

Legislative History for Connecticut Act

HB 1717 (PA 293) 1941

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Senator Scranton: This just a copy of the old law, but separating the two offenses?

Major Pinney: Yes, just separating them.

Senator Mills: There is no change in the bills.

Major Pinney: No, except with reference to "life or limb". Section 566c has a lot of the traffic authority in it, and the penalty for speeding and the penalty for reckless driving, and I know the Chief Justice has asked us to get these two separated. I think you have the other bill on speeding here too, but there is no change in wording of the particular sections.

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H.B. 1717 (Mr. Stalsburg) AN ACT CONCERNING THE LICENSING OF NEW CAR DEALERS, USED CAR DEALERS, JUNK DEALERS AND REPAIRERS.

Mr. Carl Lane, Connecticut Automotive Trades Ass'n: I am representing this association which has members in every nook and cranny in the state. Mr. Pratt, the administrator of this dealers' and repairers' license law drew this bill, and he is going to explain it. Before he starts on that subject, I have something to suggest. I want to suggest that you divide the bill and hear that part which has to do with the licensing of dealers and repairers independent of the feature proposing to license the salesman. Discuss that first and then the salesman feature.

(The chairman objected to that procedure).

Just let me give you a very brief resume of the automobile dealers license law and the repairers license law. In 1933 when former Commissioner Stoeckel was in office, we had through his assistance the original bill drawn, and he was very enthusiastic for a licensing law for automobile dealers because he told us that in seventeen years of office, the misuse of dealers' plates had caused him more trouble than all the other registrations put together which he had to contend with. So this Legislature in 1933 passed a bill licensing automobile dealers and repairers in addition to their registrations and markers.

By having this business license we are able to enjoy many privileges which we did not have before because there is a penalty for the misuse of markers. We have from time to time been able to add little things to this licensing law, such as the transfer of registration by dealers, which has been of great benefit in communities where there is no branch of the Motor Vehicle Department. Due to the penalties in the law everybody is kept in line.

We are very much interested in improving and raising the standards of our industry, and therefore we want to cooperate with the Motor Vehicle Department and the administrator in going along with them in connection with this suggested legislation. This seems to be a long bill, but Mr. Pratt will tell you that very little of it is new, but most of it consists of compiling of the various little sections concerning the dealers and repairers which have been added year after year.

Mr. Edwin B. Pratt, Department of Motor Vehicles: I think Mr. Lane has given a short resume of what the bill consists of and how the members of his association feel about it. In talking over this matter with Commissioner Connor, he felt that these sections could be drawn into one chapter and all classified under one head. Due to our experience in administering this law, we are in favor of a penalty outside of the revocation of a man's license. We also felt that it was due too easy for a dealer to retain his license due to the fact that there is nothing in the law as to what constitutes a qualified man, and also due to the fact that we had no provision requiring approval of local authorities before issuing a license. On the latter subject, we decided to follow along very closely the provisions of the "gasoline statutes".

We also found that there was need of differentiating between the "new car" and "used car" license. We also found that a number of men required plates simply in conjunction with their business of junking motor vehicles. We have defined the "new car", "used car", "junk dealer" and "repairer", and followed the old wording. We have also put in the words that he should have a suitable place

of business and be a suitable person, both as to his financial standing and his criminal record, and that he should receive the approval of the chief of police and first selectman in the town where he came from.

Now when we come down to the "repairers" definition, there have been objections from several firms who do their own repairing, as under this proposed statute they maintained that if a man wanted to make his own repairs, he couldn't, so we are submitting an amendment to take care of that objection, which will exclude from the definition "persons, firms or corporations who own and repair their own motor vehicles". This amendment would be inserted in the definition of "repairer".

To get into the matter of fees, we have set the fees on a sliding scale. Up to the present time, the fees for the new car dealers, junk dealers, or repairers have been the same. We feel that this has been unfair, so we have set the fees on a sliding scale of \$20., \$15., \$10. and \$10. We do not feel that this is an arbitrary figure, but it is offered to you for your consideration.

Regarding the approval by local authority - after application is made, the zoning authority will investigate, and a public hearing will be held, and the application either approved or turned down. The fee for examination would be \$25.00. That fee is in addition to the fee for the license.

I had a little matter brought to my attention this afternoon by a group of garagemen in the Naugatuck region who questioned the way Section 8 is written regarding the words "engaging in or continuing in such business" because they felt that even though there is a grandfather clause at the end of this proposed bill, they might be called upon to make a new application. So far as I am concerned, I don't believe there will be any objection on anybody's part if this particular wording is struck out.

