

OFFICIAL PUBLICATION

AMERICAN TITLE ASSOCIATION

DO NOT REMOVE

TITLE NEWS

VOLUME XXXVIII

FEBRUARY, 1959

NUMBER 2



THE PRESIDENT'S POSTSCRIPT



Our Association has lost a great champion. James E. Sheridan, known affectionately the length and breadth of the land as Jim, is gone. But we have not lost him entirely, for while he will no longer be present at our gatherings, or working indefatigably in our behalf between meetings, the imprints of his spirit, and his abiding belief in the importance of our industry to the economic well-being of our Nation will forever remain.

Because of his dedication to the title industry all of us are better men and women. He never wavered from the course he believed right, and because of his example, we have a better industry than would otherwise have been possible.

I know that all of these things, and more, are in our minds and hearts as we express to Maurine our deep sense of loss and our heartfelt condolences. We have been privileged to know him and to work with him. Our lives are better for it.

Ernest J. Loeber



TITLE NEWS

The official publication of the American Title Association

EDITORIAL OFFICES:

3608 Guardian Building
Detroit 26, Michigan
Telephone WOODWARD 1-0950

FEBRUARY, 1959

EDITOR: JAMES W. ROBINSON

Features

How's Business?	2
<i>Arnold C. Schumacher</i>	
Judiciary Committee Report	6
<i>F. W. Audrain</i>	
New Orleans — 1959	10
<i>Highlights of the Mid-Winter Meeting</i>	
Novelties, Gimmicks, Calendars, Christmas Presents	22
<i>William J. Harris</i>	

Departments

The President's Postscript	Inside Cover
Meeting Timetable	9
In the Association Spotlight	20
In Memoriam	25



HOW'S BUSINESS?

We asked Arnold C. Schumacher, Chicago Title and Trust Company Economist and we feel certain that all A.T.A. members will be interested in his keenly analytical report. Thanks are extended to the editor of "The Guarantor" for permission to reprint this article which appears in the January issue of that publication.

The recession of 1958 was the third and most serious business interruption since the end of World War II. Its effect was particularly severe in the automobile, steel and certain other durable goods industries. Despite the serious impact in selected areas of the economy, it did not develop into a deep and prolonged adjustment. More importantly, it did not produce a general collapse in economic values nor create wide-spread bankruptcies.

Factors that Helped

There were several reasons for the relatively mild character of the recession. In the first place, it cannot be denied that the "built-in stabilizers" in the economy (unemployment benefits, social security, government credit agencies, etc.) once again played a part in cushioning the decline. Those faced with unemployment or curtailed incomes were able to adjust to the situation, although the task was difficult in some instances, without a fear of losing their assets or becoming completely impoverished. Unemployment benefits, both public and private, played a part in avoiding depressing loss of confidence.

Secondly, there was no chain reaction of debt liquidation, either on the part of consumers or business. By curtailing expenditures and meeting the most pressing obligations the over-all debt structure of the country was not subject to forced liquidation. Thirdly, the income position of workers was well-maintained despite the recession. Personal income declined from an annual rate of \$352 billion in August, 1957, to \$346 billion at its low point in February, 1958. This represented a drop of less than 2% in total personal income. Average hourly

wage rates in manufacturing industry continued to advance throughout the recession, primarily because of previous labor contracts which provided for moderate wage increases. Finally, both business and consumers exhibited considerable flexibility in meeting the problems imposed by the town-turn in business. For example, installment buying tapered off sharply, business inventories were quickly reduced, and business management undertook programs to eliminate waste and inefficiency. In other words, there was a better awareness as to how to meet the situation than has been true in some similar periods in the past.

In terms of Gross National Product or Expenditure the year 1958 shows little decline from 1957. Outlays for producers' durable equipment declined along with substantial inventory liquidation, but these factors were offset by rising personal consumer and government spending. The result was that Gross Product in 1958 was less 1% below the preceding year.

What is the outlook for the current twelve-months? Will 1959 witness a continuation of the recovery which began in the latter part of last year,



or will the recovery be interrupted? There are a considerable number of factors which argue in favor of a rising business trend through 1959, although perhaps at a relatively moderate pace.

Low Inventories Are Stimulus

One stimulating force is likely to come with a rebuilding of business inventories. Stocks of goods, particularly at the manufacturers' level were sharply reduced in 1958. Many businesses are now faced with the prospect of having to replace inventories and this represents a demand over and above current consumption. Inventory accumulation can be an important element of expansion in the early stages of a business recovery. During 1955 and 1956 over \$5 billion went into inventories each year.

