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THE CHANGING TIDE

STEWART J. ROBERTSON

*Vice-President, American-First Title & Trust Company
Oklahoma City, Oklahoma*

(An address before the Colorado Title Association Convention, 1954.)

I was very happy to receive Lloyd Hughes' most cordial invitation to be with you at this convention. I must confess that some of that happiness was based upon purely selfish motives. I know of no better place to vacation than in beautiful, cool, Colorado. That's what we are doing now and will continue to do next week. But, I must confess too that I experience more pleasure in meeting with a group of you title people than any other branch of humans. And, I would rather talk about our business—talk shop, if you please—than any other subject.

A few yesterdays ago you became engaged in the abstract or title business. Maybe it was five years ago—maybe it was fifty. The question I would like to toss out to you today is, "How many changes have you made in the way you do things since you started in this business?" I think you will agree with me that one of the poorest excuses for performing any given operation is because, "that's the way we have always done it."

The prime purpose of the Colorado Title Association is to develop and exchange ideas. How very true it is that no one particular individual has a monopoly on either brains or ideas. At these conventions and other meetings you have, you can pool your knowledge in the exchange of ideas for the benefit of all. If you can take home with you one money making or saving idea, then you will have been rewarded for your attendance at this meeting. But, it's a share and share alike proposition. It takes YOUR ideas, along with those of your fellow titlemen, to achieve what you are here for.

If we tried to cover every phase of the title business, I'm afraid we would have to call on Joshua to stop the sun and the clock.

I would like to start in on one phase of your operation—that of "daily take-off of instruments filed, indexing of same, and storage for future use in connection with abstracts or title policies."

How do you take-off the daily filings to get the information from the court house to your office? Have you made any changes or refinements in your process in the past few years? Are you satisfied with your present system and are you convinced it is the most economical method you can devise to obtain the information?

It has been my good fortune to visit in a number of title and abstract companies in several states and, at the suggestion of the management of my company, I have investigated the take-off procedure of these various companies pretty carefully. We have our problems at home—just the same as you have yours—and we are looking for the best solution for having a complete title plant under our roof without having the records flow out the windows and into the street.

Naturally, I can speak to you only in generalities on this subject because each and every company and county have different problems. Some of the problems or elements which you must consider individually are:

First — THE POPULATION OF YOUR COUNTY. Generally speaking, the smaller the population of your county, the smaller the records and your problem. But, a good hot, county-wide oil play can see your daily filings jump to the point that the preparation of your daily take-off is a major operation in itself. Are you prepared for such a contingency?

Second—THE NUMBER OF INSTRUMENTS FILED DAILY. The volume of your daily filings is a most important factor. Obviously, if the volume of filings is small, it follows that the volume of business available will likewise be small which

could not support an expensive photographic layout, UNLESS it was also used in conjunction with a photographic system of recording for the county which in turn would largely foot the bill.

Next—THE AMOUNT OF BUSINESS YOU CONTROL. You know what your competitive situation is—you know your competitor—and you should know the amount of business he controls. If you are the only abstractor in your county, you're lucky—it says here. In any event, you will more than likely put most of the instruments filed of record in an abstract—that is of you live long enough. But, the amount of business you control has an important bearing on the manner in which you prepare your daily take-off.

IS THE MAJORITY OF YOUR BUSINESS THAT OF ABSTRACTS OR TITLE POLICIES, OR A COMBINATION OF THE TWO? What is the trend toward title policies in your county? For abstracts, you need an index to guide you to the instruments so you may abstract them. For title policies, you need not only your index, but also the instruments for examination purposes. If there is definitely a trend toward title policies in your county, you had better look 'way down the furrow toward the end of the row. A person's hindsight is always 20-20 vision. But, how about the foresight? That's when you really need your best vision and I would suggest that you take a long look forward if and when you consider changing your ways in taking off the daily filings. This suggestion may seem rather pointed to you. It was intended that way. I come from an abstract state and when I chose to enter the abstract business, just a scant eight years ago, guaranteed titles—or title policies—were not the accepted commodity in the market place in Oklahoma. In that short period, I have witnessed a remarkable change in the buying public when it comes to our two products—abstracts and title policies. The title guaranteeing or insuring companies have not done it alone. The demand of investors for mortgage guaranties

has played a most important role in making acceptable the one item on our shelf we have to sell. But, I didn't come here to sell title policies. This is just another angle you must consider individually, when you approach the "daily-take" problem.

WHAT TYPE OF INDICES DO YOU MAINTAIN. TRACT BOOK OR CARD INDEX SYSTEM? This consideration is not too important—and yet you may think it is. I doubt if you could find two identical sets of books in independent companies—and the same goes for a card index system. But, you must pattern your daily take-off to meet the needs of your index operation.

I would like to take you with me now for a quick look at some systems I have seen in operation in a few of the plants it has been my good fortune to visit.

First, let's go to Company "A" which is situated in Southeastern Oklahoma. This county files 35 to 50 instruments daily. There are two abstract companies in the county. Each evening the daily filings are microfilmed on 35 mm film and developed. The following morning the film is cut into the individual instruments, which are inserted in Film Sort cards. (Cost of cards: single aperture, 3 cents; double aperture, 5 cents.) The cards are then put in a reader (portable) and the tract books posted from the reader. The cards are then filed by Book and Page of recording.

Company "B" is again situated in Southeastern Oklahoma. The county files from 30 to 40 instruments a day. Again, there are two abstractors in the county. This company employs three typists who abstract every instrument filed as it will appear in an abstract. As many carbon copies are made as is thought will be needed and the last carbon copy constitutes the permanent plant record. Tract indices are posted from this form of take-off. The instruments are filed according to book and page. When an abstract order comes in, it is only necessary to go to the files and pull the instruments which constitute the chain of title. This plant owner states he can

get abstracts out so fast, he purposefully slows them down, otherwise his customers would think the job so easy the charge would not be justified.

Company "C" is situated in Western Oklahoma. This county files from 25 to 35 instruments daily. Still, again, there are two abstracters in the county. This company recently microfilmed their large tract books, then by using a Recordak Enlarger, reduced the tract book sheets photographically to approximately $8\frac{1}{2} \times 14"$. The sheets went into file folders set up on a geographic basis. This company prepares a mimeographed daily take-off report of all instruments filed, which is mailed to subscribing attorneys, realtors, banks, savings and loan associations, etc. The last copy to go through the mimeograph machine is gummed on the reverse side. This abstracter then cuts up this gummed copy and pastes it to his tract book sheets, the instruments as they affect the property described. This is a possibility for any company preparing a daily report. I would like to remark, in passing, that this abstracter never types a court case for an abstract. He "shoots" the court case whatever it may be, on 35 mm microfilm, which he then develops. The film goes into an enlarger and he comes back with a photographic reproduction $8\frac{1}{2} \times 11"$, and that is what goes into his abstract. He can process a transcript of a large court case in $1\frac{1}{2}$ to 2 hours. He has no "squacks" at all—in fact, his customers would raise Cain if he tried to go back to typing.

Company "D" is located in North-eastern Oklahoma and 175 to 225 instruments are recorded daily. There are four title companies in the county. This company microfilms the recorded instruments on 16 mm Recordak equipment. When the film is developed, it is put in an enlarger and the instruments are printed on photographic paper at 40% reduction. The reduced size is $5\frac{1}{2} \times 8\frac{1}{2}"$, thus two instruments go on a sheet of paper, $8\frac{1}{2} \times 11"$. From these copies the tract books are posted, then the copies are discarded. When each book

is bound in the County Clerk's Office, the book is shot on 35 mm microfilm which constitutes the permanent records of this company.