We go on through Section 8 and we have a new provision as to the financial responsibility of the applicant which reads as follows: Such licensee shall furnish financial responsibility satisfactory to the commissioner provided, however, such financial responsibility shall not be required from a licensee when the commissioner has found that such licensee is of sufficient

financial responsibility to meet such legal liability. The commissioner may issue such license upon presentation of evidence of such financial responsibility satisfactory to him".

During the past eight years since this particular dealers' statute has been on the books, your Legislature has seen fit to open up the use of dealers' and repairers' plates, and now there is practically no use they cannot be put to except commercially or to carry payloads on trucks. Dealers can use them for anything pertaining to their business, for personal use, or for a five days' loan to a person trying out a car, and there is practically no limit to their use. We have had several cases come to the attention of the commissioner recently where the dealer was not financially responsible. I think particularly of one case where a man was involved in an accident, a woman was injured, the man admitted liability, and when the time came to settle up, he went out of business and turned in his plates. We feel that some provision along the line of being financially responsible should be made, whether it is through the owning of property, a bond, or proper insurance.

Section 9 is the same as in the present statutes. It is set up for the commercial truckman.

Section 10 concerning the use of dealers and repairers plates is exactly the same except for the addition of "or operate a commercial vehicle with a load". This is put in for clarification as a result of opinion of the Attorney General.

Rep. Johnston, Thomaston: What would you do in the case of a man who has a panel truck which breaks down and is brought into the dealer's yard? The truck is full of cakes and pies which have to be delivered that day. If you can't put the dealer's markers on a truck for him to use, his load is lost. This rule would seem to be a handicap in a case of that kind.

Mr. Pratt: Where there is a case of a perishable load, I don't think the law needs to be lived up to to the last degree. It is a very difficult thing to make a ruling of this sort and have it apply in all cases. A perishable load should be transferred to another truck, of course, and that matter of use of the markers is entirely up to you men, and we in the department would be glad to have you handle it in any way you would like to.

Section 11 on accidents reports is the same as in the past.

Section 12 defines what a dealer can do with his registration and plates.

Section 13 refers to the dealers' stamp, and states the commissioner shall issue rules and regulations covering the use of that stamp.

Section 14 covers suspension of the dealer's license, and is the same as the present law down to the fine of \$100. From there on it is new. In talking over this suspension with the commissioner, he has felt it was working too great a hardship on the dealer or repairer who through conviction or being found guilty of violation at a hearing was suspended. As the present statute is, the commissioner shall suspend. It was suggested that we might find some way to chastise the dealer or repairer without necessarily suspending his license, which naturally does a great deal of harm to his employees. After talking it over, we felt that the commissioner of motor vehicles should not be in a position to hand out fines. So we arrived at the idea of putting in a bond. The commissioner would suspend at the time of the hearing or after a court conviction, and then the dealer could furnish a bond which would immediately reinstate him, and with that over his head, it would keep him in line against future violations.

Section 19 should be Section 20, and Section 20 should be Section 19; so that under Section 20 the commissioner can make rules and regulations, which is the same provision as in the section on rules and regulations in the "gasoline" chapter.

Then we put in the grandfather clause that this act shall take effect on July 1, 1941 with the exception that dealers or repairers licensed at that time will not come under the requirements in reference to an original application.

Then we have set up provision in Sections 15, 16, 17, and 18 for licensing salesmen. Any person who acts as a salesman except (reads amendment - "an officer or member of a firm holding a dealer's license") would be required to take out a license.

My thought on this particular phase is that here is a business that as a whole is one of the biggest in the state of Connecticut. A car is no longer a luxury, but a necessity. A motor vehicle is a public utility just the same as the electric light or the telephone. I have always felt that it was just as good as the insurance business or any other business, but many evils have crept into it, and I believe these things should be covered by law and administered to the best of our ability, so that everything possible can be done to bring the business up to a higher level.

On this basis I introduced this particular phase of the situation to be covered exactly like insurance salesman's requirements. There is an examination fee of \$4.00 and \$1.00 for the salesman's license. We find in our investigations that there are many unethical methods used by some of these men doing business as motor vehicle salesmen. For instance a dealer may have a salesman - a customer comes into his particular place of business, and if he hasn't a car that the customer wants, he will take the customer across the street and sell a car of his competitor. We also find them selling privately owned cars, representing themselves as just selling the car as a favor, but he puts the extra money in his own pocket. Then there are many salesman who accept a deposit from a customer and never turn it in to the dealer. The salesman is discharged, and the customer is out the amount of the deposit. Then some of them go outside the state and bring in cars to sell. It makes a ruinous proposition to the dealer where such conditions exist, and most of you men who are in the automobile business know that these things have a detrimental effect from the public standpoint.

Rep. James, Weston: Under this bill if I had an old car I wanted to get rid of, I couldn't sell it on my own behalf could I?

