

Title News

Vol. 8

FEBRUARY, 1929

No. 2



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Report of Annual Mid-Winter Meeting and Conference

held in

CHICAGO, ILLINOIS

January 18-19
1929

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Editor's Page

THE little map below is very interesting. It shows to what extent a meeting of the American Title Association is actually representative. It is black and white evidence that the organization is truly national; that it includes in its operations a great majority of the territory of the country and that at its meetings almost the entire area of the United States is represented.

Twenty-six states were represented, and eighty-seven people answered to the roll call.

Since this affair is a business meeting, devoted to the serious business of considering problems of the business and the functions of the state and national associations, an analysis of the attendance is interesting.

Of state officials, there were thirteen presidents, three vice-presidents, eight secretaries, making a total of twenty-four state officers there.

There were twenty national associa-

tion officials; four were present for the purpose of giving an address or paper and to take part in the program; nine were working on special committee reports and work, and forty-nine were visitors and there because of their interest in the affair.

Sixteen states having state associations sent officers; three states having associations sent no officials of their local organization but were otherwise represented; five states that do not have state organizations had title-men present.

Eight states having state associations failed to have any state officers attend.

A WORD should be said about the committees. These were in session for meetings of many hours' length and several consecutive days. The conference really started on Tuesday and too much cannot be said commending the work of those people

who spent several days traveling to Chicago, spent the entire week there, and then another week in a continuance of the work and getting home.

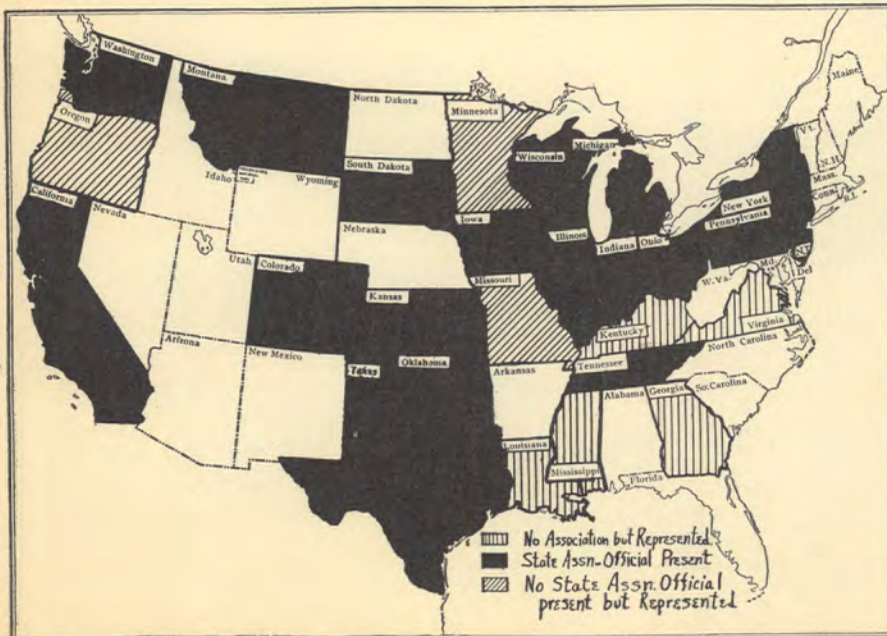
Every member of Bob Huff's Title Insurance Law Committee was on hand. The Uniform Policy Committee was almost there in entirety and then went on to New York for several more days' work.

THE Chicago Title & Trust Co. again was the wonderful and perfect host. Messrs. Dall, Marriott, Rice and Becker gave us the most considerate attention. The dinner and theatre party were enjoyed by every one.

NO attempt will be made to call especial attention to any of the matters presented or considered at the meeting. You will have to start at page one and read the entire proceedings to grasp the full scope of the session, which is only a reflection of the many things done at the meeting, and that will give you an idea of the work the American Title and the various state associations are doing. And remember, too, that no report can begin to give you a full realization of things.

THE Mid-Winter Meeting has gotten to be the real workshop of the association. It is more than that—it is the laboratory and clinic of our business.

Not only is it the workshop where things are finally molded into shape and produced, but it brings about the originating of things that need to be done, and creates the incentive for activity. This last meeting was a busy place with all the things that were going on. The crowd had a wonderful time mingling together, talking over things, exchanging views and experiences, and a real year in the associations work was thus started.



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Proceedings

Mid-Winter Meeting, and Conference of State and National Association Officials

FRIDAY MORNING SESSION

January 18, 1929

THE annual Mid-Winter Conference of the American Title Association convened at nine-fifty, Parlor E, Bismarck Hotel, Chicago, Illinois, E. C. Wyckoff, Chairman of the Executive Committee, presiding.

CHAIRMAN WYCKOFF: It is a pleasure for us to be here again as a re-assembly of old friends in our good city of Chicago, the home of our friends, Dall, Rice and Becker. As I look around the room I realize that many of you are very well acquainted with many others so it really is a reassemblage of friends in the business.

That is as it should be in an association such as ours when we are trying to do work for the benefit of the association and all its members.

Our program this morning is going to be more or less formal in that it consists principally of reports, maybe more or less dry. I know you have come here with an earnest desire to find out what the condition of your association is and I assume you are going to listen carefully to the reports of your officers. I would like to have you keep in mind that it might be well for you to make notes of the dis-

cordant parts of these reports, which strike your ear as you hear them, so that later when the open forum comes you will not have forgotten those things which you decided when you heard them you would like to talk about. So look about for paper and if you haven't anything better the back of the program will help.

The first report which we have is that of our retiring president, and he is retiring in more ways than one. For a man of his ability and works accomplished I don't know that I have ever seen his equal in the way of shyness. Mr. Daly!

ADDRESS OF RETIRING PRESIDENT

By Walter M. Daly

It is a great satisfaction at this time to report to you the conduct of the affairs of the American Title Association during and since the Seattle meeting.

Not only has much been accomplished in the general welfare of the association and the advancing of its interests at large, but probably direct contact has been made with a greater number of members than during any similar period.

While the details will be given you by the chairmen of the sections, the executive secretary, and the treasurer, I shall take the liberty of giving a brief outline of what I consider the important matters.

One of the outstanding accomplishments of the Seattle meeting was the adoption of a new plan of financing our association. As you know, this matter has been studied by the executive committee and the officers of the association and has been discussed for several years. It was very evident that the dues of \$2.00 per year plus the voluntary subscriptions to the sustaining fund, in the course of time, would be entirely inadequate to carry on an enlarged program, and was unfair to the voluntary contributors. Some plan had to be adopted which would bring about an even distribution of the load.

As we have different classes of members, and as the financial condition of the members varies in different communities, and as the system of handling titles is also different, it was very difficult to form a simple plan which would be adequate, and yet fair, to all.

You are familiar with the plan which was finally adopted, and while we know that it is not ideal, and has some objectionable features, yet we believe that it is the best that has been found up to the present time.

Some state associations accepted it at their last annual meeting and are planning to put it into effect promptly. While it does not officially go into effect until 1930, it is hoped that other states will adopt it during the present year, so that before 1930 it will have been accepted by all state associations.

Permit me to repeat what I said at the Seattle meeting that the membership of this association is very limited, and every one must take it upon himself to carry his proper share of the burden, which share must necessarily be greater than if our association were larger in membership.

I urge upon all state officers of those states that have not yet accepted the plan, to make it an order of business of their next meeting and have it thoroughly and freely discussed so that all may understand and see its need.

Our program for the next year is bigger and better than ever before, as will be impressed upon you before this meeting is over.

Another amendment to our constitution adopted at the Seattle meeting is the changing of our fiscal year to correspond to the calendar year. As our annual meetings have been held in various months of the Summer, from June to October, and as our fiscal year ended on

August 1, it was almost impossible for the executive committee to prepare proper budgets that could be lived up to.

Under the new plan this difficulty is obviated and we hope that the new arrangement will prove more satisfactory than the old. All terms of office now will correspond to the calendar years, so that on January 1 of this year all officers automatically took their new positions although the formal induction will take place in this meeting.

During the past two years we have heard discussed at great length the question of Regional Meetings. These have been tried with great success in many states and much has been accomplished, but in my opinion the last six months produced greater results in more states than in any similar period. Dick Hall has conducted series of meetings in Kansas, Colorado, Missouri, Oklahoma and Idaho.

Jim Johns has covered South Dakota. Other series of meetings have been held in Montana, Iowa, Michigan, Washington and Oregon, which have been conducted by members of the state associations. Where these meetings have been properly held, untold benefit has resulted, but not every one can conduct a successful meeting. Dick Hall cannot visit every state, and neither can Jim Johns, so one of the problems of the officers of this association is to pick men in the various parts of the country who can produce real results.

These men must have made a financial success of their own business and who

not only know the title business thoroughly, but who can tell the other fellow how he can make more net profit at the end of the year. We have many such men in our organization and we need their services. The regional meeting is a school and must be conducted by a real teacher.

It also seems to me that better results have been obtained when meetings were conducted by someone from outside the state.

To date regional meetings have been held mostly in the Western and Central states, but I urge that arrangements be made for continuing these meetings in the Eastern and the Southern states. If results can be accomplished in these districts such as has been accomplished to date, the value of the American Title Association will be very evident to all of its members.

A number of state meetings have been held since June, and each one has been attended by a representative of the American Title Association.

Jim Johns attended Minnesota and will stop at Boise for the Idaho meeting on his way home from here.

Dick Hall will go from here to the New Jersey convention and has attended, since Seattle, New Mexico, Colorado, New York, Kansas, South Dakota, Oklahoma, Wisconsin, Indiana, Ohio, Missouri.

An association has just been organized in Connecticut and Ed Wyckoff was present at their first meeting.

You can see the real effort this association is making to assist and help the state association and the individual members. For years we have been looking forward to the time when this body could do real practical things and you must agree that much is now being accomplished.

Another thing that the association has done is to offer to the states a model abstracters' law. The draft of this bill has been accepted with but few changes and the following states are having it introduced into their legislatures: Montana, Kansas, Missouri, Colorado, South Dakota, Oregon and in North Dakota a bill has been introduced to amend its present law. The credit for this phase of our activity is due Mr. Johns and Mr. Hall and I trust they will tell you at greater length what they hope to see in the way of results.

The office of our executive secretary has been functioning splendidly. Greater and greater are the demands being made upon this office, and I believe that it is economically run and producing excellent results.

Little change has been made in the TITLE NEWS. I believe that this is read

with interest by practically every member of the association and should be continued and even enlarged. The amount of advertising now being obtained is helping to make our paper self-sustaining. I believe the TITLE NEWS is a credit to our association.

The change of the fiscal year brought a period of five months when no dues would be collected. To cover this period the members were asked to make a final subscription to the sustaining fund. No amount was suggested to those who had not previously subscribed, but to former subscribers the amount suggested was one-half of their last year's subscription. The response to this appeal was extremely gratifying, and the association closed its year in good financial condition with all bills paid and cash on hand.

I thank the members of this association for the hearty and cordial support which I have received, particularly from the officers and the executive secretary, and I ask of you the same support for the new officers and I wish them great success during the coming year. (Applause)

CHAIRMAN WYCKOFF: I am sure that is a most excellent report and needs no comment from the chair. The next order on our program is a report of the executive secretary.

Report of Executive Secretary

Richard B. Hall

I am a little reminiscent, or something of that kind, this morning for several reasons. I want to tell you a few things, all of which enter into the picture.

The first is that in the course of time I have passed the border and entered into the realm of pioneers in the title business by virtue of the fact that a certain number of years ago this week, I entered the abstract business, and a certain other number of years ago I was born. I have now crossed the line to where I have spent in the abstract business, the title business, more than half my life.

I recall that when trying to borrow the money to buy an abstract office and enter the business and I went to my best friend, he said, "Dick, my boy, don't do it. It's all right; it's a good business but it will never be any different now than it was thirty years ago and you will never do any more than make a living out of it, and I don't believe you could pay the debt." That made me wonder if it was a backward, provincial business, but I went ahead and got into it anyway.

The next year I went to my second national meeting and when the question of things for the good of the order was asked, a gentleman on a crutch arose and waving the crutch like John Silver in a defiant fashion wanted to know how he could go back to San Francisco and tell his Board of Directors that the American Title Association ever could and ever would make them any money out of his

attending the meetings, and he has been yelling that way ever since. He is going to have to show us this year. We are taking him at his word and will make an example of his work with the association because that man was Donzel Storey, our vice president elect.

Another thing that makes me reminiscent is the number of things in the fire and the others being molded into the finished product by this organization within the past year, and it recalls to mind a conversation I had a few months ago with a representative of a certain typewriter company whom I had solicited for advertising in the TITLE NEWS. I was telling him about this industry, that it was in the making and modernization, and what a wonderful field there was for typewriters and that we all used them, and how profitable the advertising would be for his product. He turned around to me and said, "I looked that up. Our statistics show there is a slower turnover of new machines and purchase of typewriters in your business than any other. When we want an antiquated model we send one of our men to a country abstractor's office and even some city title one and we don't have to go very far until we find it." (Laughter.)

But we have had an awakening. Particular things will show we are a business which had been going along here like the fellow told me so many years ago, that it was the same as thirty years ago and would always be that way, but it has not.

He was mistaken about the future. This meeting here is one at which you have congregated of your own free will, on your own expense, where you have come to take back to your business and to your state organizations the things that are going to make our business a profitable, respected business and a profession, and we cannot sit and think that because we do business in a certain county and have a set of books that that is all we are concerned with, and the fact that we are a provincial business, or have been by our own making, does not eliminate the fact that something might come along and we will find we are a part of the general order of things and cannot disregard the necessity of advancing and developing our industry.

Great industries, within the past six months, have been confronted with propositions they had never thought of. The sugar industry has had various bad customs and fads and economic things affecting it within the past few years and wondering where it was and making a struggle against certain economic conditions and changing times when along comes a cigarette company spending twelve million dollars in an advertising campaign to get people to smoke cigarettes instead of eating candy and the sugar industry never thought of raising a fraction of that amount to protect and develop its business from all things considered, let alone the idea of one single tobacco company.

The lumber industry which we supposed was one of the most safely entrenched of any in the world suddenly found last year it had been sitting and running in a rut until fifty per cent of the materials that go into buildings today are substitutes for lumber, and now it is trying to win back what it has lost and has raised a fund of seven and a half million dollars to do that.

The bakers found that the housewife is buying all her things at the bakery and the consumption of flour is steadily decreasing and they have raised a fund of five million dollars as a bare start for a house to house campaign and a direct mail campaign to get the women to use flour and do a little cooking at home again, providing it can be done, and I doubt it.

But in these great industries, these great businesses that have been our industrial Goliaths, firmly entrenched, without which they thought people couldn't get along, within six months these things have happened to confront them.

The coal industry claims nobody buys coal and so it has appointed a commission and set aside a fund of ten million dollars and is offering fellowships in all the universities and colleges of the country, to see how coal can be used, to make chemicals and other things because people don't burn coal, and in this way trying to revive their business.

Our business is an essential industry. We all know that. We have been going along in much the same way for years. We go out to these regional meetings and state meetings and find out that the people in our business haven't changed in any way, that no attempt has been made to get more money, nothing has been done, and as the typewriter man told me, not even a typewriter has been purchased in twenty-five years. Yet we sit and think we are safe because they can't get along without us.

A year ago we presented at this conference a concrete program, a definite scheme for the modernization and improvement of the abstract business. That program was based upon several years of study and thought and we went out and launched it and put it across. The first thing we had to do was to hold regional meetings. I am not going to say anything about these regional meetings because there are several state officials here who have helped in the conduct of them who can tell you better about that tomorrow than I can, but we know absolutely in some states we have increased the earnings of abstracters, as a result of those regional meetings, from forty-six to fifty-five per cent. That was good work. We intend to conduct that and carry that further until we increase the efficiency of the service they render, which must come.

Shortly, in the course of the next few months, the state officials will receive from the Association office a complete outline and complete information on the other parts of this program, which include the making of abstracts, the essentials for the making of a good abstract, the basic things that should be incorporated in an abstract, court proceedings, plats, attor-

neys' requirements, conveyancing, escrows, and so on; and we are glad to announce we have at last worked out and can present to the abstracters a complete advertising program for them to use in their own offices.

This is now being tried out by one company and this will be made available to you. These things will be given to you and you can present them to your state meetings.

Included in this program that we presented last year was a legislative program. It included an abstracters law. We thought it would take your breath. Instead of that we found out your business had a sense of self regulation. Self regulation does not mean that you stay

Installed As President



EDWARD C. WYCKOFF
Newark, N. J.

Elected at the Seattle Convention to
Head Association in 1929

away from the legislature. It means, among other things, that you be regulated but that you write your own regulations. There will be some very interesting experiments conducted during the sessions of legislatures in the various states, but I predict before the legislature adjourns in some of these states this law will have been placed on the statute books word for word and we will from then on have a little easier sailing in such matters.

We have the most serious threat in the Torrens Law this year that we have ever had. The various states that do not now have this law on their statute books will undoubtedly see the best organized, best financed and the best planned effort made to place the Torrens Law on the statute books of the remaining states.

We have found out the source of this agitation. We know the men, the individuals, and the agencies that are back of this and before the traveling and the efforts of this mid-winter meeting have been ended, the headquarters of these organizations will have been seen and I think we can say and tell you they will be given an entirely different understanding of this matter.

This bill is being agitated at the present time in a national movement in which has been enlisted the support of various farm organizations. That makes it a pretty bad thing to crack.

In a meeting not long ago, in a certain state where I couldn't gain admittance, but got a word for word report while I sat in another room, the question was asked, "How many of you farmers know anything about this Torrens Law?"

Nobody raised a hand. Some fellow said, "I don't know whether this is what we need. I move that instead of the resolution urging the passing of the Torrens Law it read, 'We recommend a consideration of the Torrens Law or some other act that will tend to simplify our land transactions and eliminate the expense.'"

So that was the way it went through. Those gentlemen have been presented with the fifteen proposals of the American Title Association and I think they will be made to see those are better.

In addition to those there are two state real estate boards that are back of the Torrens Law in those states. The American Title Association knows what is going on and it is not sitting idly by. Every time a circumstance of that kind comes up we take a hand in it.

I have said before that the title business of this country—and I certainly include the title insurance people—owes not only the progress and development that has been made in this business to this organization, but owes its very existence to it, and as things transpire in the future it is going to owe even more of its survival to the activities of this organization.

Not long ago a certain group of men who can cause you untold trouble organized an association and the principal thing of the meeting was, "Let's find out a little something about these title insurance companies. They are running loose; we don't know what they are doing. Let's regulate them."

So they drafted a tentative plan and agreed upon certain things and appointed a committee. The things they had in mind were that all title companies should be placed under the insurance commissioners in the various states, that they should be required to have a capital of several hundred thousand dollars, that no policy could be written in excess of twenty-five per cent of their capital and surplus, and that thirty-three and a third per cent of their premiums should be set aside as a reserve. They have a form for your annual report tentatively drafted of about 250 pages whereby they ask you to enumerate all your securities, list your expenses, put down your salaries, show your losses, and everything else.

We have already had a conference with them and on the third day of February we will again meet with this committee.

At the present time they are waiting to hear the results of the things we decide upon at this meeting to guide them in their plans in that work.

So you see that now and then we are on the job. We have advocated many things for the development and advancement of this business. They have been principally directed at the abstracters. The abstracters make up ninety per cent of the numerical strength of this body, and it is even more so the basis of title business of this country, whether it be title insurance, the Torrens Law, or anything else. We have devoted ninety per cent of our time and about that much of our money toward elevating and improving the condition of the abstracter. He has had some champions, too.

I want to call your attention, ladies and gentlemen, to the fact that the bill has been paid, as you know, through those who have heard the call, you might say, and felt inspired to do it. I think this is one organization with which that is an exception. I have here in my file a letter received from the secretary of another trade association in which he states he wants some information, and it is for a small group of his members, that it isn't to be treated as an association matter because in his organization when anything is done for the benefit of a group that group pays the bill and nobody else gets the benefit.

I want you to get this very, very clearly, that this organization has never had one iota of selfishness, that there has never been a classification and we are moving as a united body and always have, and this session shows it more than anything else. I don't know whether you know it but there have been sessions constantly since nine o'clock Tuesday morning. There are men in this group who have been here since Monday and the work won't end until the latter part of next week. We are considering at this time more things than have ever been considered before, among them a uniform policy, title insurance legislation, which is one of the most urgent needs we have in our business. We are considering many things and this group will give you these ideas, then you must go home and put them into effect.

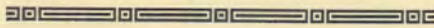
The title insurance business and the title insurance members of our industry can do a lot of work among themselves. We even think that regional meetings might be a good thing for the title insurance business, especially in some cities. Title insurance companies are usually the outgrowth, and have been, of an abstract office. As one man said yesterday, "I'm not a title insurance man; I'm a glorified abstracter." He just got into business last year; transformed his company into a title insurance company.

The title insurance company has been the outgrowth of the abstract office and the abstract business and because of that we have not had the benefits and value of mutual experience and cooperation in our first organization of this business. I still get letters regularly, or telegrams in our office every week, "Please wire me straight message complete details about the organization and conduct of a title insur-

ance company. - We are thinking about organizing one in our city."

Many have been organized on that basis. My stock reply to that letter is, "The Book of Genesis records the creation of the world in four hundred words, but I can't describe a title insurance company in a thousand times that."

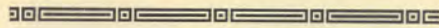
But that has been the case all too often. As a result the practices of the newly organized title company have many of them simply been what they could get by correspondence. I have many times advised people who wanted to change an abstract business to title insurance, or organize a new one, to get on the train and go a few miles, a forty-five minute or few hours ride, to one of the larger nearby cities, where they could get first hand



DONZEL STONEY

San Francisco, Calif.

Installed as Vice President and Chairman of the Executive Committee



information, and I find they have never taken the time to go down there, but the company was organized just the same.

We have in the consideration of these things what the insurance commissioner says about premiums. He says, "How are we ever going to arrive at anything on premiums? We find some companies quoting a title insurance rate, and when we get to arguing with others, they tell us the title insurance rate is only a small part of the service. How are we going to do it?"

There are three separate ways of charging: one for straight insurance title; another which included everything, abstract examination, separate abstract charges, and title insurance premium; then another which includes only the examina-

tion and the premium. I predict before long we are going to have to give some consideration to a real uniform or more scientific basis of charging for title insurance. We find that different laws are causing us a lot of trouble and we urge your consideration to this model law that we have given you to consider at this time.

Last week the Internal Revenue Department of the United States government issued an order in which it was decided that a title insurance company was not a personal service corporation. Likewise, a few months ago the revenue department issued an order in one of its cases, or a decision, that an abstract company was not a personal service corporation. We have been banking considerably in our arguments in the last few years, so we could crawl through a knot hole, on the fact we were a personal service corporation. We should bear in mind that loophole is gone.

This group here represents the nucleus for the advancement of our business. At this time I want to mention something that is never pleasant to mention. The demands upon this Association so far exceed its fixed income that we are not so much concerned with raising the money as we are to what we have not to do to keep within our available funds. During the course of the last few years we have been operating on from \$20,000 to \$24,000 a year. If we had \$100,000, it wouldn't be any too much. We constantly curtail because we do not have funds. We are going to be in a ticklish period between now and the time when we commence to derive revenue from our new plan. We have to depend upon you to go home to your state associations, to put these things into effect and to help us in our work. It will be given to you but you will have to be the salesmen for us.

The thing that we must understand right now is that no longer is the title business a local business and every time we meet we find it out more and more. We talk uniformity, we talk simplification, we talk standardization, and why do we talk it? Simply because we have to do it and yet when we sit in these sessions like have been going on here since Tuesday morning, we find out what a tremendous job it is and at the same time realize more that our business is a national business. We hear every time we turn around that conditions are unique in each city, county, or state. They are not and you never know what will affect you that comes across the line, either the county or the state. We are a national proposition and are becoming more so every day.

We are having groups of state officials consider nationalizing the requirements of your companies. We have the Torrens Law, the agitation for which is kept alive in a country town in a mid-western state and what happens in that place is going to be introduced in at least one eastern state that I know of this year, and several others. That is why we, as an organization, have to be alert, why you, as state officials and those in the business, have to become acquainted with us and depend on us to do this work for you.

I think this is the most important

meeting we have ever had. I know last year was the most important year we ever had and the next one is going to be even more so. You will constantly receive reports of what we are doing. We urge you to give us even more cooperation than you have. It is going to make a demand upon us for time and money. We are concerned with the man power today and there are always things going on and people traveling thousands of miles in doing this work. But we have not started yet. This next year will see the real activities of this body started and we tell you that there will be much presented to you and we know you will give us the same unselfish help that you have in the past.

Since the Seattle convention we have simply prepared for this and our treasurer and others will shortly give you a picture of what is our really most serious problem—our finances—and what we have to work with. If you give us the money and give us the manpower like you have been there is nothing this Association will not do for the business and the change that will come over it in the next year will make it a different institution.

CHAIRMAN WYCKOFF: I am sure that Dick, as he always does, has presented in his independent manner things which will give us lots of thought. He has shown us that we have had real activity during the past year and he has shown us that a great deal of that activity has been spent on the abstracters' section of our American Title Association. I have never been able to understand the statement which has gone out from time to time that the national association does nothing for the abstracter, that it is in the hands of the title insurance people. I want to assure you abstracters here that there is nothing more important to title insurance than the development of the abstracter. It is the very basis. Title laws as well as the development of the abstracters will strengthen those companies that come into the title insurance field in the future, and the future holds for us nothing but title insurance companies in the United States. Personally I think the near future holds abstracts will be relics and title insurance the mode. I believe in building up the abstract business, educating them to charge the proper sums for their services and building up the ac-

curacy of their work, and putting on their valuation charges, stabilizing and elevating and so forth, that we are advancing them toward the more remunerative business of title insurance for their same efforts. So, I feel it is well to spend all the man power and money we can on the abstracters.

I also want to say that title insurance companies feel regional meetings are not something peculiarly beneficial to the abstracters' section of our work. In the East some of our states use the regional system though some of us don't always call it that. In our own state we have it divided into two regions and each region is under the direction of a vice-president for the consideration of the more intimate problems of our business. So more work from your present officials next year is just as important to the title insurance as the abstract section and we will have to find ways and means of pushing it in the title insurance as well as in the abstract business.

Now we will be glad to hear from that able warrior of the western plains and mountains, Jim Johns. (Applause.)

Report of Chairman, Abstracters' Section

James S. Johns

Your Chairman is rather smooth. He knows that I don't speak well unless I get angry and so he started out by assuring you that the officers of the American Title Association are practically all abstracters, knowing full well that would arouse my ire. But this isn't a place to vent our spleen; this is a conference of officers of the national association with officers of the various state associations. It is a time for us to sit down and reason together quietly.

Numerically, the abstracters constitute the bulwark of the American Title Association. We are something in excess of ninety per cent of the membership, that is in numbers. In influence I think we are somewhere in the neighborhood of one-tenth of one per cent. As I have gone around over a good many states, roaming back and forth like a raging lion, I have found that in a great many abstract states there is a little feeling of resentment, a chafing, that we are not more represented. We abstracters aren't entitled to it. We don't measure up to the standard which is required for a governing board of this organization.

I ask a question at state association meetings, "How many of you abstracters can have a loss of \$500 without getting goose-flesh?" and there are never over two or three hands raised. That indicates that we are not a financial success in our own business and if we can't make a success of our own business why should the American Title Association trust us with the management of our

communal affairs? So I want to say to you presidents and secretaries here attending this conference that it is up to us to show a higher order of intelligence. Many of you have it but your light is hidden under a bushel.

I don't kid myself that I am on the Executive Committee of the American Title Association for any other reason than that they decided the abstracters had to have representation and I am the only country abstracter on the Executive Committee, not as a matter of merit but because they had to have a country abstracter. But I want to say to you presidents and secretaries that we are very fortunate in the Executive Committee we have. Although they have but a general idea of the details of our problems, they are all men of vision. They can understand the specific problem of the abstracter which I put up to them, if I put it up to them clearly, which I don't always do, and in spite of the fact they know very little about us and our problems they have a lively sympathy for us and they are assisting us in working out our problems, not only with their money of which we need a great deal, but also in the work which they are doing.

Yesterday afternoon they devoted a good many hours to the consideration of our problems, problems which we of our section cannot solve ourselves. One man on the Executive Committee offered to donate from his title insurance company a man for use by the abstracters'

section for a month any place in the United States if that would be of benefit to us.

Now, I have a few words of wisdom I would like to impart to you state officials. Before I do that I don't want to exactly "razz" you but we are coming out of the situation where we are like the kids that were playing and the Catholic priest came by, and they all took off their caps and said, "Good morning, Father." A little nigger boy playing with them took off his cap, and said, "Good Morning, Father." The priest put his hand on the little nigger boy's head and said, "Ah, little boy, are you a Catholic, too?" The boy said, "Hell, no, it's bad enough to be a nigger." (Laughter.)

We are beginning to come out of the "nigger" class, but some time ago we recommended to you that in the holding of your state meetings you arrange them at such times that a representative of the American Title Association could take in several meetings on one trip. It costs the American Title Association about \$350 expenses to send me anywhere. Unfortunately, I get no salary for it. Most of the expenses occur if I attend just one meeting. Now, if you want us present please do not schedule your meetings solely on account of a football game. Please do not schedule your meeting solely because of a whim of some one or other. We either cannot attend your meeting or else it puts too much of a burden upon the title in-

surance people who are paying the bill.

There has been a great deal said about regional meetings and there will be a great deal more said about them. I am frank to say that the results of regional meetings have been astounding. The benefit which has accrued to the abstracter has been immeasurable. At the Executive Committee meeting yesterday afternoon, I was asked to estimate the amount of increased revenue which has come to the abstracters through regional meetings, and it was absolutely impossible. The secretary had an estimate from one state and in one year the increased revenue exceeded \$300,000. It seems impossible to believe until after you have had experience with it.

I want to add a word of caution about regional meetings and the holding of them. It is a woeful thing that the instructions which are sent to you state presidents and state secretaries, those in charge of regional meetings,—I repeat, it is a woeful thing that you very seldom follow instructions. The preliminary work to be done in the holding of a regional meeting must be done. It has been found out by the holding of a great many meetings, by the mistakes which we have made, that certain things are necessary. When Hall writes you a letter telling you what to do, don't think that he is dictatorial. He is attempting to help you to avoid the mistakes we have made in other places. He isn't arbitrary about it. Please, at least, read the instructions.

When we ask that a preliminary letter be sent by the president of that association to every abstracter, whether a member or not, that means we expect that to be done. When we ask the secretary of the association also to write some letters to each abstracter, that means we want that done. When we ask that the district chairman write letters, that means we expect that to be done, and when we tell you we want the district chairman to call every abstracter in his district on the telephone on the day before the meeting and see that he is coming, we want that to be done. When we say we want a luncheon arranged and paid for by some company in that district, we want that done.

And, by the way, on the luncheon business the expense of the luncheon is always paid for within two weeks by the general public. The quickest action I know of in that respect was that the luncheon was paid for by three o'clock on the afternoon of the next day. (Laughter.)

We also insist that if an outsider is to come and conduct your regional meetings, and experience has found that to be the better way of doing it, one of your state officials, a local man, is to accompany him to all the meetings. The state official knows local conditions, local animosities, and can tip off to whomever is conducting the meeting things which need to be emphasized.

At several meetings we have had to stop fist fights between competitors, three cases that I know of. That shows

the amount of brotherly love you have for each other. (Laughter.)

If you think that those who are willing to conduct regional meetings want to do it just disillusion yourselves of that. It takes at least two or three days of intensive study before the regional meeting starts with reports from half a dozen abstracters from the state who, the one holding the regional meeting knows, are reliable and will give the information. It takes a complete knowledge of the state, more knowledge of the law under which the abstracters are working than the abstracters in it themselves have.

Then, besides, it is hard to travel. It means days and nights of traveling, interrupted rest—usually but little, driving across country, up early, to bed late, changing trains in the middle of the night, and the actual work is a strain.

That is the average schedule for any one who is holding regional meetings. Then there is the time away from one's own business. When we ask for your cooperation it seems to us the least you can do is to give it.

Now, we are going to have to raise our dues. The American Title Association is a beggarly outfit getting its money from the New York companies, the Chicago Company, and the various title insurance companies. I want to say for the benefit of the record, for very few abstracters will be here, but they will read it, that your dues are going to be raised and I don't think the \$5 minimum is going to be enough. I think we ought to raise it more. You will find that your income is increased a minimum of from \$500 to \$750 per year per company and you ought to be willing to chip in a little more than you are now paying.

