HISTORY AND DEVELOPMENT OF THE TEXAS MEDICAL CENTER

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Members of the Texas Gulf Coast Historical Association, Ladies and Gentlemen:

I understand that your Association was organized about a year ago to collect and preserve the political, social and particularly the economic records of historic importance to this area, to house these materials and provide for their use, and to publish a historical quarterly, books, and monographs.

I am flattered that your President has asked me to address your First Annual Meeting, and I am pleased, indeed, that he suggested I give you a short resume of the history of the formation and activities of the M. D. Anderson Foundation, including the historic events leading up to the formation and development of the Texas Medical Center which is already playing an important part in medical research and in the development of medical knowledge and better medical practices throughout the country, and which many think and we hope is destined to be one of the great medical centers of the world.

It has been my observation that history is composed of a continuing chain of events forged from the links of individual action. The stimulus for each new link in the chain has been the actions and achievements of one man after another whose interest, personal ambition and courage motivated by either selflessness or selfishness has enabled him to make contributions to an ever increasing enlightened world. Such men have included the inventor of the wheel, the discoverer of fire, and the early navigators, men without recorded names in many cases. As the historic chain has lengthened through the centuries, new names have been preserved in traditions of the past or spread upon the pages of recorded history, such as Moses, Alexander, Plato, the Caesars, Jesus the Christ, Charlemagne, and so on.

In this connection I would like to say a few words about the late Monroe D. Anderson whose personal integrity and devotion to his adopted state and the welfare of its people spurred him to create a new link in our own regional historic chain. In doing so, I will largely quote from what I said of him at the dedication of the M. D. Anderson Hospital for Cancer Research on September 17, 1944.

"M. D. Anderson was born June, 1873, in Jackson, Tennessee, a town that he loved and that loved him, and where his name is now revered and held in high esteem, and where his remains are interred. Here, he grew to manhood and acquired his early business experience as a banker. In his early thirties, he gave up banking and joined with his brother, Frank E. Anderson, and Messrs. W. L. and Benjamin Clayton, all boyhood companions, in the cotton business under the firm name of Anderson, Clayton & Co., which as a result of their joint efforts became and is now the leading cotton merchandising concern in the world. In 1907, he came to Houston as a representative of his firm. He immediately made for himself and his firm an important place in the industrial and financial circles of the city. He definitely cast his lot with Houston and Texas, and he and his firm have been one of the greatest contributing factors in making Houston a great port and a great city. He died in Houston, August 6, 1939, and by the terms of his Will left practically his entire fortune, approximately \$20,000,000, to the M. D. Anderson Foundation, which he created and established by trust indenture under date of June 9, 1936.

"Mr. Anderson was typical of most great Americans. He started out in life with a good American heritage and nothing more save an early schooling and lessons learned in hard work, thrift and self-denial. To him, the spending of money except for a useful purpose was distasteful and an evidence of lack of good breeding. He had a wide acquaintance but was reticent and had the appearance of being shy, and only a few knew him intimately. Those who did greatly admired and loved him. He never married but was fond of home life and children and loved and treated his brother's children as though they were his own.

"Mr. Anderson lived a simple and unostentatious life. He was guided by a few simple basic principles which probably were responsible for the greatness he attained. To him it was axiomatic that neither an individual nor the people as a whole could be happy or prosper without hard work, thrift and self-denial; that laziness and profligate spending inevitably lead to unhappiness and a sorry life. He refused to be rushed on important matters, but insisted on time to meditate and think before making decisions of consequence. He, like the Greek, believed in "making haste slowly"; that meditation often saves many false steps. Those who were close to him now see wisdom in many of his acts which we did not appreciate at the time.

"He did not believe in personal charity for the individual except for those that are afflicted. In his opinion, an individual sound in body and mind who sought or accepted charity was not worthy of it. But he did believe in improving the opportunity of the unfortunate to help himself, and in giving comfort and remedial relief to the sick and afflicted. It was these simple rules of conduct and thought that guided his life and enabled him to create his great fortune and motivated him in establishing the M. D. Anderson Founda-

tion, dedicating his fortune for the benevolent and charitable purposes set forth in the Trust Indenture, namely:

'To the improvement of working conditions among workers generally, as well as among particular classes of unskilled and agricultural workers;

'To the establishment, support and maintenance of hospitals, homes and institutions for the care of the sick, the young, the aged, the incompetent and the helpless among the people;

'To the improvement of living conditions among people generally as well as in particular sections or localities;

'To the promotion of health, science, education, and advancement and diffusion of knowledge and understanding among the people.'"

