafter.

¹Minutes of the Arkansas Baptist State Convention, November 20, 1944, p. 73.

²Minutes of the Board of Trustees, Ouachita Baptist University, June 19, 1945, Little Rock, Arkansas, (in the files of the office of the President).

The October, 1945 [Alumni] Bulletin contained a letter from President Grant addressed to alumni in which he told of the anticipated increase in enrollment. Now that World War II was over, many veterans would desire to complete their education. Facilities such as classrooms and dormitories necessary to care for the anticipated 750 students were woefully inadequate. President Grant then related the events which transpired at the joint meeting of the State Baptist Executive Board and the Board of Trustees of Ouachita Baptist College. At this meeting the Board proposed

. . . to begin a three year million dollar campaign to be started immediately The first money would be used to build four fire-proof buildings. The second portion would be added to Ouachita's one-half million dollar endowment, making a \$1,000,000.00 total.¹

The alumni were told,

Most of the private colleges in Ouachita's class have a million dollar endowment. Ouachita College, with a little aid, is now ready to grow into one of the South's best institutions of higher learning.²

The article closed with a challenge to each alumnus to have a vital part in this enlargement campaign.

In September of 1945, state-wide coverage was given in the Arkansas Baptist to the proposed resolution. It

¹Ouachita College Bulletin [Alumni], October, 1945.

²Ibid.

would be presented to the Arkansas Baptist State Convention at its annual meeting in November of that year.¹

The Chairman of the Board of Trustees of Ouachita Baptist College, C. Hamilton Moses, presented the following to the November 19, 1945, session of the Convention;

Whereas, the said Board of Trustees of Ouachita College has requested permission from this Convention to carry on a three year campaign for the purpose of raising \$1,000,000 for said College to promote the interest of Christian Education within this territory, and particularly within our denomination.

THEREFORE, BE it resolved, by this Convention that the Board of Trustees of Ouachita College is hereby authorized to conduct a campaign, . . . one-half of which fund is to be for buildings, and the other half for endowment; it being understood that of the amount provided the first \$400,000 shall be used in the construction of urgently needed buildings, (except that all designated funds to protected and preserved), and that after \$400,000 for buildings has been provided, the balance be set aside for endowment until an equal amount of \$400,000 has been provided, and thereafter any funds be split fifty-fifty for the building fund and endowment fund.²

Organization of Campaign

The Campaign Committee for the Ouachita Board of Trustees, meeting in March of 1946, unanimously adopted these resolutions:

That the committee proceed with the campaign immediately and continuously; that a special committee be named to assist Dr. Whittington in securing proper quarters,

¹Arkansas Baptist, September 13, 1945.

²Minutes of the Arkansas Baptist State Convention, November 19, 1945, p. 90.

supplies and equipment with which to start the campaign; that after the campaign is outlined it be submitted to the Board of Trustees for approval. It is the sense of this committee that all funds handled by the Secretary of the Executive Board, and that the campaign be conducted in full accord with directives of the Convention, as expressed in the resolutions adopted hereby.

BE IT RESOLVED, that the suggestion of Dr. Whittington in reference to the campaign is hereby accepted, and that no bonus be paid in connection therewith, and that his salary be \$500.00 per month, plus expenses in connection with the campaign, and that he be employed from March 15, 1946 through 1947 and 1948.¹

The importance placed upon this campaign was evidenced from the salary paid the director. In comparison, President Grant was being paid \$375.00 per month at this time.²

In 1948, leadership of the campaign changed as a result of the resignation of Dr. Whittington, who asked to be relieved because of ill health. At a meeting on May 24, 1948, the Board employed Reverend Harvey Elledge to direct all the activities planned thereafter.³

Use of Campaign Receipts

An article in the Arkansas Baptist in April of 1946 declared,

¹Minutes of the Board of Trustees, Ouachita Baptist University, March 15, 1946, Little Rock, Arkansas, (in the files of the office of the President).

²Audit Report, Ouachita College, Arkadelphia, Arkansas, July 31, 1946, (in the files of the Business Office).

³Minutes of the Board of Trustees, Ouachita Baptist University, May 24, 1948, Little Rock, Arkansas, (in the files of the office of the President).

Ouachita is again at one of the critical times in her history. She must have four new buildings almost immediately if she continues to serve all who ask admittance at her door. Her endowment must be doubled to afford sufficient income to pay expenses of this growing institution.¹

An article in the Arkansas Baptist reminded the Baptists of Arkansas that they

. . . should remember that the Ouachita Endowment Fund has not been increased for at least 20 years. Immediate action on the part of our people is imperative.²

Dr. Whittington reported to the Board of Trustees at the July, 1946, Board meeting that he was writing to the Baptist friends of Ouachita that "Ouachita needs money now in order to erect much needed buildings. The Board is running on a pay-as-you-go basis policy."³ The letter made an appeal for contributions to be sent at the earliest convenience so that buildings would be ready for the opening of school in September of 1946.

A representative of the Christian Education Commission reported to the Arkansas Baptist State Convention of November 1946, "We would register our deep convictions with the Convention that the most important financial task for us at this

¹Arkansas Baptist, April 4, 1946.

²Arkansas Baptist, May 2, 1946.

³Minutes of the Board of Trustees, Ouachita Baptist University, July 18, 1946, Little Rock, Arkansas, (in the files of the office of the President).

time is to raise this million dollars."¹ A representative of the Board of Trustees of Ouachita Baptist College then addressed the messengers as follows:

Ouachita cannot stay where it is. She must go forward or go backward. To go forward she must get much help. Without this help Ouachita will probably lose her rating, lose her standing and become a college that none of us can really respect. Ouachita belongs to the Baptists of Arkansas. Her future is in their hands.²

In the December, 1947, Ouachita College Bulletin [Alumni], General E. L. Compere reminded alumni that the convention had authorized only three years for this campaign and challenged the alumni members with these words:

We must respond to this challenge this year. If it is not done this year there is small chance it will be done at all. We believe the Baptists will carry the Campaign to a successful conclusion. We cannot conceive of a greater emergency or a greater opportunity facing Ouachita College.³

A representative of the Board of Trustees of Ouachita told the Arkansas Baptist State Convention in November of 1947,

The Federal Government and the States and secular foundations are using millions and millions of dollars in creating institutions and educational buildings, and educational facilities. This becomes a challenge to churches and Christian denominations. The great task

¹Minutes of the Arkansas Baptist State Convention, November 19, 1946, p. 58.

²Ibid.

³Ouachita College Bulletin [Alumni], December, 1947.

before us in the field of Christian Education is the completion of Ouachita College's Million Dollar Campaign. If we do not raise this money and build a bigger and better Ouachita we shall find ourselves in the rear ranks of our educational work.¹

Report of Director

On April 7, 1948, the campaign director, Reverend Harvey Elledge, reported to the Building Committee of the Ouachita College Board of Trustees that there was "\$300,000.00 in unpaid pledges and . . . increased pledges were very little."² He suggested

. . . that we build the one large three-purpose building which would be an outstanding structure and also be a worthy monument to the One Million Dollar Campaign, and to the efforts of Arkansas Baptists He said that this would add quite a stimulus in raising the remainder of the original goal.³

The stated needs of the College at this time were a science building, a library and a boy's dormitory. One wonders how practical it would have been to combine these three in one building.

¹Minutes of the Arkansas Baptist State Convention, November 19, p. 57.

²Minutes of the Board of Trustees, Ouachita Baptist University, April 7, 1948, Arkadelphia, Arkansas, (in the files of the office of the President).

³Ibid.

Extension of Campaign

At the Ouachita Baptist College Board of Trustee's meeting in October of 1948, President Grant, in conjunction with his annual report, presented this resolution for the Board's consideration:

Since the Million Dollar Campaign is only 40% complete; and since the enrollment is more than four times what it was 15 years ago; since still more students want to enter, and since all this creates a still greater need for the other three buildings and for the one half million dollar endowment addition; we recommend to the State Baptist Convention that the Ouachita Million Dollar Campaign be continued for another year. The motion was adopted unanimously.¹

In 1948 Ouachita College's annual report to the Arkansas Baptist State Convention stated that

\$1,115,910 is the average endowment of 28 Southern Baptist Senior Colleges. \$500,000 is the minimum standard endowment required for each additional 100 students. \$518,743.00 is Ouachita's present endowment. She fails to meet standards of these other colleges.²

A representative of the Ouachita College Board of Trustees reported this situation to the annual convention on December 12, 1948, and recommended,

¹Minutes of the Board of Trustees, Ouachita Baptist University, October 9, 1948, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, December 12, 1948, p. 31.

Since Ouachita's enrollment last year was 1,100 and more could be placed if we had room, since the Ouachita endowment is only half the minimum required for the 28 Southern Baptist Senior Colleges, since a science building, a library building and a boys' dormitory are 'musts' for Ouachita, and since the Million Dollar Campaign is hardly 40% complete, we recommend that the Ouachita Million Dollar Campaign be continued another year.¹

There was little doubt in the mind of those present that this action was imperative; the Convention voted to allow the College to continue with this undertaking.

Promotion of the Campaign

"Million Dollar Campaign" was the title of an article in the Ouachita College Bulletin [Alumni] in February of 1949 informing alumni that Dr. Ben L. Bridges had been reappointed head of the Ouachita Million Dollar Campaign and that the time for this drive had been extended for one more year.² All Baptist friends and alumni were urged to complete this work in the coming twelve months. Mention was made of a change in objectives in the campaign in 1948:

The Ouachita Board of Trustees was given the authority to use the necessary amount of the campaign money for the construction of three badly needed buildings on Ouachita's campus and then put the remainder in the Endowment Fund.³

¹Ibid.

