

# TITLE NEWS

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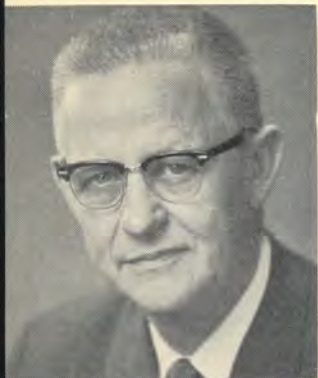
**OFFICIAL PUBLICATION**

**American Land Title Association**

**REGIONAL MEETINGS FOR**



**ABSTRACTERS APRIL 1-2-3**



# A MESSAGE

*from*

## THE PRESIDENT

Fellow Members:

Looking ahead!

Early in February, I shall be in Washington to attend the 1964 Association Public Affairs Conference sponsored by the Chamber of Commerce of the United States and to meet with Joe and Jim to plan our Mid-Winter Conference.

I'd love to see hundreds of you who have never before attended a national convention present at our ALTA meetings in 1964. Even to have ALL of you attend your own state association meetings would be a boon to you and to your profession. How greatly your state would progress, if every member were active in his or her association.

PLAN TO BE IN LAS VEGAS, March 11, 12 and 13. Help make this the biggest Mid-Winter registration in history. (I'm sure that Joe can arrange for a second hotel if our attendance overflows the Riviera.) The Mid-Winter is the time when we do get down to brass tacks and everyone takes part in working out our problems together. We need you and think that you need us.

There are two objectives that I am eager to project upon the consideration of all state associations. Namely, **legislation** needed to benefit both the title industry and those it serves and **an educational program** to increase the potential and the efficiency of our services.

Much that should be of vital concern to all of you will be considered in Las Vegas. Mack Tarpley's committee, after months of arduous labor, have ready a proposed Uniform Title Insurance Code to be presented for consideration. In the Abstracters' Section, a model for licensing and plant laws will be discussed.

Watch the March issue of Title News for Don Nichols' letter. He will tell you of something NEW, regional meetings for abstracters to be held in April.

Has your State Association sponsored an Abstracting and Title Insurance School for your employees?

If not, the abstracters within your state are missing a wonderful opportunity to better equip themselves and those who work with them to perform in the most competent way. Contact your state association officials and urge them to arrange for this worthwhile project at an early date. The costs are not great, but the benefits are.

Education is a continuing process whether it be for our employees, ourselves or our public. The need for educating our public was brought very strongly to our attention last month. It also should be our aim to train our employees to thoroughly understand their work and to have an awareness of the essential part the title industry plays

(Continued on page 30)





# TITLE NEWS

Official publication of American Land Title Association

## EDITORIAL OFFICE

Premier Building  
1725 Eye Street N.W.  
Washington, D.C. 20006  
Telephone Federal 8-1460

EDITOR: JAMES W. ROBINSON

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# The Economic Outlook For 1964\*



By **GERHARD COLM**, NPA Chief Economist

It now appears likely that gross national product in 1963 will reach \$584 billion. Compared with 1962, this represents an increase of 3.5 percent. The GNP at year end is running \$75 billion higher than in early 1961, when the economy was just beginning this longest period of uninterrupted postwar growth. Almost two and a half million more civilians are now at work. Prices have risen only moderately since then. What is more significant, the outlook is for continued growth in 1964. Our tentative estimate of GNP of around \$610 bil-

lion in 1963 prices would mean an increase of 4.5 percent above the level of the current year (all comparisons in constant prices).

In spite of this achievement in the past year, and the encouraging outlook for the future, there is reason for some dissatisfaction. In contrast with the continuing increase in production and employment, unemployment has remained very high. Although about a million people were added to the recorded labor force during the 12 months ending in October, the figure probably would have

\* This report was completed November 21, 1963. Dr. Colm was assisted by Carol S. Carson.



been higher if a considerable number of people had not withdrawn from the labor force during the last two years because they had some means of support and gave up looking for work. In manufacturing, mining, and utilities, production over the same 12-month period increased by 6 percent, while employment rose by less than 1 percent. Agriculture showed a small increase in the volume of products marketed, but a 2.4 percent decline in employment. The only substantial increases in employment were in the service, trade, and local government sectors. Thus, throughout the 12-month period, recorded unemployment stayed at virtually the same 5.6 percent level. In short, after absorbing the increase in the labor force and in labor productivity, the 4.0 percent rate of increase in GNP during the 12 months ending in the third quarter of 1963 was just enough to prevent a deterioration, but not enough to make a reduction in the high level of unemployment. In order to make some inroads upon the existing high level of unemployment, an increase in GNP of more than 4 percent is necessary.

#### **The Pending Tax Bill**

The outlook for the next year is for a somewhat increased rate of growth, assuming that a tax bill similar in magnitude to that passed by the House of Representatives will be made effective as of January 1, 1964. The bill, when fully effective in 1965 (in its second stage), will reduce income taxes \$11.06 billion annually. Of this amount, \$8.75 billion would go to individual taxpayers<sup>1</sup> and \$2.31 billion to corporate taxpayers. The reduction in individual taxes includes both rate reduction, where rates are lowered from a range of 20 to 91 percent to a range of 14 to 70 percent, and certain structural changes. The structural changes involve, for example, provision for a minimum standard deduction designed to benefit low and middle-income taxpayers with large families and a change in

the treatment of dividend income by repealing the 4 percent dividend credit while allowing a somewhat larger dividend income exclusion. An estimated effect of the changes is illustrated in the table, which shows the rise in personal disposable income for families with two children, as a result of the tax reduction. While the changes in the individual income tax are designed to stimulate demand, the other side of the coin is to increase the corporate incentive to invest in plant and equipment. When the proposed corporate tax reductions are combined with the 1962 investment tax credit and the liberalized depreciation allowances, corporate taxes will be cut by almost \$4.5 billion annually. In addition, a gradual speed-up in corporate tax payments is included in the bill to strengthen the government's budgetary position without increasing corporate net tax liabilities or offsetting the benefits of the planned reduction.

#### **Outlook for Major Sectors of the Economy**

Our projected increase in gross national product for 1964 is likely to reduce recorded unemployment, perhaps to 5 percent for the annual average, but hardly near the 4 percent which is usually regarded as a desirable interim target. We will still have a gap of almost \$30 billion between potential and actual gross national product. The combination—of market forces and the impact of the assumed tax reduction—that is likely to produce the increase will be examined for each of the economy's major sectors.

**Consumer Expenditures.** If the tax bill is passed, total disposal income will be increased by about \$5.5 billion in 1964 and by an additional \$3 billion in 1965. Considering the distribution of the personal income tax reduction by income brackets, and the probable effect of such reduction on spending and saving in the various brackets, we can count on an annual average

1. This estimate, prepared by the Treasury, makes allowances for an increase in the yield of capital gains taxes resulting from the greater volume of capital transactions which are expected to occur as a result of the liberalization of terms and reduction in rates for capital gains taxation. The inclusion of the induced economic effects of the tax reduction was done only in this one case.



addition to consumer expenditures of about \$2.7 billion during 1964 and \$1.3 billion during 1965. Successive rounds of income and expenditure increases, as the effects of the tax reduction work their way through the economy, will double the direct effect of the tax cut. This is the operation of the "consumption multiplier." However, personal consumption will increase not only as a direct result of the tax cut and its consumption multiplier; anticipated increases in business investment and government spending will have further income-raising effects. On this count, we add another \$4.6 billion to projected consumer expenditures. As a total then, we estimate an increase in consumer expenditures of about \$10 billion for 1964.

**Residential Construction.** The growth exhibited by residential construction during 1962 and 1963 was one of the major factors supporting the prolonged recovery. The outlook for next year is mixed. Ample mortgage money is still available, and in spite of some general increase in interest rates, the rate trend for mortgage money has been downward.

On the other hand, there are indications that the boom, particularly in multidwelling rental units, may have run its course until the rise in new households in future years gives it a new uplift. In general, we expect outlays for residential construction in 1964 to run at about the same level as in 1963.