The prospect is for consumer incomes to move moderately upward. It is significant that basic hourly wage rates rose during the recession and the outlook is for further modest increases in 1959. Non-wage income (proprietorship, rent, dividends, interest and social security) is also likely to expand in varying degrees. This generally favorable income situation should serve to boost consumer spending on durable goods. Purchases of automobiles, for example, will be somewhat better than last year.

Capital spending by business will increase moderately following the curtailment in the early part of 1958. Competitive pressures and high labor costs have forced the average manufacturing firm into a virtual perpetual program of capital spending and modernization. New machines and

technology are the most effective means to meet mounting labor costs, and there will be a tendency to push ahead with modernization plans which were previously shelved.

New construction outlays have been stimulated by an improvement in residential housing starts. There is some question as to whether home building can sustain its recent rise, but the outlook is favorable for public works construction, including roads, airports, schools, defense facilities, etc., as well as private commercial development. The result is that total construction expenditures in 1959 should exceed those of last year.

Government spending seems certain to show gains. Commitments made by the last Congress involving higher social security payments, increased defense facilities and salary adjustments for government workers will boost Federal spending. State and local governments, reflecting voters' restraint, are a little less disposed to enter on new projects than was the case two or three years ago. However, state and local expenditures continue to creep higher, and this pattern will be with us for some little time.

Another favorable influence as far as the consumer is concerned is the relative stability in consumer prices in the past several months. There is no shortage of basic industrial capac-



ity associated with the current recovery. Goods are plentiful (except in isolated cases due to low inventories) and are likely to remain so. Competition should act as a brake on any strong upsurge in consumer prices. This is not to say the cost-of-living will not increase further, but the rate of rise should be slower than in 1957 and early 1958, and there

may be little or no increase in a broad range of consumer prices. This relative price stability can serve to give the consumer more confidence and help eliminate undue inflationary fears. The inflation problem is still of very vital concern over the longer range, but its impact is not likely to be dramatic in the next several months.

There Are Serious Problems, Too

These are some of the economic forces which argue for a continuation of the business cycle expansion which began in the summer of 1958. An improving income situation, higher levels of spending, replenishment of inventories and more stability in prices all suggest a favorable economic year. Looking at the other side of the coin, what are the problems which the country faces? Most of these have to do with maladjustments that have been accumulated over a number of years. They will not be solved quickly or easily and they pose a more or less perpetual threat to the functioning of our economic and political system. They cannot be ignored and every citizen should be aware of them.

First and foremost is the constant tendency for Federal government expenditures to outrun income. In the current fiscal year ending next June, the Federal deficit will amount to approximately \$12 billion. The demands of the electorate for ever greater government benefits seem destined to add \$3-\$5 billion to the Federal budget each year. Assuming the present tax structure and a "normal" rate of growth in the economy, it is almost impossible to see a balanced Federal budget. This is something which should be of special concern to every citizen, since it can form the basis for a further deterioration in the value of money over the longer term. As a nation, we still have not come to grips with the basic causes of inflation, and a first step in that direction would be to equalize Federal income and outgo. This task becomes more difficult as the years go by, and there is no effective political solution in sight.

Associated with the problem of fiscal management (or mismanagement) is the danger of sudden shifts in mass psychology. A speculative boom concentrated in common stocks, real estate or commodities, can be generated by fear of a shrinking value of the dollar. Such speculative excesses are often followed by extreme and sudden collapses in prices, bringing in their wake discouragement and hardship. Economic affairs function most smoothly when confidence is maintained on an even keel, avoiding extremes of optimism or pessimism. In other words, the difficulty of managing Federal finances and controlling the money supply can impair confidence and contribute to dangerous gyrations in public psychology. Such a situation does not contribute to the orderly conduct of business affairs.

A third risk which must be appraised in any economic outlook is the international situation. The conflict of the United States and Russia



over the allegiance of backward areas of the world increases demands for military and foreign aid spending. Small localized military actions may cause sudden revisions in budgets. There is also the theater of economic warfare in which Communist countries can disrupt world markets, either by suddenly buying or selling basic commodities in such quantities as to affect international price levels. These are phenomena which have plagued this country for the past fifteen years, and there is no reason to believe that conditions will suddenly improve in the near future.

