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AMERICAN TITLE ASSOCIATION

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# TITLE NEWS

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# TITLE NEWS

Official Publication of

THE AMERICAN TITLE ASSOCIATION

3608 Guardian Building — Detroit 26, Michigan

Volume XXXII

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Number 1

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## “Appraisal Time”

(Delivered at Annual Meeting of Chicago Mortgage Bankers Association)  
January 20, 1953

HOLMAN D. PETTIBONE

*President, Chicago Title and Trust Company, Chicago, Illinois*

This is a discourse about activities of the Federal Government in housing and real estate financing. We shall review certain events during the time between July, 1911, and today. This span marks the period of my association with Chicago Title and Trust Company, and with our customers engaged in the real estate and mortgage business. Our title business follows the ups and downs of housing and real estate financing. The successes and failures and experiences of our customers are reflected in our record. We neither start nor stop the train of real estate activity; we merely attach to the train as it moves on its way, our real estate title policy.

Between 1911 and today our country has engaged in a small war with Mexico, a big World War I, a bigger World War II and is now obliged to envisage the possibility of a biggest World War III. These international hostilities have necessarily emphasized the indispensability of strong central government. They have concurrently brought citizens into ever more intimate contact with and greater dependence upon government. German citizens followed their government to its doom and almost to their own destruction as a people. English citizens have, since World War II,

followed a government of their own choosing down the road to State Socialism. Consider the people of France, Italy, India, China, Russia. Unrest everywhere. What is it these different peoples want? How can they achieve their objectives?

Are we in the United States immune from this world turmoil? Are our people complacent or are they restive and uncertain? If not content, what is it our fellow citizens want? How do they intend to satisfy their wants?

These questions about world wide wants, I state, but do not attempt to answer. They are put forward merely as background. We need to have them in mind as we pursue our consideration of activities of our own Federal Government in housing and real estate financing. What do our people want?

I shall list certain developments in real estate financing which have had far reaching effects. I shall discuss some of the underlying causes of the profound changes which we have witnessed. We shall take a look at why we got to where we are in our relations with the Federal Government. I shall suggest a current appraisal of those relations.

At the beginning of this 41 year



stretch we as citizens making a living from real estate financing did not encounter Uncle Sam. No Federal income taxes, no Federal construction materials, no federal government participation in the mortgage business.

During this 41 year stretch, we have changed to ever increasing governmental participation. For a quick summary call to mind Federal agencies which have been set up and have had close relations with the mortgage business during this period: Federal Land Banks, Joint Stock Land Banks, Reconstruction Finance Corporation, Home Owners Loan Corporation, Federal Housing Administration, Federal National Mortgage Association, Veterans Administration, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Housing and Home Finance Agency.

First, why did we get to where we are? I submit that the Federal Government did not, by its own motion, force itself upon housing and real estate financing. Instead, new concepts of government, in its relation with its citizens, and a series of events or so-called "emergencies," have brought about the end result. I now list seven of these events:

### **Farmers in Trouble**

1. In 1916 hard pressed farmers were not able to obtain mortgage funds. This situation led to creation of twelve Federal Land Banks, each operating in a Farm Credit District. Land banks make long-term loans through national farm loan associations upon first mortgages on farm lands and issue tax exempt farm loan bonds secured thereby. The Federal Land Bank system is cooperative and is completely farmer owned. A borrower purchases stock in the association in an amount equal to 5% of his loan. Loans are made direct to association members only. The association is exempt from federal, state, municipal, and local taxation, except taxes on real estate it may acquire.

Under this same Federal Land Bank Act of 1916, forty-nine regional Joint Stock Land Banks were established.

They were privately owned. Funds came from capital supplied by the stockholders and from sales of tax exempt bonds up to fifteen times the capital and surplus of the issuing bank. Loans were made in the home state of the bank and not more than one contiguous state. These banks issued bonds at low interest rates and were not permitted to charge on mortgages more than 1% above the bond rate.

In 1933 Congress directed that all Joint Stock Land Banks go out of business and liquidate. They could not bail out the farming business in the midst of the economic collapse of the 1930s. Federal subsidy of farmer earning power and control of farming operations came in to do the job. Federal activities included price support for farm products, regulation of the nature and volume of farm production. Aid and control still continue in 1953.

2. You will recall that in one of President Roosevelt's broadcasts early in 1933, he stated in effect "all ye that are heavy laden with mortgages on your homes, send word to me at the White House." Home mortgage debtors did send word to the President. They did not make payments on their mortgages. Failure of home owners to make mortgage payments with accompanying distress of mortgage lenders who were denied opportunity to realize on their mortgages because of moratorium laws or other circumstances led to organization of Home Owners Loan Corporation in June, 1933.

The overall financial accomplishment of this Corporation was to put \$3.1 billions of new money into refinancing about one million home mortgages. It made enough profit to cover cost of operation. It succeeded in its rescuing operation. It also introduced and sparked the use of fifteen to twenty, fully amortized, loans on homes, in place of the customary five year mortgage calling for little or no principal prepayments. It ceased to do business because activity of other Federal agencies in the field of home financing made continuation of the Corporation's work unnecessary.



### **Real Estate Bondholders and Banks**

3. In the 1930s holders of defaulted real estate bonds called for aid from the Reconstruction Finance Corporation.

Jesse H. Jones, Chairman of that Federal agency, states in his book "Fifty Billion Dollars, My Thirteen years with RFC 1932-1945" "What is the largest single type of investment in which the American people put their money? It isn't railroads or highways or insurance policies or savings accounts or corporate stocks and bonds. It is the mortgage on real estate. From the ten-acre farm to the tallest skyscraper, almost every piece of property in the country has carried a mortgage at one time or another. Mortgages have financed the construction of nearly every home, factory, store, or office building in this country.

"During the depression the almost measureless market for mortgages went into total eclipse. The RFC helped bring it back into the light of day—and also into the light of reason."

He estimated the total urban mortgage debt in 1932 to be more than thirty-five billion dollars. Of this total, nine billions was held by commercial banks and trust companies and mutual savings banks; seven billions by building and loan associations; six billions by life insurance companies. Five billions was in real estate bonds held by the public.

In a chapter entitled "Unfreezing Chicago's Lake of Frozen Mortgages" Mr. Jones says: "First of the large cities to have its frozen real estate mortgage market thawed out was Chicago. In that happy process the RFC cooperated with private business. The defrosting began when three of the largest Chicago financial institutions, the Continental Illinois National Bank and Trust Company, the First National Bank, and the Chicago Title and Trust Company, formed the Fort Dearborn Mortgage Company, which immediately began doing a heavy volume of business based upon a rediscount arrangement with the RFC."

Mr. Melvin A. Traylor, President of the First National Bank of Chicago, and I, in presenting a program to the Board of the RFC, urged that we must have Federal aid to break a log jam. We had a sound plan but not enough capital. Funds were required at once for taxes, repairs, and reorganization functions. No private funds were available. The most we sought was a loan of 30% of the then appraised value of a property. We offered an extra cushion of Fort Dearborn money in an amount of 10% of each loan. The plan worked. Within a short time ample funds became available from private sources.

Difficulties of banks, many of which had large mortgage holdings, brought about public pressure for adoption of the Federal Deposit Insurance Corporation Act of June 16, 1933. Original guaranty was for each deposit up to \$2,500. This was subsequently increased to \$5,000 and now to \$10,000. Demand for this guaranty sprang in part from the inability of banks to convert mortgages into cash in a period of stress. It continues to be an important factor in the mortgage loan activities of banks which are active lenders on home mortgages.

The financial commitments of RFC directly and through sub-agencies and of Federal Deposit Insurance Corporation have run into billions of dollars. For the last several years chief emphasis has been in the area of stimulating business activity rather than rescuing enterprises in distress.

### **Federal Controls**

4. Problems arising in connection with real estate bond financing and the foreclosure and reorganization of properties standing as security for such bonds brought about extensive investigations and regulations by the Securities and Exchange Commission in the early 1930s.

The famous Section 77b of the Federal Bankruptcy Act was adopted in 1934. Under an entirely new concept of reorganization instead of liquidation, federal laws and federal courts and federal agencies supplanted state laws and state courts in thousands of cases involving mortgage defaults.



The federal procedure is still available.

World War II and the subsequent defense program have produced numerous Federal controls; wage stabilization, material allocations, confiscatory taxes, price controls including rent control.

### **Public Housing**

5. The National Industrial Recovery Act was adopted by Congress in 1933. In connection with this Act there was appropriated the first Federal money to be used for public housing. The stated purposes were to stimulate employment in the building trades and to clear slums. The administration of the public housing features of this Act passed through various Federal agencies until, in 1937 there was created the United States Housing Authority. The major purpose of this Authority was to supply good living accommodations for persons unable to pay full economic rent. It involves a continuing subsidy from public funds for housing. In this program, a welfare objective has been recognized as outweighing considerations of mortgage credit or self sustaining economic elements.

### **Housing Demand**

6. Shortage of housing (real and artificially produced through rent control) during and after World War II, increased the use or brought about the creation of numerous Federal agencies including Federal Housing Administration, Veterans Administration and "Fanny Mae." Federal funds were made available for aid in eliminating local slums.

### **A Mortgage Market Wanted**

7. Government guarantees lie at the base of the tremendous increase in the volume of home mortgages and of the spectacular increase in cash deposits with private agencies which are now large suppliers of mortgage money.

Nevertheless, there is pressure to broaden and maintain a market for mortgages. Builders of residential accommodations want an ample and dependable supply of mortgage funds

at current rates and terms. Institutional lenders are attracted by the security and interest rates of good mortgages but many want advance assurance of a place to sell mortgages for cash at some price under any conditions. Who shall provide this market?

### **Where Are We?**

Permit me then to summarize where we are. We citizens invited Uncle Sam into housing and real estate financing. He came in a very small way at first—just to help supply mortgage funds for the farmers. But as financial and business catastrophe followed financial calamity from 1929 on, further mortgage loans couldn't save the farmer. Widespread unemployment produced a succession of crises affecting every business and every citizen. Mortgages and the mortgage business toppled with the rest. Those citizens concerned with housing and real estate financing turned to government.