Concerning the legislation which has been worked out, the model law for abstracters. For the benefit of the title insurance people who haven't cared to pay a great deal of attention to this legislation, it is designed to put the abstracter on a plane with the barber, the hairdresser, and so on. It provides for some minimum qualifications which one must have to engage in that business. One is that he must have a plant; another is that he must pass an examination. A third is that he must give a bond for the protection of the public. There are other provisions but they are such as put the law into effect.

We knew we couldn't get such a law as that through; it would be considered unfair to the abstracter, so we put "grandfather" clauses in it which lets anybody doing business now in because you couldn't pass the examination if you haven't the plant. That examination can work in various ways.

I had a friend who thought this country was going to get into war. He was a very successful physician and he wanted to get into the army. He took an examination which lasted six days and he knew he didn't pass. That examination was given for the reason that if his friend, the United States senator, started to raise hob with the War Department for keeping him out, they could show that

record. He had to have other qualifications but he was taken in in spite of the fact that he didn't pass. There was a fellow townsman who is now Vice-President of the United States and they gave him an examination. There was a field of a certain dimension and he was asked how he would find the area of that field. He said, "I would hire a surveyor," and the answer was, "That's correct." (Laughter.) He got a general's commission.

I think we have provided for every possible contingency in that bill, but I have been at state association meetings where they were carried away by my ability as a speaker (laughter) and they wanted to present that bill immediately, take it exactly as we drafted the model law right across to the legislature and introduce it. I want to urge you presidents and secretaries not to do anything like that. First, have that bill carefully presented at regional meetings. Have that bill carefully gone over by the best title attorneys you can find in your state. Then, too, you have to cooperate in securing its passage. Cooperation is the association of a number of people for a common benefit, and this bill is a common benefit.

In our town there is an insane asylum and some visitors were being shown through and in one ward of men there was only one attendant, and they asked him, "Aren't you afraid these insane people will gang on you, overpower you, kill you and skip?"

He said, "Hell, no, they are crazy, they can't work together."

You abstracters better take that to heart. Before your bill is ever introduced into the legislature you must know by what vote it is going to pass each house. You must know that it will be signed by your governor. If you go to the legislature half prepared some other organization or ill-advised individual is going to write your bill for you and you will be in a worse position than you are now, if that is possible. That means that every abstracter has to see his senator and representative and know whether he is going to vote favorably or unfavorably. He must arrange to see that he does vote favorably and has to report to some central office to whomever has the progress of that bill in charge.

I want to impress on you that if regional meetings fail in your state, if they are only a partial success, if you fail to get the complete benefit which should be yours from the legislation which we propose, the fault is entirely yours. I want to impress on you that you have to work if you want to get anything that is worth while having. If you are not willing to do a little work for yourself, don't expect the American Title Association to do it all for you.

You people can't expect too much of the American Title Association, or of me or of Dick Hall or Bill Clark, or any one of the abstracters who is trying to help you and certain it is you will have to do your part. (Applause.)

REPORT OF CHAIRMAN TITLE INSURANCE SECTION

By Edwin H. Lindow

Your Chairman reports that among subjects for early discussion and action by the Title Insurance Section are the following:

CO-INSURANCE

One of the most vital subjects of today is co-insurance. Much consideration has been given to it at previous conventions; and a great deal of time and work has been extended on a number of different occasions in an effort to work out a feasible plan which would be acceptable to the companies. However, the fact remains that co-insurance has not been available except in a few isolated instances and the title men of the country, by and large, are unable to handle a transaction of large size.

Your chairman, however, is delighted to report today a truly progressive step on the subject of co-insurance. A number of member companies, with total resources running into millions, have been working on this subject, independent of the Association, but with the full knowledge and approval of your chairman and the section executive committee. From time to time reports will be made to you, as forward steps are taken. I particularly direct your attention to a paper which will be read at this meeting by Mr. H. Laurie Smith of Richmond, Virginia, who has labored long and intelligently on this subject. His report goes into this matter in detail.

BOARD OF TITLE UNDERWRITERS

As was contained in my report at the Seattle convention, there is a sad lack of uniformity in forms of policies, in rates, in general practices, in the establishment of legal reserve, in the control and guiding of proper legislation and in a score of other directions. Your chairman is satisfied these unhappy conditions will continue until there is established and put in working order, with power to enforce its rulings, a Board of Underwriters in each state.

Your chairman has investigated the subject in a few localities where such a board exists and is enthusiastic over its creation, as also are officers of state associations and leading title men throughout the country. A chaotic condition can be brought to an orderly condition; practices which today are nothing short of calamities can, when modified or altered, be converted into blessings.

I heartily endorse every word in the reports on this matter which are being brought to you by our two Freds—Fred Condit of New York and Fred Chilcott of San Francisco—both of whom have had several years' observation on this subject. I heartily recommend that the members of each state create such a governing body and give it authority to enforce its rulings. The unit can be either a state, section of a state, or even a

board within the confines of one city if there are two or more companies in that city.

LEGISLATION

Your chairman has received communications from many members in a great number of states urging that consideration be given to the preparation of legislation which will be at one and the same time, reasonable yet binding. The feeling of most of these companies mentioned has been that if legislation is not prepared by us, it will be prepared by others for us. If written by those not acquainted with our business, it may have obnoxious features.

Illustrative of the need for a thorough study of the subject, I mention a few glaring cases. In a half dozen odd states, the companies therein wish certain changes made in present laws; in another half dozen odd states, the title companies have absolute need for a title insurance act. In certain other states the companies feel the need for modification of present legislation which is unreasonably stringent. No uniformity of any character exists, insofar as reserve is concerned, nor is there uniformity of feeling on the part of our membership as to what constitutes a sufficient reserve. The figures your chairman has received range all the way from 0% to 50% of premiums earned, a majority, however, favoring approximately 10%, with a slight few making a reservation that this percentage should be decreased when a certain amount of money has been placed in reserve, or when the reserve reaches a certain percentage of combined capital, surplus, undivided profits and reserve.

Your chairman has endeavored to reconcile all reports received during his term of office and finds the task almost hopeless of accomplishment because of the variety of reports received.

I here wish to stress once more the numerous requests which come to the office of the executive secretary from departments of insurance and banking of numerous states, and also from investment houses all over the country, asking, or rather demanding data on these points.

Accordingly, and with the approval of the executive committee, your chairman has appointed a Legislative Committee to work upon this important subject, and to submit its findings at this meeting and also at the San Antonio 1929 convention, in the form of a proposed act governing title insurance companies. It is contemplated that this will take into consideration all factors concerning legislation which will influence our business, and that the proposed act will be then submitted to the various state organizations for their early consideration, for their use in whole or in part.

NECESSITY FOR INFORMATION

I have previously mentioned letters

received by Mr. Hall's office requesting information about various member companies. These requests come from firms of stability and financial strength; they want this information to determine whether or not they wish to do business with you. They are entitled to definite word. If the association, as such, can not give them the information they want, they naturally think little of the association and of the members in it. Furthermore, and what is probably more important, they will unquestionably place their business elsewhere. In fact, some have already done just that.

The association must be in position to answer intelligently and clearly any reasonable questions about members that may be asked of it. That it may do this, you yourselves must have your own records in such shape that you can give the association the data it needs. Every title company should be in position to state the amount of liability appearing on its books; the amount of losses incurred; the percentage these losses bear to earnings; the character of claims which brought about these losses. Every title company should have its records in such shape that the character of its business, in one line as against another, is definitely set forth upon its books.

I have mentioned but a few records you should maintain. Others will occur to you.

Furthermore, when the association, through its officers, asks for information of this character, the request goes to you for a definite reason. You should not ignore this request. The value of the association will be in the ratio that you give the association your co-operation and support.

UNIFORM POLICY

Your officers have worked diligently since the Seattle convention on this important subject. The thanks of the entire division are due Mr. Stuart O'Melveny and the members of his Committee on Uniform Policy. He and they have given untiring efforts, in time and money, toward working out a policy acceptable to our clients and which gives us the protection we need. You will reap much benefit from hearing and studying his report and the discussion which will follow it.

REGIONAL MEETINGS

The success of regional meetings of abstracters in a number of states has been proven. While a number of difficulties present themselves immediately, the idea is equally applicable to the Title Insurance Section, and much toward curing difficulties which now exist in certain localities could be performed by your officers through meetings of this character.

We accordingly recommend to the executive committee, the consideration

of this subject. We realize this will create additional expense, but the advantages gained from these meetings will be, in our opinion, far in excess of the expense involved.

It is true the Association is confronted with a considerable expense but I don't believe the Title Insurance Section can stand back and not progress. If I, as your Chairman, am to accomplish constructive things for the title insurance companies, it is necessary to spend some money and clear up some of the difficulties that exist among title companies, and eliminate many of the adversities confronting them because if we don't the time is not far off when certain calamities are likely to occur and they naturally will be felt in outside states and by companies other than only in the particular state where they might have happened.

CHAIRMAN WYCKOFF: I think we owe a vote of thanks to Mr. Lindow and those committeemen of his section who have in the short time between the Seattle convention and this meeting been able to report such substantial effort, and I believe that out of that effort is going to come much that is beneficial to our business. We have for the title insurance sections in that source nearly, if not quite, the amount of energy that we have for the abstracters in this giant plainsman of ours.

Now, of course, none of these things are possible unless the sinews of war, as some one has said, are furnished, and our treasurer will at this time give his report upon that situation.

Mr. O'Melveny is our next chairman of the Title Examiners Section. In the absence of the hold-over man of that office who could not be here, Mr. O'Mel-

veny will preside on any questions which may want to be asked after the reading of the next paper. We were to have had a paper by Mr. Stephens on "Constitutionality and Legality of Fixing Abstract Charges by Legislation." Unfortunately, our friend, Mr. Stephens cannot be here and he has sent his associate, Paul W. Gordon, who will present his thoughts and opinions on this subject.

After the presentation of this subject, following the Open Forum, you can present any questions which you want and if Mr. Gordon, who didn't prepare this paper, isn't prepared to answer we will try and get somebody else to answer from the floor any problems presented.

. . . Mr. Wyckoff resigned the chair to Mr. O'Melveny. . . .

CONSTITUTIONALITY AND LEGALITY OF FIXING ABSTRACT CHARGES BY LEGISLATION

R. Allan Stephens, Springfield, Illinois
(Being Report of Title Examiners Section)

About a month ago, our genial secretary, Dick Hall, nonchalantly lit a certain famous brand of cigarette, and requested me to:

"Merely give an opinion on the rights, constitutionality, or legality of States to fix abstracters' charges by legislation."

That sounds simple and easy. Merely calling the stenographer and dictating the answer, and probably that's the way the originator of the cigarette advertisement would have done it. Unfortunately, however, this question was asked of a member of the Title Examiners Section, and called for the discussion of several fundamental principles of government which have been debated in thousands of courts since the beginning of our Federal Government.

To approach this question, one must first consider the right of legislative bodies to determine whether the abstract business, as a business, is subject to regulation under any ordinary circumstances by virtue of the police power of the state. The business aspect of this question was ably discussed by Mr. Herbert Becker, Vice-President of the Chicago Title and Trust Company, at the 1928 annual meeting of the Illinois Abstracters' Association, in his admirable discussion of the question, "Is it Advantageous to have Abstracters Licensed or Bonded?" Should any of you be interested in the business man's point of view of that question, I heartily recommend an examination of the same, which may be found in the Annual Report of the Illinois Abstracters' Association, Page 35. My reference to that question will be from the purely legal point of view.

As I have stated, the preliminary question arising in this discussion is whether, under the police power of the state, legislative bodies have the right to regulate the abstract business.

It is impossible for me, and would be indeed inadvisable, to attempt to frame, any definition of police power which would attempt to indicate its limits, including everything to which it may extend and excluding everything to which it cannot extend. Our courts have considered it better to decide, as each case arises, whether the police power extends thereto, the power being coextensive with the necessities of the case and the safeguards of the public interest.

"Police Power" is an inherent power, possessed by every sovereign state, to protect and further public safety, morals, health and welfare. The term "police power" as generally understood in American Constitutional law, is considered to be the power to impose such restrictions upon private rights as are practically necessary for the general welfare of all.

The most extensive and pervading power existing in the state by virtue of its general sovereignty is this "police power." It is the power by which the individuals of the state are bound to conform their general behavior to the rules of propriety, good neighborhood, and good manners, to be decent, industrious and inoffensive in their respective stations. Upon it depends the security of our social order, the life and health of the citizens, the comfort of existence in a thickly populated community, the enjoyment of private and social life, and the beneficial use of property. There are

doubtless some rights of a purely personal and private character that their possessor does not surrender to the whole people by becoming a member of organized society. But it is evident that he must concede to society, in return for the enjoyment of its privileges, a large measure of authority over his conduct and possessions, and that in the process of development from a rude state of society to a complex civilization, the zone of personal rights that are beyond legislative control must constantly diminish. The maxim, "so use your own that another you may not injure" is the real source of police power, and furnishes the implied condition upon which every member of society possesses and enjoys his property. Criminals are deprived of their liberty; the implements of crime are destroyed, vice and pauperism are controlled; noxious trades are regulated; nuisances are suppressed; children are required to attend school; the property of infants and persons *non compos mentis* is placed in the control of others; the construction of buildings in populous neighborhoods is regulated; provision is made for the greater safety of passengers on railways and steamboats; employers are required to provide safe places in which the work of their employes is to be performed; the hours of work in employments deleterious to the health are limited; the employment of children in factories prohibited; pure food laws are enacted; physicians, dentists, druggists and architects are licensed; and so the list might be almost indefinitely expanded by specific instances of authorized legislative regulations enforcing the social compact, for the protection of life,

health, morals, property, and the general weal of the community.

The constitutional guaranties of life, liberty and property, of right to contract, of due process of law, are subject to such restraints as are reasonably necessary for the public good. As a member of organized society, the individual citizen has no right to do those things which are injurious to the common welfare. He is wisely fenced about by governmental limitations which prevent him from infringing upon the rights of the public. There are no constitutional guaranties which he can invoke against reasonable restraints imposed by the legislature in the exercise of its police power for the preservation of the health, morals, and safety of the people.

Yet, while the police power of the state is very extensive, it is not without its limits. A law enacted in the exercise of the police power must be a police regulation in fact. If it will not conduce to any legitimate police purpose, or if it amounts to an arbitrary and unwarranted interference with the right of a citizen to pursue any lawful business or any lawful use of his property, the courts have a right and it is their duty, to declare the law unconstitutional. There can be no unwarranted interference with the business of a citizen or his right to own and sell property under the guise of the police power, where the object sought has no reasonable relation to the means employed to effect the object. The marking and measuring of the extent of its exercise and application is determined by a consideration of the question of whether or not any invocation of that power, in any given case, and as applied to existing conditions, is reasonably necessary to promote the public health, safety, morals or welfare.

The following named occupations and persons engaged therein have been held proper subjects of regulation under the police power, namely agriculture, attorneys-at-law, auctioneers, banking, barbers, brokers, building and loan associations, carriers, carpet beating by steam power, corporations, dentists, detectives, druggists, employment agencies, factors, ferries, garages and garage keepers, hackmen, hawkers and peddlers, junk dealers, inn-keepers, insurance, laundries, livery stable keepers, mining, pawn-brokers, physicians, pilots, plumbers, railroads, sale of securities, secondhand dealers, slaughter houses, street-railroads, telegraphs, and telephones, ticket brokers, warehousemen and wharfingers. (12 Corpus Juris, 924.)

From the foregoing, by reason of this essential power of the state, abstracters, because of their influence in the protection and safety of the rights of property, are undoubtedly subject to legislative regulation. Such regulation might properly include requirements licensing abstracters and requiring bonds to indemnify customers from errors. Such legislation would undoubtedly be held to be constitutional by our highest courts.

But presuming, for the purpose of this discussion, that the legislature has the power to regulate abstracters, does it still have the right to fix charges, for, as we have seen, while the legislature may

regulate such occupations as affect public health, safety, morals and welfare, another element is essential to give it the right to fix abstracters' charges.

The Supreme Court of the United States, in its latest opinion involving this question, rendered January 2, 1929, the opinion being delivered by Justice Sutherland, said:

"It is settled by recent decisions of this court that a state legislature is without constitutional power to fix prices at which commodities may be sold, services rendered, or property used, unless the business or property involved is 'affected with a public interest.' *Wolf Co. v. Industrial Court*, 262 U. S. 522; *Tyson & Brother v. Banton*, supra; *Fairmont Co. v. Minnesota*, 274 U. S. 1; *Ribnik v. McBride*, 277 U. S. 350. Nothing is gained by reiterating the statement that the phrase is indefinite. By repeated decisions of this court, beginning with *Munn v. Illinois*, 94 U. S. 113, that phrase, however it may be characterized, has become the established test by which the legislative power to fix prices of commodities, use of property, or services must be measured. As applied in particular instances, its meaning may be considered both from an affirmative and a negative point of view. Affirmatively, it means that a business or property, in order to be affected with a public interest, must be such or be so employed as to justify the conclusion that it has been devoted to a public use and its use thereby in effect granted to the public. *Tyson & Brother v. Banton*, supra, p. 434. Negatively, it does not mean that a business is affected with a public interest merely because it is large or because the public are warranted in having a feeling of concern in respect of its maintenance. *Id.*, p. 430. *Williams vs. Standard Oil Company of Louisiana*, United States Supreme Court, Jan. 2, 1929."

In another recent case, the United States Supreme Court, Chief Justice Taft delivering the opinion, said:

"The circumstances which clothe a particular kind of business with a public interest, in the sense of *Munn v. Illinois*, the leading case, and the other cases on this question, must be such as to create a peculiarly close relation between the public and those engaged in it, and raise implications of an affirmative obligation on their part to be reasonable in dealing with the public. * * *

"Businesses said to be clothed with a public interest justifying some public regulation may be divided into three classes:

"(1) Those which are carried on under the authority of a public grant of privileges which either expressly or impliedly imposes the affirmative duty of rendering a public service demanded by any member of the public. Such are railroads, other common carriers and public utilities.

"(2) Certain occupations, regarded as exceptional, the public interest attaching to which, recognized from earliest times, has survived the period of arbitrary laws by Parliament or colonial legislatures for regulation of trades and callings. Such are those of the keepers of inns, cabs, and gristmills.

"(3) Businesses which, though not public at their inception, may be fairly said to have risen to be such, and have become subject in consequence to some government regulation. They have come to hold such a peculiar relation to the public that this is superimposed upon them. In the language of the cases, the owner, by devoting his business to the public use, in effect, grants the public an interest in that use, and subjects himself to public regulation to the extent of that interest, although the property continues to belong to its private owner, and to be entitled to protection accordingly. * * *

"In a sense, the public is concerned about all lawful business because it contributes to the prosperity and well-being of the people. The public may suffer from high prices or strikes in many trades, but the expression 'clothed with a public interest,' as applied to business, means more than that the public welfare is affected by continuity or by the price at which a commodity is sold or a service rendered. * * *

"It has never been supposed, since the adoption of the Constitution, that the business of the butcher, or the baker, the tailor, the wood chopper, the mining operator, or the miner was clothed with such a public interest that the price of his product or his wages could be fixed by state regulation. It is true that in the days of the early common law an omnipotent Parliament did regulate prices and wages as it chose, and occasionally a colonial legislature sought to exercise the same power; but nowadays one does not devote one's property or business to the public use or clothe it with a public interest merely because one makes commodities for, and sells to, the public in the common callings of which those above mentioned are instances. * * *

"In nearly all the businesses included under the third head above, the thing which gave the public interest was the indispensable nature of the service and the exorbitant charges and arbitrary control to which the public might be subjected without regulation. * * *

"It is very difficult under the cases to lay down a working rule by which readily to determine when a business had become 'clothed with a public interest.' All business is subject to some kinds of public regulation, but when the public becomes so peculiarly dependent upon a particular business that one engaging therein subjects himself to a more intimate public regulation is only to be determined by the process of exclusion and inclusion, and to gradual establishment of a line of distinction." (*Wolf Packing Co. v. Court of Industrial Relations* 262 U. S. 522.)

Again our highest Court has said:

"The term, 'affected with a public interest,' it is true, furnishes at best an indefinite standard, and attempts to define it have resulted, generally, in producing little more than paraphrases, which themselves require elucidation. Certain kinds of properties and business it obviously includes, like common carriers, telegraph and telephone companies, ferries and wharfage. * * *

"A business is not affected with a public interest merely because it is large or because the public are warranted in having a feeling of concern in respect of its maintenance. Nor is the interest meant such as arises from the mere fact that the public derives benefit, accommodation, ease or enjoyment from the existence or operation of the business. * * *

"Each of the decisions of the United States Supreme Court upholding governmental price regulation has turned upon the existence of conditions, peculiar to the business under consideration, which bore such a substantial and definite relation to the public interest as to justify an indulgence of the legal fiction of a grant by the owner to the public of an interest in the use." (Tyson & Bro. v. Banton, 273 U. S. 418.)

The following businesses have been held to be so affected with a public interest that they are subject to legislative control in respect to rates, prices, or charges, namely, railways, street railways, ferries, bridges, turnpike roads, telegraph companies, telephone companies, supplying of gas, supplying of water, business of milling, wharfage, storing grain and stockyards. But from the application of these instances to the term "public use" we can see what it really means.

The following states have adopted statutory provisions regulating abstracters, namely, Idaho, Kansas, Nebraska, North Dakota, Minnesota, Montana, Oklahoma, South Dakota and Wyoming.

In a general way all of these statutes provide for the issuance of a certificate to the abstractor, entitling him to the use of the county records and the right to make abstracts, upon the furnishing of a bond, approved by the county commissioners, conditioned that the abstractor perform his work faithfully and correctly. It is made a misdemeanor to make abstracts without such a certificate.

A few states have adopted additional provisions. In North Dakota and Wyoming, the abstractor, in addition to furnishing bond must also possess abstractor's books of record and titles. In North Dakota and Oklahoma he is bound to furnish service, and in North Dakota, Minnesota, South Dakota and Oklahoma, fees for services are fixed.

The North Dakota Statute (Sec. 3097, of the Political Code, 1913) provides:

"That for making and certifying to abstracts the following fees and no more shall be allowed.

For first entry on any one abstract.....	\$1.00
For each subsequent entry or transfer.....	.25
For entry relating to taxes.....	.25
For entry relating to mechanics liens.....	.25
For entry as to judgments which constitute liens on property.....	.15
For each name certified to.....	.25
For certificate to abstract.....	.25

"It is made the duty of an abstractor to continue any abstract so made by him on the payment of 25c for each entry made thereon and 25c for the certificate of continuation thereto."

The Minnesota law is found in Sec. 900, General Statutes of Minnesota, 1923, and seems to limit its fee fixing provisions to

abstracts made by the Register of Deeds. The pertinent provisions of this Act are:

"Register of deeds, upon being paid his lawful fees therefor, shall make out under his certificate and seal, as the same appears of record or on the file in his office, and deliver to any person requesting the same:

"A. A full and perfect abstract of title to any real estate together with all incumbrances, liens and instruments in any manner affecting such title.

"B. A continuation of any abstract of title, to any real estate that has been certified to by any official abstractor of his county.

"C. An abstract of title to any real estate together with all encumbrances, liens and instruments in any manner affecting such title from a certain date to a given date.

"D. An abstract of title to any real estate covering encumbrances and liens, only, affecting such title between any two given dates.

"The county board may by resolution authorize any person to use a portion of the county building for the purpose of making abstracts of title, upon the execution by such person of a bond in a sum not less than five hundred dollars, conditioned for the faithful performance of his duties as such abstractor and that he will handle all public records with care and charge no greater fee for abstract of title than is or may be allowed by law to registers of deeds for like services.

"Fees for register of deeds.

"(a) For an abstract of title, 25c for every transfer, and 25c for certificate.

"The Oklahoma Act is known as Sec.

3616 of Chapter 19, of Compiled Oklahoma Statutes, 1921, and provides as follows:

For first entry or transfer in the abstract.....	75c
For each subsequent entry or transfer.....	35c
For entry of certificate relating to taxes.....	15c
For entry of certificate relating to mechanics lien.....	15c
For certificate as to judgments which may constitute a lien on real estate abstracted.....	35c
For each name certified to.....	15c
For synopsis of court records or proceedings, per folio.....	35c

"Shall be duty of abstractor to continue any abstract so made by him, on payment of 25c for each additional entry thereon and certificate fees as above stated."

While in South Dakota abstracters turning to Sec. 10545 of Political Regulations of South Dakota find:

"The fees which shall be allowed to any abstractor shall be as follows:

For the first entry or transfer on any one abstract or continuation thereof.....	\$1.00
For each subsequent entry or transfer.....	.50

Provided that an additional charge may be made for entries or transfers containing more than 200 words of 20c per 100 words for such excess.

For certificate as to the abstracts of the records of the office of register of deeds.....	.25
For entry or certificate relating to taxes.....	.25
For entry as to mechanics liens or judgments.....	.50
For certificate as to judgments for each named certificate.....	.15

As far as I am able to learn, the constitutionality of the foregoing statutes or any of them has never been before the United States Supreme Court, and therefore that question viewed from a federal point of view, has never been determined. Should the constitutionality of these statutes reach the Supreme Court in a case where that question is clearly raised, its solution would be reached by the tests which I have heretofore suggested. First, the court would determine whether or not the abstract business is such a business as can be regulated under the police power, and if it should so decide it would, second, consider whether the abstracting business is so affected with a public interest as to subject it to regulation as to prices for services. My opinion is that the court, as composed at present, would hold that the abstracting business was not so affected with a public interest and that the Acts are unconstitutional. I am reasonably certain that if the Legislature of Illinois should pass such an act, it would not take our Illinois lawyers very long to have such arbitrary legislation so held to be an unlawful interference with private business.

That such legislation is arbitrary and might also be held unconstitutional under the "Due Process" clause can easily be seen from the difference in cost of operation and overhead expenses of abstract



FRED P. CONDIT
New York City

Named as Councillor to the Chamber of Commerce of the United States

offices. I do not believe that there are any two abstract companies who operate with the same proportion of overhead to receipts. They are like our Illinois law offices, and not long ago, within twenty-four hours I was in two Illinois offices, one of which had an annual operating overhead of less than \$1,000, while the office manager of the second one told me he was worrying over an overhead of \$275,000 per annum. Obviously, any kind of rates which could be fixed for the first office would be absolutely confiscatory as to the second office.

Even in cases where the legislature fixes the price of commodities such as gas and electricity, or utility service, commissions must be established so that the fluctuations of overhead expenses may be reflected in rates, and the tendency of our

courts has been to hold void any laws making arbitrary and fixed prices.

With the foregoing principles in mind each one is qualified to decide for himself whether this class of legislation is valid. In none of the cases I have cited was the opinion of the court unanimous. This is the old question of government regulation which, as Emerson said, "agitates every man's bosom with opposing advantages every hour." It is the old war between the party of conservatism and that of innovation, which has disputed the possession of the world ever since it was made. It has been the battle of the patrician and the plebian; of parent state and colony; of old usage and accommodation to new facts; of the rich and the poor. It has raged in battlefields, in national councils and ecclesi-

astical synods. In the meantime the old world rolls on, and now one and now the other gets the day, but still the fight renews itself as if for the first time, under new names and hot personalities. If you believe in a strong centralized government, that the state should dominate the lives of all of its citizens, then you will honestly believe that such legislation is proper and constitutional, while on the other hand, if you belong to that school of thought which believes in less, rather than more, legislation, that the individual should be unhampered by any rules of conduct from the State, you will just as honestly believe that these laws are bad, and that the only reason they have not been held unconstitutional has been due to the fact that a proper case has not been presented to our highest courts.

REPORT OF THE TREASURER

J. M. Whitsitt

After all these good reports, I think you know we have spent some money, but I think we have spent this money very wisely. The Executive Committee appointed a sub-committee composed of Dall, Daly, Wyckoff and myself to approve all bills and it has been hard to get any bill by that wasn't all right.

You can count on your money being spent wisely.

This report covers sixteen months. You know we moved up from September to the first of the year, and this report covers from September 1st, 1927, to December 1st, 1928.

"We are confronted with the fact we

are going to have to have more money next year. That will be explained to you later. I think the money has been wisely expended. The treasurer has nothing to do with the spending of it; all he has to do is pay the checks out with the order from the three men appointed by the Executive Committee."

STATEMENT OF J. M. WHITSITT, TREASURER, AMERICAN TITLE ASSOCIATION, SHOWING RECEIPTS AND DISBURSEMENTS FROM DECEMBER 1, TO DECEMBER 31, 1928

Receipts	
Cash on hand.....	\$1,947.25
Sustaining Fund.....	1,043.50
State Dues.....	16.00
Miscellaneous.....	7.00
Total.....	\$3,013.75

Disbursements	
Executive Secretary's Salary.....	\$ 833.32
Expense of Sections.....	41.50
Office Rent.....	100.00
Office Equipment.....	38.15
Postage.....	70.18
Stenographers.....	169.00
Stationery and Printing.....	88.40
Supplies and Miscellaneous.....	165.98
Title News.....	317.30
Travelling Expenses, State Meetings.....	340.04
Telegrams.....	12.96
Total.....	\$2,176.83
Cash on hand.....	836.92
Total.....	\$3,013.75

Condition of Budget As of December 31, 1928

	Budget	Expended	Balance
Salary, Executive Secretary	\$ 8,433.32	\$11,499.88	\$3,066.56
Stenographers.....	2,500.00	2,296.50	203.50
Office Rent.....	1,380.00	1,540.00	160.00
Title News.....	6,020.00	7,301.73	1,281.73
Travelling Expenses, State Meetings.....	1,650.00	2,051.98	401.98

Stationery and Printing.....	950.00	1,015.72	65.72
Postage.....	750.00	766.85	16.85
Telegrams.....	250.00	205.29	44.71
Supplies and Miscellaneous.....	2,050.00	3,144.39	1,094.39
Office Equipment.....	150.00	134.40	15.60
Expense of Sections.....	666.68	572.43	94.25
Travelling Expenses, Executive Committee, Mid-Winter Meeting.....	1,200.00	1,305.21	105.21
Total.....	\$26,000.00	\$31,834.38	\$ 358.06

Additional budget added by Executive Committee, Mid-Winter Meeting.....	1,700.00
Total.....	\$2,058.06
Less over-draft as shown above in italics.....	6,192.44
Total.....	\$4,134.38

STATEMENT OF J. M. WHITSITT, TREASURER, AMERICAN TITLE ASSOCIATION, SHOWING RECEIPTS AND DISBURSEMENTS FROM SEPTEMBER 1, 1927, TO DECEMBER 31, 1928

Receipts	
Cash from Wyckoff (former Treasurer).....	\$ 1,568.11
Petty Cash Fund (Received from R. B. Hall, Secretary).....	529.10
Advertising, Title News.....	338.59
Miscellaneous.....	124.75
State Dues.....	4,756.00
Sustaining Fund.....	24,379.75
Individual Dues.....	420.00
Title Examiners Section.....	555.00
Total.....	\$32,671.30

Disbursements			
Executive Secretary's Salary.....	\$11,499.88	Travelling Expenses, State Meetings.....	2,051.98
Expense of Sections.....	572.43	Telegrams.....	205.29
Office Rent.....	1,540.00	Travelling Expenses, Executive Committee, Mid-	
Office Equipment.....	134.40	Winter Meeting.....	1,305.21
Postage.....	766.85		
Stenographers.....	2,296.50	Total.....	\$31,834.38
Stationery and Printing.....	1,015.72	Cash in bank.....	836.92
Supplies and Miscellaneous.....	3,144.39		
Title News.....	7,301.73		\$32,671.30

Round Table Luncheon

The Round Table Luncheon and Conference for State and National Association Officials was called to order at one o'clock by Vice-President Elect Donzel Stoney.

CHAIRMAN STONEY: This is an informal meeting for the purpose of allowing the representatives of state associations to get together and discuss their troubles and to ask any questions they may deem proper, to solicit the aid of the American Title Association in anything which they have to do. You will find that the American Title Association, so far as it is in its power, will assist them to the fullest extent of its ability.

First of all I would like to ask if there are presidents or secretaries of state associations here who have something in mind which they would like to present. In other words, this is your meeting, not ours. The easiest way to learn is by asking questions and have some one answer them properly. If there is some one here who can state any peculiar situation that exists in his organization at the present time that needs action, and the situation with regard thereto, I think there are some people we could call on here that would help us out.