As I have just stated, the M. D. Anderson Foundation was established and created by Trust Indenture executed on July 9, 1936, with Mr. Anderson as the Grantor and with himself and one of my law partners, Jno. H. Freeman, and myself as Trustees. Mr. Anderson made an initial contribution to the Foundation of \$10,000 and additional contributions from time to time so that at his death the Foundation had a corpus of around \$300,000. By his Last Will and Testament, the Foundation as the principal beneficiary of his estate received something like an additional \$19,000,000.

The first grant of the Foundation was a \$150 donation to the Houston Junior League for the purchase of glasses for indigent school children with defective vision. This donation was made during Mr. Anderson's lifetime. The Trustees of the Foundation continued the small donations to carry on this program as long as it was requested and until the Junior League was able to finance this program with funds from other sources, giving in all a total of about \$1,700.

The two remaining Trustees, Mr. Freeman and I, on August 31, 1940 named Horace Wilkins, then President of the State National Bank, as Trustee to fill the vacancy created by Mr. Anderson's death. Mr. Wilkins died on September 13, 1953. He was a very wise Trustee, with farsighted vision, sound judgment and discretion, and deserves a full share of credit for all worthwhile accomplishments and contributions of the Foundation for the community welfare during the period of his service as such Trustee. On February 18, 1954, the remaining Trustees named Warren S. Bellows as Trustee to fill the vacancy created by the death of Mr. Wilkins. Mr. Bellows, whom all of you know, had long been one of the community's most effective leaders and workers in all worthwhile undertakings for civic improvement, as well as the improvement of health, cultural and educational institutions of the city.

In the beginning the grants made by the Foundation were nominal and included \$1,000 gifts to institutions such as the DePelchin Faith Home, Blue Bird Circle, Crippled Children's Clinic and Memorial Hospital for needed equipment. However, during this period greater things were being planned and most prominent among such plans was the dream of a great medical center.

In 1941 the Texas Legislature appropriated \$500,000 to the Board of Regents of the University of Texas for the purpose of establishing a cancer research hospital, giving the Regents authority to accept funds from other sources. It occurred to the Trustees of the M. D. Anderson Foundation that such an institution as a great cancer research hospital would make an ideal nucleus for the medical center they had been dreaming about. Shortly after the announcement of the Legislative grant, a meeting was arranged on my back porch between Dr. John Spies, then Dean of the University Medical School at Galveston, and the Trustees of the Foundation (Mr. Wilkins, Mr. Freeman and myself).

This first meeting was followed by a succession of conferences with Dr. Spies, President Rainey and certain members of the Board of Regents of the University which resulted in the Trustees of the M. D. Anderson Foundation offering to match the Legislative \$500,000 grant with an equal sum by the Foundation if the University authorities thought that Houston was a logical location for and were interested in establishing the cancer research hospital as the first unit of the medical center. We also agreed to furnish an adequate permanent site as well as temporary quarters for the operations of the hospital until a building could be erected on the permanent site, which offer the University of Texas gratefully accepted by agreement dated August 8, 1942 between the Trustees of the Foundation and the Board of Regents of the University. This was the first institution to be selected for the medical center which had not at that time been organized, but which we had determined to name the Texas Medical Center, as it was then visioned by the Trustees that the scope of the activities and influence of such a medical center would not be confined to the limits of Houston, but would be prevalent throughout Texas and the Southwest. The Texas Medical Center was actually incorporated October 8, 1945, with James Anderson, Hines H. Baker, William B. Bates, E. W. Bertner, Ray L. Dudley, Frederick C. Elliott, Jno. H. Freeman, Clinton S. Quin and Horace Wilkins as incorporators.

The Trustees of the Foundation having arranged for the first unit of the Medical Center, were now confronted with two serious problems—a temporary site for the proposed cancer research hospital, and a permanent site for the Texas Medical Center. The Trustees acquired in 1943 the beautiful former home of Capt. James A. Baker at 2310 Baldwin Street and its six acres of ground known as "The Oaks". The late Capt. Baker had bequeathed this property to Rice Institute. The Trustees acquired the property from Rice Institute at a cost of approximately \$68,000 and turned it over to the University of Texas as a temporary site for the cancer research hospital. The Trustees of the Foundation then arranged for

a number of army barracks from Camp Wallace, which were moved to the temporary site, The Oaks, adjacent to the former Capt. Baker residence, furnished and equipped with central heat and air conditioning at a cost of approximately \$125,000. The barracks as reconstructed were not too attractive, but they were very serviceable and served as an admirable pilot plant for Dr. Clark, Director of the hospital, in the establishment and training of his staff. The cancer research hospital, during the last year or two of its operation at its temporary site, daily hospitalized an average of 113 patients and treated in its clinic an average of another 144 patients per day, so that at the time of the completion of the new cancer research building Dr. Clark had an excellent trained staff and a well operated hospital to move to the new quarters. To add to the temporary facilities, Mr. and Mrs. Lamar Fleming, Jr. acquired and donated a two-story apartment building at 406 Webster, which was made suitable for convalescent quarters.