²Ouachita College Bulletin [Alumni], February, 1949.

³Ibid.

Dr. Bridges, campaign director during 1949, distributed a pamphlet entitled, "Ouachita College Need You. You Need Ouachita College."¹ This pamphlet contained detailed information of the additions to Ouachita's assets as a result of this campaign. It listed the buildings which had been built thus far with the contributions. Seven reasons were listed as to why the campaign was necessary. The first one stated was ". . . to erect new buildings without creating a debt. For 16 years Ouachita College has run on her income."² This explained the great need for the sums. The others were relevant to the over-all objectives of the campaign and told what the campaign would do:

Make standing secure in North Central Association
 Build a Science Hall needed since 1942
 Erect and equip a library building
 Erect a boys' dormitory
 Enable Ouachita to pay salaries equal to those elsewhere
 Enable students to have standard buildings they deserve
 Enable Ouachita to get aid from the General Education
 Board³

Arkadelphia's Part in Campaign

Dr. Bridges conferred with Mr. Huie and Mr. Berry of the Arkadelphia Chamber of Commerce on May 16, 1949, and asked the Arkadelphia Chamber of Commerce ". . . to help

¹Ouachita College Needs You. You Need Ouachita College. (Million Dollar Campaign Pamphlet, 1949), (In the historical papers of George T. Blackmon, Riley Library, Ouachita Baptist University).

raise \$25,000.00 in 30 days in order to get started on construction of a library building and a science building at a total cost of \$425,000.00."¹

The Ouachita College Bulletin in July, 1949, related,

Twenty teams under the direction of the Chamber of Commerce, Tuesday morning started a drive here to raise \$25,000 cash within three days as part of a state campaign to obtain more than \$600,000 immediately for the erection of a science building and a library building for Ouachita College. The \$25,000 is part of the \$43,000 balance of the city's \$100,000 pledged in the Million Dollar Campaign that started three years ago.²

The Chamber of Commerce minutes for July 9, 1949, show the following:

The Secretary stated \$5,000.00 is needed to complete the Ouachita Building Campaign Very little work is being done and contributions are coming in slowly. Teams are urged to complete their work as soon as possible.³

No other records were found to substantiate this. There is no record of an intensive effort being made at that period of time in the minutes of the Arkadelphia Chamber of Commerce, or the City of Arkadelphia minutes.

¹Minutes of the Chamber of Commerce, May 16, 1949, Arkadelphia, Arkansas, (in the files of the office of the Chamber).

²Ouachita College Bulletin [Alumni], July, 1949.

³Minutes of the Chamber of Commerce, July 9, 1949, Arkadelphia, Arkansas, (in the files of the office of the Chamber).

The Arkansas Baptist, June 9, 1949, printed an article titled, "The City of Arkadelphia and the Million Dollar Campaign."¹ Records do not reveal the whole picture, for many people turned their money over to the churches, some to Ouachita Baptist College, and others to the Chamber of Commerce. This made accurate accounting for the gifts of Arkadelphia virtually impossible. Further insight into this was gained in a personal interview with Dr. Ralph A. Phelps, Jr.

The Arkadelphia Chamber of Commerce, which had agreed to sponsor the local campaign and pay expenses for it, hit on an ingenious plan to kill two birds with one stone. At this time, Arkadelphia was attempting to sell \$100,000.00 worth of stock in Arkadelphia Foundation, Inc. in order to construct a building to house a new plant of the Oberman Manufacturing Company, an out-of-state garment firm. Object of this effort was to bring an industry to Arkadelphia to create jobs, produce income, and stimulate business generally. Since money for this drive and Ouachita's campaign would have to come from the same people, someone broached the idea of giving Ouachita stock bought in the Arkadelphia Foundation, Inc. This met with great favor, since a person could do his civic duty toward two drives and get tax credit for it all, since whatever was given to Ouachita was tax deductible!

Because the industrial foundation had been set up to create jobs rather than produce income for stockholders, the gift of stock shares meant virtually nothing to Ouachita until 1963 when the school finally sold its total of 2,011 shares for \$50,275.00 par value. This

¹Arkansas Baptist, June 9, 1949.

money was used in the construction of Rockefeller Field House and for purchase of furniture for Flippen Girls' Dormitory.¹

The 1950 Audit report of Ouachita Baptist College states:

During the year, 1,207 shares of stock in the Arkadelphia Foundation Inc., which were contributed in a prior year, were transferred from Ouachita Baptist College to the Million Dollar Building Campaign.²

Final Days of the Campaign

As the dead-line drew near for the completion of the Million Dollar Campaign, many articles appeared in the Arkansas Baptist appealing for support of this endeavor. The December 1, 1949, issue declared, "December will write your story about your appreciation for Ouachita College. We need \$105,000 for two buildings under construction."³ The December 22 issue in a full page advertisement made a fervent appeal to the people of the state to take stock of the part they had played.⁴

In a report to the Arkansas Baptist State Convention in November of 1949, a representative of the Ouachita Baptist

¹Personal interview with Dr. Ralph A. Phelps, Jr., July 28, 1967, Arkadelphia, Arkansas.

²Audit Report, Ouachita Baptist College, July 31, 1950, Arkadelphia, Arkansas, (in the files of the Business Office).

³Arkansas Baptist, December 1, 1949.

⁴Arkansas Baptist, December 22, 1949.

College Board of Trustees stated two main objectives of the institution:

Our first objective is to maintain a program of Christian education conducive to the leadership needs of our denominational program.

The second main objective is to maintain for Arkansas Baptists an accredited institution so that our young people will not have to sacrifice scholarship.¹

Administrative officials of the school realized that without adequate support the addition to the endowment fund and the completion of the building program could not become realities. Nor could these stated objectives be attained.

A resolution was adopted designating Sunday, December 11, 1949, for a special offering to the campaign by all Baptist churches in Arkansas.

Audit reports of Ouachita Baptist College reveal that the Million Dollar Campaign was successful in providing these physical facilities. The buildings constructed from the Million Dollar Campaign are shown below.

Terrell-Moore and Johnson	\$154,178.17
Ernest Bailey	40,708.08
North Campus Apartments	6,708.81
25 House Trailers	12,143.28

¹Minutes of the Board of Trustees, Ouachita Baptist University, February 8, 1951, Arkadelphia, Arkansas, (in the files of the office of the President).

Riley Library	138,331.27
Hamilton Moses Science	<u>226,755.22</u>
	578,824.83
Science Equipment	<u>19,415.58</u>
	598,240.41

The Board of Trustees meeting heard a complete report by Dr. Ben L. Bridges, director of the Million Dollar Campaign, "The sums raised totaled \$687,875.46. In addition \$1,670.50 was remitted to the endowment committee."¹ He then stated:

To be brief, we have remitted to the Ouachita College Building Committee and/or the contractors and builders, from time to time all; except a balance on hand amounting to \$19,415.58.²

However, it is interesting to note that the total additions to the endowment fund included a \$1,000 designated gift by Mrs. C. C. Nash and \$607.50 from the campaign receipts. Thus, a total of only \$1,607.50 increase in endowment was realized, although the campaign originally had included \$400,000 for this purpose.³

¹Minutes of the Board of Trustees, Ouachita Baptist University, February 8, 1951, Arkadelphia, Arkansas, (in the files of the office of the President).

²Ibid.

³Audit Report, Endowment Fund Committee Report, Ouachita Baptist College, July 31, 1948, Arkadelphia, Arkansas, (in the files of the Business Office).

V. ADMINISTRATION OF THE ENDOWMENT FUND

1939-1949

The instrument of administrative control of the endowment fund is found in the By-Laws of Ouachita Baptist College, dated July 3, 1936. These state that the duties of the Finance and Investment Committee of the Board of Trustees shall include the administration of the endowment fund. The By-Laws further set up definite controls to be used in making investments.¹

In the beginning of the period covered in this chapter, the endowment fund was in the Simmons National Bank of Pine Bluff, Arkansas. This bank was named as trustee for a bond issue of \$60,000.00 dated December 2, 1935. The endowment fund was moved in 1935 from the Union Trust Company to Simmons National Bank in compliance with the Trust Indenture of the \$60,000.00 Bond Issue. The Trust Indenture name Charles Gordon, Sr., a member of the Ouachita Board of Trustees and an officer of the Simmons National Bank, to act as the agent of the Board of Trustees with full

¹By-Laws of Ouachita Baptist College, Revised and Adopted July 3, 1936, Arkadelphia, Arkansas, (in the files of the office of the President).

authority to administer the endowment fund.¹

When the debt on the outstanding bonds was paid on December 29, 1943,² the fund remained under the control of Mr. Charles Gordon, Sr., at Simmons National Bank and remained there during the period covered by this chapter.

VI. SUMMARY

The period from 1939 to 1949 saw Ouachita Baptist College emerging from severe economic depression and moving into an era of growth.

The \$150,000.00 Campaign, which began in 1939, was motivated by a need for relief from debt. The result of the \$150,000.00 Campaign was the raising of enough money to pay off the outstanding endowment fund bonds of 1936 and other smaller debts of the College. The satisfying of the mortgage made it possible to release to the College as operating revenues the income derived from the operation of the endowment fund. The release of these previously encumbered funds assisted in establishing the financial stability required by the North Central Association of

¹Trust Indenture by and between Ouachita Baptist College and Simmons National Bank. Miscellaneous Records, Book 155, p. 600, December 2, 1935, Arkadelphia, Arkansas. (In the Circuit Clerk's office, Clark County Courthouse).