Here are a few pertinent statistics to indicate the extent of governmental activity: The Home Owners Loan Corporation made about one million loans, totaling 3.10 billion dollars before it closed up and liquidated. Through June, 1952, Federal National Mortgage Association had purchased over 3 billion dollars of FHA and VA mortgages and had sold or collected about a third of it. The Federal Housing Administration had written through June, 1952, a total of 21 billion dollars in mortgage insurance and had in force at that time nearly 14 billion dollars. The Veterans Administration has insured some 10 billion dollars of mortgages now outstanding. The assets of the Federal Savings and Loan Associations now total almost 22 billion dollars, the shareholders of a substantial part of which are insured by Federal Savings and Loan Insurance Corporation. The Federal Deposit Insurance Corporation insures upward of 160 billion dollars of bank deposits. Nearly half of all money now invested in residential mortgages is directly insured by FHA or VA and a major part of the remainder is at least influenced, if not



in effect guaranteed, by Federal Savings and Loan Insurance Corporation or Federal Deposit Insurance Corporation.

As government, in response to citizen pressure stepped in, did any one step out? Yes—many citizens stepped away from managing their own affairs in the manner of earlier days. Included amongst those stepping away were some free enterprisers known as mortgage bankers. Let's take a quick look.

### **What Happened to the Mortgage Banker?**

In 1911 a mortgage banker was middle man between a borrower striving to get the largest loan for the lowest rate and an investor interested in good mortgages at the highest return available. The borrower was any property owner. The lender was a private individual or corporate investor. The mortgage banker prospered.

As Uncle Sam made his first entry into the mortgage field in 1916 and continued during the 1920s to help the farmer, the private firm mortgage banker found he couldn't compete with agencies using a tax exemption and dealing directly with the borrower. The mortgage banker quit.

In the 1930s, Home Owners Loan Corporation dealt directly with home owners and owners of home mortgages. There was little left for the mortgage banker except as an employee or an errand boy of the local representative of the HOLC.

By 1932, real estate bonds which were in serious trouble as early as 1928, had defaulted in whole sale lots. Totals ran to billions of dollars. Following an address on the subject of mortgage defaults delivered to Chicago Mortgage Bankers Association on March 18, 1931, I addressed the annual convention of the Mortgage Bankers Association of America in Dallas, Texas, on October 28, 1931. The subject of my address was "The Mortgage Bankers' Opportunity." In that address I said "In a time of distress, it has become the fashion to turn to the state or national government for aid. So now, in the real estate mortgage field, government is

being asked to find a quick solution—a central bank, government supervision of some mortgage pool, efforts to stimulate building as an aid to ending business depression—all of these have been suggested." I then urged, "Don't lay your problems at the door of government — solve them yourselves. Study thoroughly the errors made during the past ten years, to be certain of avoiding them in the future. In the discharge of these functions lies your great opportunity. Do the job well, and you will lay a solid foundation for future business in one of the indispensable elements of the capital structure of our country — sound real estate mortgages."

My suggestion to proceed without government aid was indeed unrealistic. I had not then accurately measured the extent and severity of the economic collapse. Many mortgage bankers did become active and helpful in the work of bond reorganization committees, But they functioned as real estate and mortgage experts, not as mortgage bankers.

When the Federal Public Housing Act of 1937 was adopted the mortgage banker departed on a permanent vacation from financing related to that segment of the real estate mortgage business. The erstwhile partner — Uncle Sam—local public officials and investment houses specializing in government securities took over.

Thus we see one of the results of government participation in real estate financing has been to remove important segments of the business from the domain of the mortgage banker. Another result has been government domination. Another important result has been to make the borrower more independent. He has more choices. He may deal direct with Uncle Sam. At least one large company is making mortgages as a part of the technique of selling life insurance. Competition between lenders for desirable loans is keen. The prospective borrower knows this and acts accordingly.

Notwithstanding — indeed in large measure because of government activities—many mortgage bankers have had good earnings during the past



five years. The source of these earnings and the techniques employed by the mortgage banker have undergone great change. We must admit that we are not the same kind of free enterprisers we once were. We must confess that we are leaning on Uncle Sam. That is today's fashion.

### Do We Taper?

But, government aid seems to have certain attributes of a habit forming drug. First, it is not easy to stop the habit; second: in extreme cases sound treatment requires, not an abrupt stop, but a tapering off. When and how do we stop or begin to taper off our demands on government?

Uncle Sam has been rescuing, resuscitating and stimulating housing and real estate financing in a big way during the past twenty years. True he seems to thrive on it, he has grown—oh so big! But, how much reserve strength does he have? Do we know how he will perform under less favorable conditions? Ought he now begin to retrench; to save something for a pinch?

Each one of us finds it easy to say that Federal activities should be curtailed or discontinued. But we seem to favor doing that to the other fellow's business.

### So, What?

Up to this point of my address I have had smooth sailing. A certain amount of search was required to get exact names, dates and details of federal agencies. But it was rather pleasant to put together the material dealing with matters intimately connected with my business; sort of biographical data about our company's activities. I hope it has served to refresh your memories and enlist your interest concerning the events under review.

But at this point I have the unhappy task of confronting an audience which is entitled to say—"So what—where do we go from here?"

My answer may be quite disappointing. It is this—I am not able alone to appraise the full meaning of Uncle Sam's entry on a national scale into housing, real estate financing, slum

clearance, building construction, guaranty of deposits which find their way into mortgages.

Furthermore, I do not believe that your local or your national Association alone can give you an adequate appraisal.

It seems to me that we need a current and fresh impartial evaluation of the whole government program with respect to housing and real estate financing. To this end a committee of the Congress, or a commission appointed by the President under authority from Congress should be created to make a thorough study on a nationwide basis and make public its findings and its recommendations. Mortgage Bankers should take an active part and render full aid to such a study. I am informed that your national organization has provided a fund for a special study of a proposed central mortgage discount bank. Such a study could well be tied in with a nationwide inquiry by the proposed committee or commission. There are compelling reasons, in my judgment, for doing this job now.

### An Appraisal Is Needed Now

Let me mention a few problems of far reaching importance to support my own conclusion and recommendation as just stated:

1. Government participation in real estate financing thus far may be classified into (a) operations designed primarily to rescue or to aid either a lender or a borrower or both, (b) efforts to stimulate building construction, thereby supplying needed housing and helping to energize the whole economy, (c) social or welfare objectives.

It is now a fair question, has Government adequately separated its credit and its welfare functions? Let me illustrate by reference to Government's determination to keep a 4% rate on V.A. loans in a 4¼% to 4½% market. Credit functions of Government can not continuously ignore the market; welfare functions can completely disregard the mortgage market so long as Federal funds are available to perform a given task.

We are vitally concerned that the



welfare and credit functions of the government in housing and real estate financing should be separated and evaluated in accordance with different rules. Interest rates, mortgage insurance, secondary credit, all of which are today matters of Government concern, should be determined in terms of the market place and not by Government edict in which the welfare aspects or political pressures of powerful groups prevail over sound business methods. On the other hand, public housing and similar activities, can and should be, properly evaluated for what they are as experiments in social functions of the Government and not confused with the standards that would apply to the credit aspects, interest rates, and similar decisions of Government in business transactions.

2. We know that Government activities in real estate financing can be highly inflationary. What about Government policies which may be deflationary? It would seem wise for us to consider how we meet a deflating phase of an economic cycle in real estate financing and building construction. Surely we know that over-inflation sets the stage for over-deflation. An over supply of mortgage money at a time of declining demand for housing may increase the cost of new housing at the same time that it depresses the sale price of all housing — both old and new.

3. The central core of the mortgage business is in urban loans. Government participation in real estate financing has brought wholly new techniques and standards for home mortgage lending. For instance, the long term, fully amortized home mortgage in an amount as high as 95% of appraised value. Every experienced mortgage lender knows that the character of a neighborhood is an important factor in the quality of a home mortgage. This factor is a risk which becomes more important as the loan term is lengthened. A factor, a switch track, an expressway, neglected buildings, changing population — any of these elements may damage a residential neighborhood. What attention do we give to city planning, zoning, neighborhood conservation, neighbor-

hood redevelopment with twenty year urban loans at stake?

4. Excessive competition between lenders in the 1920s greatly augmented the mortgage debacle of the 1930s. Are there unhappy results brewing in today's competition between lenders for mortgages?

5. If 80% unguaranteed loans are not suitable for institutional purchase then should we not consider why and to what extent government should continue to assume the extra risk? Will it be to relieve a clear shortage of housing? Will it be to increase building construction as one method of stimulating a sagging economy? Will it be a welfare or social purpose? Or, will there be no predetermined limit of amount or purpose or time controlling governmental action?

6. If mortgage faults do occur in volume what will Uncle Sam do? We are now dealing with very large commitments. At a time of economic stress will Government be inattentive to the plight of direct or indirect owners of mortgages in default? The institutional mortgage lender using funds supplied by the general public may sometime get a three way squeeze, (a) mortgage borrowers default, (b) the public ceases to make new deposits of cash, (c) the public withdraws its cash. Who is to do what under those circumstances? Will a central mortgage discount bank, or mortgage exchange meet the needs? And what will be the attitude and responsibility of government as to mortgages in default but not guaranteed?

7. Should Uncle Sam now discontinue new commitments for public housing and slum clearance? Should Federal funds for those purposes be allocated only against matching local funds? What major policies or objectives should determine the program? When a city as important as Los Angeles declines to proceed with further public housing because it cannot afford its share of a continuing subsidy, and Federal officials attempt to force upon the City further public housing, we have indeed reached a strange state of affairs. Impetus and



encouragement having been supplied by the Federal government, should public housing and slum clearance be regarded as essentially local — not federal problems?

8. As a final reason to support the need for an authoritative nationwide study we must remember that real estate financing and housing do not stand alone and apart from the total economy of the country. The basic support of rental or mortgage payments for housing is employment. A high level of employment at good wages or the opposite conditions are vital elements in determination of long range governmental policies for real estate financing and housing.

### Conclusion

In conclusion — we have taken a quick look at the changing relations of the Federal Government to housing and real estate financing during the past forty years, with particular attention to the last twenty years. The changes are not peculiar to this one area of our economic and social and political life. They are typical of a trend — national, even world wide in scope. But, we need to re-examine and re-appraise our program in this area just as the new national administration has called for re-examination in other affairs of government. The task should be undertaken now.

## The Title Plant

### The General Index

MEL J. BORG

*Assistant Superintendent of Title Plants, Washington Title Insurance Company  
Seattle, Washington*

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We are permitted by the author and by the Washington Land Title Association to which convention Mr. Borg's paper was presented in late 1952.