Another factor which can dull the current recovery is a possible intensi-

fication of the struggle between labor and management groups. The steel industry faces new contract negotiations in 1959, and if an agreement is not reached before the expiration of the present contract, a steel strike is a definite possibility. This would produce dislocations in a variety of industries and hamper, at least temporarily, the recovery which has been in process. However, like the international situation, the labor-management conflict has existed for a number of years and produces certain social losses which must be accepted in a free economy.

In Summary

What may we conclude about the business and economic outlook in 1959? The nation has all the ingredients necessary for a continuation of the recovery which began last year. These positive forces are strong

and dynamic. They should produce a rising pattern of production and greater national output, coupled with a more optimistic feeling on the part of business and consumers. In short, many of the uncertainties and doubts which prevailed a year ago are behind us.

Nevertheless, the prospect for a brighter year must be tempered by the knowledge that economic progress may be slowed or reversed by irresponsible government fiscal policies. Each individual should make every effort to keep his own financial house in order and restrain his elected officials in their temptations toward excessive government spending. In brief, we face a somewhat brighter year but we also face some very real risks. Admittedly, this is a trite way of describing all human activity, but triteness in economic forecasting may be a product of virtue, if not wisdom.

Gross National Product 1956-58

	1956	1957	(Est.) 1958
Personal Consumption Expenditures.....	269.4	284.4	290.0
Durable Goods	38.4	39.9	37.0
Nondurable Goods	131.4	138.0	141.0
Services	99.6	106.5	112.0
Gross Private Domestic Investment	68.2	65.3	54.0
New Construction	35.7	36.4	36.0
Producers' Durable Equipment	27.0	27.9	22.0
Change in Business Inventories	5.5	1.0	4.0
Net Foreign Investment	1.4	3.5	.5
Government Purchases of Goods and Services	80.3	87.1	93.0
Federal	47.1	50.8	53.0
State and Local	33.2	36.3	40.0
Total Gross National Product	419.3	440.3	437.5



Judiciary Committee Report

F. W. AUDRAIN
Vice-president, Security Title
Insurance Company
Los Angeles, California
Chairman, Judiciary Committee

There always lurks on the side line of the contest, "Insured vs. Title Insurer", the risk of the cause of action leading to the prayer entitled: "I want to recover more than the amount shown on the policy."

It was pleaded in *Hawkins vs. Oakland Title Insurance Company* 165 ACA (Dist. Ct. of Appeal, 11/14/58) 151. Hawkins was the insured and the insurer missed a deed by which the greater part of the grantor's access rights to a street were conveyed to the state. Hawkin's policy was written for \$13,000 and he says he put a \$25,000 service station on the property. Hawkins next deeded to Bayshore, Inc., and took corporate stock for his deed.

The missed deed became a problem. The appellate court found Bayshore unable to fit into the status of an insured, by way of the policy words continuing the insurance to a successor by merger, dissolution, or consolidation. Bayshore tried for a cause of action under an abstractor theory—under a liability to third persons theory, etc. No luck and no gain; and of course Bayshore was not a named insured.

The court looked at the problem of liability for breach of contract and liability for negligence for failure to exercise skill and care. Without here attempting a summary of the interesting discussion on the point found in the decision, plaintiff's complaint alleges (on a negligence theory) that "in and by the title policy hereinabove referred to defendant represented to plaintiffs . . . that as of the date of said title policy title to their said property was free and clear of all defects, liens and encumbrances shown by the public records except those specifically disclosed in said title policy," that these representations were untrue, made carelessly and recklessly, and were relied upon by plaintiffs.

As to this allegation, the court then said that no such representation appears in the policy attached to the complaint. The policy only purports to insure against certain contingencies, including the existence of certain defects not shown in Schedule B. but there is no express representation that the only defects, liens and encumbrances on the land are those shown in Schedule B. Such a

representation cannot be implied from the policy, without assumptions concerning the business practice of title insurers, since it is possible that risks can be insured against which are likely to occur or are certain to occur. Certainly a life insurance policy is not an implied representation that death will not occur.

As to Hawkin's causes of action, the matter went off finally by way of the appellate court stating that even without his asking, he should have been allowed to amend his pleading as against a sustained demurrer, instead of being closed out on a ruling precluding amendment.

We may never see the case again. But the case has much in it of interest and the available space in these pages precludes little more than an invitation to go read for yourself, i.e., if the case becomes one finally printed in the reports. Some of you have seen cases in advance sheets, never to see them again.

Does contract of sale break joint tenancy?

In the issue of Title News for November, 1957, I referred to a joint tenancy case from Nebraska called to my attention by Lawyer Walter G. Huber of Blair, Nebraska. The court had then held that a contract of sale by two joint tenants as vendors terminated the joint tenancy. The Fall issue (1957) of the Wyoming Law Journal and the December issue, 1957, of the Tulane Law Review both carry case notes on the same subject.