**Plant and Equipment.** The McGraw-Hill survey shows that business plans to spend \$40.7 billion on new plant and equipment during 1964. This would mean a leveling off in capital spending since current estimates are that an annual rate of about \$41 billion will be reached during the fourth quarter of 1963. However, many companies did indicate that they will spend more if the tax cut becomes effective shortly after the beginning of the year. Business will have the funds for greater spending since, besides the accumulation of large depreciation allowances, profits are making an excellent showing. Indeed, reports for the third quarter of this year place pretax profits at an all-time high of a \$52 billion seasonally adjusted annual rate. The McGraw-Hill survey also indicates that manu-

**Change in Disposable Income  
as a Result of Tax Reduction  
for Married Couple with Two Dependents\***

Wage and Salary Income † (in dollars)		Reduction in Taxes (percent)	Increase in Disposable Income (percent)
3,000	}	100	2.0
5,000		31	2.8
10,000		19	3.0
15,000	}	16	2.6
20,000		16	3.2
30,000		16	4.3
50,000		15	6.2
100,000	}	14	8.3

\* As passed by the House of Representatives.

† The effects of tax changes affecting other types of income, e.g., dividends and capital gains, are not included in the table.

Source: Treasury Department



facturers were operating at 85 percent of capacity in September—2 percentage points above the rate at the end of 1962. Considering the assumed reduction in corporate taxes and the indirect effect of the assumed increase in consumer spending, we project a moderate increase in outlays for plant and equipment during 1964.

**Inventory Development.** Inventory developments are in general a passive rather than an active factor in the short-run business outlook except in situations where there is either an excessive build-up or a shortage of inventory. At the moment, no foreseeable trends call for major corrections in inventory holdings. Therefore, in the evaluation of the outlook for next year, inventory changes are not regarded as an active factor in either direction.

**Government Sectors.** State-local expenditures (for goods and services), which recently have been running between \$3 billion and \$4 billion per year, can be expected to continue to increase, but at a somewhat reduced rate. Important to this judgment are expectations that the current road construction program is approaching its peak and that school construction may level off during the coming year.<sup>2</sup> However, in this sector too, the tax bill might be a favorable factor because it should indirectly ease the financial conditions of some state and local governments. A faster growing economy would provide a stronger tax base yielding more adequate revenues from present state and local sources and at present tax rates. In general, we might expect next year's increase in state-local expenditures to be closer to \$3 billion, instead of last year's \$4 billion.

There are a number of components of Federal government expenditures which are likely to show a continued increase. For next year it is certain that the service on the public debt will rise: recent legislation increased military pay; certain defense programs now under way will reach the stage of increasing production and payment; the space program is on

the upswing; and several bills are in the mill which will require additional expenditures. These factors will mean an increase of about \$5 billion in Federal expenditures in the fiscal year 1965. However, the executive branch is committed to a greater effort in limiting the increase in expenditures in order to promote the chances of acceptance of the tax reduction bill. When the factors of what we may call a built-in increase in Federal expenditures are considered, it appears possible to stay within the limits to which the Administration appears committed only if some reductions take place in programs other than those listed above, particularly in certain aspects of the defense procurement program. In any case, it appears almost certain that the increase in Federal administrative budget expenditures, amounting to \$6.5 billion in fiscal 1963 and \$4.5 billion during fiscal 1964, will be held to between \$3 billion and \$4 billion during the next fiscal year. On a national income and calendar year basis, total Federal expenditures during 1963 will probably be more than \$5 billion above those in 1962. Under the policies to which the Administration appears committed, this increase should be more nearly between \$2 billion and \$3 billion from calendar 1963 to calendar 1964. Furthermore, the increases in government expenditure on debt service will not be as potent in lifting the economy as would the money spent in some government procurement programs that may be curtailed.

The proposed tax reduction will, in our opinion, have a favorable long-run effect on economic growth. For the next year, however, some part of the immediate effect will be offset by the restrictive expenditure policy.

**Foreign Trade.** The export and import of goods and services will have only a small direct impact on the over-all level of economic activities and employment. Indeed, net exports historically have accounted for less than 1 percent of total GNP. Nevertheless, the balance of trade, and the balance of payments of which it is

2. See Newcomb, Gilloloy and Associates in **Practical Builder**, October, 1963.



part, have a very great **indirect** impact on economic developments. Some of the factors to be considered in estimating 1964's net export level are: 1) increased economic activity abroad, which could mean higher U.S. exports; 2) a faster rate of growth in our own country, which could mean increased imports in the short run; and 3) the possible sale of farm products to the Soviet bloc, which would mean greater exports. This last, however, while affecting the balance of payments, would have little direct effect on farm income and the level of economic activities. On balance, we cannot expect any substantial increase in net exports.

In the longer run, we may have to bear in mind that, although the monetary costs of industrial production have risen faster in several competing countries than in the United States, we cannot be sure that this relatively favorable development will continue. Further, industry abroad is rapidly catching up with technological and managerial advances made in the United States, so that differences in productivity are likely to be diminished. Therefore, increasing dif-

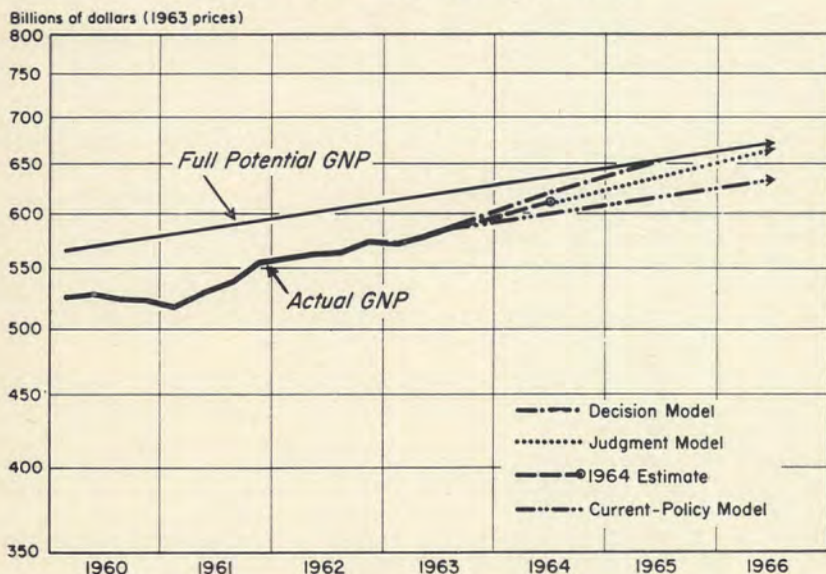
ficulties may be encountered in the future that will not be greatly noticeable next year.

### Summing Up

These projected increases in consumer, business, and government spending add up to an increase of \$26 billion to \$27 billion in GNP for 1964 over that of 1963. However, we should make two important qualifications. First, we have presented our projections as they resulted from the best current estimates for each of the component factors. Obviously, each of these estimates has a considerable margin of error. Thus, our \$610 billion estimate for 1964 should really be considered to lie within a considerable range of estimates, depending on whether errors in individual items are all in the same direction or offset each other to some extent. A second qualification derives from the fact that we have not given weight to the effect that either price and wage developments or related government credit policies would have on the increase in total activities. In recent months, we have observed some uneven movements toward price increases. It is quite likely

## GROSS NATIONAL PRODUCT

### Actual 1960-1962 and Projected 1964-1966





that price indexes will rise at a somewhat higher rate in 1964 in spite of possibly continuing decreases in some cases. In 1963, average wage-rate increases were probably less than increases in productivity and should not have pushed up the general price index. However, we cannot be sure that this relatively favorable situation will continue. Conventionally, the Federal Reserve responds to a trend toward increasing prices by a more restrictive credit policy. This inclination will be reinforced by balance-of-payments considerations. During the past, the Federal Reserve has made an effort to increase the rate for short-term obligations without increasing the long-term interest rate proportionately. Our estimates assume that the same policy will be continued; thus, we have not given weight to the substantial effect on production of a restrictive credit policy. If this assumption should not be borne out by facts, the result may be less favorable.

Also, the reader should be reminded that we have assumed that the tax bill would pass through Congress early in 1964, with a January 1 effective date. Should that assumption be wrong, then again we would have to assume a substantially lower increase in GNP.

### **The Intermediate Outlook**

For a period beyond one year it is virtually meaningless to give one-single projection without considering the effect of alternative policies that are determined to some extent by political events as well as economic events. However, a basic premise is that the government will continue to pursue economic and fiscal policies not radically different from those in the past.