²Ouachita College Bulletin [Alumni], February, 1944.

Colleges and Secondary Schools and this aided in regaining in 1943 the accreditation lost in 1932.

The \$150,000.00 Campaign had scarcely been completed when the Board of Trustees of Ouachita Baptist College realized that they must once again ask Arkansas Baptists for financial assistance. They therefore requested permission to launch another fund raising campaign, this one designed to produce one million dollars. The Arkansas Baptist Convention approved the campaign plans in 1945. From campaign receipts the College was able to build a science building, a library, and a girls' dormitory. The addition to the endowment fund through the Million Dollar Campaign was less than \$2,000.00

LOSS OF ACCREDITATION

This period began with a change in administration of the College when Dr. J. H. Grant resigned and Dr. E. W. Kubacki, chairman of the Religion Department, was elected President in June of 1945. During Dr. Kubacki's term as President, three libraries and Hamilton Jones Science Hall were completed with the receipts from the Million Dollar Campaign. A major problem which developed during Dr. Kubacki's administration was the loss of accreditation. "On July 1,

¹Johnson, op. cit., p. 235.

CHAPTER V

THE ENDOWMENT FUND, 1949-1966

The years 1949 through 1966 saw Ouachita Baptist College undergo many changes. Three different chief administrators, a loss of accreditation, a struggle to regain accreditation, the increase in student enrollment and the increasing role of the federal government in education all contributed to these changes. The only area that seemed to lie dormant during any of this era was the endowment fund. It was not until the late 1950's that it began to grow once again.

I. LOSS OF ACCREDITATION

This period began with a change in administration of the College when Dr. J. R. Grant resigned and Dr. S. W. Eubanks, chairman of the Religion Department, was elected President in June of 1949.¹ During Dr. Eubank's term as President, Riley Library and Hamilton Moses Science Hall were completed with the receipts from the Million Dollar Campaign. A major problem which developed during Dr. Eubanks' administration was the loss of accreditation. "On July 1,

¹Johnson, op. cit., p. 235.

1951, Ouachita Baptist College was again dropped from the North Central Association of Secondary Schools and Colleges."¹

To cope with the situation, the administration proposed a five-year plan designed to strengthen the overall program and ultimately to qualify the college for reaccreditation.² This was adopted by the Arkansas Baptist State Convention in November of 1951, when it was voted to

- a. Launch an aggressive public relations program designed to attract and inform prospective students, alumni and constituency.
- b. Solicit additional sources of endowment funds both in general and departmental fields.
- c. Secure an adequate and stable source of financial income.
- d. Provide an acceptable athletic program which will meet with the approval of the North Central Association.
- e. Maintain the services of a North Central consultant throughout the five-year period in order to insure the eventual reaccreditation of Ouachita College as a member of North Central Association.³

It was apparent that the College thought that the weaknesses of the school had been overcome when it was

¹Ibid.

²According to the Ouachita College Bulletin [Alumni], May, 1953, p. 3. the author of the plan was Dr. Harold A. Haswell, Administrative Dean in 1951.

³Minutes of the Arkansas Baptist State Convention, November, 1951, p. 91.

reported to the Arkansas Baptist Convention in 1952 that Ouachita had ". . . made application to the North Central Association for accreditation."¹ Although no mention was made at this time of the importance of adequate endowment, close study reveals this had been a contributing factor to the difficulty the College had experienced with the accrediting Association since the initial accreditation of the institution in March of 1927.

II. ACCREDITATION REGAINED

Dr. Harold A. Haswell was given an opportunity to carry through the five-point plan when he was elected President of Ouachita Baptist College on January 15, 1952.² He led an intensive endeavor which enabled Ouachita Baptist College to regain her North Central Association Accreditation on March 25, 1953.³

The Ouachita College Bulletin [Alumni] in May of 1953 said, "The day is bright at Ouachita Baptist College with everyone rejoicing over the regained accreditation in the

¹Minutes of the Arkansas Baptist State Convention, November 18, 1952, p. 47.

²Johnson, op. cit., p. 235.

³George T. Blackmon, "Ouachita Baptist College," 1957, Arkadelphia, Arkansas, (in the files of the office of George T. Blackmon).

North Central Association."¹

III. CONGER HALL BOND ISSUE

It had become apparent that additional facilities must be built to take care of the increased student enrollment. The outstanding need was for an additional boys' dormitory. In order to finance the construction of this facility, it was necessary to borrow money; however, "The Articles of Incorporation" of the College would not allow any of the corpus of the College property to be mortgaged.² This being the case, the only other solution at this time was to turn to financing other than conventional real estate loans.

Since the Federal government, through the Housing and Home Finance Agency, was making low-interest loans to schools for the purpose of building dormitories, the administration was given permission by the Board of Trustees in April of 1953 to apply for one of these. The long process of developing a bond issue, coupled with a new program abounding with intricate requirements, placed the

¹Ouachita College Bulletin [Alumni], May, 1953.

²"Articles of Incorporation of Ouachita Baptist College," March 23, 1887, Arkadelphia, Arkansas, (in the files of the office of the President).

administration in a position of having to provide housing by a certain date, yet not knowing if or when the loan would be approved.

Endowment Fund Pledged

The Board of Trustees of Ouachita Baptist College was once again placed in the position of having to use the endowment income for purposes other than for general operations. When in 1953 at the Spring meeting the Board was informed of the need for \$40,000.00 to be used in construction of a boys' dormitory, it resolved

That the President of Ouachita College, Harold A. Haswell, and the Chairman of the Board of Trustees J. E. Berry and the Secretary W. P. Jones, Jr. be and they are hereby authorized and empowered and directed to borrow from the Simmons National Bank of Pine Bluff, Arkansas, the sum of forty thousand dollars for such a period of time of said loan, with the income from the Endowment Fund. The securities belonging to the Endowment Fund being in the hands of Charles A. Gordon, who is acting as custodian. He was directed to pay to the bank from the Endowment Fund such amount as may be necessary to pay in full the borrowed sum of \$40,000.00 and interest.¹

The \$40,000.00 borrowed from Simmons National Bank plus the \$75,000.00 proceeds from the sale of \$3.01% Dormitory Bonds of 1953 was used in the construction of Conger Hall.²

¹Minutes of the Board of Trustees, Ouachita Baptist University, April 12, 1953, Arkadelphia, Arkansas, (in the files of the office of the President).

²Audit Report, Ouachita Baptist College, May 31, 1953, Arkadelphia, Arkansas, (in the files of the Business Office).

This was the first use of the endowment income for anything other than the general operating expenses of the College since the mortgage on the endowment was satisfied in 1943.

IV. CHANGE IN ADMINISTRATOR

On September 1, 1953, President Haswell resigned to become Executive Secretary of the Education Commission of the Baptist General Convention of Texas.¹ At the conclusion of his administration he presented to the Board of Trustees a detailed report of the progress toward objectives contained in his five-year program.² After a review, he listed items under the heading, "Projects in the Process of Completion." Number X, entirely pertaining to endowment, stated,

It would seem advisable that the present endowment fund of \$625,000 should be increased by approximately one million dollars. It would seem that a denominational college such as Ouachita should have sufficient endowment to serve as a financial cushion against any emergency yet at the same time the endowment should not be sufficiently large to guarantee institutional independence of its fostering denomination. Two years ago Mr. Birkett Williams of Cleveland, Ohio, a graduate of Ouachita College, put in writing his willingness to give \$100,000 to the endowment of this institution if nine other individuals would give a like amount. Perhaps the

¹Minutes of the Arkansas Baptist State Convention, November 17, 1953, p. 47.

²"Ouachita Baptist College Annual Report of President to Board of Trustees," September 16, 1953, Arkadelphia, Arkansas, (in the files of the office of the President). (Mimeographed.)

time has come to press the drive to meet Mr. Williams' challenge.¹

V. A NEW ADMINISTRATION

Dr. Ralph A. Phelps, Jr., a Baylor University alumnus and graduate of the Southwestern Baptist Theological Seminary, became president of Ouachita Baptist College on September 16, 1953.² At the Arkansas State Convention November 17, 1953, the report on Christian Education told of the resignation of Dr. Haswell and said that his leaving was a severe loss to the institution. Then it stated,

However, the Board of Trustees proudly presents Dr. Ralph A. Phelps Jr., who has already assumed leadership in this strategic post. Dr. Phelps is a young man, who comes to this position ably trained and experienced in the field of teaching. There is promise of even more glorious days ahead.³

Dr. C. D. Johnson, a former Ouachita president, later wrote,

The youthful executive demonstrated his talent for organization of a faculty on high academic level and won the esteem of Ouachita alumni throughout the State before the close of the first year.⁴

With the College's public image improved and national economic standards rising enrollment increased rapidly; and

¹Ibid.

²Johnson, op. cit., p. 235.

³Minutes of the Arkansas Baptist State Convention, November 17, 1953, p. 47.

⁴Johnson, op. cit., p. 235.

it became apparent that housing and dining facilities were not adequate. Steps had to be taken immediately so that Ouachita could qualify for additional Federal loans with which to build these facilities.