The Trustees of the Foundation after acquiring the temporary quarters for the cancer research hospital, turned their attention to the location and acquisition of a suitable permanent site for the Medical Center. The Trustees consulted with other interested parties with reference to a suitable permanent site, particularly Dr. E. W. Bertner who had been a close adviser to the Trustees concerning the Medical Center from the beginning. All agreed that the most ideal site for the Center was 142 acres owned by the City adjacent to the Hermann Hospital site of 20 acres and the Hermann Park. We negotiated with the City officials for the purchase of this site, but since some contended that the site had been purchased by the City for park purposes, the matter of the sale and purchase was submitted to a vote of the people who approved the sale of the site to the Foundation at an election held in November, 1943. This property and its improvements which included paving of Fannin Street and Holcombe Boulevard cost the Foundation in excess of \$500,000. Another \$500,000 or more has been spent by the Foundation in subdividing the property into suitable sites for hospitals and other institutions and on water and sewage mains and the grading, paving and lighting of streets. I believe most of you will agree that the site selected in all respects is a beautiful and suitable location for a great Medical Center.

In 1943 about the time these things I have mentioned were taking place, two of the Trustees of Baylor University, W. K. Martin of San Antonio and Carr Collins of Dallas, arranged for a conference with the Trustees of the Foundation, in which they advised that the Baylor College of Medicine had definitely decided to leave Dallas and was looking for a new location. They wanted to know if the Trustees of the M. D. Anderson Foundation were interested in having the Baylor Medical College as a teaching institution in the Texas Medical Center. Following this meeting, successive conferences were held with Governor Pat Neff, then President of Baylor University, and other Trustees of Baylor, resulting in an agreement dated May 8, 1943, between the Trustees of Baylor and the Trustees of the Foundation to move the Baylor Medical School, as well as the Baylor Dental College, to Houston, and an agreement on the part of the Trustees of the Foundation to donate

to Baylor \$1,000,000 for a new building and a 20-acre site in the Medical Center as a site for the new building. The Trustees of the Foundation also agreed to make an additional grant of \$1,000,000 for research to be used for that purpose over a period of not less than ten years. In addition to this, the Houston Chamber of Commerce raised by popular subscription another \$500,000 as a donation to Baylor in connection with this move. As a result of these conferences and donations, we now have Baylor College of Medicine, one of the great medical schools of the country, as the principal teaching unit in the Texas Medical Center.

The Texas Dental College, first established as a private institution for the profit but later taken over by a group of philanthropic dentists and operated on a non-profit basis, had been in operation some 40 years, and it and the Baylor Dental College at Dallas were the only institutions for the training of dentists in Texas. In 1944 the Trustees of the Texas Dental College offered to donate the Texas Dental College as a going institution, with all of its property evaluated at about \$150,000, to the State if the Legislature would authorize the University of Texas to take over the institution and assume its operation as the dental school of the University. The Houston Chamber of Commerce and others appeared before the Legislature and urged the acceptance of this generous offer. In connection with the offer, the Trustees of the M. D. Anderson Foundation agreed to give the University a permanent site for the dental school adjacent to the site reserved for the cancer research hospital, and also to make a grant of \$500,000 towards the cost of a permanent building. The Legislature accepted the offer. Later the Trustees of the Foundation, in 1946, as an inducement to the Legislature and the State to provide more adequate housing for the dental college and the cancer research hospital, agreed to give up to another one million and a half dollars for the two State institutions on a dollar grant basis of \$1 by the Foundation for each \$2 raised by the University of Texas. The Houston Chamber of Commerce also raised \$1,000,000 for the University of Texas units in the Center, that is, the cancer research hospital and the dental school. Mr. Warren S. Bellows, now one of the Trustees of the Foundation, headed this campaign for the Chamber of Commerce. Incidentally, the State far more than met the conditions laid down by the Foundation for this additional grant, and has contributed to the two institutions three or four dollars for one, instead of two as was required to earn the grant.