Mr. Borg's experience in the building and maintenance of title plants dates back to the early 20's. Starting as a Minnesota abstractor, he successively was with the Title Insurance and Trust Company in Los Angeles in its General Index based on Soundex. Later he was with the National Title Insurance Company, of Los Angeles; and in private practice made installations at various California plants. We thank the author for his contribution; we thank the Washington Association for its courtesy in permitting this reprint. — Ed.

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I have been asked to discuss General Indexes or Name Plants such as we know them in the Title Insurance and Abstract business.

I think Name Plant is a more dignified name. The minute the Index was called General, the interpretation was

very literal and everything was thrown into this index — when I say thrown, I mean that literally, too. I saw one posting some time ago for a grocery bill for \$40.83. This bill was filed in the auditor's office. I do not believe we would go to that bother



today as that amount of money would only buy a couple of steaks.

### Primary Purpose

I would like to mention here, the primary purpose and use of the General Index and the documents that are posted or filed in it. We all agree I think, that name indices are a necessary adjunct to the title business, wherein we can accurately index by name, all documents which do not carry a description of real property, but still may have a vital effect upon the title under-search.

The usual practice is to post or file, to this index, the following documents.

### Contents

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, Judgments and the releases thereof, Probates, Trust Indentures and a multitude of other documents. Some companies post in addition to the above, Marriages, Adoptions, Death Certificates and other miscellaneous information, which actually do not affect the title to the land, but are posted or filed merely for informative purposes. Many companies, during the past few years, found their index books increasing in volume at such an alarming rate that they discontinued posting some of the documents just mentioned, posting only those that actually affected the title to real property.

I shall endeavor to sum up briefly, the advantages and disadvantages of the three types of indexing with which I am familiar and which in my opinion, are the most extensively used in the Title business.

### Types

The three are: 1. The Straight Alphabetical; 2. The LMNRT and; 3. The Soundex System.

The first, or straight alphabetical system, is the one that has had the most common usage. This method is based on "idem sonans" and has been practical enough for a county whose

filings or recordings are few per day. Even here in time, the accounts become large, cumbersome and difficult to search. Too, as the accounts grow numerically by names being added, the tendency is to get farther and farther away from the original theory of indexing by sound and pronunciation. We find then an account such as I have before me. It began with the name "Cowan" and as time went on and various people worked on the books, there were added thirty more names, finally ending up with names such as "Koehne" "Cawein" and others.

### Rewrite

This is not only costly in maintenance but extremely costly in searching and examining. When this condition becomes unbearable then the re-processing begins. Re-write the account, re-arrange the name groupings and begin again to build up the same condition as we had before. The disadvantages to this system are many and the advantages very few.

### LMNRT

Number two is the LMNRT System. This method, as was system number three, Soundex, was designed by a Mr. Russell of Pennsylvania. The LMNRT was adopted by various title companies at a comparatively early date. The advantage of this method over the alphabetical system is that LMNRT employs the sound based on the five consonants rather than the spelling, to bring together into one account, substantially all names which are phonetically the same. 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" LMNRT. This 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 letters which appear following the initial letter in the name and



the order in which these key letters appear in the name as follows:

L	M
LM	ML
LN	MN
LR	MR
LT	MT

Names that do not contain any of these key letters are brought together under the initial letter in one account and designated as the Miscellaneous Account. Names such as "Shaw-Shea, Lee," etc. The advantage of the LMNRT over system number one is, it has one definite category as a basis for beginning the account, namely, one of the five consonants mentioned. It has the disadvantage of method number one in that we still have the Master Index which means the running of two books in order to find the name under search.

### Soundex

The third system using the Soundex Code as the basis for indexing, is probably the most advanced method used in the title business today. Those of you who know me will understand and forgive me for being a bit prejudiced in favor of this system.

First of all, this is known as a Direct Index. In other words, we have no index to the index or Master Index. The code itself directs you to the account you wish to search. It automatically categories names that are similar in sound as well as in spelling, into the same account. To give you an idea of the refinement that occurs at the very beginning of the three methods I shall give you a few figures. System number one, idem sonans, has the twenty-six letters of the alphabet, or twenty-six divisions. Number two or the LMNRT has five times twenty-six or one hundred and thirty categories. Number three, the Soundex has two hundred and fifty-nine code number within each letter of the alphabet or six thousand seven hundred and thirty-four divisions. From this point on the refinement under the Soundex becomes more rapid and extensive. I am not mathematical enough to run this out to all positions. I stopped at one million seven hundred thousand positions.

### Numerical Value

The Soundex System is based upon a numerical value given to all the consonants in the alphabet—excepting three—W, H and Y. The latter three have no sound in pronunciation, we merely breathe them. The values run as follows:

B F P V	equals	1
C G J K Q S X Z	equals	2
D T	equals	3
L	equals	4
M N	equals	5
R	equals	6

### Key Letters

These are called the "Key Letters". The first letter of the name is called the "Initial Letter," this letter we do not code. If there are less than three codable consonants in a name, we add ciphers in order that all code numbers will have three digits. This is done merely for the sake of uniformity. Let us take the name of Jones. "J" is the initial letter or book. Our first codable consonant is "n" with a value of five. Our next codable consonant is "s" with a value of two. Consequently our account is in Book "J" code 520, which is shown on the tab on the back of the book such as the one I am holding in my hand. From here on we refine it alphabetically as to the given name, the middle initial and if more than one posting appears with an identical name and initial, we index the cards chronologically as to filing date. If enough postings contain the same name such as John, William or Albert, we create separate accounts for those names only. So it is readily seen that there is no limit to the refinement.

Each document or posting is typed on a separate card and when properly indexed and filed, gives us in fact, a chain of the same name indexed within the code, alphabetically, chronologically and numerically. There is no guess work here and no grouping phonetically. There is a definite place for every name that has ever been written. Even though we cannot pronounce the name, the code finds the proper place for that particular name for us. Trying to explain this system to you in this length of time may



make it sound extremely difficult to master. The truth is, it is very simple. After a few months of experience girls will, on average orders, make a name-run under this method in less time than it would take a searcher to even locate his name under the old system.

### **Departmentalized**

We have created a "General Index Department" for the companies whose installations were quite large and trained girls to do all of the typing, filing and the searching. We have found this to be more economical as well as more efficient.

We are today, ladies and gentlemen, living in a specialized world, managed by specialists, run by specialists and the product created by specialists. It is true that in our business, individual research and thinking, comes into play once the search is ready for examination. The prior operations in my opinion should come within the realms of production the same as any other industry. Title Insurance to my mind, does not sell a tangible product, but a service. This service is satisfactory to the public only as far as the element of time consumed from the date of entry of the order for a policy and to the date of delivery. I will hazard a guess that less than five percent of the policies are ever read by the holder. Their main interest is "How long will it take?" The fact that one search may take an hour, another perhaps a week is of no concern to them. So the service boils down to the simple principle that our production machinery must be modernized to the extent that it will fit into the specialized era we are living in.

### **Specialists**

System number three which I have tried to describe to you, I feel, comes within the category of specialists. I am now speaking of the larger companies. This method of indexing fits into the scheme of operations in small companies as well as the large ones but a special department need not be created. Here are some of the advantages of this type of indexing, there are many more.

1. Books need never be rewritten.
2. Outlawed and obsolete postings can be removed, keeping the accounts to a minimum.
3. Less cost per search.
4. Less wear and tear on the books.
5. Less congestion—eliminating the G.I. Bottle-neck.
6. Cards always typewritten.
7. Less chance of errors.

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

### **Service Above All**

May I leave this thought with you in closing. Our policies are only as good as our searches. Our searches only as accurate as our plants. The books of information, called plant, are the tools we furnish our people to work with. 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. Remember "Service" is the product we sell.



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Remington Rand's Business Services Departments have had years of successful experience in modernizing the plants of title and abstract companies. In effect, we "rent" to you our expert staffs, to install new systems and to revise present systems. Here are the principal services we render:

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For full information about our Business Services Departments, write to Room 1641, Management Controls Reference Library, 315 Fourth Avenue, New York 10. Ask for Booklet BSD2.

***Remington Rand***  
INC.



# Federal Liens

## Method of Disposing of Federal Liens Where Foreclosure of Lien on Real Estate Becomes Necessary

FRANK A. STAMPER

*President, Houston Title Guaranty Company, Houston, Texas*

---

We are indebted to Mr. Frank A. Stamper for this excellent paper. He speaks as an attorney of Texas and refers to Texas law as regards filing of the lien. Yet his thorough consideration of the points involved in disposing of Federal liens in foreclosure actions makes this paper of value to our entire membership, notably the title insurance companies, our attorney members, and probably many abstracters, particularly those who write title insurance on an agency or representative basis.

The address was delivered by Mr. Stamper before a regional conference of the Texas Title Association.—Ed.

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### Prevalence of Government Liens:

With the Government levying every character of tax known to man from the beginning of time, and in addition throwing off the mantle of its sovereignty and descending to the level of ordinary business in every type of lending operation which the mind of man can contrive, it is only natural that each of us who engage in the business of preparation of abstracts, or the issuance of title insurance, should at some time be confronted with the problem of determining the relative rights of the sovereign holding either tax lien or contract lien, and the rights of the individual holding contract liens. Two problems usually arise, one being that of priority of lien, and the other being the method of destroying or disposing of the Government's lien once its subordinate position has been determined.

This discussion is not intended to cover the question of priority which is complex, and will vary with the character of lien imposed by the Government, time of creation, etc.

This problem usually comes to a head when the holder of a deed of trust or other lien on real estate finds

that his debtor has become so unfortunate as to have liens against the security property held by the sovereign, his Government. In order to recognize that a problem does exist, it is of course necessary to consider under what varying circumstances the Government can have and hold lien on real estate.

### Filing

Everyone is acquainted with the federal lien, which is filed in the office of the County Clerk of the County where the land is situated, and is bound into a book kept for that purpose as directed by Article 6644 of the Revised Statutes of Texas for 1925. This lien may arise from many sources, including income tax, failure to withhold the income tax of employees, failure to remit to the Government income taxes collected and withheld from salaries of employees, social security taxes not collected for remitted, taxes on various commodities handled or sold by the taxpayer, including alcohol, oleomargarine, and any number of others.

Another form of Government lien is the ordinary abstract of judgment which may be filed and recorded in



the office of the County Clerk under Articles 5447, 5448, 5449, 5450, and 5451. Common garden varieties of judgments held by the United States are judgments on bail bond forfeitures, fines and penalties in criminal cases, F.H.A. unsecured loans, and the like.