We distinguish between four projections:

● A full employment projection (full potential GNP) assumes that the target will be raised from a 4 percent unemployment rate to a 3.8 percent rate some years from now. This projection also assumes increases in productivity through the utilization of available managerial and technological improvements.

● A decision model represents a reasonable target in the formulation of fiscal and economic policies and for the informational guidance of business and labor. It is meant to reach the full employment model only after a transition period, since we are starting from well below the full employment level.

● A judgment model assumes that some policies, such as the tax cut, will be adopted in support of economic growth, and that business and labor will in turn adopt measures in line with these expectations. However, this model differs from the decision model in that some slippage in the adoption of such policies and measures is taken into account.

● A current policy projection assumes that no further policies in support of economic growth — not even the tax cut—will be adopted and that prevailing attitudes of the private producers will continue.

All of these projections are trend projections. This means that they do not take into account economic fluctuations. Particularly in the absence of compensatory policy, strong fluctuations—possibly recessions and depressions—would have to be expected. The accompanying chart shows these four models with estimates for each for the next few years.

In the chart, except for the full employment projection, the starting point for the models is the \$584 billion GNP of 1963. The decision model rises most rapidly, reflecting a 6 percent increase for 1964, but a reduced rate thereafter as the full employment potential is approached and then attained. The judgment model coincides with our estimate that the 1964 GNP (with a tax cut) will reach \$€10 billion—about \$10 billion below the decision model and almost \$30 billion below the full employment potential. The gap will be reduced only gradually. The current-policy model, the lowest projected trend, assumes a rate of growth of just under 3 percent. Actually, without a tax reduction and other changes in current policies and business plans, a recession in the near future appears more likely than even a modest upward trend.





State Association

## CORNER

Representing the ALTA at the Florida Land Title Association Convention November 14, 15 and 16 were Clem H. Silvers, President of the American Land Title Association, his wife Nadine and the National Association's Executive Vice President, Joseph H. Smith.

# ALTA Well Represented LOCAL REGISTER



New officers for FLTA. Not shown here at



LEFT: Luncheon meeting of the Council of the Florida Institute of Certified Land-Title Searchers.

BELOW: Mr. and Mrs. Clem Silvers chat with William Beardall and his wife and daughter as Paul S. Kelly of Fort Lauderdale looks on.

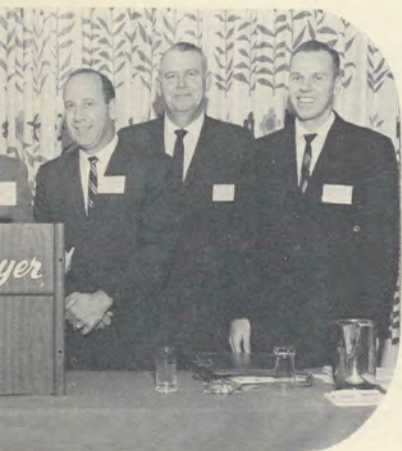
We are informed by the Florida Association's Executive Vice President, M. R. McRae, that the 1963 Convention was the best attended of any similar meeting in the group's history.

This year's convention was arranged differently from previous meetings. Business sessions were held on Thursday afternoon, Friday morning and Saturday morning with Friday afternoon devoted to golf.





# Presented in Florida ATION UP 30%



Raymond O. Denham and M. R. McRae.



Past President John Ely Weatherford presents the outgoing President, Frank P. Lucente with a Past President's plaque.



LEFT: ALTA President Clem Silvers addresses the Florida Convention.



BELOW: Nadine Silvers, Joseph H. Smith, Clem Silvers and Frank Lucente inspect a Florida proclamation.



ABOVE: (Left) Clem Silvers, Helen Hanson, Carroll Reid and Myron Youngblood. (Right) Sheldon Bowers, Don Waddick and Clem Silvers.



## "Admiral" Silvers

Frank Morrison, Governor of the State of Nebraska, addresses the convention.



Clem Silvers is commissioned Nebraska Navy by the State.

BELOW: (Left) Dean Peterson, Mayor of Lincoln. (Right) The County Engineer, Hugh Dillon, has a word to say to the delegates.







ABOVE: (Left) Enjoying cocktail party are Gladys Youngblood, Helen Hanson, Frances Reid and Dolores Cahill. (Right) Myron Youngblood, extreme right, newly-elected President, relaxes between meetings.

# Visits Nebraska



Business session at the 1963 Convention

'Admiral' in the mythical Governor.



BELOW: (Left) Address by Adam Breckenridge, Vice Chancellor, Nebraska University. (Right) Hugo Srb, Clerk of the Legislature, was one of the speakers.



# Browning Elected as Missouri DEATLY WINDS UP A BUSY YEAR

## New Bylaws for MLTA

September 22, 23 and 24 were busy days for members of the Missouri Land Title Association as they met in Excelsior Springs, Missouri for their Annual Convention. It was National President Deatly's final public appearance prior to the ALTA Convention in San Francisco, culminating more than 20,000 miles of travel and attendance at 14 state meetings.

A new Constitution and Bylaws was adopted. The name of the Association was changed to Missouri Land Title Association. Elected to serve for the ensuing year were Robert O. Browning, President; Eugene Burns, Vice President; Hugh B. Robinson, Secretary and Treasurer. Approximately 125 title men and women attended the Convention.



ALTA President William Deatly talks things over with Milton Schnebelen, retiring President.



Newly-elected President of Missouri Land Title Association, Robert O. Browning, visits with ALTA President Deatly.

### Visiting Dignitaries

Art Reppert and Bill Deatly visit Claudia. (Lower Right) Scene at opening session.





# Changes Name

Past President Judson Palmer presents retiring President Milton Schnebelen with Past President's plaque.



Conventioneers took time out for play at the 1963 Meeting.



Milt Schnebelen and Bill Deatly share a joke with Zettie Hubbard.



with Robert Bates and his wife, the buffet table following the



# ARIZONA

**W. B. Fleming, newly-installed President of Land Title Association of Arizona, and his charming wife Sally.**



**ABOVE: (Top) John R. Beckett, the banquet speaker, talked about "The Economy of the West." (Bottom) "Who's on Second" was the title of James Healey's speech.**



**LEFT: Melvin J. King, W. B. Fleming, William S. Lindamood and James M. Mack.**



The 24th Annual Convention of the Land Title Association of Arizona was held in Phoenix on November 15-16. This was the first two-day convention ever held by the Association. Speeches by James F. Healy, Vice President and Chief Counsel, Title Insurance and Trust Company; State Senator Hilliard Brooke; and John J. Lyman, Vice President, Security Title Insurance Company, launched the opening session.

On Friday evening a cocktail party and banquet featured John R. Beckett, President of Trans-america Corporation, who spoke on "The Economy of the West."

On Saturday morning three separate forums were devoted to trusts, title insurance and escrow. All sessions were well attended.

Elected to serve during 1964 were Willard B. Fleming, President; James M. Mack, Vice President; and William Was, Secretary-Treasurer.

Some of the 200 convention registrants enjoying the cocktail party and banquet on Friday evening.

Paul Hughes spoke on "My Twenty - five Years in Public Relations."



Kenneth Brown discussed "Title Companies and Their Banker."



John Lyman of Security Title on "Finances."



# MID-WINTER IN LAS

## DESERT CHARMS EXPECTED TO ATTRACT RECORD

### Traditional reception set for March

ALTA'S 1964 Mid-Winter Conference will open at the Riviera Hotel, Las Vegas, Nevada, Wednesday evening, March 11, with a traditional reception and cocktail party to which are invited all titlemen and women.

