

Within each category the source of funds for each budget is indicated and a summary of these sources follows:

	April 1970	April 1971
1. Federal government .....	\$3,871,913	\$3,802,609
2. State and local government .....	2,266	12,088
3. Industry and individuals .....	382,497	396,152
4. Foundations .....	263,438	317,094
5. Endowment income .....	4,375	16,688
6. Program charges and fees .....	6,076	6,000
<b>TOTAL</b> .....	<b>\$4,530,565</b>	<b>\$4,550,631</b>
	1969-70 To Date	1970-71 To Date
1. Federal government .....	\$66,396,221	\$56,873,533
2. State and local government .....	976,109	1,228,040
3. Industry and individuals .....	7,180,251	6,647,039
4. Foundations .....	6,531,312	5,795,773
5. Endowment income .....	3,483,490	3,539,454
6. Program charges and fees .....	4,976,177	3,228,510
<b>TOTAL</b> .....	<b>\$89,543,560</b>	<b>\$77,312,349</b>

Vice-President Pierpont placed on file his monthly reports on investment transactions, plant extension, and personnel-labor relations, as well as the report of the A. G. Becker & Co. on Employees Retirement Fund investments (p. 715).

Voting of  
Proxies, Policy  
restated

In connection with the report on investment transactions, Regent Robert Brown, supported by Regent Cudlip, moved the adoption of the following resolution restating the University's policy on voting of proxies:

A year ago we reviewed the policy of The University of Michigan with respect to the voting of the proxies of corporations at stockholders' meetings. At that time, we reaffirmed our policy of voting with management unless we seriously disagreed with the recommendations of the management, in which case we would consider selling the stock.

The question has now come up again. In considering it, we have read analyses of the problem prepared by other universities, read the documents submitted to us by various groups at The University of Michigan, listened to the many viewpoints expressed at the hearing held under the auspices of the Committee on Communications on Thursday, April 15, and noted the recommendations of the Senate Advisory Committee on Financial Affairs which provide for a continuing dialogue and interaction among concerned groups with communications to the President and Regents.

We understand the deep concerns expressed on this matter. It is apparent that the number of corporate or government practices which some members of the society find offensive are almost unlimited. On the other hand, the complaints which are made about corporate and government practices are matters of public policy. They can be, and are, subject to regulations and change by legislation at the federal, state, or local level. Under our system, the law changes with the times and is equally applicable to all parties. This has been evident during the past years with respect to problems of pollution, minority employment, safety issues, etc.

For the reasons indicated, we expect to continue our present policy with respect to the voting of proxies.

Regent Dunn said that while he generally supports the resolution and would vote yes on it, he also suggested that the Regents and the administration suggest to General Motors that the first proposal in Campaign GM is one they should look at.

Regent Lindemer said he liked the resolution, but because he is counsel to a number of GM employees, he wished to be recorded as abstaining from voting or commenting.

Regent Nederlander said he thought the forum on corporate responsibility on Thursday was constructive. However, the Regents have great responsibilities and therefore he would support the proposed resolution. However, he thought these discussions should continue because he believed they were informative to the University community and to the GM management as well.

The motion to adopt the resolution carried, with Regent Lindemer abstaining.

In connection with the A. G. Becker & Co. report on investment programs of the Employees Retirement Fund, Regent Robert Brown stated that the University's investment policies apparently are doing a good job in keeping the pension fund sound with adequate income. He noted that the investments have been prudent and that the Regents can look with pride on this report.

Becker Report

Regent Cudlip asked if this is to be an ongoing report.

Vice-President Pierpont stated that this is the first report and that the Regents will get other periodic reports, probably annually.

Regent Cudlip asked if any such report is to be made on endowment funds. Mr. Pierpont said none is proposed, since A. G. Becker & Co. specializes in retirement-type fund studies.

Regent Dunn commented that in this period of financial crisis the Regents are looking closely at expenditures. He requested some discussion of self-insurance and the matter of the cost of the University's own legal staff.

Insurance

Vice-President Pierpont reported that the University started a program of self-insurance on a limited scale a number of years ago. It has been extending this program further when funds can be saved, he explained.

The University is now a self-insurer on property losses up to \$100,000; it has few losses above that. Deductible coverage is carried on major properties. Mr. Pierpont also said that the University is a self-insurer on high value items such as rare books. The University carries its own theft insurance; it provides no insurance on thefts up to \$300 and self-insures on amounts above