MR. DONALD GRAHAM (President, Colorado Title Association): I would like to ask a question that may take a little time to answer. I would like to know what the budget is for the state associations that are represented, here. I find our own is very, very small. In speaking to Mr. McKee I find his is about ten times ours with a membership twice as large. I would like to have the state associations give the amount of the budget they expect to spend.

MR. W. B. CLARKE (President, Montana Title Association): We expect to collect in the neighborhood of \$1,000. We have always had money in our treasury and intend to keep some.

MR. H. C. RICKETTS (President, Oklahoma Title Association): We have operated on a budget for the past several years in the neighborhood of between \$800 and \$1000. We expect to increase that next year on account of the increase in dues. Before the national Association schedule was put up at Seattle, we adopted it. We are having some trouble in certain brackets on the new dues rate, which I think will develop some interest-

ing things in introducing it in other states.

There is one thing I have in mind now while answering the other question and I want the moral support of this meeting. We put that schedule in a year ago and in certain brackets we are having very strenuous objection to the large raise in dues. That affects only three counties in our state. Our president's idea is to stand pat on the schedule. We are going into that convention with the idea that is the proper thing to do. However, we are going in there to let the convention say it, but the officers of our association feel that the people who are kicking have not been hurt. It just so happens that the companies who are causing the objection are companies who have not taken a very active part in association work. In two instances they did not attend the regional meetings although they promised to come. In another instance, one company leading the kick in that county is the company that caused the greatest trouble at any regional meeting we had in the state. So, we feel the kicks are coming, not because they are justified but because they are coming from kickers. They would kick on almost anything.

In the absence of any experience in the new dues scale the officers of our association feel they ought to stand pat for another year even if these drop out. I would like to hear the opinion of some of the rest of you.

MR. E. M. McCARDLE (President, California Title Association): Our budget in California would be about \$6,000 this year based upon one-fifteenth of one per cent levied against title insurance companies, eighteen in number, and \$25 for each certificate or abstract company, fifty-six in number, whose gross income was \$50,000 and \$50 for each abstract or certificate company whose gross income was more than \$50,000. That will bring in about \$6,000. This being the legislative year it will probably run over. If, however, we need more for this year we will levy another assessment and get the money.

CHAIRMAN STONEY: Mr. Johns, will you answer Mr. Ricketts' question about standing pat?

MR. JOHNS: We have an old German in our town who, when he doesn't like it, tells them to "come to hell." (Laughter and applause.)

MR. RICKETTS: I am surprised at

the mildness of Jim's remark. I know how he feels. I want to hear from some one more conservative. (Laughter.)

CHAIRMAN STONEY: Maybe the Executive Secretary could give you some inside on that.

SECRETARY HALL: Mr. Ricketts and I have had some correspondence on this and I think it would be a little more enlightening to go into the details of this situation because we anticipate there will be a little trouble in some cases in every state and there are some few states where we anticipate quite a little trouble.

When this schedule was designed we had in mind the small fellow and we established a reasonable fee, we thought, for towns of 30,000 and counties of 60,000 to 75,000, and that would be just and equitable and that those bigger fellows would have no objection to paying \$35 or \$40 a year to the combined associations, and we felt the bigger ones could better do it.

Now, contrary to that and much to our surprise we have offers in many cases from members in the smaller places who are willing to pay and these people who are able to pay and are in some of the larger sized places are kicking. In Oklahoma they have a little higher schedule than might be necessary in some states because that association works down there; they do things and they spend money. They want \$2000 or \$3000 a year themselves and the American Association, under this new schedule, is going to get about \$1100 or \$1300 a year out of Oklahoma. To do that we went down and conducted these regional meetings and the ones who are kicking are the ones who did not attend their regional meetings. We couldn't get them there. We stopped and talked to them and begged them to come and did everything we could to get them to attend, but they are those fellows, in some cases, who have been in business for forty years and they aren't going to change. Their competitors won't do anything according to each of their stories, these members don't participate in activities and they won't come. Those are the fellows who are kicking on the price.

In one of these places we are talking about there are five or six abstractors and they give discounts and commissions and they don't want to be fooled with. What are you going to do about it?

In each of those cases the company has not been represented at any meeting of the American Title Association and the records of the Oklahoma Association show they have not attended. Those are the people we figure on having trouble with. I don't think we will have trouble with any of the others. Am I right on that?

MR. RICKETTS: It looks like that to me.

SECRETARY HALL: I have always been of the opinion that if we put anything worth while in our lives or anything else we always have to have some to work hard and aim at the higher things. If we keep on going down to meet the fellow who objects and meet his standards we would eventually be in ditch. My idea is to establish certain reasonable standards, let those who want to come in, and not worry about the rest. Those who don't will be the only losers.

CHAIRMAN STONEY: There are two classes of people: one that thinks the Association doesn't do any good, and there is another class that thinks it does. You can't beat it into the heads of the first class and they will never find it out until they are in the conventions.

Are there any other live questions among the state officers?

MR. GRAHAM: I don't know whether it is good judgment or not, but, if possible, I would like to see in the report of this meeting, going out to the various offices, a suggestion of what these advances may be. We need \$2000 in Colorado next year and under our present program we can't expect more than \$500. How we are going to get that \$2000 isn't yet decided. If we don't get support here, coming from the outside, it will be difficult to make them see why we should have that much money. We have heard from only two states on that.

CHAIRMAN STONEY: That is a problem on which Dick might assist you. In other words what you are looking for is what you want this Association to do to help you locally. Dick can make a little note of that situation in Colorado as one result of this meeting and I presume it is a matter of a little education to your various members coming from the American Association. I should think, however, that the benefits derived from your Regional Meetings would do it.

MR. JOHNS: May I ask Mr. Graham if he intends to hold another series of regional meetings?

MR. GRAHAM: Yes.

MR. JOHNS: How soon?

MR. GRAHAM: As soon as we get along a little with this legislation. We have held these meetings in eastern Colorado but don't expect to be able to hold any in western Colorado until summer on account of weather conditions.

MR. JOHNS: My experience with abstracters is that when you begin to make them some money they will kick through. I attended one meeting in Colorado and they seemed to be very intelligent people.

CHAIRMAN STONEY: Are any of the state people in danger of loss of membership? Have any of you had the

experience of members dropping out?

MISS ELIZABETH OSBORNE (Secretary and Treasurer, Washington Title Association): We have lost two members this year and I think we have about two more coming up. We have fifty-three members in the state. There are two or three counties that are not represented. They are small counties and there is very little abstracting there, in fact, not enough so that the abstracters are really abstracters. They have a lot of other business on the side, or rather the abstracting business is on the side and the other is the business, and we don't expect to get them.

I have noticed in our Association that people who drop out for non-payment of dues are the companies that send no representatives to our state meetings. We thought the regional meetings would overcome this. They were held last fall all over the state. I don't know what the result has been. At least, it hasn't had the effect of keeping those two in or these others that are now so far behind we will have to drop them eventually if they don't come in. We can't get any answer from them. It doesn't make any difference how much we write and ask them about this they don't respond at all, and eventually drop out.

We have some very active members; most of the real pep of the Association is in Seattle. You know the Seattle crowd, and they keep things alive.

The Executive Committee has not made up the budget for the year. I don't know what we are going to do about our raising of dues. We have one who was dropped in 1923 for non-payment of dues and this company still carries on its letterhead, "Member of the



DONALD B. GRAHAM
Denver, Colo.
Chairman, Membership Committee

Washington Title Association and American Title Association." Just before I left I took the matter up with Mr. Booth. I don't know whether there is anything we can do or not. It shows they appreciate the value of it but not to the extent of a dollar.

CHAIRMAN STONEY: I don't think you have a monopoly of that kind of people.

Allied to the subject we have been talking about is a question being considered, or thought of, as to whether or not we should father a drive for membership this year or wait until next year when the new schedule of charges will be in effect. It is rather disappointing or painful to people to join an association one year and have their dues raised in the next year. We would like to hear from some of you state people as to whether in your particular state you think it better to have a drive now or next year. Some states are pretty well one hundred per cent members.

MR. LEO WERNER (Secretary-Treasurer Ohio Title Association): In Ohio, we have, I think, sixty-three members. We should have about two hundred anyhow. Of those sixty-three, nineteen were admitted last year. I think our budget is about \$750 a year. There is no reason I know of why we shouldn't go out and get members immediately, even though your plan has a great deal of merit.

We are so poorly organized that if we are going to consider the bill to license and bond abstracters—we have had only one or two regional meetings and those have been only in the western part of Ohio—we have to get busy right away. It is our hope to increase our membership this year to at least 150.

CHAIRMAN STONEY: Are there any other states a little lacking in membership?

I don't want you to think I am opposed to making a drive this year. I merely said we had been discussing it, and that was one of the objections. Personally, I don't see any objection in admitting people to membership now—you can put it the other way and tell them the dues will be smaller this year.

MR. JOHN E. POTTER (President Pennsylvania Title Association): A question of information. I don't know how many other states are in the same position, but we have no abstract companies in the state of Pennsylvania that I know of and so our membership in the state association is limited to title insurance companies, that is, those eligible. That being the case, every title insurance company in the state belongs to our association. It would be well not to send any literature to the people in our state.

MR. STEPHEN H. McDERMOTT (Secretary, New Jersey Title Association): Our situation in New Jersey is practically the same as in Pennsylvania. We have only six companies not members of the organization and they were organized in 1928 and we are going after them on an average of once a week to join the association. At times we appear to disregard the literature that the

Membership Committee, or Executive Secretary, sends to us, but there are so few companies organized each year that we have gone after them in our own way.

The New Jersey Association has its annual meeting next week and the dues are to be doubled at that time.

CHAIRMAN STONEY: That sounds interesting.

MR. WILLIAMS (South Dakota Title Association): I think we can go ahead this next year and raise our dues to \$10. Is that right, Mr. Hall?

SECRETARY HALL: Yes, except that is not enough. Your dues should be on a graduated basis with \$10.00 as a minimum.

MR. WILLIAMS: I don't think that will touch us at all. Jim Johns came up this fall and talked to us and in a nice pleasant manner called us jelly-fish, spongers, and so on. We started our legislative program and some of them didn't respond right away. On the bottom of the letters I mentioned the fact the dues would be due after the first of the year. I think last year in the TITLE NEWS we had about thirty-five in our directory. From that little note I got over seventeen \$7 checks. Those were for the new members Jim had waked up; it was not from the old standbys. I think we can double our membership this year.

MR. FRANK N. STEPANEK (Secretary, Iowa Title Association): In Iowa, I think we have about ninety per cent membership. During the past few months, we have tried to get fellows in that should be in and have gotten seven or eight. There are possibly fifteen or sixteen more that should come in and I have written letters to them.

It occurred to me to bring this out. One fellow wrote back and said the reason he didn't want to come into the association was because he didn't want his name in Dick Hall's blue book. (Laughter.)

CHAIRMAN STONEY: I would like to ask those in favor of a membership drive this year to state it by saying "aye."

(The reply seemed to be "aye" unanimously.)

MR. POTTER: The gentleman who just spoke referred to Dick Hall's blue book. I find that quite useful. Every few days somebody comes in and wants to know whether there is a title or an abstract company some place. I don't think they realize the value of that to the Association. I refer to it and use it quite often. I think it is important every member of the Association should have some of those on hand. I think it is one of the most valuable publications the Association ever put out. The thing should be corrected every year on account of there being so many changes.

MR. WERNER: I use that directory in our office at least half a dozen times every week.

CHAIRMAN STONEY: I think it ought to be corrected every year, too. I know I use it very often.

MISS GRACE E. MILLER (Second Vice-President, Wisconsin Title Association): In Wisconsin we have only one title insurance company. I would like to have all the literature you're saving

on Pennsylvania and New Jersey sent to Wisconsin abstracters.

CHAIRMAN STONEY: There is another thing that comes up and that is qualification for membership in the Association. Have any of you a problem of that kind? Are you interested in the subject in your particular state?

MR. WERNER: We have a real problem in Ohio in our present efforts to get new members. As I said before we have only sixty-three members in Ohio. By cooperating with the recorders and county clerks we now have an approximate list of some six hundred names to work on. After we had compiled that list it came to the officers and the executive committee of the association from some of the members that certain persons doing abstracting, in many instances attorneys in certain counties, were objectionable to them as members. We felt that probably by taking them in and educating them and getting them to attend meetings, if there was any objection, we could remedy that, but so far we have decided there is so much to do in the counties in which we have no representation, we will work on those prospects, and working with our members who are represented in certain counties we will submit our list of prospects to those members and let them, for the time being at least, express their objections and lay off those until we get some place in the rest of the state and then we will meet this question, although this is very important and I would like to hear the experience of the other associations on that point. We don't want to antagonize our members.

SECRETARY HALL: I want to mention another viewpoint for membership qualifications in state associations. About the only ones we have are in some certain states that require a man to have a set of abstract books and if he doesn't he can't belong and he is a curbstoner.

Did it ever occur to you, or have you ever considered that maybe there might be other things than that alone. I think a membership qualification should also be whether or not a man, purporting to be in the business whether he has books or not, plays ball; and that if he sticks by the established customs and doesn't cut rates and—I'm going to say ethical, even though I don't think much of that word—whether he conducts his business ethically or not, and whether he plays ball. If he does, he can belong; if not, he has to get out whether he has a set of books, a brass rail, mahogany furniture, or not.

We have found in these regional meetings that many times the success of those meetings has hung in the balance because of some one who has been a state association member for years, has worked all through the chairs of the organization, and he doesn't want to do anything, and there will be some fellow over here branded as a rank curbstoner, who, upon investigation, is found to be a live fellow, getting business and rendering good service in his community and stands pretty high, who is more willing to cut out the practice of giving discounts, cutting prices, and so on than the fellow

who belongs to the state association because he has a set of books.

I found out that to belong to the photographers association, to be a master barber, to belong to the association of master cleaners and dyers, you don't have to have a certain number of razors, and use a certain kind of shaving soap, or you don't have to have a complete valet system; whether or not you have an old steam pressing machine, you don't have to use distilled gasoline in cleaning garments of people, but you can't belong to any of those organizations if you cut prices and don't render a certain standard of service, and things like that.

We are trying to make this business a business that is profitable and that makes more money. There is only one way to do it and that is by establishing a certain standard of work to be turned out, regardless of the tools, probably, that you have to work with, and that you speak to your competitor and don't try to starve him to death by making your product cheaper than his and keeping him from getting it. I have just come to the conclusion that now it is a case of whether or not you are running with the herd regardless of the color of your hide.

We found out that the fellows who were sometimes the worst demoralizers of conditions were supposed to be the leading, established, best equipped abstracters and title companies, and title insurance companies, too, by the way, in cities, and who are the worst when it comes down to unethical or unbusiness-like practices in the way of secrets agreements, cut prices, discounts and commissions.

I wonder if we should not junk this whole proposition in setting up as a standard of membership that of having a set of abstract books as the sole qualification, and consider some other things as essential.

MR. SHERIDAN (Michigan Title Association): While we in Michigan would agree to a degree, at least, with the principle which Mr. Hall has suggested, still in practice, in the actual working out, our observation, in a membership of sixty and in a county in number of better than 80,000, the practical result is exactly the opposite.

The man who owns an abstract plant will, in ninety-nine cases out of a hundred, be amenable to reason. He will adopt a standard certificate if the certificate for standardization is a decent, honorable certificate. The curbstoner, on the other hand, does not have that type of certificate. We experienced in Michigan during the last two years such certificates as had stipulated in them flat limit of liability, "liability expressly limited to \$100", and so forth.

I wonder, Mr. Chairman, if we are not going at it in the wrong way and that is in our regional and state meetings we do not restrict our discussions to the old cut and dried stuff that has been hashed over year after year. I can best illustrate the feeling of the officers of the Michigan Title Association by telling you that at three meetings held since the September

convention in Seattle, at the first we had 51 in attendance, four offices closed for the day and took all their employees to the meeting. Another office brought the directors of their company to the meeting, men not in the abstract business, attorneys, and bankers, and visited with us.

We explained the standard certificate which was adopted at Traverse City. In one county we asked four adjoining members contiguous to that county to work on one man, the result being, in the following September, of the eligible membership, in so far as standard certificate is concerned, of sixty, we have twenty-three now using the standard certificate.

We went further and considered real estate depreciation and decreased income because of the depreciation and didn't consider the sale price of our product alone but considered the cost and went at it from this angle. We asked our members to consider their cost for one period of time, preferably a year, as one hundred per cent, and then to distribute that through various classifications, such as salaries, rent, light, heat, insurance losses, and so on, and to send those figures in to the secretary or president for compilation, and, gentlemen, the results were astounding.

First of all we found we were spending not exactly more than we made but spending a devil of a lot of money we could perhaps save, and the savings in certain items ran as high as forty per cent. With the permission of the chairman, I will read this into the record and not take the time now.

We then started out in the state and asked them to give us figures, and we found, discussing salaries for example, that they run from fifty-nine per cent up to ninety per cent of the total expenses. Now if fourteen abstract offices spent, of their total expenses, sixty-five per cent for salaries and our company should spend ninety per cent, those fourteen are wrong or we are wrong. In other words, we are giving each member in our association something he can study to get his costs down.

Then we worked on a revision upward in rates. We tried to do what Jimmy Johns would like to have us do. Finally, however, we were able to persuade seventy odd persons of our membership to adopt the schedule which the Association presented which is a dollar for an ordinary instrument. They experienced difficulty with their customers because in a great number of cases that raise represented exactly a one hundred per cent raise. So we prepared a chart which they can use with their customers which shows the steps necessary to make a properly prepared abstract. It is much less terrifying to say to a customer, "We are charging you 3c an operation," than it is to say that the cost for showing that much typing on a piece of paper is a dollar.

Isn't that a terrifying piece of paper? (Indicating the paper in his hand.) And yet I would say there is no operation on that but that exists in every abstract office in the United States. It is true *one* may do a lot of steps that

we in Detroit must necessarily turn to different departments, but it is an operation, nevertheless.

At Traverse City, Mr. Chairman, there was unanimously passed a resolution putting into effect, January 1st, 1929, so-called Plan 3 as to dues. There was unanimously passed at the same meeting a resolution providing for a standard certificate. We have in Michigan every abstractor in the state who owns a plant as a member of our Association, and we haven't even started yet.

CHAIRMAN STONEY: Getting back to Mr. Hall's suggestion, I don't entirely agree with him. If you look over the people in a state who haven't a plant you will find some of them operating with a typewriter and a desk, both of which are exempt from execution. I would not recommend anybody getting a search from any one of that kind.

I remember in the past there was one man whose plant was entirely in his head, had been there for forty years. There was a lot in his head but sometimes he slipped a cog. A friend of mine had a search made up and after he had paid out the money, he was asked, "What did you do about that \$5000 judgment against the owner?" He got out his notes and found the judgment and hopped on the train and got hold of the man who made the abstract and asked him about the judgment. "Gee," he said, "I didn't remember the judgment made against him."

The man naturally was a little terrified and rushed out to the owner and asked him about it. "That was what I was selling the property for," he said, "to pay that." And he paid it.



JAMES M. ROHAN
St. Louis, Mo.

Chairman, Transportation Committee,
1929 Convention

I would like to feel when I see a list of names of those in the American Title Association or the state associations, I am recommending somebody who has some responsibility.

Many years ago in our company they authorized us to accept title evidence from people in something like five or six counties. I said to Clark, our Vice-President, "Let's do it in every county where there are members of the California Title Association." We did that and discovered we had taken in, in fees, something like \$15,000, and paid out in losses something like \$200.

There is some insurance when a man has a plant. So far as we are concerned the loss would be minimized if he had a plant and had something to fall back on, but the man who has no plant ordinarily has no reserve assets or nothing behind him.

MR. SHERIDAN: There is written into the standard certificate the paragraph that the signer is in good standing in the Michigan Title Association, the American Title Association, and owns an independent set of abstract books.

MR. WERNER: In Ohio, we have ninety counties and in not more than from twenty to twenty-five total will you find title plants. Some have not been kept up to date for something like eight years. I think Dick has brought out what we will have to follow if we are going to increase our membership to those who own plants. With twenty-five counties represented with plants, our membership of sixty-three looks good, but with a prospective list of 600, it doesn't. If Dick Hall's suggestions are going to be the standards, we have a lot of prospects; if not, we are through.

MR. RICKETTS: I happened to be with Dick when he got that idea. We had a long drive to make after that meeting and I was with him. It would work fine if that were all we had to contend with. We decided that was the thing to do right after that meeting. We both thought it over afterwards and my mind worked differently. I am against it. We are not going to change it in Oklahoma this year. We have had a plant the membership requirement. We have the same things Sheridan mentioned in our standard certificate. We have had to suppress three imitations of our standard certificate. We are beginning to get requirements that abstractors must have a set of books before they can use the uniform certificate.

Recently some bright young men who helped us, but are not entitled to belong to the Oklahoma Title Association, their abstract business being a side line and not meaning much, asked to be admitted. We don't know about that. We know when they have a plant and a set of indexes there is some comeback. We haven't any requirements for an examination, like professional requirements, a man has to pass to hold himself out as an abstractor. If we had, that might admit those who pass the examination, but we haven't that. Most of our abstractors are plant owners, therefore, we will have to use that as in the past, and we think we ought to stick to that in Oklahoma.

However, conditions are different in different states. In regard to Ohio, they will have to work out their own membership requirements or qualifications. The American Title Association said they would take any member and leave the requirements up to the state associations.

SECRETARY HALL: You can kill my cat but you can't skin it. I presented that as a suggestion and idea. I am not trying to force anything down you; I wanted to give you an idea. You know and I know and everybody else knows that the worst thing, the most dangerous growth, is price cutting, discounts, giving commissions, and all that. If you want to maintain your standard about your abstract books or other things, that is all right. I know you can't belong to any other organization and be a price cutter, and I think state associations should work out among themselves a grievance or investigating committee, or something else, and that when these things get started they get nipped in the bud and that we really not forget there should be more than a set of abstract books to make a desirable member.

Jim Johns and I frequently on our trips, meet men from other organizations. "Where are you going?" they ask. "Oh, so and so", we say. "What's your business?" "I'm in the printing business or I'm an oculist at some place." "What's your business?"

We tell them. They immediately smell right away that we are going somewhere on a regional meeting or something. They are doing the same in their line. These other businesses watch and see their people don't get out of line and I think that is one of the biggest things we can do. It doesn't have to be a membership requirement but the association should appoint a grievance committee and set up a certain standard of conduct for its members.

MR. McCARDLE: I want to say that every state, in my judgment, must follow its own course. In our state we have the qualifications necessary for a plant, but personal experience brings me to the belief that if our way is so stiff as to enforce in its membership the policy of playing the game on the square that we would get farther than we would to insist upon a good plant.

It was my experience in my own county. I am an abstractor. Have been

in the game thirty-six years and made my own plant. I had a monopoly of it for years; ran my own abstract plant and had to keep prices along about as my neighbors on the north and south. I preached all the time the proposition of cooperation. Play the game right with your competitor, and every once in a while in some of the gatherings they would say, "Oh, Ed, you have no competitor; you can talk along that line if you want to."

I said, "Whenever I get a competitor if he will play the game I will be the best friend he has in the county." Finally in due course of time a man came into the county and he commenced to make a take off in Madera County. Madera County was a cut-off from Fresno County and I had all the records in my office, of Fresno County and also of Madera.

When I first met this fellow I put my hand on his shoulder and said, "I'm glad to welcome you in this field; you have as much right to be in this abstract business as I have. I would like to be your friend. If you will play with me on the square I'll be the best friend you have in the county. You can't afford to build such a plant as I have; you naturally have to run back a little bit, but I want to say if you will play with me on the price proposition whenever you are stuck come in to my office and get the data you want and it will cost you nothing."

That fellow said, "I'll do it McC., Cardle." And he did. I made a living. He couldn't come in and take it away after I have been there twenty years; if he could, there was something wrong with me.

As I say, I would rather have him in without a plant if he has other advantages than to have a man with a plant without those advantages. If you will recall in our state we have a few men owning abstract plants who have never belonged to the organization. You can't get them into the organization and they cut our throats all of the time. Those are the fellows we have to fight. I would rather have a man on the square without a dollar than a man with a barrel of money if he were crooked.

CHAIRMAN STONEY: In our state we sometimes have a miracle among those people. I remember in County Sutter where they had never attended a

convention or a regional meeting of the people who underwrite them or displayed any interest; after the first year or so in endeavoring to promote title insurance through them we simply gave it up as a hopeless job and here about six or seven months ago they sent out a notice they were going into exclusive title insurance. You can't count on human nature in any branch of business.

MR. JOHNS: I have given this question of qualification a great deal of study and it seems to me, as it does to Mr. McCardle, that it is a matter to be worked out by each state. You have in Oklahoma a situation where they have members of the state association who are of a very high order. On the other hand, you have my friend from Ohio. In Ohio, they have tract indexes. It is not considered necessary for an abstractor to have tract indexes other than the county indexes. The custom has grown up for not only a generation but for over a hundred years. The same rule that applies to Oklahoma can't apply to Ohio, and it seems to me that this question is one that will solve itself eventually through the holding of regional meetings and through the getting of legislation defining what an abstractor is, giving bond, and so on.

The reason I have that hope is that I know of a county where there are four what are called curbstoners and those four curbstoners are going to be bought out as soon as this legislation passes and there is a certainty that curbstoners can't engage in the business any more. The price has been set on their four plants at \$35,000, and the option will be exercised the day after this bill goes into effect in that state. Therefore, the situation will improve and I feel certain that Mr. Werner should not necessarily take the experience of other states in deciding on the qualifications of people to bring in in his state. I am coming more and more to Dick Hall's idea of getting everybody desirable in the business, but don't let anyone else in, but those whom you do let in, curbstoners, or anybody else, educate them, buy them out, kill them off, anything, but get down to the place where you have but one of two in each town.

(After a short discussion of the Abstractor's Law as introduced in several states the meeting adjourned for the General Session about to convene.)

The 1929 Membership Lists for the ANNUAL DIRECTORY NUMBER OF TITLE NEWS

Are Now Being Prepared

Have You Paid Your 1929 Dues?

FRIDAY AFTERNOON SESSION

Installation of Officers Elect

The meeting convened at two-thirty o'clock with Retiring President Walter M. Daly presiding.

CHAIRMAN DALY: I have been asked at this time to open the meeting and to induct the officers-elect into their new positions. Mr. Wyckoff, will you please come forward.

(*Mr. Wyckoff came forward to the front of the room.*) (Applause.)

CHAIRMAN DALY: In electing you to the office of President of the American Title Association, your fellow members have imposed in you a great confidence and personal esteem. They look to you for leadership in your year of unselfish service. In accepting this office and its responsibilities, do you hereby pledge yourself: To support the Constitution of this association and its code of ethics?

To lead and direct the activities of this

association to the best of your ability, keeping in mind the welfare of the organization above all things?

To maintain the present standards of the title profession and to endeavor to raise those standards even to a higher plane whenever and wherever possible?

To labor unselfishly for a common and worthy cause?

Do you so promise?

MR. WYCKOFF: I do.

... Mr. Stoney, Mr. Whitsitt, Mr. Lindow, Mr. O'Melveny, Mr. Johns, Mr. Jones, Mr. Bouslog, and Mr. Dall were asked to come forward. Mr. Condit and Mr. Jones were not present. . . .

CHAIRMAN DALY: You have been chosen because of the work you have done and the respect that you have earned to bear honored positions in the American Title Association.

In accepting these offices to which you

have been elected, do you pledge your support to the constitution of this association? To our code of ethics? To your president in his administration? To the high purposes of better practice and ideals in your profession? To cooperate with each other for a worthy cause?

Do you so promise?

... There was unanimous consent. . . .

CHAIRMAN DALY: In consequence of your cheerful assent to the obligations of the positions to which you have been elected, you are now installed as officers of the American Title Association, with our full confidence in your knowledge, judgment, and ability. I congratulate you. (Applause.)

At this time we will have the address of Mr. Edward C. Wyckoff, President Elect.

ADDRESS OF PRESIDENT-ELECT

Edward C. Wyckoff

You are assembled here at the mid-winter conference of the American Title Association as the executive or administrative officers of the various state associations which are the constituent members of our national organization. The purpose of having you assembled here is to enable the executive officers of the American Title Association, as well as its deliberative or administrative body, to have presented to them the problems with which your separate state organizations are concerned and to secure the aid of the executive committee in solving these problems. You are also assembled for the purpose of exchange of views of every delegate upon the causes and cures for your various problems, and out of these discussions the members of your national executive committee will secure better information than they will out of the bare presentation of your problems without the aid of the following discussion.

As I study the problems of the American Title Association, I become more and more convinced that this mid-winter conference should be exactly what its name implies, and that attendance at these conferences by others than the presidents and secretaries of the various state associations and the officers of the American Title Association, together with the members of the committees of the American Title Association, should not be encouraged. Nevertheless, any member of the American Title Association desiring to attend these conferences should be permitted to do so. What I mean to suggest is that the invitation should not be extended to them to attend, nor should

they be urged to do so.

The group of men and women who would be expected to attend these conferences under the normal conditions above outlined are all busy business people, and experience has shown us that when we are discussing particular problems of our own business, there is no advantage in having those not charged with the solution of the problems sitting in and debating the propositions.

The convention nature of our mid-winter conferences has been growing upon us, and its continued growth would endanger the very purpose of this meeting. It is at this meeting that the executive officers should learn at first hand of the problems to be solved, and between this conference and the time of our annual convention the energy of these officers should be directed to the solution of the problems submitted here and arrangements made whereby the problems, themselves, might be presented to the convention of the full membership of the organizations through the medium of papers prepared by selected parties to present the problems and suggest the solutions thereof together with the reasons upon which any such solution is based.

Another purpose of this gathering is to furnish an opportunity for the officers of the various states and the officers of the national association to become personally acquainted, as business experience has shown that correspondence between persons intimately acquainted is much more beneficial and apt to be understood than the some correspondence would be if exchanged between entire strangers,

even though they may be bound together in a way by the common tie of a common business and by membership in an organization representing that business.

Of necessity, the organization scheme of any national trade association must be more or less loose in its structure. There cannot be the same strict rules of operation as must obtain in our individual business, but at the same time we certainly must recognize that the structure of our national organization must be such as to prevent ill-considered or under-considered propositions being blazoned forth to the country at large as the act or recommendation of our national or state associations.

At the present time I understand our structure to be somewhat as follows: We have an executive committee elected by the vote of the delegates assembled in annual convention. These delegates, if we could realize our full hope, would be all of the people in the country interested in our business. As a matter of fact, however, these delegates represent only such of us as are fortunate enough to be able to attend. This attendance is, however, representative of the interests of the whole country, and has always been an assembling of people having an earnest purpose in attending of helping and being helped, and there are very few of us who attend these annual gatherings who neglect the business end for the pleasure end of the occasion.

The result has been that we have been fortunate in following certain general policies which have been built up by the older members of our organization out

of the years of their experience, with the result that our official family is well placed throughout the country and has in its makeup as committee members those in our midst who, after their committee training, will become good officers for us. One of the customs of our organization, however, is to keep a yearly rotation in the executive chairs and to make some annual changes in the membership of our executive committee through the medium of terms for the members of that committee who are not officers of the organization, and we do retain the service of our retiring president for the ensuing year as an officio member of our executive committee.

Under the supervision of this executive committee we have an executive secretary who is to be maintained in that office so long as we are able to keep him there, provided always that he so conducts himself as to make it desirable to retain his services. This executive secretary is the only permanent or long-term contact which we now have with our membership, and he works under the disadvantage of having to adapt himself to the policies laid down by transient officers and committeemen. It is true that he can in a large measure assist these transient officers in directing the affairs of the association, but ultimately he is under the control of the executive committee and this control is normally exercised through the direction of the president of the association.

Under the direction and control of the executive committee we also have three sections in our organization each under the direction of a chairman of that division and each with its separate divisional organization in the way of committees, etc., but under present resolutions of the executive committee these sections cannot promulgate as work of the American Title Association any proposition which has not the approval of the executive committee. The real administrative work of the association is, nevertheless, done through these division heads, with your president exercising only a general executive control.

I can understand that the occasion may arise when a committee appointed by a section chairman and one of the standing committees under our national organization may clash in considering the same problem if the time should come when we should not have harmonious co-operation among the executive heads of our associations, and I feel that before there is any lack of harmony in our organization we should devise ways and means of preventing the overlapping of the authority of the general committeemen and the authority of the division committeemen.