Mr. Pratt: Perhaps you have something there, but I have an amendment here which I think will take care of that.

Senator Mills: What percentage of car dealers selling to the general public do you think have trouble on this matter of a deposit taken?

Mr. Pratt: We get complaints very frequently from customers who say they are unable to get the money returned.

Senator Mills: How many dealers and repairers are there?

Mr. Pratt: There are 1600 dealers and 1400 repairmen.

Senator Mills: Do you consider that perhaps 10% of those use the tactics you explained?

Mr. Pratt: I would hesitate to say. But I don't think anybody is going to suffer under this type of legislation.

Senator Mills: I don't understand a lot of the regulations which are apparently in force. I had a case brought to my attention today. The man had his car registered in Pennsylvania, and he had an accident in Watertown, Conn. when his car turned over and was wrecked. He is in the business of decorating town and city halls, and he had a load of flags in his car. He went to a dealer and purchased a new car, paid for the car, and then wanted temporary plates to get his car to Rockville, as he doesn't renew the Pennsylvania markers until April 1st. He paid for the temporary markers, went out to eat, and then when he came back, he was told he could not have them. So he was in a situation where he had bought a new car, but couldn't get temporary plates to move it. They told him he had to have somebody responsible for them. So he called me up and I went over to the Motor Vehicle Department with him. They called up the dealer and the branch office down there and eventually the thing was straightened out, and he could have the plates if I would be responsible for their return. That seems a lot of unnecessary routine. Anybody can have an accident of that kind, and it seems as though somebody ought to be able to help a man out, whether it be the Motor Vehicle Department or the dealer.

Mr. Pratt: The dealer could have loaned him some plates.

Senator Mills: When this man got his money back, the dealer was the one to give it to him although he had paid it to the Motor Vehicle Department.

Mr. Pratt: On temporary plates, I think the department has put in a ruling that a man must have local reference or show a Connecticut operator's license.

Senator Mills: Of course, this man had no Connecticut operator's license, and he but a car here, but it was tied up for three days. I should say it was the failure of the dealer to give a little cooperation, and it seems a funny thing that the dealer should be the one to give the money back when it had been paid to the Motor Vehicle Department.

Senator Scranton: This is a long bill, and I would like to go through it a little bit, as to where the conditions in this bill are different from the present law. Maybe this will simplify our work on it.

Mr. Pratt: The definitions are a little different. In Section 1 there is a new definition of "new car dealer" and a new definition of a "used car dealer". There is another definition of "junk dealer" for the purpose of getting plates. The definition of "repairer" is practically the same as the old statute that he shall be a qualified person having a suitable place of business. Then the definition of "motor vehicle salesman" is different from that of the previous act as it has not been in there before.

Section 2 is entirely new. That says what persons cannot do without a license.

Sections 3,4,5,6, and 7 are entirely new with the local requirements and they follow out the same wording as the present gasoline section in the law. It has not been on the dealer's statute before.

Section 8 is practically the same as the old law except for the fact it asks for proof of financial responsibility.

Section 9 is exactly the same. Section 10 is practically the same, and Section 11 is the same.

Section 12 is the same, and Section 13 carries the same idea as before but shortens the section and gets rid of a lot of superfluous language.

Section 14 is the same except for the bond requirement.

Sections 15, 16, 17, 18, 19 are entirely new that being the part in reference to the salesmen.

Section 20 is new. It permits rules and regulations. The last paragraph is new on account of the grandfather clause. The rest is the same as in the past

Mr. Carl Lane, Connecticut Automotive Trades Ass'n:  
Several of our members of the legislative committee are here, and maybe we can help you by calling on some of them.

Mr. David M. Richman, New Haven: I think the chief purpose of H.B. 1717 is to place together in the statutes all the laws in reference to dealers, repairers and junk dealers which cover their rights and liabilities so that a customer may know and a dealer may know if he is properly operating his business. I am a lawyer and have been connected with the automobile business since 1932, and I will say this - the automobile business is an honorable business. I find that the people connected with it with whom I have come in contact are by and large ethical people, with a considerable investment, and who want to do a good job. They serve a vast majority of the public in Connecticut. They want to serve them to the best of their ability, yet the dealers often wonders whether they are permitted to do this or do that.

One of our difficulties has been in keeping salesmen in line. Salesmen operate under a commission basis or a commission and salary basis. They are so eager to sell, that they sometimes oversell the products, and sometimes oversell themselves, and about all you can do to them if they act in a manner you don't think they should, is to say you think they better go somewhere else. A salesman goes to work, and he is a person who doesn't have a stake in any firm, so he is apt to become migratory. He is apt not to represent the dealer he is working for, to the financial loss, humiliation and embarrassment of both the dealer and the customer. If he is licensed, he will have an entirely different outlook on his business. It is a profession. He must not misrepresent, and he must not say a car is a 1937 when it is a 1935. That is why this bill is an excellent bill, and I think Mr. Pratt and the Motor Vehicle Department are to be congratulated for doing a swell job. It will help everyone. Automobiles are an absolute necessity. The public is entitled to protection and regulation as provided for in this bill. I consider it a privilege to be here to talk, and I trust the bill will be passed.