To borrow money through the Housing and Home Finance Agency, it would be necessary to secure a loan with a first mortgage on the building and site. This meant that Article 6 of the "Articles of Incorporation," which prevented encumbering the corpus of the institution, would have to be changed. This necessitated drafting a proposed new charter for Ouachita Baptist College. At the Board of Trustee meeting on October 11, 1954, motion was made that a proposed new charter "be approved and forwarded to the Arkansas Baptist State Convention."¹ A representative of the Board of Trustees of Ouachita Baptist College spoke to the Arkansas Baptist State Convention in 1954, explaining that the proposal ". . . does hereby reincorporate said institution under and in pursuance of the provisions of the laws of the State of Arkansas" ² The major change was in Article 6, which now stated,

¹Minutes of the Board of Trustees, Ouachita Baptist University, October 11, 1954, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 16, 1954, p. 35.

Said buildings, and a reasonable amount of land necessary for access to and the maintenance and upkeep thereof, may be mortgaged to secure the payment of the principal of an interest on any obligations issued to provide such buildings. Except for the purpose of constructing and securing new buildings, no lien or encumbrance shall be placed upon any land that was embraced in the original corpus of the College.¹

The Convention approved the new charter, which became effective immediately.

VI. O. C. BAILEY DORMITORY BOND ISSUE

It was now possible for Ouachita to obtain another low-interest loan to construct a boys' dormitory. The security for this loan would include a first mortgage on the dormitory and site thereof, a pledge of the gross revenues from the dormitory and a pledge of \$6,000.00 annually from the endowment income. Through this pledge, the endowment fund once again had played an important part in providing physical facilities for the college. The loan made it possible for Ouachita to construct O. C. Bailey Hall, a dormitory completed in 1956.²

President Phelps explained this action in his paper, "An Overview of Ouachita Baptist College."

¹Ibid.

²Audit Report, Ouachita Baptist College, May 31, 1954, Arkadelphia, Arkansas, (in the files of the Business Office).

The original charter, amended several times, was replaced by a new charter in 1954 by the State Convention so that property could be mortgaged for borrowing purposes. The new charter followed the general provision of the original. . . . The school's endowment is pitifully small for a school of this size. . . . Practically nothing has been added to the endowment fund for many years although management of the funds on hand at this time has somewhat increased the value of holdings.¹

Apparently answering counter-views held by some of the Baptist constituency, he continued,

Frequently the argument is advanced that the College does not need more endowment lest it become independent of the denomination. It should be obvious that the endowment would have to be many times its present size before such a situation could exist--even if the Trustees, elected by the Convention, should decide to follow a course independent of the Convention. What is more, the legal setup is such that Ouachita could never become "un-Baptistic" as the University of Chicago did. This argument very nearly approximates babbling, it is so unfounded.²

At a meeting of the Board of Trustees of Ouachita in October of 1955, long an advocate of increased endowment, Mr. W. S. Fox gave a report for the Endowment Committee, which recommended that the Board go on record as favoring the increasing of the College's endowment as soon as possible, that this be done in cooperation with and under the approval of the Executive Board of the Arkansas Baptist State Convention

¹"Ouachita Baptist College Annual Report of President to Board of Trustees," October 10, 1955, Arkadelphia, Arkansas, (in the files of the office of the President). (Mimeographed.)

²Ibid.

and that nothing be done which would detract in any way from the Cooperative Program.¹

Dr. Andrew M. Hall,² President of the Ouachita Alumni Association, wrote a letter in the February, 1956, Bulletin, informing the alumni that a constitution had been drawn up for their organization and expressing the hope that the Alumni Association could offer the College

. . . something besides a pat-on-the-back. Remember, we grow with each graduating class. Our tribe increases. In our tribe are unlimited resources of assistance. We are scattered but we are many and we are mighty.³

He then added this plea for endowment:

How encouraging it is to read that Mrs. Cleve Nash of Dallas gave \$1,000 to our endowment fund! Could it be that there are easily 99 others in the former students group who could do the same? It is not a matter that more endowment would be nice, it is an absolute must.

. . .⁴

VII. FORD FOUNDATION GRANT

The Ouachita Baptist College Bulletin in February of 1956 contained an open letter from President Phelps to the

¹Minutes of the Board of Trustees, Ouachita Baptist University, October 10, 1955, Arkadelphia, Arkansas, (in the files of the office of the President).

²Son-in-law of the late Dr. J. R. Grant, Ouachita President from 1933 to 1949.

³Ouachita Baptist College Bulletin [Alumni], February, 1956.

⁴Ibid.

alumni, in which letter he told of the action of the Board of Trustees in January, 1956, placing a grant received from the Ford Foundation permanently in the endowment fund of the College unless some later specification of the Foundation prohibited this. The total received from this grant was \$90,000.00 during the 1956 fiscal year and \$98,000.00 during the 1957 fiscal year, or an addition of \$188,000.00 to the College's endowment fund.^{1,2} It was the intention of the Foundation that the income derived from investing this fund would be used to increase teacher's salaries. This was the first sizable increase as a result of contributions to the fund since the \$100,000.00 gift by the General Education Board in 1928.

President Phelps commented as follows on placing the Ford grant in the endowment fund:

Recommended by the College President, this action is in line with a deep-seated conviction which many of us have that our woefully-small endowment should be increased as rapidly as possible. This will prove to be the first addition of any size in many years.³

He then told of Mrs. C. C. Nash's gift of \$1,000.00 in memory of her father, T. A. Middlebrook. Dr. Phelps

¹Audit Report, Ouachita Baptist College, May 31, 1956, Arkadelphia, Arkansas, (in the files of the Business Office).

²Audit Report, Ouachita Baptist College, May 31, 1957, Arkadelphia, Arkansas, (in the files of the Business Office).

³Ouachita Baptist College Bulletin [Alumni], February, 1956.

encouraged others to consider making provisions in their wills to add to the endowment:

. . . So that we will not break faith with their dreams for Ouachita, we should not rest until we have added a minimum of one million dollars to our present total.

'Endowment' is a word which lacks the romance of many others associated with the growth and development of an educational institution, but educators to a man will tell you that this is the key word in the material progress of any school. Endowment would help meet the rising operating costs now and would be a bulwark against complete collapse in case of another depression.

If you can remember this cause in memory of a loved one or as a part of your estate planning you will be helping our beloved school in a manner which brings little personal glory but which affords maximum help to Ouachita. . . .¹

VIII. DORMITORY SYSTEM ESTABLISHED

The prospects of additional dormitories and dining facilities through Housing and Home Finance Agency made it advisable to set up a Dormitory System Trust Indenture for additional bond issues. The Dormitory System was to refund the bonds outstanding on Conger and O. C. Bailey dormitories and set up a new bond issue, proceeds of which would be designated for construction of a cafeteria. The system was to be open-ended so that additional bonds could be

¹Ouachita Baptist College Bulletin [Alumni], February, 1956.

issued on a parity with the other outstanding issues.¹

The \$6,000.00 endowment income obligation that had been made in the O. C. Bailey Dormitory Issue was cancelled when the bonds were refunded. A new pledge was made to the Dormitory System of \$6,000.00 annually from the endowment income.

IX. ENDOWMENT CAMPAIGN

An article entitled "Just Thinking" by President Phelps in the Ouachita Baptist College Bulletin of January, 1959, reiterated the importance of all alumni and former students working together for the continued improvement of their College:

Like individuals, an institution also has regrets as it looks back over a year completed . . . we should have spent three times as much on library holdings as was spent; we are desperately short on endowment Long range prospects for additional revenues are slowly improving. Several friends have indicated that Ouachita has been put into their will, and one generous benefactor has started giving the college valuable stocks in which he will retain an income during his lifetime. Others are making Ouachita beneficiary of insurance policies.

If alumni and other former students will unite behind Ouachita as they are capable of doing, her progress

¹Trust Indenture, December 1, 1957, Book 238, pp. 13-58, inclusive of the Records of Clark County, Arkansas, (in the files of the Business Office).

can continue in 1959 toward the goal of being in reality "The Queen of the College World."¹

The Ouachita Baptist College report for 1960 was presented by President Phelps to the Arkansas Baptist State Convention messengers on November 14, 1960. The College had experienced continued growth in the past year, and with this enlarged student body the cost of operation had also increased. He told of another problem of major concern to the administrative officials and the Board of Trustees:

. . . Ouachita has had difficulty in meeting accreditation standards and salary competition of other schools for faculty members. . . . Unless further financial support is forthcoming the school has no choice but to cut back her enrollment in order to maintain accreditation. . . . The Convention must make more money available or the door will have to be closed to some. . . .²

In the January 12, 1961 meeting of the Board of Trustees of Ouachita Baptist College, Mr. W. S. Fox stated

. . . that he should like to have a committee appointed to explore the possibilities of raising a million dollars for the Endowment Fund. Mr. Plumlee made the motion that a committee be appointed to work with a committee of the Convention during Ouachita's 75th year in order to raise this money for the fund.³

¹Ouachita Baptist College Bulletin [Alumni], January, 1959.

²Minutes of the Arkansas Baptist State Convention, November 14, 1960, p. 76.

³Minutes of the Board of Trustees, Ouachita Baptist University, January 12, 1961, Arkadelphia, Arkansas, (in the files of the office of the President).

In April of that year Dr. John McClanahan reported to the Trustees that a committee of the Board had met with a special committee of the Executive Board of the Arkansas Baptist State Convention to explore possibilities for an endowment campaign. "The only tangible thing which has been done is that two agencies interested in directing these campaigns are doing some surveys at no cost to the college."¹ He indicated that the program was moving forward and that plans were being developed for future fund raising.