Company "E" is in a suburb of Chicago, Illinois. The population of the county is about 185,000, and 125 to 150 instruments are filed daily. This company photostats the daily recordings on a Standard Photostat Machine at 20% reduction of regular size. This roughly reduces an $8\frac{1}{2} \times 14"$ instrument to $8\frac{1}{2} \times 11"$. The tract books are posted from the photo-copies, then the copies are filed by reception number for future use in processing orders for either abstracts or title policies. This company has filed away approximately 300,000 instruments, filed in the past five years, in eleven (11) 5-drawer letter-size filing cabinets. They have found from experience they use 75% of the instruments in processing either abstract or title policy orders during the five years period. When an instrument is so used, it is "white-checked" and periodically the "white-checked" instruments are discarded if they describe only the property abstracted or on which the title policy was issued.

So much for how these individual companies do it. You have witnessed a certain amount of ingenuity at work in these various companies, and I believe in every instance the particular plant owner is well pleased with his present operation—but, I think he will also admit there are still some "bugs"—hence, some room for refinement.

Next, let's take a look at the working tools some of these companies possess, which enable them to do the job photographically. I would like to hurriedly point out what, to me, constitutes the advantages and disadvantages of the various means of photographic reproduction.

MICROFILM

Cost of Equipment:

Recordak Model "E" 35 mm Camera—Approximately \$1,765.00.

Recordak Model "D" 35 mm Camera—Approximately \$2,285.00.

Recordak Model "A" Enlarger—Approximately \$415.00.

ADVANTAGES

Low initial cost of getting on film.
Small storage space required.
Good photographic reproduction.
Duplicate films can be stored elsewhere.

DISADVANTAGES

Difficult to index from.
Inflexibility of being stored on a big roll.
No good reader on the market for title use.
Film sort cards run up the cost of microfilm rapidly.
Viewing equipment costly.

PHOTO-COPIES (PHOTOSTAT)

Cost of Equipment:

Photostat Junior—Approximately \$714.00.

Photostat Standard—Approximately \$1,600.00 to \$1,800.00 (if available).

ADVANTAGES

Very flexible method from standpoint of indexing or future reference.
Initial cost of photo-copy not excessive—6 to 11 cents.
Instruments can be discarded after use.
No viewing equipment necessary.
Positive prints can be made with only slight loss of detail.
Any reduction in size can be made down to 50%.

DISADVANTAGES

Darkroom is necessary involving use of chemicals, water and drying equipment.
More expensive than microfilm.
More filing space required than microfilm.

OTHER REPRODUCTION EQUIPMENT

Verifax Printer—Kodak—\$240.00.

Semi-dry process of reproduction.
Paper cost is about ten cents per sheet. Reproduction is not up to standard of microfilm or photostat. Will not reduce size of in-

struments. Rather inflexible in its operation.

Apeco Auto-Stat—American Photocopy Equipment Company—\$189.50 plus \$21.45 (Timer), plus \$22.00 (Boxes).

Comparable equipment with Verifax printer. Paper cost about ten cents. Poor reproduction by comparative standards. For limited or specialized use in title plant.

Thermo-fax—Minnesota Mining & Manufacturing Company—\$422.00.

Dry process of reproduction. Employs use of special paper sensitive to heat. Will not reproduce ink or colors. Paper turns black at 150°. Limited as to use in title company.

To attempt to summarize and, at the same time, generalize on the "take-off" methods of the Oklahoma Title Association members, it has been my observation that the practices being followed run the full course—from "soup to nuts." You will find penciled take-offs, typed take-offs, microfilming of the daily filings, and photostating. And, you will find combinations which use both microfilming and photostating.

Every time I look at one of our index books and see all the instruments listed in their proper places, what I really see is all those ten cent pieces that each instrument represents. Do you too think in terms of kissing ten cents good-bye every time you index an instrument? Our County Clerk charges a buck and a half to record a one page instrument and he barely breaks even in the operation of his office. All he does is photostat the instrument, enter it on the proper indexes, get it in a book and mail the instrument out. He doesn't even have any rent to pay. But what about the abstracter? You have to take off that same instrument, get it on your indices, store it away, pay your plant overhead, rent, and salaries, and then when the time comes that you get an abstract order, you have to have a typist abstract the instrument—neatly and accurately—

for all of which you may receive one buck.

I am not telling you a thing when I remind you how terrifically your plant overhead has increased since World War II. And, neither am I telling you a thing that's new when I say there are two ways to make money in your abstract business. First, your charge for your services must be high enough to pay your overhead and return a profit to you. Second, by finding ways and means to reduce your operating expense, you can accordingly increase your profits. The big question before us right now is, "Can we devise a better, more efficient way to make the take-off of daily filings and thereby decrease that item of expense?"

You will need to put your ingenuity to work and come up with your individual solution because your problem will largely boil down to and evolve around these points.

1. Take off the daily filings QUICKLY and ACCURATELY, incorporating enough information therefrom for use in:
 - (a) Indexing.
 - (b) Preparation for abstract take-off, or
 - (c) Examination for title policy purposes.
2. Have a simple filing system so that any instrument will be easily accessible.
3. Filing space you **must** consider. What will be your space situation 15 or 20 years from now? You can't permit your records to "flow out the front door."
4. Ease in handling. **TIME IS MONEY TO YOU.** The more rapidly you or your employees can locate and process the instruments, the greater the volume of work will be, thereby increasing dollar volume. Keep away from stationary mechanical devices if it is possible to do so.
5. **SERVICE.** In this word "service" lies part of the yardstick for measuring the success or failure of your present methods of operation.

6. **COST.** In this word "cost" lies the other side of the yardstick. You will want to devise a system where the cost to you is less than what you are presently paying.

What we abstracters really need to whip our problem has yet to be invented. The solution to our problem—yes, what we need—is to reduce a take-off of the daily filings to something comparable in size and cost to microfilm, yet, at the same time, possess the flexibility, readability, and movability of a photo-copy. We need compactness for conserving our filing space, yet we need something we can take in our hands and read for the purpose of indexing, abstracting, or examination for title policy purposes.

I would like to leave this general discussion now and present to you something more concrete. We are looking for this answer in the company I am with. We are not convinced we have found the solution, yet what seems to be the most acceptable method **at the present time** to meet our general requirements for both abstracting and title policies points toward photocopies.

We have a large photocopy machine that will "shoot" six instruments at a time with a 30% reduction from actual size. That gets the information on the daily filings to us from the court house. We propose to install a Photostat Junior Machine at the Court House which will shoot two instruments at a time at a 40% reduction—thus we will get two instruments on a sheet 8½ x 11". We can file two rows of instruments in a letter size filing cabinet—which is the reasoning behind the 40% reduction. As for the space these photocopies require at a 40% reduction, here are some interesting facts: A battery of eleven (11) five drawer filing cabinets will extend a distance of approximately thirteen (13) feet. You can file away approximately 600,000 photocopy sheets in those 11 filing cabinets. The paper cost for your photocopies will be 1½ cents per instrument—if it is a one page instrument. In other words, it's 1½ cents per shot. Add to that your labor cost and chemicals. I would estimate that

your total cost per sheet, getting it from the court house to your office ready to index, will be somewhere between 6 and 10 cents, depending upon the efficiency of your operation, volume of your daily filings, etc. The beauty about this type of operation is that there are no typists' errors to recheck and you perform the same operation as typing a whole page merely by snapping the shutter. When we were typing our daily take-off, we had one typist on the "daily-take" all morning, then two girls worked on it all afternoon. Now, by means of photostating, we perform the same operation in about 1½ hours shooting time. I won't say the way we are doing it now is the best method we can adopt. But, I am convinced our present method, for our company, is far superior to a typed take-off. We are still looking for something better and I am convinced we can find a still more efficient method.