The Trustees of Baylor University, in conference with the Trustees of the Foundation, now took a position that since the University of Texas would have a dental school in the Texas Medical Center, they believed it would be better for dental education in Texas and the Southwest if the Baylor Dental College remained at Dallas. The Trustees of the Foundation agreed with Baylor and agreed to relieve Baylor of the obligation to move its dental school to Houston, and Baylor reduced its request for a permanent site for the medical school from 20 acres to 17 acres of ground.

The M. D. Anderson Foundation has made the following grants to other institutions located in the Medical Center:

\$500,000 to Arabia Temple Crippled Children's Hospital

\$500,000 to New Hermann Hospital

\$500,000 to Methodist Hospital

\$500,000 to St. Luke's Episcopal Hospital

\$400,000 to The Texas Children's Hospital

\$350,000 towards the cost of the Library Building.

In addition to this, the Foundation has made donations from time to time to the Academy of Medicine for the acquisition of historic and research material for the library, the last being a donation of \$60,000 for such purpose. It is the purpose of those in charge of the library through these additional gifts to build up for the Center one of the great medical research libraries of the world.

History would not be properly served in any discussion of the development of the Texas Medical Center without taking due note of the cooperation and financial contributions of Mr. and Mrs. Hugh Roy Cullen, Mr. and Mrs. James S. Abercrombie and Mrs. and the late Jesse H. Jones. The Cullens gave \$1,000,000 each for the New Hermann Hospital, Methodist Hospital and St. Luke's Hospital, and \$1,000,000 or more to Baylor Medical School and they have donated generously to the other institutions in the Center. They also gave the beautiful Cullen Home for Nurses located at the Memorial Hospital downtown, and the family has contributed generously to St. Joseph's Hospital. Their total contributions to the Medical Center and to other medical institutions in the city amount to \$9,610,000.00. This is in addition to all that they have done for the University of Houston. Mr. and Mrs. James S. Abercrombie are, without question, the principal benefactors of the Texas Children's Hospital. Mr. and Mrs. Jones gave \$700,000 towards the cost of the Jesse H. Jones Library Building, which houses the central libraries of the Medical Center. The Clayton Foundation for Research, long interested in the basic causes of disease, has made grants to the Medical Center institutions for research purposes.

There are many other individuals who have made contributions of great value in terms of time, talent and energy, but their stories can better be told by others more familiar with them than I am. However, I must not forego the opportunity to mention Dr. E. W. Bertner who served without pay and who devoted his great talent and the greater part of his time during the last three or four years of his life in the planning for and as Director of the Texas Medical Center. Dr. Bertner's knowledge and experience in the medical field, and his vision, wise counsel and advice were indispensable to the Trustees of the Foundation in the promotion and establishment of the Texas Medical Center. Dr. Frederick C. Elliott was appointed Executive

Director of the Medical Center in November, 1952, the position which he holds at the present time. Dr. Elliott has been an important factor from the beginning in the planning and development of Medical Center. His selection to succeed Dr. Bertner as Director was very fortunate for the Center.

The M. D. Anderson Foundation has not devoted itself exclusively to the Texas Medical Center, nor even exclusively to the field of medicine. The Foundation advanced to the Sam Houston Area Council of Boy Scouts of America the necessary funds for the down payment for a 2,400 acre prospective camp site near Conroe, which was purchased from the University of Texas. Later, Mr. George Strake paid the remainder of the purchase price and even repaid the Anderson Foundation for the money it advanced for the down payment, so that George Strake paid the entire purchase price money for the 2,400 acre site and donated it to the Boy Scouts as a camp site. In appreciation the camp was named by the Sam Houston Council of Boy Scouts, Camp Strake. The Foundation later gave \$25,000 towards equipping the Camp.

When Rice Institute in 1942 had an opportunity to purchase a half interest in the Rincon Oil Field, the Foundation donated \$300,000 towards the sum needed by the Institute to purchase the properties; and thereupon the half interest in the oil field which now has an estimated net worth of \$30,000,000, was acquired for Rice Institute and is now owned by it. The Foundation has made additional small gifts from time to time to the Institute to be used in payment of salaries of outstanding visiting professors on leave from other universities.

The Foundation purchased approximately 90 acres of land adjoining the University of Houston and donated it to the University as an addition to its campus, and later made an additional grant of \$1,500,000 for the building of the new M. D. Anderson Memorial Library on the campus of that institution.

