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Constitutional Law—Police Power—Requirement of Bond for Milk-Gathering Stations

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COMMENT ON RECENT DECISIONS

Cal. 39, 266 Pac. 518. Texas, however, has no statute of the second type, and by a proper interpretation of its statute the principal case could not have been decided otherwise. At least four other states are similarly deficient in that the cohabitation with a second spouse married outside the state is not bigamy. Kimser v. Commonwealth (1918) 181 Ky. 727, 205 S. W. 951; State v. Ray (1909) 151 N. C. 710, 66 S. E. 204; McBride v. Graeber (1915) 16 Ga. App. 240, 85 S. E. 86; State v. Stephens (1919) 118 Me. 237, 107 Atl. 296.

CONFLICT OF LAWS—EFFECT OF RECORD OF CHATTEL MORTGAGE.—An important question in the law of chattel mortgages relates to the effect of the recording in one state has when the mortgaged property is removed to another state. A recent Arizona case holds that "chattel mortgages recorded in the state where executed and there conveying constructive notice, continue to have the same effect when property is removed to another state." Davis v. Standard Accident Ins. Co. (Ariz. 1929) 278 Pac. 384. This rule, arbitrarily laid down, would work grave injustice upon any subsequent purchaser in the state to which the property has been removed.

Many jurisdictions are in accord with the rule announced in the principal case. Finance Corp. v. Kelly (Mo. 1921) 235 S. W. 146; In re Shannon & Wrighton Hardware Co. (1922) 2 W. W. Harr. (Del.) 37, 118 Atl. 599; National Bank v. Ripley (1927) 204 Iowa 590, 215 N. W. 647. Contra are decisions in Pennsylvania, Texas, Michigan and Louisiana which refuse to recognize chattel mortgages filed in another state. Devant v. Decan (La. 1930) 128 So. 700; Sherman State Bank v. Carr (1900) 15 Pa. Super. 346; Farmer v. Evans (1921) 111 Tex. Civ. App. 283, 293 S. W. 101; Allison v. Teeters (1913) 176 Mich. 216, 142 N. W. 340. The former rule would allow the mortgagors of property to remove it from the state, even with the consent of the mortgagee, and in another state defraud an innocent third party who would be subject to the original mortgagee's priority. The latter would impose an undue burden on the original mortgagee and would place his rights in jeopardy. A more just rule is one which requires the consenting mortgagee or the mortgagee with knowledge of the mortgagor's removal of the property to file his lien in the state into which the property is taken. Moore v. Keystone Driller Co. (1917) 30 Idaho 220, 163 Pac. 1114; Cable Piano Co. v. Lewis (1922) 195 Ky. 666, 243 S. W. 924; Adamson v. Fogelstrom (1927) 221 Mo. App. 1243, 300 S. W. 841. Under this rule a mortgagee without knowledge of the removal of the property maintains his priority without so recording the mortgage. Cable Piano Co. v. Lewis, above; Walters v. Skinner (C. C. A. 7, 1915) 272 F. 435. J. G. G., ’32.

CONSTITUTIONAL LAW—POLICE POWER—REQUIREMENT OF BOND FOR MILK-GATHERING STATIONS.—A statute required parties desiring to operate
milk-gathering stations to procure licenses and provide bond to secure payment of debts contracted in the purchase of milk or cream from dairymen. Held, the statute is constitutional as a valid exercise of the police power. People v. Perretta (1930) 253 N. Y. 305, 171 N. E. 72.

A similar statute was held unconstitutional in Connecticut as being beyond the police power. State v. Porter (1920) 94 Conn. 639, 110 Atl. 59. A statute providing that the operator of the milk-gathering station should be subject to a criminal fine for failure to pay the dairymen promptly was held unconstitutional in Maine. State v. Latham (1916) 115 Me. 176, 98 Atl. 578. The principal case assumes an advanced position in holding that the legislature can, under the police power, require a person entering a lawful business to furnish bond securing the payment of his debts to parties from whom he purchases.