You may be interested to know that in the year 1930, \$150,000,000.00 was spent in scientific research. This year, 1954, a total of \$3,800,000,000.00 will be spent in research. Scientific research is "big business" today and completely new products—brand new inventions and gadgets are being turned out by the hundreds daily. Radios are now being completely manufactured untouched by human hands. The new era being unfolded by scientific research is an actuality. It's here with us today. What does that mean to us in the title business?

Several months ago, I was privileged to visit a title company whose methods of operation are the most efficient I have ever witnessed. The president of that company is constantly alert and looking for new equipment and inventions that will simplify and speed up the processing of orders for abstracts or title policies. I think a large measure of the success of his company hinges upon

one statement he made which is a practice he follows relentlessly. He said, "Any time I find a 'bittle-neck' I reduce it to a mechanical operation." If you could see his cameras, photostat machines, enlargers, electric typewriters (some of them hooked in tandem), and other types of equipment too numerous to mention, you would readily understand why his company is so outstandingly successful. This company is utilizing the equipment research has made available for our use.

Let me summarize with an observation. During World War II, I boarded ship, outward bound at Oakland. The tide was in and I well remember the steep climb up the gangplank to get aboard. Later that day, before we sailed, I looked out at the dock, expecting it to be far below, but the tide had gone out and our porthole was level with the dock. The difference between the tides was between 8 and 10 feet. Then, later on at Pearl Harbor, I found the difference only 2 or 3 feet. That was the visible tide, visible because of close proximity to a fixed object like a dock.

Still later, we anchored off the islands of Leyte and Samar in the Philippines where no docking facilities were available. There was no visible evidence of the changing tides except that our ship would swing about at anchor and the bow of that ship would always head into the tide whether it was at ebb or flow.

So it is with those of us engaged in the title business. We need a dock, many times, to give us perspective, to keep us cognizant of the changing tides and the changing times. But, our changes are so gradual, it is easy to float about with the tide rather than to head into the changes. My challenge to you is that through intelligent thought and foresight that you point your individual operations into the changing tides.

THE GENUINE INTERESTS OF THE PEOPLE

HONORABLE WALTER WILLIAMS

Under Secretary of Commerce, United States of America

(Text of an address by the Honorable Walter Williams, the Under Secretary of Commerce, prepared for delivery at a meeting of the Cincinnati Sales Executives Council and the Cincinnati Chamber of Commerce, Netherlands Plaza Hotel, Cincinnati.)

Recently I read an editorial in one of the great newspapers of America covering the areas in which it was anticipated legislation would be enacted by the new Congress. This editorial came to the field of prospective labor legislation. On this subject the editorial had this to say: "If politicians will pay heed to the genuine interests of the people, it should not be difficult to find ways to make suitable amendments to the Taft-Hartley Act."

It is these "genuine interests of the people" about which I wish to speak today.

What are some of the basic genuine interests of the American people? Are these not some of them?

Security against foreign aggression.

Security of our basic freedoms: Freedom to Worship, Freedom of Speech, Freedom of Press.

Security of health.

Security against old age.

Security against economic disaster—individually and as a nation.

Security of opportunity for ourselves and our children.

Basic to the preservation and strengthening of our individual and national positions in these various fields of security reflecting the "genuine interests of the people," are these three factors:

1. America must maintain a sound economy — a constantly expanding, dynamic, benefit-producing and ever stronger economy.

2. A constant strengthening of our

relations with the other members of the free world must be a continuing process.

3. Cultivation of spiritual, moral and cultural values must accompany the nation's development in other directions.

Let us give consideration to the first of these three factors—the building of a better and sounder economy.

We need more economic education. We need an American citizenry possessed of a higher degree of economic literacy. The greater the degree of understanding by our people as to what it is that makes our economy "tick," what it is that will make it increasingly productive with the resulting benefits to us all and what responsibilities we as individual citizens need to discharge in order to make it a better, sounder, more productive economy, the more likely are we to have in fact a stronger and better economy.

As an individual each of us has his responsibility to recognize that we live under an economy and under economic conditions which permit discretionary spending. If too many of us spend at one time excessively, inflationary pressures are put upon our productive and distributing machinery. If too many of us refrain excessively from spending normally at any one time, we are apt to put ourselves into a spiral of deflation with the resulting break in confidence. The individual has the direct responsibility to help contribute order and a reasonable degree of stability to our economic system by managing his own affairs sensibly and in a balanced manner. The individual also has a responsibility to discharge by recognizing that pressure-bloc tactics employed against his Government, local, state or Federal, if carried to excess, will only result in the long run of

breaking down the democratic processes and in destroying our economy. Pressure-bloc tactics either on the part of individuals or groups of individuals should be replaced by sincere regard and understanding for the rights of himself and his respective groups in relationship to the rights of all.

The businessman too has responsibilities if we are to maintain a sound economy. Instead of operating on a short-range basis, if businessmen, individually and as a group, will operate on a long-range planning basis for as long as their particular businesses will permit, a degree of stability is thus put into the economy which will be in sharp contrast to the violent peaks and valleys in our economic curve which are the natural products of short-range planning and acting.

Businessmen too must not only understand what this thing called "productivity" is—output per capita—but businessmen must also work vigorously and intelligently to achieve a rise in the productivity curve both within their own respective businesses and within the national economy as a whole.

Businessmen can aid measurably not only in their own business but in the strengthening of the economy by adequate expenditures for research so that new technological methods, new products, new packaging, new ways of doing an old job better may find their way both into the individual business and into the economy as a whole.

Businessmen may make a particularly powerful contribution both to the expansion of their own respective businesses and the economy as a whole at this point in the business picture by concentrating heavily upon the very best kind of selling programs that they can devise. Much has been said about selling during the past two or three years. There is still much yet to be said. Competition from Europe and other areas of the world is becoming increasingly more intense. Let's face up to it: it is going to become more intense. In addition to the various factors which are invariably

referred to when we are exhorting ourselves to do a better job of selling, let me add two special ones. These both have to do with the salesman himself. Salesmen, as human beings, will respond to incentives just as will anyone else. A sales program, therefore, possessed of all the other valuable attributes of a good sales program would be deficient if it did not provide adequate incentives for the corps of salesmen employed by the company. Closely related to this matter of incentives is the matter of doing the thousand and one little things on the part of management to help keep the morale of the sales force high. Again, it may well be driven home that salesmen after all are human beings. They too respond to those little things to which we all respond that help build our morale. One does not need to wax oratorical to point out that a salesman whose morale is high is going to produce much better results than the salesman whose tail is dragging.

Yes, the individual has his responsibilities to discharge. The businessman has his responsibilities to discharge. But Government has its responsibilities to discharge too. Government can undertake to develop and practice those policies which will help produce a better economic climate in which business can operate. Government can operate on sound budgetary principles. Government—Federal Government particularly—can operate under sound monetary policies. Government has its responsibility to discharge in the field of public assistance. Parenthetically, however, let me note emphatically that public assistance as such can and will be kept to a minimum to the extent that all elements in our community work toward making our private enterprise system operate better. If we can increase the strength of our economy and the output-per-capita of our economy, everyone is going to benefit, thus putting a less burden on Government to take care of those who fall by the wayside and for whom public assistance must be rendered.

But as we are discussing Governmental responsibilities, let us not for-

get that, after all who is Government but all of us through our chosen representatives. We, then, as citizens have our responsibilities to understand better what makes Government "tick," and once understanding better, to cooperate with our chosen servants to the end that the very best job of Government service may be rendered.

Now while we are taking a look at this need for a sounder, better, more productive, more dynamic economy, it is pertinent that we take a look at the condition of affairs as we start this new year of 1955.

There have been many reviews of conditions by various economists and businessmen as the old year closes and the new year begins. Here then will be just one more of the many, summing up the picture as we find it today:

1. The **gross national product** at \$365 billions in 1953 rounded out at about \$356 billions for 1954. Estimates point to a figure somewhere between \$360 billions and \$370 billions for 1955.