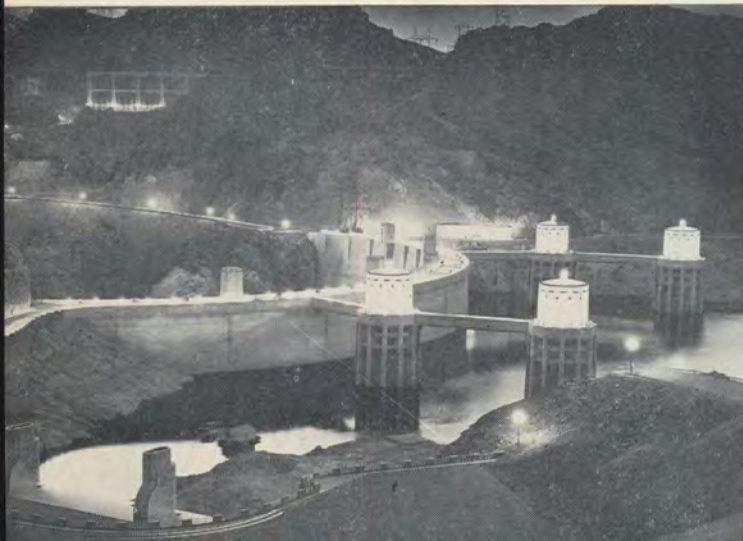
Convention headquarters will be in the Riviera Hotel. **MAKE YOUR RESERVATION TODAY.** Be sure to send a carbon of your reservation request to National Headquarters. It is important that your sleeping room accommodations be reserved prior to February 21.

Although a special meeting of the Board of Governors, together with representatives of the Uniform Code Committee and Executive Officers of the Title Insurance Section is scheduled for Tuesday, March 10, principal features of the Mid-Winter Conference begin the following day with a luncheon meeting of Past Presidents, a meeting of Affiliated State Title Association Officers, a luncheon meeting of Life Company Representatives, another meeting of the Board and, of course, the Get-acquainted Reception.

General Sessions and meetings of the two sections will characterize the Thursday and Friday activities. Adjournment will be at 12:00 Noon on Friday.

See you in Las Vegas.

**Boulder Dam in all its nocturnal glory.**





# VEGAS

D ATTENDANCE



**ABOVE:** ALTA headquarters will again be located at the glamorous Riviera Hotel.

**LEFT:** The city's 7 million dollar convention center is a visitors' attraction.

**BELOW:** (center) Night life in Las Vegas means bright lights. (Right) world-famous shows can be seen for the price of a good dinner.







**IN THE  
ASSOCIATION  
SPOTLIGHT**

## **New California Service**

Member companies of the California Land Title Association have announced a new service for their clients in the form of a guarantee covering the filing of assessment district maps it was announced this week by Carl E. Weidman, Executive Vice President of CLTA.

This new service stems from legislation passed in the 1963 California General Session of the Legislature. This legislation requires that, if a special assessment district is being formed pursuant to the Improvement Acts of 1911 and 1913, a map showing the boundaries of the proposed district must be filed with the county clerk of each county in which all or any part of the proposed district is located. Then, before assessments levied under the proposed district can become a lien, a prescribed notice of assessment must be recorded in the office of the county recorder.

"The only way a lender can acquire information and coverage before the assessment is made is by ordering this new guarantee form," Weidman stated.

The standard form which will be used by member companies is the CLTA Guaranteed Report Form 5. Distribution is being made this week to members according to Richard H. Howlett, Chairman of the CLTA Standard Forms Committee and Senior Vice President and Secretary of Title Insurance and Trust Company.

## **Illinois Abstracter Moves**

The Champaign County Abstract Company, formerly located at 105 S. Broadway, Urbana, Illinois, has moved to its new office at 130 W. Main.

Oscar W. Wilson is President of the firm.

Charles Zipprodt, Executive Secretary of the Urbana Association of Commerce, said he is pleased the firm has been relocated in a good location and in a new facility so quickly.

Zipprodt added, "The company has rendered an important service to the community."

## **Reuder Retires**

The January 1, 1964, retirement of L. A. Reuder as President of Title Insurance Company of Minnesota was announced at the annual meeting of the Board of Directors on December 18. His retirement caps a 44-year career with the firm.

Named to succeed Reuder as President of the 57-year-old title company was Robert W. Blaese, who has been Executive Vice President since 1961.

Leo Reuder is a Chicago native who was graduated from high school in Escanaba, Michigan, in 1914. His first full-time job in 1915 was with Montrail



**L. A. Reuder**



County Abstract Company in Stanley, North Dakota. He left the company in 1917 to join the army and was discharged a second lieutenant in 1918.

He came to Minneapolis upon his return to civilian life and joined the



R. W. Blaese

Association in 1921.

With a law degree in hand, Reuder was transferred to the company's legal department where he remained until he took on executive duties in the company in 1944. At that time he was elected Vice President and Secretary. In 1952 he was elected to the Board of Directors and in 1954 was promoted to Executive Vice President. A year later he was elected President of the title firm.

During his Presidency, the company expanded its service many times; today it is licensed to do business in 25 states. The firm's business volume grew too and now lists assets in excess of \$8,000,000.

Reuder is a member of the Hennepin County Bar Association, Minnesota Bar Association, American Bar Association, Kiwanis, 6 O'Clock Club, Minneapolis Athletic Club and Interlachen Club. He is a member and past commander of the Business and Professional Men's Post of the American Legion.

He lives at 5308 Grand Avenue South with his wife Theresa. They have four married children and a rather impressive total of 19 grandchildren.

R. M. Blaese, who begins the new year as President, began his career with Minnesota Title in 1929, after receiving his law degree from Valparaiso University, Valparaiso, Indi-

ana. He was elected an Assistant Secretary in 1939, Vice President in 1946 and in 1956 was promoted to Vice President and Secretary.

In 1957 Mr. Blaese was named First Vice President and became Executive Vice President in 1961.

Mr. Blaese and his wife, Eva, live at 2018 West 53rd Street in Minneapolis, where they have resided for many years.

The Board of Directors also elected Robert J. Christianson to the office of Vice Chairman of the Board. Mr. Christianson, an attorney associated with the Minneapolis law firm of Faegre and Benson, has been a member of the Board of Directors of the company since 1960.

## Cross-Country Negotiations

Ernest J. Loebbecke, Chairman of the Board of Title Insurance and Trust Company of Los Angeles, and William H. Deatly, President of The Title Guarantee Company, New York, in a joint statement issued November 22 announced that discussions have been conducted regarding an exchange of stock by which the shareholders of The Title Guarantee Company would be offered the opportunity to exchange, on a non-taxable basis, their shares of capital stock for shares of the capital stock of Title Insurance and Trust Company in the ratio of seven shares of Title Insurance and Trust Company for each ten shares of The Title Guarantee Company. There are 541,287 shares of Title Guarantee capital stock outstanding. The Boards of Directors and Trustees, respectively, of each company have approved the basis of exchange, but the offer of exchange will not be made until appropriate approvals of regulatory authorities are obtained. If such approvals are obtained the offer will be conditioned upon acceptance by 80% or more of the outstanding shares of capital stock of The Title Guarantee Company.

The Title Guarantee Company was incorporated in the State of New York in 1883 under the name of Title



Guarantee and Trust Company. Its present name was adopted in 1959. Its head office is at 176 Broadway, New York, N.Y.

Title Insurance and Trust Company was incorporated in 1893.

In his announcement, Loebecke stated that if the transaction is completed, The Title Guarantee Company will operate as a subsidiary of Title Insurance and Trust Company and will continue under its present management.

## Abstract Firm Has New Owners

The C. A. Momyer and Sons Abstract Company, Algona, Iowa, was purchased by a local group, including four Algona lawyers and incorporated under the name Iowa Abstract and Title Company. James R. Peterson will manage the new operation. He comes from Rock Island where he had been with the Rock Island Abstract & Title Guaranty Company for the past four years.

## Important Promotions At Lawyers Title

Lawyers Title Insurance Corporation's Board of Directors on December 18 announced seven promotions.

George V. Scott, Senior Vice President, was promoted to Executive Vice President; Nelson B. Merritt, Vice President, was named Vice President



George V. Scott

and Director of Sales; Frederick H. Klostermeyer of the Home Office in Richmond was elected Assistant Title Officer.

Also, promoted were Gerald L. Lawhun of Dallas, from Field Representative to Assistant Vice President; Anthony W. Roll of Washington, from Assistant Title Officer to Title Officer; Charles A. Duris of Miami, from Attorney to Assistant Title Officer; and John G. Saul of

Pittsburgh, from Supervisor of Settlement Officers to Assistant Secretary.

Scott, who started with Lawyers Title in 1931, was elected Vice President in 1945 and Senior Vice President in 1958. He is a member of the Board of Directors and on the Executive Committee of the company.