At the annual Arkansas Baptist State Convention in November of 1961 the Ouachita College report prepared by President Phelps informed the messengers that the student body, the physical plant and the cost of operation had continued to grow and expand in the past year. The report continued,

Whether or not these problems are solved quickly will determine whether Ouachita, which reaches her seventy-fifth birthday this year, continues to progress, level off or slide backward, in the years immediately ahead.²

The recognition by the Board of Trustees and administrative officials of Ouachita of the need for additional endowment was expressed thus:

¹Minutes of the Board of Trustees, Ouachita Baptist University, April 13, 1961, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 15, 1960, p. 76.

. . . Closely allied with the first problem is that of inadequate endowment. A school the size of Ouachita needs at least five million dollars in endowment, yet the college has less than one million dollars. If an adequate fund could be raised income from this source would provide a stable financial base and would reduce the number of annual emergencies that seem to face us.¹

At this annual session President Phelps presented a proposal to the Convention messengers to begin an endowment campaign to raise the total endowment principal of the College's endowment fund to \$2,000,000.00.² The Convention approved the request.

X. CAMPAIGN LAUNCHED

In a paper, "The Proposed Endowment Campaign for Ouachita Baptist College," President Phelps said that the purpose of the campaign was

. . . to bring Ouachita's total endowment principal to \$2,000,000.00. With an average yield of 4.75% of the principal fund, this would make available \$95,000.00 for College operations.³

The campaign was to run for three years, 1962, 1963, 1964, and was to be under the direction of President Phelps. Dr. S. A. Whitlow, the Executive Secretary of the Arkansas Baptist State Convention was to help direct this joint effort

¹Ibid. ²Ibid.

³Ralph A. Phelps, Jr., "Proposed Endowment Campaign for Ouachita Baptist College," 1962, Arkadelphia, Arkansas, (in the files of the office of the President).

of the College and the Convention.¹ Dr. Rheubin South, pastor of Park Hill Baptist Church in North Little Rock, and Mr. W. S. Fox, trustee and lumberman from Pine Bluff, were chosen to serve as general co-chairmen for the campaign.²

A statewide organization was set up with a layman and pastor in every county to head the drive in their respective territories. Gifts from individuals, foundations, business and industry were solicited through a committee organization. The churches of the Arkansas Baptist State Convention were encouraged to increase their contribution to fifteen per cent above their 1961 contribution to the Cooperative Program for the next three years.

In the Arkansas Baptist of November 30, 1961, an article, "Ouachita's Future is Our Future," declared,

Perhaps there is no cause that demands our immediate and unqualified attention more than the Ouachita College Campaign to raise the endowment fund to \$2,000,000. . . . The state Convention not only authorized this campaign but urges our churches to give the fullest possible support according to the plan adopted by the Convention.³

In the Ouachita Signal in November of 1961, Dr. S. A. Whitlow was quoted as saying,

¹Minutes of the Arkansas Baptist State Convention, December 7, 1961, p. 70.

²Minutes of the Executive Committee of the Ouachita Endowment Campaign, September 21, 1962, Arkadelphia, Arkansas, (in the files of the office of the President).

³Arkansas Baptist, November 30, 1961.

Ouachita is woefully lacking in endowment. In 1927 the College endowment fund contributed approximately \$106.00 per student to the school's operating budget. Today because the enrollment has increased while the endowment fund remained relatively fixed, the fund provided only about \$30.00 per student to the College's operating costs.¹

The campaign was kicked off with a conditional gift of \$100,000.00 by alumnus Birkett L. Williams, who several years before had offered this amount for endowment if nine other people would give \$100,000.00 each. This time he simply stipulated that his gift must be matched. The Arkansas Baptist reported,

Birkett L. Williams of Cleveland, Ohio and long-time benefactor of the College has given \$100,000.00 to his Alma Mater. This gift for the Ouachita College Endowment Fund was announced Tuesday, November 28th, by Dr. Ralph A. Phelps Jr. and W. S. Fox of Pine Bluff, Chairman of the Endowment Committee. It will serve to kick-off the Endowment Campaign approved three weeks ago by the Arkansas Baptist State Convention. The money was turned over to a Hot Springs Bank to be given to the Endowment Fund provided Ouachita can match it with a like sum by December 31, 1962.

This gift was the largest single contribution in her 76-year history. This generous gift will help us materially in meeting our most pressing need at this moment, that of additional endowment. In recent years the school has outgrown her endowment resources.²

The realization that Ouachita Baptist College had to have additional financial assistance if she were to continue

¹Ouachita Signal, November 27, 1961.

²Arkansas Baptist, December 7, 1961.

to grow was voiced by the new alumni president, James P.

Hobgood, in support of the campaign:

If Ouachita College is to continue to grow, she must have additional financial assistance. The most logical source for additional funds is from those who have been helped by the College. A few former students have done a great deal for the school by giving of their time and money. Most of us however, have done little, if anything to support the institution where we received our education. . . . It is a matter of real pride to me that they voted to urge all members of the class to contribute annually to the Former Students Association and make the class of 1963 100% in its participation. I know other classes will follow this example and help to build an organization that will be a real credit to Ouachita. WON'T YOU JOIN TODAY TO BUILD A BETTER OUACHITA?¹

"Ouachita News," an informal newsletter written to keep interested friends informed of the happenings of Ouachita Baptist College, stated on August 7, 1962,

The Ouachita Endowment Campaign will see the big push for individual contributions made this fall. Work has been quietly underway to prepare campaign materials and to complete the campaign organization. The big push was not made earlier because (1) professional fund raisers say that the Fall is the only good time to raise money in Arkansas, (2) people have been preoccupied with politics this summer, and (3) the stock market slump produced poor psychology for getting money from large contributors who generally give stocks and want to do so when their sale price is high. The churches' part will be through the Cooperative Program; there will be no solicitation before churches and no request for a congregation to adopt a goal.

¹Ouachita Baptist College Bulletin [Alumni], December 1961.

The College has raised \$24,979.45 for endowment thus far since the campaign was launched.¹

Dr. J. W. Hinsley, a Ouachita alumnus, former trustee, and former field secretary was the author of an article in the Ouachita College Bulletin [Alumni] in September of 1962, titled, "An Example for Others-Dr. Hinsley Sets Pattern for Ouachita Baptist College Endowment Drive."² This article told of his gift of \$100.00 to this fund for additional endowment because of his concern that the \$100,000.00 quota of Arkansas Baptists be raised before December 31, 1962, in order to qualify for the conditional gift of \$100,000.00 from Birkett L. Williams. In the article President Phelps observed, "If all living former students would match Dr. Hinsley's example we would have \$1,500,000 by December 31."³

Lawson Hatfield, President of the Alumni Association, commented in the same Bulletin,

Now is the time for us to give ourselves in an even greater way to Ouachita. Let's make as generous gift as possible to the endowment during the days ahead in the special campaign. Endowment growth is vital to a stronger Ouachita. Endowment gifts are lasting gifts. Let's endow!⁴

¹"Ouachita News," August 7, 1962, Arkadelphia, Arkansas, (Mimeographed.)

²Ouachita Baptist College Bulletin [Alumni], September, 1962.

³Ibid.

⁴Ibid.

Progress in this campaign was slow. In his annual report August 10, 1962, to the Board of Trustees, President Phelps stated,

Baptists must decide which course they want their schools to take.

Ouachita needs more operating funds. If the three-year endowment campaign which ends on December 31, 1964 ends successfully this will help meet this need. The objective of raising the endowment fund total to \$2,000,000 is within reach if Arkansas Baptists will give generously this year. Just a little extra push will insure victory in this campaign.¹

The endowment campaign report given to the Arkansas Baptist State Convention in 1962 reminded the group of messengers that Cooperative Programs gifts were to be increased 15% so that 10% of this could go to Christian education. The messengers were told,

Although the final results will not be known until the end of the year, it appears now Ouachita's campaign will fall far short of the amount voted in the beginning of this campaign.²

It was stressed as a matter of extreme urgency that \$100,000.00 had to be raised by December 31, 1962, to enable the endowment fund to claim the \$100,000.00 gift of Birkett L. Williams.

¹Minutes of the Board of Trustees, Ouachita Baptist University, August 10, 1962, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Arkansas Baptist State Convention, November 6, 1962, p. 85.

The situation improved sharply, and at the Board of Trustees' meeting on January 10, 1963, President Phelps reported that a total of \$117,298.64 had been raised, more than enough to match the conditional gift of Mr. Williams.¹

In his yearly report to the Board of Trustees in October of 1963, Dr. Phelps stated that

. . . the outlook for the future is somewhat brighter with the additions to the endowment fund these last two years. The income from this will help, but we must in some way provide more operating funds. The constant increase in prices makes our operating cost climb steadily.²

Perrin Estate Bequest

The endowment campaign reached its total goal through an unexpected development. Mrs. Jane Flippen Perrin, a student at Ouachita from 1891 through 1894 and a niece of Dr. J. W. Conger, first president of Ouachita, died in Dallas, Texas on June 29, 1962. In her life time she had made small contributions, and President Phelps had corresponded with her. In her will she left the bulk of her estate as a memorial to her

¹Minutes of the Board of Trustees, Ouachita Baptist University, January 10, 1963, Arkadelphia, Arkansas, (in the files of the office of the President).