### **Descent and Distribution**

Under various Federal Statutes, estate taxes, gift taxes, and numerous others, are declared to be a lien upon all of the property passing under will, by descent and distribution, or under deed of gift. Some of these, particularly liens for estate and inheritance taxes, need not even be filed as a federal tax lien, or other written document in the office of the County Clerk where the land is situated.

### **Other Federal Liens**

Other liens held by the Government arise out of its lending program, either to farmers, or to urban borrowers under Farmers Home Administration, Federal Housing Act, G.I. Bill of Rights, and numerous other Statutes putting the Government in the lending business. While it is true that so long as the mortgage is held by some bank, building and loan, insurance company, or private lending corporation, the lien is not one held by the government, nevertheless in many of the lending transactions the mortgage or the lien is created primarily in favor of some subdivision or agency of the Government which has sovereign characteristics, or if made by private lending agency, is then acquired by the Government under its various guaranties, rights of subrogation, etc.

### **Homestead**

Even the homestead is not immune from the lien claims of the Government, either voluntary or involuntary. Voluntary liens when created under the methods provided by the Statute and Constitution are valid on the homestead, and many involuntary liens such as income tax liens and others expressly declared by law to be liens on property of the taxpayer are good and valid against the homestead under the decision of our own

State Supreme Court in the case of *Staley v. Vaughan* 50 SW 2nd 907, on the theory that the Constitution and Laws of the United States are the Supreme Law of the land and supersede all State and local laws.

This somewhat lengthy statement on the subject of the widely varying character of Government and liens, and how widespread they have grown and into what far corners their tentacles reach has been given in order that it may be understood that the problem under discussion is not necessarily an uncommon one, or cannot be presented to you.

### **Methods of Foreclosure**

The private lienholder seeking to recover his debt by enforcing his lien against the security property is presented with two common and ordinary methods of foreclosure. These are, foreclosure by judicial action in the District Court, usually of the County where the land is situated, and second, by Trustee's sale under power of sale contained in his deed of trust.

### **Joining the Sovereign**

Should he or his attorney have elected to foreclose by judicial action, he is immediately faced with the problem that the United States Government is a sovereign, immune from suit, except under such terms and provisions and conditions as have been prescribed by the Congress of the United States. This Statutory authority to sue the Government has varied from time to time, but will now be found under Title 28 of the United States Code Annotated dealing with Judiciary and Judicial Procedure under Paragraph or Section number 2410 of that title, as modified and conditioned by Paragraph or Section 1444. Reference is made to United State Code Annotated as that is the Code which is usually most conveniently available to the title man or practitioner. Section or Paragraph 2410 has previously been Section or Paragraph 910 in prior form of codification. Prior to that it was still another number. However, the tenor of the Statutes remained the same.



### **Government Consent**

The gist of the present Paragraph 2410 is that the Government consents to be sued in any civil action in any District Court including the District Court of the territory of Alaska or in any State Court having jurisdiction of the subject matter in any action to quiet title to or for the foreclosure of a mortgage or other lien upon real or personal property on which the United States has or claims a mortgage or other lien. Numerous safeguards are thrown around the Government, among other things by prescribing a definite method of serving process by serving the United States Attorney for the district in which the action is brought, and by sending copies of the process and complaint by registered mail to the Attorney General of the United States at Washington. The Government is then granted sixty days after such service to appear and answer. It is mandatory that these conditions be complied with, and they may not be waived by the Government's Attorney.

### **In State Court**

If you have elected to file suit in the State Court, the Government under Paragraph 1444 of Title 28 can forthwith remove the case to the District Court of the United States for the District and division in which your suit is pending.

### **Superiority of Lien**

After you have settled down into the Court in which the Government has elected to litigate, and have been able to make such showing as you can on the priority of your lien, Paragraph 2410 provides that if the lien of the Government is superior you may have your sale without disturbing that lien unless the government consents that the property may be sold free of its lien and the proceeds divided as the parties may be entitled. If it has been determined that the Government's lien is a junior lien your judicial sale held by the Marshal will have the effect of discharging the property from the liens and encumbrances against it, except that the

government is specifically granted one year from the date of sale within which to redeem the property from the Marshal's sale. The Government can probably redeem by paying the amount bid at the sale. It is therefore important to bid full amount of your debt, including interests, costs and Attorney's fees. Thus the title is in a state of legalized cold storage for one year from the date of the Marshal's sale insofar as a resale by the purchaser or encumbrance by the purchaser is concerned. As far as I know the purchaser at the sale could have possession and use the rentals from the property during that period, although it is not clear that he might not have to account to the Government for the rentals should it elect to exercise its right of redemption.

### **Junior Lien**

Another section of this same paragraph provides that in certain cases where it is found that the Government's lien other than one for taxes is a junior lien, the senior lienholder may make a written request upon the officer charged with the administration of the laws in respect to which the lien of the United States arises, to have it extinguished. In such case appropriate investigation is to be made by that officer and if it appears to him that the proceeds from the sale of the property will be insufficient to satisfy the lien of the United States in whole or in part, or that the Government's lien has become unenforceable through lapse of time or otherwise, that officer is supposed to report the matter to the Comptroller General who may then issue a certificate releasing the property from the lien. By the time that release comes through all of the interested parties would probably have died of old age.

### **Deed of Trust**

There is nothing readily apparent in the above discussed Section 2410 of Title 28 which would lead the casual reader to believe that it has anything whatever to do with foreclosure by Trustee's sale under the power of sale contained in the deed of trust. However, having carefully analyzed the



Statute the Attorney or title man having noted the complications surrounding a judicial foreclosure, including rights of redemption by the government, begin to harbor suspicions that a Trustee's sale would be far too simple to be successful. His suspicions are well founded and thoroughly confirmed by a reading of the decisions of the Federal Courts on this subject. Unfortunately, in the last codification of the Statute under consideration, Paragraphs 2410 and 1444 of Title 28 of U.S.C.A. there are no annotations which direct attention to the decisions affecting the questions under consideration.

### **Decisions Clear Cut**

While there are not many decisions on the subject, those which have been handed down are clear cut, and indicate beyond any reasonable doubt that a Trustee's sale under a power of sale contained in the deed of trust will not destroy the lien of the Government, and that such lien can only be disposed of by judicial sale following the procedure outlined in the above mentioned Statutes. Probably the leading case on this question is Metropolitan Life Insurance Company vs. United States 107 Federal 2nd 311, Circuit Court of Appeals, 6th Circuit 1939, writ of certiorari denied by the Supreme Court, 310 U.S. 630, 60th Supreme Court Reports 978.

In this case the Metropolitan Life Insurance Company had acquired three liens during 1929 and 1930, each being secured by a deed of trust with power of sale. In 1932, prior to the foreclosure by Trustee's sale, there was assessed and filed a Federal Lien for income taxes against the maker of the note and deeds of trust. In 1934 subsequent to the filing of the Federal Lien, the Metropolitan Life Insurance Company caused a Trustee's sale to be held and bid in the property at the sale and took a proper Trustee's deed for it. In 1936 the Metropolitan Life brought suit under the provisions of the Statute which was a predecessor of the one we have discussed asking that the lien, if any theretofore held by the United States on the property be decreed extin-

guished by reason of the Trustee's sale and foreclosure by Trustee's deed. The District Court held that the tax lien of the Government was not extinguished but was inferior to the Insurance Company's mortgage liens and ordered the property sold and the proceeds first applied to the holder of the mortgage liens and the balance, if any, paid to the Government. The Insurance Company appealed from this decision but the Circuit Court of Appeals affirmed the decree of the District Court. While there is dissenting opinion in the case, it apparently has never been followed and the rule of decision appears to be as established by the majority opinion.

### **Procedure**

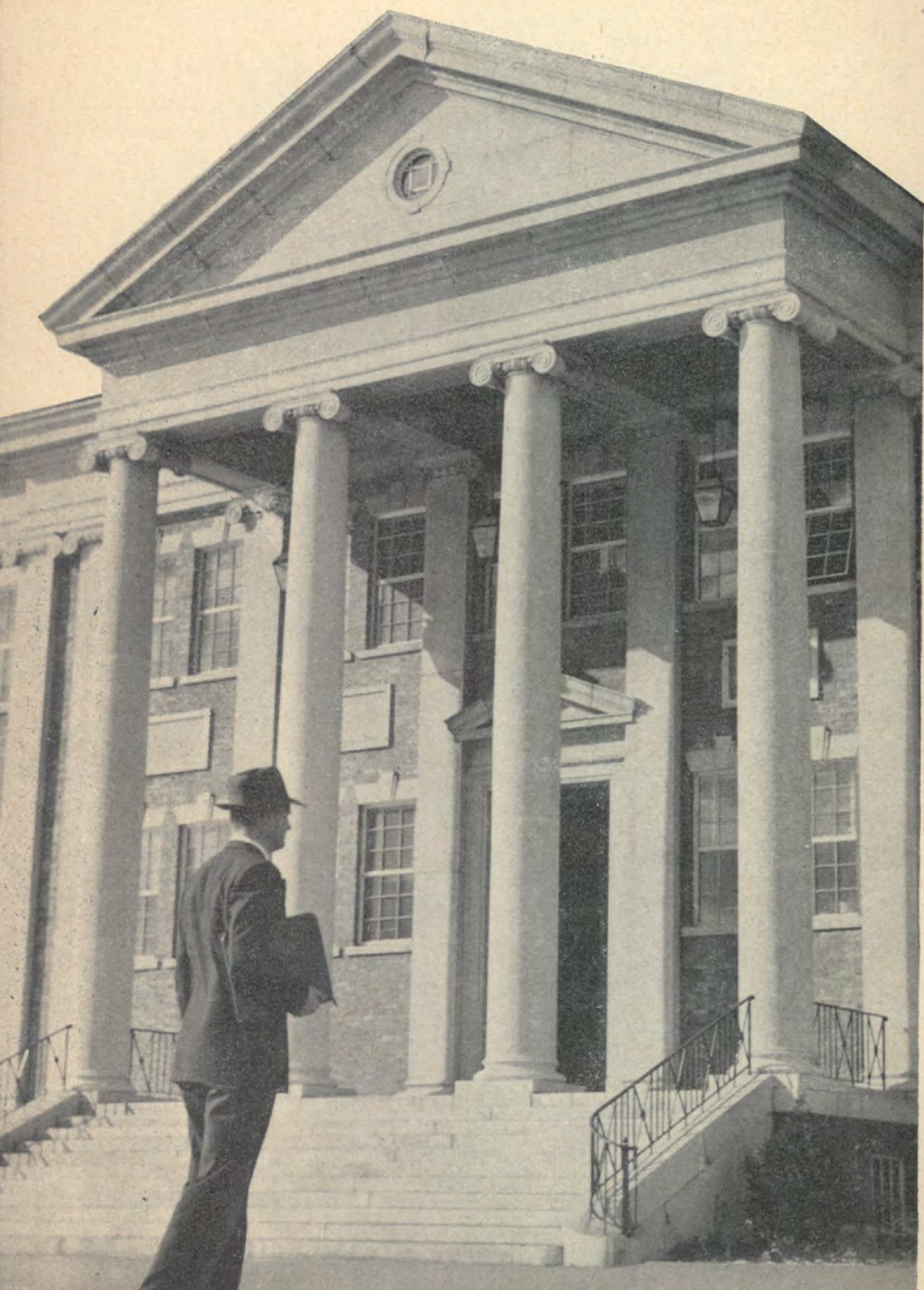
In the case of the Bank of America National Trust & Savings Association vs. United States, et al, 84 Federal Supplement 387, tried by the United States District Court for the Southern District of California, Central Division, opinion rendered June 10, 1949, the Bank brought an action to quiet title to real estate in Los Angeles County, California against the United States of America, and others. The lien of the Bank was unquestionably a first and valid lien on the real estate of the mortgagors but at the time of Trustee's sale and Trustee's deed foreclosing such lien there had already been filed numerous liens of the United States for withholding taxes, federal insurance contribution taxes, federal unemployment taxes and income taxes owed by the mortgagors. Such liens had been filed in the proper County and the Bank was charged with notice of such filing. At the Trustee's sale the Bank bid in the property and went into possession. Apparently when the title was examined following the foreclosure, the question was raised as to whether the Government liens had been disposed of, and this suit was brought to settle the question.

