

TITLE NEWS

Official Publication

THE AMERICAN TITLE ASSOCIATION



VOLUME XXIX

JANUARY, 1950

NUMBER 1

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TITLE NEWS

Official Publication of

THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

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The Title Plant

Systems, Methods, Procedures and Equipment Building and Rebuilding

A PANEL DISCUSSION (1949 Convention)

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Raymond B. Heston, *Secretary*, West Jersey Title & Guaranty Company, Camden, N.J.

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Arthur E. Wade, *Assistant Vice-President*, Land Title Guarantee & Trust Co., Cleveland Ohio.

C. Perry Liverton, *Moderator of Panel*; Title Plant Manager, Commonwealth Title Company of Philadelphia, Philadelphia, Pa.

Equipment in a Title Plant

C. Perry Liverton

The title of my subject is "Equipment in the Title Plant." Let us, then, discuss the first and foremost phase of our work. That is, the method of locating the material or information to enable us to find the particular plan on which this information is to be indexed. With this in mind, I would like to pass on my experience with locating maps or charts.

Locating Equipment

The Commonwealth Title Company of Philadelphia, with whom I have had the pleasure of being associated with for the past twenty-five years, has used three types of locating equipment.

The first, a Locating Book, bound, and comprising 44 plates or plans covering various subdivisions of the City of Philadelphia. The main objection to this particular method of locating, we found, was that only one person could work from this volume at any given time.

The second type of locating equipment with which we have had experience and which is probably familiar to many of you, was a series of plans or sections, contained in two large rolls, housed in a glass-topped cabinet, about table height, in which cranks were inserted to roll the maps to the right or left. Our experience with this type of map or locating chart was not entirely satisfactory either.

There were two principal disadvantages to this method:

1. Often, we were required to go from one end of the map to the other. Result—a lot of lost motion.
2. When new developments were laid out, and additional maps or tract locations had to be added, it was necessary to remove the top to

draw on the surface of the map the new street or revision or location. We then had to draw on a flat surface without adequate support. If we attempted to use either roll as a support, we were drawing on a curved surface. It is obvious that this method was unsatisfactory.

Area to Be Covered

For the past twenty years, we have used, instead of the first two mentioned, our present locating maps or charts. I would like, at this point, to give you two figures which I feel would be helpful in making a comparison with what we have had to cover in the way of territory against your own particular location.

1. The area that we must cover within the limits of the City of Philadelphia, and, therefore, the area that must be covered on any type of locating map or chart, is 129 square miles.
2. Within that area, there are approximately 2,700 city streets.

Mounted Locating Charts

The present locating charts are very fine reproductions of this area of the City of Philadelphia, mounted on quarter-inch wall board, to which maps we have blocked in and added our own arbitrary locations. We have 5,000—18" x 22" title maps contained within our plant or tract books, the average area covered by each of the plans being equal to two city blocks. These locations, as well as the location of our section plates, as we call them, or as you might call them, farm tracts, were placed upon this registry reproduction.

We then constructed four frames made of wood and inserted glass doors mounted on hinges, with locks on the right hand sides so that the doors could be kept closed. These gave an appearance not too unlike picture frames. The reproductions are 1,000 feet to

the inch, and are mounted onto the wall at a height from the floor where they are most convenient for a person to stand to locate with ease. The depth of each frame is 3". The total space covered by the four frames is 56 $\frac{3}{4}$ " x 176 $\frac{3}{4}$ ". (I have brought a sample of one of the charts and would be very glad to exhibit it to any of you that would care to examine it at the conclusion of the panel.)

We have found the following advantages in this equipment:

1. As many as eight persons can readily locate at one and the same time.
2. There is practically no wear and tear on the charts, because they are housed in the glass frames that I described to you. Our draftsmen can readily unlock and swing open the glass frames and remove the charts at any time on a moment's notice, draw in any new streets or any new developments, place thereon our arbitrary locations, and return them to their proper case.

After twenty years of continuous use, we feel that where volume is involved and space is at a premium, these maps or charts do answer a definite need. Since we have already mentioned the title maps and plans contained in our tract books, it might be well to discuss the type drawing paper we use for our plans.

Paper

From the results of the questionnaires, it would seem that in most cases we all endeavor to use a high grade of drawing paper for our title maps or plans. But, if for any reason we are not satisfied and are looking for a stronger and more durable type of paper, I would like to make two suggestions or recommendations which I know, from experience, are very fine grades of paper.

1. Griffin Drawing Paper, No. 25-H, made by Kauffel and Esser Company, Hoboken, New Jersey, from 100% high grade rag, white, regular, medium smooth surface, for ink or pencil, erasing quality very good, ink will not spread or feather in erased area, does not crimp or tear easily, can be folded many times without breaking, and will not discolor or weaken with age. We mount our drawing paper on Holland linen for additional strength. Of course, this is optional as to your particular need. The thickness of this type paper is 110/1000" to 120/1000". (I have also brought a sample of this for you to examine.)

2. The second type that is available and which is used by The Washington Title and Trust Company, of Seattle, and which is indeed a very high type of paper for drawing purposes, is made by the same corporation, Kauffel and Esser Company, under the trade marking "Hawk 28." This will do all we have mentioned in the first instance. However, it is a little harder in surface and heavier in weight. (A sample of this is also available for you to examine.)

At this point, as we have discussed the plan, it might be appropriate to speak about the material which is needed in the construction and placing of information on the said plan.

In the matter of inks used in drawing, this has been a problem, to my knowledge, for many, many years, because many inks, although labeled "water proof," do not meet the test in a practical application.

Ink

We have found that Higgins water-proof black ink is very satisfactory either on drawing paper or tracing cloth, as well as Keco ink and Phoenix ink. The black ink of any of these trade names, we have found to be satisfactory.

Concerning colored inks, we have not yet found the answer. Most of them are chemical combinations, they do not keep well in stock for any extended period, and red, and especially, blue and green coagulate. The red and blue seem to hold well after they have been used on the plans. Green, we have found, is inclined to spread, many times. Therefore, we have followed the principle of stocking only the black types of drawing ink and ordering, from time to time, only as needed, any colored inks, because of the chemical reaction.

Scales

In the matter of scales, we used both flat and triangular scales. We use both to cater to some of the idiosyncrasies of our draftsmen. It might be interesting to note, if it has not already been drawn to your attention, that there is a new triangular scale, made entirely of white plastic, on the

market. We have found that it is more readable and does not appear to deteriorate nearly as quickly as some of the older types. (A sample of this is also available for you to examine.)

Protractors

As to protractors, we strongly recommend steel. Preferably, a semi-circular, 8" diameter, graduated to $\frac{1}{4}$ of a degree. We have had experience with the semi-circular, transparent, celluloid protractor, but feel that we cannot recommend it, because when closed up in a drawer, or where there is stagnant air, for any period, it rapidly deteriorates.

Peculiarly enough, despite our criticisms, we use celluloid triangles, and it is only rarely that they seem to be susceptible to this minor form of trouble common to protractors.

Binders

Let us now take up the question of the housing of the map. A perusal of the questionnaires indicates that some type of book or binder is used by a great majority in housing plans and tract books. I realize, from reading the many fine answers forwarded to me, that there are in use many excellent types of binders, but I can only speak of the two types with which I have had experience.

The first type, which we are gradually discarding, is a Kalamazoo binder, with a cloth back and a ratchet type of lock. It has four posts going through perforated holes of our plans and registry or tract book entries. A great disadvantage was the fact that the average weight of the binder, with its contents, was twenty-five pounds. The binder itself weighed eight pounds.

Another disadvantage to us was in the wear of the ratchets. As a result of this, the sheets and plans were loose and protruded beyond the limits and size of the binder, and often fell out of the binder. This resulted in an unwarranted wear and tear on the sheets and plans.

The type binder which we have converted to and which we are now using is not a standard type binder. I can say, with all honesty and sincerity, that this binder was developed and constructed to meet our particular need by the management of our title plant.

Specifications

The specifications of this binder are as follows:

Size— $21\frac{3}{4}$ " x $18\frac{1}{8}$ ".

Covers—Tempered masonite, with an entirely open back and metal hinges riveted onto the masonite covers. A label holder support is welded to the bottom metal hinge.

Capacity— $\frac{3}{4}$ " to $1\frac{1}{4}$ " with two Boston screw posts $15/64$ " in diameter.

We have confined the thickness of this binder to the $1\frac{1}{4}$ " to keep the weight at a minimum, but for anyone who would be interested in this type of binder, the capacity could go to 3" or better and where the continual lifting or moving about was not involved,

the number of binders needed could be decreased. Needless to say, the overall size of the binder could be varied to meet your own particular needs. The advantages, we have found, are these:

1. The lighter weight, making it much easier to handle.

2. The masonite covers are tempered and $\frac{1}{8}$ " thick. They wear exceptionally well in comparison with the cloth cover, which had a tendency to wear and tear.

3. Probably the most important improvement, certainly from a maintenance standpoint, is the fact that the two Boston screw posts allow definite pressure to be brought to bear both on the plan and on the sheets. As a result, we have less mutilation and wear and tear on both the plans and the sheets.

Chairs and Desks

As to desks and chairs, it would seem from your answers that we each endeavor to make our personnel as comfortable as possible, and from one of the answers I have gained a definite solution to a prevalent problem which, I believe, many of you have encountered from time to time. It would seem that The Black Hawk County Abstract Company, of Waterloo, Iowa, has the answer.

The problem is the continued complaint by many of the girls of tears and runners in new stockings caused by worn and splintered wooden chairs. They have answered the problem once and for all by replacing wooden chairs with all-metal chairs. Their personnel relations have greatly improved.

Perforated Sheets

The final phase of equipment which I will discuss is perforated sheets. Again referring to the answers received from our questionnaire, it seems that very little use has been made of perforated sheets. Undoubtedly, many of you, as in our case, receive daily, various types of information from the Court House or County Seat which must be of a brief or abstract nature and containing some sort of a location, either by description by metes and bounds or house number. These are, of necessity, located and properly posted or entered in your tract book, plant book or some other similar record for reference. We have adopted the perforated sheet for practically all the information received. (Excepting deeds, mortgages, assignments and releases, which we photocopy.) From the Prothonotary's office, we receive a record of Municipal and Mechanics Liens, containing descriptions set out on numerous sheets by continuity of Court Term and Number and not by similar descriptions closely related and in the same proximity or neighborhood. By using the perforated sheets, we are able to rearrange the descriptions according to location, thus saving considerable time both in plotting and posting.

Constant Handling

In posting or locating an arbitrary

lot number it might mean that as different persons handle different sheets, that have not been perforated, the same book would be required by more than one person, and in posting the information to the permanent record, the same book or record might be handled a number of times in posting each particular day's work. The perforated sheets, however, are kept intact until the location of each one has been taken from the wall map or chart according to the description set out thereon. At this point, they are detached along the section that is perforated and run in chronological order of location so that a number of descriptions which might pertain to the same title map or tract map will be forced into one group, enabling us to divide the work and eliminate any unnecessary handling of the books in the process of posting the records. (Samples of the perforated sheets and forms, as we now use them, are available for your examination.)

I wish to thank you for your very kind and patient attention and assure you that it has been a pleasure for me to have had the opportunity to appear before you and to conduct this panel. Now, with the help and assistance of the other members of the panel, we will endeavor, to the best of our ability, to answer questions on any of the papers or subjects which we have discussed today, if you will be kind enough to present your queries or problems at this particular time.

Plant Building

R. S. Ellsworth

Chairman Liverton, fellow members of the American Title Association. When Chairman Liverton assigned to me the subject of New Methods and said to cover it in 20 minutes, he must have figured I lived a long way from Philadelphia and not influenced by the Philadelphians and their famous verbosity. After trying every other way to cover this subject, I finally decided to give up the whole thing and go play golf and since you are forced to spend the next 20 minutes with me anyway, you may just as well join me in the game.

The First Two

You have been handed an outline of a 9-hole golf course, which I call the methods golf course of the Title and Abstract Country Club. Since my topic is New Methods, we can hurry over the first two holes. They are included particularly for comparison sake. You will notice in this course as we turn to the first tee that the disadvantages of the methods displayed are shown as hazards, whereas the advantages of each method shown are summarized as results.

The first hole covers the hand-slip takeoff, which is a system of taking just sufficient of the current record at the courthouse to enable you to be able

to post your books, but not sufficient to abstract or examine therefrom. The hazards of this hole as shown are, first, the necessity of going back to the courthouse when the additional information is needed thereby making it impossible to handle peak loads or to give efficient service. You also have the necessity of comparing, duplicate expense and every typist in your office must be an experienced abstractor. The results of the system, however, are that you are able to maintain a plant for reference sake, you save expense at the time the takeoff is made, you have a minimum of labor and a minimum of material expense. As far as costs are concerned, we have been unable to obtain any definite costs for such a system. Usually, the man using such a system has a small operation and in most cases makes the takeoff himself, though, it has surprised us in our survey how many abstractors in the United States are still using this system.

The Second Hole

Let us turn to the second hole, which I call the hand-abstract takeoff, that is, taking sufficient information on a current basis to enable you to abstract or examine therefrom, such a takeoff being made manually. The disadvantage of this system is mainly its expense, particularly the labor expense. There is also the necessity for comparing. Your takeoff employees must be experienced abstractors and such a manual takeoff creates a bulky record and is comparatively inaccessible if bound. The results, however, are that you have a complete plant, that unnecessary information is weeded out from the materials at the time the takeoff is made, your material expense is nominal, all the help in your office need not be experienced when you are using such a system, also, it is adaptable to an orthodox lot book plant or a geographic segregation, should you so desire. As far as costs are concerned, I should like to say this. The questionnaire sent out by our title plants committee did not supply me with a great deal of information on the subject assigned. So, we took it upon ourselves to send out our own questionnaire in an endeavor to obtain this information. We were amazed at the variance in costs given us. For instance, on this hand abstract takeoff method, we received quotations from 12c per instrument up to 35c per instrument. In our own case our costs ran 19c per instrument before changing our system. We had one answer to our questionnaire, which stated that his takeoff cost him nothing. We were of course very much intrigued with this reply, so we requested an explanation. It was received promptly to the effect that his wife made the takeoff and he had to support her anyway, therefore, he had no takeoff cost.

The Third

Now turning to the third tee, we start New Methods. You know out in

our country we have a saying: "A fellow must do his own growin' no matter how tall his Grandpa was." We have adapted this to the title business to the effect that a title man must do his own progressin' and changin' no matter how adequate his Grandpa's plant was. For that reason, in our own office, we have adopted a new method. The following holes cover the results of our questionnaire and our own experience with the new methods as outlined. The third tee covers the Photocopy or Film and Print takeoff form. The disadvantages of this system are—the records are bulky causing a space problem, all typists in the office must be experienced abstractors, unnecessary information is brought into the office and the Photocopy or print method is comparatively expensive. The equipment also is comparatively large and expensive. The results, however, are that the complete record is brought into the office fast and accurately, comparing is eliminated, labor expense is nominal and such a system is adaptable to the orthodox lot book or the geographic plant. As to costs, we received quotations on microfilm and print combination running from 9.95c per instrument to 15.3c. Dextigraph, which is a Remington Rand product, ran from 7.3c to 15c per instrument. Photostat quotations ran from 5.2c to 11c per instrument. The equipment costs varied from \$650 to \$10,000 complete.

The Fourth

The fourth hole covers microfilm takeoff in reel form. Its disadvantages, mainly, are lack of adaptability and inaccessibility as shown by the heavy traps. Also, unnecessary information is brought into the office, there is a need for viewers, all typists must be experienced abstractors and the necessity for film replacement due to scratching and defacing from excessive use caused by the number of instruments in one reel of film. One abstractor using microfilm in reel form wrote us recently to find out if there was some way that he could have an additional copy of his film made now that it had become so mutilated and scratched due to the fact that he had a 1000 instruments in one reel and was therefore using 999 of them reeling the film in and out to get at the one instrument he wished to abstract or examine. With a 1000 shots on one reel of film, this method's lack of adaptability and inaccessibility is obvious. A great deal has been said and written on this point over the past several years in the American Title News. The results of this system, however, are that the complete record is brought into the office fast and accurately, there is need for a minimum space and comparing is eliminated. As to costs, film, developing and labor were quoted at from 1.2c to 2.5c per instrument. The necessary equipment can be purchased from \$300 to \$3000.

The Fifth

The fifth tee is microfilm in strip or

sheet form takeoff. Both of these methods were covered recently in the American Title News. Perhaps you saw it. The disadvantages of these systems are need for viewers, all typists must be abstracters, unnecessary information is brought into the office, lack of adaptability, dead records constantly re-used unnecessarily, as is the case in reel form microfilm but to a less extent, and the expense of a special housing or treatment of the film. The results are that the complete record is brought into the office fast and accurately, comparing is eliminated and you have a minimum of labor expense. We have quotations as to costs running from 5c to 25c per instrument in strip form. We were not able to obtain a quotation on the cost of microfilm in sheet form. We understand, however, that such cast is reported to be comparatively higher. The fifth hole is an effort to combine the advantages of the third and fourth holes.

The Sixth

Turning to the sixth hole, the microfilm mounted in cards, covers our efforts to combine the advantages of 3 and 4. The disadvantages of our system are that we have a need for viewers, all typists must be abstracters and unnecessary information is brought into the office. As to results, the complete record is brought into the office fast and accurately, with microfilm mounted in individual frames in a card it is adaptable to any existing system or planned change, whether it be lot book or geographic, comparing is eliminated. As to results, we have a minimum overall cost. Our costs, and at the present time they are the only costs we can give you, since this method of takeoff has just been developed and is in use only in our own office and in the offices of several of our agents, are running from 3.9c to 5c per instrument complete, including depreciation of the equipment on a 60-month basis, the variance depending upon the type of card in which the microfilm is inserted. Equipment costs from \$1050 to \$1300 complete covering the takeoff camera, viewer and the munter for inserting the film in the card. It is our thought that with the ability to sort, segregate, pull and handle an individual frame of microfilm, there is no point to going to the expense of making a print, particularly when you are only going to look at a single instrument twice, once to post and once to examine or abstract, unless, of course, the description covers more than one piece of property.

The Seventh

Leaving takeoff problems, we turn to our seventh tee, which is plant building or refining by hand. The biggest disadvantage to this method is the labor expense in such a system. You also have a bulk of records and comparing is necessary, together with the need for experienced help throughout.

The results of this method are that unnecessary information is weeded out from materials at the time you are building or completing the plant and such a hand system is adaptable to a lot book or geographic system. As to costs, we have been unable to obtain any recent quotations where anyone has built a title plant by hand, but in the late thirties, it was considered to cost approximately \$100 per standard courthouse volume for building a title plant using this method. We would judge with labor having increased as it has in the past 10 years, that to build a complete title plant with the hand method today would cost you at least \$200 per volume, if not more. Such a plant, of course, to include indexing.