When we come to the consideration of legislation regulating the abstract, title, or mortgage business, we are apt to have a situation where each division of our American Association is interested, and where this occurs we ought to have a substantial general committee under which our executive secretary could co-ordinate the work of our present sections.

Legislation of a regulatory nature which would include such questions as would involve the terms under which a title or abstract company can operate in a state,

the nature of the deposits which it must make as a prerequisite to the grant of authority to do business, the requirements for the setting-up of a reserve as a condition for the continuance of business, and the qualifications of various natures which the laws might prescribe, needs the most careful thought and consideration of the highest talent which we have in the business.

There are some elements of our business, as there are in every business, which must be known to the executive heads of our individual companies but which it is not advisable nor proper should be known outside of the individual office of each company because to the average layman, and in fact to the average professional man not acquainted with the intricacies of the title business and its ramifications, such information would convey a meaning entirely contrary to what it conveys to the men familiar with the business.

There are certain things which have nothing inherently wrong in them, the publication of which would injure the business, and statistics of such a nature ought not to be made public under the authority of the American Title Association or any of its subdivisions or committees until the soundest possible business judgment had been passed thereon. I have in mind, therefore, that we have reached a stage in the life of our association, when, by reason of the growing interest in title insurance and its spread throughout the United States, we should have a more permanent official group than we have yet established in our organization.

I believe that we should set up a committee to be known as a Permanent Advisory Committee, or under any other name which may be selected. Perhaps it might be known as the Permanent Committee on Law and Legislation because under those headings would come most of the problems which should be properly submitted to it, but by using the title of Permanent Advisory Committee, I feel that we will have a more embracing name for the committee and one which will more fully indicate its true nature.

I believe that there should be drafted into the service of our association upon this committee the president or the chairman of the board of the larger title and abstract companies throughout the United States, restricting the size of the committee so far as is feasible with the intention at the same time of fully covering the various territorial sections of the country. This committee [would probably never meet because of the multitudinous duties which this type of man would have, but I believe that it] could be made to operate through the office of our executive secretary who will thereby have, in addition to the experience which he now gets, the advantage of the most mature business judgment in the country so far as our business is concerned.

I have not had an opportunity of conferring extensively with executives of the type which I have suggested, but I have made some inquiries along this line and I believe that the men of this type will be willing to serve their business in the capacity suggested.

It would be my thought that the various committees of the national association and the chairmen of the sections of the national association should present to the executive committee the propositions which they think should be put into operation under the sanction and with the authority or upon the recommendation of the national association.

That the executive committee should in turn give these matters their consideration and should ascertain and have prepared the facts and the reasons upon which the problems are based. Having concluded that the proposition has merit, it nevertheless should not sanction the putting forth of the proposition as an association matter in those cases where the proposition submitted has to do with regulatory legislation or with uniform forms of guaranty or with methods of co-insurance or re-insurance or underwriting or with uniform rate schedules until it had been submitted by the executive committee with facts and reasons to the executive secretary, whose duty it should be to forward copies of the proposals, facts, and reasons to each of the members of the Permanent Advisory Committee, who within a reasonable time should be expected to reply to the Executive Secretary, giving their approval to the proposition or making such other suggestion with reference thereto as might seem to them to be necessary for the best interests of the business. These chief executives all have at their command various agencies for the study of problems of this kind, and the chances are that they would not personally burden themselves with the preliminary investigation or study of the laws, facts, or reasons but that they would bring to their aid specialists in the several lines, and that there would be submitted to them by these specialists the facts and reasons upon which they could reach a judgment on a problem in the same way that they would for a proposition involving their own company. It is this final judgment which they will submit to our executive secretary.

It would then be necessary for the executive secretary to exchange among the members of the Permanent Advisory Committee the reasons of each of the others, which should in turn be given consideration and expression of opinion by each member of the committee, and this exchange of views should be conducted through the executive secretary's office until such time as a majority of the Permanent Advisory Committee should have reached a similar conclusion as to what should be advised upon any particular proposition before it.

When this majority opinion of the Permanent Advisory Committee has been arrived at, then the whole proposition should be re-submitted to the executive committee of the American Title Association for its consideration and judgment. It should then have authority to cause the proposition to be worked out through the medium of the division within whose province the proposition falls, or in the event that it involves more than one division, through such medium as the executive committee should select, keep-

ing in mind in this case that the natural agency would be through the committee of the national association within whose province the proposition would normally fall.

It would be my thought that this committee work should be under the supervision of either the vice president or the president so that one particular person would be charged with keeping the project in motion, because, as you must realize, our committees are widely scattered. It is probable that the president or the vice president assuming control of any particular proposition would operate through the office of the executive secretary or at least keep that official advised as to the steps which were being taken.

A proposition arrived at and favored after consideration of this nature could then be put before the public authorities or the public press with the full realization that it was a justified measure and a proper one to be presented to these agencies, and certainly the business judgment of the chief executives of our companies, supplemented by all of the other influences in the organization which have been brought into contact with it, would give it great strength and authority and in most instances carry great weight with the public authorities interested.

You will note that under this plan it is only the most serious phases of our business which would need to be treated with this additional safeguard against precipitant and unwise action in the name of our national association, and that our organization as now constituted would continue to operate as heretofore upon our other problems.

Our law committee would still be concerned with the study and preparation of laws necessary to aid in the stability of title to real estate where those laws did not operate to control the title or abstract companies, themselves, but only dealt with general questions of law relative to transfer and encumbrances of property and the creation of liens thereon. In other words, the Permanent Advisory Committee would not function except within the limited scope of those projects which would affect the stability, integrity and operation of our member companies.

Our legislative committee would still be charged with the duty of watching legislation proposed in the legislatures of our several states, keeping their eyes open for those measures which would be injurious either to the people as a whole or to our own business, and helping to secure that legislation which may have promulgated under the sanction of the permanent committee.

I believe that we must have these most necessary committees functioning to a greater extent than they have in the past. They are most important, but their work cannot be effective unless they are consistently on the job, and, of course, if legislation inimical to the interests of our abstract and title companies should be originated in any legislature, the measures taken to defeat such legislation should, when of outstanding importance, be under the sanction of the Permanent Advisory Committee and of the executive committee.

We have been continually progressing

through the history of our organization under each successive administration because our early officers have been thinking soundly and carefully, but I thoroughly believe that the work of this association in the immediate future must of necessity be of more importance and more diversified than it has been in the past. General economic and trade conditions are fast assuming national proportions and are being influenced by national conditions. These national agencies are tending to strengthen legitimate business in every line and to bring about a conduct upon higher ethical lines, and there is behind all of them the thought of service to those who avail themselves of the product of the several associations.

Our own national association has been largely instrumental in raising the respect and confidence of the public in our title policies or abstracts of title, as the case may be. We are assuming more and more our proper place in the field of title transfers, and are seeking less and less to devise definitions of circumstances in which we can avoid liability after we have accepted compensation for a title examination. The guaranty of marketability is becoming more widespread; fuller protection in numerous ways has been brought about through the influence and often with the direct assistance of our national association.

The National Association of Real Estate Boards has, through its organization and its educational and other committees, brought the standard of the Realtor much higher than it was some years ago; there has been put into the thoughts of our individual Realtors the idea that they have something other to do

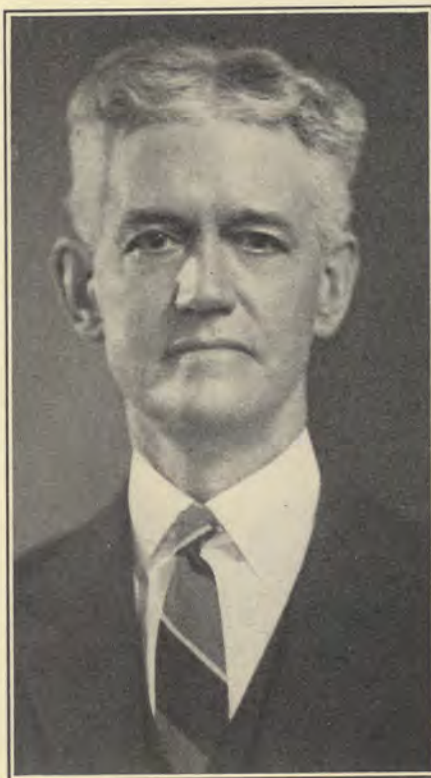
as a matter of civic duty than to merely effect an exchange of property for their own personal profit. They are coming into the realization that they are not serving their client, whether it be the buyer or the seller, unless they have been frank and honest in their statements to both of the parties. I believe that they have reached the realization that they should see that all parties in interest secure the service of reputable title men to advise them as to their contracts of sale or purchase and to advise them as to whether or not the title is such as has been represented by the parties as evidenced by the agreements, and that it is as much the duty of a Realtor to see that his client gets into reputable hands for these purposes as it is for them to be fair in their statements as to their own end of the bargaining.

The Realtors have been strengthening their organization by requiring the licensing of those people engaged in their line of business in order that there may be a more careful control over their actions and their responsibility, and this has naturally turned their minds to the thought that where they recommend their client with reference to the services to be performed by others, that it is probable that the capable ones in the other line, whether it be the attorney or the title company, will be apt to be found within the ranks of the state and national organizations; and so in that we have another reason why membership in our national association should be of benefit.

With this disposition growing on the part of those who will avail themselves of our services, there is also imposed upon us a duty to make membership in our state or national organization represent or indicate that such a member is one to whom the business may be safely entrusted, and that we should not admit to membership in any of our associations any one who could not conscientiously be recommended by our executive secretary in answer to the various requests which come to his office.

Co-operative effort, notwithstanding the adverse opinion of some of our membership, seems to me to be more necessary today than ever, and I confidently believe that if we could get a live committee on co-operation to act with a similar committee of the Realtors, the bar associations, the mortgage associations or the building and loan associations of this country, we would bring our product before all of these agencies as a necessity of everyone involved in the transfer or encumbrance of properties.

I look forward with assurance to the abstracters and title examiners of this country being able to render the higher service which title insurance admittedly gives to its clients, knowing that when they put themselves in a position to render this higher service, they are at the same time going to reap an equivalent higher compensation for their efforts than they can reap without rendering this service. I think it is well established now that the cost to produce title insurance is less than the cost of production of abstracts, and there is no doubt that any one properly equipped to issue a proper abstract can use that same equipment through the



WILLIAM X. WEED
White Plains, N. Y.

Chairman, Judiciary Committee

incorporation of title companies for title insurance purposes. They increase their profits both by an ability to get a larger price for their product and in the reduction of costs of that same product.

In saying this I am well aware that there are sections of the country where the volume of title work, whether it be abstract or insurance, is not heavy, but in these sections there is no need for any heavier capitalization for the title business than there is for the abstract business.

In my judgment the actual examination of titles should be conducted by an organization within the territory where the lands lie, and certainly such field of operation should not extend beyond state lines. Consistent with this belief, however, there is a reasonable field for national insurance companies, and there is no need for fear by the local company if these national companies will operate on a basis which requires their use of local companies for the examination of title, with an equality of rate as between the total charges of the national company and the total charges of the local companies for the same service.

I believe that local and national companies can render a mutual service to each other to the benefit of each, and that there can be no justified complaint about the entry of national companies into the insurance field if in their operations they conduct a fair competition.

If national insurance proves in the long run to be economically bad, these companies will not be able to continue in business, and if their method of business is economically sound, we have no right to interfere with their legitimate operation.

I, therefore, feel that it is incumbent upon our American Title Association to point out to any national company operating under practices which are unfair to the local companies such practices and to ask their abolishment and I feel quite confident that any justifiable cause for complaint in their operation will meet with the honest effort of the controlling authorities of national title companies to abolish the abuses when such complaint is founded upon sound reason.

We must keep continually before us the need of those of us in the business keeping thoroughly abreast of the conditions of the times, making such changes in the conduct of our business as maybe necessary to meet these changing conditions. We should always put ourselves in the position of being the proposers of the proper changes rather than the acceptors of the same propositions submitted through other agencies.

We have an example of what I mean in our present situation arising out of the submission by our life insurance companies of a uniform policy to be used in a guaranty of their mortgages throughout the country. We should take steps to prevent our ever being caught in a similar predicament in the future.

We have in our present executive secretary a man who has grown up with our organization, who has become a better equipped business man through that

work than he was some years ago, who has developed his ability to impart to others the knowledge which he has acquired for their benefit, and who can be of great assistance to all of us in our conduct of the American Title Association work if we will give him opportunity to that end. I am inclined to the belief, however, that his work in the future is apt to become more that of an administrator from a central office than of one who can be called upon to travel through the length and breadth of our land, visiting our various associations and companies. I believe that it will become necessary for him to build up a corps of men who, irrespective of whether they are officers or committeemen of the state or national association, can be called upon to represent our national association in each state association meeting.

This will be beneficial in several respects. In the first place, it will prevent the large waste of well-paid time which is now necessitated in jumping large distances from one meeting to another. In the second place, it will enable our national representatives in each state association meeting to be varied as to personality. Just as continuous use will dull an axe, so continual re-appearance of one individual for the purpose of putting across the same proposition will dull the effect of that person's efforts. What comes to be an old story loses its effectiveness, but each individual can present the same problem in different guises with different mannerisms and different terminology and help to strengthen the work

of the preceding representative working upon the same problem.

One of the advantages of our membership in our national association is the contact with people of varying personalities and opinions, and just as we are benefited by this variance of contact, so will our local associations be benefited by the variance of the instrument of our contact between the national and the state associations.

I believe that our executive secretary can exercise a greater influence and render better service by remaining more or less permanently in his office and making a study of requirements of our national business through literature and correspondence; and I am certain that his acquaintance now as a result of his previous field work is such that through these methods he can be of more use to us than he can be through a continuance of field work.

I am presenting these thoughts to you at this mid-winter conference because I think it affords a better medium for deliberative consideration than if I presented the same problems to the general convention, and in these remarks I have outlined to you some of the thoughts which I now feel will influence me in my work for your association during the coming year.

In saying this, however, I wish to assure you that I court your full and free discussion with me, while we are here assembled, of the thoughts which I have put forward, and I know that that discussion can best be had in personal interviews outside of the meeting rather than from the floor; so I invite each and every one of you to talk these problems over with me as your time and mine will accord opportunity therefor.

I will be very glad to have any questions upon these thoughts put to me from the floor, however, if time affords, and I have no desire to avoid a public discussion of anything which I have suggested.

I predict that our association work during the coming year will continue to be, as it always has been in the past, of increasing benefit to our association. I know that in expressing this hope I would be presumptuous when I consider the ability of the men who have preceded me in the office of President during the time I have been associated with your work, if it were not that this prediction is based upon your cooperation. My prediction for that increased benefit is, therefore, solely premised upon my belief that there will be given to me the hearty support and co-operation of these same men, and of the delegates here assembled.

May I be pardoned for the amount of time which I have taken by the reading of this message, and let my desire to serve you be my only excuse therefor. (Prolonged applause.)

CHAIRMAN DALY: Our president certainly has given us a very thorough and exhaustive statement of the present conditions of our association and of his plans for the ensuing year.

We will now have the address of the Vice President-Elect, Mr. Donzel Stoney.



ED F. DOUGHERTY
Omaha, Neb.

Chairman, Committee on Cooperation

ADDRESS OF VICE PRESIDENT-ELECT

By Donzel Stoney

MR. STONEY: Once upon a time Jim Woodford told me what a vice-president was. I can't tell you now much as I would like for two reasons: one is I have forgotten the story and the other is I wouldn't if I hadn't because stories about vice presidents are always in the ridicule and here I find myself a full fledged vice president. They say there are more vice presidents in the business world than second lieutenants in the army.

However, I want to say there is a variation in the facts from what he told me as regards that officer of this association because I find the vice-president seems to have assumed a considerable amount of work to do, and on the other hand he is right, because no matter how far I go working Ed Wyckoff is going to get the credit for it. (Laughter.)

I want to say in my observation of the working of this organization that I was, in the beginning like every other member of the Association, interested to know first whether the Association justifies itself by the results to the members of the organization. That was the reason I came to the first meeting, because the question had been asked by the officials of our company, and because we wondered what returns would come from our participation and support in the organization's affairs.

During the period in which I have been taking a part, I can say positively that the activities of this Association have been very substantially remunerative

financially to our company, and, I believe, to all the title insurance companies in the organization. In the last year or so, particular attention has been given to the abstracters. I am satisfied now that there will be some very picturesque results from the activities which were fathered by Jim Johns and have been carried on during the past year and a half.

I can remember one convention I attended, I think in New Orleans, when Will Davis told us "you had no business to come unless you could do better than make your expenses by attending a convention." At that convention I had some difficulty in finding out where the financial benefit had come but on the way home I found out the best thing for me to do when I got back was to raise my salary. So today I can trace pretty generally some profit from these conventions. (Laughter.)

I am going to urge in my capacity as vice-president, as correlative with the work which is going on, a much stronger cooperation with the national real estate board. I say the real estate board advisedly because the real estate board has identical interests with us, where bankers, lawyers, and others may not.

The real estate board in our state receives a very close cooperation from the title people. As a matter of fact a member of the California-Pacific, and myself, are on three of their committees. We are represented at every convention; we are represented at every outing they

have; we are represented at their various luncheons which are held. The result has been very satisfactory. At the last session of the legislature, I think for the first time we had marked success without legislative bills. My recollection is that nineteen out of twenty of those bills were passed. It is true we had a live committee on legislation, but it is also true that the bills had the approval of the real estate board. Our state real estate organization, on twenty-four hours' notice, can put two hundred letters on every legislator's desk on any proposition it wants. If such a cooperation can be promoted throughout the United States among our people, if such cooperation can be promoted through our national office with the national office here (in Chicago), I think you will find that the next time Dick Hall goes to Washington to get certain antique methods obliterated, if he goes there with the approval of the National Association of Real Estate Boards, he will be able to put it over.

So, I am, in addition to the general program, and as a corollary thereto, urging you, each and every one of you, to keep in contact with your real estate board for the benefits which your personally will get out of it.

I want to say I am in full accord with our officers of the past and of the present, and, so far as I am concerned, I expect to give whatever time is necessary for the advancement of the American Title Association. (Applause.)

CHAIRMAN DALY: As our Vice-President is the Chairman of the Executive Committee and as such properly has charge of the mid-winter meeting, I take pleasure in turning this meeting over to Mr. Stoney, who will continue it.

... Mr. Daly retired and Mr. Stoney assumed the chair. ...

CHAIRMAN STONEY: The first item on the program was to have been an address by Herbert U. Nelson, Executive Secretary of the National Association of Real Estate Boards. Un-

fortunately Mr. Nelson had to leave town today at twelve o'clock, as the National Association meets in Birmingham, Alabama, and in order to get some benefit out of this meeting we took occasion yesterday to have Mr. Zander, the national president, come down and have a little "confab" with our executive committee. On behalf of Mr. Nelson I want to say the ideas which have been expressed here are ideas he has thoroughly in his mind with regard to cooperation.

He asked me to say on his behalf that he regretted exceedingly he couldn't attend, and that further they were extremely anxious to have all the cooperation and assistance they could from us and would be glad to reciprocate with all the cooperation and assistance which they could give to us.

The next item on the program is an address by Mr. Walter B. Kester, Executive Secretary of the Mortgage Bankers Association of America. (Applause)

OUR MUTUAL INTERESTS

Walter B. Kester, *Executive Secretary, Mortgage Bankers Association of America*

MR. KESTER: Mr. Chairman, Members of the American Title Association, and my good personal friend, Dick Hall. It is a pleasure to be here with you today, not only to exercise my function as a Chicagoan and welcome you to our city, but to bring to you the greetings of the Mortgage Bankers of America, its Board of Governors, and all of its committees and its members, and to add to what has been said here on the subject of cooperation, the announce-

ment that the Mortgage Bankers Association stands ready at any and all times to cooperate with you and the other organizations that are under the real estate and land laws.

The convention of the American Title Association is to be held at San Antonio, Texas, the next to the last week in October. The convention of the Mortgage Bankers Association is to be held in New Orleans the last week in October. It isn't an accident that our respective

conventions are being held in the South and Southwest. The Mortgage Bankers Association deliberately took this into consideration when it learned your convention had been scheduled for some time at San Antonio. It, also, is far from an accident that our convention date is the week following yours. We deliberately considered these because we want you at our convention and we want to attend yours. We feel as though we have a welcome at your meeting and

I assure you most heartily we will welcome you at New Orleans where we will have one of the finest meetings we have ever experienced.

The mutuality of interest between the Mortgage Bankers Association and the title men has been evidenced in concrete manner by the fact we have always had on our convention program some one of your officers—a couple of times Dick Hall, who has pleased us very much. We have always tried to bring to our meetings a specialized title knowledge. At the Richmond convention of the Mortgage Bankers Association, Dick Hall emphasized our need for cooperation between the two branches of business in these words:

"The reasons for the complexity of titles and the trouble we have with them are easy to understand, and if you will pardon me I think that I know where at least fifty per cent of the efforts of conducting a mortgage business are spent. If you would have an efficiency expert go over your plant, he would probably tell you that at least fifty per cent of the mechanics of your mortgage office is consumed in finding out whether or not the title to your borrower's security is good. If not, then it is necessary to make it acceptable as a good base and security upon which you will lend your money. Every loan you negotiate entails a lot of work on your part because of the title matters involved."

So, naturally, if that is such a matter of detail and concern of our business we are tremendously interested in what you are doing. As a matter of fact, no one organization can do it all. We hear on several sides we have a national association of real estate boards, investment bankers, mortgage bankers, bar association, title association, and all the others. What are they all doing? Aren't they conflicting?

As a matter of fact, each one is doing its job. No one department of a business can do everything for that business. Likewise, no one organization can do everything for a number of businesses.

In this morning's Journal of Commerce you perhaps read the story of a former president of the Merchants Loan and Trust Company, now the Illinois Merchants, who was approached one time by a six-cylinder advertising man who, with super-salesmanship, persuaded the president to try out his advertising and publicity service for twelve months. The president agreed to do this. During that twelve months the advertising and publicity man worked hard and at the end of that time put on the president's desk a well-typed, concise report showing that for the first time in its history the Merchants Loan and Trust Company had had a remarkable increase in its deposits and had had a remarkable improvement in the net profits due to the fact that for the past twelve months an intelligent publicity campaign had been conducted.

The president of the Merchants Loan and Trust Company, a kindly old soul, looked at him after he read the report and these were his words:

"Young man, this exhibit is interesting

and at the same time startling. Our growth during the last year has been splendid and you are to be congratulated on it. I hadn't realized until now that this growth was due solely to the power of intelligent advertising, nor that our vice-presidents, assistant cashiers, department heads, and solicitors were contributing practically nothing to the development of the bank. I am going to give you an indefinite leave of absence while I undertake to see whether we cannot make the rest of this organization go to work and assume some of the burden that you have been carrying during the last year." (Laughter)

So, none of us are taking the full credit and we are all hoping to work together and each take his little bit of the general credit.

The few words I have to say here today are going to be in the nature of an informal report from one organization to another. During the war the French and the American armies kept each other informed through a liaison officer. This is not to sell you the Mortgage Bankers Association but to tell you what we are doing, and then we are, of course, interested in learning what you are doing.

The Mortgage Bankers Association consists of 400 members in 38 states, with outstanding first mortgages on their books of between four and six billions of dollars. We took stock of what we had done a couple of years ago with the idea of utilizing this tremendous force toward some definite accomplishments. In taking stock of some of the things that had been done up to that time we found the most important was probably the adoption of the Code of Ethics. That was a long code but it may be boiled down to these words: "The mortgage security is the honored guest in the household of finance. Its superiority as an investment has long been recognized. The safeguarding of its purity is the solemn duty of every member of our association and the members thereof declare that they will at all times and under all circumstances maintain such degree of business integrity in the field of mortgage banking as will vouchsafe the high estate of the mortgage security and justify continued faith in it as an investment."

The Code of Ethics has been carried into actual practice by maintaining the cleanliness of our membership roster. On our membership roster you will find in big type, these words: "Aiding public discrimination between such securities and dealers therein as should command confidence and those who should not."

Another point of interest along this line, we are trying to sell the investors in mortgages, particularly the large investors who have such a tremendous influence in this field, the idea that the Mortgage Bankers Association is selecting its membership much in the same way your president elect emphasized in his remarks. We had a meeting in New York recently with a number of the executives of the large life insurance companies and we emphasized that point.

One of them said, "I don't quite believe in the sincerity of it. One of

the companies which has caused me the most trouble is one of the members in good standing in your organization. What are you going to do about it?"

Our president's answer was, "We have already done something about it. We expelled him three weeks ago, largely because of what we heard he had done to you folks, and from others."

From that time on there has been a little more belief on the part of that insurance company on the stand we have taken.

The Mortgage Bankers Association reached a period two years ago that many associations reach at some time during their existence. They reached a period when they stepped back and decided to take stock and chart the future. In taking stock we found we had a number of different services doing something along the lines of state and federal legislation but every one in the organization seemed to feel there was something further to be done.

This feeling led to the appointment of a Research Committee. This Committee, during the period of August 27th, 1927, to May 28th, 1928, consumed thirty-nine days in less than a year in traveling and meeting. There were ten men on the Committee, which made a total of 390 days by the entire Committee. At a conservative valuation of \$100 a day for salaries and expenses it meant that the money value of that Committee's work during that short period was \$39,000, if they had charged it to the Association—which they did not.

The Research Committee met in four or five different cities with leading mortgage bankers, realtors, title men, and others. They held conferences with thirty-seven of the largest life insurance companies. The result of these thirty-nine days of meetings is a program of procedure that is charting our course. One of the points of that program of procedure is a better understanding between the thirty-seven companies and our members with reference to the handling of foreclosed farms; another is with reference to the appraisal of farm property; another is with reference to the handling of city loans and the organization of local clearing houses for this purpose.

Time doesn't permit going into the provisions of these different resolutions. I would be mighty glad to furnish any one with a copy of the policies that were agreed upon at any time. The most important point in this program of procedure as regards the title association comes under the heading of "Standardization of Methods," and I am going to read that one resolution out of our six for the purpose of showing how that combines with your own program.

RESOLVED that a committee of the Mortgage Bankers Association be appointed in each state for purposes as follows:

- (a) To prepare standard forms of mortgage loan papers evidencing city and farm loans;
- (b) To prepare standard application and appraisal forms, for both city and farm loans;
- (c) To prepare a standard form reflecting

the financial condition of the borrower for use in connection with both city and farm loans;

- (d) To promote the adoption of such forms for use in the said state by investors and members of the Mortgage Bankers Association of America;
- (e) To study the laws governing the foreclosing of a mortgage on real estate and to make such recommendations for the modifications of the laws as will provide equitable protection of both lender and borrower.

We have adopted this program and about three quarters of our states now have committees doing that work.

We are fully aware the November issue of TITLE NEWS contains one of the most reliable funds of information of which we could avail ourselves. We want you to know we are following those fifteen points relating to land laws with intense interest and that we are going to work along with you to bring about such things as will make real estate a more liquid commodity.

Following those Research Committee meetings, we ran up against something else. As you know, during the last five or ten years the margins of all businesses have been very small. It has been increasingly difficult to do business except on the point of highest efficiency. Some of our mortgage loan companies were losing money as some title and abstract companies are losing money. In the last month we have had the most significant event take place that has occurred in the organization since this research work, and that is the publication of an analysis of a mortgage business. We took one of our firms as a laboratory to work upon in

analyzing costs. We picked one of our most successful firms in order that the figures would be comparable.

Here's what they found on that: They had eight or ten different territories and they divided them into city and farm. In one territory they made 295 loans, totaling \$1,973,000. They reduced that down to the average amount per loan, which was \$6600. They found that for each average loan they took in \$133.32 in commissions or interest differential. They found that each one of those average loans had cost \$96.91 to put on the books, leaving \$36.41 per loan which would later have to meet collection costs if they had trouble with it, and out of which to take their profit.

They analyzed another territory and these are the results they got: 461 loans, an average of \$4,230 a loan. In each case the income per average loan was \$87.13; the expense per average loan was \$111.09. So the excess of expense over income, a red figure, was \$23.96. These were two out of ten or twelve territories analyzed, and please bear in mind this company's balance sheet was one of the most favorable in our whole organization. They made a profit that year, but look at that one territory. They certainly extended a most beautiful service to the community by paying \$23.96 for every loan they made there.

"The winning of the West," as Roosevelt says, "was the last act in a drama of civilization," that civilization that had been carried from Greece to Rome, from Rome to Gaul, to Britain, and to the shores of America, carried across the prairie, forest, and mountains to the

Pacific Ocean, and there it ended because beyond that ocean was the older civilization of the East, and the pioneers in that era of American history were just as brave and heroic and made as many sacrifices and had as much vision as all the men a thousand years before that had carried that civilization along.

As we know, that pioneer period ended with the last century and the problem then was what to do with this country that had been settled. Who were to be the pioneers of this new era? Undoubtedly the pioneers of this new era are the leaders of American business, the pioneers in these Associations of yours and mine, that are trying to work out with each other's help better conditions and better methods. I thank you. (Applause.)

CHAIRMAN STONEY: We wish to thank Mr. Kester for his friendly remarks and his friendly action and to assure him we will not be found wanting when it comes to cooperation with anybody interested in real estate. We have concluded, if possible, to occupy some of the time in taking up some of the matters that were to have been on the calendar for tomorrow.

Mr. Johns, can you take up that matter of bonding abstracters now?

MR. JOHNS: I will be happy to do it if you want it.

CHAIRMAN STONEY: We'll appreciate if you will. Fellow members, we will now hear from Mr. Johns on the subject of the abstracters' bonds.

Bonding of Abstracters

James S. Johns

MR. JOHNS: The question of bonding abstracters is one that has been argued and viewed pro and con for years but lately came up in connection with the law, the legislation which we hope to have introduced in the various abstract states. As has been indicated to you before what we hope to do is to get everybody who is now in the abstract business licensed to do business and fix it so that it will be very difficult for anybody else to get into the business, but in doing that we want to give the public a little something for its money.

Now, in a great many states, in fact in a great majority of them any one with a typewriter and a misguided ambition can start in the abstract business. A great many do. They are called curbstoners. They go to the places where there has been an oil boom or some other local activity in real estate and they practice their profession as long as the boom is on, and then they sell their second-hand typewriter and move on. Therefore, if there were any liability on their abstracts at the time they were made, the liability is gone the moment they leave because

they have moved out of the state and no process can be served upon them.

The public is entitled to some protection from the person who certifies to his title. Title insurance companies are required to put up a deposit with the state, are required to have a certain capital, and are required to conform to the rulings of the insurance commissioner of their respective states. The rulings are going to be more severe pretty soon. But the people who make abstracts have had no regulation of any kind in a majority of the states.

Now, if we, as abstracters, want to be put in a position where we can secure adequate fees, if we want a reasonable degree of monopoly of the business, that is to say, if we want the business protected from the inroads of people who are not qualified to practice that profession, then by the same token we should be willing—at least this was the reason of those who drew the bill—to have the public protected against the action of any abstracter, the omissions of any abstracter. That was our motive in including a provision for bonding of abstracters

in our bill.

There is another angle to the situation which some may not have thought of. It is rather difficult for the curbstoner, with nothing but a second hand typewriter and a pen-holder, to get a bond. It will be, at least we have been assured that it is, a very easy matter for any responsible abstracter to get a bond. Therefore, it is an additional assurance that you will be relieved of the necessity of competing with people continually encroaching upon the business.

The bond schedule, as outlined in the model bill, provided for bonds of certain amounts for certain populations. That is a matter for those in charge of the bill in each state to which to give careful consideration, but the subject of the abstracter giving a bond was a matter which we thought it would be advisable for you to take into consideration. The public is entitled to that protection.

In the states where a bond is now required reputable abstract companies have no difficulty securing a surety bond. In some states a personal bond is permitted and in some states a surety bond is re-

quired, but there has been no difficulty in the states where it is required.

There may be a discussion on this subject of bonding and if so it would be welcomed at this time.

CHAIRMAN STONEY: Mr. Johns, this is a subject peculiarly in your section. I will ask you to take charge of the meeting.

(Mr. Stoney retired and Mr. Johns assumed the chair.)

MR. JAMES M. ROHAN (Land Title Insurance Company, St. Louis, Missouri): Have you a copy of the schedule?

CHAIRMAN JOHNS: I have in my brief case. It is \$5000 in a county of 25,000 population or less; \$10,000 in counties 25,000 to 50,000 population; \$15,000 for counties over 50,000, as shown by the last federal census.