Nelson B. Merritt

A native of Burkeville, Virginia, Scott received his A.B. degree from Hampden-Sydney College and his law degree from the University of Virginia. After graduation, he joined Lawyers Title as an Assistant Title Officer in Richmond. In 1939, Scott was named Branch Manager of the Newark Office. During World War II he served in the United States Air Corps for 26 months.

Merritt, who has been with Lawyers Title since 1949, will be in charge of all sales development for the company. He will work with field and home office vice presidents and agents in sales and sales promotional efforts.

Since February 1962, Merritt has been Vice President in charge of the corporation's National Division specializing in servicing large commercial and industrial transactions.

Starting as a Field Representative in 1949, Merritt has been with the company in Akron, Chicago and Detroit. He was graduated from the Detroit College of Law in 1937, and served one term in the Michigan state legislature.

Klostermeyer has been with Lawyers Title since 1962. He was graduated from Washington and Lee with a B.A. degree in 1950 and from the University of Virginia with a law degree in 1956. He served in the Air Force for two years before entering private law practice.

Lawhun has been with Lawyers Title since 1956. After graduation from Ohio State University, Lawhun



worked in the Columbus, Ohio, office until 1960 when he was transferred to Dallas. He is responsible for business development in the Southwest territory.

Roll joined Lawyers Title in 1946 after serving in the Army for three years. He was graduated from National University (now George Washington University) with a law degree. He was a Title Examiner and Assistant Title Officer before being named to his new position.

Duris was graduated from the University of Detroit in 1950 with a law degree. He started work with the Abstract and Title Guaranty in 1952. In 1962, he was transferred from Detroit to Miami as an Attorney. During World War II he served in the Army Air Force for three years.

Saul has been in title work in Pittsburgh since 1939 when he started as an Abstracter. He was promoted to Settlement Officer in 1942. Since 1956, he has been Supervisor of Settlement Officers.

## Rhes Cornelius Transferred

Promotion of Rhes H. Cornelius from President of Phoenix Title and Trust Company of Phoenix, Arizona, to Vice President of Transamerica Corporation and his transfer to San Francisco on January 1 has been announced.

Transamerica is the parent company of Phoenix Title.

Succeeding Cornelius as President is John E. Griffith, 555 E. Rockridge. With the firm 10 years, he has been serving as Executive Vice President.

Cornelius has been with Phoenix Title 30 years, and has been company President since 1959. He will continue to serve on the Board of Directors.

## Brownstein Sees Good Year Ahead

FHA Commissioner P. N. Brownstein outlined internal improvements for greater efficiency which are under way within the Federal Housing Administration and predicted 1964 will

be the third consecutive good housing year under this Administration, in a recent speech before the National Association of Home Builders.

He gave highlights of several procedural changes and other innovations by the agency which are designed to provide speedier processing of homebuyer applications, to help avoid construction delays, to make it easier for builders and lenders to do business with FHA, and, in general, to increase staff efficiency and improve personnel utilization in the agency.

Commissioner Brownstein based his prediction of another good housing year ahead on a combination of factors, principally the increase in the rate of family formations, the Administration's farsighted housing legislation, and maintenance, by the Administration, of a favorable economic climate conducive to housing industry growth.

He explained that FHA's continuing program to streamline agency operations and to eliminate unnecessary processing delays could result in increased production of single family housing financed through FHA in the coming year. He said that builders, brokers, and lenders responded very favorably to the agency's new policy of non-scheduled compliance inspections which avoids construction delays thereby reducing construction costs. Most builders also feel that the new procedure results in better inspections, Commissioner Brownstein said.

Noting that FHA implemented, in 1963, a conversion commitment procedure which permits one-day processing of a home buyer's credit application, Commissioner Brownstein said the new system has materially improved the ease and speed with which builders, lenders, and the home buying public can do business with FHA.

Commissioner Brownstein said the favorable outlook for 1964 is bolstered by the fact that, despite the recent national tragedy, the Administration is carrying forward the same programs of economic progress and



social justice which are the hallmarks of the Kennedy Administration's domestic program.

## Remington Realigns Marketing Structure

In a move to promote faster and more direct communications between the Branch Offices in the field and Division Headquarters in New York City, Remington Rand Office Systems (Division of Sperry Rand Corporation) has realigned its marketing

structure, it was announced by R. E. Patterson, Director of Marketing.



Walter R. McIntire

A major change in the reorganization is the appointment of Walter R. McIntire as General Sales Manager for Direct Sales, a newly created position.

All Branch Managers will report directly to Mr. McIntire, who in turn will report to the Director of Marketing.

"The new marketing setup will enable us to delegate greater decision-making responsibilities to the Branch Managers and provide improved service to our customers," Mr. Patterson explained.

Other organizational changes include the following appointments: A. C. Morse as National Sales Manager, Special Accounts, reporting to Mr. McIntire; Tom G. Povey as Branch Manager, New York Sales Office; Paul E. Almquist, Special Assignments, reporting to Director of Marketing; James W. Eckman as Branch Manager of the entire Washington, D.C., operation; John J. Donagan as Branch Manager, Indianapolis; and C. J. Jewell as National Manager of Marketing Support for Direct and Dealer Sales, Reporting to the Director of Marketing.

All changes were effective January 1, 1964.

## NAREB Predicts Strong Demand

Expansion in the national economy in 1964 will strengthen the demand for real estate, and construction and occupancy levels will contribute to the general economy, the year-end outlook of the Department of Research of the National Association of Real Estate Boards declared today.

"Barring international incident," the report states, "it can be hoped that the year will see modest expansion and will be a forerunner of a period of economic growth paralleling the population rise projected for the second half of the sixties."

It appears the year will be one of opportunity for some correction of negative influences and for development of a sound foundation for the broad business expansion widely expected during the second half of the decade, the report adds.

While the rental vacancy rate has remained nearly constant since 1960, the type of unit available has changed caused by an increase in new construction and a gradual rise in vacancies among better quality existing apartments with a high rate of removals from the inventory.

At the same time, dilapidated or deficient dwellings of all types are being forced from the market. During the nearly six-year period April 1950-December 1956, 3.2 million housing units left the inventory. The annual average loss was 476,000, the report shows. In the three-year period 1957-1959, however, 800,000 units left the inventory annually.

"There is no doubt," the report states, "that the dominant factor for improvement of housing quality is the availability of competitive units and the elimination of deficiencies through consumer choice."

The increase in vacancies of better quality units will be one of the contributing factors in the modest change in the mix between sales and rental units which may occur, according to the report.

"It would not be surprising if apartment construction declined



somewhat and single-family increased . . . If rental construction declines as a share of housing starts, it will be due in part to the rise in good quality vacancies and to the concern of the financial community regarding occupancy potential."

While no dramatic change in the number of these private, non-farm, housing starts is forecast, some expansion in the commercial and industrial component can be expected, the Department of Research predicts, with non-residential construction running a little higher than 1963.

"A rise in this sector may bring a gain sufficient, with a modest increase in residential, to set a new construction record," the report says. "Some of this new construction will be related to community and industrial growth, but some will be replacement of homes, shops, and production facilities that no longer are adaptable to modern times."

Under-utilization of plant capacity, however, continues as a problem. Manufacturers have been operating 5 per cent or more below the rate of their choice, 92 per cent. The report notes, however, that a rising rate of investment in plant and equipment "appears reasonable in the light of profit trends and the generally optimistic climate."

Other weaknesses in the economy—unemployment, deficit in the balance of payments, vacancies, and rising foreclosures—remain, but the report observes that "daily we learn more about the nature of the problems we have so far failed to solve."

## Sees Savings Increase

"With all signals reading 'Go,' 1964 promises to be a good business year," stated Dr. Oliver H. Jones, Director of Research of the Mortgage Bankers Association of America, at the Annual Meeting of the American Finance Association at the Statler-Hilton in Boston. Jones, discussing "The Mortgage Market" as a member of a panel on the "Outlook for the Money and Capital Markets," stated that he anticipates a continued grow-

ing rate of construction activity throughout the 60's because of increased population, family formation, and under 21-singles seeking separate dwelling units; upgrading by present homeowners; and losses through fire, demolition, and conversion. "In the framework of a \$619-billion economy, the anticipated demand for housing should exceed 1,600,000 private non-farm housing starts in 1964, with both single-family and apartment construction increasing more than 4 percent over 1963," he said.

