

Mr. SMITH. We have not had any such cases to my knowledge, with the membership of our Association, Mr. Watkins. I am aware of the situation in Pennsylvania.

You have many mutuals there. You have some very fine ones and I know that you had some insolvencies up there. I think I would agree with Mr. Lemmon's observation, the prior witness here, that in the banking area, in any business area you go into, you are going to find people with unethical motivations.

I don't know how you are going to prevent those people from taking advantage of their position and the public. We certainly do not endorse such operations.

I would call attention particularly of you, Mr. Watkins, in your great State of Pennsylvania and in the City of Philadelphia, the oldest known corporation in this country was formed there which is called the Philadelphia Contributionship for the insurance of houses from loss by fire.

Mr. WATKINS. I am familiar with it.

Mr. SMITH. Mr. Benjamin Franklin was the founder there. That company is a member of our organization. It is still in existence and it is still providing wonderful insurance service to the people of Pennsylvania.

Mr. WATKINS. You are speaking of good ones. But there are bad ones, you must admit.

I wonder if we should not check into it and see if we cannot cure some of the evils that are there.

Mr. MOSS. I think, Mr. Watkins, this would be one of the facets of the study.

Mr. SMITH. The insolvency situation is certainly a problem area. We are working on it ourselves.

Mr. WATKINS. It is a problem that should be looked into.

Mr. SMITH. Yes, sir.

Mr. WATKINS. I have one last question.

All the witnesses this morning have spoken of insuring automobiles. When you speak of automobiles, you mean all forms of transportation, trucks?

Mr. SMITH. I think we are speaking primarily here of the family automobile.

Mr. WATKINS. In other words, none of your testimony—

Mr. SMITH. Not on commercial transportation.

I believe most of our comments were directed to this area of the family automobile.

Mr. WATKINS. Thank you very much.

Mr. MOSS. Mr. Blanton.

Mr. BLANTON. Thank you, Mr. Chairman. I have no questions.

Mr. MOSS. Mr. Guthrie.

Mr. GUTHRIE. I have no questions.

Mr. MOSS. I have no questions.

I want to thank you for your appearance. Again, I think the need for the Resolution has been further illustrated.

We have apparently, in your association, resources developed from research which have not been correlated or coordinated in a manner to make them generally usable for legislative judgment or for policy guidance.