The Foundation from time to time has made grants to the Y.M.C.A. and other worthy institutions and organizations. In all, since its establishment, the M. D. Anderson Foundation has made grants totaling in excess of \$18,000,000. The assets passing to the Foundation under the Will of the late M. D. Anderson consisted largely of his interest in Anderson, Clayton & Co. and his interest in the Seaport Oil Company. The Seaport Oil Company was operated for a time and later sold for twice its value at the time of Mr. Anderson's death. Some \$11,000,000 of Anderson, Clayton & Co. stock was put on the market and sold by the Foundation. All these funds were invested and reinvested from time to time to advantage for the Foundation, so that now, although the Trustees have made grants totalling more than \$18,000,000, the corpus of the Foundation has increased from a book value of approximately \$19,000,000 to a book value in excess of \$25,000,000. It is the policy of the Trustees, to make all donations out of income and preserve the corpus as a perpetual fund so that the income down through the ages may be used for the promotion of health, education and general welfare of the community.

It is my opinion that the accumulation of great wealth through constructive genius, thrift, hard work, and self-denial, and leaving such wealth to foundations for the promotion of health, the arts, education, and cultural institutions for the general welfare of the community where such wealth is accumulated, is one of the finest products of our free enterprise and capitalistic system. Houston has been very fortunate in this respect. Mr. George Hermann, poor and almost unlettered, came to Houston at the tender age of 8 and through thrift, self-denial and hard work accumulated a very large fortune for his time in dealing in Houston real estate, and left the remainder of his fortune, after giving the Hermann Park and the Martha Hermann Park to the City, to the Hermann Hospital Estate for the establishment and maintenance of hospitals for the care of the sick and the indigent of Harris County. Mr. William Marsh Rice left his great fortune for the establishment of the William M. Rice Institute for the Advancement of Literature, Art and Science, for the education of the young men and women of this section. Mr. Robert E. Welch, born in South Carolina, came to Houston at the age of 17 and through long years of hard work, thrift and self-denial accumulated a huge fortune estimated at \$50,000,000 or more, leaving the remainder of his fortune, after giving 15% to his employees, to the Welch Foundation. The use of the funds of the Welch Foundation for the first ten years is restricted to chemical research, which has been construed by the Trustees to include research in biochemistry, an important field in medical research. After the expiration of ten years, the funds may be used for at least as broad purposes as those of the M. D. Anderson Foundation and, no doubt, throughout the foreseeable future will contribute greatly to the happiness and welfare of the people of this community.

The late Mr. Jesse H. Jones left practically his entire fortune, estimated at anywhere from \$100,000,000 to \$200,000,000, to the Houston Endowment, Inc., a foundation with broad purposes and which will, no doubt, be a great benefactor in the development and promotion of health, education and general welfare of the people in this community.

No doubt, Houston will have similar foundations established in the future by some one or more of its generous citizens. The Trustees of such foundations give an unlimited amount of their time, experience and talent to the operation of these foundations without compensation. Just think of the advantage of such a system over the welfare state where the government takes everything from its citizens except a bare living and the greater part of the welfare funds is eaten up by inefficient and excessive personnel in the bureaucratic administration of the funds.

The Trustees of the M. D. Anderson Foundation all agree that credit for all that has been done by the Foundation in the promotion of health, education and general welfare of this community belongs to the late Mr. M. D. Anderson, the creator of the Foundation, and not to the Trustees. It has been a privilege and a pleasure for the Trustees of the Foundation to serve as such Trustees and to help

promote and carry out the dreams and ambitions of Mr. Anderson and in doing so endeavor to give a performance that Mr. Anderson would be proud of if he was on the scene. While the Foundation was a result of much thought and meditation on the part of Mr. Anderson over a long period of time, he probably did not realize the ultimate import and greatness of his act in its establishment. It has been said that one never knows when he is doing something extraordinary. Mr. Anderson has done something extraordinary. His fortune has been permanently dedicated to the use and benefit of mankind. What greater thing could he have done with his wealth?

All the information I have given you, and more, could be had by a careful review of articles appearing in the Houston newspapers during the past thirteen years. However, this would be a rather onerous task. To save you and future interested parties this trouble, I have tried to assemble here, in one document, the most important events in connection with the establishment and operation of the M. D. Anderson Foundation up to this time, including the establishment and development of the Texas Medical Center. In some instances, I have not given you the exact dates of the happening of some of the important events, but these can be ascertained and added later by way of appropriate footnotes. I hope what I have here is worthy of being preserved as a part of your permanent records for use by future interested persons.