Rep. Johnston, Thomaston: You talk about the salesman who don't do quite the right thing when they misrepresent a car. Don't you think quite a lot of people who bring in cars to trade try to misrepresent them?

Mr. Richman: I don't have to think it. I know. I am not active in the management of my business, but I was told the other day to look at a car, a 1939 car traded for \$500. for a new Ford, and the rear end was gone and the block cracked. The man trading it drove it in late at night, got a salesman to take his order, which he did subject to approval. The next morning the manager approved it. That man put it over on our concern. Our new car gross profit is \$200. We junked the car for a little over \$100. We took a loss of \$210. on the whole situation, but I smiled and said shame on us and on the salesman for letting it go through. We sold 1100 new cars last year and 2300 used cars. That is a lot of business, and a deal like this maybe happens three, four, or five times during the year, and we have to charge it up to profit and loss. By and large the dealer has very little to worry about from the public. By and large the public is honest. The public is more concerned that the dealer, repairer and salesman should not stick him. The public is more timorous than the dealer.

Senator Mulvihill: About this business of the salesman being licensed - does that mean that anybody who owns an automobile is not able to act for himself in the sale of a car?

Mr. Richman: This is just a curbstone opinion, but I think anyone owning an article himself is not violating the law when he wants to sell that article. If I own a watch and sell it to Senator Scranton, I am not a jeweler. To sell my own car is not in my opinion engaging in the new or used automobile business, but if I should buy five cars and put them in my yard and that yard back onto the garage of my neighbor, and I may want to peddle to friends, this law would prevent me from doing it. There is very little now in the law to prevent a person doing that unless he runs afoul of Mr. Pratt and his investigators.

I know that a person can sell something he owns without it being considered that he is engaging in a business. I see many times an ad in the paper of a man who wants to dispose of a car. Or if I want to sell my home without the aid of a real estate broker, I don't think I would be considered as engaging in the business. That seems to be the analogy, but if the committee feels that this bill is a little ambiguous, I think it is within the scope of your authority to change it. The purpose of the particular wording which you question is to prevent the little fellow from bootlegging cars without a license.

Senator Mills: In other words, there is going to be a "closed corporation" so far as the automobile dealers are concerned.

Mr. Richman: We say that to be in this business one must be a suitable person free from criminal record, sound in body and mind, and as he might have an accident, to be backed up by financial responsibility. That isn't a closed corporation. You could see what a chaotic condition would exist if everybody could go without registering a car or obtaining an operator's license.

Senator Mills: You are giving the motor vehicle commissioner the right to say who shall sell automobiles and who shall not.

Mr. Richman: I don't think there is anything in this act which is going to prevent any reputable person from selling automobiles. That would be an unconstitutional, but there is nothing in this bill to prevent any reputable person from going ahead, and if he doesn't like the decision, he has the right of appeal in the matter, the same as in the matter of putting up a gasoline station where the applicant must apply to the selectman in his town. I don't think that discretion has been abused.

Senator Mulvihill: What are to be the qualifications for a salesman?

Mr. Richman: Any kind you want. We have twenty-six salesmen. We got a credit report on them to see that they had no criminal record, and to see that he

lives a good moral life and is a person who can be trusted. I want them to represent me in my business, and by the same token, I offer them sufficiently to live decently and honorably. We have any number who have been with us for five years or longer, who have money in the bank and homes of their own. As salesmen they are entitled to feel that their profession shall be one that does not permit encroachments by floaters who are not ethical in their business dealings.

Senator Mulvihill: The final say-so would be in the discretion of the motor vehicle commissioner as to who would be the employee?

Mr. Richman: If I want to hire a man, I would have to have one who has a license.

Rep. Johnston: Now if a man doesn't come up to your standards, you wouldn't hire him?

Mr. Richman: A man comes to us, and he may look all right. Tall and good-looking and with a clean shirt on, and he tells us that he has worked in Brooklyn or Pennsylvania, and that he has had a fine successful history in selling cars. If we are in urgent need of a salesman, we may take him on, and if we don't have some kind of a further check on him, we may sooner or later find that he has taken a deposit and been given an order which he never handed in.

Rep. Johnston: You have no redress under those conditions.

Mr. Richman: All we can do is say that the man is no longer in our employ, but we try to make good.