### **Not Extinguished**

The Court recognizes the priority of the liens of the Bank but expressly holds that the foreclosure by Trustee's sale "did not operate to efface



**Eliminate those unnecessary**





# trips to the courthouse



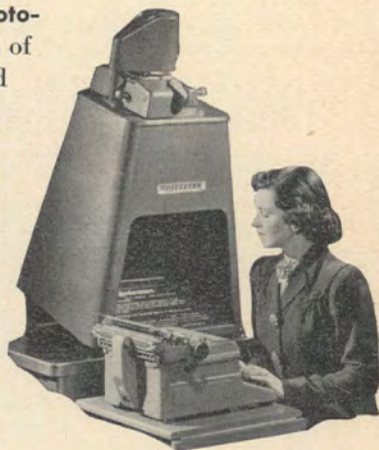
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or detach the Government's liens." The Court thereupon ordered sale of the property by the Marshal with application of proceeds first to the mortgage debt and next to the liens for taxes held by the United States.

### **Tax Lien**

In *Sherwood, et al vs. United States* 5 Federal 2nd 991 (District Court Eastern District of New York 1925), there was no Trustee's sale involved, but a judicial foreclosure brought in the State Court to which all necessary parties had been made except that the United States which had certain tax liens was not made a party. After the completion of the judicial foreclosure, suit was brought to remove cloud cast by the Government's liens on the property. The mortgage which had been foreclosed was purchase money mortgage which was unquestionably prior in point of lien to the taxes for which the Government claimed its liens, and the purchasers at the foreclosure sale were held to be thoroughly subrogated to all rights which they had as mortgagees.

### **Not Extinguished**

The Court properly holds that the lien of the United States was not extinguished and concluded by the judgment in the State Court to which it had not been a party. What is important is the holding that the Federal District Court in which the suit to quiet title was brought did not have power to completely extinguish the lien for taxes held by the Government, and that the only way that cloud could be removed was by sale of the premises by the Marshal at public auction, under decree of the Court.

While in *Trust Company of Texas vs. United States* 3 Federal Supplement 683 Judge Atwood at Dallas rendered a judgment against the Government quieting title after a Trustee's sale had been held, this is clearly against the weight of authority and should the Government appeal from such a decision it is believed that such a judgment would be reversed and a strict and literal compliance with Section 2410 of Title 28 would be required.

### **Summary**

To sum up, the Trustee's sale method of foreclosure is not operative against liens held by the United States, or by any of its numerous subdivisions (not including herein corporations such as Reconstruction Finance Corporation). The only method of disposing of liens held by the Government is within the narrow, confined limits and in accordance with the conditions and requirements of Section or Paragraph 2410 of Title 28 United States Code Annotated. Service on the Government must be had in the manner provided by that Statute and the same cannot be waived or dispensed with. *Jones, Collector of Internal Revenue vs. Tower Production Company* 120 Federal 2nd 779 (Circuit Court of Appeals, 10th Circuit 1941.) The Government has the right of removal from State to Federal Court. Even though the Government's lien be a junior and inferior lien, the Government has a right of redemption for a period of one year from and after the judicial sale. There is a method of obtaining release of some of the Government's lien under certain conditions, but it is obvious that it would be a long and arduous job. Getting rid of Government liens, even though you have a valid prior lien, is comparable to the struggle of Sinbad, the Sailor, to shake off the burden of the Old Man of the Sea.

### **Bibliography**

By way of bibliography, reference is here made to the following: *United States vs. Sampsell* 153 Federal 2nd 731, Circuit Court of Appeals 9th Circuit, 1946 on the subject of the right of the mortgagee whose mortgagor has become bankrupt to collect Attorney's fees as well as interest as against rights of the Government to enforce its Federal Lien and tax lien; *Czieslik vs. Burnett*, 57 Federal 2nd 715, holding that suit to cancel U.S. Income tax lien must be brought against the United States and not against the Commissioner or Collector of Internal Revenue; letter of June 10, 1949, from the American Title Association to executive officers of



title insurance companies throughout the nation discussing the Government's right of redemption in certain cases and enclosing certain opinions, including one from the Solicitor of Veterans Administration to Assistant Administrator for Finance, bearing identification designation *Digest-Serial 120-49* dated March 28, 1949; letter from the American Title Association entitled "VA-Special July, 1949" addressed to members of the Title Association re: Veterans Administration interpretation of the Statute we have been discussing and enclosing therewith Solicitor of Veterans Administration opinion dated June 28, 1949, bearing symbol number 244-49, copy of Directive from General Counsel of Federal Housing Administration to the Directors of all Field Offices dated June 24, 1949; letter from the American Title Association to Members of the Association dated May, 1946, entitled re: "Federal Tax Lien," reproducing an article by Rafael J.

Musicus, Editor of *St. John's Law Review* 96 Schermerhorn Street, Brooklyn, N.Y., entitled "Beware of the Federal Tax Lien"; letter of the American Title Association to all Members of the Association dated April 9, 1931, which enclosed certain proposed legislation relating to Federal Liens and their foreclosure; Annotations in 105 ALR 1238 on enforcement of mortgage liens as against liens of the United States. Also, Section 505 of Chapter 94 of the Housing Act of 1950, providing:

"The right to redeem provided for by Title 28, United States Code, Section 2410 (c) shall not arise in any case in which the subordinate lien or interest of the United States derives from the issuance of insurance under the National Housing Act, as amended, or the issuance of guaranties or insurance under the Servicemen's Readjustment Act of 1944, as amended."

## Advertising by Radio

M. G. BUDD

*Manager, Bremerton Title Company, Bremerton, Washington*

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In our travels, we have visited many times at conventions and in offices of members on the subject of advertising by radio. Television seems beyond consideration by reason of its cost. Radio is within reach of many companies. But what to sponsor and how to calculate results are two perplexing points.

Mr. Myrl G. Budd, Manager, Bremerton Title Company, Bremerton, Washington, after careful consideration of many programs decided to sponsor "Freedom Is Our Business," starring Mr. Robert Montgomery. We present factual information concerning their sponsorship of this program, some of the commercials, costs, and, at the conclusion of the commercials, a short statement by Mr. Budd of his analysis of results obtained.

Tying in with the radio advertising, his company carried newspaper advertising relating to the program and otherwise advertising his firm. Two of these ads are shown on subsequent pages. — Ed.



# "Freedom Is Our Business"

STARRING  
ROBERT MONTGOMERY

WITH  
DAVID ROSE & THE ORCHESTRA

for

*Bremerton Title Company  
Bremerton, Washington*

\*A feature of the World Broadcasting System with transitional writing by Robert Gleason of radio station KBRO, Bremerton, Washington.

## MEDIUM:

Radio — KBRO, Bremerton, Washington.

## TIME:

Friday evenings, 7:00-7:30 p.m.

## TYPE:

Narration by Mr. Robert Montgomery and music by David Rose and the orchestra.

## NO. OF COMM'L:

Three, one minute in length plus credit to Bremerton Title in opening and closing.

## PREPARATION:

With KBRO staff consultation.

## COST:

\$12.25 per program on one year's contract.\*

\*The August, 1951, edition of the Broadcasting Marketbook indicates a total of 26,584 radio homes in Kitsap County, the geographical listening area of radio station KBRO.

## COMMERCIALS

Have you ever read the history of the property you own? Between the lines of that history, there is drama. Marriages, prosperity, happiness, tragedy and loss . . . Children, grandchildren and great-grandchildren. It's a story of the life of human beings, knit together in a fabric that constitutes the **WHOLE STORY!** Or does it? There **could** be "underlayers" of circumstances which existed during

the time the land was the property of earlier owners. Some required signature may be lacking, a description may have been faulty, or some irregularity of form may have crept in. Omissions or errors sometimes occur.

These are but a few of the conditions that could exist that might arise to jeopardize your right of ownership, if you lack adequate protection against them.

You want assurance, then, that you are, **IN FACT**, entitled to the land in which you have invested. And, you want protection in court should such claims arise.

**YOU HAVE BOTH**, when you own a title insurance policy as issued by the **BREMERTON TITLE COMPANY**, 519 Fourth Street. Ask them about the small premium for title insurance first thing Monday morning.

What do you number among the things you can be absolutely certain of? Death and taxes? Yes. Day and night? Yes. Water will seek its own level and cork will always float. Your **TITLE** to the property you own . . . how certain are you of the validity of **THAT?** Certainly, you paid hard cash for it. You've paid your taxes and owe no one. The man from whom **YOU** purchased gave you all the necessary papers. So now you're all set. That is, unless one of those papers was signed by a minor, or by persons legally incompetent or insane, or by any one suffering from disabilities which might invalidate their acts.