The Eighth

The eighth tee is an effort to make No. 7 practical. That is, building a plant, completing or refining a plant with Photocopy or print method with or without mechanical indexing. The disadvantages of this system are that it is difficult to adapt Photocopy or prints to a geographic sort, if desired, when working with old takeoff. Unnecessary information is brought into this office, it is comparatively expensive and you have a bulk of records creating a storage problem. The results are that you have complete information available and it is adaptable with limitations. On the other hand, if you have taken the back records on a Photocopy or microfilm and print basis and your courthouse records have more than one instrument per page, you have an extremely difficult problem in segregating such prints or copies geographically. As to costs, film and print costs run from \$37.50 to \$70 per standard courthouse volume, to which must be added indexing. The variance being based upon size and type of print. Dexigraph runs from \$25 to \$32.50 per volume, plus indexing. Photostat will run from \$19.50 to \$25 per volume, plus indexing. Indexing can be done by hand, of course, or it can be done mechanically. The Dakota Microfilm Service quotes mechanical indexing from \$25 up per volume, depending upon the fineness of the sort required. None of these figures quoted include the cost of a general index or any arbitrary mapping.

The Ninth

Turning to the ninth tee, this covers plant building or refining using microfilm mounted in cards. When we introduced title insurance into Idaho several years ago, we found it necessary to do a great deal of plant refining and some plant building, in order to assist our agents in bringing their plants up to a standard on which the issuance of title insurance might be based. For that reason, we have had considerable experience in the use of the method outlined in the ninth tee. The disadvantages of this method are

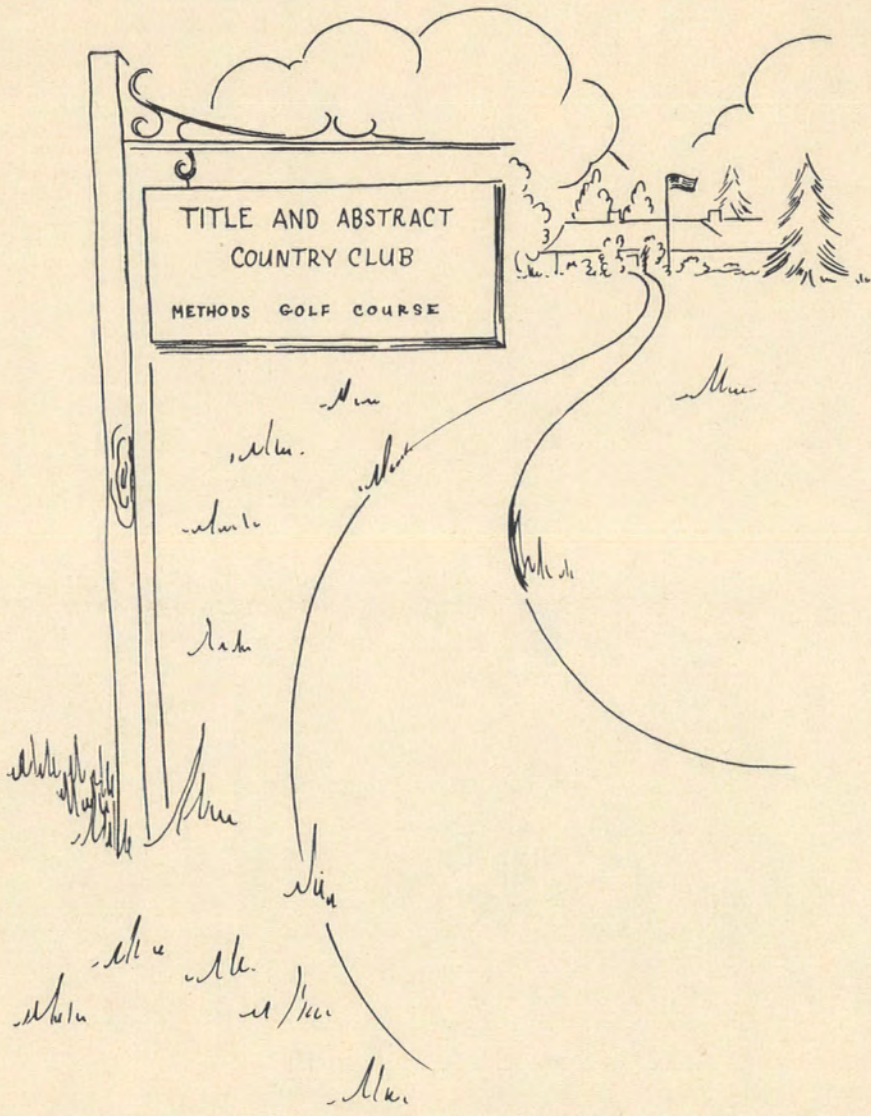
need for viewers and unnecessary information is brought into the office. The results: such a system is adaptable to either the orthodox lot book or geographic plant, complete information is available. As to costs, of necessity we have to quote you our own. We are able to bring the back records into an office to be used in connection with their already established lot books for from \$13 to \$20 per volume, depending upon the type of card desired. We recently completed building a title plant with an orthodox lot book, built from the film mounted in cards, together with a complete general index and arbitrary mapping where necessary and our cost for the entire installation ran \$63 per volume. After building this lot book plant, we found it necessary to build for our agent in Arco, Idaho, a plant as rapidly as possible. This is the county where the Atomic Energy Commission recently established a new plant. We, therefore, had to move as fast as we could. We built this plant on a geographic basis using a geographic card in which the microfilm was inserted. We built a complete general index and we did arbitrary mapping on the entire county on a township basis and our cost complete ran \$40 per volume. Of course mechanical indexing can be used in connection with microfilm mounted in cards. To the \$13 or \$20 quotation made above could be added the cost for whatever mechanical indexing is done. As outlined in the eighth hole, mechanical indexing can be obtained from \$25 up per volume for a rough sort. We have not as yet used mechanical indexing in connection with microfilm mounted in cards. We would think that such a combination would be entirely practical, particularly in counties larger, recordwise, than those with which we deal in our part of the country.

The Nineteenth Hole

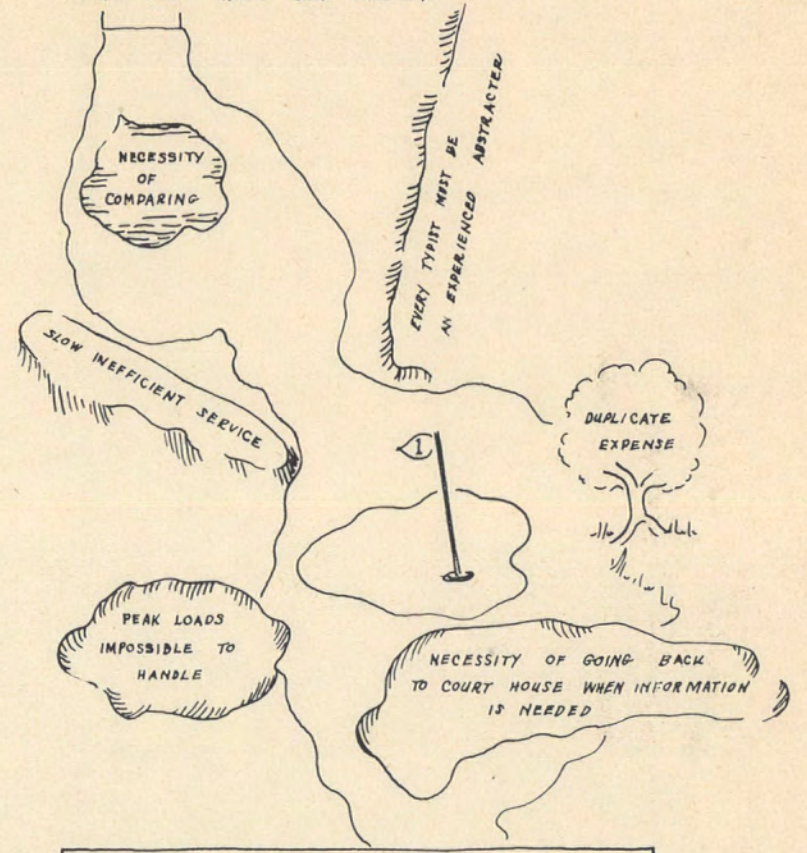
This brings us to the tenth hole, which on a 9-hole course corresponds to the 19th hole and is usually reserved for what is known as a bull session. We will, therefore, set this aside for questions at the end of the panel discussion.

Title men throughout the United States are rapidly turning to New Methods, particularly for plant take-off, plant remodeling and building. Certainly the progress that has been made to date does not put us in the class of Harvey Humphrey's two little girls who were having a conversation returning from Sunday School regarding the progress they were each making with their Sunday School lessons. One little girl said to her friend, "Where are you with your lesson?" "I'm past the Immaculate Conception. Where are you?" She answered: "I'm past redemption." We feel that there is still a lot of "progressin" and "changin'" to do in the matter of title plants throughout the United States before we get anywhere near past redemption.

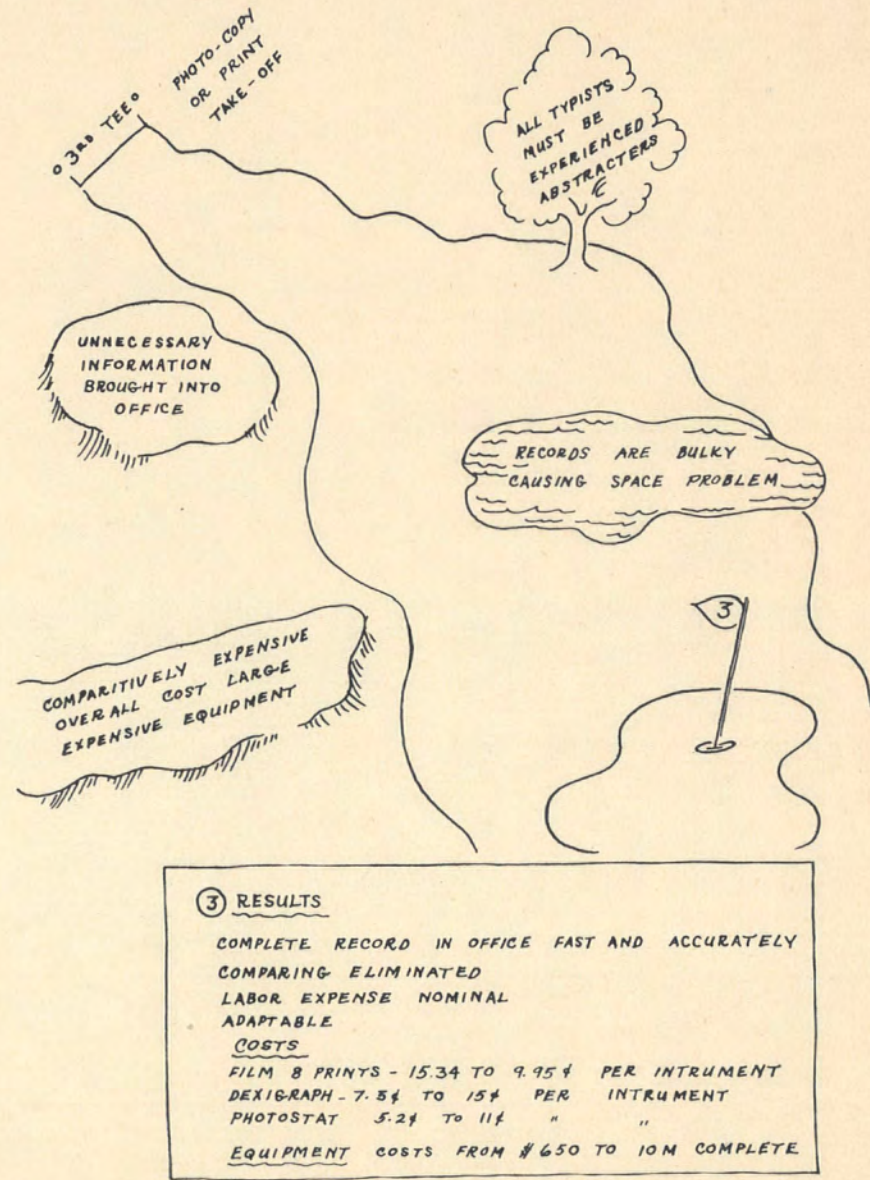
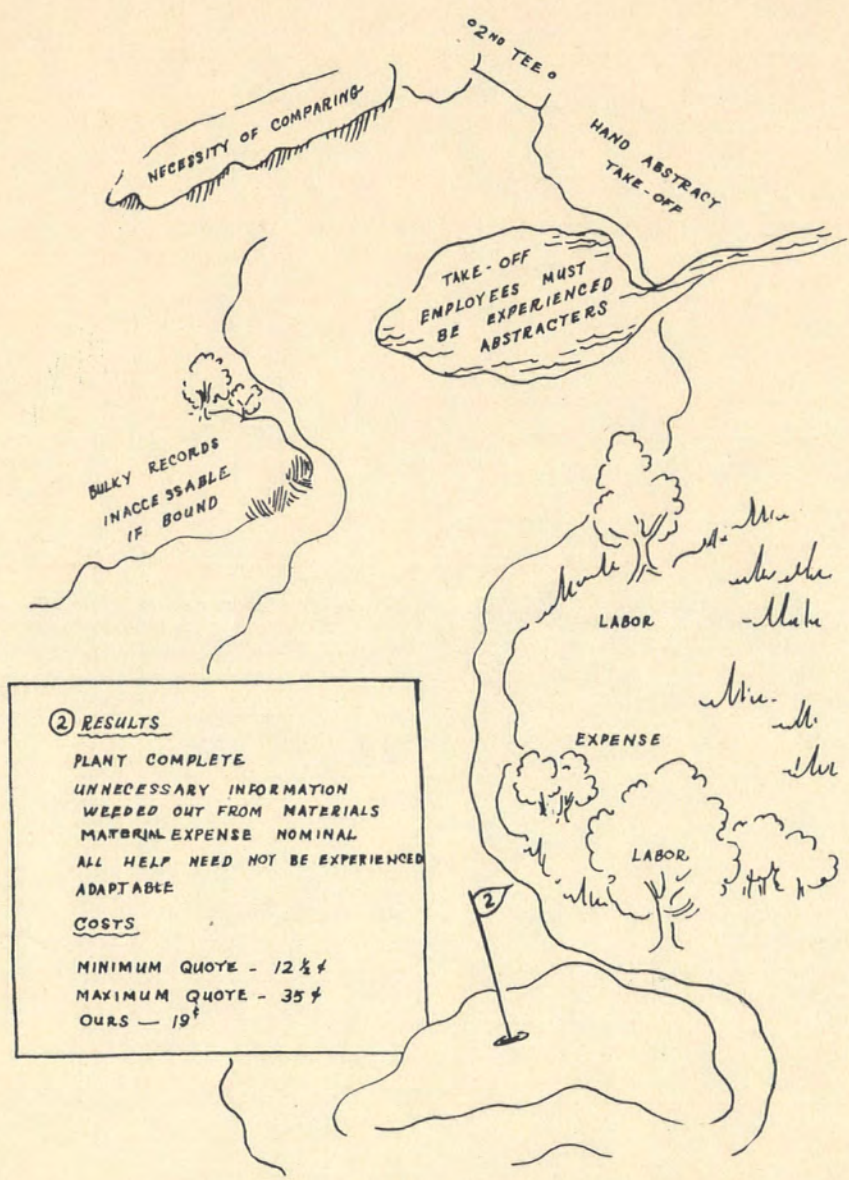
[III]

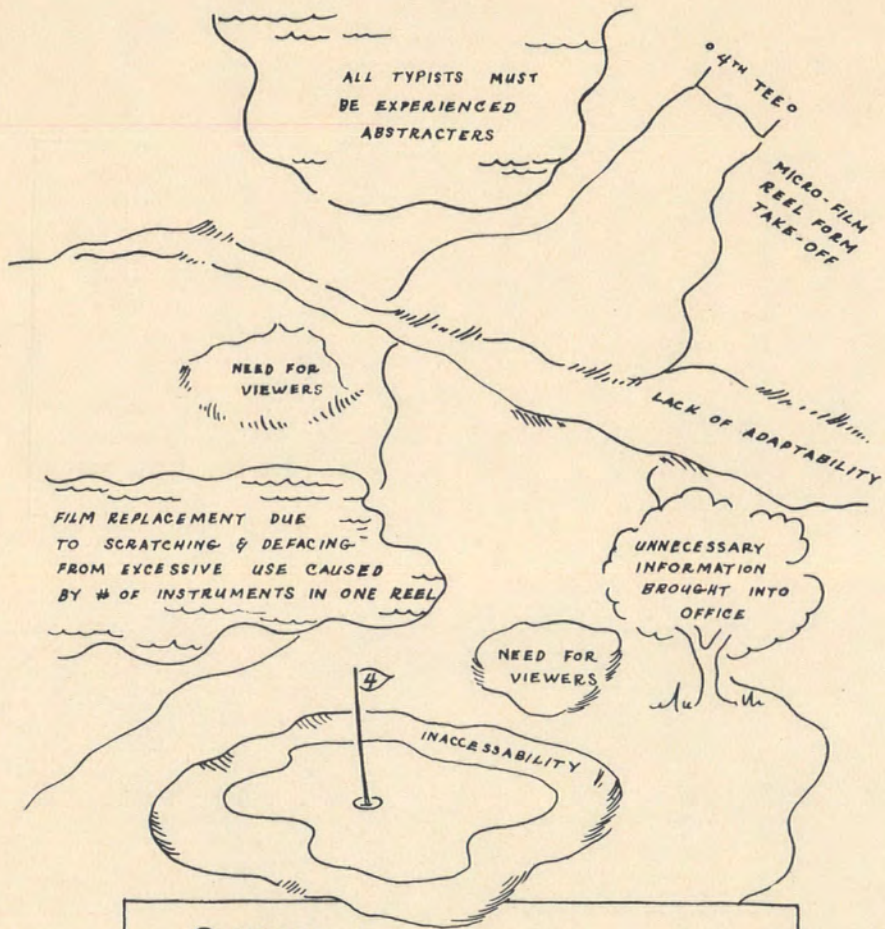


01ST TEE ° HAND SLIP TAKE-OFF

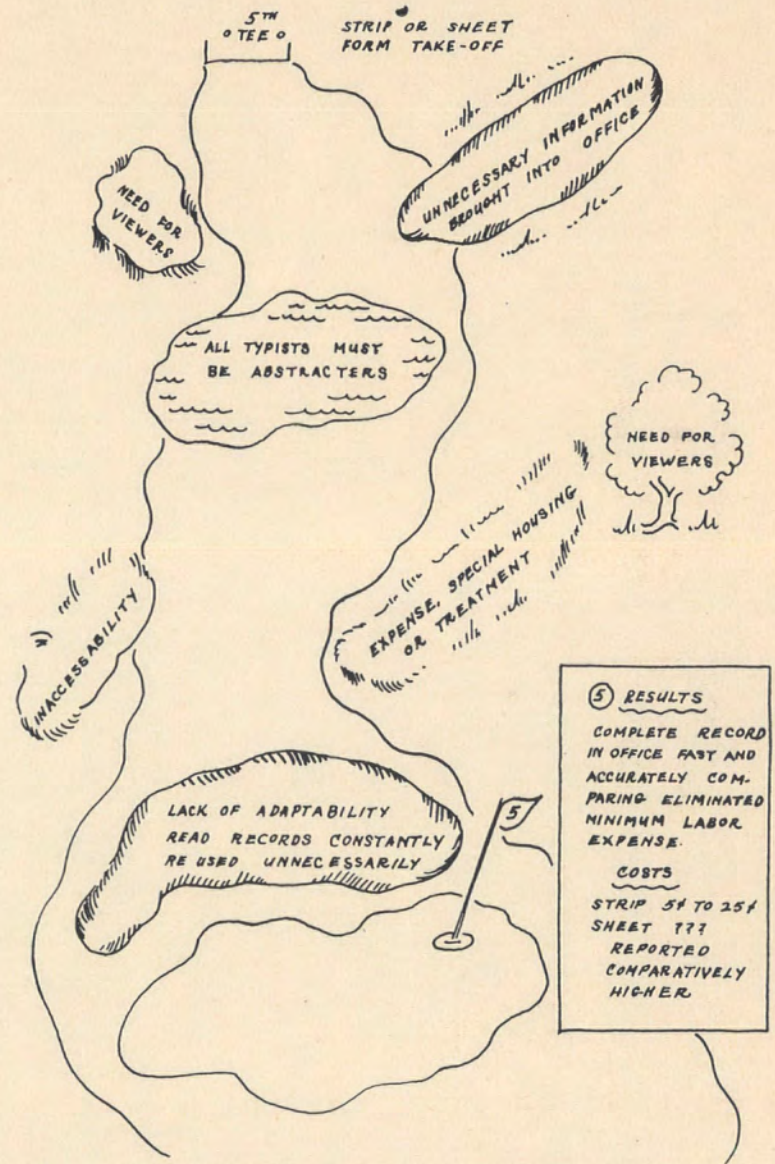


1. RESULTS
 MAINTAINS PLANT FOR REFERENCE SAKE
 SAVES EXPENSE AT TIME TAKE-OFF IS MADE
 MINIMUM LABOR
 MINIMUM MATERIAL
 COSYS
 ???