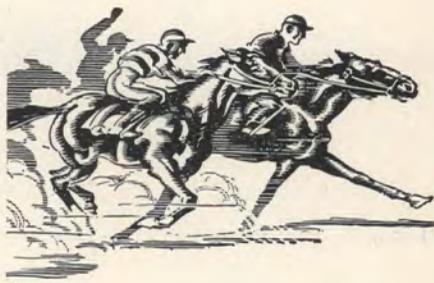
Suppose the balance of the contract price is paid after one joint tenant dies and there is a contest between the survivor and the persons claiming a share under the deceased joint tenant? The Tulane article takes off from an Iowa case holding that the Joint tenancy was terminated by the contract.

The other article also considers the rules in different States and explores

the express and implied intent of joint tenant vendors as to the character of the proceeds of the sale. How many of you know the rule for your state? Suppose the vendee opens an escrow to pay off the balance with a new loan and one of your vendors dies. Are you going to make your check to the surviving joint tenant?

A fast track for Uncle Sam

The State of New Jersey seized \$127,000 of a bookmaker's funds. Thereafter the United States levied on the fund because of its tax liens. Under New Jersey statutes the County then filed its statutory proceeding to declare the forfeiture of the fund because of its criminal activity background and gave notice to the Director of Internal Revenue of the pending proceeding to establish the forfeiture. Upon a hearing at which the United States simply denied the authority of the State Court to adjudicate the rights of the United States, the State Court ordered the money forfeited to the County. On appeal, the Circuit Court held that the United States was bound by the State Court proceeding since it was an In Rem matter and since precedent supported the Authority of the State to adjudicate property rights in funds held by it as against all claimants including the United States. **United States vs. Bleasby**, 3rd Circuit, June, 1958, 257 Fed. 2nd, page 78.



Lower federal courts as well as counsel for title companies have occasion to read the Metropolitan and the Boyd cases and seek out an answer. Title companies can decline a commitment one way or the other. At times a federal judge has to take a position. One judge (164 F. Suppl 636) observed:

"It is noticed that the Government sought certiorari to the Supreme in the Boyd case which was denied on December 11, 1957, 355 U.S. 889, 78 S. Ct. 261, 2 L. Ed. 2d 188. In searching for authority for the Government's position, I secured and have examined the brief of the Solicitor General of the United States presented in his application for the writ of certiorari. The Solicitor General, it seems to this court wrote a comprehensive and exhaustive brief on

the subject under discussion. This court is aware of the rule that a denial of certiorari by the Supreme Court is not an adjudication of the issue presented to that court. But it does seem strange that if the Boyd case is not the law, considering the importance of the question and its relation to the collection of Federal taxes, that four of the Supreme Court justices should refuse certiorari. It seems to me, that to give full force and effect to that protection requires a further ruling that on the foreclosure of such a mortgage the subordinate tax lien is divested. This carries to its logical conclusion the principles quoted by Judge Biggs in United States v. Beaver, " * * * that a prior lien gives a prior claim * * * "and that" * * * the first in time is the first in right." "

A Challenge



We have a caption for this picture. Can you think of a better one? If so, it will be printed in the next issue of TITLE NEWS. Turn to page 24.



meeting timetable

April 2-4	Annual Meeting Texas Title Association—	Hilton Hotel, San Antonio, Tex.
April 24, 25	Annual Meeting Minnesota Title Association—	Minneapolis, Minn.
April 24, 25	Annual Meeting Oklahoma Title Association—	Skirvin Hotel, Oklahoma City, Okla.
May 3-5	Annual Meeting Iowa Title Association—	Sheraton-Montrose Hotel Cedar Rapids, Ia.
May 14-17	Annual Meeting California Land Title Association—	Fairmont Hotel San Francisco, Calif.
May 15, 16	Atlantic Coast Regional Conference	Roosevelt Hotel, New York, N.Y.
June 1, 2	Southwest Regional Conference	Adolphus Hotel, Dallas, Tex.
June 4-6	Annual Meeting Wyoming Title Association—	Casper, Wyo.
June 10-12	Fifty-Second Annual Convention Illinois Title Association—	Drake, Hotel, Chicago, Ill.
June 12, 13	Annual Meeting South Dakota Title Association—	Lawler Hotel, Mitchell, S.D.
June 17-20	Annual Meeting Oregon Land Title Association—	Timberline Lodge Timberline, Ore.
June 25-27	Annual Meeting Colorado Title Association—	Hotel Colorado Glenwood Springs, Colo.
June 28-30	Annual Meeting Michigan Title Association—	Belvedere Hotel Charlevoix, Mich.
July 10-13	Annual Meeting New York State Title Association—	Saranac Inn, Adirondacks
September 13-15	Annual Meeting Ohio Title Association—	Cleveland, Ohio
September 20-22	Annual Meeting Missouri Title Association—	Conner Hotel, Joplin, Mo.
September 21-24	Annual Convention Mortgage Bankers Association—	Hotel Commodore New York, N.Y.
September 27-29	Annual Meeting Nebraska Title Association—	Town House, Omaha, Neb.
October 2-4	Annual Meeting Washington Land Title Association—	Harrison Hot Springs Hotel British Columbia
October 19-22	Annual Convention American Title Association—	Commodore Hotel New York, N.Y.
November 9, 10	Annual Meeting Indiana Title Association—	Lincoln Hotel Indianapolis, Indiana.