2. **Prices.** Consumer prices have been practically level. The index was 114.6 as of November 1954 (last figure available) as against 115 for November 1953. Wholesale prices for the week ending January 4, 1955, showed at the index of 109.6 as contrasted with 110.9 for January 1954, 110.1 for the year 1953, and 111.6 for the year 1952. The reasonable prediction for 1955 would be that consumer prices and wholesale prices would remain level within reasonable bounds.

Farmers' prices as reflected by parity ratio shows the figure to have been 91 as of December 1953 and 89 as the average for 1954. It is estimated that the total cash income by farmers will be slightly down during 1955. It is also anticipated that farm production expenses may be reduced somewhat further so that net income realized in 1955 is expected closely to approach that of 1954.

3. In the field of **employment** the civilian labor force which stood at 62,614,000 in December 1953 had risen to 63,526,000 in December 1954. In unemployment terms the figure for De-

ember 1954 stood at 2,838,000 or 4½% of the total civilian labor force. For December 1953 the figure stood at 1,850,000 or 3.0% of the total civilian labor force. It should be remembered that 1954 was the first full year of peace since the commencement of the Korean War. In one sense it is the first full year of peace since the beginning of World War II in view of the fact that the immediate post-war years were severely abnormal because of the "catchup" conditions which prevailed. It might be noted that in 1939 the last full year of peace before the defense activities broke out in 1940, the unemployment figure stood at 17.2% of the civilian labor force.

For 1955 there are some who fear there may be a rise in **unemployment**. There are strong influences which would point to a contradictory position. In any event, assuming that a fair interpretation of the various barometers is being made there is no reason to expect any sharp increase in unemployment during 1955.

4. A significant change has taken place in the barometer of **average weekly hours**. In December 1954 this figure stood at 40.5. A year ago in December 1953 it showed at 40.1 with the low point reached in April 1954 of 39.0, a full hour and a half less than the present figure of December. With the expanding conditions which prevail at the present time in most lines of industry, there is reason to believe that this figure will hold and perhaps increase the present gains.

5. The **average hourly earnings** have moved from 1.77 in 1953 to a December 1954 figure of 1.83. There would seem to be no reason to anticipate anything other than a steady rise in this figure of hourly earnings.

6. **Average weekly earnings** show an even more clear-cut expression of gain. In 1953 the figure stood at 71.69 while in December 1954 it has risen to 74.12. Here again it would be reasonable to expect that gains would continue.

7. The Federal Reserve **Industrial Production Index** which showed at 124 for the year 1952 and 134 for 1953 stood at 129 in November 1954.

The December figure is almost certain to be up taking into the consideration the great activity being expressed in the automobile, steel and related industries. The low point was reached in March, April, July and August of 1954 when the index stood at 123.

It should be noted that construction is not included in the calculations expressed by the Federal Reserve Industrial Production Index. If it were, in view of the active condition of the construction industry, the index would unquestionably have shown a sharper rise than it has. Assuming the continued expansion in the various lines of business activity which presently characterize the economic picture, it would be reasonable to expect that there would be a fair increase in the index for 1955.

8. **Steel.** Steel for 1952 showed operations at an 85.8% ratio to capacity. The figure for 1953 was 94.9%. A low spot was reached in July 1954 when the production reached a figure of 62.9% of capacity. As of the close of 1954 production had reached a figure slightly over 80% of capacity.

Estimates for 1955 point to a probable increase in production with ratio of production to capacity reaching perhaps 80 to 85%.

9. **Automobile production.** The figure for 1954 ended up about 5.3 million cars and trucks. Best estimates from the industry itself would seem to indicate a slight increase above that figure for 1955.

10. **New plant and equipment.** In 1952 this figure stood at 26.49 billions. In 1953, 28.39 billions. In 1954, 26.68 billions. The estimate for the first quarter for 1955 shows at 26.03 billions. The expectation for 1955 is that the year will show somewhat less than either 1953 or 1954 but not too greatly down.

11. **New Construction.** New construction for 1954 totaled approximately \$37 billions. It is anticipated that 1955 will run at \$39.5 billions. It should be remembered that this does not include an estimated \$6 billion for the "do-it-yourself" type of construction.

12. **New housing.** In 1950 a little

under 1,400,000 new units were constructed. In 1953, 1,100,000. In 1954, approximately 1,200,000. It is expected that 1955 will produce 1,300,000.

13. **Sales and inventories.** Department stores sales showed an index figure for 1953 of 112. The December 1953 figure was also 112, whereas the December figure for 1954 stood at 116. Department store sales were up 4% over December 1953. Inventories have been in process of liquidation for over a year. This process of liquidation seems to have been arrested in November and present indications would point to 1955 as being a year in which inventories will increase mildly with sales moving upward to match.

14. **Personal income.** In 1953 the total personal income amounted to a little over \$286 billions. For 1954 the figures are expected to be almost exactly the same.

Disposable personal income ran at \$250 billions for 1953 with the expected finalized figures for 1954 running at about \$253 billions.

In 1955, with business generally expanding a moderate increase in personal income and disposal personal income may be reasonably expected.

As a final index it is important to note that Federal spending dropped approximately \$10 billion during 1954, \$8 billion of which was in the security field and approximately \$2 billion of which was in the non-security field. During the year you will recall that taxes were cut by approximately \$7.5 billion. These tax cuts in turn were made possible by budget cuts. State and local governmental expenditures were up, pretty well offsetting the net decline in spending represented by the difference between the tax cut and the Federal spending cut.

A review of the various barometers which we have just considered all seem to add up—net—in rather bright terms, do they not? Maybe it would be well for us to take a look at some of the areas or factors where trouble might possibly be encountered. We'll be better businessmen if we avoid just concentrating on news which is good.

1. Stock Market. Just one comment to make here. If and when too many people enter the stock market with the only measurement as to what they should buy or whether they should buy being that "I'll sell it for more tomorrow" then real trouble would be brewing. Principles of investment would have been discarded for the whims of speculation.

2. Home Building. Are we building too many homes too fast? Is the credit in this field too easy? I have been in the mortgage financing business most of my life. These questions have constantly been before us and I suppose always will be. We must not overlook on the one hand that this is a rapidly growing country. New homes must be built to accommodate the new households being formed. The size of families is thus expanding necessitating new and larger homes. Demolition, obsolescence and destruction by fire take their toll. All these would point to the probability that we are not building too many homes to meet the needs of a rapidly growing nation. Nevertheless, prudence would dictate that interested citizens, and particularly those engaged in the home building and financing business keep careful check on the vacancy conditions within the various communities of the country.

3. Strike Threats. More and more it is to be hoped that the bargaining table will be the place where agreements between employer and employees may be hammered out to the mutual interest of all concerned. Strikes or work stoppages for any cause lower productivity. Should there be any major epidemic of strikes in 1955, of course, the various barometers and estimates would have to be revised.

4. Overconfidence. In our type of economy, confidence is basic. Underconfidence can be destructive; so can overconfidence. Overconfidence can lead to speculation and the exercise of poor judgment in planning and programming.

5. Insufficient Investment in New Plant and Equipment. You will have noted in the list of barometers that

this particular one of new plant and equipment has steadily been declining. Not too sharply, but nevertheless the direction has been downward.

Gross national product has shown an average increase of approximately 3% over the years. This increase can not be maintained without more investment proportionate to our population and to our expansion of business taxes among other things. Low taxes in turn are based upon budget cuts of Government and other sound Government practices.

Just what are the most influencing factors causing the new plant and equipment downward curve would be difficult to estimate. It is important, however, to recognize that all these factors tend to tie together. Businesses have tended to play back earnings in order to provide themselves with the necessary funds for new plants and equipment in recent years. In those cases where corporate securities have been sold, a very large portion of them has been in the form of debt securities rather than in equity securities.