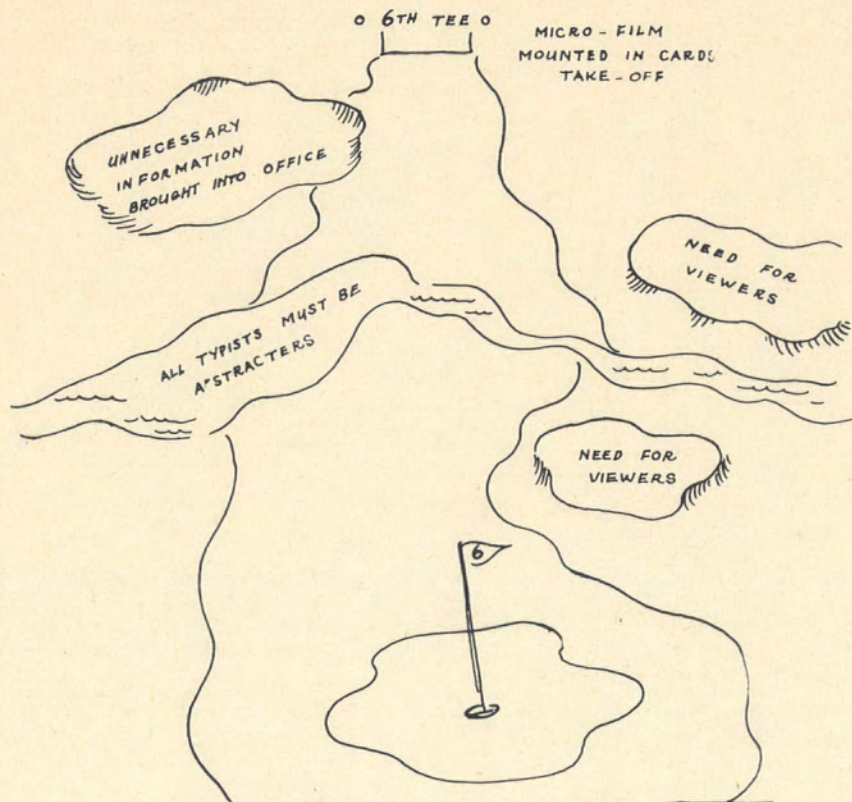




④ RESULTS
 COMPLETE RECORD IN OFFICE FAST AND ACCURATELY
 MINIMUM SPACE
 COMPARING ELIMINATED
COSTS
 FILM DEVELOPING & LABOR
 1.2¢ TO 2.5¢ PER INSTRUMENT
 EQUIPMENT \$300 TO \$3000



⑤ RESULTS
 COMPLETE RECORD
 IN OFFICE FAST AND
 ACCURATELY COM-
 PARING ELIMINATED
 MINIMUM LABOR
 EXPENSE.
COSTS
 STRIP 5¢ TO 25¢
 SHEET ???
 REPORTED
 COMPARATIVELY
 HIGHER.



⑥ RESULTS

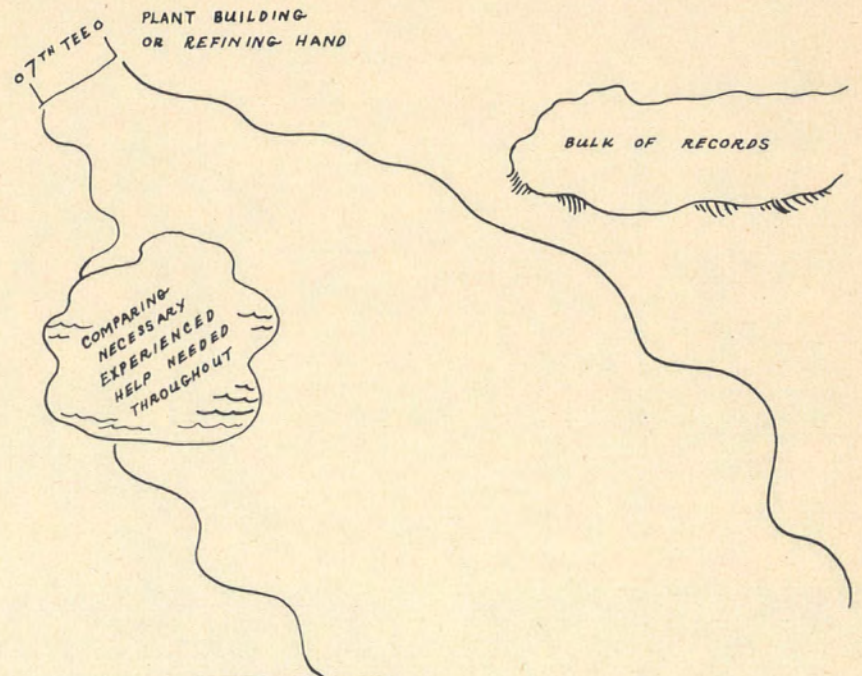
COMPLETE RECORD BROUGHT IN OFFICE
FAST AND ACCURATELY

ADAPTABLE TO ANY EXISTING SYSTEM OR
PLANNED CHANGE

COMPARING ELIMINATED
MINIMUM OVERALL COST

COSTS

3.94 TO 54 PER INSTRUMENT COMPLETE
EQUIPMENT \$1050 TO \$1300 COMPLETE UNIT
CAMERA, VIEWERS, AND MOUNTER

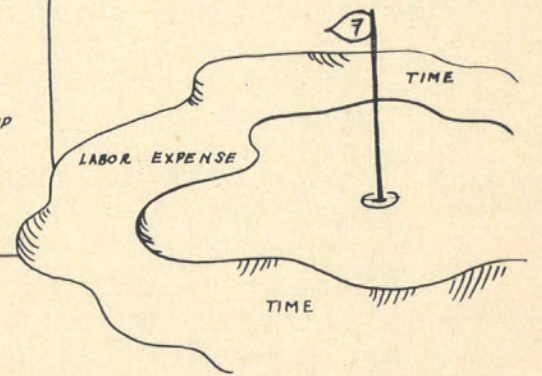


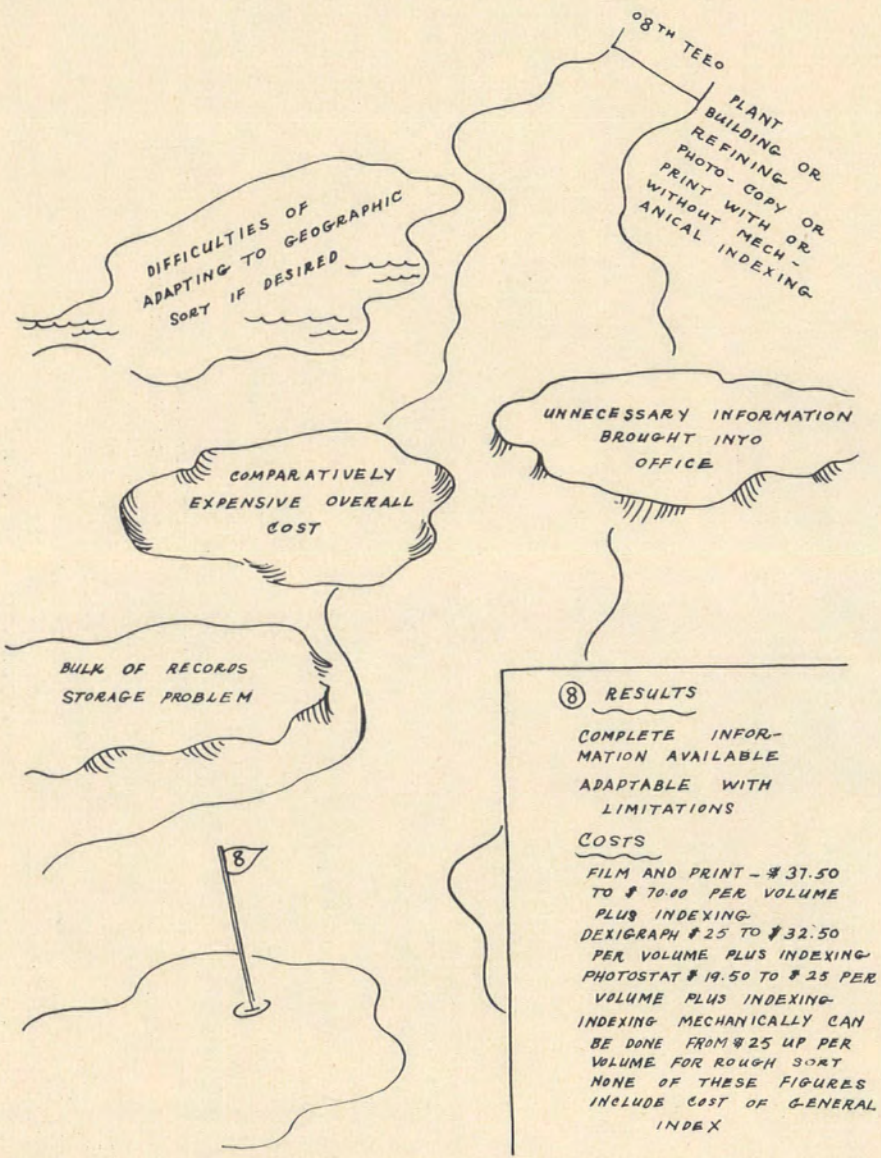
⑦ RESULTS

UNNECESSARY INFORMATION
WEDED OUT FROM MATERIALS
ADAPTABLE TO CUT BOOK
OR GEOGRAPHIC

COSTS

\$200 PER VOLUME UP
INCLUDING INDEXING
COMPLETE





⑧ RESULTS

COMPLETE INFORMATION AVAILABLE

ADAPTABLE WITH LIMITATIONS

COSTS

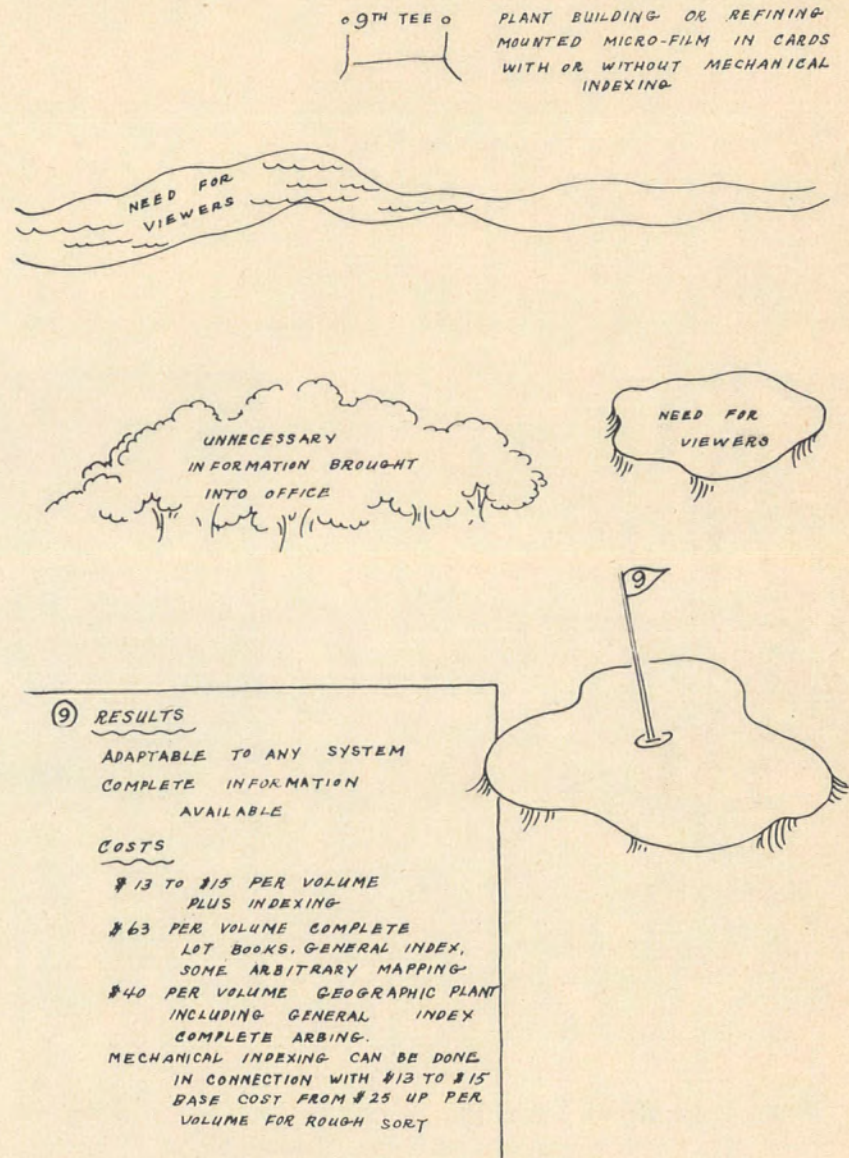
FILM AND PRINT - \$37.50 TO \$70.00 PER VOLUME PLUS INDEXING

DEXIGRAPH \$25 TO \$32.50 PER VOLUME PLUS INDEXING

PHOTOSTAT \$19.50 TO \$25 PER VOLUME PLUS INDEXING

INDEXING MECHANICALLY CAN BE DONE FROM \$25 UP PER VOLUME FOR ROUGH SORT

NONE OF THESE FIGURES INCLUDE COST OF GENERAL INDEX



PLANT BUILDING OR REFINING MOUNTED MICRO-FILM IN CARDS WITH OR WITHOUT MECHANICAL INDEXING

Posting

Logan D. Fitch

We have had some interesting and instructive replies to that portion of the questionnaire sent to the members with respect to posting. As indicated by your answers to these questions there are many roads leading to the same destination.

Considering the first question:

"Does your plant or physical location confront you with a problem as to the posting or entering of instruments (other than deeds, mortgages, assignments and releases) such as mechanics liens, municipal claims, chattel mortgages, conditional sales, builders contracts, equities, or any other type of instrument other than (deeds, mortgages, assignments, or releases) which require Special Handling?"

Most of the replies indicate no special problems in this regard.

Question No. 2.

"Have you found an advantageous way of handling, locating, filing and correlating this type of information?"

These matters are posted in the tract indexes where property is described and where there is no property described they are posted in the name indexes.

Question No. 3.

"When you post entries are all of the entries verified? If not, where do you draw the line?"

Verifying

There is a predominate number of those replying who have their entries verified. A few do not. Some have the entries spot-checked. Apparently those who do not have their entries verified are well satisfied with their system. At Chicago Title and Trust Company we have, for a period of about 3 years dispensed with the verification of entries in certain cases. We use for this work only the seasoned posters, and they post without verification only such deeds as release deeds and simple deeds of conveyance. We have all entries of mortgages and trust deeds verified. We try to weigh the risk involved, such as the type of instrument and the difficulty of the entry, and balance those risks against the cost of operation.

Question No. 4.

"Where does the line of demarcation stop—at operating expense or title risk?"

Risk vs. Expense

Most of the answers state risk; a few state operating expenses. One reply calls attention to the fact that the question is one of balance between risk and operating expense. This would appear to be a reasonable point of view. One company reports an experience of 66 years without verification of entries, and has found it safe.

Question No. 5.

"Have you found that where the poster is sure his entries will be verified he tends to be lax in his posting? Or does this work in reverse? Does the verifier depend on the poster and in so doing, just go through the motions of verification?"

More Employee Care

Most of the replies indicate the general belief that verification makes the poster more careful. One or two indicate a contrary view. Our own experience has been that the poster is more careful when he knows that his work is not going to be verified by some one else. This is particularly true when the poster may be in doubt as to what to do in a particular case. He may do it one way, believing the next person will correct the job if he is wrong. If, however, the poster is on his



LOGAN D. FITCH

own, he will ask his supervisor when in doubt. We have experienced more careful work without verification, without much sacrifice of production by the poster.

Question No. 6.

"Have you found that entries in book form (loose leaf or bound) work best for you or do the entries work best on cards properly filed in some indexed form?"

Book vs. Card

The replies indicate that most of you prefer books for your tract indexes. Most people appear to prefer loose leaf books because they allow for expansion. A few, however, indicate a preference for bound books.

A few of those replying are using cards for their tract indexes, and they apparently find them very satisfactory. Many of those replying object to cards because of the fear of misfiling or losing a card. Some suggested that books were preferable because they were more compact than cards. Several per-

sons indicate that they use cards for their name indexes.

Tax and Special Assessment

In our own plant we are installing a card system in our Tax and Special Assessment Department. This department now has 3 sets of books—a set of books for general taxes, a set of books containing set-ups of special Assessments, and books containing an index to the Special Assessment set-ups. The information in the general tax books and in the special assessment index is being consolidated into a card system. There will be about 12 parcels of property on each card, each card being about 14" x 14" in size. The cards will be die cut on top to provide tabs to make the location of the property easier. The cards will be installed in rol-dex equipment. We believe that the new system will have several definite advantages over our present system. Among these are:

1. Our new system is a positive index as to general taxes. Our present system is not.
2. The searchers will have, at the most, two places to look instead of three, in case there is a special assessment against the property. If there is no special assessment against the property he will have but one place to look under the new system as against two places under the present system.
3. The foregoing advantages could, of course have been realized by creating a new set of books. However, we believe that the card system will be less fatiguing to the searcher and much faster to operate.

Question No. 7.

"What has been your experience as to the good and bad points of the above procedures?"

A Misplaced Card

It would appear that most people are afraid that cards may be misplaced or lost. Some report a feeling that the books are more compact and hold up longer under the wear and tear of business. One firm reports that it has used cards down to the year 1902 and discontinued them at that time. However, another firm reports that it is using both books and cards and much prefers the card system.