New Orleans

A serious, "shirt sleeve" type of meeting opened in New Orleans on February 20, as the annual mid-winter meeting of the American Title Association was called to order by President Ernest J. Loebbecke.

A complete summary of the important matters discussed and decisions made will appear in an early issue of TITLE NEWS. We present here some of the highlights of the meeting.





1959

In the upper left corner the "top brass," president, vice-president and executive secretary, plan their strategy. Lower left, a solemn note as the president pays tribute to Jim Sheridan. Upper right, the nerve-center of the association, the executive committee, meets to consider recommendations. Lower right, Carl Schuech Jr., chairman of the advertising and public relations committee prepares to outline program.





On the L





hter Side



Good Fellowship





In the International Room



PEOPLE



FOOD





CONVERSATION



REFRESHMENTS





R
E
A
S
O
N
T
O



R
E
M
E
M
B
E
R

N
E
W
O
R
L
E
A
N
S





IN THE
ASSOCIATION
SPOTLIGHT

Title Service A Public Trust

This story was prepared for the February issue of TITLE NEWS when the tragic news reached the Association office that the Executive Vice President had passed away. We know that Jim, whose devotion to the title industry never wavered, would want you to know about his efforts on your behalf.

Speaking before the Conference of the American Right of Way Association in Tuscaloosa, Alabama, in January James E. Sheridan, Executive Vice-President of the American Title Association, told the delegates that two key words governed the attitude of abstracters and title insurance company officers in expediting the Public Roads Program.

"The first," he said, "is the word 'Trustee.' As we of the American Title Association see it, we are quasi public in character of work; we are trustees of the funds of the public. It is our belief that this word applies, beginning with the planning division of the State Highway Departments and extends all the way up and down the line; extends to field engineers; to employees of the legal department of the state, and definitely does include the abstract and title company which renders all that it is asked to render—its services in connection with the Acquisition Program.

"The second key word," Mr. Sheridan went on to say, is 'adequacy'—adequacy of everything—beginning with planning and extending through and including the work of the title man. Title evidence for the nation's right-of-program should cover the waterfront completely—going sufficiently back into old titles to cover such things as outstanding mort-

gages, reverters, outstanding easements, living trusts—these and the thousand and one points in land titles which can encumber titles to the point that there could be a defective action."

Tracing the evolution of real estate law inherited from the English Crown, the Dutch, the Spanish, and others, Sheridan pointed out that ownership of land by individuals, for all practical purposes, was an entirely new concept of liberty developed in our own country.

"We have evolved," he said, "a marvelous system of protecting property rights of individuals by the notice provisions and other sections of our recording statutes."

The American Title Association official invited all Right-of-Way Association members to cooperate with title men in achieving the objective of "better service to build better highways."

Fred Place Speaker At Foreman's Club

Fred R. Place, President of the Ohio Title Corporation, Columbus, Ohio, and former member of the A.T.A. Board of Governors, spoke before the Foreman's Club of Columbus, February 19. His subject was "Abstracts vs Title Insurance."

Fred's contribution was a part of the "Home Ownership" portion of a seminar, sponsored by the Foreman's Club, to explain the many facets and complexities of buying real property.

Guarantee Abstract Company Distributes 'Profiles'

A 208 page volume, "Kansas City Profiles," containing biographical sketches of fifty-two community leaders, is being presented to its customers by the Guarantee Abstract Company, Inc., Kansas City, Kansas.