Statutes requiring banks to pay assessments into a fund in proportion to their average daily deposits, thus guaranteeing repayment of depositors, have been held constitutional. Noble Bank v. Haskell (1911) 219 U. S. 104; Assaria State Bank v. Dolley (1911) 219 U. S. 121. So of an ordinance requiring parties engaged in the general messenger business to furnish bond conditioned upon the faithful delivery of packages, letters, etc. Portland v. Western Union Tel. Co. (1915) 75 Ore. 37, 146 Pac. 148. So of a statute requiring the operators of cooperative butter and cheese factories to give bond for the faithful accounting to dairymen for milk and cream received. Hawthorn v. People (1883) 109 Ill. 302. Statutes requiring commission men to furnish bond to secure payment for goods they receive from farmers present nearly the same problem as the statute in the instant case. Some courts have held them unconstitutional. People ex rel. Valentine v. Berrien (1900) 124 Mich. 664, 83 N. W. 594; State v. Levitan (1926) 190 Wis. 646, 210 N. W. 111. A large number of courts have held them constitutional. State ex rel. Brewster v. Mohler (1916) 98 Kan. 465, 158 Pac. 408, aff'd (1918) 248 U. S. 112; State ex rel. Beck v. Wagener (1899) 77 Minn. 483, 80 N. W. 633; State v. Bowen & Co. (1915) 86 Wash. 23, 149 Pac. 330. A distinction may be drawn between the statute in the principal case, which secures payment for sales made on credit, and the types of statutes mentioned above, which involve quasi-fiduciary relations. But the reason behind the various statutes is the same in all cases, namely, the protection of the public by regulation of businesses which, because of their nature or the conditions surrounding them, can be or have been used as a medium of fraud upon an appreciable portion of society. It is the same general reason that underlies "blue sky" laws, licensing of peddlers, and other such laws.

The two considerations involved in all of these statutes are the right of a man to run his private business as he pleases, on the one side, and the protection of society against irresponsible individuals or companies, on the other. The courts which hold all of the above-mentioned statutes unconstitutional and value the independent right to do business without
Restriction as a supreme right are in the minority. The modern tendency is to safeguard the public against being defrauded. J. D. F., '32.

Constitutional Law—Summary Abatement of Nuisances—Cattle Dipping.—The statute in question provided for a compulsory dipping of cattle infested with tick, to protect them from Texas fever, a contagious disease. The dipping was to be done by a duly authorized inspector, the expense for which was to be paid by the owner. Appellee refused to comply with the order of the officers, stating that she would do the dipping herself. Held, the officers had a right to take the cattle, dip them, and hold them until the expense of dipping was paid. Humphreys v. Tinsley (Ark. 1980) 25 S. W. 1.

The right to enact laws for the protection of domestic animals and to prevent the spread of contagious diseases is recognized as a valid exercise of the police power of the state. Railroad Co. v. Husen (1877) 95 U. S. 465; Grimes v. Eddy (1894) 126 Mo. 168, 28 S. W. 756. The regulation for the prevention of Texas fever is an exercise of that right. Whitaker v. Parsons (1920) 80 Fla. 352, 86 So. 247.

The holding of cattle for the expense of dipping is not a taking of property without due process of law. State v. Hall (1921) 26 Wyo. 260, 190 S. W. 436. It is within the power of the legislature to confer authority upon officers to execute the law and adopt all needful regulations to that end. State v. Hodges (1920) 180 N. C. 751, 105 S. E. 417. But the execution of such authority must conform to the requirements of the statutes. D'Aquilla v. Anderson (1929) 153 Miss. 751, 105 S. E. 417.

Because an outbreak of Texas fever would be detrimental to the welfare of the state, it does not appear that the power delegated in the instant case was unreasonable. T. L., '32.

Contracts—Consideration—Promise to Perform Previous Duty.—A surety was relieved from liability on a note because an extension of time was given by the payee of the note without the surety's consent. The court, finding that the maker of the note had promised in return to pay off the interest on a deed of trust which he was bound by his contract with a third party to pay, held that this was valid consideration for the extension on the note. Dickherber v. Trumball (Mo. App. 1930) 31 S. W. (2d) 234.

It is well settled that for an extension of time to release the surety it must be for a definite period of time, based upon a valuable consideration, and must have been given without the surety's knowledge of consent. Newkirk v. Hays (1925) 220 Mo. App. 514, 275 S. W. 964; People's Bank of Chamois v. Smith (Mo. App. 1924) 263 S. S. 475; Citizen's Bank of Union v. Hilkemeyer (Mo. App. 1929) 12 S. W. (2d) 516. The consideration for such an extension must be a new consideration. Thornton