This is not fundamentally sound from a long-range standpoint and tends to build a degree of instability not desirable for a sounder economy, one that is ever growing stronger. sound from a long-range standpoint and tends to build a degree of instability not desirable for a sounder economy, one that is ever growing stronger.

6. Simultaneous Declines. It would be well at this stage to recall the admonition given by Dr. Edwin Nourse, former Chairman of the Council of Economic Advisers. He pointed out that our economy is strong enough to stand many blows, but that if through a combination of unfortunate circumstances there should suddenly be sharp shut-downs or diminutions of activity in, say, three major areas of our economy, trouble then really could ensue. Supposing that the booming automobile business, housing business and the construction business generally,

should for reasons unforeseen take a sharp turn downward. Being of such major and far-reaching influence we might be in for some real trouble. It should be said quickly that there is nothing of this sort that appears on the horizon at present. Unfortunately, however, judging from experience of the past, it tends to be those things which we do not foresee or anticipate that sometimes slip up and slug us behind the ear.

I have taken most of the time to discuss the first of the three factors which are basic to the preservation and strengthening of our various fields of security. The remaining two will be discussed but briefly.

The importance of sound relations in the free world speaks for itself. Nevertheless, competition being what competition is, to say we must develop sound relations is one thing; to achieve them is something else. In our Department of Commerce we have one Assistant Secretary who is charged with affairs relating to Domestic Commerce; another Assistant Secretary who is charged with responsibilities related to International Commerce. I need not tell you how far apart the views of the constituents of these two offices are at times. On the one hand we are charged with the responsibility of endeavoring to build stronger relationships with other nations of the free world by helping develop more international trade. On the other hand, we are charged with endeavoring to strengthen our domestic economy and our various domestic private enterprises. To harmonize these two viewpoints is just not easy. It is important for every businessman and every citizen of America for that matter to recognize that there is no push button method for arriving at all the right answers in this whole difficult business of international trade versus domestic trade. What America needs to hammer out the right answers in these areas of international trade and domestic trade is to have an army of non-extremists, people who are capable of honestly, sincerely and dispassionately thinking through the complex problems which confront us.

The third factor which is basic to the strengthening and preservation of these various securities which reflect the "genuine interests of the people" has to do with the development of the spiritual, cultural and moral values.

The other day I was on a radio program. One of the questions asked me related to a comment I had made concerning the long-range prospects for our economy. I had pointed out that in my opinion the economy of the future would rest on a three-legged foundation consisting of atomic power, electronics and electronic rapid calculators. Growing out of these comments the question was asked me as to what new problems may we be expected to face as the result of all these prospective changes. The answer I gave was this—and I am taking it directly from the transcript handed to me afterwards:

"Well, now, you probably wouldn't expect this kind of an answer to your question, but I think I will give it to you anyway. I think perhaps the biggest problem that we have is to develop our moral and spiritual resources to keep pace with our gadget development. Now, you didn't expect that kind of an answer, did you, but I think it is very, very important.

"We have shown ourselves to be possessed of a quality of genius, I think, in America in our ability to harness the laws of nature, but you don't have to be a minister in a church to recognize the fact that there are some other factors in life that have got to be developed to keep pace with these gadgets and with our technological advances or their development may prove disastrous rather than helpful."

I happen to have been a man of the business world all of my adult life. I have served as president of a metropolitan Chamber of Commerce and have served in responsible positions with other business organizations. I am, therefore, supposed to be "practical." In my humble opinion the statement which I have just made with respect to the need for spiritual, moral and cultural values is as prac-

tical as any statement that a practical man could possibly make.

"The genuine interests of the people" in trying to obtain these various securities which are so precious to us all can, I believe, be achieved by help-

ing built a stronger economy, by building sound relation with the rest of the free world and by contribution individually toward helping to make America a land in increasingly spiritual, cultural and moral values.

THE APARTMENT HOUSE SITUATION

EVERETT L. CURTIS

*President, National Apartment Owners Association
Oklahoma City 5, Oklahoma*

The apartment industry in common with some other industries is entering a competitive market. It has been my pleasure this year to travel some 20,000 (twenty thousand) miles in the interests of the Association. Everywhere I go I hear a great deal of discussion concerning the rising tide of vacancy, the need of redecorating, rehabilitating apartments and increasing services in order to better meet the needs of those who must rent, who should rent and who choose to rent their residence. I trust we will soon have increased facilities as we would like for conducting surveys and keeping a more accurate set of statistics relating to the industry . . . But I am satisfied that the vacancy rate in many cities will exceed 10% (ten per cent) of the rental residential property. We surely do not need a survey to convince us that, if you build thousands of units of partially free rental residential housing, there will be a rise in the vacancy rate of existing apartments.

I am not unmindful of the unfortunate fact that some of our member cities are still under rent control.

The owners in the major cities where rent control is still in effect enjoy a much lower rate of vacancy, but they, too, are beginning to feel the effects of Federal Financed Housing. Of course, the same evils here attend rent control that we were all so familiar with a short time ago. Where rent control exists, private building is discouraged and the tenant occupies more and more space.

All this does not help the Public Thinking and Feeling toward our group as it serves the housing needs of the nation. This makes many feel that the apartment industry does not serve them. We must satisfy the rental needs or sacrifice permanent business to someone who will. Rent control has encouraged Federal Financing and Public Housing, and, if there ever was an evil foisted upon an unsuspecting nation, Public Housing is it. It not only destroys initiative, opportunity, creates crime, fraud and slums of a magnitude hitherto unknown, but it forecasts a condition of slavery far worse than any Lincoln saw when his voice thundered through the pages of history, "This Nation cannot exist half slave and half free."

Please excuse me for dwelling so long on a sour note. There is a vast amount of good work being done. Each one of us should be everlastingly grateful that the National Apartment Owners Association provides an opportunity for the Best Brains in this industry to get together and work together. We have a unique organization. There has been and there is now none other near like it. Here in one organization are true friends of liberty for all mankind, with great talents and ability who are unselfishly doing something about it. Salt Lake City, 95% (ninety-five per cent) organized is doing a magnificent job. Note that Utah has no public housing. There is much we might learn from them of benefit to all people. Were I running the country, I would

send every social worker there to study.

Portland, Oregon, has an old hard-working association. In all my travels I have been impressed and pleased with the hospitality shown me. I need say little about California. We are here—and all other words I might use would not adequately describe the good work being done in this great state. Of course, the New England associations and other East Coast cities are old and experienced in association work. They have long set a pace of benefit to others. I know you are interested in knowing how well we are succeeding in fulfilling our association purposes. You should read some of the very excellent successful magazines published by some of our local associations. It may be true, as the sign says, "There are 57 rules for success:—No. 1 . . . Deliver the Goods." . . . No. 2 and 55 others do not matter. Our local associations are delivering the goods. Success in our original purpose has been very noticeable in every association I have seen. We all need to remind ourselves that the basic reason for our organization lies in the raising of the ethical operating standards of the industry. It has been thrilling to see the National Association give stability to local groups as they meet around a table as friends to review their code of ethics, review their methods of operation and discuss their common problems in an effort to meet the requirements of the Apartment Industry and work out practical, economic standards members will abide by. Through it all it is increasingly clear that we are in for a period of keen competition. I want to take this opportunity to express my thanks and appreciation for the assistance of the officers, committee members and to you for your confidence in me, and leave with you a few suggestions which seem to me to be in order.

Suggestions and Recommendations To My Successor:

1—This is the thirteenth annual meeting of the National Apartment Owners Association. For us it is a momentous, fateful year of decision.

Decisions made at this Convention may well determine the course of empires, and the way of governments for year to come.