Tracing as it does these successful careers, the book reflects not only their growth, but the growth of Kansas City — economically, culturally and spiritually.

Board of Governors Name Smith Chief Executive

Joseph H. Smith was elevated to the position of Executive Secretary of the American Title Association at the annual Mid-Winter in New Orleans. Smith, a native of Detroit, was born May 2, 1922. He is a graduate of the University of Detroit, where he also studied law. He was admitted to the Michigan Bar in 1950 and is a member of the Michigan Bar Association and the American Bar Association.



In 1952 Smith joined the staff of the American Title Association as assistant to the Executive Vice President, James E. Sheridan. Mr. Sheridan, who had served as chief executive of the A.T.A. for 27 years, passed away February 12.

Smith is now, and has been for the past five years, instructor in current economics at the University of Detroit evening College of Commerce and Finance. He has also served as member of the Board of Directors, University of Detroit Alumni Association, was Captain of the University of Detroit basketball team in 1948. He is a member of the Knights of Columbus, the Gamma Eta Gamma Law Fraternity, the Delta Sigma Pi Professional Business Administration Society. At home in Detroit are Mrs. Smith (Rita) and six children—Patricia, Joseph, Jr., James, Theresa, Thomas and Mark.

Mr. Smith, in accepting the increased responsibilities, said:

We of the A.T.A. staff are keenly mindful of the challenge to maintain the standard of service and dedication to principles exemplified by the life and work of Jim Sheridan. I am sure the entire membership of our Association joins us in our determination to strive continually for the improvement of our service to the various real estate interests and the public as Mr. Sheridan encouraged us do.

Novelties, Gimmicks, Calendars, Christmas Presents

WILLIAM J. HARRIS

Executive Vice President, Houston Title Guaranty Company,
Houston, Texas

As President Loebbecke pointed out in his POSTSCRIPT (see January TITLE NEWS) the Board of Governors feels that the annual convention proceedings should be contained in a single volume. Consequently, last month's issue was devoted exclusively to a report of the October meeting in Seattle. Unfortunately, the edited copy of Mr. Harris' talk arrived in the Association office after the January book had gone to press. We are pleased to present it to you at this time.

Mr. Moderator, Chairman Rawlings, Ladies and Gentlemen of this Convention. This is the easiest part of the program. I'm in that novel position on the program as being the ca-boose. The last time I saw you boys I appeared in the capacity of an office boy. I'm happy to report that I have not lost ground. I have a similar capacity with my company now. There are advantages in being from my fair State in that this is true. It really doesn't matter what I say—you wouldn't believe me anyway. But, by way of introduction, as we consider "Novelties, Gimmicks, Calendars and Christmas Presents," used in a program of heartaches or in a program of public relations, I think perhaps the words are synonymous. I'd like for you to know that what I say to you is one man's opinion, and is limited to my experience, or to our experience in our one company and in our limited area of operation. For me to tell you how to use novelties, gimmicks, calendars and Christmas cards or presents in your area would be about as reasonable as for me to try to tell you that one pair of shoes will fit all. Or, better still, to draw this comparison, it would be similar to having the Supreme Court tell us that each must wear a white shirt or a blue shirt, or that we must have our steak well or medium well done. If what I say doesn't agree with what you think, you're probably right.

I would like to define for your

thinking and mine the four things that we are to consider, novelties, gimmicks, calendars and Christmas presents. As I think of novelties, I think that they may be described as the unusual. They are the different, and unfortunately, as I think of a novelty, the word "cheap" comes in. And now I think of "gimmick." What is a gimmick? Well, the best gimmick I ever had was a little white gadget with a hook on the back of it and a spinner on, the front that would catch bass, but that's not the gimmick that I have in mind today. The gimmick as we consider it in our business might be defined as a "ruse," as less than the genuine, something to fool somebody, or perhaps a lever to get in where ordinarily we wouldn't be admitted.

And then let's consider the calendar. This we can agree on. Perhaps your thinking and mine is the same. A calendar is simply that instrument or that piece of paper that is calculated to count time. And then we come to a Christmas present. In my mind a Christmas present has always meant this: a gift to express good will and love and to commemorate the Savior's birthday. A Christmas present to me will never be other than that.