Discussing the financing of this increased building activity, Jones said that, "The four major institutional lenders that provide residential credit will probably experience gains in savings in 1964; however, the rate of gain will be significantly below that of the last couple of years. Commercial banks are already facing an increased demand from their traditional commercial customers and a slower rate of growth in savings.

"Savings and loan associations," he continued, "will also experience further increases in savings, but at a slower rate. However, the sharp expansion in mortgage lending activity on the part of the savings and loan associations in 1963, plus regulatory changes on the part of the Federal Home Loan Bank Board, suggest that savings and loan associations will not be seeking mortgages as aggressively in 1964."

Pointing out that, "Life insurance companies and, to a lesser degree, mutual savings banks, did not experience so sharp a rise in their savings liabilities nor in their holdings of mortgages as did savings and loan associations and commercial banks in 1963," Jones suggested that, "They should continue to maintain their own as savings repositories and, finding it somewhat more easy to obtain mortgages, their mortgage acquisitions should be relatively higher in 1964."

In discussing mortgage yields, Jones said that, "If the pace of the current recovery increases as anticipated, the Federal Reserve System will no longer be confronted with the



task of twisting the yield curve in order to protect the nation's balance of payments without restraining the growth of the domestic economy. It seems likely, then, that the wheels of the monetary authority will grind slowly towards more aggressive restraint as the business economy picks up steam. Accordingly, long-term rates, including mortgage yields, can be expected to be higher by the second half of the year.

"With demands for mortgage credit as well as other long-term uses pressing harder on the supply of savings in a tightening but not tight money and credit market," he continued, "lenders will be less receptive to marginal borrowers and fears of deterioration in the quality of credit should be eased. Greater loan selectivity by investors will probably precede and

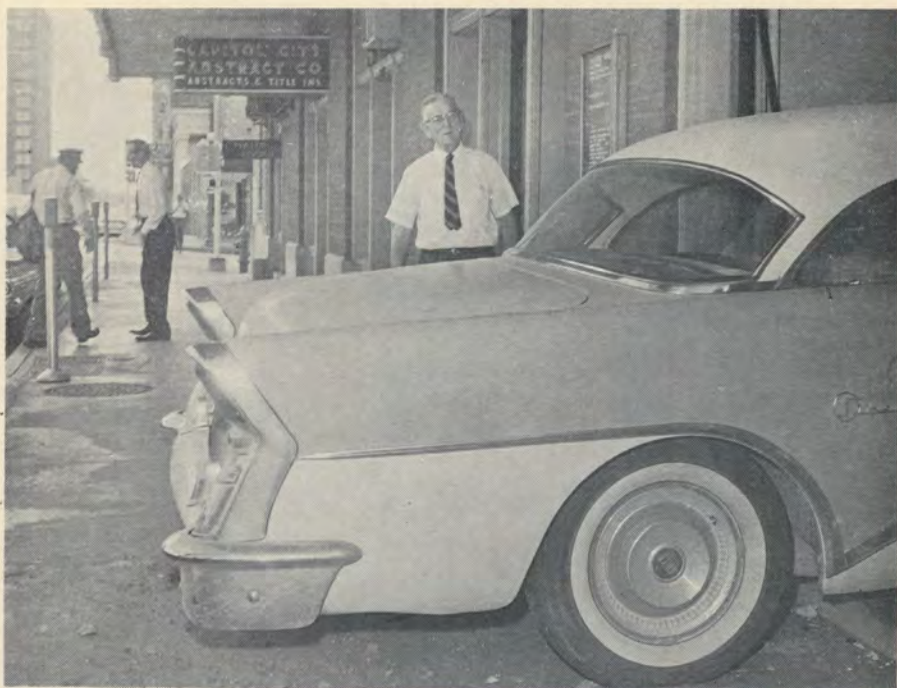
delay an increase in mortgage rates. Regarding the quality of credit, it is worth noting that (1) prevailing foreclosure and delinquency rates are not high when placed in historic perspective, (2) welfare-motivated acceptance of low-quality credit is too often confused with poor lending standards, and (3) attainment of a high level growing economy will cure a large percentage of loans that are now troublesome.

"In summary then, the mortgage market in 1964 will experience an increased volume of activity, gradually increased yields on mortgages after mid-year, and a moderate shift in the sources of mortgage funds away from savings and loan associations and commercial banks, towards life insurance companies, mutual savings banks, and others," Jones concluded.



A special meeting of the Executive Committee of the Title Insurance Section was held in Chicago on December 5, under the Chairmanship of George Garber, Sr. Vice President, Title Insurance and Trust Company, Los Angeles. On the agenda was consideration of formalizing the National Association's participation in regional meetings of Title Insurance Executives. Pictured above are (standing) Mortimer Smith, Joseph H. Smith, Clem H. Silvers, Rhes Cornelius, Hale Warn, Jim Robinson. (Seated) Joseph Watson, Chester McCullough, George Garber and John Ely Weatherford.





## "Drive-In Title Service?"

Mr. Karl Schmidt, General Manager of Capitol City Abstract Company in Austin, Texas, may have involuntarily become the first title company in the United States to offer drive-in title service.

Schmidt was rudely disturbed while at his desk one day recently to find that a driverless car had precisely knocked down the doors and forced its way into an adjoining office, leaving a scant couple of inches on either side as it sought to enter the building completely.

The surprising intruder had been "parked" on a lot across the street, but managed to wend its way off of the lot between two parked cars, across the street, over a stubborn parking meter, thence into Schmidt's building.

Located but a block from the State Office of the Texas Land Title Association, it was a simple matter to arrange for a photographer to catch the scene as shown in the accompanying photograph.

Fortunately for all concerned, the office which was invaded was an empty one, and the only damage was to the doors which were suddenly and forcibly flattened inward.

## Housing Survey

Publication of a national survey by the Housing and Home Finance Agency of planning activities in 142 Standard Metropolitan Statistical Areas has been announced by Senator Edmund S. Muskie, Chairman of the Senate Subcommittee on Intergovernmental Relations, of the Senate Committee on Governmental Operations.

The study, "National Survey of Metropolitan Planning," is an authorized research study, conducted in 1963 by the HHFA's Office of Metropolitan Development, headed by Assistant Administrator Victor Fischer. It covers the organization and functions of 126 planning agencies with jurisdiction over standard metropolitan statistical areas of their major sections.



Senator Muskie, said of the HHFA report. "This pioneering study is the most complete tabulation to date of the organizational structure and activities of existing metropolitan planning agencies. It is particularly significant since it provides 100 percent coverage of the scope of existing planning operations."

The Senator also commented that the results of the comprehensive survey "Will be valuable to all levels of government as a source of data to policy makers and administrators, and to Members of Congress and committees faced with the task of planning intelligently the use of resources and funds in their efforts to cope with the ever-increasing difficulties engendered by a population which is already 70 percent urbanized."

HHFA Administrator Robert C. Weaver pointed to the growing importance of planning in the face of tremendous urban expansion. "The population of the U.S. is expected to double by the year 2000. Almost all of this increase will occur in metropolitan areas."

According to Dr. Weaver, this growth will require more than 200 million new homes, and thousands of new shopping centers, offices and industrial parks.

The vast sums needed to meet this expansion create an urgent need for metropolitan planning at all levels of government, he said.

"We hope this survey of metropolitan action to date will suggest and stimulate more effective and efficient patterns of public action to cope with the many interdependent services and needs that must be developed between the towns, cities, and outlying communities, who today are the 'neighbors' that must unite to build our urban frontier. It is toward that end that our Federal programs of urban planning assistance are directed."

The survey was directed by the Office of Metropolitan Development, with the collaboration of other Federal agencies and private organizations concerned with problems relat-

ed to urban and metropolitan development. The results of the study were tabulated, correlated and analyzed by the American Society of Planning Officials under contract with HHFA.

Copies of the 176-page report are available from the Superintendent of Documents, U.S. Government Printing Office at 50 cents per copy, with a 25 percent reduction for orders of 100 or more copies to the same address.