Or, forgery or false personation may have been resorted to by someone seeking to defraud. Or, unknown or undiscovered heirs might turn up



to assert their claims to the land; or, the wives or former wives of past owners might contend they have community property rights. Many things could affect your right to ABSOLUTE ownership! So, perhaps you are not as secure as you thought.

There's one way to be secure, though . . . and that's to obtain a **TITLE INSURANCE POLICY**. First thing Monday morning, ask the **BREMERTON TITLE COMPANY**, 519—Fourth street, about the low rate for **TITLE INSURANCE**.

In the stone age, when a man chose a certain cave as his domicile, his physical strength and primitive weapons were his only defense against interlopers who would wrestle away his rights to ownership. As civilization progressed, the forces of law and order took over. Defending the right of ownership of property became a matter of jurisdiction. Man no longer has to defend his own plot or acre with bloodshed.

True, war is a throwback to primitive methods, but in a country where peace still reigns, as here in America, a man's domicile is protected by certain inalienable rights. Yet, the same laws which protect YOU, must protect the rights of others.

If you own property, and, unknown to you, another individual has claim against that property, dating back many years . . . the law must protect the rights of that individual, too! Protect your title by applying for title insurance from the **BREMERTON TITLE COMPANY**, 519 Fourth street, here in Bremerton.

**THEME:** Up and Fade—11180B.

**ANNCR:** **BREMERTON TITLE COMPANY**—519 Fourth Street—presents **FREEDOM IS OUR BUSINESS** . . . Starring Robert Montgomery, one of the outstanding personalities of our time . . . and featuring the music of David Rose and His Orchestra, Yes, **FREEDOM IS OUR BUSINESS** . . . a reminder—in words and music—that **FREEDOM** is everybody's business. Mr. Montgomery . . .

**DISC:** Up to end.

**MUSIC:** Gay Spirits—2:50—7809.

**ANNCR:** Commercial No. 1.

**MUSIC:** Rhapsody in Blue—2:10—9924.

**ANNCR:** Now . . . the feature of our broadcast . . . star of stage and screen . . . commentator on world events . . . one of the great personalities of our time . . . Robert Montgomery. We hear Mr. Montgomery now reading one of the great documents of our time, **GENERAL EISENHOWER'S D-DAY ORDER OF THE DAY**.

**DISC:** **EISENHOWER'S D-DAY ORDER OF THE DAY**.—11199-B.

**MUSIC:** Indian Sunset—2:09—10583

**ANNCR:** This news may shock you! Eight per cent more young people were arrested in America for major crimes in 1951 than in 1950. If you have a child, save him from crime! Follow this advice of authorities and build character in him! See that he gets religious training regularly. Set him an example in morality. Help make your community a better place for building character.

Make your child know you love and want him. Follow this advice . . . save your child from crime! The building of the youth of today is an important part in preservation of Freedom and our American way of life. (pause) Now another of the high lights of our show . . . those few musical moments that we spend listening to the blended voices of the New World Singers. Listen now as we hear: **SEPTEMBER SONG**.

**MUSIC:** (Pick New World Singer Selection.)

**ANNCR:** Commercial No. 2.

**MUSIC:** Sweet Spirit—2:51—7320.

**ANNCR:** Guest time once again on our Freedom Show. This evening, we welcome a newcomer into our Freedom Spotlight. A man with a tenor voice that is familiar, I'm sure, to most of you. A man that has appeared in all the mediums . . . stage, radio and movies. A man who tasted the dregs of hardship before achieving the success he so richly deserved.



Listen now, as Jan Peerce sings the beautiful selection by Guy D'Hardelot . . . **BECAUSE.**

**MUSIC: BECAUSE** (with 12" disc)

**ANNCR:** Last Saturday, June 14th, was Flag Day, the anniversary of the adoption of the stars and stripes. Each year we observe this one day dedicated to the flag of our country. Flag Day . . . the day to display the Stars and Stripes . . . that symbol of the Freedom we enjoy. We take pleasure this evening in welcoming back the star of our show Mr. Robert Montgomery and the **MEANING OF THE FLAG**, as so ably expressed by Woodrow Wilson.

**DISK:** The Meaning of the Flag.—2:31—11203.

**MUSIC:** Valencia—2:14—102-B.

**ANNCR:** Commercial No. 3.

**THEME:** Up and Under—11184.

**ANNCR:** Remember to be with us again next Friday at this same time when the **BREMERTON TITLE COMPANY**—519 Fourth Street in Bremerton will present Robert Montgomery . . . David Rose and the Orchestra and the New World Singers in **FREEDOM IS OUR BUSINESS.**

**THEME:** Up to end.

### CONCLUSION

It is difficult to determine, with exactness, the results obtained through these last seven months of radio promotion. However, the Bremerton Title Company's business has maintained a stable level over 1951.

It is the contention of both myself

## REFLECTING THE SPIRIT of Armed Forces Day 1952



Let's all join in the celebration of Armed Forces Day and pay homage to those gallant men and women in the service of our country.

**Tune in**

Recapitulating the ongoing pursuit of man's right to freedom through the ages through the world.

**Robert Montgomery**

In a new excitingly different radio series

**"FREEDOM IS OUR BUSINESS"**

Behind modern musical arrangements of **DAVID ROSE** and his orchestra of 23 musicians

**MUSIC!**

**DRAMA!**

A program of words and music to remind us all that Freedom is everybody's business!

**KBRO**  
EVERY  
FRIDAY  
7:00 P.M.

## BREMERTON TITLE COMPANY

**TITLE INSURANCE**

M. G. BUDD, Manager

519 Fourth

Dial 7-3771



# give yourself assurance . . . once and for all time . . . that your home belongs to YOU

Whether you are planning to buy or build, or whether you have lived in your home for years, you should not overlook the vital protection offered by a sound and complete Title Insurance Policy. For Title Insurance

guarantees you clear title to your property . . . protects you against legal defects and other factors that might arise.



The need for Title Insurance is as vital as the need for Fire Insurance . . . for an imperfect title, without the protection of insurance, could cost you more than a fire. Title Insurance is low-cost protection. Demand it when you buy . . . you are required to provide it when you sell . . . secure it for your own protection.



## WORTH READING

Elsewhere in this supplement there is an article entitled "HOW TITLE INSURANCE PROTECTS" which we feel merits your attention. While most people have a good understanding of other forms of insurance Title Insurance seldom is explained as well as in this article.

## WORTH HEARING

Each Friday evening at 7:00 P. M. over KBRO, Bremerton Title Company presents Robert Montgomery in "FREEDOM IS OUR BUSINESS," with brilliant musical accompaniment of Dave Rose and his musicians. We think you'll enjoy the program.

# Bremerton Title Company

*Agents for Washington Title Insurance Company*

M. G. BUDD  
Manager

519 Fourth St. Phone 7-3771

L. R. CAMPBELL  
Assistant Manager



and of radio station KBRO's advertising sales manager, Gil Jacobsen, that the very nature and subject matter of the program—Freedom Is Our Business — through the superb narration of Mr. Robert Montgomery

and the excellent music of David Rose, contributed greatly to the building of prestige of the Bremerton Title Company and to the education of listeners toward a better understanding of title insurance.

## Evaluating Advertising

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In "Title News" Volume XXXI, No. 10, November 1952, Page 55, are carried articles relating to advertising by Panel Members with Mr. Harvey Humphrey as Moderator. These addresses were followed by discussion which inadvertently we overlooked and now print, with apologies for the delay. The discussion particularly had to do with evaluating effectiveness of any advertising program. Admittedly, this is difficult. We give you below the statements of members on the subject of evaluating advertising. — Ed.

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### DISCUSSION

Question: I would like to ask Mr. Shelly, or someone else on the panel, if they have any method of evaluating the effectiveness of their advertising program. We compare comparable periods of this year with last.

### RESULTS

MR. SHELLY: I don't know whether I can answer that but I'll give you an idea or two and maybe someone else can answer it for you. I think it's very difficult to measure results of advertising efforts. Just by way of two examples, that I related, about the kind of direct mail advertising that has continuing value, I think that when we send out an offer to supply lawyers with this calendar and we receive requests for them for year after year from 80% of the lawyers of the state it must mean they like it. We believe in addition to that they appreciate that kind of thing. They tell us they do. This other mailing piece that I mentioned, this chart, this is something we have offered to lawyers, and on the first day we

could get mail back from the lawyers—we didn't send it out to them, understand, but rather sent a letter briefly describing what this is and offering to send it to lawyers if they wanted it, we had responses from one-third of the lawyers to whom this letter had been sent.

### Usability

Now this is not like buying a pig in a poke, but it's asking for a pig in a poke, because they didn't see it. It does indicate to me the lawyers have confidence in what the company offers and attach a value to it. I think that's based on the good experience they have had. They have somehow been led to believe, and perhaps learned through experience, that the things we offer are good and useful, and they seem to attach a certain confidence which I think, in a way, is some measure of the effectiveness of those particular things. But, as I said in the beginning, it certainly isn't easy to measure advertising results.

### Confidence

MR. HUMPHREY: I would add it



is almost impossible to measure what you are getting for your advertising dollar, but we do know from our experience at home that people come in and bring business into our office—sometimes its the company that puts out the historical booklets, sometimes its the Company that had the radio program some years ago 'Rose of the Rancho' sometimes asking for one of the wall maps which they know we publish. I think the best indication is the business that comes to you that way which shows the good—will you have tried to create by your advertising dollar has had some results. Of course there are more laughable instances which all of us will recall in our past experience, when someone will come into your office and ask for something and think they are calling on your competitor. Our names in so many cases are similar and confusing. But we do feel that when we get responses such as mentioned by Joe Shelly, where an item is first offered and given on request, that we are getting results. In our newspaper advertising much of it is keyed to life underwriters, to attorneys, to realtors, to builders, and in many cases we send reprints to the interested parties and we have many demands for additional supplies of those reprints.

**MR. GARBER:** Our experience along that line has been very similar. Last year we sent out a series of business trends. It proved to be very popular and we had many people come into the office and request additional copies of it.

#### **Radio**

Several years ago we sponsored a radio program and over the program we would announce that copies of the talks would be furnished and they would be put on the mailing list for additional copies. That proved a very good test of the effectiveness of that program. But there is almost no way I can tell or whereby you can tell if the advertising program itself produces directly the order you are interested in.