I trust this Association will make wise decisions, see and assume its obligations, recognize and take its rightful place as a power among the associations influencing Government at the National level.

To this end and recognizing that no cause ever prospered for long without a living, dynamic, current literature, I recommend the immediate enlargement of our publication effort, so as to make possible the wider dissemination of information, knowledge, thinking and philosophy of the great minds in the Apartment Industry.

2—In addition to the National Publication, there is need for an active committee to compile and disseminate information, beliefs, ideals and philosophy of this Association through films, speakers and writers to organizations, clubs, schools and colleges, or wherever public opinion may be formed. Such activity is needed to combat the growing trend in the thinking of people toward Federal Controls, Public Housing and a sovereign government over a slave people. It is not enough that we believe in a SOVEREIGN PEOPLE and a servant Government. We must recognize what rulers have long known, "He who would control a nation must control the schools." Other associations and other interests have their speakers to the Schools and Colleges as well as their material and literature distributed to teachers and Professors. I, therefore, recommend a continually active EDUCATION COMMITTEE.

3—I recommend closer, active, harmonious co-operation with other like-minded associations. There is much we may gain from and much we can contribute to such organizations as the American Title Association; The National Association of Real Estate Boards, NAREB; The Foundation for Economic Education, F.E.E.; and others. Those people are our friends. The Association of Building Owners

and Managers, BOMA; and the Certified Property Managers Groups, especially, we should make an effort to work with. There are vast reservoirs of talent in the National Apartment Owners Association untapped and unused. We have writers and speakers of ability who should be encouraged to write for our publications and other publications of other associations. The material written for association magazines should be exchanged and made available for all our members.

4—There is yet another way we might use some of the abilities and talents, and experience of some of our members. It would be of tremendous value to a person in one city wishing to build a large apartment house to be able to have the counsel and advice of others in other cities having had experience with similar projects. It would be one of the services which we might offer for a fee to be split between the committee and the National Association. I, therefore, recommend a Construction Committee, the fee for the services to be a reasonable fee commensurate with the services rendered.

5—I recognize the Resolutions Committee as being an instrument for hearing the Voice of the People. When the Resolutions Committee has

made its report and this Convention has voted, no one should be in doubt as to where we stand on fundamentals, slum clearance, Public Housing, Federal Controls and the idea of a Sovereign People and a Servant Government. But this is not enough. Other associations, far stronger and older than we are, have had great success through the adoption of a long time plan worked out by a Planning Committee. We should at least have a five year plan. I recommend a five year plan committee.

6—From the experience of other successful associations it is readily seen that it is imperative that we maintain a surplus at least equal to one year's budgeted expenses. From our own experiences we have learned that we must not spend money we do not have. The most tragic, dreadful thing that can happen to an individual or an association is to be stunted and never grow. If this Association is ever to take its rightful place as a power among the associations of America, IT MUST GROW. The beginning and the end of the National Apartment Owners Association is not and never has been in Rent Control. Far greater threats and problems face us today. The need is greater now than at any time in our history. We must grow.

CONSTITUTION OF AMERICAN ASSOCIATION

(As Amended, September, 1954)

Article I—Name

The name of this Association shall be the "American Title Association."

Article II—Object

The purpose of this Association shall be to promote the acquaintance, mutual advantages and general welfare of its members by the interchange of ideas, and by protective, remedial or other measures to advance the common interests of its members and the general public in

harmony with their respective rights, interests and duties.

Article III—Membership

"The following persons, who shall have subscribed to the Code of Ethics of this Association and who shall have agreed to be governed at all times by its provisions, shall be eligible to active membership in this Association:

(a) Any member in good standing of a state or regional title association. In order that its members may be eligible any regional association must

comprise the whole or any part of two or more contiguous states, and none of its members in territory which is then included in an affiliated state association shall be eligible to membership in this Association by reason of membership in such regional association;

(b) Any person actively engaged in the title business in any part of the United States in which there is no affiliated state or regional title association who owns and operates a substantially complete abstract or title plant and has an established business reputation and responsibility;

(c) Any person admitted to practice law who shall be actively engaged in examining abstracts or other evidence of title and rendering opinions upon the title to real property or the validity of liens or encumbrances thereon;

(d) Any person qualified for membership under the provisions of Section 2 of this Article.

Section 2. In case a state or regional title association—

(a) shall make no provision for admission to membership therein of a person otherwise eligible to membership in this association; or

(b) having joined this Association shall thereafter fail to pay as herein provided annual dues for its members, thereby terminating membership in this Association of a person otherwise entitled thereto, such person may be admitted to membership in this Association upon presentation to the Executive Vice-President and approval by the Board of Governors of an application and payment of dues as herein provided.

Section 3. Any state or regional title association may affiliate with, and its members in good standing may join this Association upon filing with the Executive Vice-President an application signed by its President and Secretary, together with a list of such members, setting forth therein that the members so listed are eligible for membership in this Association under its Constitution and By-Laws. Members of the applicant will pay direct to this Association annual dues, as provided in Section 1

of Article V hereof, except in such cases as a state or regional association may wish to collect dues payable by its members to this Association and will remit such dues to national headquarters, when and as collected, but in no event later than July 1st of the current fiscal year; provided further that as to jurisdictions which elect to collect and to remit to national headquarters, as herein provided, all such affiliated state and regional title association shall, not later than February 1st, notify national headquarters of such intention. Upon approval by the Board of Governors of this Association, and payment of the dues, as provided in Section I of Article V hereof, such affiliation shall become effective, and such members shall become active members of this Association; provided that no person shall be eligible for membership unless he holds a membership in a state or regional title association, affiliated with this Association.

Section 4. Approval by the Board of Governors of this Association shall in all cases be a prerequisite to admission to active membership, and upon such approval of an application and payment of the requisite dues, the applicant shall become an active member of this Association.

Section 5. Honorary membership in this Association may, upon recommendation of the Board of Governors, be conferred at any convention meeting for distinguished and meritorious service rendered to this Association by any person not otherwise eligible to membership. No dues shall be required of an honorary member and he shall have no vote.

Article IV—Sections

Section 1. The following sections of this Association are hereby established:

(a) Abstracters Section, which shall include all abstracters except those who, by reason of affiliation with a member of the Title Insurance Section, elect to join that Section;

(b) Title Insurance Section, which shall include all title insurance members, abstracters who elect under the provisions of the above paragraph to

join this Section, and attorneys individually eligible for active membership under the provisions of this Constitution. On Section matters each member shall vote only as a member of such section.

Section 2. Each section may adopt such by-laws and conduct such activities as are not inconsistent or in conflict with the constitution and by-laws of this Association.

Section 3. Administration of the affairs of each Section shall be vested in an Executive Committee composed of the Chairman, Vice Chairman and Secretary of that Section and four other members all of whom shall hold office for one year commencing with the end of that annual Section meeting and until their successors are elected and assume office.

Prior to the annual Section meeting, the Chairman of each Section shall appoint a Nominating Committee composed of a Chairman and two other members of that Section in attendance at the convention. It shall be the duty of that Committee to nominate a Chairman, Vice Chairman and Secretary of the Section (which officers shall also be Chairman, Vice Chairman and Secretary of the Executive Committee) and four other members of the Executive Committee. The report of this Nominating Committee shall be posted in a conspicuous place at the meeting hall by 9:00 o'clock a.m. of the first day of the Section meeting. The Chairman of the Section shall call for a report of the Nominating Committee as one of the first orders of business, following which he shall invite any other nominations from the floor. The election shall be held the afternoon of the same day.

Article V—Dues

Section 1. Each member of this Association shall pay dues in accordance with a schedule fixed by the Board of Governors at each annual convention for the year next ensuing.