Several of those who use books prefer loose leaf books because they permit expansion. One firm, however, reports that they prefer bound books presumably because of the fear of a sheet becoming loose and perhaps lost. In our tract index system we are converting from bound books to loose leaf as fast as possible. Loose leaf books are much cheaper to maintain, and are more convenient for our use. They are more elastic with respect to the layout of property, and, in some cases, it is convenient and time-saving to use a typewriter to make entries.

As I previously indicated we are sold

on the card index system for our general taxes and special assessments. We believe it will greatly reduce costs and we do not have much fear of losing a card.

Question No. 8.

"Has the method which you use in your plant, namely, in card or book form, been influenced at all by the possibility of sabotage or misappropriation? If so, what has been your experience as to the advantage of one over the other when this condition may arise?"

Sabotage

Apparently no one replying to the questionnaire has had any experience with sabotage. A few of those replying believe that cards would be more easily sabotaged than books. Others expressed the view that a saboteur could damage either system.

Question No. 9.

"What has been your experience when legal instruments contain more than one legal description, or location, some of which locations or descriptions are in localities far removed one from the other? Do you make additional copies, write off multiple sheets, or photograph additional copies and make a reference only as to where original instrument and copies may be found?"

Number of Copies

Nearly everyone replying to the questionnaire makes but one copy of the instrument and posts it against each tract affected. Apparently those who use the geographical system, however, make several copies, and file in several different places. There are some of you present, including a member of this committee, who use the geographic system, and will no doubt be able to give us some information concerning its operation.

Types of Plant

There are many basic plant systems in use throughout the country. To mention a few: the tract books; cards; geographic; and some have gone to punch cards, and some work with microfilm. The system used in any plant depends upon many factors. Among these may be mentioned the size of your plant and the amount of business you receive. What may be best for a small plant might not be best for a large one. Also, if you already have a plant the cost of conversion to another system is, of course, a great factor with all of us. How long will it take you to save, by reduced operating cost, the amount expended in changing your system. However, in learning about the other fellow's methods we can weigh all the factors. Each must consider his own situation. In many cases an adaptation of another person's methods may be your answer, or perhaps some part of his operation may be worked in with your present method and result in substantial improvement.

Public Admittance to Plant

Raymond B. Heston

In presenting this Forum Program the committee hopes to stimulate thinking on Title Plant questions. The Panel Members taking part are handling their respective assignments with a view of discussing them as the subjects pertain or apply to their own companies and as they apply nationwide. The answers to the questionnaire sent out by the Chairman form the basis of these latter conclusions.

It must be understood that the Panel Members do not represent that they are authorities and the last word on their subjects. Our object is to state the problem for consideration, make a few observations about it and hand it back to the Chairman to present for panel discussion. On this basis I have undertaken a brief survey of the customs and practices in our title indus-



RAYMOND B. HESTON

try in admitting the public to our records.

Good Public Relations

I suppose we are all in agreement that it is very good advertising and good public relations to acquaint the public with the procedures that have to be followed in making a title report. The average person being conducted through a title plant is generally amazed at the tremendous amounts of records and is impressed with the care and skill that must be exercised in examining a title. We believe that plant inspection by the public gives us an opportunity to show our clients that the charges made by the company are necessary to maintain the complete records in our files, to pay for the trained personnel that is essential to operate the plant, and to produce a reasonable profit.

Regular Inspection Tours

While the general public may or may

not be interested in the working of a title plant, we can be sure that lawyers and real estate men are. It is a very good practice and one followed by our own company to arrange for the inspection of the plant by the classes of the local law schools. This inspection is arranged for a Saturday morning when there is no work being done. A class is conducted through the entire plant. We begin by telling them, that as our prospective clients, we want to show how we can be of help in their law practice. We show them how applications for title insurance are made up, explaining the significance of the questions on the application sheet. The importance of furnishing accurate information in placing an order is stressed by illustrating the difficulties encountered when sketchy or inaccurate orders are given. We then take them back into the plant and show them how the abstracts are received from the Record Offices and are located and filed away in our locality or geographical binders which contain in chronological order the abstracts of all the instruments of title affecting a particular property. Since the inception of the West Jersey Title and Guaranty Company in 1888, we have made abstracts with such care and completeness that they have been relied on without further recourse to the records for amplification in the examination of title or for issuing searches. The functions of the Tax Department, Judgment Department, and other divisions of the company are explained and we then work up to the actual examination of a title. We select a property, usually one suggested by one of the students, for the purpose of illustration and go through the form of making up an application. We take the students through all of the steps that the application would follow in the normal course of business, such as preliminary processing, ordering tax requisitions and court proceedings. We take up the Locality binder and discuss the chain of title disclosed and show how the report of title is derived by the Title Examiner and how and why the exceptions are made on the settlement certificate. The uses of the settlement certificate or abstract of title are explained concluding with a brief consideration of title policies.

Improved Public Relations

These tours have been very enlightening to the students, and their instructors have told us that they have accomplished what could not have been done in many classroom periods. We feel that we have made close personal contact with the future attorneys of our city which will influence them favorably towards our company when they take up their professional careers. With real estate men, too, we try to follow the same type of program. In this connection we have furnished lecturers for real estate courses sponsored by the Real Estate Boards.

I do not anticipate that those in attendance at this convention will find anything new in this idea nor do I

think anyone will object to following this and similar programs designed to acquaint clients and the public in general with the operations of the title business. There is a real division of opinion, however, when we consider the actual use of plant records by the public for the purpose of reference and obtaining specific information. Title company plants contain an assembly of information that can be gotten from other sources only at considerable time and expense. The assembled material is useful in many other ways besides the examination of titles and the issuance of searches and abstracts. It can be used, for example, for furnishing property ownerships for credit reports and for tax officials, for assisting surveyors and for checking tracts of ground to ascertain restrictive covenants. Recently we turned down the request of a client for access to our records for the purpose of going over the locality books covering a desirable suburban residential area to ascertain the uncancelled mortgages on the various properties. He intended to approach the mortgagors with a proposition for refinancing the mortgages. We did not think that he would be acting in good faith with the existing mortgagees, who were mostly our clients; and we knew, besides, that if this privilege were granted, others would soon hear about it and would expect to be granted the same privilege, so the request was not granted. Of course, the information that was wanted could be obtained in the local recording offices; but where the plant would disclose the complete information in a few minutes, many hours would be required to assemble it in any other way.

Delivery of Plant Information

Our company welcomes the opportunity of furnishing such information as is contained in the plant to clients who are assembling tracts of ground for development and who wish to verify the ownerships and check up on restrictions and conditions of record. Whenever an inquiry is made for information contained in the Title Company's files, the client is referred to an officer who decides whether or not it shall be furnished. None of our clients, either real estate men or lawyers, are permitted access to the plant except under an officer's supervision, and the company's records are handled only by the employees. We want to assist our clients in every way possible by furnishing information which will enable them to develop new business for themselves and in turn for us. When the information is wanted for other purposes, we believe a charge is warranted. A number of other title companies operate on the same basis. One large company in Los Angeles maintains a separate department called the Title Information Division that advises the public the record owners of lots and gives other information for a nominal charge. This company also maintains a Plant Service Division to furnish Tract book

information at the rate of seven dollars per hour.

A Cross Section View

In order to get a cross section of the practice respecting the use of plant records by the public, the Chairman of the Committee sent out a letter to the various companies in the American Title Association asking for replies to these four questions:

1. Who of the public do you admit to your records, and under what conditions?
2. Do you allow certain individuals or all persons to personally help themselves?
3. If you allow the public to examine track books or plant books, what has been your experience in the mishandling and misusing, in the wear and tear of same?
4. Where is it possible to draw the line? Should you furnish everyone the information but keep him from physically handling any of your records?

Opinions Differ

Answers received from companies in widely scattered areas over the country indicate that admittance or non-admittance of the public to the plant is purely a matter of local custom and is not a sectional problem. We have replies from Arizona, California, Kansas, Louisiana, Illinois, Colorado, Ohio, New Jersey, and other states which are practically uniform in making the statement that only the employees of the company are allowed to handle the records; and when any information is given, it is through an officer or an employee. On the other hand, a company in Alabama reports that it permits the representatives of oil companies and realtors to help themselves to the records and has had no experience of them being treated in a careless manner. An abstract corporation in Florida reports that certain lawyers can check the tract books at their convenience. Their experience has shown that the books are handled very carefully and they feel that the good relations established are worth more than the wear and tear on the records. A title company in Michigan reports that the admission of the public to the records was an inherited problem and the practice was stopped at an early date by pointing out that the records were obtained and maintained at the company's expense and that if one client was allowed the privilege of using the records, others would want it and it would be difficult to know where to stop. Their experience is that this explanation was accepted and the problem no longer exists. In contrast to this, an abstract company and a title company in Oklahoma both reply that lawyers and real estate men and even the general public are permitted to examine the records. The abstract company replies to the question if information should be furnished but the public kept from physically handling the records by saying, "It takes too much time to furnish the information without permitting some chosen

few to make the examinations for themselves." The answer given by an abstract company in Everett, Washington, seems to summarize the practice and experience of those companies which permit to some extent the use of their records by others than employees. They say, "We believe it is helpful to a better public understanding to show customers the records as much as time will permit. Considerable human interest is aroused by showing a customer how we keep track of his land. We allow a somewhat limited handling of our records by real estate and mortgage men who are familiar with the books. We try to work with them as it gives them the idea that we are doing a bit more than usual for them. We find that there is not sufficient use occurring to affect the wear and tear on our books."

Each Should Decide

From the results of this questionnaire, it will be seen that while a great many companies do not permit public admittance to the plant for the purpose of using the records, there are others that find that the best practice is to cooperate with their clients in this respect, relying on their honesty and integrity in not using the information that is obtained to the detriment of the company. I do not believe that our Association can take a definite position on this question as each company, in its own community, will have to adopt the practice most advantageous to it. We must remember at all times, however, that we have made a tremendous investment in assembling and maintaining our plants and must make every effort to see that adequate remuneration is paid for the use of the information we possess.

This concludes the comments that I have to make with respect to the public's admittance to the plant.

There is one matter that I think we might give consideration to at this time, and that is the use of the plant by approved attorneys in furnishing title reports and opinions for title insurance companies. I am entirely uninformed as to the way this is worked out and none of the questionnaires that were returned touched upon the subject. I would like to suggest that this matter be presented for comment and discussion if the Chairman feels that time will permit.

Name Index or General Index

George B. Myren

Chairman Liverton has requested me to talk to you about one of the specific units of Title Insurance plants, the General Index or Name plant. In the time allotted me, I shall endeavor to sum up briefly, the advantages and disadvantages of three types of indexing with which I am familiar and believe, are most extensively used in Title Insurance business.

The General Index

They are: 1. The Straight Alphabetical

cal System; 2. The LMNRT System and 3. The Soundex Code System.

First I would like to discuss the purpose and use of the General Index and the documents that are posted or filed in it. We all agree that name indices are a necessary adjunct to Title Insurance Plants, wherein we can accurately index by name, all documents which do not carry a description of real property, but still may have a vital affect on the title under search.

Postings

The usual practice is to post or file, to the index the following documents: affidavits, property settlement agreements, bankruptcies, decrees of change of name, articles of incorporation, powers of attorney, divorces, partnerships, deeds assigning or conveying interest in estates, declaration of trust, insanities, releases of judgments, probates, also decrees of distributions, mortgages, trust indentures and deeds wherein are incorporated Omnibus Clauses. Some companies post in addition to their General Index, marriages, adoptions, death certificates and other miscellaneous information, which actually does not affect the title to the land, but are posted merely for informative purposes. Many companies during the past few years found their General Indices increasing in volume at such an alarming rate that they discontinued posting some of the documents last mentioned; posting only those that actually affected the title to real property. Time is valuable and it should not be wasted by a searcher due to cumbersome, outmoded and oftentimes inaccurate indices. A searcher scanning page after page of unrelated names and examining postings which have no connection with the name under search, is a costly process. I realize you are all familiar with the various forms of Alphabetical Indices used by companies, both large and small, and whose books have grown to such large proportions that a speedy and accurate name-run is out of the question and have had to rewrite their complete General Index. The Alphabetical Index is practical enough for a county whose filings or recordings are few per day. Then it is only efficient if thought is given to the refinement or break-down of accounts at the time of installation and by providing loose-leaf binders in order that accounts may be continued rather than extended into subsequent books as is the custom in using bound books.

LMNRT—Soundex

In addition to the Alphabetical Index, there are, as I said before, two other systems which are being used extensively by title companies. They are the LMNRT Index and the Soundex (Code) Index. Both of these indices were originally designed by a Mr. Russell, whom I believe was a resident of the State of Pennsylvania.

LMNRT

Our company operates in a county having a population of 300,000. We installed a LMNRT system in 1924. At

the present time the index has 15,600 accounts; contains approximately 30,000 different names and the postings exceed 150,000. The index so far has proved very satisfactory.

The system employs the sound of the name rather than its spelling and it brings together in one account substantially all names which are phonetically the same. It is based upon the use of the five consonants LMNRT which form the base of practically all names and dominate them when they are spoken. These letters are referred to as the key letters. All surnames are arranged under their initial letter which is the first letter of the name and then further subdivided according to the "key letters."

The system consists of two elements:

1. The index to the accounts or sometimes known as the master index.
2. The accounts.

The position of a name in the Master Index is governed by the first two key



GEORGE B. MYREN

letters which appear following the initial letter in the name and the order in which these key letters appear in the name as follows:

AVILA—L	ADAMS—M
ALMQUIST—LM	AMBLER—ML
ALLEN—LN	AIKMAN—MN
ALBRIGHT—LR	ASHMORE—MR
APPLETON—LT	AMATO—MT

Names that do not contain any of these key letters are brought together under the initial key letter, in one account designated as the Miscellaneous Account

such as: Shaw
Lee
Sheehl, etc.

The account books are that portion of the General Index where the entries of the documents, etc., are posted or in a card system, filed. If one desires, a colored sheet may be used to post all judgment liens which are outlawed after a number of years. Removing

the colored sheet as all liens become wholly satisfied or outlawed, keeps the account books from unnecessary growth.

At the time the system is installed, the more common names such as Smith, Brown, and Jones and many others, should be broken down into sub-accounts alphabetically indexed as to the given name, such as Charles, John, etc. Refining the accounts in the beginning eliminates the hazard and cost of having to do this after a few years, when the books have become too cumbersome for efficient searching.

Soundex

The Soundex Code has been used extensively by Title Insurance Companies. It automatically catalogs names that are similar in sound as well as in spelling into the same account. It is a self-locating index or sometimes called a Direct Index, in that you do not require an index to locate your name under search in the account books as you must do in the LMNRT System or Alphabetical System. There are 259 code numbers within each alphabetical letter, therefore, it gives an original break-down of 259 times greater than the straight Alphabetical Index.

The Soundex Code consists of six key letters, B C D L M R and their alphabetical equivalents that are similar in sound to the key letters. The key letters are grouped as follows:

B F P V.....	equals Code No. 1
C J K Q S X Z.....	equals Code No. 2
D T.....	equals Code No. 3
L.....	equals Code No. 4
M N.....	equals Code No. 5
R.....	equals Code No. 6

The initial letter of the surname as in the LMNRT System is never coded. The first, second and third key letters after the initial letter are coded.

Example:Brown, ignore the B, code R equals 6, N equals 5, Code to Account B-650.

All account numbers will have three digits. If the name has but one key letter, for example Moore, add two ciphers, making the code number M-600.

Names that code alike and are similar in sound and spelling are grouped into separate accounts under their respective code numbers. For example, the name of Burke codes to account B-620. There are ten other ways of spelling Burke, all of which code B-620.

The most common method of setting up the Soundex System is to type all the names that fall under a code number to an index sheet which will identify the group or sub within which the name falls.

Immediately following the index sheet there is a group sheet which may be called the Indirect Index. Here you will find the various groups that have been segregated by sound and spelling. Each group carries a sub number enabling one to turn directly to the page of the account where the name under search is found.

In addition to a general posting sheet, a separate judgment sheet of a different

color may follow as in the LMNRT System, which sheet may be discarded when the judgments are outlawed or released.

Sub Accounts

The same care should be taken as in the LMNRT System at the time of installing the index of making the proper refinement into sub-accounts in order that it will not be necessary at the end of 20 or 25 years to rewrite the various fast-growing accounts. One large company after using the Soundex System for approximately 20 years, and in spite of a careful break-down at the time of installation, was obliged to rewrite approximately one and one-quarter million lines. Using posting sheets this condition will re-occur again within the next fifteen or twenty years.

Mel J. Borg, on the Pacific Coast, has developed and refined the Soundex System so that it is not necessary to use a group sheet or indirect index as is commonly used. He has built a number of plants in California and the companies that are using them are of the opinion that they are exceptionally good. In this system each document is posted on a separate 4" x 5" sheet and coded in the same manner as in the Soundex System. Each document is then filed in a loose leaf ring binder under the code number and in its alphabetical, chronological and numerical sequence. A searcher using this index would examine only the name under search, adding greatly to his speed and efficiency.

Color judgment sheets may be used as under the LMNRT System or the Soundex System.

Subdivisions

Large accounts such as Brown, Smith, etc., are resubdivided alphabetically as to the given names at the time of installation of the index. These subs in turn can be broken down directly to the names, John, James, etc. Accounts not indexed as above, at the time of building the plant can be refined by merely inserting tabbed guide cards and each card bearing a letter of the alphabet.

In other words, under this system the books need never be rewritten. Postings becoming outlawed or obsolete, are merely removed from the binder, keeping the account to the minimum.

The ramifications and details involved in revising or installing a new General Index are too numerous to mention here. I will endeavor to answer any questions at the conclusion of this meeting.

However, in closing I would like to leave this thought with you. Our policies are only as good as our searches. Our searches only as accurate as our plants. The books of information in our plants are the tools with which we furnish our people to work. Let us keep our tools modern and adequately sharp, in order that our service to the public may be the acme of speed, efficiency and accuracy.

Records

Arthur E. Wade

When Chairman Liverton assigned the subject "Records" to me I figured the door was wide open, I could write my own ticket and as long as it was about title plants and title companies it was sure to be about Records. It was like asking a minister to talk about Religion.

Our industry deals in, lives on and revolves around records, both public and private. We are principally concerned today with the private records that we call title plants.

Variations

There are nearly as many variations of title plants as there are companies. Each seemed to grow and develop like Topsy. Each of us is familiar with one or perhaps a few plants but none of us is an expert on all of them. We tend to become so used to our own set-up



ARTHUR E. WADE

that we are blind to its shortcomings and deaf to suggestions. We like the status quo! Recently, however, some of you have become horrified by the increasing costs of plant operation (record operation, if you will) and alarmed by the space requirements of a complete plant.

I know it is much easier to stand up here and talk about cutting costs through record simplification than to go home and accomplish it. After many years of operation with one system it is difficult to make changes but I know from personal experience that changes for the better can be made, work can be simplified and costs can be cut. Officers, supervisors, operating personnel and yes, even labor unions, can be sold constructive changes.

Functional

The noun record and verb record come from a Latin verb meaning "to remember." All of our records are for

one purpose only, that of remembering things for us, such as events, accounts, transfers, etc. Records are functional, and they are supposed to serve us. If we allow our systems to become too elaborate we find ourselves serving the records more than they serve us. The larger your city and county, the greater the activity and the longer you remain in business the more serious this record problem becomes. If you have no space problem and your profits are high—congratulations—if the reverse is true, you are in our class. Doesn't it behoove those of us in this latter group to set someone to looking over our records in detail and to test each phase with this question: "Do we really need this information, and if so how long must we keep it?" Don't we need to get down to fundamentals and have only what we must, in the least expensive form, and for the shortest possible time?