A \$15,000 bond is the maximum required of any abstractor in the model bill. One state that I know of has a maximum of \$25,000 and another state has a flat requirement of \$5,000.

MR. ERNEST McCLURE (President, M. L. White Abstract and Investment Company, Garnett, Kansas, and President, Kansas Title Association): We have been trying to educate the abstractors that legislation is necessary to protect their own business and we have tried to instill into them the idea that such legislation should come from the inside rather than from the outside.

I have received, I expect, out of nearly four hundred abstractors in our state, letters from about fifty. Those who lived in counties which represented a population of over 25,000 objected very much to raising the bond. Our bond is now \$5,000. We thought that it would be better to raise the bond in the more densely populated counties, but the old abstractors seem to think the business is running along happily and ought not to be molested.

But the point I was getting at was that it is easier apparently for us to talk with our legislators for those from whom we have heard are favorable to this kind of legislation, but it seems like the old abstractors so often are "sot" in their ways and won't listen to any qualifications for abstracting. It seems we need a campaign of education before we can present this bill and get the support of those fellows that will be necessary among our own association to get this before the legislature.

MR. S. H. McKEE: Did you ever take into consideration in considering this bonding proposition that if the bond is \$5,000, as long as the losses are not likely to exceed \$5,000, and as long as they have not exceeded that \$5,000, let it stay there, but if it exceeds that, which is something that very seldom happens, and is not likely to happen, why put up a \$10,000 or \$25,000 bond when it is not necessary?

I speak from my own experience. We have never had a loss of \$5,000 in our forty years of existence—never one single loss of \$5,000. Why make it \$5,000, \$10,000, \$20,000 and \$25,000 for these little abstractors who are not getting anything like the business we do?

CHAIRMAN JOHNS: I can answer that for those who drafted the bill.



JAMES E. SHERIDAN
Detroit, Mich.

Chairman, Committee on Advertising

We took the United States as a whole and drafted a bill which we thought might come somewhere near meeting the requirements. As a matter of fact, we expected it to be torn to pieces much worse than it has been.

I wish to say that I don't want to be misunderstood. I simply stated a fact a while ago about the amount of the bond. At our last convention the proposed bill was endorsed unanimously by everybody who was there and the idea of changing the bond in counties of larger population was suggested by those who lived in the counties which had the larger population, but then the reaction of those who didn't attend the convention was as I stated a while ago.

CHAIRMAN JOHNS: Answering John Henry Smith's question, which is a good one, the bill provides briefly that any person aggrieved may bring action on the bond on account of any or all damage that may be sustained by him on account of any omission or anything that may have been included erroneously.

MR. GEORGE N. COFFEY (President, Ohio Title Association, Wooster, Ohio): How long does that bond cover? If a man does the work this year and it isn't found out for three or four years that anything is wrong, does that bond extend as long as damage could be suffered from any mistake that was made?

CHAIRMAN JOHNS: Our idea of a surety bond is that the surety company will be in business after you have died, say, or have moved to California, for instance. The liability would not continue indefinitely.

MR. WILLIAMS: Most of the attorneys in our state, at least, feel that liability will stand only for a period of

six years after the certificate is signed. It isn't perpetual.

MR. JULIUS E. ROEHR (President, Wisconsin Title Association, Milwaukee, Wisconsin): Do I understand your proposed bond will give a right of action to any person using that abstract, both the contracting parties? Under the decision of the supreme courts of last resort, almost unanimous, I believe, only he who contracts for the abstract is given the right of action against the abstractor by error causing him damage.

In Wisconsin in order to furnish an abstract to the public which might be relied upon into whose hands it comes for use, we have adopted the uniform certificate which is being used, unfortunately, only by a few which grants the right extended by the abstractor himself by his certificate to any purchaser, mortgagee, or title insurance company issuing policy upon the faith of that abstract, and I arise to inquire whether your bond would include that?

CHAIRMAN JOHNS: The model law, as drafted, is "any person aggrieved" which would include any one whether a contractual party or not. In one state it reads, "any person having a right of action." That would not abolish which I understand to be the old common law of contractual relationship.

MR. ROEHR: If you use the words, "Anybody having the right of action," it would refer only to the contracting parties.

CHAIRMAN JOHNS: As a matter of fact we wanted each state to work that out, including the bonding situation. In some states I understand the old common law has been done away with by the statute, but we had to word something of a general nature.

Is there any further discussion on this subject?

(There being none, Mr. Johns retired and Mr. Stoney assumed the chair.)

CHAIRMAN STONEY: Mr. Huff said that he was ready to present his treatise on the subject of the uniform state title insurance law, which is set for tomorrow at nine-thirty, and I think we will probably use up the rest of the time this afternoon by listening to that paper.



Report of Committee on Uniform State Title Insurance Law

R. O. Huff, *Chairman*

A special legislative committee was appointed at Seattle last year composed of N. W. Thompson of California, John R. Umsted of Pennsylvania, Guy Long of Tennessee, Lloyd L. A. Ford of Michigan, and myself from Texas. The members of the committee were strangers to each other at that time, some of them I had never met until we came here. Four members of the committee are here. There are just four different opinions with regard to legislation.

Talking among ourselves, from inquiry we find there has not been sufficient discussion to crystallize thought along the line of legislation. We are particularly disagreed with reference to powers that a title insurance company should have.

We thought in view of that condition that we would not at this time make a written report but we would come before this meeting and throw the whole matter open for discussion in order that you gentlemen might give us your ideas and your thoughts along the line of title insurance legislation and a uniform bill. There is no other way by which we can get the sentiment of the title insurance companies.

There are some features of the bill we are agreed upon, some one or two. For instance, we are agreed that a minimum amount of capital should be required. As to what that minimum should be we are not agreed, except we are agreed it should be sufficient to command the respect of the people in the town where it operates, that it should be at least that large. That might require a million capital in some places and one hundred thousand in others, but it should be that large.

We are agreed that a portion of that capital should be deposited in a state depository or a depository selected by the regulatory authority of the state, that that deposit should be in securities approved by the regulatory authority.

We are agreed that there should be a premium reserve set aside, that that premium reserve should be based upon the premium and the examination fee. To undertake to put that reserve upon a net income basis would involve the auditing of all the affairs of the company. The examining authorities would have to go in and audit the books of the company. They would have to test every item of expense to see whether it was reasonable and fair, which would be an impossibility and would be unfair to the company. To put a load on the premium would not permit the company to fix the premium and examination charge and thereby destroy the effectiveness of a premium reserve.

It seems to us the only fair way to accomplish that would be to put on a gross income from premiums and examination fees. The amount you collected

for escrow paper or any outside paper would not be affected by the premium reserve.

We are agreed that the companies should be examined, should make annual reports of their business, and should be examined, some think by the banking department, some by the insurance commission, some by one and some by somebody else, but we are agreed there there should be a report and an examination at least bi-annually.

We are agreed that not more than fifty per cent of the capital and permanent surplus may be invested in an abstract plant. We are agreed that foreign corporations should be permitted to do business in a state on exactly the same terms and conditions, with the same requirements as to capital, premium reserve, and regulations as the domestic company, that the law should not be more onerous on one than another. They should be exactly alike.

I said a while ago the main thing we disagreed on was the question of powers. Mr. Umsted of Pennsylvania particularly wanted to make some remarks along this line. In some places title insurance is a portion of the business a company does. In other places they are purely title insurance companies. Casualty companies in some places do a title insurance business. Banking corporations in some places do a title insurance business.

My understanding, and speaking personally, is that we were asked to draw a title insurance law, not a law for a casualty company, for a mortgage company, for a banking company, not a law for any other kind of a company but for a title insurance company. If after that has been prepared the local customs and conditions in a way demand that those companies have other powers, I think they might be added without doing violence to the intention of the general idea of uniform title legislation.

We have recently had introduced in Texas a bill that goes further than any law I have ever seen. It provides that the Board of Insurance Commissioners shall fix the form of policy used by every company writing title insurance in the state and that no company can write any kind of title insurance or any underwriting agreement on any other form and if it does it loses its charter if a Texas corporation, and its permit if a foreign one. That seems revolutionary.

The other provision is giving the Board of Insurance Commissioners the power to fix the rates, providing that no company shall give a commission, rebate, discount or any other device whereby the price of that policy is reduced to the customer, and that if any rebates, commissions, or discounts are given that the company giving those will lose its

charter if a domestic corporation, and its permit if a foreign one. Those are drastic.

Our idea in that was to get at the casualty company and get at the "wild-catter." We are not afraid of any man who has to use our form and charge our rates, and in our opinion a law that doesn't give that control to the regulatory authorities wouldn't be much help to us.

We can never get together on a uniform policy. The American Title Association, for years, has been trying to get together. You got considerably disturbed when the five life insurance companies handed you one. If we find out we are going to have one forced on us if we don't adopt one we are going to get together. If we do adopt one we will have no trouble in having the Board of Insurance Commissioners approve that. If we can't get together as we are running now and we know we are going to have a rate forced upon us unless we can agree upon a rate which the Board in all probabilities will adopt. We have a precedent for that in Texas. Fire insurance companies were in very much the same condition that we are. They were paying different commissions, charging different rates, cutting each others' throats, and none of them were making any money. The legislature passed a law providing for Texas a standard policy and compelled the Board of Insurance Commissioners to fix the insurance rates. From that day to this every fire insurance company has prospered and made money.

The law says the rates shall not be confiscatory and gives redress if the rate is oppressive and all of the complaint that has come from that rate fixing power has come from the public and not from the companies themselves. Therefore, we have incorporated that in our law. The other three members of the committee here are very much opposed to those provisions. It may be they shouldn't be in the law. I am not going to urge or argue they should be in the uniform law. I am merely giving you this to show you how far we have gone in that respect. Maybe experience will show we have gone too far. Time only will tell but from the light we have at present we think it is the thing to do. That bill is now before our legislature. I got a telegram this morning and strange to say the fight is being made against the bill because no rebates, commissions, or discounts shall be given. (Laughter.) That is probably the most beneficial provision in the whole bill and yet the title guaranty companies are objecting to that provision. It's strange, isn't it?

MR. J. W. WOODFORD (Lawyers and Realtors Title Insurance Company, President, Seattle, Washington): Does your Committee have information as to the number of states in the union which

have a title insurance code distinct from the general insurance code?

MR. HUFF: I don't think there are any.

MR. WOODFORD: Many of the states have. Washington has a title insurance code distinct from the general insurance code of the state. I can easily get you a copy from the insurance commissioner's office if that would aid the Committee.

MR. HUFF: We would like to have that. We haven't any other law. There is a pamphlet of 200 pages and we have to read the whole two hundred pages to get the title insurance provisions.

I wish we might have some general discussion on this legislation, the powers the title guaranty company should have. I am sure all of you have some ideas on it. I have found this one thing, when we all want to accomplish one thing, if we talk long enough we will talk ourselves together.

MR. JOHN HENRY SMITH: It would probably help the discussion if you tell us what powers you are unwilling to grant.

MR. HUFF: Banking powers. These two companies go together, trust powers and the title insurance powers.

MR. WOODFORD: When you get into the complication of trust powers and title insurance powers you are going to run into a question as to where your state supervision shall be—examination under the state commissioner or the banking department, or both. It occurs to me offhand you are going to be in a lot of trouble trying to formulate a double action law there.

MR. HUFF: I can speak only personally, not for my committee. I think this, they should have both powers, that a portion of the capital should be allocated to insurance and a portion to the trust company, that the two should be run separately, one on one department and one on the other. That might be under one charter but it would be as a matter of fact two distinct corporations.

CHAIRMAN STONEY: In California, our law provides the title insurance company can go into the trust business by allocating certain of its funds with the approval of the insurance commissioner and the trust department, and after that there is a double set of book-keeping of the complete activities of the two departments.

MR. WELLINGTON J. SNYDER (Vice-President, North Philadelphia Trust Company, Philadelphia, Pa.): Relative to the powers, I suppose under the Pennsylvania law we have about as broad powers as we can get. We do a banking business, trust business, and title insurance business, and almost anything else, and yet if there is anything that is going to separate the provisions we are allowed to do, it is the question of doing a trust business. There are now counties in the state in which the orphans' court has taken upon itself to say that "if you continue to issue title insurance, we'll not accept you as trustee under this court."

I believe if you want to look into the future you will find that the combining

of the trust business and the title insurance business is the one that is going to get you into trouble, possibly not now, but some time in the future.

MR. JOHN HENRY SMITH: What is your argument? Why?

MR. SNYDER: Simply because the courts won't accept you as trustee.

MR. SMITH: We have no orphans' court down our way.

MR. SNYDER: You must have some courts that have jurisdiction of trust powers.

MR. HUFF: Don't you think if the capital is allocated in that way you will avoid that trouble?

MR. SNYDER: Well, it may be.

MR. JOHN HENRY SMITH: Did any title company ever fail in America? Why isn't a title company just the ideal administrator or executor of an estate? You have no failures of title insurance companies. I am on the other side. I think the time is coming when the title insurance companies are going to get a vast amount of the trust business of America. I imagine the Chicago Title and Trust Company runs one, two, three, four with the trust business here in Chicago. They do a large business in Los Angeles, don't they?

CHAIRMAN STONEY: Yes.

MR. SMITH: I think it is a potential part of our trust business for the reason that in real estate investments title men are right next to the ground floor.

We happen to occupy a unique position because we sell no securities. We never sold securities in our life. We don't guarantee mortgages, principal or interest, so therefore, why are we not in a unique position to handle trust estates? If we have \$50,000 or \$100,000, we have nothing to invest so we go out and buy something that is the best thing for the estate. So, I say it is the province of the title insurance company and the time is coming faster and faster when title insurance companies are going to do a vast amount of the fiduciary business in this country. That is my opinion. We, ourselves, recently took over a \$2,400,000 trust estate. We are trying to administer it economically. I can't understand the court taking such an attitude.

MR. SNYDER: We have been doing the trust business and title insurance business and we, ourselves, as a title insurance company, do not say that it shouldn't be, but if you take a community that has had that business together in one corporation for that length of time and the courts are taking that attitude wouldn't they possibly take the same attitude in your locality some time in the future? They might not now, but some time in the future they might.

MR. HUFF: Here's a thought that prompts the suggestion they have those powers. A great many towns in the United States, from ten to twelve to fifteen thousand population and on down, to some smaller towns that are good live, hustling, growing towns. There are no trust companies in many of those towns. There isn't enough title insurance business there to support a title company, and consequently, a title company can

very successfully carry on the trust business, some lending business, and a title insurance and abstract business, and with a combined business make a very creditable showing to profits, while if it were confined to one business it could hardly survive and grow as its amount of contingent liability mounted.

That was the thought I had when I said they should be together, and I am of the opinion they should be, particularly for places of that size.

I would like to hear some discussion on those provisions, the regulatory powers and all those other things, to see if we can't learn something from you gentlemen.

CHAIRMAN STONEY: In every state in which they have a general law applying to the title insurance and trust business, the difficulty arises such as you speak of. You can't extend it into the smaller localities unless the law can be made according to a schedule of population in the various counties, a general law, so far as that is concerned, but adapted to different populations.

It becomes almost impossible to operate a trust company and a title insurance company because you have to comply ordinarily with the laws with respect to both and not to one. As for example, in our state it takes a deposit of \$200,000 to go into a trust business and a deposit of \$100,000 to go into the title business. If we wanted to operate a branch office in some other county we would have to put up another \$200,000 on account of the trust business. There isn't any company in California that could stand the strain of having a deposit in each county where the company operates a branch office. The result is that all we can get through our branch office must be handled through the books in San Francisco, through the San Francisco office and not the local office.

It is easy to make a reasonable adaptation to conditions that might prevail and you might have a title company permitted to operate in counties of 50,000 population which did not require \$100,000 and a trust company to operate there that didn't require \$200,000, but you have to get away from a general law for the business and have it adapted to the locality before you can get any relief, as I can see.

MR. McKEE: In Pennsylvania, we think we have an ideal law for title insurance. It requires \$125,000 paid in capital in order to be able to issue a title policy, and as much more as you care to put to it. It requires a certain amount; only a certain amount is allowed for the plant. If you wish to do, in addition to that, a trust business, you have to raise your capital to \$250,000, and that \$250,000 enables you to do a title insurance business, a trust business, and a banking business, and the three combined. It is a very favorable charter. We have had forty years of experience with it and I don't think you can beat it, and this thing of hampering the title insurance, trust business, or any other business by the state putting clogs on it, I am opposed to. The legislation and control we have is better for everybody. We have

gotten along in Pennsylvania for forty years with that law and I have never heard of any better one.

MR. WYCKOFF: It seems to me a law which would permit only title insurance alone without permitting any of its allied lines and feeders would be a serious mistake as a general insurance law recommendation. Some of the western states haven't the large centers of population we have in the East, but I don't think it makes any difference. The larger the population the more the cost of upkeep of the plant.

We have had under consideration separation of title and mortgage business, but I don't think it would work for the betterment of the title business to bring that about because the margin of profit between cost of production and receipt of income from title insurance alone gives you a far less percentage of profit than a business in which you bring any other element into the situation. It is the most expensive department of any of these combined organizations. It takes a higher man power, a greater education, the power of a man entitled to larger compensation, and I think it would detract from the attractiveness of the business and make it almost impossible to get the most capable business men into the operation and management of the title companies if you took away those branches of the business allied with it which will bring you the profit that will help you carry along the insurance business.

I am speaking of a business that has over \$50,000,000 in guaranteed mortgages and six million in capital, and with a business of that volume we still feel if we were doing just insurance business those of our officers who were skilled in our work would be discouraged and leave us and go some place else where they could combine the two. That is a personal experience to show you one reason, in my judgment, we should not restrict the title insurance business in any legislation proposed.

CHAIRMAN STONEY: In our state a great many more banks have failed than title companies.

MR. JOHN R. UMSTED (Philadelphia): I shall confine myself to just two elements in the report that was made: first, as to powers; and second, as to rates. I take it for granted that the abstract members of the Association are favorable to title insurance companies and in all probability look forward to the evolution of the abstract office into a title insurance company eventually. I hold these thoughts to be self-evident: first, that a title insurance company must serve the public; second, that it must serve its owners and pay profits. Therefore, in order to simulate the organization and development of title companies, it is necessary to give them all the business direct and associated that can be given to them.

In Pennsylvania, under the Act of 1889, under which title companies are incorporated, the very broadest powers are given to title companies. They insure titles; they guarantee mortgages; they act as trust companies; they have banking privileges; they become surety in all

classes of bonds, except as restricted by a later amendment; they guarantee completion of building operations. Their practice in that respect is to have the deposit of the money in their hands, contracts of principal, contractors, subcontractors, and every precaution and protection against the possibility of liens, but they do insure those mortgages, the completion of those buildings, and it is a very, very important part of their business. I can safely say that without that element in the business probably a third of the title companies of Philadelphia would show in the red instead of black so far as their title departments are concerned.

My appeal, therefore, is that in the organization of title companies, you should give to the budding company all the by-products of the business. It may be that in time your states will see the wisdom of segregating the title insurance business, the mortgage guaranty business, from your trust business and from your banking business. That, as I say, may come in time but in the early stages if you want to get in a small community a title company you must give it the fodder that is necessary for its growth and that fodder is, as I say, the by-products.

We have been extremely successful in Philadelphia with our title companies. There is not a year but that two, three, four, or more are added to the list. We know upwards of fifty title companies doing business in the city of Philadelphia and they are all making money. Their stock is all selling at above book value and being very much sought by the public investor.



R. O. HUFF
San Antonio, Tex.
General Chairman, Legislative
Committee

In the East we are pretty well established in this business and, as far as co-insurance is concerned, we have no quarrel with it. As a matter of fact, we employ it—glad to have it. Personally, I don't think any company should issue a policy beyond its capital and surplus—not its resources—and probably it would be wisdom to cut it down to a percentage of that. However, so far as large insurances are concerned, we grade our risk by our work. Small matters go through in the ordinary course, \$5,000, \$10,000, and \$15,000. No attention is paid; it is a matter of routine and it goes through the office. When we get up to \$25,000 or more, more attention is paid to it and more care is given to it. When it gets to \$50,000 or \$100,000, still more attention is given it.

We have very complete plants in Philadelphia. Every mortgage that has been put on the records from the Proprietary Government down to the present time appears in our plants. Every lien that has been filed of record appears in our plants. Every judgment that appears on the record is found in our plants, for we have the general lien of judgments in Pennsylvania. Our registry bureau records are all photostats and are in our plant and the daily bring-downs are made on the public records, including ordinances presented in the council, so we feel that we have the whole record. There will be slips occasionally; clerks make mistakes, but that is met by a second or third re-examination of those records, a more careful abstract of the record and supplemented by a conveyance search on the city records themselves. There are practically no real title losses in Philadelphia. There are settlement losses; there are lien losses. Tax claims are the greatest source of loss to us, judgments that may have been missed. Forgeries come under the class of settlement losses. Those we do go up against, but so far as the title loss is concerned, it is negligible. The reason I mentioned that is that it is on account of the value of the land itself that the title policy is high. Therefore, we feel that in making the more exhaustive search and examination, we are warranted in issuing the big policies, but confine that to capital and surplus of the company.

This brings us to this point that what would be a provision for rates in Philadelphia will not apply to rates in California, Nebraska, or Mississippi. What applies to rates in Philadelphia will not apply to the surrounding counties of Bucks, Montgomery, and Chester. There the records are simple. Any one can go in there and make an examination of those records at a very small cost. Our company's daily take off of the records in Philadelphia amounts to around \$60,000 a year. That is just for our daily take off. With that must be figured the cost of recording that and keeping up our plant records.

There are three very substantial plant records maintained in our city. Therefore, any attempt to legislate rates for Pennsylvania generally would be a discrimination against Philadelphia and put us in a position where we couldn't make a

profit out of our business if we met the prices of the other counties.

MR. HUFF: It wasn't suggested that the bill should include the right to fix rates at all.

MR. UMSTEAD: No, I realize that, but I was speaking on the subject generally. I did want to make a suggestion in that regard. In the Pennsylvania Title Association we have divided our states into districts. Philadelphia is a district in itself and a committee is appointed for that district. There is a committee appointed for the surrounding counties of Philadelphia, a committee appointed for Pittsburgh, and a committee appointed for the middle parts of the state. Each of those committees is directed to get the companies of the district together and have them enter into agreements as to rates.

I mention this, not only in connection with the law, if it should be brought up, if that is to be put in the law later on, but also mention it in connection with this matter of rates so far as co-insurance is concerned.

MR. LONG (Tennessee): Mr. Chairman, there were four members of the Committee present, one from Tennessee, Michigan, Texas, and Pennsylvania. We found we had four different points of view. After going over the matter carefully—all day yesterday we worked on it—I think we reached the conclusion that all this committee can do today is to report on the high lights, make suggestions for the legislation that is to follow. There is going to be some legislation on it and it is a question as to whether we can direct it or whether we are going to be the innocent bystander. I believe personally we in Tennessee will benefit by the suggestions made in this connection because we are going to have to frame a law that will, in all probabilities, be passed at the present session of the legislature. I think each community in the state will have to adopt to its particular needs such portion of these suggestions as will fit its particular case. That is the way the result of the thing impresses me.

MR. McLAIN (Oklahoma City): If there is any good reason why these activities should be prohibited by law from being consolidated and working together, I can't see it. Undoubtedly, it is a question of local condition, probably economic conditions or others. Business executives who can put on organization together and conduct it successfully are scarce. It may be a question of securing the coordination to make a success and he might do it on a basis of assembling one or more activities. If they don't conflict, I can't see why it should not be done. It may be a question of stabilization of business. You may be in a community where the capital necessary to conduct a title business would be entirely the capital required to conduct a trust business, or would be entirely for the business secured but combined. It seems to me there local conditions would govern.

In a larger community purely a title company might comply more with the principles of simplicity, that couldn't

apply to all different communities alike. I can see no objections why any activity similarly related can't be combined into one business and made successful, and if successful and it gives service, why there is any objection to it.

It seems to me the present tendency of business is toward consolidation and concentration of effort and elimination of wasteful diversity. I believe that competition in business is becoming so keen that those consolidations are going to be forced.

CHAIRMAN STONEY: I might ask if the Committee had gone into more than the general idea of the forming of a corporation in some form. In some states it provides the form in which your capital surplus must be invested. In some states there is a provision of putting aside a certain percentage of premiums until a certain additional reserve has been added. The danger of a bill of that kind that would strike me would be that larger organizations, knowing of the business, hearing the name insurance attached to it, and believing that like other insurance companies it should have larger reserves because of large losses, might frame a bill that would forever prevent any competitors getting into the field again. In some localities it might be desirable and in others it would not. I can say, however, there are certain limits to the amount of reserve required and the amount of money taken out of the proportions of your premiums that would prevent a corporation from keeping out of the red. Those are important matters that want to be considered.

MR. HUFF: We thought that the premium reserve should accumulate until such time as the reserve equalled fifty per cent of the capital stopping at a certain maximum, however. After that, no premium reserve should be required, and that the company would have the right to deposit that at one time if it thought best to do that.

As to the investment, we thought that all of the capital, except the abstract plant and the premium reserve, should be in securities or mortgages approved by the regulatory authority, and not designated by the legislature.

MR. H. LAURIE SMITH (Executive Vice-President Lawyers Title Insurance Corporation, Richmond, Virginia): This matter is of vital interest to a number of title companies, because of legislation impending. The contacts of my company with eight bureaus of insurance satisfy me that if we don't ourselves—I mean the title fraternity—submit proper bills, we are going to have as a certainty improper bills.

For instance, on the twentieth of December, the Commissioner of Insurance of one state told me that he thought that title insurance companies should set up a reserve of fifty per cent. He classified the title insurance companies as miscellaneous casualty companies.

The bureaus of insurance with which I have come in contact know absolutely nothing of title losses or title problems and yet we know they are going to draft legislation. Would it not be possible for your committee to continue its activities

to the extent of submitting to the member companies so much as you have agreed upon and stating the points on which you are not agreed, with the idea that those companies will communicate with your committee, or with you as chairman of that committee, in an effort that by the time of the San Antonio convention, the drafting of this uniform bill can be expedited?

I think it probably is very much like Mr. Johns' problem, that you are going to have to draft a model bill but that that model bill will have to be amended and changed in each state so as to meet the conditions in that state. For instance, I think it is perfectly obvious that the conditions in Pennsylvania, where they have had combined title and trust companies for fifty years, would be entirely different from conditions in Virginia where title insurance is only about four or five years old.

MR. HUFF: Mr. Smith, the committee is making only a preliminary, verbal report at this time. What is being said here today will be in the Title News. The committee will make its final report at the October meeting.

I want to say just a further word about the question of powers. This is all my personal opinion, you understand. Personally, I don't think the title insurance company should be in any other business. Business of all kind is getting to be more and more of a specialty. Some one has defined a specialist as "one who knows more and more about less and less." That is almost an axiom, but it is true, and a title company may have a billion dollars of contingent liability and maybe a capital of half a million. That contingent liability is increasing from day to day. There is some decrease from day to day but the increase is more than the decrease.

In my opinion, the assets for a title company should not be hazarded in any other kind of business. If a bunch of men want to go into these other kinds of business let them have a corporation for it. I am one of the managers of four corporations that is owned by the same man and they do these other kinds of business in other corporations. They have a man at the head of each of those corporations who is a specialist, more or less, along that line of business. That is my personal opinion of it. I would rather have the guarantee of a company that was a specialist in the title insurance business and had no other business and no other interests than to have a guarantee from a company with a hundred million dollars doing everything under the sun, selling mortgages, after guaranteeing the payment of notes and anything else. I think that the experience of the men behind the company that are examining the titles and conducting the business is worth more as a matter of safety than the capital stock. That is another side of this question. That is my personal opinion; we are all giving those.

MR. SNYDER: In issuing title insurance you come up against the question of special insurance. Some people may say that is not a title insurance feature, and

yet you come up to the question of insurance against liens, insurance against decedents' debts which we are told arise in your business against title insurance, and I think a company organized for the purpose of title insurance would also have the privilege of issuing special insurance against those things because I believe that is an allied part of the business.

Of course, the same conditions may not be true in all sections of the country, but I, for my part, can't see why a company organized to do title insurance business couldn't insure against mechanics liens in operation, new operations, the building of houses or guaranteeing to the mortgagee the completion of those houses if they have the proper security to do it. I believe they are functions that would properly belong to the title insurance business.

I, myself, also believe the mortgage business is a proper function of the business; I mean to say, it brings in the business. When we are talking about powers, I think those are the ones, in my estimation, that should be included in that.

CHAIRMAN STONEY: I think, also, people who have slightly different experience and surroundings find the same thing leading them in other directions. I remember a good many years ago the insurance commissioner called attention to the fact that title companies were receiving escrows and doing a large number of things that were properly a trust business. He said, "I don't want to interfere with title companies and trust companies in what they are doing but I will put in an amendment to the banking law to permit them to do the business. Unless some amendment goes in I shall enforce the law to the letter."

So, we wrote an amendment but that still left out a lot of things in which we wanted to have as activities. It seemed right for us to act as trustees in cases of bond issue. We frequently take title to land, incidentally it is purely a trust matter, to protect some real estate transaction going through. Sometimes we take title to land where there is a subdivision going on. That is all trust business but there is so much of it coming into our office and offering itself that we were compelled to go into the trust business because we were doing it anyhow and we were afraid we would get called down and if the superintendent of banks had come in and told us to stop we would have been embarrassed. It is so close to our natural business that it isn't in extent a variation therefrom. Nevertheless, having qualified as a trust company, when somebody dies and wants us to administer an estate we take the fees and go ahead and take any business that comes to us. Eventually I presume all those companies in both businesses will be developing both branches. Up to the present time we haven't made strong efforts to step on the toes of the trust company, but have confined ourselves to the class of business that really belongs in our own office.

Are there any further comments?

I see the hour of five o'clock has arrived, and if there is nothing further to be taken up we will adjourn.

MR. JOHN HENRY SMITH: I was very much interested in your remarks in accepting your office about the antiquity down in Washington. Our dear friend, Worrall Wilson, wrote me a letter a few days ago from Seattle. The government is purchasing a site out there for an office building. He wired me to ascertain how we got the title insurance in Kansas City for the Federal Reserve Bank. He said, "I would like to have any information on the subject because the persons here who own the property desire to furnish the government title insurance but the government will not accept it."

I suppose it is under the postal law. They have contracted to buy a site for a great many thousands of dollars in Kansas City for a post office. I took the matter up with that department in Washington and they sent me the law and the law is that the government must have abstracts as evidence of title.

I wrote Worrall Wilson a letter. We did write the title insurance on the site of the Federal Reserve Bank, of which Governor Miller was then governor, and he was sold on title insurance and he wanted it for their protection. He didn't take it up with Washington and I don't think the postal department has anything to do with that branch of the government. When they bought a site in Omaha, Mr. Bailey was governor and followed in Miller's shoes and bought title insurance from us from Omaha. I wrote those facts to Mr. Wilson.

Right on the heels of that I was much amazed to read in a copy of the United States Daily, published in Washington, presenting the only daily record of the official acts of the legislative, executive, and judicial branches of the government, these big headlines: "Search of Titles Planned on Land For Federal Use. Total of 380 Cases Are Pending on Property to Be Acquired for Governmental Purposes. Work of Department of Justice Surveyed. Investigations Will Include Many Parcels Involved in Building Program of Government."

You would be amazed if you would read this article. When they say 380 cases, that may involve 65,000 acres of land in Montana, or somewhere else. It may involve several millions of dollars worth of property in Seattle or somewhere in California. It is a remarkable fact it includes parcels of land in many, many different states where there are title companies that could take care of these deals and expeditiously examine the title and get the money scattered throughout the United States for the various properties the government has agreed to acquire.

I have talked to Dick Hall about this and they had it up but the mere fact there is evidently a bureau in Washington—I have never been in contact with their bureau, this is only my supposition—and possibly a number of lawyers are employed in this bureau, and our vice-president mentioned antique methods by which they are still doing business, this

condition exists. The American Title Association is overlooking millions and millions of dollars in gross amounts for title insurance of which we are not getting one smell. I think it is up to this Association to figure out a plan by which the government will take title policies. They did during the war. When the government was required to purchase cantonments and camps, we wrote one for Fort Dodge in Iowa that run a couple of million dollars. We wrote them in other places and so did other companies, but that department evidently disregarded the old way the government really has of acquiring property.