Article VI—Meetings

Section 1. This Association shall hold an annual convention meeting at such time and place as may be fixed

at the preceding annual convention meeting or by the Board of Governors. The Association shall hold an annual business meeting which shall be known as Mid-Winter Conference at such time and place as may be fixed by such Board.

Section 2. Each section of this Association shall meet annually in connection with its convention meeting, but only during such periods as may be assigned therefor, or will not conflict with, the regular convention program.

Section 3. At a time designated by the Board of Governors at the annual convention meeting, a joint meeting shall be held of the officers of this Association and of each affiliated state and regional title association.

Article VII—Officers

Section 1. The active members in attendance at such annual convention meeting shall by ballot elect a President, Vice-President, Treasurer, and Chairman of the Finance Committee to serve for one year, and five members of the Board of Governors to serve three years. That the elective members of the Board of Governors be fifteen, five of whom shall be elected at each annual convention meeting for a term of three years commencing with the last day of the convention meeting during which they are elected, and continuing until their successors are elected and assume office. No member of the Board who shall have served a full term of three years shall be eligible to re-election or appointment to membership on this Board for a time or service commencing less than one year after expiration of his former term.

Section 2. The Board of Governors shall consist of the President, Vice-President, Treasurer, Chairman of the Finance Committee, Chairman of the Council of Past-Presidents, the retiring President for a term of one year, the Chairman of each Section and fifteen elective members. The Board shall appoint an Executive Vice-President and prescribe his duties, compensation and term of employment.

Section 3. The President shall within thirty days after his election appoint the following Committees, designating one member of each Committee so appointed as chairman: Judiciary, Co-operation, Membership and Organization, Legislative, Advertising and Publicity, Constitution and By-Laws and such other Committees as he may have been authorized to appoint by the Board of Governors or by the members at any convention, each to consist of such number of members as he shall deem advisable unless otherwise provided. The term of office of members of each of these Committees shall be contemporaneous with the term of office of the President by whom they are appointed.

Following the convention adopting this amendment,* the President shall appoint a Grievance Committee composed of a Chairman and two members to serve during his term of office; two members to serve for a term of two years and two members to serve for a term of three years. Each succeeding President shall appoint a Chairman to serve during his term of office and two members to serve for a term of three years. No two members shall be accredited from the same state.

Section 4. Each of the officers named and each of the section officers, except the Executive Vice-President, Secretary and such other officer or officers as the Board may deem necessary, must be an active member or accredited representative of an active member of this Association and shall hold office for one year commencing with the last day of the convention meeting during which he is selected and until his successor has been selected and assumed office.

Section 5. There shall be a Finance Committee, composed of the Chairman of said Committee, elected as provided in Section 1 of this Article, and the President, Vice-President and Treasurer of this Association.

Section 6. There shall be an Executive Committee of this Association composed of the President, Vice-President, Treasurer and Chairman of the Finance Committee. The President shall act as the Chairman.

Section 7. There shall be a Council of Past-Presidents, composed of all past-presidents, the chairman of which shall be elected by the Council at each annual convention meeting and he shall be a member of the Board of Governors. The Council may elect such other officers as may be determined expedient and proper.

Article VIII—Duties of Officers

Section 1. The President shall be the executive head of this Association, a member ex-officio of all committees, including the Executive Committee of each section; and except as otherwise herein provided shall appoint all committees of this Association and preside at all meetings of this Association.

Section 2. The Vice-President shall perform the duties of the President in case of his absence or inability to act.

Section 3. The Executive Vice-President shall have charge of the Association office and correspondence, keep accurate record of all meetings, collect all monies due and remit the same to the Treasurer on or before the first day of each month following receipt thereof and perform such other duties as may be necessary for the proper conduct of the business of this Association.

*1954 Convention.

Section 4. The Treasurer shall duly account for all monies of this Association received by him, and subject to the control of the Board of Governors, perform such other financial duties as may be necessary for the proper conduct of the business of this Association.

Section 5. The Board of Governors shall have the care of the welfare of this Association and shall have authority to perform all acts or duties necessary for its benefit. It shall transact such business for this Association as shall arise between annual convention and business meetings and perform such other duties as shall be directed at any annual convention or business meeting. It shall have power to fill vacancies in the office of President, Vice-President, Treasurer, and Chairman of the Finance Committee.

or among its own members, such appointees to hold office until the end of the next annual convention meeting and thereafter until their successors have been elected or appointed and have assumed office. No member of the Board of Governors shall be represented by a proxy at any of its meetings. A majority of the Board shall constitute a quorum.

Section 5-A. The Council of Past-Presidents when requested shall, and on its own motion may advise with and give counsel to the Board of Governors or any officer or committee on any measure deemed to advance the good of the Association, and shall report through its chairman at all meetings of the Board.

Section 6. The Finance Committee shall have general supervision of the finances of this Association. It shall present to the Board of Governors at the annual business meeting of officers of the Association a budget covering proposed expenditures for the ensuing fiscal year, and shall approve all expenditures of the Association.

Section 7. The Judiciary Committee shall investigate and annually report decisions rendered in federal and state courts of record relating to the duties, liabilities and responsibilities of abstracters and insurers of title to real property or liens and obligations thereon and other decisions relative to land titles. Such report shall cover the period which has elapsed since the last previous report.

Section 8. The Committee on Cooperation shall work and co-operate with such bodies as the American Bar Association, the National Association of Real Estate Boards, the United States Building and Loan League, the Mortgage Bankers Association of America and the Commissioners on Uniform State Laws, or with committees or authorized representatives from these or similar bodies for the purpose of securing uniform action by the several associations to promote good legislation, and to prevent bad legislation to the end that security of land titles and facility of their transfer may be attained in the highest possible degree.

Section 9. The duty of the Committee on Membership and Organization shall be to obtain new members of this Association and assist in the organization of state and regional title associations.

Section 10. The Legislative Committee shall consist of the Chairman and one member from each state and shall, subject to the approval of the Board of Governors, have power to act with regard to legislation pending before the Congress and any state legislature on matters affecting or relating to the interests of abstracters and title men and the title business generally and shall submit a report of such action at each annual convention meeting of the Association.

Section 11. The Committee on Advertising and Publicity shall consider and recommend to the Association ways and means of effectively advertising and publicizing the title business, and securing a more wide-spread understanding and knowledge of the functions and purposes of Title Insurance and Abstract Companies.

Section 12. All motions and resolutions involving any change in, amendment to, or revision of the constitution and/or by-laws shall be referred to the Committee on Constitution and By-Laws. This Committee shall make a report at each annual convention meeting.

Section 13. At each annual convention meeting there shall be a Nominating Committee composed of the seven last past-presidents who shall be in attendance thereat.

It shall be the duty of this Committee to nominate candidates for the offices of President, Vice-President, Treasurer, Chairman of the Finance Committee, and five members of the Board of Governors provided for in Section 1 of Article VII of this Constitution. The report of this Nominating Committee shall be posted in a conspicuous place at the Convention Meeting by 6 o'clock p.m. on the second days of the Convention Meeting. Other nominations may be made for any of the offices above mentioned, provided the names of such nominees are posted in such conspicuous place at the Convention

Meeting by 9 o'clock a.m. on the third day of the Convention Meeting, over the signatures of seven voting members in good standing in the Association, no two of whom shall be accredited from the same state. The report of the Nominating Committee shall be made on the floor of the Convention and such additional nominations, if any, shall be announced by the Chairman at the Session of the Convention Meeting.

The election of officers and governors shall be held on the afternoon of the third day of the convention.

Nothing contained in this Section shall be construed to affect the election of officers or Executive Committees of either of the Sections of the Association.

Section 14. The above named officers, committees and Board shall perform such other duties as may be requested or directed by the active members at any annual convention meeting.