Superfluous

I'm sure that a few of you think that I have an overabundance of nerve to stand here and suggest that some title plant records or files are superfluous. However, the A.T.A. as a whole, answered Mr. Liverton's questionnaire on Plants more than 4 to 1 that there are items that can be eliminated if space is a problem. Many of the answers were based only upon theory and not practice for only about one-fourth of those answering "yes" are actually cutting down by one means or another. Only a few attempted to answer the question about the amount of space saved. The predominant estimate and the approximate average of the estimates is 40% saved. That is a possible saving that should not be brushed off lightly!

It is obvious that many of you are thinking of labor saving and space saving schemes but only a few are using them. In our industry, all too many of us are still doing things pretty much as grandfather did.

So far, our company, too, has only scratched the surface in this effort to eliminate and simplify but we have already made use of photostating, contact printing, microfilming, punch card equipment and some common horse sense. The first major change in decades was switching our daily take off at the Recorder's office from typewritten brief to full text photostats. We work with the original documents and produce photostats only one-third the size of the originals. I told the Mid-Winter conference in Memphis a year and a half ago that we were saving about 10% with our new style take off—let me bring that up to date, now that we have used these little photostats three full years, the saving is about 15%. Proud as we are of this achievement, we intend to do better. We expect to have a new County office building in the next few years and if allotted sufficient and proper space we intend to turn to the kind of continuous photostat equipment Commonwealth Title of Philadelphia uses, to further reduce our costs. If something better for us is

developed in the meantime, we hope to hear about it.

Space for Filing

As anticipated, the photostats add filing bulk to our Plant somewhat faster than the old typewritten take offs. To provide the extra space need for a few years we reduced over one million carbon copies of completed orders (policies, statements, abstracts, etc) to 100 foot rolls of 16 mm. microfilm. The reduction in filing volume was 120 to 1. Very much to our surprise, the majority of our people find referring to the film actually faster and easier than to the bound volumes.

We have recently inaugurated a space saving scheme which will reduce our general plant files by about 40% and should hold us within our present file case for the next 15 to 25 years. What we are doing (for the first time in our half century of corporate life) is actually throwing away certain records that have served their purpose and so far as any of us can see should seldom, if ever, be needed again. Ours is a Locality Plant, and we are leaving a list of Volume and Page references of the destroyed items in each unit, so that the unit can be readily brought back to full text, if ever necessary, as

for instance in the rare event of an order for an abstract. The items headed for the waste basket are properly cancelled mortgages, cancelled leases, revoked powers of attorney, old tax slips, etc. that are found in the units preceding the date of one of our own examinations of the title. All chains will remain intact, no deeds will be destroyed, only properly cancelled liens and extraneous notes that find their way into our units, will be discarded.

Mechanical Sorting

For nearly 50 years our company had an average of 4 girls sorting what we call "stubs," little numbered slips of paper, each representing one recorded document, such as a deed or mortgage. These were handled a minimum of 50 times to hand sort successively 3 different ways to accomplish certain Plant checking and posting operations. This year we reduced this hand sorting from three sorts to one sort, done for checking purposes only, and by designing a simple rack for the purpose have cut this remaining job from about 10 to 4 handlings.

The other two hand sorts are entirely out and the work done mechanically with punched cards. The over-all reduction in the hand work is about 50

to 4 hand operations. Peculiarly, or perhaps typically, this mechanical sorting is merely a by-product of another idea we started on. We set out to simplify a daily name index that covers the interim between our Plant Date and the present. We did that all right and kept on going. The savings from the original idea, or those from by-products, will each nearly cover the total cost of the operation so we've improved our records, speeded up examinations, cut out some boring jobs and saved money to boot.

There are ways and means available today, to simplify many of your operations—the hard part is to adapt the machines and systems to your particular needs. This requires someone within your organization who has sufficient knowledge of your present methods and enough ingenuity to work with the manufacturer's representative and together solve complicated problems. Don't expect the salesman to do it all, he doesn't know enough—and can't learn enough in a short time—about your business to make a go of any change over. He is an expert on his equipment, you furnish an expert on your needs and together they'll work out something worthwhile.

Report of Committee on Photography

The Photography Committee has very little to report this year. Very few inquiries were received during the year from members and little was learned of new installations or equipment. It appears that the use of photography in title plants is prevalent enough now so that members interested in its don't have to look far to find someone who has installed some form of it and give them some ideas.

To Bring Plant to Date

Microfilm seems still to have won most favor where used only to copy old recordings and to bring a title plant up to date on its take-off. In many cases it then seems to have given way to the photocopy or photostat method for current take-off. Some plants, usually in cases of larger installations, have made successful use of the microfilm for both of these processes. They feel the saving in storage space and in original cost more than offset the cost of additional equipment needed to make daily use of it, primarily for projection readers. Lighter, more portable, and cheaper microfilm readers are still sorely needed for use in title plants.

From Various Sections

Correspondence from members of the Association during the past year in-

cluded the following items which may be of interest: The Albright Title and Trust Company of Newkirk, Oklahoma,



LEONARD F. FISH

completed microfilming 368,000 instruments in the Recorder's Office. The job took about three months, the time of two girls, and consumed 220, 100-foot reels of film. Current take-off by the same company is now taken care of by a Photostat machine using 7x11 prints. Abstracters in Iowa were worried somewhat by a proposed law introduced to allow microfilming of public records by county officers. It was felt that it might lead to abstracting. Similar laws in other states, Wisconsin, for example, have so far been used to allow old records which have little current use and consume considerable space to be microfilmed and then destroyed. Some abstracters have helped to pay for their photographic equipment by doing some of this microfilming for the country on a contract. The Idaho Title Insurance Company of Boise, Idaho, is quite enthusiastic about its Microfax Index system which was described briefly by them at our last convention. It combines a microfilm copy of each instrument with a 3x5 punched card identifying the parcel affected. Earlier this year costs of operations showed about \$20.00 per volume for complete filming, developing, punching, and indexing of old recordings. Current take-off costs were running about 5 cents per instrument for the same process.

Easements

The Mississippi Title Insurance Company, of Jackson, was troubled in considering the use of microfilm take-off with taking care of marginal assignments and satisfactions of mortgages. One solution seemed to be to post all such instruments to the tract index. Another, of course, would be to use photostats instead and post such instruments on the margins of the prints. No word was received as to their final decision.

Security Loan and Abstract Company of Cody, Wyoming, inquired as to methods of getting a duplicate negative of original negative microfilm take-off. No information was available as to a direct process for so doing but the suggestion was made to take two negatives of the take-off by photographing twice or by using a microfilm camera equipped to expose two different rolls of film at the same time. They felt positive film copies produced eye strain. This has not been the ex-

perience of other title companies where it has been tried.

From Philadelphia

Commonwealth Title Company of Philadelphia, reports some figures on changes in costs of photographic prints in their installation. Their average cost per print (size, 6x9) is still about 5 cents. Their report is attached).

Some new equipment was called to the attention of your committee.

New Equipment

The Migel Distributing Company of New York City, has announced a new portable microfilm kit which consists of a camera and reader all contained with lights, etc., in a convenient carrying case. It uses 35 mm. strip film, 40 exposures in a candid camera. (A folder with more complete description is attached.)

The Diebold Company of Canton, Ohio, announced a complete line of microfilm equipment including a micro-

film camera with automatic feeder, a 14-inch duplex camera, a 42-inch camera for copying large material such as maps (all motor driven), a microfilm developer and processor, a 14-inch continuous enlarger, and an electric motor driven reader for either 35 or 16 mm. film. Their equipment is rather expensive and is most useful in companies where a large volume of recording and printing is found.

Members

The committee would welcome any information concerning new photographic installations or new equipment members may have seen or heard about. Any items of special interest will be passed along to our national office and very likely can be carried in future title bulletins. Photography should be considered a very necessary element in any plans for the modernizing of a title plant. It is usually adaptable to even the small plants in some form. It should always help to give better service and to keep better title records.

Advertising and Publicity By Abstract and Title Companies

A PANEL DISCUSSION (1949 Convention)

Members of Panel:

Lee Cooper, *Real Estate Editor*, New York "Times",
New York City

William M. Dugdale, *Partner*, Van Sant, Dugdale &
Co., Inc., Advertising Counsel, Baltimore, Md.

Sol M. Gelman, *Printer*. Advisor to Philadelphia Real
Estate Board, Philadelphia, Pa.

Hart McKillop, *Moderator; Vice-President*, Lawyers
Title Insurance Corporation, Miami, Florida

LEE COOPER

Real Estate Editor, New York "Times",
New York City

Mr. McKillop and members of the American Title Association, many of whom I know personally, I'm glad to say most of the time. I'm a little ill at ease at this end of the program. I'm usually on the receiving end, it has its drawbacks and its advantages. One trouble right now is if I don't enjoy this speech, I can't leave until it's over. One advantage, maybe, is that I know what the speaker's going to say in advance. I think I do, anyway. I was telling my little niece up in Connecticut last week I might be down in Atlantic City to make a speech and she was slightly impressed. "Oh, Uncle Lee, you're going to make a speech. Will you wear a dress suit? And I said, "No, Jane, I guess I'll just wear my everyday clothes." She says, "Oh, well, then it's not very important" She

gave me an opportunity to give her a real good discussion on merits of soiled hands and working man with his sleeves rolled up. I don't know if it did any good or not.

I am pleased to be here with you. One reason is that if I wasn't here, I'd be at my desk back in New York. Perhaps, having some releases from title associations. So there are some compensations to being a speaker. I don't particularly like the idea of being first on the program. The other gentlemen may have some advantage there. I know how easy it is to say, "As Mr. Doe so wisely said," and spend about four minutes saying what Mr. Doe said and add a few sentences of your own and say that "I want to supplement what Mr. Pettibone said," and you go into a deep tale about what Mr. Pettibone said and you don't even have to bother to supplement it.

I'm up here to talk about news. It's

really not advertising. We don't associate the two too closely on the paper. A few papers are rather closely allied in the news and the advertising field, but they always regret it when they are. We're not told what the advertising department does. It is an entirely separate field and I will leave the advertising to the experts in that line and try to tell you what I've learned in 25 years' writing.

What is news? I don't know whether anybody has ever defined news exactly. I would say that it was a record of happenings that were interesting, exciting and amusing. That is, news that interests you must be exciting and amusing, or must touch home. That might be anything from an atom bomb down to the sale of a small house in your neighborhood. News is relative. We sometimes talk of big news—it touches home, too, although it might be in Europe or Asia. We don't have all the space we would like to have to give

to the everyday routine of news coverage. Title companies are getting more and more news conscious and in the news more than they ever were before. There's still a lot of room for improvement, both in their attitude, I think, and in their handling of it. There are quite a few companies, I think, that fail to recognize how important and how valuable regular appearance of items which are legitimate news and which cost no more than a little trouble or the employment of somebody who really knows how to handle the news might be to them. We have quite a wide scope here, although you might not see it, you don't have to sit around and talk about metes and bounds and fifty-by-one hundred feet. In the very first place, though, I would say that you would have to get somebody who was familiar with news and knew what news was all about. The companies in the big cities can employ, perhaps full time publicity agents, men experienced in selecting and handling news items, gathering the material from the files or from what the officers can tell them and present it to the right men on the papers. In many cases, an officer to a title association, frequently a high officer, is delegated as the liaison man, or as the man to handle these items. If he is good at it, that is fine. In other cases, it's delegated to someone as a sort of a when-you-get-around-to-it job and then it's a very sad affair. We know what we want, I think, and we know what news is. In the first place, a news item that you send in, must be sent in while it is news, not a week later. We've been fooled once in a while by a news item that was three or six months old, even had a case where a sale of a quarter piece of property was sent six months after the sale was made. It had changed hands twice since then. We hope you recognize the importance in handling news, those of you who are getting it in quickly while it is still news and getting it in, in the second place, accurately. For men that deal in figures and facts, addresses of property have to be very carefully checked. We're sometimes quite surprised at items that come in with the wrong address of property on it. You can catch all sorts of criticism from that, as you might see. We've ever been threatened with suits because someone's property was sold out from under him when it wasn't sold. In the matter of names, it's very important that the names be correct. It seems almost elementary but we get them wrong, we have them come into us wrong time after time with the wrong initials, or without initials, which is worthless to us. We get pieces without the facts complete, without a lot of essential details. It would save us a lot of time and it would make us happy about running any news item. There are chances, even though this field may not have the romance that the use of an atom bomb or some other important news item would have. There are times when you have something with

romance in it. You have a piece of property, I hope it's not a piece where George Washington slept, we've had enough of those, but you might have a piece of property of some historic interest. Two things we've found in this field that people will surely read about are little homes and home plans and they'll read about historic items. They'll read about the old history of the towns, they knew the place when. We get an amazing amount of letters every time we're going to run a story about an old piece of property with some historic value. We have to be right, too, because some old codger that hasn't written any letters to anybody will say that he knows it was 1893 in March, because his grandmother was walking by with him, when you had it 1894. Those are just a few little tips, I might say, in handling of news that might be of interest to you. We, of course, have to have a release date on items. There should be a definite time for release in the largest cities where you have several papers and where you might have several Sunday papers. We get a great many items in the Sunday release and they must be in well ahead of time, it's not necessary that they be for Sunday, they may be for any date, but the date definitely should be on the copy that's sent it, or if it's not on there, it's taken for granted that it's for use immediately.

News Items

I think it would be a good idea for the man in the title field who happens to do this work would get to know the answers better, it's very easy to find out what a man wants if you know the man, and I think it's quite a chance there for a bit more activity. Even in the smaller towns where there is no real estate editor there is always an editor (by small towns, I mean outside of New York and Chicago there are plenty of papers) and there are plenty of items hanging around in the title company offices which would do a lot of good for the paper and for the community and for the title company itself.

I read a very interesting piece by a representative of one of the New York companies in their little booklet a few weeks ago about the problem of assembling of great properties. In New York we have Stuyvesant Town and we have a hundred other big developments, mostly housing, but some like Rockefeller Center in the commercial field that are now in one ownership. We have block after block in one ownership that might have been ten or twenty, fifty or a hundred titles, I suppose, that was his particular interest; a hundred titles issued twenty years ago, one title issued now for the whole business, and he wondered what we were coming to in that line. Well, I don't know, but I think that perhaps the big field for the future and the big market is going to be in the little home and perhaps you'll get enough in the little business to make up for these assembling and you'll get it right through any depres-

sion, as long as you stick to your last. I don't think that title companies are expressly worried, so much as they used to be. I don't think they're in the position they found themselves or will be put in the position they found themselves in 1929 and '31. There'll be business, whether the pound is devalued or whether the atom bomb is still around to worry us and those others that are after it will get it. One way to get it is to see that your news is prepared and presented promptly and accurately to the papers.

I'd like to wind up with a little whimsy of mine. I thought maybe somebody could use it somewhere, or maybe it'll just go to waste. I had a little motto for somebody here in this field. "Man's lot is not a happy one, especially if he has no title insurance on it."

WILLIAM M. DUGDALE

*Partner, Van Sant, Dugdale & Co., Inc.,
Advertising Counsel, Baltimore, Md.*

You know, I'm usually so far above the microphone that I can never tell if I'm speaking into them or not. I assume that everyone back there can hear me, if I stand up straight.

I don't know if any of you are responsible for what happened early this morning or not, but the switchboard operator got a call with a rather inebriated voice on the end which said, "Whash time ish the bar open?" She said, "The bar opens at 11:00. About a half an hour later, the same voice asked the same question. "What time ish the bar open?" She said, "I told you that the bar opens at 11 o'clock. Well, he kept calling her every fifteen or twenty minutes for the next couple of hours. So finally she told the manager of the hotel and had him take care of it, and the man's voice when it came on the phone said, "What time does the bar open?" and the manager took the call and said, "You have been told innumerable times that the bar opens at 11 o'clock, what's more you're inebriated and we're not going to let you in." He said, "Who said anything about getting in, I want to get out."

Ladies and Gentlemen I came to talk to you today, about something that I think is the very life blood of your business. As a matter of fact, I think it's the life blood of every business that has anything to sell and that is the acquisition of new business. There's only one way we can go in business and that's ahead. We can't stand still, and if we go backwards we go out of business. Advertising plays a very great part in getting new business. Now, we, as an advertising agency represent about forty companies, of which one is a title insurance company, The Maryland Title Guarantee Company in Baltimore. We have learned from all the businesses that we represent that regardless of what you are peddling, whether it's a commodity, whether it's a service, whether it's an insurance, whether it's tooth paste, whether it's automobiles—it's got to be sold.

The Market

I think that finance and insurance companies, in general have been late in learning that. They have come into the advertising picture far after other companies, by and large. Now, there are some companies in the country, as demonstrated in the exhibits out in the hall that are doing an excellent job, and I know that you are getting more and more conscious of advertising as you go along. You know you're market is very much undersold right now. Only 30 per cent of the properties in this country have their titles insured, roughly 30 per cent. That means that 70 per cent of the available business has not yet been sold. Now, where's your new business going to come from? Is it going to come from that existing 30 per cent? Yes, some of it is, because that property will turn over and there will be new titles to search, new abstracts and new insurance and so forth. But the new business that you should go for, as was touched on by Mr. Cooper, is this tremendous volume largely of smaller homes in the lower price bracket. Now, how can you get the idea of title insurance across to those people? It's a pretty complicated subject, but it can be told in very simple terms.

A Formula

We think that we have hit upon a formula for telling the title insurance story. I would like to show you what that is. How it has been working for the Maryland Title Guarantee Company. We have gotten considerable return from it and I think it's stirred up quite a bit of general public knowledge for title insurance in Baltimore. It could well be applied in your city, too, if you're not already using it. The thing is that you cannot, in advertising such a commodity or service as title insurance, talk about yourselves. You've got to talk about what you can do for the people who are going to pick up and read the ad. And before you can get them to read the ad, you've got to put something in it that's going to interest them and stop them.

So, the first thing that you've got to do is to devise some means of attracting their attention, stopping them and making them read the ad, and stopping people who have no idea whatever of title insurance, what it does or what it is. There's your first job: to stop the people. Now, here's one way that it can be done. One of the reasons that we asked you to move up close was so that you could see these exhibits. If any of you in the back would like to come up front, I would appreciate it, because I don't believe that this is going to carry very far back.

To Get Interest

We devised a method in lay-out of case histories of examples of how title insurance had worked, of what it has done to protect people's property, how people in the past had lost title to their property by not having it guaranteed and insured. This, for instance, there's nothing about title insurance in the

upper part of the ad. That is intended solely to stop the public and to make them read it. Case No. 6 showing how title insurance saves property owners loss is the one thing that is carried through the entire series. These are just two out of the series. This is called the Case of the Lively Corpse. Now, practically everybody is interested in stories, look how popular they have been on the radio in the past few years, look how popular they are with children, how popular they are in the movies, particularly detective stories, something that has an element of mystery in it. And, as in the case of fire insurance you have got to work on the fear motive with people. After all nobody would insure the title of his property or have it searched if he wasn't afraid that he would lose that title. So, work on the fear motive. This is all aimed to do that. The Case of the Lively Corpse—Harrison had supposedly died in an hotel fire and his house was sold to Mr. and Mrs. Black.