If you would read that article you would be amazed at the amounts of money going to be paid for these 380 different tracts. One case may involve several million dollars. It is one of the biggest things I think that this Association can undertake, to try to see if we are not powerful enough some way or another to show the government how easily and simply it can transact that, and you could scatter millions of dollars for properties that ought to be paid for months and months ago that won't be paid for in the next five years.

MR. SNYDER: With reference to that, there was a committee appointed by this Association to work on that subject and the Attorney General's office simply said that the law said that it must personally pass on all titles obtained by the United States government. Two acts of Congress were drafted and were sent down to Mr. Graham, who is Chairman of the Judiciary Committee of the House, and he took it up, I suppose, in the routine way, with the Attorney General's office and he wrote me that at the present time there was no chance to get the act through Congress. We are still trying and it is our hope to some day soon remedy this situation.

CHAIRMAN STONEY: I think we are fooling the department. In our state we hold them they couldn't get any abstracts and we succeeded in getting them to do that.

MR. SNYDER: Anything that does not go through the Attorney General's office can be handled by title insurance.

MR. HARRY N. PASCHAL (Vice-President, Atlanta Title and Trust Company, Atlanta, Georgia): We had quite a bit of experience with government land titles during and after the war.

For instance, we insured the titles to Camp Benning, which is at Columbia, Georgia, consisted of 98,000 acres, had 450 owners, and was valued at \$3,750,000; Camp Gordon, Atlanta, Georgia, which consisted of 3,000 acres and cost \$1,100,000; Camp Hancock, Augusta, Georgia, consisting of 650 acres, and cost \$2,000,000; and Picric Acid Plant, at Brunswick, Georgia, costing \$90,000. All those have been sold by the government except Camp Benning. That is the permanent officers' training camp.

The way we went about getting it was to get the local district attorney of the Northern District of Georgia to recommend to the government that on account of the large volume of work in his office

they let us handle the examining and insuring of the titles. As a matter of fact, the district attorney's office didn't even pass on our preliminary reports or closings or anything else. The government turned the checks over to us, payable to the land owners. We did all the closing, filed the deeds and insured the titles."

On the other hand, let me say it was announced that the government was going to create a very large forest reserve in north Georgia. So, we went to Washington with the idea of handling that also, but we found that was handled in an entirely different manner. They have a corps of attorneys and abstracters they send out all over the United States and they make their reports direct to the district attorney in the district in which the land happens to be and he passes on the efficiency of the abstracts.

Those particular titles were in such chaotic condition they had to take practically the whole tract by condemnation, not only on account of failure to agree on price of land but on account of the condition of the titles.

On the proposition we had up a few minutes ago of title insurance companies getting into the trust business, let me tell you what our condition is in Georgia. Any company with a minimum capital of \$25,000 can go into the title business, but they must deposit at least one third of that capital in securities approved by our state treasurer in a state depository. That one third of the capital, however, cannot be less than \$50,000, so if a company were organized with a capital of \$25,000, it must have securities for at least \$50,000 to deposit.

We have just increased our capital to one million dollars and, therefore, we must put up \$333,000 in approved securities. It can be in mortgages, provided they are first mortgages, stocks or bonds provided they are approved by the depository in which they are deposited. On the other hand, our taxes on that will probably run \$15,000 to \$20,000 a year. What are the limitations thrown around a foreign company coming into Georgia and insuring titles? They don't have to do a thing except register as foreign corporations and pay a license tax of \$1,000. For each additional year they do business in Georgia, they merely pay a registration fee of \$3 a year.

I don't think that is fair competition. Trust companies, on the other hand, any trust company in the state of Georgia, can go into title insurance business by merely making the deposit that is required of the company that is organized for the purpose of insuring titles to lands.

CHAIRMAN STONEY: There is quite a variation apparently as to present rules and regulations, from nothing to the limit.

The time is getting late and the meeting will adjourn to reconvene at nine-thirty in the morning.

. . . The meeting adjourned at five-fifteen o'clock . . .

ADJOURNMENT

SATURDAY MORNING SESSION

January 19, 1929

The meeting was called to order at ten o'clock with Vice President Stoney in the chair.

CHAIRMAN STONEY: The program has been a little disjointed by reason of the fact that certain matters on the program for today were taken up yesterday. The first thing on the program is an address by Judge Doremus. He will discuss the Fifteen Proposals and then give a paper on Uniform Dower and Curtesy."

JUDGE DOREMUS: Mr. Chairman and all my Fellow Members of the American Title Association: I cannot tell you how much I appreciate this privilege; it would take the whole of the forenoon.

May I take the opportunity to say that as president of the New Jersey Title Association I want to give you the assurance of that Association that the dues to the national Association are going to be increased and we are going to pay them promptly, and we commend our action to all the rest of the United States. This is not a promise but a performance. I thought you would be interested in knowing that. (Applause.)

I hope your discussions throughout this convention have led you all to the same action. You know the president of this Association is very much loved in New Jersey and we want to uphold his hands one hundred per cent and I know you will all do the same.

In order to be very brief, I am going to read this paper. The first is the fifteen proposals. I have taken a peculiar treatment of them. You have all read these proposals. They have been before you and printed in their preliminary form and have been in the TITLE NEWS.

Judge Doremus then reviewed the fifteen proposals for uniform land laws and made the following suggestions for certain of the recommendations as such recommendations appeared in the committee's report.

Proposal No. 2. It was recommended that the following sentence be added: "Proof of service shall be filed in the Office of the Clerk of the Court within five days after the making of such service if the same is personal, or at the beginning of the publication, if service is made by publication."

Proposal No. 3. Recommendation of a statute such as cited by the Committee and as recommended by the Cleveland Bar Association, except to make the period ten years instead of twenty-one.

Proposal No. 4. Approved as recommended by the Committee, with the addition of the following sentence: "No suits shall be pending affecting said premises, nor any judgments open against the parties affected, when such declaration shall be filed."

Proposal No. 5. Recommendation of law to abolish dower entirely approved, with the following addition: provide in the statutes of descent and distribution that the surviving consort shall take a certain share in fee simple (be it one-

third, one-half, or other portion) of the property, of which the deceased died seized and possessed.

Proposal No. 7. Strike out the words "after notice," in Paragraph 6, under the caption "Short Form Mortgages."

Proposal No. 8. Limit the time to three years instead of six.

Proposal No. 10. Add a section as follows: "Section 3. The signatures of subscribing witnesses shall not be required where there is an adequate and proper certificate of acknowledgment by an officer duly authorized to take the same."

Proposal No. 14. Amend by inserting the words "satisfactory to the Court" after the word "evidence" in the second line, and insert the words "and designate the party to whose ownership the same is awarded by said decree" after the word "state" in line 8.

Proposal No. 15. I suggest for the consideration of this body the New York statute with reference to suspension of alienation, namely: "The absolute power of alienation is suspended, when there are no persons in being by whom an absolute fee in possession can be conveyed. Every future estate shall be void in its creation, which shall suspend the absolute power of alienation, by any limitation or condition whatever, for a longer period than during the continuance of not more than two lives in being at the creation of the estate; except that a contingent remainder in fee may be created on a prior remainder in fee, to take effect in the event that the persons to whom the first remainder is limited, die under the age of twenty-one years, or on any other contingency by which the estate of such persons may be determined before they attain full age. For the purpose of this section, a minority is deemed a part of a life, and not an absolute term equal to the possible duration of such minority."

MR. POTTER: There is one suggestion. I will make it as brief as possible. I wouldn't for any reason suggest anything the matter with the fifteen proposals, but there is one point that has proven quite serious to a number of people residing in Pennsylvania who had invested in real estate in Florida and then they were subsequently deceased, leaving wills in Pennsylvania which have only two witnesses. Those are absolutely invalid in Florida. The same law is in effect in Georgia.

Without increasing the number of proposals, I would suggest in the proposal which relates to the two witnesses to a deed, that you simply add the words "and will." That would accomplish that purpose. I know personally of a number of cases in which there has been great loss sustained and the will and desire of the testator has entirely failed because the will had only two witnesses instead of three. I think that could be included.

CHAIRMAN STONEY: Would that answer the purpose? For instance, in California, we have holographic wills. Wouldn't it be better if we have a general provision of law that if we have a will admitted in one state it should be probated the same in a foreign state?

MR. WYCKOFF: For the sake of the record and by way of instruction as to the duties of members of the Legislative Committee, all of whom will read this, I hope, in the Title News, I think it is their duty to scrutinize the legislation which is taking place in their state with respect to all legislation affecting title matters, and I would suggest that when-

ever any measure is introduced in the legislature which has relation to our fifteen proposals that it would be the duty of the state member of the Legislative Committee to submit it to the consideration of the committee handling that particular legislation in the legislature in proposals of this Association on that subject, and that he also immediately

notify the executive secretary what is transpiring in the state legislature with reference to any of our proposals.

JUDGE DOREMUS: I think that is an excellent suggestion. I hope that will be carried out.

CHAIRMAN STONEY: We hope our people will read these remarks in the Title News.

Uniform Dower and Curtesy

By Judge Cornelius Doremus

One of the most vexatious questions confronting examiners of titles is to know whether an instrument signed by man or woman conveys the entire estate. We are frequently confronted with dower rights and curtesy rights, both inchoate and consummate. The statutes of our forty-eight states are so at odds with each other on the questions of divorce, dower and curtesy, that a real and serious danger is ever at hand in the examination of titles. It must be obvious to all of us that uniformity in these questions is absolutely and vitally necessary.

The National Conference of Commissioners on Uniform State Laws is composed of commissioners from each of the states, the District of Columbia, Alaska, Hawaii, Porto Rico and the Philippine Islands. In thirty-three of these jurisdictions the commissioners are appointed by the chief executive acting under express legislative authority. In the other jurisdictions the appointments are made by general executive authority. There are usually three representatives from each jurisdiction. The term of appointment varies, but three years is the usual period. The commissioners are chosen from the legal profession, being lawyers and judges of standing and experience, and teachers of law in some of the leading law schools. They serve without compensation, and in most instances pay their own expenses. They are united in a permanent organization, under a constitution and by-laws, and annually elect a president, a vice-president, a secretary and a treasurer. The commissioners meet in annual conference at the same place as the American Bar Association, usually for four or five days immediately preceding the meeting of that association. The funds necessary for carrying on the work of the conference are derived from contributions from some of the states and from appropriations made by the American Bar Association. The record of the activities of the conference, the reports of its committees, and its approved acts are printed in the annual proceedings. The approved acts, sometimes with annotations, are also printed in separate pamphlet form.

Much has been done under the direction of the American Bar Association looking towards uniformity in a great variety of questions confronting our body politic. We have strong hopes and expectations that in the very near future the American Bar Association, in collaboration with the American Title Asso-

ciation, will succeed in impressing the legislatures of the various states with the necessity of passing uniform acts prepared by these bodies and submitted at the earliest practicable dates to the legislatures. There can be no valid reason against such action. No rights are lost and the safety element more than counterbalances any work, sacrifice or expense involved in procuring this uniformity.

Among the acts already passed, looking towards uniformity, in most of the states (largely through the efforts of the American Bar Association and the Commissioners on Uniform State Laws), we find the following as a partial list:

Name	Year of Approval	No. of Jurisdictions Enacting
Acknowledgements Act.....	1892	9
Acknowledgements Act, Foreign.....	1914	7
Aeronautics Act.....	1922	10
Arbitration Act.....	1925	0
Bills of Lading Act.....	1909	26
Child Labor Act.....	1911	4
Cold Storage Act.....	1914	6
Conditional Sales Act.....	1918	10
Declaratory Judgments Act.....	1922	8
Desertion and Non-Support Act.....	1910	19
Extradition of Persons of Unsound Mind.....	1916	8
Fiduciaries Act.....	1922	10
Foreign Depositions Act.....	1920	10
Flag Act.....	1917	9
Fraudulent Conveyance Act.....	1918	14
Illegitimacy Act.....	1922	5
Interparty Agreement Act.....	1925	0
Joint Obligations Act.....	1925	0
Land Registration Act.....	1916	3
Limited Partnership Act.....	1916	14
Marriage and Marriage License Act.....	1911	2
Marriage Evasion Act.....	1912	5
Negotiable Instrument Act.....	1896	51
Occupational Diseases Act.....	1920	0
Partnership Act.....	1914	16
Proof of Statutes Act.....	1920	7
Sales Act.....	1906	27
Stock Transfer Act.....	1909	17
Vital Statistics Act.....	1920	1
Warehouse Receipts Act.....	1906	48

Wills Act, Foreign Executed.....	1910	7
Wills Act, Foreign Probated.....	1915	4
Workmen's Compensation Act.....	1914	3
Written Obligations Act.....	1925	0

Total Number of Uniform Acts.....34

To accomplish this, there have been 359 legislative enactments in the various states to bring about the final uniformity.

There are pending (with reports thereon to be submitted at the next meeting of the American Bar Association), the following:

1. Uniform Federal Tax Lien Registration Act.
2. Uniform Chattel Mortgage Act.
3. Uniform Act to Regulate the Sale and Possession of Firearms.
4. Uniform Act for Extradition of Persons Charged with Crime.
5. A Uniform Motor Vehicle Code consisting of Four Acts:
 - (a) Uniform Motor Vehicle Registration Act.
 - (b) Uniform Motor Vehicle Anti-Theft Act.
 - (c) Uniform Motor Vehicle Operator's and Chauffeur's License Act.
 - (d) Uniform Act Regulating the Operation of Vehicles on Highways.

The tendency and necessity having been established, it brings us to the question for immediate discussion, namely: dower and curtesy.

To intelligently discuss this mooted question, we must always bear in mind that the American Title Association is the representative body which has for its objective the betterment of title conditions for every state in the Union and not for any particular section.

The National League of Women Voters is taking an active part in the attempt to secure uniformity of statutes relating to divorce. This is most promising as it will assist in the dower and curtesy questions as they are directly affected by divorce.

In New York, a state commission has been functioning for some years to effect uniformity by having the legislature of that state pass such laws as will be, so far as practically possible, in conformity with the laws of other states and those

passed by Congress. This example it is hoped may be borne in mind and acted upon in the ensuing year in other states.

Another suggestion is that state bar associations, acting in concert with state title associations, take an active part in the enactment of legislation by state legislatures by drafting and submitting bills to be passed, such bills always to be submitted to the American Title Association, as well as the American Bar Association, in order to have homogeneity of effort. I cannot too strongly stress the necessity for propaganda of this nature and active and immediate work along those lines. I suggest to the president of the American Title Association that he appoint a committee having this matter in special charge. One of the things this committee might do would be to have statutory enactments giving the Governors of various states power to appoint special commissions to consider questions of such vast import as the one now before us for discussion.

In Wisconsin, the law gives women the same rights and privileges as men in the exercise of suffrage, freedom of contract, choice of residence for voting purposes, jury service, holding office, holding and conveying property, care and custody of children and in all other respects. The various courts, and executive and administrative officers must construe the statutes where the masculine gender is used to include the feminine gender unless such construction will deny to females the special protection and privileges which they now enjoy for the general welfare. The courts, and executive and administrative officers must make all necessary rules and provisions to carry out the intent and purpose of this statute. Indiana has a similar statute. Louisiana has gone almost as far. So have Hawaii, Kentucky and California. Massachusetts has gone some distance along the same lines, especially with regard to property rights. Nevada, New York and North Dakota have had statutes presented to their legislatures during the past three years looking toward complete equity between husband and wife. Some have been passed with enactments, but the tendency is clear that eventually statutes of that character will be passed in those States.

In the old-fashioned common law in the State of New Jersey we have a peculiar statute which is interesting in this discussion, namely: Chapter 123, Laws of 1923, which says: "No person shall be denied appointment as master in chancery on account of sex; and whenever any woman master in chancery shall marry or remarry she shall thereafter continue to sign her name the same as it was at the time of her appointment, with a hyphen after the surname, followed by the surname of her then husband." She must sign a statement in writing addressed to the Chancellor, reading as follows: "I, Mary Doe, a master in chancery of the State of New Jersey, do hereby certify that I did on the — day of —, 19—, intermarry with Richard Roe, my present husband; and this statement is made to the end that I may continue to act as such master in chancery by the addition of my said husband's

surname after a hyphen at the end of the name in and by which I was appointed such master, according to the statute in such case made and provided." This statement must be filed in the office of the Clerk in Chancery.

A peculiar statute in Ohio is worth noting. The same leveling spirit caused the legislature in Ohio, 1923, Chapter 125, to raise the age of majority for females to 21 years, the same as men. Evidently the old idea that women developed earlier than men and were consequently entitled to exercise legal rights at an earlier age has gone down with other old legal theories of distinction between the sexes.

England is becoming very progressive and radically changing the old laws establishing disabilities for women and also for men, having special reference to these questions of dower and curtesy. Blackstone said: "The very being or legal existence of the wife is suspended during marriage or, at least, is incorporated and consolidated in that of her husband."

In the United States, we are struck by the fact that the people of the thirteen original states were born and bred under the old common law and that the movement for legislative reform in reference to Married Woman's Property Rights came from the Rocky Mountains. At first blush this means nothing. The people of our Western States are wide awake, progressive and aggressive. Why not every state in the Union follow suit?

In New Jersey there has been much agitation on the question of dower and curtesy rights for a number of years and various enactments have been passed and frequently properly repealed. With some enthusiasm on the part of conveyors, we learned before the last session of the legislature that this vexatious question was to be settled by an act to be introduced and we were all gleeful. The act when introduced and passed did not help us. It reads as follows: "That the widower, whether alien or not, or any person dying intestate or otherwise, shall be endowed for the term of his natural life of the one full and equal half part of all the lands, tenements and other real estate, whereof his wife, or any other to her use, was seized of an estate of inheritance, at any time during the coverture, whether issue be born or not, to which he shall not have relinquished or released his right of curtesy by deed executed and acknowledged in the manner provided by law for that purpose."

This Act increased the proportion which a widower has in his deceased wife's property and that is all. It has not eliminated the real difficulty. The wife's right of dower has not been changed for the better.

UNIFORMITY DESIRABLE AND A POSSIBILITY

Much legislation has affected this legal life estate of the husband. There may now be said to be, in general, as the outcome of statutes and common-law principles, four different groups or classes of states, within all the members of each

of which curtesy has been treated in substantially the same manner.

In the first of these groups, which includes, for examples, New Hampshire and Vermont, common-law curtesy, practically unaffected by the statutes either directly dealing with it or in the form of married women's legislation, is still retained. And it is to be carefully noted again that, in such jurisdictions, the wife cannot alienate or encumber her property so as to interfere with the husband's interest—if he can establish the requisites above explained, and he has done nothing to bar his right, he may have curtesy, not only in the realty as to which she dies seized and intestate, but also in that which she disposed of before her death or which she may attempt to will away from him.

The second group embraces those few states, such as Delaware and Virginia, in which while curtesy is retained and the wife cannot preclude the husband from acquiring it in realty of which she dies seized, yet, by virtue of the married women's legislation, she may bar or diminish his curtesy by conveying or encumbering her property during her lifetime. She cannot will it away from him. Her alienation alone *inter vivos* is a bar. But, if he can establish the four requisites, his right to curtesy is absolute in the real property of which she dies seized—curtesy consummate in such property is left intact, while curtesy initiate is reduced to a mere chance or possibility.

In the third group, which is large and comprises such states as New York, Massachusetts, Pennsylvania, Missouri and Wisconsin, curtesy is also retained; but, by virtue of the married women's statutes, it may be defeated or diminished by the wife's act alone, either by conveyance, mortgage, or other transfer or encumbrance during her life, or by means of her will. She can bar her curtesy by her act *inter vivos* or by her will. His curtesy initiate is thus reduced to a mere chance or possibility; and he has no curtesy consummate except in real property of which she dies seized and which she does not will away from him. The English law of curtesy is now substantially the same as in this group of states.

The fourth group comprises those states in which curtesy is wholly abolished. This statutory change has been made in many states, among which are Maine, Ohio, Indiana, Illinois, Michigan, Kansas, Iowa, Georgia, and Florida. In some of these, such as Illinois and Kansas, the husband is given an estate similar to the wife's dower; in others, such as Louisiana, Texas and Washington, the "community system," by which husband and wife hold land together, supersedes both curtesy and dower; and in quite a number, other special, local forms of rights are given to husband and wife in each other's property in lieu of dower or curtesy, or both.

The following is a general summary of statutory provisions of the other states and the District of Columbia upon dower, curtesy, etc.

DOWER

Dower has been abolished in the following twenty-four states on the dates given or at least as early as that:

1. Arizona.....	1901
2. California.....	1850
3. Colorado.....	1868
4. Connecticut.....	1877
5. Idaho.....	1887
6. Indiana.....	1852
7. Iowa.....	1873
8. Kansas.....	1868
9. Louisiana.....	unknown in that state
10. Maine.....	1895
11. Minnesota.....	1875
12. Mississippi.....	1875
13. Nebraska.....	1907
14. Nevada.....	1865
15. New Mexico.....	unknown in that state
16. North Dakota.....	1877
17. Oklahoma.....	1890
18. Pennsylvania.....	1917
19. South Dakota.....	1893
20. Texas.....	unknown in that state
21. Utah.....	1898
22. Vermont.....	1787
23. Washington.....	1871
24. Wyoming.....	1869

It will be noted from the above that in three states, there never apparently was any provision for dower. Vermont was the first state, having a provision for dower, to abolish it, which it did in 1787. The largest number of these twenty-four states abolished dower sometime in the latter part of the nineteenth century, a very few in the early part of the twentieth. The state in which dower was abolished most recently is Pennsylvania, the legislature of that state having done so in 1917.

In these twenty-four states, the estate of dower does not exist either by express language of the statute or by reason of the fact that nowhere in the history of the state is there reference to the existence of such an interest. This statement of the situation, however, needs further analysis. In some of these twenty-four states, dower has been abolished in name only; the property of the husband has not been freed from its burden, but in fact, the estate of the wife has been enlarged. In others, community property has been substituted for dower, and in still a third class, the effect of dower has been entirely removed and no inchoate interest of the wife exists to burden the husband's real property during coverture.

In those states where property acquired by the husband after marriage becomes community property and vests jointly in both husband and wife, the common law right of dower is done away with entirely and the wife's interest in the common property becomes absolute at the death of her husband.

In six states the wife is made the statutory heir of her husband and takes her interest under the Descent and Distribution Table. This gives her an interest in her husband's property only at the time of his death and gives him the right to convey his property during his life without the necessity of his wife joining in the conveyance.

In two states, Connecticut and Vermont, the wife is given an enlarged estate, but such estate attaches only to the lands of which her husband died seized, which, in effect, deprives her of any interest in those lands which her husband alienated during coverture.

In eight of the twenty-four states, although dower has been abolished, the enlarged estate of the wife has been made an increased burden on the real property owned by the husband during coverture.

As to the remaining twenty-four states, and the District of Columbia, dower still exists, either virtually as it was at common law, or in regulated form.

The provision giving the wife her dower right in the following eleven states codifies the common law, that is, the estate which is given her is the same as she had at the common law, although in many of these states there are other sections in which special provision is made with respect to dower in case of divorce, separation, etc., but such sections are not considered in this summary.

1. Arkansas	7. New Jersey
2. Delaware	8. North Carolina
3. Illinois	9. Rhode Island
4. Massachusetts	10. South Carolina
5. Michigan	11. West Virginia
6. Montana	

Twelve states and the District of Columbia have a regulated form of dower.

1. Alabama	7. New Hampshire
2. Florida	8. Ohio
3. Georgia	9. Oregon
4. Kentucky	10. Tennessee
5. Maryland	11. Virginia
6. Missouri	12. Wisconsin

Note that New York State is not included in this summary.

As to the constitutionality of a statute modifying or entirely abolishing dower, the effect of which is to take place immediately upon its passage, *Corpus Juris*, under the heading, Constitutional Law, Section 503, reads as follows: "Notwithstanding a few cases holding the contrary, a married woman's right of dower in her husband's real estate is, during the coverture, a mere inchoate right which may be abridged or taken away by the statute at any time before the death of her husband."

Curtesy has been abolished in the following thirty-six states on the dates given, or at least as early as that.

1. Alabama.....	1852
2. Arizona.....	1901
3. Arkansas.....	1925
4. California.....	1872
5. Colorado.....	1868
6. Connecticut.....	1877
7. Florida.....	1906
8. Georgia.....	1895
9. Idaho.....	1887
10. Illinois.....	1874
11. Indiana.....	1852
12. Iowa.....	1873
13. Kansas.....	1868
14. Louisiana.....	unknown in that state
15. Maine.....	1895
16. Maryland.....	1898

17. Massachusetts.....	1902
18. Michigan.....	Expressly abolished in 1915 (Previously held to have been abrogated by Married Woman's Act of 1855)
19. Minnesota.....	1875
20. Mississippi.....	1906
21. Missouri.....	1921
22. Montana.....	1895
23. Nebraska.....	1907
24. Nevada.....	1907
25. New Mexico.....	unknown in that state
26. North Dakota.....	1877
27. Ohio.....	1877
28. Oklahoma.....	1890
29. Pennsylvania.....	1917
30. South Carolina.....	1883
31. South Dakota.....	1893
32. Texas.....	unknown in that state
33. Utah.....	1898
34. Vermont.....	1787
35. Washington.....	1871
36. Wyoming.....	1869

There are a few outstanding characteristics of the above tabulation which should be noted. The same three states which never apparently had any provision for dower, have never had a provision for curtesy, namely, Louisiana, New Mexico, and Texas. Vermont, the first state to abolish dower, was also the first to abolish curtesy. Most of the states to abolish curtesy, did so in the late nineteenth century, although several states have done so in the twentieth. The last state to abolish curtesy, so far as could be ascertained, is Arkansas in 1925.

Of these thirty-six states, twenty states have provided a statutory substitute for curtesy, and the husband takes his share under the Descent and Distribution Table.

Twelve states still remain, and the District of Columbia. Of those, five states and the District of Columbia have common law curtesy.

1. District of Columbia
2. New Hampshire
3. New Jersey (except that curtesy initiate has been destroyed)
4. North Carolina
5. Rhode Island
6. Tennessee

Six states have a regulated form of curtesy as follows:

1. Delaware
2. Kentucky
3. Oregon
4. Virginia
5. West Virginia
6. Wisconsin

ENGLISH DOWER ACT OF 1833

3 & 4 Wm. IV, c 105, An Act for the Amendment of the Law 29th August, 1833.

Relating to Dower.

BE IT ENACTED by the King's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same.

IV. And be it further enacted, that no widow shall be entitled to dower out

of any land which shall have been absolutely disposed of by her husband in his lifetime or by his will.

V. And be it further enacted, that all partial estates and interests, and all charges created by any disposition or will of a husband, and all debts, incumbrances, contracts, and engagements to which his land shall be subject or liable, shall be valid and effectual as against the right of his widow to dower.

VI. And be it further enacted, that a widow shall not be entitled to dower out of any land of her husband when in the deed by which such land was conveyed to him, or by any deed executed by him, it shall be declared that his widow shall not be entitled to dower out of such land.

EXTRACT FROM A REPORT OF GILBERT H. MONTAGUE, CHAIRMAN OF THE COMMITTEE ON UNIFORM STATE LAWS, DELIVERED AT THE 51st ANNUAL MEETING OF THE NEW YORK STATE BAR ASSOCIATION IN JANUARY, 1928.

However, if there is one thing upon which the members of the National Conference will now agree, it is the impossibility of finding any formula on which any considerable number of states will agree as to the proper laws with respect to marriage and divorce. Thirty-five years have shown conclusively that there are many subjects which 35 years ago seemed to be appropriate for consideration and uniformity which absolutely cannot be made uniform, and for

the reason what I have just stated, namely, that, convenient as it may be to have uniformity of legislation, if there is to be such a thing as state government in the United States, we must have laws which will conform to our peculiar situation, geographically, historically, commercially and otherwise, and the circumstances of the population in the particular state.

After looking through all of the available handbooks reporting the proceedings at the conferences on the National Commissioners on Uniform State Laws, I regret to say that they disclose that hardly any consideration has been given to the question of uniform dower and curtesy legislation. I suppose it is a question of "passing the buck" between the committees on Real Property, Social Welfare, and Marriage and Divorce.

It seems to me that when we sum it up, it is of the utmost importance that we have uniformity along lines something like the following, namely:

1. The status of husband or wife so far as their interest in their deceased partner's estate is concerned, i. e.:

(a) A time limit in which a claim may be made by a claiming spouse. This would fix and establish a time in which a title may be attacked.

(b) The purchaser to be protected by a search in the proper court of record of the state in which the property exists and providing that if a notice similar to *lis pendens* is not filed by such claimant within a fixed period, that the claimant is barred from attacking the title to real

property and any claim must then be made against any other assets of the deceased partner than said real estate so conveyed.

(c) The amount of dower or curtesy to be not an interest for life, but a fixed amount based upon the appraised value of the realty as shown by the inheritance tax affidavits or by appraisers appointed by the proper tribunal where the estate is being settled. If the real estate is situated in more than one state, then appraisers to be appointed under an order of the Court having jurisdiction, and naming commissioners if such real estate is situated in a foreign state.

(d) A uniform act providing, in substance, that in divorces, whether absolute, from bed and board, or actions for maintenance, a notice of such pending suit, giving the names of the parties, the date of filing the petition or bill of complaint, and other essential features of the suit, shall be filed in every county and state where the parties are known, or there is reason to believe they have property, within twenty days from the beginning of such suit.

... Mr. Stoney retired from the chair and Mr. Lindow assumed it . . .

CHAIRMAN LINDOW: As I stated yesterday in my report, one of the special committees has been working for some months and has been working in continuous session since Tuesday morning and I will be delighted in asking Mr. Stuart O'Melveny to make a report as Chairman of the Special Committee on a Uniform Mortgage Policy.

Report of Special Committee on Uniform Mortgage Policy

Stuart O'Melveny, *Chairman*

I will make my report as briefly as I can. We originally started out with the idea of drafting a policy form for discussion by the various members. Of course, residing at considerable distances from the other members I could do this only by correspondence. My plan was to submit a draft to the different members of the committee and ask them to criticize it and make suggestions and write those out in a letter to me, send those suggestions and criticisms to me and also send a copy of that letter to the other members of the committee so we would all be advised of what was going on, and we started under that plan.

I prepared a draft of a policy, perhaps two drafts, and sent them to the members of the committee. I commenced to receive criticisms. It was plain soon in the work of the committee there was a good deal of divergence of opinion and that it was going to be a difficult thing for the members themselves to reconcile their ideas as to the form the policy should take.

It was planned at that time if we could get our ideas in shape, to go to New York and talk the form of the policy over with the representatives of the eastern life insurance companies and then bring the results back here to this meeting. But, as I say, it became evident soon in our work that that program was inadvisable because it was difficult to see that we were going to have our ideas in shape to present and we thought an incomplete report would not be satisfactory. So, the program of the committee was changed and it was decided we would meet here first, prior to this session, and then if we could reconcile our ideas and get them into any tangible shape we would go to New York after this meeting to discuss the form of policy with the representatives of the eastern life insurance companies.

So we began our deliberations Tuesday and were in session all day Tuesday and we had and did meet some agreement, a pretty substantial agreement, at least substantial enough to enable us to go to

New York and talk the matter over with the eastern life insurance companies.

We have, of course, some general ideas of what they require but so far no official body representing the association, as such, has ever sat down with them and had a discussion showing them what we would like to have in a policy and asking them what they would like to have. The situation, therefore, is in about that shape. The members of the committee have more or less agreed on what should be in the policy from our point of view and we intend to go from here to New York and take the matter up with the eastern life insurance companies there to get their ideas and suggestions as to forms and necessary stipulations in the policy. When we have those ideas we will be in a much better shape to work because it is difficult, sitting in California, to know what is in the minds of the eastern life insurance officials. Of course, when we get their ideas we can incorporate them and get the criticism of the law departments of the other members of the com-

mittee and then we should have something more definite and in a better form to submit to you for your consideration.

We have, in the work of the committee, gathered together some suggestion as to changes in the present life insurance company form. They are not very many and are not very substantial but at the same time that we talk with the representatives of the eastern life insurance companies concerning their requirements as to a policy form we will present to them such modifications in the present

form as seem advisable to us and, of course, request that they accept the suggestions.

CHAIRMAN LINDOW: Has any one any questions to ask Mr. O'Melveny? If not, we have plenty to do, as stated by Mr. Stoney, and will proceed with the program.