Section 15. The Grievance Committee is charged with the duty and responsibility of receiving and investigating complaints of alleged member violations of the principles of the Code of Ethics. A complaint may be filed by another member or by any aggrieved party. The complained-of member shall be given notice of the complaint and full opportunity to refute the charges against him. The Chairman shall report the Committee's findings, with its recommendation to the Board of Governors, at its next meeting. The decision of the Board of Governors shall be final and binding upon the parties subject only to appeal therefrom to the next following annual convention meeting of the membership. No censure or expulsion shall be effective except upon a vote by two-thirds of the full membership of the Board and only after reasonable notice to the complained-of member and granting him the right to appear in person and present evidence in his defense.

Article IX—Representation

Section 1. Each active member present or represented at any meeting of this Association shall have one

vote. Each firm, partnership or corporate member shall select its accredited representatives. Each affiliated state or regional title association may send one or more delegates to each meeting of this Association or of any section thereof who may attend and participate in the deliberations and discussions at such meetings, but shall not have the right to vote upon any question considered at any such meeting.

Article X—Fiscal Year

Section 1. The fiscal year of this Association shall be the calendar year and any person who shall pay annual dues or membership fees in the manner herein prescribed shall be qualified as a member of this Association for the calendar year for which such payment is made.

Article XI—Definition of Terms

Section 1. Whenever used in this Constitution or in the By-Laws of this Association or the By-Laws of any Section of this Association the words herein enumerated shall have and be given the meaning and effect herein defined:

(a) The word "person" or "member" shall be construed to mean and include any natural or artificial person or persons;

(b) The words "Accredited representative" shall be construed to mean and include any individual who is either a partner in a firm or partnership, an official of a corporation or an authorized employee of a firm, partnership or corporation which is an active member of this Association.

(c) The words "title association" shall be construed to mean any association, body or organization, incorporated or unincorporated, composed of persons eligible to active membership in this Association.

(d) The word "year" when used with reference to the term of office of any officer or member of a committee or board of this Association, shall be construed to mean and include the period of time which has elapsed or shall elapse between the last day of an annual convention meeting of this Association and the

last day of the immediately following convention of this Association.

(e) The term "fiscal year" when used in this constitution shall be construed to mean the calendar year.

Article XII—Amendment or Revision

Section 1. Motions or Resolutions for amendment or revision of the Constitution and By-Laws may be offered at any mid-winter conference or annual convention, by a vote of two-thirds of the active members in attendance and voting there. Notice of such proposed amendments or revisions shall be sent to each member of the Association by the Executive Vice-President not less than thirty days prior to such next annual convention meeting and posted in a con-

spicuous place at such next annual convention meeting by twelve o'clock Noon on the second day of such meeting.

Section 2. This Association may determine to incorporate by a vote of two-thirds of the active members in attendance and voting thereon at any annual convention meeting.

Section 3. Unless otherwise specifically provided therein no amendment or revision of this constitution or any part thereof shall affect or change the term or tenure of office or the power or authority of any officer or any member of any committee or board of this Association previously elected or appointed or the functions and powers of any such officer, committee, board or council.

PERSONALS

JOSEPH H. SMITH

Secretary, American Title Association

Stuart O'Melveny, Past President of the American Title Association, recently announced his resignation as chairman of the board of Title Insurance and Trust Company, Los Angeles, California, and his forthcoming retirement. The effective date of his resignation will be April 21, the date of the annual meeting of stockholders. He will continue as a member of the board, member of the executive committee and chairman of the investment committee. He further announced that he recommended to the board, and that it is their present intention to elect, W. Herbert Allen as chairman of the board and Ernest J. Loebbecke as president at the April meeting. Mr. Allen is now president and Mr. Loebbecke is currently serving as executive vice president.

Mr. O'Melveny was made first vice president of Title Insurance and Trust Company in 1923, immediately after the death of O. F. Brant, who helped to found the company in 1893. He remained in that capacity until 1935 when he was elected president, succeeding the late William H. Allen, Jr. He was made chairman of the board in 1952.

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The officers of the Chicago Title and Trust Company, Chicago, Illinois, recently paid tribute to Marcelus M. Oshe, vice president of the company, at a luncheon in the Chicago club. The occasion marked the retirement of Mr. Oshe from the company on January 3, 1955. Last year he celebrated his 35th anniversary with the company and has served as vice president since 1948. Mr. Oshe is president of the Examiners Section of the Illinois Title Association.

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At its regular meeting, January 11, the board of directors of Kansas City Title Insurance Company, upon the recommendation of Edward J. Eisenman, president for the past 17 years, elected William M. McAdams presi-

dent of the Company and Mr. Eisenman chairman of the board of directors. John P. Turner, a vice president since 1946, was elected executive vice president.

Mr. Eisenman recently celebrated his fiftieth year with the nationally-known title company, having joined its parent organization as an office boy in 1904. The succession of promotions which followed were culminated by his election to the presidency of the firm in 1938. Mr. Eisenman plans to remain active in the company's activities.

Mr. McAdams joined Kansas City Title Insurance Company as vice president in January, 1949, after resigning his post as president of the Missouri Abstract and Title Insurance Company, a firm he had been associated with 30 years. Mr. McAdams' former company was purchased by Kansas City Title in July, last year.

Mr. Turner came to Kansas City Title Insurance Company in 1943. He was elected assistant vice president in 1944 and vice president in 1946.

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The Board of Directors of the Title Guarantee & Trust Co. of Toledo, Ohio have announced the election of William M. Richards, former president, as chairman of the board and John F. Landwehr, former executive vice president, as president of the firm.

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The Title Insurance Company of Minnesota, Minneapolis, recently announced the election of Leo J. Rueder to the office of executive vice president of the company. Mr. Rueder formerly served the firm as first vice president and secretary.

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William Gill, Sr., president of the American-First Title & Trust Co., Oklahoma City, Oklahoma, and Treasurer of the American Title Association, was elected President of the Oklahoma City Real Estate Board for

1955. Mr. Gill previously headed the real estate board in 1941. Last January 15 Mr. Gill began his 30th year with the American-First.

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Board of Directors of Pacific Title Insurance Company, Portland, Oregon, met recently and elected Budd Burnie, former vice-president, as the

new president of that organization. Will Masters, president, was elected chairman of the Board of Directors. Bert Tousey, former secretary becomes first vice-president and Victor Anderson, 2nd vice-president. John Smeaton, vice-president of the Oregon Land Title Association was named Secretary and Don Wick, Treasurer.

COMING EVENTS

DATE	MEETING	WHERE TO BE HELD
March 27-28	Oklahoma Title Association	Skirvin Hotel Oklahoma City, Okla
April 14-15-16	Texas Title Association	Hotel Texas Fort Worth, Texas
May 8-9-10	Iowa Title Association	Savory Hotel Des Moines, Iowa
May 15-16-17	Arkansas Land Title Association	Marion Hotel Little Rock, Arkansas
May 27-28	Pennsylvania Title Association	Claridge Hotel Atlantic City, N.J.
June 8-9-10	Illinois Title Association	Drake Hotel Chicago, Illinois
June 23-24-25	Michigan Title Association	Hidden Valley Ski Club Gaylord, Michigan
June 27-28-29	California Land Title Association	Hotel del Coronado Coronado, California
Sept. 2-3-4	Washington Land Title Association	Davenport Hotel Spokane, Washington
Sept. 10-13	New York State Title Association	Lake George Sagamore, New York
Sept. 15-18	Colorado Title Association	Broadmoor Hotel Colorado Springs, Col.
Sept. 25-29	National Convention—American Title Association	Statler Hotel Cleveland, Ohio
Oct. 9-10	Kansas Title Association	Allis Hotel Wichita, Kansas
Oct. 31, Nov. 1-2-3	Mortgage Bankers Association of America	Statler Hotel Los Angeles, Calif.