## Amend Title 1 Rules

FHA has amended its regulations for property improvement loan insurance under Title I of the National Housing Act so as to provide increased protection for borrowers and additional safeguards for the insurance program, and to broaden the application of the insurance to several items not heretofore covered.

Except as indicated below, the amendments will affect loans applied for on and after December 26, 1963.

The principal provisions are as follows:

1. When a loan is to finance improvement to property that is being bought under a purchase contract, the contract seller must consent in writing to the making of the improvements and the obtaining of the loan. Similar consent must be given by the lessor when the property is occupied under a lease. Consent of the contract seller or the lessor has not been required up to now.

2. The lender's file on a loan must contain a commercial credit report on the borrower or evidence of the lender's investigation of the borrower's credit. This was not specifically required before.

3. For a dealer-originated loan, a copy of the contract or sales agreement for the items to be financed with the loan must be attached to the loan application when it is submitted to the lender. Although the lender was formerly required to obtain a copy of the contract or sales agreement, it was not necessarily attached to the application.

4. Title I loans may now be used



to finance built-in kitchen appliances for duplexes and apartment buildings. The financing of such installations previously was limited to single-family homes. If two or more kitchens are installed, the borrower and the dealer or contractor must certify that the improvements, installations, alterations, and repairs to the kitchen conform with all applicable building codes and zoning regulations. Also, patios may be financed without, as formerly, being required to be roofed and attached to existing structures.

5. The lender is allowed to include in its claim on a defaulted note \$50 or 15 percent of the outstanding loan balance (whichever is less) if a judgment is obtained by suit. The former limitation was \$25 or 15 percent of the outstanding loan balance.

6. Effective February 1, 1964, all makers and co-signers on the note, as well as the borrower, must sign the completion certificate, which the borrower is required to sign before the lender can disburse the loan proceeds to the dealer or contractor. They must also sign the borrower's certificate authorizing payment of the loan proceeds to the dealer or contractor. Previously only the borrower's signature was required on the two forms.

The completion certificate has been revised to include a new provision for certification by the dealer or contractor that all bills have been paid or will be paid within 60 days, and to include spaces for signatures of co-makers on the borrower's note. Use of the new completion certificates will be required as soon as they can be supplied to lenders.

The loan application form has been revised to include an amplified certification by the salesman and a certification (not previously required) by the person, other than the borrower, who prepared the application. The new form must be used for all applications dated on and after February 1, 1964.

In notifying insured lenders of the amendments, FHA Commissioner P. N. Brownstein reminded them of their continuing responsibility for

taking measures to assure themselves of the quality of workmanship and service being provided by approved dealers and contractors.

## Personalities in the News

BRIANT H. WELLS, JR., of Arcadia, President of The Title Insurance and Trust Company, Los Angeles, California, has been elected a member of the Board of Trustees of the California College of Medicine.

He is also a member of the planning commission of San Marino, and is an officer of the Board of Trustees of the Association of Graduates of the United States Military Academy.

\* \* \*

JOHN D. PETERSON, Secretary-Treasurer of the Kansas City Title Insurance Company, recently received a Merit Award from the Kansas City Chapter of the National Office Management Association.

Awards are made to recognize outstanding service by members in work performed for their chapters.

\* \* \*

EMMA S. SLOSS has been named Assistant Title Officer of the Commonwealth Land Title Insurance Company, Philadelphia, Pennsylvania.

\* \* \*

Officials of Arizona Land Title and Trust Company, Tucson, Arizona, recently honored MARTHA GUERRERO at a luncheon held at the El Dorado Motel in Nogales. Miss Guerrero is the Manager of the Nogales branch office. Prominent businessmen and state officials attended the testimonial luncheon.

\* \* \*

JAMES W. GOODLOE celebrated his 30th anniversary as President of the Title Insurance Company in Mobile, Alabama, on November 16. The occasion was marked by the company's Board of Directors with a resolution expressing appreciation "to our President for the important part he has taken not only in our company but also for his contributions to the general welfare of the community."



LAWRENCE R. ZERFING, Past President of American Land Title Association and formerly Executive Vice President of Commonwealth Land Title Insurance Company, has announced his association with the firm of Fell & Spalding, 2717 Fidelity-Philadelphia Trust Building, Philadelphia 9, Pennsylvania, in the practice of law. Mr. Zerfing is an honorary member of American Land Title Association.

\* \* \*

JAMES P. WHITNEY, President, Minnesota Land Title Association, will preside over the First Land Title Abstracters Seminar sponsored by Minnesota titlemen at the University of Minnesota, February 10-11, 1964.

KARL W. SOPKE has been named Manager of the Title Department of the Los Angeles Division of American Land Title Insurance Company.

\* \* \*

JAMES D. SHOWERS has been named Administrative Specialist by Phcenix Title and Trust Company, Phoenix, Arizona.

\* \* \*

ERNEST J. LOEBBECKE, Past President of American Land Title Association, Chairman of the Board of Directors of Title Insurance and Trust Company, Los Angeles, California, has received an honorary membership in the American Right of Way Association.

# LETTERS

UNITED STATES SENATE

Washington, D.C.

November 5, 1963

Mr. Joseph H. Smith  
Executive Vice President  
American Land Title Association  
1725 Eye Street, N.W.  
Washington 6, D.C.  
Dear Mr. Smith:

*Thank you for your thoughtful letter of November 1st and your check for my expenses in connection with my recent appearance before your Association.*

*I am indeed happy to report I was dismissed from the hospital Friday afternoon and I am back in my office in the Senate prepared to resume my full schedule of Senatorial duties.*

*I am pleased you have received a number of requests for copies of my speech and over the past weekend I have been able to go over the transcript which you sent me making the necessary corrections. I am having my secretary type a corrected copy of the speech this afternoon and I am enclosing it herewith. You have my permission to publish it or use it in any way you desire. I have also had a number of requests from members of your Association for copies of the speech and I presume that you expect to publish it in your Association periodical or in some way make it available to those in attendance at your convention. Since I have only a carbon-copy for my own records I am unable to comply with these requests.*

*I cherish many happy memories of my contact with the fine members of your Association and I am happy that my remarks to the convention met with your approbation.*

*With best wishes and kindest regards, I am*

*Cordially yours,  
Karl E. Mundt, U.S.S.*





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Because the **ITEK 18-24 READER-PRINTER** keeps running . . . and running . . . and running, dusting is just about the only maintenance you'll ever need. It's so reliable you can practically forget about downtime. And Itek offers this amazing dependability with push-button ease, in a unit that produces the finest quality opaque prints or transluents for diazo reproduction, in any length from 8" to 24". We could go on and tell you all about the remarkable features that put the 18-24 at the head of the class: the large viewing screen—a full 18" x 24" . . . the clear, durable black and white prints that

can be made even from poor quality film . . . the ability to erase and make corrections directly on the translucent prints . . . the high volume output capability . . . or that it accommodates aperture cards or roll microfilm . . . but we'd rather have you see for yourself. In the meantime, we have a booklet, "The 18-24 Reader-Printer for the Modern Title Plant," which gives a detailed study on the use of microfilm in recording systems—it's yours for the asking. Write to Itek Business Products, Rochester 3, New York.

Itek

## ON THE COVER

A National Association is many things. It is a listening post; an information center; a rallying point; a united voice; a conscience; a mirror of the total personality of a particular business or profession.

To ALTA's Abstracter members, it is something more. It is the opportunity to secure knowledge that will reflect increased profit in the financial statement. But a member benefits in direct proportion to his participation in the affairs of the Association. Abstracters—here is your chance!

Chairman Don Nichols and members of his Executive Committee have arranged 3 history-making meetings on successive days in Denver, Kansas City and Chicago. Each meeting will be different from any you have ever attended. Write the National Association Headquarters for details.

## A MESSAGE FROM THE PRESIDENT

(Continued from inside front cover)

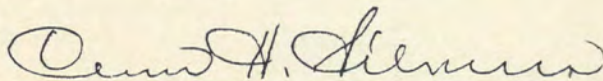
in the life of everyone who seeks to own real estate. Trained minds, flexible, interested, and informed minds (equipped to accept change, new methods, and ideas with understanding and zeal) are the best tool (along with a good plant) that you can have in your business. And—what better means for good public relations?