The next thing on the program is an open forum for discussion of Local Title Boards and Associations, their Purpose and Value. The title men not having a

great volume of experience along this line naturally fall back on our old trusty warriors who have had experience. Mr. Fred Condit was to present a paper on this subject, but due to illness he is not with us. His paper will be read by Judge Elwood Smith.

JUDGE SMITH: I think Mr. Condit must have had in mind that your time was going to be somewhat short this morning because he has sent out a very short paper to be read on the subject of "Underwriter Boards."

Title Underwriters Boards

By Fred P. Condit

The title insurance business in greater New York and the adjoining county of Westchester in the year 1917 was practically confined to six companies. There was a rather chaotic condition existing with practically no cooperation between the companies. The business department of each company in its endeavor to secure business was meeting competition by slashing rates. It was a "Buyers' Market" and frequently all companies were asked for quotations before an order was placed. We were all making some money, but jealousy, lack of cooperation and lack of organization were depriving all of us of the real fruits of our labors.

Conditions became so bad that we in the title world in New York, knowing that other big businesses were succeeding by cooperation, called a meeting to consider the formation of an association similar to the Association of Fire Insurance Underwriters in New York City, with power to deal with questions affecting the business of title insurance and providing for such changes as should prove to be necessary to improve the methods and conditions in our business.

The preliminary meeting was held in July, 1917, and was attended by representatives of the six companies then doing a title insurance business in this territory. An association was formed known as the "New York Board of Title Underwriters." A set of rules governing the association were prepared, part of which are as follows:

Section 2. The purposes of this Association are to inculcate just and equitable principles in the business of title insurance, to establish and maintain uniformity among its members in the contracts of title insurance and in the policies to be observed therein, to acquire, preserve and exchange information relative to the business of title insurance and to improve the methods relating to such business.

Section 3. All the members of the Association shall be necessary to constitute a quorum for the transaction of business.

Section 7. The Association shall have

the power to make suitable rules, regulations and by-laws, and the same, when adopted, shall be binding upon all members of the Association, including those who may be hereafter added.

We established an office in the Singer Building and secured an executive secretary who devoted his entire time to the Association, two permanent committees were appointed, a Rates Committee and a Law and Legislation Committee. The Rates Committee prepared a schedule of rates for all classes of title insurance and guaranteed searches. A booklet was published by the New York Board of Title Underwriters giving the basic rate and showed the names of the various companies composing the board. Each company issued its own rate book giving the rates in detail. This committee interprets rates, when requested, and it is surprising how often a client tries to put a very different interpretation on a rate than that which prompted the committee when originally making it. It originates rates to meet the changing conditions and acts on rate suggestions originating in the board. This committee is limited in its power to an advisory capacity. It reports directly to the board and the board actually approves or disapproves the rates suggested.

The Law and Legislation Committee, of which our good friend Henry R. Chittick is chairman, watches all state and federal legislation affecting title insurance or guaranteed mortgages. During the sessions of the legislature, it meets weekly and considers every bill presented in either house in the state legislature. It makes to the board such recommendations about the bills as it deems proper. The fact that the counsel for each member of the board is perusing every new bill makes it pretty certain that someone will find the joker, if there is one hidden away in some dark corner. It also suggests and prepares bills which would be helpful to our business and suggests amendments to new bills which have been introduced and which might be harmful to our business. To this committee is referred interpretations regarding clauses in the policies and

requests for legal interpretations which affect all companies and should be treated in a uniform manner. Probably the outstanding work of the committee was the preparation after nearly two years of strenuous work of the present uniform condition sheet known as the "Standard Form approved by the New York Board of Title Underwriters." The standardization of the condition sheet has proved a great stabilizer for the entire title insurance business in our locality and judging from the requests we receive from all over the country for information concerning it, it has probably been helpful to a good many of our fellow friends in the title world.

Applicants for membership in the board are required to have a capital of at least \$1,000,000 and to have actually issued title policies for one year. Three new companies have been admitted to membership in the board and one member was lost through consolidation.

We have an agreement whereby one company having insured a title may sell to another company a copy of the policy as of the date of the policy and the liability of the company issuing the report is limited to the amount of its previous title as of its date. There is a schedule price for this service. There is also a price schedule for issuing a complete report of title, but without issuance of a policy. The purchasing company in such cases issues its own policy. These two provisions are taken advantage of principally in cases where rush work is required.

In order that all members of the board may quote the same rate, each company allows for previous insurance in other companies. We have a teletypograph operating between the companies whereby we furnish each other with information showing the amount of previous insurance, whether or not a survey is in existence which shows the existing state of facts and if the bill for the previous policy is paid. No allowance is made where a bill is not fully paid. In some of the counties instead of using the teletypograph, a slip system is used giving the same information and signed slips cov-

ering the entire day's work are delivered at the end of the day. There is a provision for the purchasing of copies of surveys which is based on a certain percentage of the original cost of the survey.

All of the companies operating as members of the New York Board of Title Underwriters feel very strongly that the board has proven very bene-

ficial. The stabilization of rates with a penalty for breaking the rates, the moral effect when talking to customers and the freedom with which we all take our problems to the board are the leading benefits derived from the organization.

CHAIRMAN LINDOW: Before asking for discussion on this subject I think

it would probably be in order to hear the other paper on this same subject. Mr. Fred Chilcott was asked to prepare a paper on this subject from the Northern California Board of Underwriters. Fred, being tied up on important business matters, has delegated our most worthy and able Vice President of the Association, Mr. Stoney, to present his paper.

Progress of the Board of Title Insurance Underwriters of Northern California

By R. F. Chilcott

There is no doubt but that state organizations of title men and The American Title Association have improved the general practice of the title business throughout the United States.

The California Land Title Association was organized at Sacramento, California, on September 3rd, 1907. At that time, hardly two title companies in all of California were operating under similar methods. In most of the counties, competitors would hardly speak to each other, let alone co-operate for their mutual benefit.

The California Land Title Association has cured many of the unsatisfactory methods and practices in vogue in the past. It has served to eliminate the false impression that one had of his competitor. In fact, it has shown a great many that they themselves were mostly in the wrong. Of course, it has taken years to achieve what has been accomplished, for the reason that in former years only annual meetings were held.

In recent years, however, sectional meetings have been held bi-monthly, and in some cases monthly, and these meetings have served greatly toward the accomplishment of the present state of affairs; yet there appears to be more room for improvement.

The so-called "Chain System of Title Insurance," or state-wide title insurance through affiliations and ownerships, now so satisfactorily operating in California, brought about more internal points of competition that needed closer co-operation.

The most important point was the wrong application of the schedule of rates, as applied to the various forms of title evidence. Another factor, was the forms to be used in supplying the different reports, other than the standard title insurance policy.

Various other obstacles appeared, and general misunderstandings kept coming to the surface. As stated, the state association did not offer a complete remedy, owing to only an annual meeting. The occasional sectional meeting failed to produce the desired result. With apparently no solution through those mediums, the idea of a Board of Title Insurance Underwriters was born.

The Executive Committee of the California Land Title Association, at a meeting held in Oakland, Calif., on Aug. 20, 1926, offered a suggestion that a Board of Title Insurance Underwriters should be formed.

On Aug. 25, 1926, sixteen title men, representing nine title insurance companies, held a meeting in San Francisco, when the Board of Title Insurance Underwriters of Northern California was organized. You will note that only five days elapsed between the date of the suggestion and the date of the organization of the board.

The second meeting was held on Sept. 30, 1926, and there were present: twenty-three officers of twenty-one title companies. You will observe the increased interest taken by the title men of Northern California in a period of one month.

The board is now composed of ten title insurance companies, being all of the title insurance companies operating in Northern California, and thirty-seven title companies.

At the meeting on September 30, 1926, a new schedule of rates was adopted, to become effective on October 1, 1926.

At the first meeting of the board, a "Code of Practices" was adopted. Many provisions thereof have been amended, and a special committee is now engaged in rewriting the code. It is the intention of the board to offer a copy of the Code of Practices, when it is finally revised, to Dick Hall. Dick may print the code in the "TITLE NEWS." This offer will be made with the hope that some may be benefited by our experience.

Each article of the code, and the headings are now submitted with comment, that will not appear in the code itself.

ARTICLE I: Relation Between Title Companies:

This article provides for courteous and considerate co-operation among the title companies. This provision is certainly the first requisite for good business. It is too often forgotten, even in our organization, and it is the first article in the code. It is, however, adhered to generally, and is making our organization successful.

ARTICLE II: Committee for the Consideration of Questions Arising Between Members:

This was once a standing committee, but it was not satisfactory, because a member of the committee might belong to a company which happened to be in the dispute. This committee is appointed by the chairman as the occasion arises. Thus far, we have appointed only one committee.

ARTICLE III: Section 1—Forms of Title Evidence to be Used:

The regular members, being the title insurance companies, will issue:

- (a) Policies of title insurance;
- (b) Memorandum reports to be used only in connection with court proceedings;
- (c) Probate certificates;
- (d) Tax reports;
- (e) Lien reports.

Section 2—Forms of Title Evidence to be Used by Affiliated Members:

No forms of title evidence, other than those specified in Section 1, will be issued by any regular or affiliate members in any of the following counties: (Then follows the names of twenty-four counties in Northern California). All of the title companies, operating in twenty of these twenty-four counties, are members of the Board.

Section 3:—Forms of Title Evidence to be Used:

This section names eleven counties in which certificates of title or abstracts of title are yet issued. Seven of these counties have no representation on the board. They are remote counties, having very little title business.

ARTICLE IV: Amount of Title Insurance to be Issued:

This provides that title insurance shall be issued for the full value of the property transferred, or the amount of indebtedness under a loan, where no transfer of title is involved.

ARTICLE V: Charges to be Made for Services:

This article comprises twenty-four sections, and sets up each form of title evidence used, and the fees to be charged therefor.

ARTICLES VI, VII and VIII:

These articles deal with cancellations and cases of fees under double applications in two companies, etc.

ARTICLE IX: Commissions:

Provides that no commissions shall be allowed on any title fee in any case.

ARTICLE X: Conditions under which Exceptions to Mechanics' Liens Shall be Ignored:

This article provides for the extra compensation for this service and the security deposited with the company.

Only a synopsis of the code is given, for the reason, as stated, it is being rewritten by a special code committee, and it will be submitted to be printed in TITLE NEWS.

It will be noted that the most important matters leading to an understanding among competitors, are covered in the "Code of Practices." Certainly, the all important subject leading to better co-operation, is treated in the twenty-four sections under Article V, dealing with the application of schedule of rates and premiums.

The "Code of Practices" is not made binding upon the members. It is felt that by continued monthly meetings, some of the provisions of the code, not accepted by a member in the first instance, are usually accepted by him following his attendance at the meetings. He becomes better educated and has a better understanding of the main principles leading up to a satisfactory conduct of the business. It is quite noticeable to note how in the early months of the organization, members who first read the "Code of Practices," objected to some of the provisions, yet they automatically followed the code, and they did so in the spirit of co-operation.

Benefits Obtained through the Organization of the Board of Title Insurance Underwriters of Northern California.

1. The foremost benefit was the adoption of an uniform schedule of rates by the board, which schedule was put into effect October 1st, 1926.

2. The organization of this board, and the attendance at these meetings, have assisted materially to reach the point that twenty-four counties out of the twenty-nine counties represented on the board, are issuing title insurance policies exclusively. Some of the title men will recall that for twenty years past, there has been a constant effort for uniformity in prices and uniformity in title evidence, without much success. This has been accomplished in our territory, without very much effort. It came about automatically.

3. Uniform policy of title insurance: Another result obtained is the uniform policy of title insurance. You will readily appreciate that by the use of a standard form, no title company is taking advantage of a competitor by the use of a different form of policy of title insurance. The title insurance companies represented on the board, being the only title insurance companies operating in northern California, are all using the same form of policy. This results in the public being better satisfied, in that it is receiving a standard form of policy from all of the title insurance companies operating in this section of the state. Certain conditions for the protection of the title insurance companies, and various exceptions, are

necessary, because they meet conditions beyond the control of the companies. These conditions, or exceptions, however, are no more important to one company than another.

4. Open Discussions: At each meeting of the board, members freely discuss business methods, title questions, and following these discussions, amendments to certain provisions of the code are made. These provisions take effect immediately, and are immediately put into practice throughout the territory covered by all the members of the board. This, of course, adds to the satisfaction of every one connected with the business. It gives a sense of good feeling within one, to feel that his competitor has discussed a situation with him at the meeting, and then you both put the decision into practice.

5. Unanimous feeling for the activity of the Board. There is an unanimous desire in the membership, for the continued activities of this organization. This will promote further co-operation in our business.

It is hoped that our lesson may prove advantageous to other states, and to other bodies of title men, in that boards of title insurance underwriters will be formed. The fact remains that by constant association and real co-operation, you can improve your business conditions. It has proved so in other lines of business, and it will prove so in our line.

The problem of organization, however, generally falls on the efforts of one or two, who must take the lead, and naturally perform most of the drudgery. It is not with any intention to embarrass Mr. Henley, but it must be said that it is the opinion of every member of the Board of Title Insurance Underwriters of Northern California, that the title men on that Board, owe a deep debt of gratitude to Benjamin J. Henley, Executive Vice-President of the California Pacific Title and Trust Company, for his constructive work for the board. Mr. Henley served as its president for two years. Mr. Henley will criticize me for mentioning his work and services, but credit should be given where credit is due. In addition to Mr. Henley's activities and work, he has had the untiring help and support from all of the executives of the title insurance companies on the board. Certainly, he could not have accomplished the result up to date, alone. It all needs real co-operation.

Permit me to add that it is impossible to write on a subject of this kind, and lay the matter before you with the same emphasis, as one could if he were personally present with a group desiring to form a board. This narrative, however, is offered in the spirit of desiring to suggest another method by which your business may be improved.

MR. STONEY: I might add another element in connection with our organization which is very important and that is that the meetings of our underwriters

are attended by the executive management of every title insurance company and the manager of every local title company. Those people who attend those meetings are in a position to say yes or no. In addition to that, in order to educate the people in our employ who meet and handle the public it has been customary in San Francisco that our trust officers, or what we call our counter men and women, attend these meetings so they can get the benefit of this discussion and get the correct interpretation of the schedule of fees. (Applause.)

CHAIRMAN LINDOW: As stated yesterday in my report I think the question of the boards of title underwriters is one of the most important questions the title section has before it for the next year or two, to work on. It is true in some cities and some states there might not be a need for title insurance boards but I know of a great number where such boards would create a lot better feeling and better understanding and which would be very beneficial to every one concerned.

As has been said, we preach uniformity of practice, uniformity of methods, uniformity of prices, and uniformity of policies, nationally, and how are we going to get it when we can't have it in one city or one state? California has been very aggressive in going about getting uniformity and what happens every time I go to California is that they keep on piling more money into the treasury. I think that is the way they do it.

MR. SNYDER: I would like to ask Mr. Stoney whether in their discussion in forming the underwriters association they gave any thought about penalties for violation of the agreement. Did that enter into it?

MR. STONEY: We certainly considered it but we were dealing with a large number of elements and thought we would try it out on the other basis first and see whether we couldn't make people live up to the things they had agreed to do. I want to say, to date, with one exception, everybody has conscientiously endeavored to live up to the rules of practice. There have been mistakes made, as naturally there will be, but with that one exception there have been no intentional violations of the code of ethics. I will say that the source of those mistakes that were intentional is now no longer in the title insurance or title business.

CHAIRMAN LINDOW: Are there any other questions? If there are not we will pass on to the next subject under the open forum meeting which is "Do Title Men Lead Their Business?"

I think the suggestion for this subject came about in a way that occasionally we have something forced on us. I think that is one of the reasons that brought this subject to the attention of our president. We are to be favored with a paper by Mr. McCardle, President of the California Title Association.

Do the Title Men Lead Their Business

By E. M. McCardle

This subject was brought about by a letter addressed by our honorable president to me, as president of the California Land Title Association, asking what subject could be most beneficially discussed at this winter meeting. I had before me at that time the L. I. C. form and it struck me forcibly that we were being pushed, we were being kicked into doing things whether we wanted to or not. So, I wrote the letter and naturally was assigned the subject.

The subject as given me by the president was, "The Title Men Must Keep Abreast of the Needs of the Public and Lead in Matters of Service." To that I have added the title, "Service." The question will be asked, "Do we?" and some would say, "We do not." And that is evidenced by the fact that we have been pushed into the use of a form by the life insurance companies.

There is no objection to advanced title forms; on the contrary, it is the goal we seek. We will all be delighted when the time comes we can issue a full protection policy and that our client receives the protection he thinks he is receiving. This, of course, is going to require education, not only education of the public, but education of our members, as evidenced by the fact that we are not unanimous in anything we are doing at the present time.

The life insurance form that has been thrust upon us and that we have accepted is one evidence of that fact. Mr. Glenn A. Schaffer, president of the Security Title Insurance and Guaranty Company, at the Detroit meeting of this Association in 1927, in his address, said, among other things, that progress was being made by the title companies of the United States but that we lagged behind in many of our methods.

One of those things, to my mind, is the method of take-off in various states and counties; in counties where each company makes it in its own way and for its own and sole purpose is a duplication of effort and a loss of money. It strikes me that that must be improved. In California, in many counties, that is being improved at this time, for some one company makes the take off and the cost is divided among the various companies in the county. That, of course, is an advanced step, so we are progressing, yet we are far behind as evidenced in the fact that we are told what our clients want.

Competition—good competition—is something that aids us in progressing. I have in mind a recent advance step made by certain title insurance companies of Los Angeles wherein a municipal tax license service was added to their policies and guarantees without additional cost to the client. That was an advance and it was better service for the client. That was immediately met, of course, by all of their competitors and the same service will be given all over the state of California. So that is a case

where good competition brought about the desired results. This competition was met by the competitors of these companies by the acceptance of that advance step and a comeback was made in a protective title and license service. That service can be secured by any owner of land who wishes to be advised from day to day of the various instruments that are filed of record that in any way affects any given piece of property. For this information a nominal charge is made and it will continue over a period of years.

Again that special competition would be met by the other companies. So, all the companies of the state will improve their service by virtue of these various advanced steps.

Another proposition that California is carrying on, or is about to effect, is an educational course. For the last two and a half years the California Land Title Association has been struggling with the proposition of a course in land titles. No real success was made until about a year ago during my friend, O'Melveny's, term as president of the California Land Title Association.

Mr. E. L. Farmer, Vice President of the Title Insurance and Trust Company of Los Angeles, was selected to prepare a course in land titles. The first, or preliminary, course has been completed and is now being printed and the booklets will be sold to the title men of the state, and by them sold to lawyers, realtors, and others interested in the title business. The second course, or final and higher course, will be completed within the next six or eight months and distributed as before.

Classes are to be organized in each of the counties of the state. The proposition is to organize those classes through the land title association and they will include not only the employees of the various offices but anybody else who happens to want to take the course, and lecturers will be provided by the various companies. Upon graduation diplomas will be issued by the California Land Title Association. This will be a forward step because it goes to show that if people understand our business they will pay for the service rendered, and there is no danger of anybody else getting into the business because he knows something about it. So that is an advanced step, we think.

I want to say in conclusion that we will not have arrived at the place where we lead in our business until such time as we fully cooperate in our endeavors. We are striving to that end, of course, but have we arrived yet? I think not. The mere fact that we haven't been able to get over a uniform policy, we haven't yet been able to bring about the same method covering the entire state in any individual state, are evidences of that. For instance, in our state of California we have a northern method and a south-

ern method, and they are as far apart as the north and south poles. However, we work harmoniously and we are striving to bring about a uniform method of doing business.

I had the belief when I was elected president of the California Land Title Association I could get a committee that would get over a uniform method and that committee was appointed. Its members had their first meeting and this man said, "I'm not authorized to carry on that far. I haven't that authority." And the other one said, "Well, I was told by my big boss to lay off that, that it didn't concern me at all, so I can't function in that matter."

I got that report from three of them and the others were ready and willing to proceed. I said, "Boys, don't give up; stay on the job because we may yet be able to put over something that will make it possible for you to function and bring in a real report before the end of the year."

Cooperation, ladies and gentlemen, is my thought of the method necessary to reach the goal we desire. I thank you. (Applause.)

CHAIRMAN LINDOW: There must be other members in the room who have taken some progressive steps within the past year in their own particular communities. I would like to hear from some others. In other words, we have listened to a lot of boomerang arguments during the last two or three years on how we should cooperate, how to get business, and what not, and there should be others here to tell us of some progressive step they have taken within the last two or three years.

MR. POTTER: There is just a suggestion and confession I want to make. In the first place we are constantly on the lookout for improvements. That is one reason we come to the conventions—for suggestions. One suggestion in the talk that has been made I speak of simply from a purely local standpoint.

I think Mr. McKee will stand with me in the position that I take, and that is about organizing schools for abstracters. I know that has been done in New Jersey. At a convention I attended there several years ago there was a report from that department, and it, no doubt, would be all right in Philadelphia, but in Pittsburgh, we still have our worse competitors in the old fashioned lawyers who examine their own titles and who employ a title clerk to examine their titles for them, although some of their best clerks are clerks they stole from us, those that we furnished them. Of course, we are gradually and steadily educating the general public to title insurance but the worst competition is the individual examiner.

It would be suicide for Pittsburgh people to encourage abstracters' schools.

It would be simply taking bread and butter from our own families. It would be a very great mistake although I regret from a selfish standpoint that it is so. I believe Mr. McKee would agree with me that we would not be in favor of starting schools for title examiners since they would be a set of men who would work against us.

MR. McKEE: There is one thought I have had in my mind. As we all know, in the title business there are many pitfalls into which we fall without knowing we are there, and something comes up and you are asked to pay the bill. I would suggest an exchange of ideas and thoughts in regard to that. I don't know whether the other title companies do it, but we do it to a certain extent.

We tell each other where we have fallen down.

Recently we had a case in which a title was extended from the Pennsylvania Railroad. The railroad had a right of way, sixty feet wide, and in the right of way was the additional for slopes and fills. This happened to have a slope of about ten or fifteen feet. When the owner attempted to build up to the line, they refused to allow him to build up to the line, and we have a decision in Pennsylvania to the effect you cannot encroach on that line. We had a survey made but the survey did not show that slope. The man very kindly said he would not put in a claim and that it was all right, for which we were very thankful. Otherwise, we might have lost the

compensation we have made.

The title business is full of experiences of that kind and I think it is a very good thing to exchange those experiences.

CHAIRMAN LINDOW: Does any one have anything further to say? If not, we will pass to the next subject, co-insurance.

It is true in many parts of the country companies can get co-insurance—I mean smaller companies—and re-insurance, but in other parts they cannot. There has been considerable study made by several companies on this subject, one being the Lawyers Title Insurance Corporation of Richmond, Virginia. Mr. H. Laurie Smith has consented to give a lot of thought to this subject and also prepare a paper. I will ask Mr. Smith to proceed.

Co-Insurance

By H. Laurie Smith

The chairman of the Title Insurance Section has asked me to address this meeting on the subject of Re-Insurance. It is quite a large subject for the period of time allotted. I am somewhat in the same predicament Dick Hall found himself after the Detroit convention. That was a very trying convention for our secretary. Every time a resolution was offered he had to send over to Windsor to round up a quorum. After the convention, Dick decided to go over into Canada to see what it is about foreign travel that broadens the mind and elevates the spirit. He paid the Canadian government \$2.00 for a permit to do research work. In the course of his scientific investigation he ordered a Cliquot Club High-ball. His white aproned laboratory assistant returned after a minute and said "Sorry, sir, but would you care to drink Canada Dry?". Dick said, "Sure, I'll try, but I am only here for the day!"

I am supposed to present the subject of Re-Insurance—Well, I'll try, but I am only here for a few minutes.

May I preface my remarks with an apology for any seemingly critical or uncomplimentary aspersions or reflections on the title insurance fraternity.

In Rudyard Kipling's story of the bander-log in the Lost City he depicts the monkeys as gathered in solemn conclave to tell each other how wise, how learned and how clever they were. You will recollect that the bander-log talked a great deal, but accomplished very little.

Gentlemen, I take it that we have not left our business at this time of annual stockholder's meetings, left our families in this flu epidemic and bought tickets to the Gunmen's Summer Resort, just to exchange compliments on the perfections of the title man.

We are here at considerable personal

sacrifice to lend our assistance in the stabilizing of the business through uniformity of procedure and standardization of sound practices. We are here for the interchange of ideas and information that will assist us to conduct our business more efficiently and progressively. I trust that my sincerity of purpose may induce you to forgive any seeming lack of politeness in my remarks.

The average title man knows very little about re-insurance and doesn't care much. The average title man knows very little about many fundamental insurance principles, and doesn't care much.

These statements would constitute a severe arraignment if made of any other business or profession. They are nothing to boast of even in the title insurance business, but there is considerable justification. No other business requires so wide an experience or so varied a knowledge of other business and professions. If a man is an expert abstracter, conveyancer, surveyor, attorney and insurance man, with an intimate knowledge of the real estate business, building construction, mortgage loans and investment banking, he will probably make a good title man, provided he is a cracker jack salesman, a capable executive and lives long enough to learn something of the title business.

There is further justification in the fact that title insurance, like Topsy, just grew, practically free of legislative restraint or direction and almost devoid of leadership.

This was not due to lack of leaders of exceptional abilities, but to the fact that until quite recently, each company limited its operations to the field covered by its abstract plant and regarded its problems as purely local and its statistical data, its forms of coverage, its practices and its procedure as its own private business in which no other title company

could properly have any interest.

Is it any wonder that title insurance, despite its more than fifty years of existence, suffers severely by comparison with the almost scientific precision of life, fire, casualty and other forms of insurance.

The early title companies were like the feudal barons in their castles and walled towns—each a self-sustaining and self-sufficient community. And we would be in the Dark Ages yet had it not been for the American Title Association and the splendid support and co-operation which you gentlemen have given it.

But when the feudal barons have so recently emerged from their limestone front, marble wainscoted castles, small wonder that the title yeomen and abstract peasantry glance at each other askance and deal at arms length.

Yet, gentlemen, the very essence of re-insurance is the close contacts and mutual confidence enjoyed by companies engaged in like enterprises, and drawn to each other by like concepts of honorable dealings and sound practices.

There is nothing mysterious about co-insurance or re-insurance.

When an insurance company is offered a risk larger than it is able, or deems prudent, to assume, it may persuade one or more other insurance companies, engaged in a similar line of underwriting, to write with it in a joint contract of indemnification to the assured. That is co-insurance.

Sometimes the insurance contract does not fully cover the risk—perhaps only 75% or 80%. The assured carries the residual risk and becomes, to that extent, a co-insurer. Because of the prevalence of co-insurance clauses in certain types of fire insurance coverage, the word co-insurance now connotes, in the minds of many, the risk carried by the assured.

When an insurance company is offered a risk larger than it is able, or deems prudent, to assume, it may persuade one or more other insurance companies, engaged in a similar line of underwriting, to enter into a contract of indemnification to the originating company for all risk in excess of the amount retained by the originating company or insurer. That is re-insurance. Or, to be more exact, excess risk reinsurance. You will note that I have purposely refrained from attempting precise or technical definitions.

When I received Mr. Lindow's request or command to prepare a paper on Co-Insurance, I undertook a scientific and learned discussion, bristling with statistical information and legal citations. Then something happened. One night, while contemplating my erudite masterpiece, my wife aroused me from my third nap with the question "Larry, if title insurance is fifty years old, why haven't the companies worked out re-insurance facilities long ago?" That woke me up, all right! I didn't know, so I answered, as all good husbands do underlike circumstances, "God knows, my dear! Certainly the title companies do not!" I stopped work on my paper and proceeded to analyze the correspondence which I had had with various companies, extending over many months. Finally, I told my wife that I knew the answer to her question but couldn't use it in my paper. She said, "Why not?" I replied, "There are five alleged reasons and three real reasons. The alleged reasons, advanced by title companies for failure to reinsure large risks are: First, loss experience does not necessitate; second, charter provisions do not permit; third, possible added cost; fourth, too big to require it; fifth, too busy to bother with it. The three real reasons are: First, indolence; second, ignorance; third, lack of co-operative spirit." My wife asked me what was my comment on Mr. Johns' speech at the Detroit Convention. I replied that I had said he gave us hell and got away with it. She said: "Well, they didn't throw him out, though he evidently expected it from the way he took off his coat. It is a risky business going to Chicago anyway, so go ahead and try it."

It seems to me there is a distinct modern tendency for wives to get rather careless with their husbands. At any rate, I abandoned my technical paper on Co-Insurance and decided to talk on Re-insurance for Title Companies. If not, why not? If so, why, when and how?

Taking up, seriatim, the alleged reasons why title companies should not bother to establish re-insurance facilities, we must determine the validity of the first reason assigned. "Loss experience does not necessitate." Let us ask ourselves some questions. Do the title companies have access to accurate, complete statistical information from which to deduce probable loss experience? Is the coverage afforded by the various title companies sufficiently uniform to give any real meaning or dependability to such statistics as are available? For example: If my company insures against unfiled

mechanic's liens and the Chicago Title & Trust Co. does not, are our loss experiences comparable? If the title insurance companies of Washington, D. C., issue only guaranties of the record title, do their losses afford a basis for sound deductions to companies writing full coverage? Does a casualty company rate its automobile, collision and property damage risk on the loss experience in the age of buggies? How, then, does a title company rate its risk of hidden power in this era of companionate marriages?

We must admit that our statistical information, despite efforts of Mr. Lindow and other invaluable members of the title association, is wholly inadequate to predicate any sound and final statements as to losses to be anticipated.

When we title men say that loss experience does not necessitate reinsurance, we mean to say—"My company has never had a big loss. Big properties are better risks than small ones, because the titles are better known. I have never heard of many big title losses. I don't think it very, very likely a big loss will hit my company."

Gentlemen, that is not insurance! That is speculation! Such an argument does not take cognizance of such vital factors as the changes wrought in the moral fabric of the nation by the influx of hordes of yet unassimilated aliens; nor the social problems incident to the swing of the population from rural to urban; nor the economic changes wrought by the trend from agriculture to manufacture as the chief source of the nation's wealth.

Such an argument ignores the essential fundamentals of insurance. It is not analytical deduction! It is ostrich philosophy!

I will go further and affirmatively assert that the average title company with modest capital resources is already sustaining, or assuredly may anticipate, losses that do necessitate re-insurance facilities. Not losses due to defective titles but losses of the premium income due to the diversion of the big policies of one million, five million or ten million dollars to some title octopus with capital resources more commensurate with the risk.

Many here present are only too familiar with this type of loss. A single illustration will suffice: In an eastern city a group of properties was being refinanced by a bond issue in excess of ten million dollars. The local title company, by reason of its close affiliations with the parties interested, confidently expected to obtain the business. The investment bankers financing the issue, required the title policy of a very large company in a distant city. The president of the local company was highly indignant but speechless when he was told, "We are sorry, but we did not even consider your company; how could you write a policy several times in excess of your aggregate resources." That title man became a convert to re-insurance overnight; he had lost \$18,000.00. True, some of the big companies, such as Chicago's, would not have lost the order, or possibly would not have noticed it if they had, but there are

quite a few title men left to whom \$18,000.00 still represents real money.

We may say that the big orders come seldom and that we can afford to miss a few. More ostrich philosophy! Consider the stupendous changes of the past twenty years in the types of office buildings, hotels, apartments, and stores, and in the amounts and methods of financing their erection. The man who does not forecast and prepare for the developments of the next decade is depriving his company of constructive leadership.

I submit that the title losses to be reasonably anticipated and the competitive losses assuredly certain do necessitate the establishment of re-insurance facilities by the average title company.

Passing on to the second of the alleged contra reasons: "Charter provisions do not permit,"—the solution seems fairly obvious. Amend the charter. If necessary, obtain an amendment of the statute law. I am not sufficiently versed in the corporate laws of the various states to speak with authority, but I do not believe this reason presents such an insurmountable difficulty as to merit prolonged discussion. What has been accomplished in other lines of insurance can be accomplished in the title field.

The third of the alleged reasons: "Cost," does not appear founded on exact knowledge or mature consideration. The life and fire insurance companies do not evidence such poverty as to create an inference that the cost of re-insurance is eating up their profits. It is wholly feasible for title companies to re-insure their risks at almost negligible cost. Even if this were not true, it is not a question whether we can afford it, but, rather, can we afford not to re-insure.

Can we afford to repeatedly hazard one year's or five years' income on a single risk? Can we afford to have the patronage of our clients diverted because we lack the resources to supply their large title insurance requirements? Can we afford to impair public confidence by writing risks disproportionate to our resources and in excess of sound insurance practices?