Senator Scranton: Your effort is to kind of houseclean the salesmen and see that the proper people do business with the public.

Mr. Richman: Most of these men are honest, decent people.

Senator Scranton: I think this shows an effort to make your business appeal to the public and to do away with unscrupulous persons. I can see where the salesmen or firms can and do grip the public and in time the bona fide dealer would get the blame for it.

Mr. Richman: I was referee in bankruptcy in New Haven county for nine years, and there once appeared before me an automobile dealer from an adjoining town. That automobile dealer had sold a car on a conditional bill of sale and purported to cover it with insurance. Later the State's Attorney appeared before me and was very much provoked at the dealer because the car had been sold to a student at Yale who had paid for the car insurance and then started out for the Coast. He got out to Omaha or thereabouts, was in an accident and the car was wrecked. He telephoned this dealer from whom he had bought the car, but he could not locate him, and was out of pocket. This dealer is again selling cars today.

Rep. Johnston, Thomaston: Was it a dealer or a salesman who did this?

Mr. Richman: It was the dealer himself. What protection have you against some dealers? Why isn't the public entitled to that kind of protection? The dealers want it. Obviously we don't want to be connected with a business that isn't clean and square. If I am square, I want to know that my competitor is square.

Mr. L. H. Elmer, automobile dealer in Hartford: In my experience of forty years I have seen 192 dealers in Hartford come and go, and I would not appear here today except for one purpose, and that is because I think it is the greatest business in the world, and I want to see it on a higher plane. I have driven a car for forty years, and I have insurance regulated, the banks regulated, and everything except the automobile business. It certainly is a detriment to our business when a used car man sells cars from a lot. He puts sticks at the corners, and then puts a rope around the sticks, and calls it his place of business. Now take these salesmen - he may be with you one day and the next day you can't find him. I knew of one man who was working for five Ford men. I sold the first Ford in Connecticut, and I have seen salesmen come and go. Now if one of those men is crooked, why shouldn't he be refused a license to sell cars again and misrepresent to the customers?

Last year \$14,000,000 was paid into the State of Connecticut for licenses on automobiles for which the new car man is responsible. \$9,000,000 was paid in taxes. That is what the automobile dealer has done for Connecticut and the world.

I say to you that the used car gypper is the worst thing we have to contend with. Why not have him a responsible dealer? Why shouldn't he have insurance? And when you come to talking about the men selling the cars - if he were found dishonest, maybe his license would be taken away for thirty days. That isn't severe enough. We want the roads safe.

Mr. James J. Scanlon, Meriden, chairman, Legislative Committee of the Conn. Automotive Trades Ass'n: I wish to first refer to the paragraph which Mr. Pratt called the "grandfather clause". I am asking that you refer to that for a specific reason. It is not the intent of this bill to put anybody who is in the automobile business out of business. Neither is it the intent to have anyone who can operate or establish a place of business prevented from opening such a place of business in Connecticut. First of all, the law as it is written today states that an automobile dealer now in business cannot open also in a neighboring town without taking out separate license. A dealer cannot operate another place in New Britain and use the same number plates that he uses with his Hartford business, with the result that if he wants to open up a sub-dealer place, he must come under the provisions of this law. I would say that the result is that the dealers are not attempting under this bill to get a "closed corporation" and freeze out any reputable dealer or people who wish to become dealers. We are only asking that where conditions are relative, that they all be put on an equal basis. We want to deal fair and honestly, and not allow fly-by-night persons to come in and open up a place of business in a open lot and sell automobiles during the spring and summer when business is at its height, and then in the fall just before the tax date, skip out on those and all other incidental expenses a dealer has who remains in one place.

There is a vendors' law which might take care of this phase of the situation if it were enforced. However, instead of requiring a bond to satisfy the taxes for that particular town, they don't do anything about it, and the fly-by-nights skip just before the tax date. There is a bill before the Legislature which requires every individual in the state of Connecticut who wants to register a car to pay his taxes to the town before he can get his registration for a motor vehicle. Is it fair to expect the individual owner to pay a tax at the time of registration, and yet let the fly-by-night pay nothing in the way of taxes.

I want to tell you the results of a meeting we had last Monday. First of all, the dealers voted two to one against licensing salesmen, but voted two to one for licensing the dealers, so that if you have objections also to the licensing of salesmen, it could be excluded from the bill.

There is no attempt on the part of any dealer operating in the state at the present time to freeze out anyone who is entitled and qualified to do business the same as other dealers in the state. There is no attempt to penalize anybody, including the salesman who has a right to live. In the next two years we probably will have to include the licensing of salesmen in order that the public and the dealers may be rid of the practice of a certain number of salesmen who through one way or another either gyp the owner of a car or gyp the man by whom he is employed.