WM. M. DUGDALE

The Blacks were living happily in their home until Harrison, the lively dead man, showed up and claimed the property. Thus, the Blacks were threatened with the loss of their home with a serious financial loss. Fortunately, however, they had insured their title. Result: the title company made good the claim, as well as paying all legal expenses. That is the case and it shows in very simple language how such a thing might happen to you, might happen to Mr. Public who is picking up the paper to read it. That interests him. Then we go on to sell the idea of title insurance. "Guard your home. A missing heir or owner is just one of the many ways in which the title to a piece of property may be rendered invalid. Your lawyer can explain the many hazards covered by title insurance. Here are three facts to remember: when title to your property is insured by the Maryland Title Guarantee Com-

pany, we assume full responsibility for defending your title," so forth and so on. Then we're getting right down to selling the company that's paying for the advertising.

Educate Public

First—stop them with something that's going to interest them. The Case of the Lively Corpse, that's certainly a title that's going to attract attention. Here's another one, The Case of the Double Accident with a couple of automobiles smashing together in front of the house. Mr. Smith inherited the home of his aunt when she and her sister were killed simultaneously in an automobile accident. Shortly afterwards, the Gramms purchased the property from Mr. Smith and they discovered that an error had been made. The younger aunt died one minute later than the elder and her will named a beneficiary. Luckily, Gramm had insured his title and the company paid the new beneficiary for her interest in the property and settled all details. That's another of many, many cases that can be used in carrying through a series like this. Now, it is not necessary at all to take the case histories in selling title insurance, but the thing that you want to do is to devise some method first for attracting attention; second, of getting their interest. Remember, you're trying to get that part of the market that doesn't know anything about title insurance, doesn't know what it is. You're trying to get them and educate them, what it is, what it will do and why every property owner needs it.

Urge to Buy

Now, every advertisement, in my opinion, has an urge at the end of it. No advertising is any good unless it sells something. Strictly institutional advertising is worthless unless it does something to sell the company. Now, much better than selling the company, you should sell the product or service that you have to offer and interpret that in terms of benefits to the people that are going to be reading the ad. Now this urge that I spoke of, which should be at the bottom or end of every ad, is an urge to do something. Put in every advertisement an urge to call up, to write for further information, or to get in touch with one of our representatives; so that people who are interested in it will be urged to do something about it, not just read the ad, have an interest in it and, well, this is a nice-looking company and it looks pretty important, but I'll think about that later. Try to get them to do something about it as soon as they read it, because if you don't you're liable to lose them. And anybody who does anything about reading an ad after he has read it, is much more inclined to remember what he has read and learned, than if he didn't do anything. Even if it's only sitting down and cutting out a coupon, or addressing a post card, or writing in to the company asking for further literature. Now we

devised something to give away for people who wanted to do something about it. We go through the ad and then down at the bottom urge them to write for our case book. This case book was a composite, basically, of the cases that were running in the advertising. Here's the cover of the case book. This is a very muddy photostat, I apologize for it, that cover is in two colors and then inside on the first eight pages were actual resumes of the cases that had run in the advertising. The Case of the Missing Bride, The Case of the Double Accident, The Case of the Forged Document, The Case of the Lively Corpse and others, and then it followed through at the end of the booklet in explaining in detail just what title insurance was and what it did and how it could help property owners. And right there in the book was a return post card so that the person could act further, if they were interested, and send the card to the company so that something could be done about it.

Word of Mouth Advertising

Now, your business is rather singular in the fact that it does not have salesmen out on the street. You don't send people out drumming up business the way other companies do that are selling services or products. There may be exceptions to that that I don't know of, but by and large there are not salesmen out in the streets selling your service, so you've got to do something else to sell it. You can't expect it to come in over the transom. You can't expect people who have had losses, as in the case of fire insurance, to spread the word around wide enough for enough new customers to come in. You've got to go out and dig them up, and you're not going to get that other 70 per cent of the business that you don't have now unless you do something to dig them up.

A Big Job to Do

Advertising is an excellent way of getting this sales message across. Advertising has been described as a salesman with a thousand legs, as a matter of fact it is, because it gets in the thousands of places where one particular person couldn't possibly get in. Now, let me caution you against advertising too little, because more money is wasted in under-spending on advertising than is wasted in over-spending. If you cannot spend enough money to do an adequate job, it would be better if you spend nothing at all. And by an adequate job, it depends entirely upon the circumstances in your particular community. About the size space you would buy in the newspaper, or the amount of time you might buy on the radio, but whatever you do make sure that it is done first with good counsel, with good advice and I heartily recommend that you get an advertising agency who are specialists in the business, just as you're specialists in yours to help you with it and make sure that it is done in sufficient quantity to do the job. But the most important thing

is, advertising is your sure way of selling and getting your name out and getting your story across. You've got a big educational job to do and the only way you can be sure of getting it done is paying for the space to carry the message. You cannot rely on publicity, publicity is excellent, but publicity doesn't always come when you want it to come. Where as if you pay for the space for advertising, it can. I think it can do a tremendous job for all of the companies involved, as many of you have already found out.

SOL M. GELMAN

Printer, Advisor to Philadelphia Real Estate Board, Philadelphia, Pa.

In every business, all businessmen are faced with the same problem. "How can I get my message to my customers? I know that if I could speak to him personally, I could explain each detail and make sure to emphasize



SOL E. GELMAN

those which I saw he did not understand."

Since this is not practical; it is impossible to try to speak to every customer in person, we must use other methods of communicating the same essential details which will "make the sale." One of these methods is by use of the printed word.

This is not the time for a development of the value of this medium, but we can discuss some of the factors which you can remember when you use printing to convey your message.

There are two main types of printing in common use: Letterpress Printing and Offset Printing.

Letter Press Printing

In letterpress printing the type itself is inked by rollers and the paper is printed directly against the type.

Off-set Printing

Offset printing is a form of photographic lithography made by printing

ink picked up by a rubber mat from a zinc photographic plate on a sheet of paper.

When the question arises "Which method shall I use, offset or letterpress?"—the only answer which can be given is this: Your specific job determines the process to be used! Price alone is not the determining factor.

Letterpress, the more conventional and older type of printing, is unsurpassed for faithfulness of tone and sharpness of detail. Photographs especially can be produced by letterpress more advantageously and clearly than by the other method.

Offset is apt to be less costly when elaborate illustrations such as photographs or drawings or many of both are involved. When type is no longer standing, a previous piece of printing can be photographed and printed by offset. Sharpness of detail, however, is not as marked in the offset process as in letterpress.

Each printed piece, however, deserves individual consideration. One process should be chosen in place of the other only when all of the advantages of each in relation to the specific job are considered.

When to Use

A general rule can be—when a great deal of composition or text is to be set, use letterpress. When a great deal of art work and photographs are to be used, use offset.

Type

No matter which printing process you choose, a great deal of the planning should go to the consideration of the style of type. Selecting type is a matter of common sense. How large is the space? Is there much copy? Both the layout and the type face selected must put the least possible strain on the reader's attention. Never risk tiring a reader's eyes. Above all, confine extraordinary or novel type effects to the display, leaving the text as simple as possible.

It is a common impression that type by its form alone can suggest almost any quality: masculinity, femininity, dignity or lack of dignity, antiquity, modernness, cheapness, exclusiveness, etc. Within reason this sort of suggestion is possible. A heavy bold face type is likely to look strong because we associate weight with strength. For the same reason, almost any light face, italic, or script may effect delicacy and may add a flavor of grace or movement. Tall, upright characters appear dignified and provide formality.

But the most important consideration in printing is that the reader will get exactly the impression that you wish him to get. Only through a knowledge of the reader, his background and experience can you best design the appearance of the message and select type for your printed piece.

To Emphasize

If a particular passage in your copy deserves emphasis, there are several

ways of making the word, the line, or the mass of type stand out on the page: size, darkness, unusual shape or location in or near the white space. But make sure the type does not call more attention to itself than to the idea that it conveys, for them the sales effect of the advertisement is in danger.

A moderate amount of distinction is permissible so long as it is only a flavor of differentness, but a little flavor goes a long way. Avoid too much emphasis. "All emphasis is no emphasis." The attempt to make everything stand out will either kill contrast or set up competition which distracts the reader's attention instead of focusing it on the thought.

In general, far too little consideration is given to page arrangement. Few type faces in common use could be called not legible. One or two type faces may be more important than the others according to lighting, manner of reading or even the age of the prospective reader.

Common Errors

Avoid using type which is too small or too light. If it is necessary to cut your copy to fit the space in legible type, do it! With in reason, the blacker the character, the easier it is to read. But there must be enough white space inside and surrounding the letter to make its shape clear. When the weight of the letters is too heavy, the value of the blackness begins to disappear, even more as the size decreases. The Bell

Telephone Company, found, after considerable research on type faces for their directory, that merely allowing white space around a letter was not enough. In order to improve legibility, it was also necessary to increase the white space within the letters.

Expert Counsel

It always pays to consult and be guided by a person who has made thorough study of types and printing processes. Your printer, or advertising man can assist you in determining which type faces are best for your message after you have thoroughly explained your sales message to him, the medium you wish to use and the character of the reader whom you seek to reach and impress.

No consideration of planning and producing a printed piece should fail to consider how you can get the most of your printing dollar. There are many economies that can be made in the production of printing.

Select the right printer, one whose equipment is designed to produce your job most economically. High speed multi-color presses for printing large runs are inefficient for producing deluxe letterheads, forms and small folders in small quantities.

The Lay-Out

Figure the requirements of space. Fit the copy to the layout before it is sent to the printer in order to avoid expensive re-setting.

Correct the copy before it is sent to the printer. Changes on a typewriter

are less expensive than on a linotype.

Use standard sizes of paper. Often a slight reduction in the overall size eliminates waste and saves money. A fraction of an inch may save dollars.

Consider alternate paper stocks. Allow your printer to recommend alternate stocks. The use of odd lots which a printer may have on hand will often save both time and money.

Plan in Advance

Avoid overtime charges. Plan in advance to allow the printer as much time as possible. All printers must charge extra for overtime and you can avoid the charge.

Re-use art work and plates which you already have on hand.

Seek and heed competent counsel. Your printer or advertising counselor can help you design your job so that its effectiveness and quality will be improved and at the same time, the cost may reduce.

Print Enough

Make sure that you are printing enough. Re-running a job is costly. A thousand extra copies printed during the original run will cost only a fraction of the cost to return the job later.

These simple facts are not designed to make you printing experts.

With proper planning, an alert eye for new trends in printed advertising and a conscientious printer or counselor you can improve the appearance and the effectiveness of your printed sales messages, and yet keep the costs well within your budgets.

Report of Committee On Advertising and Publicity

HART McKILLOP

Chairman, Vice-President, Lawyers Title Insurance Corporation, Miami, Florida

My predecessors in previous years have set a pattern for this hour heavily spiced with wit and humor. I regret that this report may be disappointing in that respect for my abilities in that field are decidedly limited.

An American who was being entertained by an Englishman at his London Club was perplexed when he entered the lounge and heard first one old duffer then another call out a number which in each instance brought forth considerable laughter and guffaws. In explanation of this weird performance the American was told that the favorite stories of the members of the club had been told and retold so many times that they were well known to all, so in order to save effort and time they had numbered all of their stories and now told them by calling out the numbers. The American was so engrossed with the idea that he asked leave to join in. He was shown a list of the stories and selected one which he thought was quite funny. At an appropriate lull the American called out "Number 52." Silence reigned and as he looked about

the room he met nothing but dead-pan expressions. He turned to his English friend and said, "Why, I thought that was a hell of a good story." To which the Englishman replied, "There was nothing wrong with the story old chap, it was just the way you told it."

A Working Committee

I have had the unique experience this year of being Chairman of a committee the members of which rolled up their sleeves and worked. I am sure that no committee chairman has ever had the honor and privilege of being associated with a more cooperative and willing group of men. Rather than take the efforts of National Headquarters for granted, which is all too frequently the case, I wish to publicly acknowledge the unstinted help and assistance which Jim Sheridan's office gave our committee throughout the development of our program.

The Committee on Advertising and Publicity was not organized until late in the year and because of the limited time we restricted our activities to two major projects, viz: (1) The development of an educational panel on advertising and publicity for the convention program, and (2) the perpetuation of the Annual National Advertising Contest.

Down to Earth Information

Believing that it is just as important to give consideration to the creation of future advertising as it is to study that which has been done in the past, it was the objective of the Committee to develop a panel which would bring forth some down-to-earth information on the subject from experts in that field. We were extremely fortunate in obtaining the three following gentlemen as speakers on this panel: Mr. Lee Cooper, Real Estate Editor of the New York Times, who was assigned the subject "What Constitutes News from the Publicity Angle"; Mr. William Dugdale of the firm of Van Sant and Dugdale, Advertising Counsel, Baltimore,

Maryland, who was assigned the subject of "Advertising Lay-Outs and Advertising Psychology"; and Mr. Sol M. Gelman, Printer and Adviser to the Philadelphia Real Estate Board of Philadelphia, Pennsylvania, who was assigned the subject "Type Selection and Composition."

Second Annual Contest

In conducting the Second Annual National Advertising Contest the Committee followed closely the trail blazed by Harvey Humphrey and his committee in 1948. There were three changes made in the contest rules of the previous year, to-wit:

1. In awarding the capital prizes the dividing line between small and large companies, which was fixed at a capital and surplus of \$500,000.00 in 1948, was raised to \$1,000,000.00 this year.
2. The rule which precluded a company which had an officer or employee upon the Advertising and Publicity Committee from entering the contest, was modified to permit such companies to compete, with the distinct understanding that the committee member from such company or companies would not be allowed to vote in judging the entries in categories in which his company competed.
3. The judging of entries was deferred until the first day of the National Convention after all entries were placed on display in order that the judges might have a better opportunity to compare and evaluate the entries.

All of the foregoing rule changes were made with the approval of National Headquarters.

Judges

Because of the inability of Harvey Humphrey, Paul P. Pullen, Richard M. Dunn, W. Coverly Fischer, and Don B. Nichols to attend the National Convention, President Frank Kennedy, at their request appointed James R. Ford, Fred R. Place, Clarence Burton, Harold Beery and A. A. McNeil, as alternates to serve as judges of the contest entries.

We now come to the Big Moment—the climax of this Committee's activities—the awarding of the Contest prizes. The first award is the Grand Perpetual Trophy "for the most effective advertising program carried on during the year by any abstract, title or title insurance company in the Association."

During the war a Negro soldier showed up in a small southern town proudly wearing two or three dozen sharp-shooter medals across his chest. The citizenry took silent notice of this display until one day a patronizing old codger asked, "Boy, do you always hit the Bull's Eye when you shoot?" "No Sah!", replied the Negro, "I don't always hit it—but, when I misses, it causes talk."

Winner of Perpetual Trophy

For the second consecutive year, the

winner—American-First Trust Company of Oklahoma City, Oklahoma. Bill Gill, will you please come forward. Permit me on behalf of the entire Association to congratulate you upon the pre-eminent advertising job which your company is doing. The judges cast a unanimous vote in favor of your company for the Perpetual Trophy.

The next award is the Annual Capital Prize, consisting of a bronze plaque for "the best single ad, series of ads, publicity story or series of publicity stories during the year by an abstract company." The winner—The Boulder County Abstract of Title Company of Boulder, Colorado. Will Hick Hickman please come forward and receive this award.

Annual Capital Prize

We now award the Annual Capital Prize, consisting of a bronze plaque, "for the best single ad or series of ads, publicity story or series of publicity stories, during the year by a title or



HART McKILLOP

title insurance company whose combined capital and surplus exceeds \$1,000,000.00, or which employs outside professional advertising counsel." For the second consecutive year this award goes to Home Title Guaranty Company of New York for the overwhelming number of fine publicity stories which were carried during the year in metropolitan newspapers. Will Harry Davenport please come forward and receive this award.

Another

Next is the Annual Capital Prize, consisting of a bronze plaque, "for the best single ad or series of ads, publicity story or series of publicity stories, during the year by a title or title insurance company whose combined capital and surplus is less than \$1,000,000.00 and which does not employ professional advertising counsel." The winner—Title Guarantee and Trust Company of Birmingham, Alabama, for their series of unique ads built around

antiquated epigrams. The judges graded these ads high for attention value. Will Maclin Smith please come forward and receive his award.

Certificate of Merit

We now come to the awarding of the Certificates of Merit. These certificates are suitable for framing. The Committee was unable to find facilities in Atlantic City for the placing of the names of the winners on the certificates in acceptable style. We have arranged with National Headquarters to attend to this promptly after the adjournment of the convention and the certificates will be mailed to the winners from Detroit. In order to expediate the awarding of the certificates I request the persons present representing the respective winners to stand as the names of the winners are announced.

Classification A

In classification a, covering newspaper and magazine advertising, the winners are as follows:

- First award: Burton Abstract and Title Company, Detroit, Michigan.
- Second award: Title Insurance & Company, Los Angeles, California.
- Third award: Land Title Bank and Trust Company, Philadelphia, Pennsylvania.

Classification B

In classification b, covering booklets, pamphlets, financial statements, etc., the winners are as follows:

- First award: Title Insurance and Trust Company, Los Angeles, California.
- Second award: Home Title Guaranty Company of New York, New York.
- Third award: Lawyers Title Insurance Corporation of Richmond, Virginia.

Classification C

In classification c, covering blotters, the winners are as follows:

- First award: Union Title Insurance and Trust Company, San Diego, California.
- Second award: Abstract and Title Guaranty Company, Detroit, Michigan.
- Third award: Lawyers Title Insurance Corporation, Richmond, Virginia.

Classification D

In classification d, covering direct mail letters and series of printed messages, the winners are as follows:

- First award: Lawyers Title Insurance Corporation, Richmond, Virginia.
- Second award: Reliance Title Company, Santa Ana, California.
- Third award: Security Title Insurance and Guarantee Company, Los Angeles, California.

Classification E

In classification e, covering miscellaneous advertising, novelties, gifts, etc., the winners are as follows:

- First award: Pearl K. Jeffery, Columbus, Kansas.
- Second award: Guaranty Title Company, Tampa, Florida.

Third award: Security Title Insurance and Guarantee Company, Los Angeles, California.

Classification F

In classification f. covering business and office forms, legal forms, maps, title policy or abstract covers, etc., the winners are as follows:

First award: Union Title Insurance and Trust Company, San Diego, California.

Second award: Security Title Insurance and Guarantee Company, Los Angeles, California.

Third award: Home Title Guaranty Company, New York, New York.

Classification G

In classification g. covering publicity releases, the winners are as follows:

First award: Home Title Guaranty Company, New York, New York.

Second award: Land Title Bank and Trust Company, Philadelphia, Pennsylvania.

Third award: Title Insurance and

Trust Company, Los Angeles, California.

Classification H

In classification h. covering radio advertising, the winners are as follows:

First award: Chicago Title and Trust Company, Chicago, Illinois.

Second award: Southern Title and Trust Company, San Diego, California.

Third award: The Abstract Corporation, DeLand, Florida.

Classification I

In classification i. covering house organs or company publications, the winners are as follows:

First award: New Jersey Realty Title Insurance Company, Newark, New Jersey.

Second award; Union Title Insurance and Trust Company, San Diego, California.

Third award: Security Title Insurance and Guarantee Company, Los Angeles, California.