Can we afford to spend thousands of dollars in advertising to educate the public to the imperative necessity of insurance against title risks and, at the same time, flaunt in the face of the public the fact that we title specialists regard such risks as so negligible that we may safely and properly ignore them? Who knowingly buys a product in which the maker or seller does not have confidence? Are we perpetrating a hoax or fraud on the public or are we lacking in conservatism?

We come to the fourth of the reasons advanced to explain the failure to re-insure, namely, "Too big to require it." Undoubtedly there are many companies in Philadelphia, New York, Chicago and elsewhere with such large resources, that these remarks are inapplicable. It would be highly presumptuous to offer my theories for their consideration. Just to be consistent, however, I assert that it is difficult to determine when a company has grown so big that it can afford to

ignore the principle of diversification of risk, or so rich that a large loss is a matter of no concern to its stockholders.

So far as the average title company is concerned, a simple test may be made to determine whether it is too big to require re-insurance. Every risk should be viewed as a potential loss. No single risk should be written which, resulting in a loss, would cripple the company or even wipe out its earnings for one year.

The fifth and last reason frequently assigned for lack of interest in developing re-insurance facilities is, "Too busy to bother with it."

That is generally true, but "too busy" like "in conference" may mean most anything. The finality of the answer depends on the urgency of the question. Granted there is a risk to be assumed, else we would not be engaged in selling protection to the public; granted that the hazards of such underwriting may be simply and cheaply diminished by the application of a fundamental insurance principle, can we be too busy to give the matter consideration? What problems can have more impelling urgency?

We are charged with duties and responsibilities to our policyholders, our stockholders and our directors, which we, as company executives, cannot ignore. When you do have to report a big loss and you are asked the question why a part of the risk was not re-insured in accordance with sound and accepted insurance practices, will you, or they, be satisfied with the answer "I have been too busy to bother with it."

We seem to approach by easy gradient the possibility that indolence may be one of the real reasons.

A Virginia gentleman of distinguished ancestry, but with the fires of energy and ambition considerably diminished, was entertaining a guest on the broad veranda of his weather-beaten home. They rocked and fanned and sipped their juleps in contemplative silence. The host kept motioning to his guest to move his chair so that the rockers would be parallel with the boards. The guest did not understand the signals. Finally, the old gentleman exploded, "Damn it Joe, rock with the cracks! Rock with the cracks; less effort!"

Whether or not the title companies may fairly be said to have rocked with the cracks, it is incontestable that the problem of re-insurance facilities would have been solved years ago had their energies been fixed upon it.

Which brings us to the second real reason: Ignorance—or lack of statistical data and specialized information. We have not devoted our agencies to the solution of the problem, because we have scarcely admitted to ourselves that there is a problem. We have pinched and handicapped our association by failure to provide adequate funds. We have failed to set up a bureau or other instrumentality for the gathering and analyzing of statistics and the rating of risks. Small wonder that so little of past experience has come down to help us with our present problems. We have failed to set up any agency for the study of the problems created by revolutionized conditions or the determina-

tion of the tremendously increased risks incident thereof. Small wonder that we have had so little to focus our attention on our surely impending troubles.

All of which we may attribute to the third and elemental reason: Lack of co-operative spirit. That explains past failures; it does not excuse present omissions. The American Title Association has developed a very fine spirit of cooperation, which we have not learned to utilize, through co-ordinated efforts to attain well-defined objectives.

In order to place before you, for consideration, the establishment of re-insurance facilities as a definite objective, some of the more cogent supporting reasons are summarized.

Re-insurance will permit added protection to our policyholders and stockholders while writing an equal volume of business with no appreciable diminution of net revenue. Reinsurance will permit us to retain the confidence of our clients and inspire confidence in distant lending institutions and investment bankers who so frequently control the placing of title insurance.

Re-insurance will go far towards preventing the loss of large orders by local title companies to some distant company whose sole claim on the business is the amount of its capital resources. Re-insurance will bring new business through added prestige and new sources of revenue through opportunities to reinsure for smaller companies. Re-insurance will give a mighty impetus to our efforts to attain uniformity of coverage—one of our most crying needs.

Re-insurance will prove a powerful factor in obtaining standardization of sound title insurance practices.

Time does not permit the elaboration of these statements nor the enumeration of other supporting reasons. Each company has its peculiar problems and each must determine, in the light of those problems, the merits of re-insurance. But if the establishment of re-insurance facilities be set as an objective, there can be no doubt that only sustained and coordinated effort is necessary to its attainment.

Some who have given the practical application of the principle scant consideration will wish to know how such facilities are to be established.

As you know, many small companies, in order to prevent the loss of large orders, have found it necessary to have policies in large amounts underwritten by some very large company. This practice is open to the objection that it is very costly, since the re-insuring company claims the lion's share of the premium, and somewhat unsound, since re-insurance may be denied at a critical period, particularly if the re-insuring company is competitive. This method is suitable only for companies whose stability or resources do not permit the establishment of more favorable facilities.

Akin to this method is the proposal that arrangements be made with some large re-insurance company, not itself connected in any way with the title business, to underwrite large risks for the title companies. This proposal may find favor with some large companies

which require only occasional re-insurance. Its merits, for the average title company, are outweighed by the obvious disadvantages, not the least of which is the failure to build constructively for the future.

Another plan proposed contemplates that the title insurance companies should organize their own underwriting company. This project opens up such exceptional possibilities that it may, in the future, become a reality. For the present, the obtaining of the tremendous necessary capital, the effective and non-competitive employment of such capital, and the building up of competent personnel and organization offer tremendous obstacles in the light of the present indifferent attitude of the title companies.

It is submitted that the organization of reciprocal re-insurance treaty associations offers the simplest, most practical and most effective plan of establishing re-insurance facilities.

Such a plan contemplates that a group of companies, preferably not less than five, nor more than ten, may be drawn together by their mutual acceptability, as determined by mutual investigation of financial responsibility, methods and practices, and personnel of management. It is desirable but not essential that the companies should have approximately the same retention limit in order to simplify the rotation and equalization of excess risks ceded. They should afford substantially the same coverage for substantially the same premiums.

When such a group has determined to enter into a re-insurance association it may evolve its own treaty or adapt features from successful existing treaties to their special requirements.

The more or less essential provisions of such a treaty are as follows:

(1) That the amount of risk to be retained by each member company for its own account shall be determined by conference agreement and such retention limit or net line shall be definitely set up in a schedule made a part of the treaty.

(2) That the originating company shall be exclusively liable, for all loss under its policy up to its retention limit and that the reinsuring companies shall pay together all loss in excess of the retention limit of the insuring company in proportion to the amount of risk assumed respectively by the participating companies.

(3) That a classification of all title business is to be made into standard risks and facultative risks with provision for maximum coverage as to each class of risk and for maximum retention by the company originating the business.

(4) That as to standard risks, each member company will cede the amount in excess of its maximum retention to the other member companies up to the amount covered by the aggregate re-insurance facilities of said member companies. Such cessions to be in rotation and in amounts and on terms and conditions established by the re-insurance treaty.

(5) That on standard risks each member company agrees to accept such cession without question up to but not

exceeding the amount of its own retention limit, providing the conditions established by the re-insurance treaty shall have been met by the company originating the business.

(6) That as to all facultative risks, member companies shall not be required automatically to accept re-insurance, but that all such cases must be submitted by the originating company to the member companies for approval. This proceeding may be simplified by designating for each member company a corresponding company which shall have power to approve a risk and to bind the other member companies up to an amount equal to one-half of the net amount retained by the originating company provided this amount does not exceed its retention limit.

(7) That each member company shall keep rotation tally sheets for the purpose of carrying out the scheme of distribution of re-insurance and determining as each case comes up to which of the member companies and in what order they are obligated to distribute re-insurance, since the scheme contemplates that the amount in excess of the maximum retention of the originating company shall be submitted to the other member companies in rotation in units of certain specified amounts and that if any company is left out on a particular list, by failing to receive the same number of units in the division, it shall receive an extra unit of the next succeeding case to bring it even with the other companies who received more units on the preceding case.

(8) That the premium to be paid by the originating company to the re-insuring companies are to be as specified upon a schedule made a part of the re-insurance treaty covering all standard risks; that so far as possible a schedule of "extra hazard" premium shall be established for facultative risks, and that in all other cases the premium rates shall be determined by agreement be-

tween the originating company and the reinsuring companies; that no commissions are to be allowed by the re-insuring companies to the insuring company.

(9) That the association shall maintain an approved list of non-member companies which have been approved by members of the treaty; that member companies may solicit re-insurance from such approved non-member companies; that re-insurance contracts by the member companies and non-member companies must be approved by all member companies before same becomes effective and such re-insurance contracts with non-member companies must be terminated upon request of any member company.

(10) That any member may withdraw on thirty days notice and that new members may come in by unanimous consent of the member companies.

I have used up the time allotted me. I am fully conscious of the inadequacy of this presentation of the subject since I labor under the same lack of information as many of my brother title men.

If I have succeeded in emphasizing the urgency of the need so that abler and wiser men may be induced to evolve a better solution than I have advanced, then I will feel that I have rendered a distinct service to the American Title Association.

CHAIRMAN LINDOW: I guess we will all agree Mr. Smith has given considerable study to co-insurance and re-insurance. Is there any one who would like to ask Mr. Smith a question?

MR. POTTER: I consider this one of the most important papers ever delivered before the title insurance section. I would suggest now, if you think best, a motion that the Chairman of the Title Insurance Section be authorized to appoint a committee of such size as he shall deem best after consideration, to whom this paper shall be referred to

bring in a report, either at the next annual convention, or if that is too soon, at the next meeting of the Executive Committee.

CHAIRMAN LINDOW: There have been a number of companies considering the question of co-insurance and I have written to submit on several occasions myself of naming a committee. I believe the title insurance chairman has that power to further continue the study of this most vital subject and I am pleased to learn of your suggestion and that you feel, and possibly many other members, that this committee should be appointed and we no doubt will have further facts to enlighten the members on this timely subject, keeping also in mind that at the San Antonio meeting we are again going to have an open forum meeting at night. In other words, like at this morning's session and at most regular conventions we have very little time for discussion of subjects such as re-insurance and co-insurance, which does take time. I can assure the title insurance section members that we will have plenty of time for both a paper and discussion of this subject at our next meeting.

Are there any further questions?

MR. McKEE: I find that this large company which Mr. Smith speaks of has cultivated this idea—that it is not competent for a title company to insure any more than a casualty company. I think a title insurance company with a million dollars capital is competent to insure any title whatever. My own idea is that we should discourage this idea of having to co-insure. If the three or four companies where we are have not sufficient to take care of it, are we to go to some New York company to insure? I think the three of us, or any one of us, can get capital to insure any title.

... Mr. Lindow retired and Mr. Stoney assumed the chair ...

CHAIRMAN STONEY: Fellow members, the time has gotten very short and it is more than likely that some of our state officers have something particular which they would like to say or present. I don't want to begin and call the roll from Maine to Alaska but I would like to ask any state officer if, at this time, he has anything to report at this meeting.

MR. GRAHAM: There are a few things I would like to say. The regional meetings have not been touched yet to any great extent and I wanted to have it go into the record of the success that was attained in eastern Colorado, and I hope that several of the other state officials will have something to say along that line.

In three of the largest counties in eastern Colorado the certificate fees were raised sixty-six and two-thirds per cent as the result of one and the only regional meeting that was held in that district. By the addition of plats and captions the income for the abstractor was raised

at least twenty-five per cent. In some thirty other counties of the state of Colorado the fees have been raised practically fifty per cent on certificates and at least thirty per cent on the entires.

I want this to go into the records so the states that are considering regional meetings and have not taken them up yet will have some encouragement to go ahead with them. We can't get along without them and expect to hold meetings of that kind semi-annually at least.

CHAIRMAN STONEY: Is there any other state officer who would like to say anything?

MR. CLARK: Montana has held its second series of regional meetings and has outlined the bill for the legislature on the registration of abstractors. The legislators, not all of them but the most of them, have been interviewed and we feel very much as if things were favorable toward the passage of this act at this time. If it hasn't been presented this week it will be next week.

We are now about seventy-five per cent on the uniform scale of fees and at the last series of regional meetings we eliminated the last situation in the state where they were giving any rebates, discounts, or commissions. So if any one has an opportunity to send an abstract to Montana expecting to get anything out of it he is going to be fooled. We don't do that any more in our state.

The uniform certificate has been worked out so it will undoubtedly be adopted at our next annual meeting. We feel, now that we have started the regional meeting, we can't get along without them. They are the best thing ever introduced in our association.

MR. COFFEY: In Ohio we are planning to have a meeting very soon in which we will discuss licensing and bonding abstractors, and in which we will take up further the question of regional meetings. We have had one meeting in one section, in fact, three or four of them.

Looking at it in my own county, a rural county, our problem is not so much the question of raising the fees—my charges are about on the basis of the standard fees they have in other states—but it is very largely a question of educating the people to the real need for title work. I suppose that would come in along under the line of the advertising campaign and that, it seems to me, is going to be the thing we will have to do in a great many counties of Ohio before we can have very much title work in those counties.

MR. RICKETTS: I think perhaps I reported pretty well for Oklahoma in the meeting yesterday, but there are one or two things I would like to say. It is a little bit bad time of the year for us to give any statistics on our returns from regional meetings. We had a complete series of regional meetings, eight in all, covering the entire state, and in each district a permanent organization was effected. I most districts one or two subsequent meetings have been held, in some districts as many as four. We will have complete reports by men appointed to make the surveys of the results of those meetings in our convention two weeks from yesterday and today.

We have had, of course, the uniform certificate for some time and we will have a more complete report on its use but we believe that sixty per cent of our membership is now using the uniform certificate and the state is more and more sold on the idea as it is used.

We are starting one new thing that

other state officers might be interested in, at our next convention. That is the first preliminary gun of the battle for complete uniform abstracts, not certificates. That will be a long drawn out affair, of course, and expect it will never be completed but it will, we are sure, for uniformity in other lines, conveying and title lines.

CHAIRMAN STONEY: We are all for you.

MR. WILLIAMS: We had our state convention last July in South Dakota and at that state convention, which was well advertised, we had twenty-two members. Then we were rather embarrassed in coming before a bunch of this kind where they talk in terms of \$25,000 and \$100,000, where a raise of 25c or 50c means a lot to South Dakota. The abstracters finally got a "Jim Johns call" for an abstracters meeting. We held our six meetings in November which is a hard time for us to hold them and out of a possible 115 we had seventy-three at the regional meeting.

All those fellows are working hard. The personal letters that have come in thanking us for the work Jim Johns did have been many; of course, they all edited his speeches (laughter).

In these regional meetings we took up the proposition of putting over the model abstract law. We remodeled it more closely to the law in effect in North Dakota now. We sent out questionnaires to all the abstracters and have had a wonderful response considering the re-

sponse we had to circular letters before the regional meetings. The president of the state association has been at the state capitol since Sunday and didn't go home until yesterday. He reports the bill came out of the Committee of Bills for State Affairs and will have its first reading today, and if it comes out as a state bill it is pretty sure to pass.

We feel we have gotten our money's worth from our regional meetings and if there is one thing the state abstracters are to thank the title insurance section for, it is the money they let Jim Johns spend in this work.

CHAIRMAN STONEY: We hope to get back more than we spent. (Laughter.)

MR. DALY: Every one present at this conference was a guest of the Chicago Title and Trust Company last evening at a very enjoyable dinner and entertainment and I move you that the thanks of this Association be extended to the Chicago Title and Trust Company and that the secretary be instructed to write a letter to Mr. Riley, president of that company, with a copy to Mr. Dall and Mr. Rice, expressing our appreciation and thanks.

. . . The motion was seconded and was carried unanimously . . .

CHAIRMAN STONEY: If there is nothing further I will declare the mid-winter conference adjourned sine die.

. . . The meeting adjourned at twelve-forty-five o'clock . . .

ADJOURNMENT SINE DIE

Those in Attendance at Mid-Winter Meeting and Conference, Jan. 18-19, 1929

CALIFORNIA.

E. W. McCardle	Fresno
Vice President, Security Title Insurance & Guaranty Co.	
President, California Land Title Association.	
Mrs. E. W. McCardle	Fresno
Stuart O'Melveny	Los Angeles
Executive Vice President, Title Insurance & Trust Co.	
Donzel Stoney	San Francisco
Manager, Title Insurance & Guaranty Co.	
Mrs. Donzel Stoney	San Francisco
Frank H. Wells	Riverside
President, Riverside County Title Guaranty Co.	

COLORADO.

Golding Fairfield	Denver
Vice President and Attorney, The Title Guaranty Co.	
Donald B. Graham	Denver
Assistant to President, Title Guaranty Co.	
President, Colorado Title Association.	

GEORGIA.

Wm. J. Davis	Atlanta
President, Atlanta Title & Trust Co.	
Harry M. Paschal	Atlanta
Vice President, Atlanta Title & Trust Co.	

ILLINOIS.

Herbert Becker	Chicago
Vice President, Chicago Title & Trust Co.	
Frank S. Bevan	Atlanta
Attorney	
Asa S. Chapman	Champaign
Examiner, Trevett-Mattis Banking Co.	
J. M. Dall	Chicago
Vice President, Chicago Title & Trust Co.	
Paul W. Gordon	Springfield
Secretary, Title Examiners Section, Illinois Abstracters Section.	
W. R. Hickox	Kankakee
President, Kankakee County Title & Trust Co.	
Mrs. W. R. Hickox	Kankakee
J. D. G. Hill	Lincoln
Attorney.	
B. F. Hiltabrand	Bloomington
President, McLean County Abstract Co.	
Rector C. Hitt	Ottawa
Attorney.	
C. C. Kagey	Champaign
The Kagey-Fry Loan Co.	
Harry C. Marsh	Tuscola
President, Douglas County Abstract & Loan Co.	
Secretary, Illinois Abstracters Association.	
A. R. Marriott	Chicago
Vice President, Chicago Title & Trust Co.	

W. A. McPhail Secretary and Treasurer, Holland-Ferguson & Co.	Rockford		
J. K. Payton President, Sangamon County Abstract Co.	Springfield		
C. H. Pearson Secretary-Manager, Vermilion County Abstract Co.	Danville		
James M. Reid President, Holland-Ferguson & Co.	Rockford		
K. E. Rice Vice-President, Chicago Title & Trust Co.	Chicago		
INDIANA.			
Willis N. Coval President, Union Title Co.	Indianapolis		
J. E. Morrison Union Title Co. President, Indiana Title Association.	Indianapolis		
IOWA.			
S. E. Gilliland President, Engleson Abstract Co.	Sioux City		
D. G. LaGrange President, Buena Vista Abstract & Mortgage Co. President, Iowa Title Association.	Storm Lake		
Ralph B. Smith	Keokuk		
Frank N. Stapanek Secretary, Linn County Abstract Co. Secretary, Iowa Title Association.	Cedar Rapids		
KANSAS.			
Ernest McClure President, The M. L. White Abstract & Investment Co. President, Kansas Title Association.	Garnett		
KENTUCKY.			
Andrew M. Sea, Jr. Secretary and Attorney, Louisville Title Co.	Louisville		
LOUISIANA.			
Lionel Adams Vice-President, Union Title Guaranty Co., Inc.	New Orleans		
MICHIGAN.			
Lloyd L. Axford Special Counsel, Union Title & Guaranty Co.	Detroit		
Edwin H. Lindow Vice President and Manager, Union Title & Guaranty Co.	Detroit		
Leane McIntyre	Cassopolis		
A. A. McNeil Manager, Van Buren County Abstract Office. Secretary, Michigan Title Association.	Paw Paw		
Mrs. A. A. McNeil	Paw Paw		
J. E. Sheridan Vice President, Union Title & Guaranty Co. President, Michigan Title Association.	Detroit		
Elsie M. Smiper	Cassopolis		
G. R. Thalman Assistant Secretary, Burton Abstract & Title Co.	Detroit		
Geo. E. Wedthoff Secretary-Treasurer, Northern Title & Trust Co.	Bay City		
Mrs. Geo. E. Wedthoff	Bay City		
MINNESOTA.			
W. H. Pryor Vice President, Pryor Abstract Co.	Duluth		
MISSISSIPPI.			
M. P. Bouslog President, Mississippi Abstract Title & Guaranty Co.	Gulfport		
MISSOURI.			
James M. Rohan President, Land Title Insurance Co.	St. Louis		
John Henry Smith President, Kansas City Title & Trust Co.	Kansas City		
MONTANA.			
W. B. Clarke President, Custer Abstract Co. President, Montana Title Association.	Miles City		
NEW JERSEY.			
Cornelius Doremus President, Fidelity Title & Mortgage Guaranty Co. President, New Jersey State Title Association.	Ridgewood		
Stephen H. McDermott Secretary, Monmouth Title & Mortgage Guaranty Co. Secretary, New Jersey Title Association.	Asbury Park		
Edward C. Wyckoff Vice President, Fidelity Union Title & Mortgage Guaranty Co.	Newark		
NEW YORK.			
Elwood C. Smith President, Hudson Counties Title & Mortgage Co. President, New York State Title Association.	Newburgh		
OHIO.			
J. L. Chapman Vice President and Secretary, Land Title Abstract & Trust Co.	Cleveland		
George N. Coffey Secretary and Manager, The Wayne County Abstract Co. President, The Ohio Title Association.	Wooster		
Fred A. Hall Vice President, Land Title Abstract & Trust Co.	Cleveland		
W. R. Kinney Vice President, Guaranty Title & Trust Co.	Cleveland		
Wm. M. Richards President, Title Guaranty & Trust Co.	Toledo		
Leo S. Werner Vice President, The Title Guaranty & Trust Co. Secretary-Treasurer, Ohio Title Association.	Toledo		
Mrs. Leo S. Werner	Toledo		
Paul D. Jones Vice President, Guaranty Title & Trust Co.	Cleveland		
OKLAHOMA.			
Ray McLain Vice President, American-First Trust Co.	Oklahoma City		
H. C. Ricketts Allbright Title & Trust Co. President, Oklahoma Title Association.	Newkirk		
OREGON.			
Walter M. Daly President, Title & Trust Co.	Portland		
J. S. Johns Vice President, Hartman Abstract Co.	Pendleton		
PENNSYLVANIA.			
S. H. McKee President, The Title Guaranty Co.	Pittsburgh		
John E. Potter President, Potter Title & Mortgage Guaranty Co. President, Pennsylvania Title Association	Pittsburgh		
W. J. Snyder Vice President, North Philadelphia Trust Co.	Philadelphia		
John R. Umsted Vice President, Continental-Equitable Title & Trust Co. Vice President, Pennsylvania Title Association.	Philadelphia		
SOUTH DAKOTA.			
R. G. Williams President, Southwick Abstract Co. Secretary, South Dakota Title Association.	Watertown		
TENNESSEE.			
Mary Lou Ball Guaranty Title Trust Co.	Nashville		
E. B. Walton Vice President, The Guaranty Title Trust Co.	Nashville		
F. A. Washington Attorney, Guaranty Title Trust Co. Vice President, Tennessee Title Association.	Nashville		
J. M. Whitsitt President, Guaranty Title Trust Co.	Nashville		
TEXAS.			
R. O. Huff President, Texas Title Guaranty Co.	San Antonio		

VIRGINIA.

H. Laurie Smith
Executive Vice President, Lawyers Title Insurance Corp.

Richmond

Vice President, Citizens Abstract & Title Co.
Secretary, Wisconsin Title Association.

Grace E. Miller

Racine

President, Belle City Abstract Co.

Vice-President, Wisconsin Title Association.

WASHINGTON.

Elizabeth Osborne
Vice President and Manager, Yakima Abstract & Title Co.

Yakima

J. B. Purdy

Racine

Manager, Knight-Barry Abstract Co.

Secretary-Treasurer, Washington Title Association.

Julius E. Roehr

Milwaukee

J. W. Woodford
President, Lawyers & Realtors Title Insurance Co.

Seattle

Vice President and General Counsel, Milwaukee Title
Guaranty & Abstract Co.

President, Wisconsin Title Association.

WISCONSIN.

Frank A. Lenicheck

Milwaukee

Esther Turkelson

Kenosha

Kenosha County Abstract Co.

The American Title Association

Officers, 1929

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President
E. C. Wyckoff, Newark, N. J.,
Vice President, Fidelity Union
Title & Mortgage Guaranty
Company.

Vice President
Donzel Stoney, San Francisco,
California, Vice President and
Manager, Title Insurance and
Guaranty Co.

Treasurer
J. M. Whitsitt, Nashville, Tenn.,

President, Guaranty Title Trust
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Executive Secretary
Richard B. Hall, Kansas City, Mo.,
905 Midland Building.

Executive Committee
(The President, Vice President,
Treasurer, Retiring President, and
Chairmen of the Sections, ex-of-
ficio, and the following elected
members compose the Executive
Committee. The Vice President of

the Association is the Chairman
of the Committee.)

Term Ending 1929
Walter M. Daly, Portland, Ore.,
President, Title and Trust Com-
pany.

Henry B. Baldwin, Corpus Christi,
Tex., President, Guaranty Title
Company.

J. M. Dall, Chicago, Ill., Vice
President, Chicago Title and
Trust Company.

Terming Ending 1930
Fred P. Condit, New York City,
Vice President, Title Guarantee
and Trust Co.

M. P. Bouslog, Gulfport, Miss.,
President, Mississippi Abstract,
Title and Guaranty Co.
Paul Jones, Cleveland, Ohio, Vice-
President, Guarantee Title and
Trust Company.

**Councillor to Chamber of Com-
merce of United States**
Fred P. Condit, 176 Broadway,
New York City.

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Vice-Chairman, W. B. Clarke,
Miles City, Mont., President,
Custer Abstract Co.

Secretary, E. P. Harding, Wichita
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Abstract Co.

Title Insurance Section

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roit, Mich., Vice-President,
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tonio, Tex., President, Texas
Title Guaranty Co.

Title Examiners Section

Chairman, Stuart O'Melveny, Los
Angeles, Calif., Executive Vice-
President, Title Insurance &
Trust Co.

Vice-Chairman, Elwood C. Smith,
Newburgh, N. Y., President, Hud-
son Counties Title & Mortgage
Co.

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Springfield, Ill., Brown, Hay &
Stephens.

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Chairman, Newark, N. J.

Edwin H. Lindow, (Chairman,
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James S. Johns, (Chairman, Ab-
stracters Section), Pendleton,
Ore.

Stuart O'Melveny, (Chairman,
Title Examiners Section), Los
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ton, Lawyers & Realtors Title
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sippi, Chairman Mississippi Ab-
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Title Abstract & Trust Co.

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Chairman, Title Guaranty Co.

President and Secretary of each
state association.

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General Chairman.

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Providence, Title Guarantee Co.
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veyancing Co.

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Philadelphia, Real Estate Title
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Life Insurance Co.

Virginia—H. Laurie Smith, Rich-
mond, Lawyers Title Insurance
Co.

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Jacksonville, Fla., District
Chairman).

Florida—Richard P. Marks, Jack-
sonville, Title & Trust Co. of
Florida.

North Carolina—D. W. Sorrel,
Durham.

South Carolina—J. Waties Thomas,
c/o Thomas & Lumpkin.

Georgia—Hubert M. Rylee, Athens.

District No. 4: (Coit L. Blacker,
Columbus, Ohio, District Chair-
man).

Tennessee—John C. Adams, Mem-
phis, Bank of Commerce & Trust
Co.

Kentucky—Chas. A. Haeberle,
Louisville, Louisville Title Co.

Ohio—Coit L. Blacker, Columbus,
Guarantee Title & Trust Co.

Indiana—W. O. Elliott, Terre
Haute, Vigo Abstract Co.

District No. 5: (David P. Ander-
son, Birmingham, Ala., District
Chairman).

Louisiana—W. E. Nesom, Shreve-
port, Caddo Abstract Co.

Alabama—David P. Anderson,
Birmingham, Alabama Title &
Trust Co.

Mississippi—F. M. Trussell, Jack-
son, Abstract Title & Guaranty
Co.

District No. 6: (W. A. Mercer,
Little Rock, Arkansas, District
Chairman).

Arkansas—W. A. Mercer, Little
Rock, Arkansas Abstract &
Guaranty Co.

Missouri—C. B. Vardeman, Kansas
City, Missouri Abstract & Title
Insurance Co.

Illinois—Arthur C. Marriott,
Wheaton Dupage Title Co.

District No. 7: (Ray Trucks, Bald-
win, Mich., District Chairman).

North Dakota—John L. Bowers,
Mandan, Mandan Abstract Co.

Minnesota—E. D. Boyce, Mankato,
Blue Earth County Abstract Co.

Wisconsin—Julius E. Roehr, Mil-
waukee, Milwaukee Abstract &
Title Guaranty Co.

Michigan—Ray Trucks, Baldwin,
Lake County Abstract Co.

District No. 8: (Frank N. Stepanek,
Cedar Rapids, Ia., District
Chairman).

South Dakota—A. L. Bodley,
Sioux Falls, Getty Abstract Co.

Iowa—Frank N. Stepanek, Cedar
Rapids, Linn County Abstract
Co.

Nebraska—Leo J. Crosby, Omaha,
Midland Title Co., Peters Trust
Bldg.

Wyoming—Kirk G. Hartung,
Cheyenne, Laramie County Ab-
stract Co.

District No. 9: (Ray McLain, Ok-
lahoma City, Okla., District
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Kansas—Ernest McClure, Garnett,
White Abstract & Investment
Co.

Oklahoma—Ray McLain, Oklahoma
City, American First Trust Co.

Colorado—Milton G. Gage, Sterling,
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New Mexico—J. M. Avery, Santa
Fe, Avery-Bowman Co.

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Texas—Mildred A. Vogel, El Paso,
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District No. 11: (C. J. Struble,
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man).

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Guaranty Co.

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ix, Phoenix Title & Trust Co.

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man).

Washington—Elizabeth Osborne,
Yakima, Yakima Abstract &
Title Co.

Oregon—P. M. Janney, Medford,
Jackson County Abstract Co.

Montana—C. C. Johnson, Plenty-
wood, Sheridan County Abstract
Co.

Idaho—A. W. Clarke, Driggs,
Teton Abstract Co.

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Lonoke Real Estate & Abstract Co.
Vice-President, Fred F. Harrelson, Forest City.
St. Francis County Abst. Co.
Secretary-Treasurer, J. K. Boutwell, Stuttgart.
Boutwell Abstract Co.

California Land Title Association

President, E. M. McCardle, Fresno.
Security Title Insurance & Guarantee Co.
1st Vice-Pres., W. P. Waggoner, Los Angeles.
California Title Insurance Co.
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Oakland Title Ins. & Guaranty Co.
Sec.-Treas., Frank P. Doherty, Los Angeles.
Suite 519, 433 South Spring St.

Colorado Title Association

President, Donald B. Graham, Denver.
Title Guaranty Co.
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Camas Abstract Co.
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DuPage Title Company.
Treasurer, Lee E. Powell, Morrison.
Secretary, Harry C. Marsh, Tuscola,
The Douglas County Abst. & Loan Co.

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Union Title Co.
Vice Pres., M. Elmer Dinwiddie, Crown Point.
Allman-Gary Title Co.
Secy.-Treas., C. E. Lambert, Rockville.

Iowa Title Association

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Buena Vista Abstract & Mtge. Co.
Vice President, Carl V. Batty, Boone.
Secretary, Frank N. Stepanek, Cedar Rapids.
Linn County Abstract Co.
Treasurer, Bess Klopping, Newton.

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White Abstract & Invest. Co.
Vice Pres., Tom J. Bomar, Hutchinson.
Hall Abstract & Title Co.
Secy.-Treas., Pearl K. Jeffrey, Columbus.

Michigan Title Association

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Union Title & Guaranty Co.
Vice Pres., W. Herbert Goff, Adrian.
Lenewee County Abstract Co.
Treasurer, F. E. Barnes, Ithaca.
Griatiot County Abst. Co.
Secretary, A. A. McNeil, Paw Paw.
Van Buren County Abst. Office.

Minnesota Title Association

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Pryor Abstract Co.
Vice-President, Albert F. Anderson, Detroit
Lakes.
Secretary-Treasurer, E. D. Boyce, Mankato.
Blue Earth County Abst. Co.

Missouri Title Association

President, T. S. Simrall, Boonville.
Cooper County Abst. Co.
Vice Pres., J. A. Ryan, Chillicothe.
Ryan & Carnahan.
Secy.-Treas., Chet A. Platt, Jefferson City.
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