²"Ouachita Baptist College Annual Report of President to Board of Trustees," October 10, 1963, Arkadelphia, Arkansas, (in the files of the office of the President). (Mimeographed.)

husband, Alexander Perrin, and Dr. Conger.¹ The amount from the estate, which was placed in the endowment fund, was \$709,169.00.² This was the largest gift or bequest ever received by the school. In the Ouachita Baptist College Bulletin [Alumni] in July of 1963, President Phelps commented thus about the gift:

The good which Mrs. Perrin did during her life time will continue to live after she has gone, through this wonderful bequest to Ouachita. Mrs. Perrin is a classic example of how a person's usefulness can live after he or she dies.³

An additional \$150,000.00 from this estate will be available to Ouachita upon the death of Mrs. Dortha Gerties, who is receiving a life-income from it.⁴

Continued Activity

A booklet entitled "Ouachita Baptist College," distributed by the school in 1963, contained many facts about the growth and development of the institution. On the page

¹Minutes of the Arkansas Baptist State Convention, November 4, 1963, p. 73.

²Audit Report, May 3, 1963, Ouachita Baptist College, Arkadelphia, Arkansas, (in the files of the Business Office).

³Ouachita Baptist College Bulletin[Alumni], July, 1963.

⁴Codicil to the will of Mrs. Jane Flippen Perrin, November 28, 1961, Arabi, Louisiana.

entitled "Endowment Fund Increased 300 per cent in eleven Short Years," the principal book value of the fund from 1953 to 1963 was shown. In 1953 it was \$617,266.04, and in 1963 it was \$1,956,632.00. Then the comment was made,

The growth of the Ouachita College Endowment Fund has been nothing less than spectacular. As the Fund grows, so do the college and everyone associated with it. . . . Therefore it is of utmost importance that the Endowment Fund continue to grow to meet future operating expenses and building activities. . . . Endowment is the only answer to Ouachita's financial future, and it must be an adequate endowment!¹

In the report given to the messengers of the Arkansas Baptist State Convention on "Endowment Drive Progresses," President Phelps said,

Through the joint efforts of the College and the Arkansas Baptist State Convention, considerable progress was made in raising money for the school's permanent endowment fund.²

Concerning the conditional gift of \$100,000.00 by Birkett Williams, President Phelps said,

The matching amount was not guaranteed until almost the last day of 1962; the goal was reached; and a total of \$247,508.64 was added to the permanent endowment. This money is invested, and the return from it will go into the operating budget of the school.

¹"Ouachita Baptist College," (booklet), 1963, Arkadelphia, Arkansas.

²Minutes of the Arkansas Baptist State Convention, November 4, 1963, p. 72.

Ouachita Baptist College's position in Arkansas and Southern Baptist educational circles is an example of what can be done when Baptists unite their efforts in building a first-rate college. While other states have fragmented their efforts the quality of their schools grows poorer. Arkansas Baptists have built a school in the name of Jesus Christ that is worthy of the name Christian. If additional resources are provided and if efforts remain united, there is no reason that Ouachita should not continue to move forward toward an even brighter future. . . .¹

"Brooks Hays Contributes to O. B. C. Endowment" was the headline in the February, 1964 Ouachita Baptist College Bulletin. A \$1,000.00 contribution to the Ouachita Baptist College Endowment Fund had been given in honor of his mother, a former Ouachitonian, by Brooks Hays, White House assistant and former Arkansas Congressman. He gave this gift out of royalties received from his latest book, The Baptist Way of Life.

College officials emphasized the appropriateness of the relationship between the source of the fund and the institution. They pointed out that the gift to the Baptist school came from royalties on a book about Baptists. One of the best-known Baptist laymen, Hays is past president of the Southern Baptist Convention.²

At the annual meeting of the Arkansas Baptist State Convention in November, 1964, President Phelps reported to the messengers,

¹Ibid., p. 75.

²Ouachita Baptist College Bulletin [Alumni], February, 1964.

Above all Ouachita needs more operating funds. If the three year Endowment Campaign which ends on December 31, 1964 ends successfully this will help meet this need. The objective of raising the Endowment Fund total to \$2,000,000 is within reach if Arkansas Baptists will give generously to the Cooperative Program between now and the end of the year. Just a little extra push will insure victory of the Campaign.¹

The endowment fund report was presented by Dr. Phelps to the Board of Trustees meeting in January of 1965, at which time he reviewed the endowment picture thus:

In November of 1961, the Arkansas Baptist State Convention had approved an endowment campaign for Ouachita Baptist College, the goal of which campaign was to bring the endowment total up to \$2,000,000. The campaign was to cover the calender years of 1962, 1963, 1964. The Endowment stood at \$997,991.38 market value as of the audit date of May 31, 1961. As of the audit date of December 22, 1964, when the assets were transferred from the Simmons First National Bank in Pine Bluff to the Worthen Bank and Trust Co. in Little Rock, the endowment stood at \$2,042,501.93 market value. Contributions to endowment since the fund was audited in December total \$24,378.65.²

The part that the Arkansas Baptist State Convention had given this campaign through Category IV (Educational Campaign) of the state budget is shown below.

Year	Budgeted For Endowment	Paid For Endowment	
1962	\$100,500	\$30,210.00	
1963	100,500	29,190.16	
1964	100,500	20,655.33	
	<u>\$301,500</u>	<u>\$80,055.49</u>	3

¹Minutes of the Arkansas Baptist State Convention, November 2, 1964, p. 79.

²Minutes of the Board of Trustees, Ouachita Baptist University, January 14, 1965, Arkadelphia, Arkansas, (in the files of the office of the President).

³Ibid.

The amount actually paid represented 26.5% of the amount budgeted for Ouachita's endowment fund.

Dr. Phelps then recommended "that the Board approve a continuing effort to bring Ouachita's endowment to \$10 million as quickly as possible."¹

Robert Moore, President of the Ouachita Former Students Association, wrote a letter in May of 1965 informing the former students and friends of Ouachita University of the significance of this endowment goal:

Another forward step which might have been overlooked in the excitement of the other accomplishments, but which has happened lately at Ouachita, was the attaining of the two million dollar endowment goal at the end of 1964. . . . President Phelps, recognizing the importance of adequate endowment for Ouachita's future has announced a new goal of ten million dollars by 1973. Every Ouachitonian should be interested in seeing that goal attained.²

The continued development in programs and academic quality eventuated in Ouachita's attaining University status in 1965. Said an article in the Bulletin of the Former Students Association,

The name of Ouachita Baptist College was officially changed to Ouachita Baptist University by vote of the Board of Trustees on January 14. Dr. Ralph A. Phelps, Jr., Ouachita president, pointed out in the official announcement of the board's action, that the name change was effected in recognition of the fact that

¹Ibid.

²Ouachita Baptist University Bulletin [Alumni], May, 1965.

that the school had actually developed into university structure. . . .¹

The State Board of Education approved the change in name and status after the Trustees, who are the legal guardians of Ouachita for the Convention, had taken the important step.

XI. "OPERATION 1980"

At a meeting of the Board of Trustees of Ouachita University in August of 1966, Judge Edward Maddox reported for the Finance Committee, "Both the general audit and the endowment audit of the University were in good condition."²

At this same meeting President Phelps explained that the Arkansas Baptist State Convention had a special study committee "charged with the responsibility of projecting a ten-year program for Arkansas Baptists."³ He then reviewed two reports which he had prepared for Convention studies and made the following recommendation:

¹Ibid.

²Minutes of the Board of Trustees, Ouachita Baptist University, August 11, 1966, Arkadelphia, Arkansas, (in the files of the office of the President).

³Ibid. "Arkansas Baptist State Convention Report and Recommendation to Board of Trustees," October 13, 1966, Arkadelphia, Arkansas, (in the files of the office of the President) (mimeographed.)

That the Board of Trustees approve the general projections of these two reports and combine the objectives into a master development project known as "Operation 1980." The goal will be to raise 8 million dollars for capital improvements and 8 million dollars in additional endowment between now and 1980.¹

The Board adopted his recommendation.

To the Arkansas Baptist State Convention in 1966, President Phelps reported,

A vital step in Ouachita's long-range program of service was the adoption by the University's trustees in August of 1966 of a master plan of development together with accompanying fiscal goals. Known as "Operation '80," the plan provides for the addition of eight million dollars in buildings and eight million dollars in endowment by the end of 1980. One of the outstanding campus architects in the country spent three years developing the design approved by the trustees. If followed, this plan will permit the orderly development of a campus to meet the needs of a student body which, it is believed, will continue to serve about the same percentage of high school graduates as are enrolling at Ouachita at present. The goal of "Operation '80" are large ones but are not beyond the reach of Arkansas Baptists marching under God's banner.²

"The endowment goal of an additional eight million dollars was set in order to guarantee income to attract and hold qualified faculty and to provide these people with adequate tolls for a quality job."³

¹Ibid.

²Minutes of the Arkansas Baptist State Convention, November 7, 1966, p. 122.

³"Ouachita Baptist University Annual Report of President to Board of Trustees," October 13, 1966, Arkadelphia, Arkansas, (in the files of the office of the President). (Mimeographed.)

A brochure, "Operation 1980," explained this three-phase developmental plan for Ouachita Baptist University. It also contained further information about "Gift Opportunities" for those who wanted to add to the endowment fund in the future.¹

If an individual, a family, or a foundation wants to endow a chair or a scholarship in any field, this will be encouraged. These will make permanent and worthy memorials to loved ones.²

XII. ADMINISTRATION OF THE ENDOWMENT FUND

1949-1966

In the beginning of the period covered by this chapter the endowment fund was in the Simmons National Bank of Pine Bluff. Mr. Charles Gordon, Sr., a trustee of the College and an officer of the Simmons National Bank, was the Board of Trustees' agent for handling the endowment fund. Mr. Gordon had authority to make investments under the direction of the Finance and Investment Committee of the College Board of Trustees, according to regulations in the By-Laws of Ouachita Baptist College dated June 3, 1936.