Classification J

In classification j. covering posters, display card and exhibits, the winners are as follows:

First award: Lawyers Title Insurance Corporation, Richmond, Virginia.
Second award: Southern Title and Trust Company, San Diego, California.

Third award: Pearl K. Jeffery, Columbus, Kansas.

Our Committee is grateful for the splendid support which the contestants have given to our efforts. Our advertising exhibits this year are the best and most extensive in association history. The increased interest in advertising shown by the association members this year is extremely gratifying.

With the sincere hope that we may have made a small contribution towards the stimulation of interest in one of the most vital aspects of our business, your committee brings its functions to a close.

The Abstracters National Program

Mr. Chairman, ladies and gentlemen of the Section, if you in the back of the room can't hear me, I hope you'll yell right out loud. It seems rather good to occupy this rostrum which I occupied with so much pleasure to myself perhaps without profit to the assembly for the two years previous. I really enjoyed the work of the Abstracters' Section, even though I am perfectly willing to admit at this moment, that the job I did is not at all comparable to the job Joe Meredith is doing now.

It's rather difficult for me, and perhaps for some of you, to get up rather early in the morning to give a talk. I was awfully glad that we had a little singing, because it indicated to me that I still had enough voice so that I could be heard in some sections of the room, at least.

Yes, A Selfish Interest

We start talking about an abstracters' national program, we've got to consider, at first that the work program must mean the will and the ability to accomplish a selfish ambition, and frankly stated, that is what it is. Any ambition that we may have for our own good, necessarily must be selfish, and when we lay out and start to work on a program, we figure that we're going some place for our own interests, and therefore, it must be selfish. We're not at all like the hill-billy who built a new cabin for his bride, and when he took her there, he showed her proudly around the one-room that it contained and says "How do you like it?" She says, "Just swell, but where's the door?" He said, "What do you want a door for, are you going some place?"

EARL C. GLASSON

President

*Black Hawk County Abstract Co.
Waterloo, Iowa*

Well, that's the way with us. Are we going some place? I think we are, of course. We'll do it by means of some kind of a program through our National Association. I think it's perfectly obvious to all of us that any result we get from any program that we lay out for ourselves is not going to be the result of an individual effort on the part of any one man or any small group in the Association, but rather by the means of a collective effort which we can generate as a group. I don't think it's necessary to enlarge on that particularly, except that I'd like to illustrate it by taking just a passage of one of the canned speeches that I've given around the country. By paralleling the results of collective efforts with the Roman fasces which is, as you know, just a bundle of sticks tied together and by reason of their coherence, they obtained great strength. You can take any one of the sticks and break it easily in your hands, but half a dozen or more of them tied together will not break, even in the hands of a very strong man. That's organization. That's what organization does. It strengthens the effort of the individual to the extent that the effort really amounts to something.

No Conflict of Interest

The American Title Association, as of this year, is about 43 years old. That's getting along to a venerable old age. As I remember it, in the early days, it was known by some such name

as The American Association of Title Men. It was composed entirely of abstracters, because in those days there was comparatively little title insurance written. Title insurance was almost a brand new idea, but by and large, the Association was composed of Simon pure abstracters, just as you and I are today. But with the growth of title insurance, the idea of title insurance, there seems to have arisen an idea in the minds of some that the interest of the title insurer is in conflict with that of the abstractor. I can't see it, myself. I can't see how. The interests of two sections of an industry, both of whom start from the same point, progress together, parallel their efforts to a certain point, then one ceases, the other goes on in the service he renders to his customer. Both the abstractor and the title insurer start with the search of the records in order to determine the quality of the title. The abstractor compiles his data in orderly form which can be handed to an examiner for his convenient perusal and opinion. The title insurer takes all of that perhaps bypassing one step in the process and then goes on further and covers risks which are not covered by the abstractor. That is the only fundamental difference, in my humble judgment. Last year Ken Rice came into this section and gave a little talk he called "We All Sell Groceries," and that was the gist of it. Actually, we are both carrying our eggs in about the same container. That we are doing the same work, and therefore, it's rather difficult to visualize any great conflict in our work. If that be so, if there is a community of interest, and a community of desire to serve, then

the abstracters as such, do not have a national program that differs fundamentally from the program of any other section of this great Association of ours. Carrying that thought on, we come to the logical statement, that the program of the American Title Association is the abstracters national program. What has been that program in the past? Well, I think you're all quite familiar with it. A dissemination of all kinds of information with respect to new equipment, new methods, new ideas, new policies, and all that sort of thing. It's been invaluable to most of us who sitting in our own individual offices could not possibly have accumulated the wealth of knowledge which has come out of the collective minds of the American Title Association. We could not possibly, no matter how long we sat at our desks and gazed at the blue sky and cogitated—we could not possibly have come up with the wealth of ideas and information which has come out of the Headquarters of the American Title Association. But I deem that rather a minor part of the American Title Association program.

In Washington

I think that the most valuable thing which the American Title Association does for an abstractor or title insurer is the fact that it has built up for itself a position where it is able to watch all the developments in our national capital, in our state capitals and among ourselves, which may have a bearing on the progress or, let us say, the effects of circumstances on our business. Now I can give you a few, little examples of that. It was only a few years ago that in one of the states on the west coast, there was a rabid agitation for compulsory title registration. The American Title Association's file on that was immediately sent to that state and with the assistance of that file a splendid defense against the enactment of such legislation was built up. The legislation was defeated handsomely and the title business goes on. That is only one of the few things we learned through the American Title Association that we are in danger, perhaps, of being construed as being in inter-state commerce, and if we are, and I believe we are, we are subject to the wages and hours laws, we're subject to the Sherman Anti-Trust Act, and all the other statutes which have to do with inter-state commerce.

Federal Cases

Sitting in our own offices, sure, we could have gotten that information, we could have briefed the law, we could have laboriously read the cases and history of the Supreme Court, could have delineated the ideas and ideals of personnel of the Supreme Court so as to guess what would have been a decision in a case involving our particular industry, but we could have also hired counsel to do it for us, and in neither event could we have done it to our advantage, the way the American Title

Association has done it for us, without any cost to us individually, we have gotten the idea across to our people that we are in inter-state commerce, let us govern ourselves accordingly, let us conform to the laws, and thereby save ourselves much trouble in the future.

Relations with Federal Agencies

The relations the American Title Association maintains with government agencies is extremely valuable to us. For instance, there's the Veteran's Administration which had in the past few years, under their control our Serviceman's Rehabilitation Act, under which we hired many GI's, educated them in our own business, some of them made excellent workmen for us. Others didn't, but that's the chance we take. Nevertheless, the program was set up primarily through the efforts of the American Title Association. The Justice Department, which has in hand the purchase and sale of real estate for certain departments of the government. We maintain very close liaison with them. The War and Navy Department,



EARL C. GLASSON

the HOLC, the RFC, and so on, down the line. I'm sure you remember back in the days of '34 and '35 when the HOLC dumped on us, in nearly every instance, a volume of business which was 100 per cent larger than we were in shape to carry, had in mind that they would form their own corps of abstractors and go around the country making their own abstracts of title. The same thing happened during the war in the War and Navy Departments, but through the contacts of the American Title Association, they were convinced that not only would they not save any time by sending their own people around to do the job that you and I were physically unable to do for them as fast as they wanted it done, but they would not get nearly as good a job as we could give to them if they were willing to wait for just a little

while until we could. As a matter of fact, most of us gave preference to that kind of work, because we realized the importance of it. Particularly was that true, in the case of the war effort, but it was the American Title Association, ladies and gentlemen, who convinced those departments that their interests lay in giving that business to the members of the American Title Association who would, so far as they were physically able, give them everything they possible could desire. Contacts with the national lenders are extremely valuable. Time after time some small item of friction will arise between the national lender and abstractor. I remember in my own state, some years ago, a new method of charging fees was instituted. The national lenders were amazed that any abstractor would have the timidity to charge for his work on that basis. Through the friendly contacts that the American Title Association maintained with the national lenders that particular phase of friction was eliminated and from then on the idea which was the valuation charge has grown and grown and grown until many, many of you are using it. Now, that's valuable. Those contacts, those appearances in your behalf and mine are extremely valuable to us and they have been part of the American Title Association program for abstractors, but for abstractors and title men is a better expression.

A Closely Knit Body

I think the American Title Association is progressive in its ideas, with respect to a program of work. Perhaps not as progressive as the young man who was described as being perhaps progressive, but it was a little hard to say, because he wore last year's clothes, drove this year's car and lived on next year's income. No program is worth a dime to anyone unless it contemplates going on and on without interruption as long as the need for it exists. Therefore we come to a consideration of what shall the future program of the abstractors be. Well, that's a little difficult to say. We have, as one of the good organizations in our association, the planning committee, which is continually trying to see that points which they have determined in the past are advantageous to the members are accomplished. Let me tell you that there's nothing slow in the way they tell the Board of Governors what they think about this and that and the other thing. They are alive, they are progressive, they say very frankly, "We're going to keep beating at you and beating at you until you do it," and it'll be done, so far as finances permit. Everything that they recommend, with a very few exceptions, have been started and are being carried on or at least, are being planned. But nevertheless, you must consider that the American Title Association, as you and I view it, as composed of individuals; and to just a comparatively few individuals—the Board of Governors and some major committees and the officers,

do we look for the initiation of steps in any program. And the unfortunate part of that is, that all these people are just merely human beings such as you and I. They cannot, by any stretch of the imagination, be construed as being omniscient, or particularly clever. They may have some bright ideas, but they don't know what is in your mind. Therefore, the abstracters' program, or rather the American Title Association program for the abstracter, in the future, largely lies in your laps. It's up to you to determine what you want done, submit it to the proper quarters and let the officers and the governors canvass the idea. I have no doubt that out of your collective experience and your collective desire, your local knowledges that some very constructive ideas can be had. Your officers actually desire to serve you—your Board of Governors, and your committees want to be of the greatest service possible to you, but they cannot be if you leave it entirely to them. Not only must you give them your support, but you must give them your ideas.

Improved Public Position

It hasn't been so many years ago, ladies and gentlemen, that when a man in the Pullman smoker, for instance, said, "What is your business?" and you said, "I make abstracts of title." If he knew anything about abstracts of title, he said, "Oh." If he didn't know anything about abstracts of title he said, "What is that?" And you launched into a long explanation of what an abstract of title is, and what it does and so forth. The ignorance which then prevailed about our business has been somewhat dissipated. We have not at all gone to the extent to which we should have, and yet we are somewhat better known. I think we command more respect among the business men of the communities, in which we operate, than we used to. I know very well that every one of you had experiences which parallels mine, in that years ago, if my company made enough

money to pay its salaries and have just a little bit left over at the end of the year, as a sort of a sock to the stockholders, we figured we had a pretty good year. But it's a different picture today, isn't it? Surely circumstances and the time have had a good deal to do with it. But, don't forget that the efforts of the American Title Association to strengthen your own faith in your own business have done more than the mere matter of inflation, or the mere matter of a land office business in one or two or three years.

Better Public Relations

Today we occupy a position which cannot be compared with that which we occupied twenty years ago. Most of us have revamped our offices, so as to make them attractive and appealing and dignified. Nearly everyone of us has taken that pride in his business that he has tried to educate himself to do a little better job than he was able to do before. Nearly every one of us has taken to heart the urgings of the ATA, that we become a public relations counsel of our own. Obviously, we cannot all employ it. And we go out, and we talk to civic groups wherever we get a chance to explain ourselves and present ourselves in the light in which we think we should be presented. All those things have changed the picture entirely with respect to abstracters of the nation. Now we are a respective group. We charge substantial fees, surely, but we give much better service, we do much better work than we did before, and behind us lies a much greater financial stability than we ever enjoyed before. All those things may have happened, ladies and gentlemen, but I doubt it, unless we had formed ourselves into a group like the American Title Association and we had through the accumulation of knowledge and the dissemination, of information, one to the other, made it possible ourselves. The value of organization cannot be too highly magnified, and the value of a

program of work looking toward our selfish interests cannot be denied as being good for us.

For the Public Good

In all of these changes that have come about, we have not done one, single thing within my knowledge, that has been detrimental to the interests of the land owner or of the forwarder of the business to us. We have constantly kept in mind that those interests are paramount to our own, and we have endeavored whenever we made a change of any kind, either in operations or in the amount of fees we charged our customers, to realize that our primary duty was to serve our customers. Doing that well, as has been said before, our remuneration takes care of itself.

I have made the statement before and I'll make it again that twenty years ago we were in a business which rated pennies. And today we are in a business which rates dollars.

The Abstracters National Program, to use the title of this little talk, is yours to determine. Your officers will be more than pleased to have your ideas, solicit them frankly and sincerely, and they hope that you will respond.

Let's Stick Together

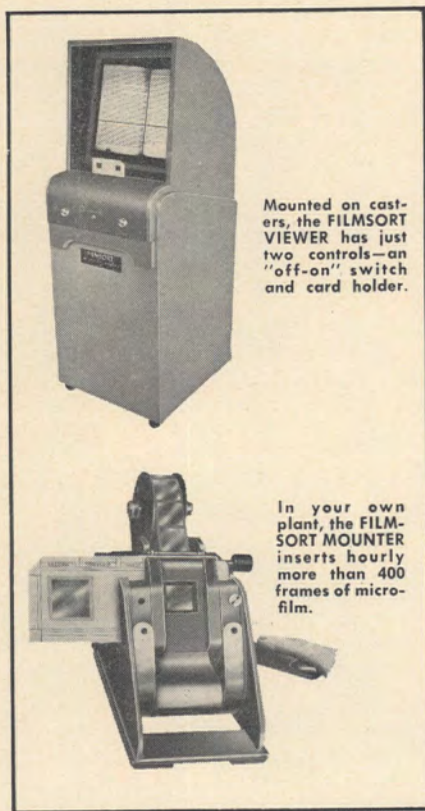
I was raised in an old German community and I remember one old gentleman who never mastered the English language very well, but who was rather a philosopher and who felt, who knew, that one could not accomplish alone what he could accomplish with others. But he had a rather homely way of expressing it, and he says, "Never can we do it unless we schtick like glue together." And that's the American Title Association. We can't do it unless we stick like glue together. Whatever the abstracters national program may be in the future, it's going to be to your interests, but I ask you again to consider that the program must be yours to determine, not that of the officers. Thank you very much.

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Eliminate the costly operations. A file card with microfilm in it does away with comparison of manual take-off, extra trips to the court house for more information, bulky bound records, storage of microfilm in reels, space-consuming and expensive copies.



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In your own plant, the FILMSORT MOUNTER inserts hourly more than 400 frames of microfilm.

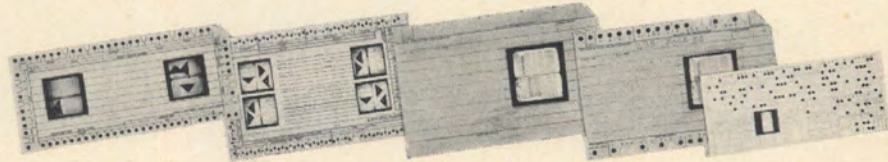
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West of the Mississippi River, please address
 MICRO RECORD, Inc., P. O. Box 2840, Boise, Idaho

Predictions on The Title Insurance Business

A PANEL DISCUSSION (1949 Convention)

Members of Panel:

J. W. Goodloe, *Moderator, President*, Title Insurance Co., Mobile, Ala.

Paul Goodrich, *Vice-President*, Chicago Title & Trust Company, Chicago, Illinois

Fred R. Place, *President*, The Ohio Title Corp., Columbus, Ohio

Edward T. Dwyer, *Executive Vice-President*, Title and Trust Company, Portland, Oregon

Leo A. Reuder, *Vice-President*, Title Insurance Company of Minnesota, Minneapolis, Minn.

John C. Thompson, *President*, New Jersey Realty Title Insurance Company, Newark, N. J.

PAUL W. GOODRICH

Whether anyone can see clearly just what developments are ahead of us in the title business in 1950 is extremely doubtful, and the entitlement of our panel "Predictions on the Title Insurance Business in 1950" seems to involve the use of a crystal ball which we certainly don't possess. Nevertheless each one of us has a responsibility to appraise carefully the current situation, to analyze whatever trends are available, and to make such plans as we can to insure our being able to care for the needs of our customers as they develop in the future—and at a profit to our stockholders.

The Record Shows

In the time available to me I want to discuss briefly current developments in several areas as they affect the kind and amount of title guarantee business we may expect, with an analysis of what will be the effect on our personnel program and on our plans for advertising and public relations.

For the first half of this year our guarantee business was about 12% below the first half of 1948. The third quarter will be about 6% below the same period in 1948 and for the first nine months of 1949 will be about 10% below the first nine months of 1948.

Home Festival

Normally the period from November 1st to April 1st is slow seasonally and this year we see nothing that would change the pattern. However, next year as a whole we anticipate a volume of business at least equal to our business in 1949. The market for older homes and for higher priced homes has been declining for some time, but the market for the lower priced homes has shown a firmness in recent months which indicates that in this segment of the housing picture we can look for a substantial increase. In the Chicago metropolitan district, a Home

Festival sponsored by the Chicago Tribune and the Chicago Metropolitan Home Builders is in progress and has attracted a large volume of visitors. There are homes in every classification being exhibited and marked enthusiasm is being shown, particularly for the lower priced package home. In one new development, more than 1500 visitors were present on one day to inspect a home that was priced at \$10,250



PAUL W. GOODRICH

with a down payment of \$995 to veterans or \$2,250 to non-veterans.

Industrial Property

Since 1946, a substantial part of title guarantee orders has come from industrial expansion. Many plants have acquired additional property or have been involved in large financing operations which have required title guarantee policies. While we will continue to get business from the expansion of

industrial facilities, it is believed that for the immediate future this type of activity may be curtailed.

Returned to Tax Rolls

There is continued interest in Illinois in clearing delinquent taxes by means of tax foreclosures. In recent weeks the period for which delinquent taxes may be included in a tax foreclosure suit has been extended to include taxes for the year 1946. In order to file a suit of this kind, information concerning the ownership of the property, the liens against it and the tax situation is required and this type of business will continue to account for some of our orders. The most important aspect of this activity, however, is the fact that the property so cleared of taxes eventually will be built upon and it is in the sale and financing of these new houses that substantial title guarantee business will be obtained.

Apartments

There is beginning to appear a small number of orders where apartments or other large rental developments are involved, but any substantial volume of this type of business probably will not appear until rent control has been abandoned.

Slum Clearance

One large project involving Slum Clearance has been commenced under legislation recently made available in Illinois. Not only from the title orders that are directly involved, but from activity in the neighborhood that is stimulated by these projects, will come some additional title guarantee business.

Trends

With a year ahead that contemplates some of the foregoing developments, may I list some of the trends we are now experiencing as they affect our personnel policies and plans for 1950?

1. During 1949 the number of personnel tended to be stabilized.

2. With orders reduced to below 1948 volume, it was possible to continue to operate efficiently without any substantial hiring of new employees and without the necessity of replacing many of those who left.
3. A relatively stabilized staff permits and requires some long range planning that was not possible when we had difficulty in getting sufficient personnel to handle our requirements.
4. It is now possible to be considerably more selective in the hiring of applicants than heretofore.
5. We still have need for beginning typists and stenographers and find that the supply is still unequal to the demand. Further, the quality of those who are available is not adequate and the cost of new trainees is exorbitant. In all our other needs for new employees, we find that at the present time, and for the foreseeable future, we will be able to hire in sufficient number and of higher quality than in the past.
6. Because of this development we have been carrying on and intend to intensify a program of careful analysis of our short service personnel—that is under five years of service. It is our belief that an extremely rigid standard for employees in their early years with the company will enable us to eliminate those who will eventually make only mediocre employees and who will become unhappy and frustrated if they are permitted to accumulate long experience.