Mr. George Smith, Bridgeport: We have given a lot of consideration as a group to this proposed bill. I just heard Mr. Scanlon say that the salesmen part of the bill was voted against at the meeting the other day. I hot-footed it over the roads for twenty-three years as a salesman. I have worked for eighteen years for one organization before going into my own business. I still think we are in the greatest business in the world, and the public we do business with are entitled to a square deal. I am not saying all salesmen are not square. During the last few years there have been many floaters who have represented themselves as salesmen to the dealers, but who should not be in the business. I don't believe that any good

salesman in the automobile industry today in the state of Connecticut who is looked up to as a good salesman would object to being licensed.

I consider myself a salesman. I learn every day, and so far as I know I haven't any enemies, and I think that is the type of people we like to have represent our business. I am president of the Bridgeport Dealers' Association, which is one of the best dealer organizations in the state of Connecticut. We have been in existence for a good many years, and I do, as I said before, feel that this licensing of salesmen will probably be thrown out. I do also want to say that some-time ago I had an interview where a certain group was trying to form a salesmen's organization into a union. I was in favor of that. The only reason I was in favor is that I want to bring the automobile business as a whole, as well as the salesmen, to a higher plane. You go out to buy an automobile - you contact a salesman or several salesmen - and you see different classes, there is no question about that. I don't believe there is anyone in this room who would purchase an automobile if he did not have confidence in the salesman.

So far as this bill is concerned from the dealer standpoint, I believe it to be honest and fair. I don't think there is any discrimination in here. Mr. Scanlon said there is nothing in here to prevent anyone going into the automobile business. I do think the cities and towns are losing considerable money where these people stay a short time and then move out without paying any taxes. It isn't fair to the dealers who have big investments and a large amount of equipment to have to stand for it.

Mr. William C. Hayes, New Haven, president of Connecticut Automotive Trades Ass'n: I personally want to go on record in favor of the bill. I am also a member of the New Haven Dealers' Association, and they are more than unanimous in their favor of the bill.

Mr. Fred Vedder, Bridgeport, president Used Car Dealers' Ass'n.: I object to the salesman licensing part of the bill. I don't think anybody can give an examination in regard to automobile salesmen. For instance, a man might come to

me for a salesman's job and tell me that the last thing he sold was pianos, and he may make a better automobile salesman than a fellow who has always been in the business. A man may go from the Ford agency to the Packard agency, and he doesn't get any results there. All right, he is fired. As I understand it, he can't get another job until a gets a new license, and just because a man can't sell Packards is no sign he can't sell any car. Some men specialize in certain cars.

Another thing, you go to a place and a salesman misrepresents a car, or maybe as in the case of a friend of mine a man has a very good salesman but he drinks a little, and takes a \$7.00 deposit and goes on a drunk. The dealer who had that salesman had to make good.

We don't think you need this licensing law. You have enough teeth in the law now that when any man represents a car to be other than it is, a customer has the right to make a complaint about it to Hartford, and an inspector can investigate. If a salesman is dishonest, the dealer can let him go, and if he wants a reference, the dealer can tell others about him. If the public gets gypped, the dealers are blamed and in time have to go out of business.

Mr. Richman: I don't think Mr. Vedder understands the bill. Once a salesman is licensed, he can work for the Ford, the Chevrolet, a new or a used car dealer, or for Mr. Vedder. There will be only one license for each man.

Rep. <sup>Walsh</sup> ~~Watts~~, Shelton: I am opposed to this bill because I think it would bring local politics into the garage business insofar as the financial responsibility of the applicant is concerned, and the fact that the application must be approved by the Chief of Police and the first selectmen. I don't think this is a very healthy situation to bring into any business. There is always a certain amount of political pressure that can be used against the man making an application. I think this bill would have the tendency to freeze out the independent dealer and the man who is just working his way up from the bottom, by making it very inconvenient for him to get into this garage business.

Mr. Scanlon: As the law is written today, a person who wishes to go into the automobile business must get his application o.k.'d by the Chief of Police.

Rep. <sup>Watts</sup> ~~Watts~~: Not as to financial responsibility.

Mr. Scanlon: The only thing the Chief of Police has to do is O.K. the moral character of the man, and so far as politics is concerned, a man may come to a town where he has no friends, and he could not exert pressure on anybody. Politics would not enter into it. This bill won't stop anybody from entering into the automobile business as a repairer or anything else.

Rep. <sup>Watts</sup> ~~Watts~~: I am only taking the word of a friend of mine who was of the opinion that it would freeze out some fellows who were just getting started in the business. He happened to be a lawyer who had a very good choice of words, and I don't think he would involve himself by saying such a thing if he had not been of the opinion that something of this sort was meant by the bill. I dare say the committee will bear me out in the idea that passage of this bill would help the big fellow and force the small fellow out.