During this period, the first action to have any effect on the administration of the endowment fund was passed

¹"Operation 1980," (brochure) Arkadelphia, Arkansas, 1966.

²Ibid.

by the Board of Trustees on November 18, 1952. Section 6 of the By-Laws was revised and adopted as follows:

Committee on Finance and Investments. The Committee on Finances and Investments shall select, with the concurrence of the Board, an investments officer to manage the Endowment Fund of the College and shall serve as advisors to the investment officer in carrying out investment policies adopted by the Board. This committee shall consider financial reports of the administration, study the proposed annual budget, and present these financial matters to the Board for action. This Committee shall concern itself with such other financial matters of the college as the Board shall deem proper.¹

In the Board of Trustees' meeting on April 12, 1953, Mr. W. S. Fox gave a report from the Finance and Investment Committee of the Board that contained the following recommendations pertaining to the administration and management of the endowment fund:

- I. Organization and management of endowment funds
 - A. The final authority for investment policies shall reside in the Board as a whole.
 - B. The Board shall annually designate a Committee on Finance and Investments in accordance with Article 3, Section 1, of the Board's Constitution.
 - C. Endowment funds shall be managed by the Committee on Finance and Investments with the assistance of an Investment officer chosen by the Committee and elected by the Board who shall be placed under \$100,000 bond.

¹Minutes of the Board of Trustees, Ouachita Baptist University, November 18, 1952, Arkadelphia, Arkansas, (in the files of the office of the President).

II. Investment policies

- A. Accesses to negotiable securities shall be permitted only when at least one member of the committee on Finance and Investment and the Investment officer are present.
- B. The endowment funds account shall be audited annually and report of same made to the Board of Trustees.
- C. As a financial policy the investment officer of the College, the president of the Board of Trustees and the Chairman of the Finance and Investment Committee shall serve as the Loan Committee of the Board for loans in excess of \$5,000.
- D. Article Ten of the Articles of Incorporation prevents any loans whatsoever of endowment principal to other funds of the College.

The endowment fund remained under the direct supervision of Mr. Charles Gordon, Sr. until June 1, 1958. Mr. Gordon appeared before the Board of Trustees of Ouachita Baptist College on October 10, 1957, and asked that he be relieved of his duties as the agent of the Board as of May 31, 1958. It was suggested that the Simmons National Bank of Pine Bluff replace him as endowment trustee.

A new trust agreement was executed by and between Ouachita Baptist College and the Simmons National Bank of Pine Bluff and became effective on June 1, 1958. The Trust Department of Simmons National Bank, under the supervision

¹Minutes of the Board of Trustees, Ouachita Baptist University, April 12, 1953, Arkadelphia, Arkansas, (in the files of the office of the President).

of the Endowment Committee of the College Board of Trustees, was given authority to administer the fund in accordance with the trust agreement.¹

Birkett L. Williams, an alumnus of Ouachita Baptist College who had given substantially to the endowment fund, suggested in 1964 that the fund could be managed more profitably than it was under the current agreement with Simmons National Bank. The Executive Committee of the Board of Trustees was asked to study the problem and report to the next scheduled Board meeting.² When it reported, the Committee recommended that the endowment fund be moved from Simmons National Bank.³

The Worthen Bank and Trust Company of Little Rock, Arkansas was chosen as the new trustee of the endowment fund. On October 8, 1964, an Investment Management Agreement by and between Ouachita Baptist College and Worthen Bank and

¹Trust Agreement by and between Ouachita Baptist College and the Simmons National Bank. Resolution adopted by the Board of Trustees, Ouachita Baptist University, July 24, 1958, Arkadelphia, Arkansas, (in the files of the office of the President).

²Minutes of the Board of Trustees, Ouachita Baptist University, May 31, 1964, Arkadelphia, Arkansas, (in the files of the office of the President).

³Minutes of the Board of Trustees, Ouachita Baptist University, August 13, 1964, Arkadelphia, Arkansas, (in the files of the office of the President).

Trust Company was executed.¹ The endowment fund remained at Worthen Bank and Trust Company throughout the remainder of the period covered by this chapter.

XIII SUMMARY

The beginning of the period covered by this chapter found the College at one of the low points in its history when accreditation was withdrawn by the North Central Association of Colleges and Secondary Schools in 1951. However, after hard work and numerous changes the College was examined by a North Central team and was reaccredited in the Spring of 1953.

It was not long after the College had regained its accreditation that Dr. Ralph A. Phelps, Jr. was elected President. This change in administration marked the beginning of an era of unparalleled growth. The endowment fund like other parts of the school also grew.

The endowment fund continued to contribute operating income and to serve as a source for obtaining security for loans. The loans that were made with the endowment fund future earnings as security were government-backed dormitory construction bond issues. The College built, through this

¹Minutes of the Board of Trustees, Ouachita Baptist University, October 8, 1964, Arkadelphia, Arkansas, (in the files of the office of the President).

period, six dormitories and one cafeteria from the proceeds of these dormitory bonds. Conger Hall, built in 1953, was the first of these buildings to be constructed.

In 1956 the Ford Foundation, in an effort to increase faculty salaries, gave \$188,000.00 in two grants. The Board of Trustees voted to place the money with the permanent endowment fund and to use the income from this portion of the fund for faculty salaries.

A continuing effort to increase the endowment fund was the policy followed by the College administration during this period. A major fund-raising campaign, initiated in 1961 and lasting for three years, had as its purpose to raise the endowment fund total to \$2,000,000.00.

Two major items during the period of this campaign made it possible for the goal to become a reality. The first was a gift by Birkett L. Williams, who offered his conditional gift of \$100,000.00 if the people of Arkansas would match it in one year's time. The goal to match this money was reached through the gifts of over 500 individuals and an allocation by the Arkansas Baptist State Convention.

The second item was a bequest received when a former student and niece of Dr. Conger, Mrs. Jane Flippen Perrin, died at Dallas, Texas, on June 29, 1962. In Mrs. Perrin's will she left a sizable gift to Ouachita College. A result

of this gift was the increase of the endowment fund from approximately \$1,300,000.00 to over \$2,000,000.00. The campaign goal had thus been reached.

The last plan to be formulated during this period and involving the endowment fund was a development project to be called "Operation 1980." Recommended by President Phelps, the campaign has goals of \$8,000,000.00 for capital improvements and \$8,000,000.00 in additional endowment by the end of 1980.

The following table shows the gross income during the period indicated in the first column. The column "Earnings Of The Endowment Fund" gives the gross income in dollars of the fund operations for periods indicated in the first column.

Fiscal Year Ending In:	Balance	Increase In Principal	Decrease	Earnings Of The Endowment Fund
1917		\$ 12,557		985
1918-19	(1)	21,153		1,980
1920	(2)	19,910		4,559
1921		181		5,331
1922		6,214		5,598
1923-24-25		214		8,751
1926	(3)	108,212		20,723
1927		2,974		33,976
1928		77	(4)	6,535
1929		190		18,332
1930		101		11,507
1931		101		37,207
1932		101		27,437
1933		101		24,007
1934		101		22,000
1935-36		8,000		17,000
1937-38-39		101		18,159
1940	(5)	-14,527		24,628

CHAPTER VI

EARNINGS OF THE ENDOWMENT

The information in the following table is extracted from the Endowment Fund Audit Reports that are available. The column titled "Fiscal Year Ending In" gives the period covering the items in the other two columns. The column titled "Increase In Principal" gives the amount in dollars that was added or subtracted from the endowment fund principal during the period indicated in the first column. The column "Earnings Of The Endowment Fund" gives the gross income in dollars of the fund operatings for period indicated in the first column:

Fiscal Year Ending In:	Refer- ence	Increase In Principal	Refer- ence	Earnings Of The Endowment Fund
1917		\$ 52,257		\$ 965
1918-19	(1)	33,153		1,940
1920	(2)	19,910		4,599
1921		191		5,331
1922		6,214		5,598
1923-24-25		214		8,751
1926	(3)	406,218		20,723
1927		3,924		33,976
1928		77	(4)	6,535
1929		140		29,342
1930		-0-		31,407
1931		-0-		32,167
1932		-0-		27,247
1933		-0-		22,664
1934		-0-		22,006
1935-36		9,000		47,084
1937-38-39		-0-		78,159
1940	(5)	-14,527		24,828

Fiscal Year Ending In:	Refer- ence	Increase In Principal	Refer- ence	Earnings Of The Endowment Fund
1941		-0-		26,782
1942		-0-		27,295
1943		-0-		24,802
1944		-0-		24,048
1945		-0-		24,235
1946		-0-		22,223
1947		1,977		24,156
1948		1,607		21,953
1949		1		23,234
1950		-0-		27,411
1951		-0-		18,423
1952		-0-		23,387
1953		2,506		25,986
1954		100		24,700
1955		565		27,455
1956		1,000		28,505
1957	(6)	91,000		34,514
1958	(7)	98,000		37,535
1959		1,000		37,594
1960		-0-		37,068
1961		-0-		38,040
1962	(8)	23,979		39,121
1963	(9)	242,122		39,742
1964	(10)	762,641		50,800
1965		33,169		81,501
1966		8,028		86,318
				\$1,280,150

- (1) Includes \$26,493 donated by notes; includes portion of Wilson estate.
- (2) Includes portion of \$24,000 Wilson estate.
- (3) Includes \$100,000 donation from General Education Board.
- (4) Income for 3 months.
- (5) Write off of non-collectable contribution notes.

