American Bar

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Lawyer Brown, but he remembered the Experienced Lawyer Service leaflet which lay on his desk, and decided to try it. Assuring his client that he would be able to handle the case, he immediately got in touch with the office of the Illinois State Bar Association, and presented his request for a consultant in corporate reorganization. Within a few hours, he had on his desk a transcript of Lawyer Jones' questionnaire. Learning from it Jones' consultation fee, he arranged for a conference, and in thirty minutes time Lawyer Jones, with his knowledge of the background of corporate reorganization, was able to give Lawyer Brown the exact information he needed in working out his client's problem.

A few months later, Lawyer Brown's case had reached a point where he felt that he would need the assistance of an associate lawyer in working out the more intricate details of the reorganization. Recalling the service Lawyer Jones had rendered him, he approached him with an offer to join as counsel in the work of the case. Together they worked out the problem to the client's complete satisfaction; Lawyer Brown retained the confidence and business of his client; while Lawyer Jones saw his efforts in delving to the bottom of this technical subject amply repaid.

It is such service that the Association is daily giving its members. Are you getting your full share of the benefits of your membership?

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AMERICAN BAR

A Letter from the President

November 20, 1934.

To the Lawyers of America:

I invite your attention to the work and program of the American Bar Association with a view of securing your cooperation and assistance in what we are trying to do.

The American Bar Association is composed of some 27,000 lawyers of America who are united in an effort to advance the general welfare of the profession, to promote the standing of the bar with the people, and to improve the character of its public service. At the present time the Association is engaged in promoting the National Bar Program which, to my mind, is one of the most important activities the Association has ever undertaken. This program has five objectives, as follows:

1. Enforcement of Criminal Law;
2. Raising the Standards of Legal Education and Admission to the Bar;
3. Selection of Judges and Bar Activities in connection therewith;
4. Elimination of the Unauthorized Practice of the Law;
5. Enforcement of Professional Ethics.

I am stressing this program wherever I go and urging the other officers of the Association to do likewise. We are endeavoring to coordinate the work of the state and local bar associations with that of our association. To effectively carry out our program it is essential that we have the cooperation of as many members of the profession as possible.

I appeal to the members of the State Bar Associations, who are not already members of the American Bar Association, to affiliate with our Association. The dues are $4.00 per year for those who have not yet passed the fifth anniversary of their original admission to practice law, and $8.00 for others. All members receive the American Bar Association Journal,
with which you are doubtless familiar, and which alone is well worth the annual dues.

Applications for membership may be secured from the central office of the Association at 1140 North Dearborn Street, Chicago, or from Eli F. Seebirt, member of the General Council for Indiana, Associates Building, South Bend, Indiana.

Trusting that you will join us in this great work, I am

Faithfully yours,

SCOTT M. LOFTIN.

Progress on the National Bar Program*

The possibilities of accomplishment on the National Bar Program subjects are vividly illustrated by the recent election in California, where four amendments to the constitution were passed. Three of these dealt directly with criminal law and the fourth with the selection of judges. The latter, however, was included in all the campaign literature as one of the initiative proposals to curb crime and its passage was probably due to its inclusion along with the other crime measures.

Many bar associations, although favoring some changes in their method of choosing the judiciary, have felt this was a hopeless cause because it required a constitutional amendment. The striking example we have just had from California shows that an amendment of this kind can be put through. A committee of the California bar was very active in pushing these amendments and cooperated with the state Chamber of Commerce, the League of Women Voters, the State Federation of Women's Clubs and the Commonwealth Club of San Francisco in advocating them. The Advisory Committee of the California Committee on Better Administration of Law, which did much of the organization work was composed entirely of lawyers who have taken a prominent part in the State Bar of California.

The first topic on the National Bar Program, Criminal Law and Its Enforcement, has received considerable attention from bar associations of the country. It is fortunate that this is the case because we are in a better position to secure action at this time than we have been for many years. The public psychology is now such that it will support any measures which it is reasonably assured will tend to suppress the crime menace. With the Attorney-General's Crime Conference meeting in Washington on December 10-13, including as official delegates, among others, representatives from the American Bar Association and every state bar association in the country, there is going to be a further focusing of public attention on this problem. Forty-four legislatures meet in 1935, and if our bar associations are ready with a constructive program to present them, that program will meet with the same success as the constitutional amendments in California.

The American Bar Association outlined at its Milwaukee meeting some immediate steps which those who have studied criminal law intensively believe will be of material benefit in the present situation. One of these is the creation of a State Department of Justice, with the Attorney-General at the head of all law enforcing agencies in the state and responsible for law enforcement in the state. Judge Beasly's article in this issue of the Journal

* Reprinted by permission from the December issue of the American Bar Association Journal.
explains the need of this provision in California, and what improvements it is expected to bring about.

Another recommendation concerned criminal procedure. In this field we already have the advantage of a carefully worked out program in the American Law Institute Code. While improvements in procedure will not of themselves solve the crime problem, there can be no doubt of their importance as an integral part of any permanent solution, nor can there be doubt that this is the particular province which is the direct and inescapable responsibility of the lawyers.