Supervisory Employees

With a more stable work force and with less inclination on the part of employees to leave to seek other employment, we are planning to extend and redouble our efforts in two fields to develop and maintain a higher degree of employee morale. One is a specific integrated program of supervisory training. We are sure that first line management is the supervisor, and we want to do two things, first to make him know that he is on the management team by giving him more information, and by helping him to see what management is trying to accomplish. Second, we will give him specific training in accepted management techniques to enable him to meet and serve his day to day employee relations problems. This latter we are trying to accomplish through furnishing him material on supervisory questions supplemented by small group meetings where this material can be discussed.

Salary Adjustments

Throughout the last year we have recognized with salary increases all promotions to more important positions that have carried more responsibility and this, of course, will be maintained. In our 1950 program for salary administration we plan to emphasize our job

evaluation and merit rating plans in order to be able to recognize with increases in salary all situations where there is increased efficiency or growth on the job. We have participated with a number of other local companies in periodic studies of wages and the cost of living. Salary increases in the last several years have included a recognition of the fact that the cost of living had advanced. We intend to continue these studies and unless it is demonstrated that the cost of living has again increased, our wage adjustments will be based upon the level of job difficulty and the degree of efficiency with which an individual discharges his duties.

Due to the fact that the cost of living has risen so substantially over the last few years and we have kept pace with it in increasing salaries to meet the increased cost of living, our cost of doing business has also risen. I



FRED R. PLACE

believe that all of us are finding a break-even point that is higher than ever before in the history of the company. It has been much easier to increase wage levels than it will be to decrease them, and I believe that 1950 will be a year when all of us will spend an increasing amount of time in our efforts to obtain greater productivity from our staff. I believe there will be several factors at work in 1950 that will help in these efforts.

Efficiency

First, in a market where there is little turnover, we build a more efficient staff where the average worker is more experienced. Also we are finding that the problem of wasted time tends to take care of itself, and less time is spent on this problem by the supervisor.

Grievances

The second need in this area to which we plan to give more study and development this winter and in 1950, is a more adequate grievance procedure.

I believe that in any office where there is a staff of sufficient number to require several layers of supervision, that something more than an informal grievance procedure is necessary. For the past six months we have found some assistance on this problem from the operation of our new Suggestion System. Our present plans are to train the supervisors in the best technique available in avoiding grievances and handling them when they occur, and we shall continue our study for a better method that will recognize the point of view of the employee who has a grievance as well as the responsibilities of the supervisor.

Advertising and Publicity

In our advertising and public relations program, we anticipate more intensive efforts rather than any less activity. For the fifth year the company has sponsored the Chicago Symphony Orchestra. This year the musical program will be built around the semi-classical or so-called popular symphony program. This should widen our audience and bring the story of our activities to a larger number of people. Home owners or mortgagors, the people who ultimately pay the bill, are not the customers with whom we come in contact. Thru the radio programs we feel we can get across to this group the explanation of 'why a title to real estate needs to be guaranteed' and also a more accurate understanding of the vast amount of work that is necessary before a report of title or guarantee policy can be issued.

The Personal Touch

In addition to our regular program of advertising in newspapers and trade journals and our daily contacts with customers who come in the office, we plan a number of visits to the offices of our customers to describe our services and determine where they can be improved. Particularly during the period from November thru March, we can make available a number of highly competent, well informed members of the staff who will follow out a carefully designed program of calls on our customers in an effort to improve our service by understanding their needs better.

1950 I believe offers a challenge to all of us to develop and improve our staff of employees, to operate at greater efficiency and to serve our customers better.

FRED R. PLACE

I'm just a poor, little guy down in Ohio, and I don't know what's going to happen in 1950. I honestly don't, but I do know this, whatever it is I'm going to be in there pitching. I think that the prizes in 1950 will go to the fellow who is on his toes, works hard, uses his head and forgets about the cluttered office conditions that you just heard about. All you have to do is

shut your eyes, hold out your hand and it's full of business.

In the Near Future

I'll make another prediction. I just listened to this boy Ellsworth talk about this stuff out in Idaho. I can remember when the laissez-faire philosophy pervaded this whole outfit. At that time there were a lot of letter presses being bought to write with, all the mechanical devices being used. Reinsurance, the only experience I had with it was that I took a fifty thousand dollar slice of something down in Virginia and so help me I have forgotten who the originating company was, and that's all the reinsurance I heard of until this little discussion we had here. I'll make a prediction that in a year from now this business from the standpoint of publicity, operations, public acceptance will be a good many miles further than it is today.

EDWARD T. DWYER

If it were not for that little, inoffensive word, "why", I would feel free to say many things that I dare not say, for who among us can tell from day to day what bit of news from far off places may affect our whole economy.

Great Britain devalues its pound. Tito gives "Uncle Joe" the Bronx cheer. John L. Lewis sticks his needle into the mine owners' veins a little deeper. The people of India may get ideas of their own as to what it is going to take to keep them out of the Soviet sphere of influence. These and a million other happenings could affect the flow of business.

Fair

Assuming, without predicting, that no series of major upsets will arise to blight our picture, it is my guess that the title business in Oregon in 1950 will be fair, judging by today's standards. If in 1939 we were doing the volume of business we are doing today, we would have thought we were in clover. And we would have been, because our operating expenses, compared with 1949, were ridiculously low. I am confident that we could now handle 33-1/3% more business without increasing our overhead one dollar. Yet, we dare not reduce our major item, which is salary, until at least we feel that we have begun the downswing of what may be called a normal market. The war years are still too fresh in our memories to wish to again attempt to do a man's job with teenagers . . . A period in which we could have used ten trained title people for every one we were able to employ . . . A period when good accounts went to our competitors simply because their examining time was shorter than ours. How the titles were examined made no apparent difference to most real estate men. Their sole concern was to get a title report quickly and get their commission.

Signs

Many things point to a continuation of fair business. Oregon, may I remind you, enjoyed the greatest population growth percentage-wise in 1948 of any state in the nation—49.2%. We have much vacant, low-priced land, unlimited hydroelectric power for industry and irrigation, and may I say in all modesty, one of the finest, if not the finest, states in the union. California papers, please copy.

Many people are still able to purchase or build new homes if any when they are convinced there will be no material drop in prices, and the market has held surprisingly firm except in the higher priced brackets. Mortgage money is available to an extent never before seen in our area. Eastern life insurance companies, never before represented in Oregon, are now competing actively for loans.

Our Job

Now on the other side of the ledger.



EDWARD T. DWYER

It would seem that we in the industry have a job to do. First we must realize that sooner or later we must cut the cloth to fit the man. On today's market the only opportunity we have to increase our net earnings is to trim our cost of operation. Most of us, I believe you will agree, grew a little careless in the boom years and were inclined to reason that since we were spending a 10c dollar, we could, and did, spend money unnecessarily.

Competitive Mistakes

Another thing I see in the picture is the attitude of our competitors. They, too, enjoyed good business. They, too, are now confronted by the same high overhead and diminishing returns, and consequently are beating the bushes just a little harder than in years past for the available title business. Perhaps their anxiety to get title orders makes them less cautious than is consistent with good underwriting. It

may be that the relatively high standard of ethics we thought we had built up, during a period when all companies had all the business they could handle, will begin to disintegrate in the face of competition. God forbid.

Revision of Rates

Personally, I think the time is not ripe to seek an increase in our schedule of rates. It may be most of us missed the boat when the price of all commodities sky-rocketed except that charged by title companies. There is, however, I believe added income to be had by applying our schedule of prices strictly. It may be that minor adjustments here and there will bring in enough additional revenue to take care of some of our increased overhead.

For instance, in our jurisdiction where a mortgagee's policy is written in conjunction with an owner's policy for a fee of \$5.00, a rate by the way which was established when title insurance was first written in Oregon in 1909 and that rate put into effect simply to popularize title insurance, the rate could be increased to a certain percentage of the mortgagee's rate. Obviously, a \$5.00 charge does not begin to pay for the cost of running it through the stenographic department. Then, too, the practice has grown up in our state of furnishing additional title reports upon request, until now, in many instances we render half a dozen reports between the time the order is placed and the time the policy is issued. Certainly this practice was never contemplated when our title insurance rates were originally set up.

Cancellation Charges

All of us are doing a great deal of work on orders that are finally cancelled. And all of us, I believe, have grown rather careless in the manner of making a charge for the work done. It seems logical to me that our rates, which were changed but once, and that in 1939, and then only to the extent of upping our base rate \$5.00, were either incorrect when they were set up or are grossly inadequate now. And may I remind you that by reason of the burden of increased federal tax and the innovation of state excise taxes alone, we may be able to justify additional premiums.

Market Decrease

What, may I ask, is going to happen if the value of real estate decreases—the demand slackens—and our overhead remains on its present plane? It is some thing to think about.

New Avenues of Revenue

There is little I can see in the way of additional revenue through new sources of business. Unfortunately we can't sell our product by ringing doorbells. Our customers need title evidence at a specific time for a specific purpose. If the need be present, we have nothing to worry about. The years of 1944 to 1948 are sufficient proof of that fact.

Operating Expenses

Again I return to the theme that our best source of revenue will come from watching our overhead. One company in a community cannot do this job alone. All must unite in the same program else self-inflicted injury will result.

Title users, by reason of today's slower tempo have no need for 8-hour service. Speedy title service is desirable without question; but not at the expense of ruinous extra salaries necessary to produce such service.

L. A. REUDER

A few days before I left Minneapolis, I received a message from Mr. Goodloe asking me to pinch hit for our good friend, Jerry Horn, who unfortunately cannot be with us on account of illness. He, in all probabilities, would open his remarks on "Predictions on Title Insurance Business in 1950" by telling a good Swede story followed by a request that the convention committee select a good duck pass in Minnesota for its next meeting, especially if the convention is held at this time of the year.

We feel very optimistic about the title insurance business for 1950. There is no doubt that in the Northwest states where title insurance has not been in general demand, its use is growing rapidly. We all realize, of course, that F.H.A. and G.I. financing had a great deal to do with its promotion. Mortgage bankers, real estate brokers appreciate the benefits and security offered by title insurance. Mortgage brokers find it much easier to sell their mortgage securities when accompanied by a title insurance policy. Many attorneys who were very critical are now demanding title insurance.

Public relations is one of the most important factors in our business. While advertising in certain publications may prove beneficial, personal contact with the customer is of vital importance. We have not used radio advertising up to now. I talked to several title men, who informed me that the cost was almost prohibitive and the results not satisfactory.

Good and Efficient service to the trade in general is of primary importance not only in the acquisition of new accounts but to retain customers who are now using our title service.

We expect a great deal of building in 1950. While construction has kept up at a very good pace in most sections of our part of the country, the demand for housing, especially in the lower price range is still very great.

JOHN C. THOMPSON

Ladies and gentlemen, this is my first appearance on the platform before the members of the American Title Association and I am sure that you will soon decide that it will be my last, in-

asmuch as it is going to take me very little time to prove that I know little about the title business.

As you know, I have been asked to make predictions about the title insurance business in 1950. I must honestly admit that I haven't the faintest idea of what is going to happen to the title insurance business in 1950. So with your permission I should like to look further ahead and offer predictions as to what will happen to the title insurance business, let us say, in 1980.

Frankly, at the moment I do not even know why I am looking forward that far. In 1980, ladies and gentlemen, I am positive that the clients of my company and the clients of your companies will still be raising questions as



JOHN C. THOMPSON

to what they term our excessive charges. In 1980 I am sure, too, that the gross income and the net income of New Jersey Realty Title Insurance Company and your respective companies will be less than they should be and operation costs will, I predict, be more than they should be. Federal corporate income taxes in 1980 will, I'll wager, make those of this year look like petty cash. In New Jersey in 1980 and in your states that year, our able and pleasant competitors will continue to successfully compete with us. Our technical title problems then will be as difficult, if not more difficult than they are now and we will have as many, if not more, complaints from our clients as to the title exceptions we set up in our title policies.

To make more positive predictions that I have just offered for the unforeseeable future, I submit, would require the divine gift of prophesy and I admit that I have not been so blessed by the Almighty.

That reference to the Almighty prompts me to tell a short story that I recently heard. It was told at the convention of the Secretaries of State in

New Hampshire two weeks ago by General Merrill of the famous Merrill Marauders. It appears that General MacArthur and Admiral Nimitz met on a small island in the South Pacific. They decided to go to an adjoining island and decided to test one of those Navy rubber boats. So they got in together. Half way across, the rubber boat began to settle down into the water. It had developed a leak. Nimitz looked at MacArthur and he said, "My Navy men are certainly going to be surprised when they learn that Admiral Nimitz can't swim." MacArthur replied, "That's nothing. Wait'll my Army hears that MacArthur can't walk upon the waters."

I think I should stop right there, but Mr. Goodloe suggests that I continue. I shouldn't, I know, inasmuch as I have been out of the office a great deal lately and I am even less informed on current title affairs than usual. Apparently, though, my absence from the office is quite all right with my fellow officers. They always figure, I presume, that it is safer to keep me out of the office. There is then less money spent. But Mr. Goodloe asked me, inasmuch as I have just returned from Chicago after attending the spirited Mortgage Bankers Association Convention, to offer some thoughts on the future based upon what I have experienced in the past in our industry and what is now happening to our respective businesses.

Well, I'm going to have to limit my sights to New Jersey because I know even less about title insurance outside of New Jersey than I know about New Jersey title insurance and I'm proving right now I know little about that. We were rather late in New Jersey in adopting the approved attorney plan of procedure. Our very hospitable southern competitors pointed the way for us in that program. It was some five years ago that New Jersey Realty Title Insurance Company adopted that plan, so did some other domestic companies. It has proven to be a very acceptable plan under which we have been able to avoid excess examination costs over collectible examination charges by accepting certifications of titles by approved attorneys who make their own examinations. That is particularly true in the smaller cases where over many years we found that it cost us more to search, examine and clear titles than we could charge and collect for our services. That is the developing source of our business and I believe we will experience a marked increase in volume in that field of our operations during the coming years. I believe, too, that we will experience a decline in the number of company examination matters where we do the complete job of examining and closing the title. That is particularly likely on smaller matters.

In New Jersey we have between 7500 and 8000 practicing attorneys and we have found by permitting attorneys to make the examination of title, collect

their own charges and certify titles to us that we now have, in our own company, in excess of twelve hundred attorneys who in effect are acting as new businessmen for us. We in New Jersey unfortunately have, as one gentleman previously suggested, missed the boat in not selling fee policies to those who are buying the smaller houses on which we are now providing mortgage policies to the mortgagors. We have missed an opportunity to spread the security which title insurance alone supplies to the small home owner. Our advertising hasn't been properly directed. That suggests the second matter that Mr. Goodloe said I might talk about—advertising.

I know of no title company in New Jersey that has unlimited funds to spend for advertising. That is particularly true of the New Jersey Realty Title Insurance Company. We spend as much as we think we can afford each year. It's never enough to direct our advertising to even the majority of buyers of small homes. We have little or no trouble selling fee policies to the buyers of industrial or commercial properties or to the purchasers of the larger residential properties. We think that one form of our advertising has been most effective however, particularly since we adopted the approved attorney plan. Our advertisements now include the suggestion—

“Ask your lawyer about title insurance.” That not only suggests title insurance to a potential buyer, but suggests to each lawyer who reads the advertisement that we want to do our business through lawyers. As a result the largest part of our business comes through lawyers. That, I think, is where our selling of the future must be directed.

We do expect to enlarge our advertising program next year because frankly I think we are reaching that point in our economy when we've got to get out and sell again. The war years presented many problems, but not serious selling problems. We're going to again have to sell title insurance. That is particularly true in New Jersey. Institutional investors in mortgages in ever-increasing numbers are requiring title insurance. That again is particularly true in New Jersey in view of a very large financial loss recently sustained by one of our state banks which did not require policies of title insurance when investing in what were supposed to be first mortgages. Because of the extra-curricula activities of the general counsel of that bank which embraced witnessing many race track events, with the resulting inevitable shortage of personal funds, there were many unfortunate mortgage loans made by the bank which turned out in some cases to be second and third

liens. And, of course, there were no policies of title insurance protecting the bank. Our Commissioner of Banking and Insurance said that while he would like to direct all banks and insurance companies to procure title insurance policies covering each mortgage investment, he found that our state laws would not permit him to go that far. But that experience has had a marked effect upon the attitude of the great majority of our state banks and more and more are now requiring the protection of title insurance.

I know of nothing further that I can now suggest as to the current or future conduct of our businesses unless I refer to the matter of pension plans for officers and employees. You recall one previous speaker referred to his company's savings and retirement plan. In our company we adopted such a plan in 1946 and it was most favorably received. True, it has added to our operation costs but it has also added interest and enthusiasm and created a feeling of security on the part of all of our staff. It is my opinion that all title companies should consider such a plan. We not only owe it to our able and conscientious employees but we owe it to the industry as a whole.

Now, ladies and gentlemen, if in 1980 I am invited to again appear on a platform before you, I shall then try to recall what happened in 1950.

Abstracters Liability Insurance

WILLIAM R. BARNES, Chairman
President
Central Title Service Corp.
Clayton, Missouri

The present committee has done very little compared to what Mr. Hardy as our predecessor did. It was through his efforts, I think, and the efforts of his committee that we were able to get an American company to give us the same type of coverage that we have been getting from Lloyds of London. The first policy issued by St. Paul Indemnity Company didn't give us the same comparable coverage to the Lloyds policy. We have been in contact with the St. Paul Company and they have now revised their policy so that we can have from a domestic company a coverage comparable to Lloyds of London. I had hoped to have one of the officers of the St. Paul company here. He hoped that he would be here, but I haven't been able to find him.

Better Rates

One of the things that the St. Paul company has done that we haven't been able to get Lloyds of London to do is to reduce the rates and I think that you will find that a saving of about 20 per cent will be afforded to you by

using the St. Paul company policy. I have several copies of their policy here and I'll be glad to furnish those to anyone who might be interested. In talking to one of the officers of the St. Paul company, they thought they may be able to reduce the rates even fur-



W. R. BARNES

ther by having a more complete acceptance by the members of the American Title Association, of course, that can only be accomplished by the acceptance by a great many more than are using it now, and as I say I do have special copies of their policy here that anyone can have. I have rate lists, and you can all determine just what the cost to your company will be and what the coverage will be. The biggest objection to their original policy was the policy period coverage. That has been completely straightened out in their revised policy.

QUESTION: Is it your committee's feeling that abstracters would get just as great a coverage by the St. Paul policy as they had formerly gotten with Lloyds.

Revised Form

ANSWER: I think with the revised form, yes. The coverage is just about the same as the Lloyds. Also while your policy is in force, they will protect you on any loss that you might suffer that was not discovered by you prior to the date you refer to. You get a new coverage, and they cover you on anything that's past.

If the loss were twenty or twenty-five years, they'll cover you. Anything in the past is covered.