#### **Difficult**

**MR. McKILLOP:** I quite agree

with the other members of the panel that there's no way in which you can put your finger right on results consistently. I've watched that; I've been in the position to try to evaluate results from different types of advertising—for instance a newspaper campaign. It just doesn't happen that way in the title business. For instance a store in Washington will run an ad of 5,000 gingham dresses. They will know by five o'clock that night what results the advertising has had—or at least by five the next night. But it doesn't happen that way in the title business. Your evaluations have to be built up on a longer range program. You have to do your advertising and then periodically, maybe quarterly, or semi-annually, take stock of the situation and see where you've landed.

#### **Effective Bill Board**

But I'll give you one illustration that was interesting to me, since I spoke on the subject of billboards. In one town in the territory in which we serve, there were seven or eight billboards that had to come down during the war. There was one board that stayed up—it was a 42' board and it was on an artery which came into this town from a mill district, a residential section which was very low grade, with cheap houses, cheap class of lots, the very type of area which you would think would never react to any kind of advertising, and it is astounding to analyze the orders of that company for title insurance, and this is an abstract state where everybody goes for abstracts. The direct request for title insurance which have come out of that mill district, on three hundred dollar lots and four thousand dollar houses, is really phenomenal. There is no explanation we can give to it. We have studied the situation. There never has been a salesman in there, there has been no direct mail or any other types of advertising, except that one billboard.

#### **Educational**

**MR. FRANK K. STEVENS** (Angleton, Texas): We have been running an ad in the local paper (weekly) for the past year or so. These ads are



composed by me, just reciting some incident attempting to educate the public, not the lawyers just the general public, as to why they need title insurance. I haven't any idea either, of knowing how much good these have done, except that my business has been growing quite steadily. It

has only been about five years that title insurance has been in use in our county at all so its been kind of a job to educate the public as to the reasons for it. Now and then we have somebody come in and say they want title insurance because they have been reading these ads.

## Report of Judiciary Committee

RALPH H. FOSTER, *Chairman*

*President, Washington Title Insurance Company, Seattle, Washington*

### Old, But Novel

"The flow of a natural stream over the land of a lower proprietor is not such an encumbrance upon the land below as will sustain an action for breach of covenant against encumbrances", (on the land below), and the fact that the stream was covered by brick and concealed makes no difference. *Stanfield v. Schneidewind*, 96 N.J. 428. Decided in 1921.

(Reported by R. W. Jordan, Jr., Richmond, Va.)

### Deed—Conditional Delivery

Claunch, intending to take a trip to Texas and being fearful of winter travel, executed a quit claim deed to Whyte. This deed, with a bill of sale of cattle she delivered to Whyte, stating that if anything happened to her while she was away she wanted Whyte to have the property. The court held there was a valid condition attached to the delivery of the deed and therefore no title passed. *Claunch vs. Whyte*, 249 Pac. 2d 915 (Idaho).

(Reported by John Bell, Boise, Idaho).

### Practice of Law

The Supreme Court of the State of Washington recently had before it the question of unauthorized practice of law. The action was brought by Washington State Bar Association against Washington Association of Realtors and others. By rulings of the trial court, unchallenged on appeal, the scope of the action was narrowed to one defendant, a licensed

real estate broker. It was found that four deeds were prepared under the supervision and direction of defendant, by the completion of printed forms of statutory warranty deeds,—all in connection with transactions negotiated through his office. One deed, known as the Voeller-Newman deed, after the description contains the following, "Subject: To a \$4,000 mortgage held by Public Service Life, Health and Accident Company. A mortgage of \$850."

The opinion of one judge, concurred in by three others, reads: "... the relief granted in this case must be quite restricted. It shall restrain the defendant from doing the specific kind of work of a legal nature evidenced by the preparation of the Voeller-Newman deed."

Three other judges concurred in the result and another judge, in a separate opinion, concurred in the result of the majority opinion but felt "that it does not adequately protect the public from the unauthorized practice of law by the respondent." One judge did not participate. *Washington State Bar Association v. Washington Association of Realtors, et al*, 141 Wash. Advance Sheets, page 649. Decided December 19, 1952.

### Restrictions

Lot owners brought suit to enjoin construction of a church as violating subdivision restrictions. The deeds to the church contained an agreement that no residence should be constructed nearer than 25 feet from



the line and should cost not less than \$1,250. The court said: "Does this affirmative requirement amount, in effect, to a negative requirement that none other than residences be built?" The court went on to find that the subdivision had been used almost exclusively for residential purposes, and granted the injunction. *Smith v. First Presbyterian Church* (Michigan) 52 NW 2d 568.

(Reported by T. Gerald McShane, Grand Rapids, Michigan).

#### **Bigamy—Coram Nobis**

Fourteen years after conviction of bigamy (because of marriage to his third wife while undivorced from his second) defendant moved for a writ of error coram nobis, because his first wife was not divorced until after his second marriage and before his third. Thus, he asserted, there was no existing valid second marriage, and no crime was committed. Writ granted. *People v. Glass*, 114 N.Y.S. 2d 635.

(Reported in *Judicial Highlights* 249 Pac. 2d Advance Sheets).

#### **Church**

Deed to Trustees of a church, regular in every respect, contains in the habendum clause this language, "for church purposes only." Case holds

that quoted language will not be construed as a condition, subsequent and that the church could convey an indefeasible title. "Ordinarily a clause in a deed will not be construed as a condition subsequent unless it contains language sufficient to qualify the estate conveyed and provides that in case of a breach the estate will be defeated, and this must appear in appropriate language sufficiently clear to indicate that this was the intent of the parties."

(Reported by R. W. Jordan, Jr., Richmond, Virginia).

#### **Divorce**

Where Illinois resident established residence in Nevada for purpose of procuring divorce, but left immediately after securing decree predicated on "mental cruelty", which is not a ground for divorce in Illinois, and the evidence showed a lack of intention of establishing a bona fide domicile in Nevada, held, that the decree could be successfully attacked in Illinois ten years after its entry, as it will be deemed neither valid nor entitled to full faith and credit. *Ludwig v. Ludwig* (1952), 413 Ill. 44.

Reported by Lyle W. Maley, Chicago).



# Factors Affecting Our Market

RUSSELL S. PADGETT, JR.

*Treasurer, Security Title Insurance Company, Los Angeles, California*

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Executive ability is marked, so it is said, by a talent to get work done by another. When that delegated job is an excellent performance, so much the better.

We carry the address of Mr. Russell S. Padgett, Jr., delivered before his company's Management Conference. In it, he discusses factors which will confront our industry in 1953 and their effects upon our business. It is an excellent analysis.

As a guest speaker in Title News, we are using his brains and analytical ability as a substitute for our D.O.T.'s. Thus we relieve ourselves of a job; and we give you improvement. — Ed.

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Today, everyone, from housewives to bank presidents, is interested in economics. After experiencing two booms, two depressions, a major deflation and a major inflation, this generation is self-consciously concerned with what is going to happen next.

Years ago this company, like many small corporations, minded its own business too well. When business had been good for a number of years, we thought it would go on that way. When it had been poor for several years, we trimmed our sails for a permanent storm.

This company now has over 500 employees who depend upon it for their living; it has many stockholders who count on regular dividends; it has countless millions in policy liabilities that must be protected.

Consequently, we can no longer mind our own business. We must examine all available economic facts and try to piece them together to determine how they will affect real estate activity and values.

I would like to stop here and say that we have no crystal ball. The universities and Washington, D.C., are full of expert economists who claim to know what is going to happen. I

have found that what most of them say makes good reading but bad practice.

Every successful business requires taking risks. Even when you make a deposit in the bank or buy a Government bond you are taking a risk on the value of the dollar.

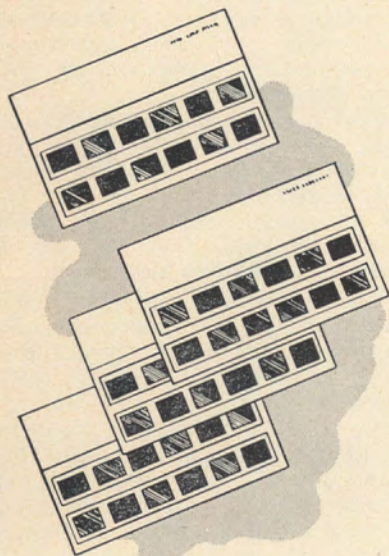
Our job is to try to calculate our risks, so that we will neither get caught with our financial position down, or find ourselves in the awkward position of a large merchandising concern which is known in Wall Street as the bank with a store front, because its boss has been hoarding cash and closing stores while his competitors have been growing rich and powerful by expanding with the rest of the country.

## Post-war Activity

During the depression there was very little construction activity. Consequently, an enormous backlog of demand for housing was created. During the war, with incomes high and very little to spend them on, savings accumulated. As is always the case during wartime, the romantic passions were inflamed, resulting in courtship, marriage, and reproduction. All of which is summed up in the



● Above  
all . . .  
**ECONOMY!**



Why keep on spending more money for your daily takeoff? You can do it for less with Filmsort.

In the last four years, 150 title companies — 6% of all the companies in the United States — picked Filmsort as the modern method for their daily takeoff.

They had many reasons for selecting Filmsort. One reason stood out above all others — economy! Filmsort does your daily takeoff for less money than anything else available today.

You can't beat microfilm and Filmsort cards for speed, accuracy, control of examinations, freedom from courthouse hours, easier chain-making, quicker service on policies or abstracts.

**You can do more for less money  
with Filmsort!**

FILMSORT Individualizes Microfilm!



. . . It's in the cards

**FILMSORT INC.**  
**DEPT. T. PEARL RIVER**  
**NEW YORK**



dreary sounding term, family formation.

As is always the case during prosperous times, the birth rate was high during the 1920's, which provided a large number of people during the 1940's who were the right age to participate in family formation.

The above factors, a large backlog of demand, large savings, and prolific family formation provided a sure fire combination for a boom in real estate activity.

These forces had their greatest impact from 1945 through 1950, by which time most of the urgent demand for housing had been satisfied and a large part of the savings had been dissipated.

Since 1950 real estate activity has been dependent more upon current developments that upon forces that were created in the past. By now everyone has a fairly satisfactory roof over his head. Whether or not he will buy a better house depends upon how prosperous he is. In other words, current and future real estate activity is dependent upon the general prosperity of the nation.