Most title insurance companies are providing training schools for their agents in the various states, as well as for their own employees. Florida was the first state association to sponsor a school for abstracters and their employees. The many states that have followed Florida's "lighting of the way" have been enthusiastic over their successes and benefits. Most have been repeated annually, by request of employees and abstracters. **Education IS a continuing process.**

MEET US IN LAS VEGAS.

We will give you "odds" that it will not be "all work."

Sincerely,



President





*A cardinal objective of a title insurance policy is to keep the insured in possession his his real property. Toward this end a most careful search of the public records is made.*

*However, losses can and do occur. This memorandum, another in a series of case histories involving actual experience arising from title defects, is taken from the files of the Title Insurance Company, Boise, Idaho.*

Here in Boise we are confronted with an action filed by the County involving the location of a street. It is their contention that the street, in place, is not properly located, and the true location would move this street some 8 feet on one end, tapering to nothing at the other end. Whether or not they are correct, we do not yet know, it being a problem absolutely depending upon survey. Of course, it is a situation which wasn't discovered by our ALTA inspectors and we have loability of some sort to our ALTA policyholders, at least to the extent of defending the action. Since none of the none of the loans are in default, it is difficult to see how at this time they have been damaged, but in spite of this for them we have assumed the duty of defense and because of this we have also assumed the duty of defense for the holders of our standard 101 policies, though we feel we have a policy defense against them by virtue of paragraph 2 of Schedule B.

If the County is successful, the abutting owners are going to lose up to 8 feet of ground they thought they owned, throw most of them in violation of the setback restriction and be otherwise made unhappy by having to move fences, shrubs, etc.

We are presently defending another action which involved a sale of land

by a corporation. This turned out to be a sale of all its assets and should have been approved but at least two-thirds of the stockholders at a meeting called for the purpose of approving and directing the sale. Of course it is easy to say that the examiners should have caught this, but I am reasonably certain that none of us call for these resolutions, nor am I able to tell you how to discover any sale to be of all of the corporation's assets. Perhaps in each case of a corporate sale, we should inquire. Certain, we **should** require a certified copy of the minutes of the board of directors authorizing the sale and directing the officers to execute the necessary instruments. In case of a mortgage of corporate assets, this is an absolute **must** because while the officers may have power to execute deeds and so forth, no such power exists, apart from directors action, to execute notes and mortgages.

It is common practice for lien claimants to name mortgagees party defendants in the foreclosure of their lien. Usually we have ample evidence in the file to support the priority of the lien of the mortgage over the mechanics lien. This is always so if your file contains a completed ALTA inspection sheet. If it does not, you can readily understand the problem we are going to have. We have recently had four of these cases and



while the defense is not too burdensome or expensive, we believe we can expect an increasing volume of this type of loss.

Because the policy places upon us a duty to defend all attacks made upon the title and because we would rather discharge this duty even though we feel that the action involves a problem, probably falling within one or the other of the exceptions, we have many times assumed the duty of defense in cases involving easements based upon prescription. We have two of these pending, but will withdraw as soon as it becomes absolutely apparent that the cause of action falls within one or the other of the exclusions.

Because the assured convinced the examiner that building restrictions common to a subdivision had been violated repeatedly, and were therefore unenforceable, the policy was issued without any statement of, or reference to, the restrictions. The owner then built a duplex on a portion of the property (restricted to single family residences) without any

serious objections from the other owners in the subdivision, but when he started a quadruplex upon the remaining property, all hell broke loose. We think we will be able to settle the loss by buying this remaining property at a price sufficient to bail him out and induce him to give us a release of our liability to him on the property covered by the duplex.

Of course the proper procedure would have been to set up the conditions and restrictions in Schedule B and if the examiner felt it to be an appropriate case, issue an endorsement guaranteeing against judicial enforcement of the restrictions with reference to this particular paragraph. As it is, by not excepting the restrictions at all, we are liable for any violation of any clause, as well as unmarketability.

Two other cases involving fraud and alleged failure of consideration are pending. We know of no way an examiner can be forehanded enough to discover this possibility, but it does expose us to the defense of the action and possibly an ultimate loss.

## "Back to the Indians"

The last remaining property in Glen Cove and possibly on Long Island that has remained continuously in the possession of the original family that purchased it from the Indians in 1670 was sold recently to the Cordly Contracting Corp.

Consisting of about 4½ acres and the old home and barn, it represents the last of the original 80 acre tract traded from the Indians by Moses Mudge in 1670. Passed from father to son through eight generations, (Moses Mudge to William Mudge to Coles Mudge to Jacob Mudge to William Mudge to William J. Mudge to Sterling W. Mudge to William S. Mudge), the old home has been occupied in recent years by Sterling W. Mudge, long time former City Councilman. Sterling Mudge recently

moved to his new home in Whitney Circle. The title to the property was insured by the Mineola office of the Home Title Division, Chicago Title Insurance Company.

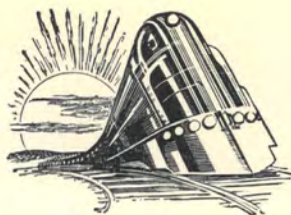
The 14 room house now on the homestead was constructed in 1815 near the site of the original farm house.

Many of the contents of the old home are being donated by the family to Nassau County for use in the recently announced Historical Restoration Project planned in Bethpage.

The property is located on The Place which was the original name of this community. Later the area became known as Musceata Coufe, then "Pembroke" and in 1834 officially adopted the name of "Glen Cove."



# Meeting Timetable



## MARCH 11-12-13

Mid-Winter Conference  
American Land Title Association  
Hotel Riviera Las Vegas, Nevada

## APRIL 11-12

Wisconsin Title Association  
(Spring Meeting)  
Holiday Inn Wausau, Wisconsin

## APRIL 12-15

California Land Title Association  
El Mirador Palm Springs, California

## MAY 1-2

Oklahoma Land Title Association  
Oklahoma-Sheraton  
Oklahoma City, Oklahoma

## MAY 3-4-5

Iowa Land Title Association  
Hotel Fort Des Moines Des Moines, Iowa

## MAY 7-8-9

Texas Land Title Association  
Sheraton-Lincoln Houston, Texas

## MAY 21-22-23

Washington Land Title Association  
Ridpath Hotel and Motor Inn  
Spokane, Washington

## MAY 22-23

Arkansas Land Title Association  
Velda Rose Tower  
Hot Springs, Arkansas

## MAY 22-23

Tennessee Land Title Association  
Holiday Inn of America  
Nashville, Tennessee

## MAY 28-29

Pennsylvania Land Title Association  
Pocono Manor Hotel  
Mt. Pocono, Pennsylvania

## JUNE 7-8

Wyoming Land Title Association  
Gladstone Casper, Wyoming

## JUNE 12-13

Montana Land Title Association  
Yogo Inn Lewistown, Montana

## JUNE 17-18-19

Illinois Land Title Association  
Pere Marquette Peoria, Illinois

## JUNE 17-18-19-20

Oregon Land Title Association  
Eugene, Oregon

## JUNE 25-26-27

Land Title Association of Colorado  
Stanley Hotel Estes Park, Colorado

## JUNE 28-29-30

Michigan Land Title Association  
Shanty Creek Lodge Bellaire, Michigan

## JULY 15-16-17-18-19

New York State Title Association  
Whiteface Inn  
Lake Placid, New York

## SEPTEMBER 11-12

Utah Land Title Association  
Ramada Inn Salt Lake City, Utah

## SEPTEMBER 17-18-19

North Dakota Title Association  
Holiday Inn Motel  
Bismarck, North Dakota

## SEPTEMBER 20-24

ANNUAL CONVENTION  
American Land Title Association  
Bellevue Stratford Hotel  
Philadelphia, Pennsylvania

## SEPTEMBER —

Louisiana Title Association  
Roosevelt Hotel New Orleans, Louisiana

## OCTOBER 18-19-20

Ohio Title Association  
Commodore Perry Hotel Toledo, Ohio

## OCTOBER 22-23-24

Wisconsin Title Association  
Hilton Inn Milwaukee, Wisconsin

## OCTOBER 25-26-27

Indiana Land Title Association  
Marott Hotel Indianapolis, Indiana

## NOVEMBER 12-13-14

Florida Land Title Association  
Lucayan Beach Hotel Freeport, Bahamas