As we consider these things in a program of public relations, let's consider this. Who are we trying to reach, and what are we trying to do with these tools? I learned long ago

by hunting crows and ducks that unless you aim at something, you hit nothing. I've shot at flocks of ducks so thick that you couldn't get one BB through them and hit absolutely nothing. I've shot at one crow ten feet ahead and three feet higher than the one behind him and hit the one behind. I've learned that if I want to reach a customer, I've got to shoot at him, and I would say that novelties, gimmicks, calendars, Christmas presents and any other material that falls within these categories that's scattered to the four winds is just as wasteful as that duck hunter who shoots into the middle of a flight. We need to think about and recognize these people we are trying to reach. We must aim at the realtor, the realist, the plain vanilla member who's got a license to sell real estate, the builder, the developer, the subdivider, the lawyer, the lumber yard, and yes, in a rather vague way, John Q. Public.

What can our target use among these things that I have mentioned? What would be helpful to that man or to that individual? What would impress him? What are his tools and habits? Well, there's one commodity that, in some areas is a novelty. In others, it's a gimmick. That's money, but we don't use it as a novelty or as a gimmick in our business of public relations. It just doesn't fit.

The tools that most of these people use are these: their office, their desk, their 'phone, and their car. And now let's consider the four matters that we have before us and see if they're applicable and can be used in these places.

Let's consider first the Christmas Gift. Our company doesn't give



Christmas presents any more. We discovered that many years ago there was nothing but trouble involved in the giving or Christmas presents. We were not able to keep our list current. Someone was always left out. We also learned that the list never got shorter. It continually grew. We also learned that those sweet people who did business with us compared what they got, and the man who gave us five orders a year and the man who gave us fifty orders a year, I wish we had one like that, compared what their presents were, and as two old ladies might do, they got their feelings hurt, if their presents didn't measure up to the size or the volume of their business. All of the companies in our area have discontinued the practice of Christmas presents. We send out what we hope is a very lovely Christmas greeting card, and have found it to be most successful. As a matter of fact, some of our customers say that they appreciate the fact that we don't try to kid them into doing business with us by giving them a Christmas present.

And then to the matter of the use of calendars. Two years ago, we discontinued the use of a calendar. First, let me say we have had no disturbance about it, no one has been hurt. We have had no request for our calendar. It may be that it wasn't any good, or it may be that calendars for wall purposes are outdated. One of my best competitors has the most hideous calendar that man ever devised. You find it in the basement of the Courthouse, you find it in some of the courts, but very rarely do I find it in the lawyer's office, very rarely do I see it in a mortgage banker's office, I have never seen it hanging on the wall of the general counsel for a life company, and in some cases I have seen it in a real estate broker's office. Now I can be all wet on this calendar business. They've used it and apparently have gotten good results with it, but we've discontinued ours, and there were no complaints. Most of our other competitors have discontinued the use of

calendars, and they've suffered no loss of business by so doing.

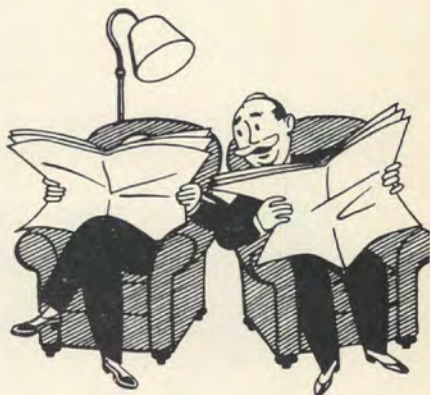
But to the matter of novelties and gimmicks, and I must confess that I've already been brainwashed by the people who handle this material just outside in the lobby. If you don't want to be sold, just don't go by. Let's remember what I said about novelties and gimmicks. First they're the unusual and different, true, to my mind, and perhaps it's a limited vision, they carry the idea of being cheap, and a gimmick is something less than the genuine, it's a ruse, it's an attempt to fool somebody essentially. There are many novelties and gimmicks which, if properly used, can accomplish an excellent purpose, but as I think about letter openers, monthly payment books, cigarette lighters, 'phone book covers, blotters, rulers, key rings, interest calculators, plastic brief cases, football schedules, theatre tickets, paper weights, day books, ashtrays, matches, whisky, (who put whisky in there), notebooks, books, almanacs, as I think of all of these things, there are some few which to my mind can be used, but they must be used in a special way to do any good. Of the good ones, and in your area you will have to select the good ones, let me say this, as you give that novelty or that gimmick, essentially it must be presented as a gift, or as a token from you to the man that you love or whose business you love. He's going to look at it, and it must stand three tests. What is its intrinsic value, what did it cost you in dollars and cents? Believe me, brother when a guy takes a gift from you, he's going to want to know what it cost you. What is the value to the recipient? Can he use it? Is it worth anything to him? And then, if he doesn't think about it right off, eventually he'll get around to it, and he'll wonder what your motive was. So as you select a novelty or a gimmick to carry on your public relations program, I'd suggest that you think of it in these three ways: its intrinsic value, its value to the recipient, and what his idea of your motive is going to be.