During the depression the birth rate was very low. The small depression-born generation is just now beginning to come of age. Consequently, family formation will be below normal for several years. I feel that this is an adverse factor that is sure to result in lower real estate activity, even though its effect may be moderated by other favorable conditions.

A great many of us learned the lesson of the Great Depression too well. Because the depression was preceded by highly prosperous times, we have jumped to the conclusion that prosperity is an unnatural condition that can't last long. We are convinced that without a big armament program and government subsidies and shortages, that prosperity cannot survive.

Nearly everyone is convinced that times will get bad as soon as the tremendous industrial plant expansion program resulting from the Korean War begins to taper off in 1953 and 1954.

### **Offsetting Factors**

It is true that this decline in plant expansion will remove a powerful stimulus. However, there are numerous offsetting influences.

One of these is the population growth. In the past ten years the population has increased 19 million or 15%. The increase in California has been over three times as great as in the balance of the country. And the birth rate is continuing at a very high rate at the present time. With a broad distribution of prosperity throughout the population, big families are once again fashionable.

What does this population increase mean? It means that the working force which is made up of our generation must support not only itself but the increasing needs of 19 million growing children who will not be working for another ten years.

This means that we must have more machines to increase continually the productivity of each worker until the 19 million children go to work during the 1960's.

And it is the building of factories and the production of machinery that makes prosperity. It is the heavy industries; that is, construction, steel, machinery and the like that employ half the working force. If industry is not expanding, you simply cannot have prosperity.

The skeptics say that the enormous industrial plant expansion in recent years is sufficient to keep us supplied with all the goods we will need for years. However, statistics show that except in a few cases such as textiles, refrigerators, and paper, plant expansion in recent years has merely kept up with normal demand and to replace worn-out equipment. Plant and equipment built for war production must be kept in standby condition in case of war and is not readily convertible to civilian production.

### **Expansion Factors**

The highway system of this country is woefully inadequate and in bad repair. And Detroit continues to pour out more and larger cars to congest less and less available space.



The President of the National Gypsum Company recently estimated that 15% of the population is inadequately housed.

As you can see, there is plenty of room for continued activity in the United States.

The factors I have just discussed represent what I believe to be the most basic forces which will work to keep things going after the present armament build-up tapers off.

Probably the largest single force in the economy today is the government. Even prior to the Korean War, the government spent more money than was spent by all private industry.

As you all know, there has been quite a change in the government this month. I will now stick my neck out and try to predict what the change will mean from an economic standpoint.

I predict that the easy money policy of the New Deal and the Fair Deal will be modified to some extent. I believe the Republican Party will con-

serve the credit of the Government for use in case of recession or war, instead of flinging it about to inflate already prosperous conditions. I believe agencies such as FHA, Fanny May, CCC and RFC will be administered more conservatively.

### Interest Rates

I believe the Federal debt will be financed through long instead of short term borrowing, which means higher interest rates. However, the demand for money which is now at its peak due to its demand for financing the armament expansion and to finance inventories for the Christmas trade will soon taper off. This should offset the higher interest rate policy of the Government. Therefore, I believe interest rates will continue at their present level for some time.

In case a recession starts to develop, I believe the Republican Party will use the credit of the Government fully to check it. No one knows better what a depression can do to a political party than do the Republicans. One



**ERRORS!!!**

**OMISSIONS!!!**

## **YOUR WORRIES VANISH WITH OUR ABSTRACTERS' LIABILITY INSURANCE**

Protect yourself from financial loss imposed by law against you for damages because of a negligent act, error or omission committed by you, your associate or employees while performing professional services for others. For this necessary protection call your Saint Paul Agent . . . today

**SAINT PAUL-  
MERCURY INDEMNITY COMPANY**

111 West Fifth Street, Saint Paul 2, Minnesota

INSURANCE COUNSELLORS TO BANKS



more depression during a Republican Administration and they will be out forever, and they know it. And that is why I don't think they will sit idly by when a recession starts.

Government spending will remain high, as it must if America is to remain a garrison state for the western world.

### **Military Spending**

Because the policy of a big protective government is pretty well accepted by both parties, and because we must spend at least 30 billions annually just to maintain our military defenses, I believe that a gradual long term inflation will continue. However, I think the dollar will remain sounder under the more economical policies of a Republican administration.

Although taxes must remain high, I feel that with some economies they will be reduced somewhat. I believe the inequitable and hard-to-administer excess profits tax will be permitted to expire next year.

Finally, I believe that the most significant effect upon the economy by the new government will be psychological. For the first time in 20 years, there will be an era of "good feeling" for business and industry.

The businessman will no longer be the rag baby to be tossed about by the bureaucrats and labor leaders. He will once again be treated with some respect.

As I mentioned before, it is the expansion of business that makes prosperity. It is not how much the masses buy that keeps the country humming. It is how much the businessman plans to spend on new facilities. And it is my feeling that if he knows that the government is his friend instead of an enemy waiting to "crack down" on him with punitive taxation and regulations, he will be more inclined to take a calculated risk on the future.

### **Summary**

I should like to summarize what I have said.

The unfavorable forces that face our business and the country during the next several years are, (1) the decline in spending for war plant expansion and (2) the small family formation that will result from the maturing of the small depression-born generation.

These factors will be substantially offset by the increasing consumption of goods and services and need for productive facilities created by the 19 million growing children there are today. These favorable factors will be stimulated and safeguarded by an era of good feeling for business and industry, a sounder dollar, and a government whose credit will be conserved to halt a depression or wage a war.



# PERSONALS

JOSEPH H. SMITH

*Secretary, American Title Association, Detroit*

- **HOLMAN D. PETTIBONE**, President, Chicago Title and Trust Co., addressed 32nd Annual Meeting of Chicago Mortgage Bankers Association January 20 . . . spoke on effects of federal government participation in housing and mortgage fields.
- On January 10, the **MID-SOUTH TITLE CO.**, Memphis, Tennessee, invited friends and associates to their office to celebrate their 7th anniversary.
- **Permian Abstract Co.**, Midland, Texas, recently announced appointment of **GUY T. O. HOLLYDAY** as Vice President of firm.
- **RAY L. POTTER**, Vice President-Treasurer, **Burton Abstract & Title Co.**, Detroit, Mich., was selected as Chairman of American Bar Association Committee on Acceptable Titles to Real Property.
- **ROE ABSTRACT CO.**, Pinckneyville, Illinois, recently celebrated opening of new offices and building . . . this eighty-three-year-old company is managed by **JOHN D. ROE**, President of Illinois Title Association, and his son, **CHARLES B. ROE**.
- At Annual Convention of Indiana Title Association **JOHN S. BLUE**, Secretary, **Jasper County Abstract Co.**, Rensselaer, was re-elected to a second term as President of the Association . . . **PAUL J. SCHUH**, of **STALLARD & SCHUH**, Lafayette, is again to serve as Secretary-Treasurer.
- **ARIZONA LAND TITLE & TRUST CO.** announces opening of new office in Tucson . . . called South Tucson Office.
- Elected President of South Dakota Title Association for current year is **HENRY HALLA**, **Halla Abstract Co.**, Tyndall . . . **MRS. SYBIL HOUCK**, **Potter County Land & Abstract Co.**, Gettysburg, is new Secretary-Treasurer.
- At Missouri Title Association Convention, **ROLAND B. MILLER**, Secretary-Treasurer, **Murdock & Newby Abstract Co.**, was elected to office of President of Association . . . continuing as Secretary-Treasurer is **MRS. ZETTIE HUBBARD**, **Chariton County Abstract & Title Co.**, Keytesville.
- **Nebraska Title Association** elected **JOHN GUMB, JR.**, Manager of **Dodge County Abstract Co.**, Fremont, as their new President . . . **CARROLL J. REID**, President of **Weitzel Abstract Co.**, Albion, was re-elected to office of Secretary.
- **G. HOWARD LAFFERTY**, **Union Savings & Trust Bldg.**, Warren, Ohio, is new President of Ohio Title Association . . . the office of Secretary-Treasurer is again to be handled by **MARSHALL H. COX**, of the **Land Title Guarantee and Trust Co.**, Cleveland.
- **GORDON S. BENNETT**, President of **San Acacio Abstract & Investment Co.**, San Acacio, Colorado, was elected a member of the 39th General Assembly of the State of Colorado.
- **Security Title Insurance Company**, Los Angeles, California, announced the election of **T. FRANKLIN SCHNEIDER**, of La Jolla, to Board of Directors. He is president of **T. F. Schneider Corporation**, an apartment house and hotel holding company, and also president of **Sherman Apartment House Co., Inc.** Both firms of Washington, D.C.
- **Arizona Title Association** new officers are **L. A. RENEER**, Vice-President, **Tucson Title Insurance Company**, Tucson, elected to office of President . . . **F. E. PETTYCREW**, Vice President, **Arizona Title Guarantee & Trust Co.**, Phoenix, chosen as Secretary-Treasurer.



## When One Buys Land

(This was written about 300 years ago. It was found in a Court House in Wakefield, England. The identity of the author is not known, but we can all surmise it may have been the Immortal Bard.—Ed.)

“First see the land which thou intend'st to buy  
Within the seller's title clearly lye.  
And that no woman to it doth lay claim  
By dowry, joynture, or some other name  
Which may encumber. Know if bond or fee  
The tenure stand, and that from each feoffee,  
It be released; that the seller be soe old  
That he may lawful sell, thou lawful hold  
Have special care that it not mortgag'd lye  
Nor be entailed upon posterity.  
Then if it stand in statute bond or no

Be well advised what quitt rent out must goe,  
What customs service hath been done of old  
By those who formerly the same did hold.  
And if a wedded woman put to sale  
Deal not with her unless she bring her male.  
For she doth under covert barren goe,  
Although sometimes some trafficue soe (we know).  
Thy bargain made and all this done,  
Have special care to make thy charter run  
To thee, thy heirs, executors, assigns,  
For that beyond thy life securely binds.  
These things foreknown and done,  
you may prevent  
Those things rash buyers many times repent;  
And yet when you have done all you can  
If you'd be sure, deal with an honest man.”

1953

## Mid-Winter Conference

February 27-28

Hotel Statler

ST. LOUIS, MISSOURI

Make reservations direct. State dates of arrival and departure and that you are coming for A.T.A. Conference. If scheduled for arrival in late afternoon or evening, request hotel so endorse your card. Send to

MR. ROBERT ROBARDS

Front Office Manager

HOTEL STATLER

ST. LOUIS 1, MO.