Mr. Kendall M. Pierce, attorney, Hartford: Mr. Chairman, I am representing the Connecticut Automotive Trades Association, and the members have studied this thing carefully and seem to be unanimously in favor of the part of the bill which has to do with the dealers' and repairers' licenses, etc. In that connection, I want to make a suggestion. In Section 14 - I don't think it is good legislation to say "bond satisfactory him" meaning the commissioner. I think it should be "bond in the amount of \$-----", and you could set a definite figure. If you don't, and leave it open, the commissioner might ask for a bond of an exorbitant figure. This might be construed as an unreasonable exercise of the police powers of the state. Therefore the act would be void, and you would have to throw the whole thing out of the window.

Senator Scranton: What do you think would be a fair amount for a bond under these circumstances?

Mr. Pierce: Not more than \$500. If a man is otherwise financially responsible, this is a bond to prevent further violations of the act. A penal bond is very strictly construed in the courts.

Also under Section 19 in the last line - it says the commissioner of motor vehicles may make, alter or repeal regulations relative to dealers and repairers. The motor vehicle junk dealers and salesmen are left off. Under this wording, the commissioner is empowered to make regulations for the dealers and repairers, but not for the junk dealers and salesmen. I think you will find that you ought to add the words "junk dealers and salesmen".

To get down to the question of salesmen, I want to say this - that while the dealers seem to be unanimous on the subject of licensing salesmen, there is a wide difference of opinion. At the meeting the other night, most of the dealers were opposed to licensing salesmen, and I think the State will be getting into a job it won't like. It will mean conducting examinations of 15,000 or 20,000 salesmen in the state, and I don't think remote control of that sort is going to be good or do any good. I don't believe but what every dealer is capable of picking out his own salesmen, and I find that the rank and file of the dealers do not seem to think the time has come when we should license the car salesmen. Insurance salesmen are licensed because the insurance companies want them to be. The most regulated business in the state is the liquor business, yet the salesmen who sell are not licensed. Places are licensed where liquor is sold, but they don't license the bartender, and the bartender is generally the man who causes the permittee to lose his license. It is getting to a point where nearly every walk of life seems to be regulated, but I hope that your committee will see fit to strike out the licensing of motor vehicle salesmen from this bill.

Mr. L. H. Elmer, Hartford: I have had 22 suits on salesmen misrepresenting. I know the condition of salesmen. I don't think there is anything more important today than the licensing of salesmen. The real estate salesmen may be, the stock brokers are, and why shouldn't these car salesmen be licensed and regulated so they will tell the truth.

Mr. Ray Smith, Hartford: I am with Chamberlain-Smith here, and we handle a few cars. We have always gone into business with some idea of regulations and we were qualified to meet regulations. We have not objected at all to any regulations made so far. It seems so far as this law is concerned that the regulations are not much different from what they were, so I am in favor of that particular section of it.

Not having had a legal training, I cannot see exactly what Section 15 means, but since that might become part of the law, I think there should be some clarification of it. That is a bit confusing to me. Mr. Richman might sell his watch to you at a profit, but he would still contend that he was not in the watch business. Whether or not that is the intent of the law, we don't know. The owner of his own car should be able to sell his own car, but if he engages in the practice of it, he in effect becomes a dealer. I don't think there is enough in there about where the line starts or stops.

I must confess too that I don't understand Section 20 which was numbered 19 which says that the commissioner may "make, alter or repeal rules or regulations". I don't understand that. If I am trying to run my business by one set of regulations, I don't want to feel that the whole picture may be changed the next day by a new set of regulations. I am asking for more clarification.

As to the licensing of salesmen, I have never put on a salesman who could not qualify for a bond. A regular bonding company must pass on them or they don't get a job with us. We seldom have any misunderstanding of even the slightest nature. It is impossible to deal with as many hundreds of people as we do without some difference of opinion, but we attempt always to do the right thing. I have asked some of my salesmen if they would like to see this licensing law go through, and I have not as yet seen one who wanted the salesmen licensed. It isn't that I don't admit we have our problems and unfair practices in our business, but I don't believe that the licensing of salesmen will eliminate those things. Of course, it might be a benefit if the only persons who could sell in this state had

to have a Connecticut license so it would be a protection against the dealers who live just across the state line and infringe on our business.

We are trying to understand these things which are set before us, and my questions are merely to ask for a little more thought and consideration as to whether the salesmen really want to be licensed. Most of the dealers have felt that the dealers do not want to be licensed.

Senator Scranton: You are in favor of this bill except for the licensing of salesmen?

Mr. Ray Smith: Yes.