Statement of Audit Firm:

Principal and interest on notes given as contributions to this fund, are largely in arrears. We know of no real remedy for this condition, if the makers of the notes will not yield to persuasion. It is rarely the case that collection is attempted through other channels.

on this class of paper.¹

- (6) Includes first part of \$188,000 Ford Foundation Grant.
- (7) Includes second part of \$188,000 Ford Foundation Grant
- (8) Includes \$18,175 John T. Daniel Trust Fund.
- (9) Includes \$100,000 Birkett Williams gift.
- (10) Includes \$709,169 Perrin estate gift.

SUMMARY

The increase in the endowment principal during the 1917-1918 fiscal years resulted from a large number of notes given as a contribution to the endowment fund. In the 1939 fiscal year, 55 per cent of these notes were written off as non-collectable.

The per cent total principal added during the periods covered by these chapters is as follows:

1904-1927	28.00%
1928-1939	.66%
1940-1949	.34%
1950-1966	71.00%

The 71.00 per cent added during the last period has been contributed since 1953.

¹Audit Report, September 14, 1923, Ouachita Baptist College, Arkadelphia, Arkansas, (in the files of the Business Office).

An analysis of the additions to the endowment fund principal reveals that the fund has been built as follows:

Largest gift	39.0%
Two largest gifts	50.3%
Six largest gifts	64.0%

Since the University's endowment fund from 1949 through 1966 has been reviewed at the close of each chapter, it would be useless to repeat those recapitulations here. Every known source of materials dealing with the subject has been studied, and the findings have been presented in chronological order. The loss of some permanent records in the fire which destroyed Old Main in 1949 may have left factual gaps, but these were remedied for whenever possible by consulting other sources. The story has reached all the extant facts on the subject, and the history is accurate within the limits permitted by existing records. Persons who had relevant knowledge were interviewed and their recollections, if pertinent, recorded.

For one to attain the correct perspective of the endowment fund of Peachy Baptist University, he must appreciate the complexity of the factors that have contributed to the development of the fund. One should have an understanding of the relationship between the University and the American Baptist State Convention and the joint planning, the adroit maneuvering, and the politics that are necessary

CHAPTER VII

CONCLUSIONS

Since the historical development of Ouachita Baptist University's endowment fund from 1904 through 1966 has been summarized at the close of each chapter, it would be useless repetition to repeat those recapitulations here. Every known source of materials dealing with the subject has been studied, and the findings have been presented in chronological order. The loss of some permanent records in the fire which destroyed Old Main in 1949 may have left factual gaps, but these were compensated for whenever possible by consulting other sources. The study has embraced all the extant facts on the subject, and the history is accurate within the limits permitted by existing records. Persons who had relevant knowledge were interviewed and their recollections, if pertinent, recorded.

For one to attain the correct perspective of the endowment fund of Ouachita Baptist University, he must apperceive the complexities of the factors that have contributed to the development of the fund. One should have an understanding of the relationship between the University and the Arkansas Baptist State Convention and the joint planning, the adroit maneuvering, and the politics that are necessary

to maintain progress. He should have a conception of the relationships of the Board of Trustees to the endowment fund and the methods that have been used to control the fund. One should grasp the importance of the resources the endowment fund has made available to the University and what the potential of the fund is for the future. Finally, one should be knowledgeable in the field of higher education finance to the extent that he understands the function of an endowment fund of an educational institution.

The endowment fund has grown considerably since the initial gift was made in 1904, but the growth of the fund did not parallel that of the University during the same period of years. The endowment fund has suffered by being relegated to lesser importance in receiving funds, with the capital improvements to the physical plant receiving first consideration. The relatively small annual return from the endowment fund operation seems to place greater emphasis on the use of the available funds in a way that would be more immediately beneficial. It is apparent that it has been until recent years, difficult for those in a position of authority in the University to give adequate support to increasing the endowment fund principal.

The fund raising campaigns that have been designed to increase the principal of the endowment fund have produced results that are relatively insignificant except

where there were available potential gifts which required matching funds in order to receive the gift. In instances when the total received by the fund was dependent upon the income from the campaigns, the total gifts were significant.

The large single gifts comprise the bulk of the endowment fund. If the six largest individuals gifts had not been received by the endowment fund, there would at present be less than \$700,000.00 in the principal fund. This fact would tend to indicate the importance of an intensive effort to secure large single gifts. There is evidence suggested by the writing off of over half the notes given to the endowment fund in an earlier year and by the failure of the Arkansas Baptist State Convention to raise the budgeted amount in the last campaign that the average Arkansas Baptist does not have strong feelings about the importance of the endowment fund--at least not feelings that produce endowment gifts.

The endowment fund provides a degree of stability in the financial operation of the school and assures the donor that his gift will be beneficial and long-lasting. The endowment fund thus acts as an incentive to attract donors to the University.

As a security for loans, the endowment fund provides future earnings that may be pledged. During the history of the University there have been seven bond issues in which a

portion of the future earnings of the endowment have been pledged as security. Without this borrowing power, it is conceivable that the school would not have survived the Great Depression years.

The financial stability required by the North Central Association of Colleges and Secondary Schools of all institutions accredited by it is provided, in part, by the endowment fund. The endowment fund was a determining factor in the initial accreditation of the College and in regaining accreditation twice after it had been lost.

The endowment fund has been administered in six different ways. Changing administrative structures and the continual change of articles controlling administrative functions indicate that the Board of Trustees of the University has recurringly become dissatisfied with the administration of the endowment fund.

The real worth of the endowment fund is its presence in the financial organization of the University. The fund stands as a fiscal fortress, disproving the statements made by skeptics who think the private schools are dying. It should encourage the enthusiastic supporter of the University to believe that the school has the capability of surviving economic problems and that it can continue to provide quality Christian education. The endowment fund could be a

principal hope of Ouachita Baptist University's survival in the future. It certainly has been this in the past.

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A HISTORY OF THE ENDOWMENT FUND OF

OUACHITA BAPTIST UNIVERSITY

1904-1966

An Abstract of a Thesis

Presented to

the Faculty of the Graduate School

Ouachita Baptist University

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

by

Virginia Cavness Orr

August 1967

The purpose of this thesis was to examine the history of the permanent endowment fund of Ouachita Baptist University located in Arkadelphia, Arkansas. This endowment fund has played a major role in providing financial stability for the University since the fund's beginning.

The information compiled within this thesis has been derived from every known source. The minutes of the Board of Trustees of Ouachita Baptist University supplied the major portion of the information. Other sources used include the minutes of the Arkansas Baptist State Convention, Arkadelphia Chamber of Commerce, alumni publications, the county newspaper, letters, papers from private and historical collections, books, court records, periodicals, brochures, and personal interviews with persons having knowledge of the endowment fund history. Many sources examined contained a few facts which, after examining several other sources, contributed to the total findings. There are gaps in information because many records were lost in the fire which destroyed "Old Main."

The need for a stable source of income was apparent from the very beginning of Ouachita Baptist University. For several years the financial pressures of beginning a new school prevented beginning an endowment fund. The endowment fund has its origin in 1904 through the joint efforts

of the Executive Board of the Arkansas Baptist State Convention and the Board of Trustees of Ouachita Baptist University.

The first effort to increase the fund to a point where the earnings would make a sizable contribution to the school's operation was implemented by the requirements of the regional accreditation association. The endowment fund of the school had to be a stipulated amount in proportion to student enrollment for the school to qualify for accreditation. The required money was provided through a fund-raising campaign, a gift by the General Education Board, and an allocated portion from the proceeds of the Seventy-Five Million Campaign of the Southern Baptist Convention. When the school received its initial accreditation the endowment fund played an important role. In 1956-57, the Ford Foundation made a large grant to

The Great Depression brought Ouachita close to extinction. Economic problems became so great that accreditation was lost. Reaccreditation at this time, however, was relatively unimportant, for the institution was fighting to maintain existence. The future earnings of the endowment fund were used as security for bond issues to keep the school in operation.

Another problem the administration faced was that since the earnings from the endowment fund were pledged to pay on the bond issues, endowment revenue was not available for operating expenses. A major fund-raising campaign finally

provided funds necessary to pay off the bond issue, thereby releasing the pledged endowment earnings. The financial picture of the institution became more stable as a result; and the added income contributed to regaining accreditation.

The initial plans of the Million Dollar Campaign of the middle 1940's was to increase greatly the endowment fund. The proceeds of the campaign were used for capital improvements, in the main; an insignificant amount was added to the endowment fund.

The future earnings of the fund were used in the early 1950's as part of the security for Ouachita to qualify for dormitory and cafeteria loans through the Federal Government.

In 1956-57, the Ford Foundation made a large grant to increase teachers' salaries. Trustees of the school placed this in the endowment fund with income to be used for this purpose.

The most significant growth in the fund was during the middle 1960's when a fund raising campaign was designed to increase the endowment fund to two million dollars. A gift from an alumnus and a large bequest from a former student made it possible to reach this goal. In the years from 1953 to 1966, 71.00 per cent of the total principal of the fund was added.

In retrospect, the endowment fund's worth has been significant since it played a vital part in gaining accreditation originally and regaining accreditation which had been lost during the period of financial difficulty. It continues to provide the financial stability essential for the growth and development of Ouachita Baptist University.