The number of states which since 1930 have adopted parts of the Code, as reported by the Director of Institute, is 14. We have the opportunity during the coming legislative sessions to double that figure. An adoption of the Code as it stands, without mature consideration, is not urged, but a careful study of its provisions and their applicability in any particular state will undoubtedly yield a number of recommendations for the improvement of criminal procedure. Bar associations which do not press for the adoption of such a program are losing an opportunity which lies open before them.

Almost 500 committees, the names of whose members are on file with the American Bar Association, are working actively on National Bar Program subjects. Communication has been established directly with these committees and suggestions are being furnished to them as to work within their scope which needs to be done. Considerable interest is being shown in Legal Education and Admissions to the Bar, and the addition of five more states last year to the rapidly growing group requiring two years of college education or its equivalent as a requirement for taking the bar examinations, is a further instance of the possibilities of concrete accomplishments through bar association efforts. The study of methods of admission to the bar is receiving attention in some quarters, both in the way of an inquiry into bar examination technique and results, and also along the lines of a suggestion which has been made by Dean Green of the Northwestern Law School that a candidate's past record and experience as well as his bar examination should have weight in determining the question of his admission. A survey of methods of investigating character used by the various states has been made by the National Conference of Bar Examiners, and there are some states which are now considering a probationary or temporary admission such as was recently adopted in New Mexico, in order to give a period of time after the attorney has actually started to practice, in which to find out more about his morals in action.

A summary of methods of disciplinary procedure now in use is being made up and will be available for distribution within a few weeks, as well as the Handbook on Judicial Selection which is being prepared by Prof. Evan Haynes of the University of California.

A very successful session on methods of choosing judges was held by the Cincinnati Bar Association during the past month, in which prominent Ohio, Illinois and Michigan lawyers spoke on various angles of this problem. An issue of the Cincinnati Law Review, containing the discussions is available from the American Bar Association on request.

While committees on the National Bar Program subjects are active in many places, the fundamental objective behind the coordination plan of producing a closer knit bar is not being neglected. The Coordination Committee is continuing to give this matter close study and a few associations have appointed committees to consider and give their views on the type of formal connection or relationship between local, state and national bar associations which will be of greatest advantage to the profession. Out of this
discussion and consideration, it is confidently expected that a plan will be evolved for a more permanent type of union between the different classes of bar organizations.

Will Shafroth,
Assistant to the President.

RECENT CASE NOTES

Banks and Trust Companies—Insolvency—Preferred Claims. Petition for allowance of claim against insolvent trust company as preferred. Under a written trust agreement, executed on April 16, 1931, Katherine D. Vajen transferred $7,527.88 cash in bank and certain securities to the Farmers Trust Company as trustees for herself. On May 21, 1931, Appellee Boyd M. Ralston was appointed receiver of the Farmers Trust Company. Subsequently, the appellant, The Union Trust Company, was appointed trustee under the trust agreement, as successor to the Farmers Trust Company. The receiver turned over to the appellant trustee all the securities belonging to said trust, but did not turn over the uninvested funds belonging to the trust, which, at the time of his appointment as such receiver, amounted to $8,971.34. There had been commingled with the general funds of the insolvent trust company and at the time of the appointment of the receiver the general fund had been reduced to $4,909.14. Appellant filed its verified petition for allowance of a preferred claim in the sum of $8,971.34 against the general assets of the Farmers Trust Company. The trial court allowed the appellant's claim in the sum of $8,971.34 as a preferred claim against the $4,909.14 in the general fund, but the balance not paid out of the general fund was allowed as a general claim only. Appellant appealed from the overruling of motions for a new trial and to modify said judgment. Held: Chapter 167 of the Acts of 1931 governs appellant's claim. Trial court instructed to render judgment allowing appellant's claim against appellee in the sum of $8,971.34 as preferred against all the general assets of the Farmers Trust Company.1

Under the law of trusts the trustee has no right to commingle the trust fund with funds of his own.2 However, in a case where there has been an unauthorized commingling of trust funds with those of the trustee the remedies offered the cestui que trust upon the insolvency of the trustee have varied. At one time money which a trust company had received as guardian and commingled with its common fund was not entitled to preference in Indiana, though the amount received by the trust company as guardian could be traced into the common fund of said trust company. The claim allowed in such case was only a general one.3 Today, in case of commingling, the majority rule is that the cestui que trust may trace the trust res or its proceeds, whether such be in the hands of the trustee or in the hands of a purchaser or transferee with notice; and in case of insolvency of the trustee the cestui que trust has a preferred claim upon any fund into which he traces the res or its proceeds if he is able to prove that the funds commingled with the general fund “swelled” or augmented the funds in such

1 Union Trust Company v. Ralston (1934), 191 N. E. 94.
3 Wainwright Trust Co. v. Dulin (1918), 67 Ind. 476, 119 N. E. 387.