Let me say this by way of summation. Any use of the items that have been assigned to me for discussion must be a very special and specific use. I would say that generally any public relations program that cheapens or lowers our professional standing ought to be avoided. I would say that we need to be most careful as to our use of novelties, gimmicks and

... then when I mentioned Title Search she said she didn't know it was lost.

calendars as we give them to be sure that they don't put us in the position of someone who is selling wholesale a product that goes retail for ten cents a bag. We're not that kind of an Industry or profession. I say that we are a profession even as doctors, lawyers, dentists, and so forth, and ought to be most careful in our public relations procedures. We are a professional group and our use of any of our public relations material ought to be such use as would cause us to maintain this position. If we do less than this, we're failing in our program.

OVERHEARD AT THE MEN'S CLUB



Oh, yes, I read about it in Title News.



In Memoriam

Industry Loses 'Buck' Jordan

After an illness of several months, Russell Wood Jordan, Jr., 53, Senior Vice-President and Counsel of Lawyers Title Insurance Corporation and member of its Board of Directors passed away in Richmond, Virginia, on February 12, 1959.

Mr. Jordan had just completed his 30th year with Lawyers Title, having joined the company as Title Attorney early in 1929. A former Law Professor at the University of Richmond, he continued to teach for several years after coming with the company. In 1932, he was elected Title Officer. He was named Vice-President and Title Officer in 1942, and was elected Vice-President and Counsel in 1950. In January, 1959, he was promoted to Senior Vice-President and Counsel.

Belovedly known as "Buck," he was a native Virginian, born in Emporia, Virginia in 1905. After graduation from Emporia High School, he attended Washington and Lee University where he was a Phi Beta Kappa student, graduating with honors and an A. B. degree in 1926. Having begun his law studies prior to graduation, Mr. Jordan earned his LLB from Washington and Lee in 1928.

Known throughout the field of title insurance and its related industries as a brilliant title attorney, Mr. Jordan earned the warm friendship and respect of all who knew him. He carried a great weight as advisor and counsel to his company and hundreds of business and professional associates on matters pertaining to title law. His depth of knowledge and experience was outstanding. He was a member of the Richmond Bar, the Virginia State Bar, and the American



RUSSELL W. JORDAN, JR.

Bar Association. He was active in the American Title Association and was on its Board of Governors and a member of many committees for a number of years. He was also Past President of the National Title Underwriters Association.

He is survived by his widow, Mrs. Dorothy Pitts Jordan; a son, Russell Wood Jordan, III, and two daughters, Mrs. Robert G. McGovern and Miss Sally Pitts Jordan, all of Richmond; his mother, Mrs. Russell Jordan, Sr., and a brother, James Preston Jordan, both of Emporia, and three sisters, Mrs. Rives Taylor of Jackson, N. C. and Mrs. Thomas Wheeler and Mrs. Vernon G. Kreienbaum, both of Emporia.

GROUP INSURANCE

**YOUR EMPLOYEES WILL BE HAPPIER EMPLOYEES
WITH THIS WONDERFUL GROUP INSURANCE
PROTECTION**

APRIL 1st, 1959 WILL BE NEXT QUARTERLY ENTRY DATE

We all breathe a little easier, work a little better when we know that our families are safeguarded by adequate insurance protection. Your ATA Group Insurance Plan can give this feeling of security to you and your employees.

We believe you'll want to make this low-cost insurance available to your employees as have so many of your fellow ATA members. Since the plan started on June 1st, 1958 your association group insurance program has grown by leaps and bounds—over 500 lives are now insured representing almost four million dollars of protection. We earnestly urge that you learn all the details of your association group insurance plan.

APRIL 1st gives you another opportunity to sign up. After April first you must wait until the next open date. During that time anything can happen—SO PLAY IT SAFE AND MAIL IN YOUR APPLICATION NOW!

For further details about your ATA plan, please refer to the employer instruction booklet and member subscription card, write today for another copy to the ATA Insurance Trust—address below.

R E M E M B E R

NO MEDICAL NO AGE LIMIT LOW COST TAX DEDUCTIBLE

ATA GROUP INSURANCE TRUST OFFICE

Suite 747, 209 South La Salle Street, Chicago 4, Illinois

Financial 6-1451