Senator Mulvihill: Was it the fee of \$4.00 that most of them were worried about?

Mr. Ray Smith: That part of the question was not discussed. I believe most of us equip ourselves with the things we need to work with. I pay the cost of the bond of my salesmen, and the main thing is the protection of the customer. I don't think I have ever engaged a salesman who wouldn't qualify.

Senator Scranton: The commissioner already has the authority to make rules and regulations for the business. From what I can see, this is little different from the powers he already has.

Mr. Harold B. Pinney, Deputy Commissioner of Motor Vehicles: This is merely put in so that he can make the necessary regulations to enforce the statute. He can't change the law, but he can make rules and regulations. This has always been in the statutes.

Mr. Joseph Raslavsky, Derby: I am a registered repairman. We have a group of repairmen in Naugatuck Valley and we had a meeting last night. We want to go on record as opposing this bill. We opposed it because it is different. We see it differently, and when you study it, I think you will agree. As a matter of fact, the first section is different. It says a dealer shall be such a person - a "new car dealer" and a "used car dealer". We don't object to that, but why can't we be left out of it. We

can regulate ourselves through general good behaviour. We think the third section has some changes in it. We have never had to be approved by the commissioner as to whether the place of business was in a safe location on the highway. I speak for myself who have never seen an inspector there for that purpose.

This section 8 here we claim as it is written up will affect the men in business today. In other words, in 1942 we would have to go through the particular requirements of this act, with a hearing in our local town, paying for the advertising, paying the \$25.00 fee, and then paying \$10.00 for the registration fee. Perhaps that was not the intent of the person who drew the bill, but if it doesn't mean something, why is it there?

These differences in the definitions will also affect the repairer to a certain extent as to the difference between the repairers and dealers. The repairer can repair cars and can't sell cars, but the used car dealer can sell cars and repair cars. Assuming a man is not doing much repair business in the course of a year, he may buy two or three cars, and wants to sell a couple of them. I don't know how this bill acts then. I believe it is a matter of selling five cars. Even though they may be cheap cars, he has got to take out a dealer's license. But the dealer and used car dealer can do both repairing and selling. If he is not selling cars enough, you haven't told him to get repairers' markers. That change is something we don't like.

We don't have any objections to the licensing of salesmen.

A while ago somebody said there were 1400 registered repairmen in the state. That probably is so according to the records of the Motor Vehicle Department. In my opinion you would find that the majority of the dealers would be repairers. There are always three or four men working in those establishments, and their livelihood is repairing.

I am surprised to hear about what a wonderful business the automobile dealers' business is and then to have them ask for the committee to enact legislation to curb the unscrupulous practices in the business.

The financial responsibility section in this bill is different, and by that the little fellow can be kept out. He is not going to be able to pay it. These fellows have had plenty of experience and they made money before they were controlled. I have been connected with the repairers business since 1911. I sold eleven cars that year. I made good money, and in 1921 I entered business for myself, so I am speaking from a little experience, and I am very much surprised to hear people say on this floor today that this bill is not going to hurt you fellows at all. Some of the fellows who are going away for defense work will come back and find they have to put up with this bill. If we can't give those men any protection, we are doing the wrong thing. There are plenty of firms giving their employees the difference they might lose in salary while they are away. And then to think that thousands of others may go, and we should enact laws which might prevent them from going into business after they have served their country. I hope you will give this every consideration.

Senator Scranton: I want to say that so far as I am concerned there aren't going to be any laws passed to hurt the little fellow if I can stop it. I am going to see that the little fellow is taken care of.

Mr. Raslovsky: We just want it left so that we can take care of ourselves.

Rep. Degnan, Derby: I wish to register in opposition to the whole bill as it is written now. The senator from the 17th also wishes to be registered as in opposition for the same reasons.

Mr. George Smith, Bridgeport: I am in favor of this bill where it defines the new car dealer and the used car dealer, etc. It is a very good bill because it distinguishes what each man is in business for and what his business is. There is something there which kind of hurts me, but I am still in favor of the bill.

Senator Mulvihill: Is it possible for one man or one concern to engage in all types of business provided he gets a separate license for each one?

Mr. Pratt: Yes. A new car dealer might want to be a junk dealer also. He could make application for the license.

Mr. Raslovsky: Supposing a man has a repairers' license and he wants to get a used car dealers' license. He takes out one license, and then does he pay the extra fee for the other one?

Mr. Pratt: He has to go through the full procedure.

Mr. Carl M. Lane, Conn. Automotive Trades Ass'n: I would like to suggest that we incorporate in this bill, if the committee sees fit, a special rate for the truck plate. The bill says the fee "for such general commercial distinguishing number and mark shall be the highest fee which would be charged for the maximum gross weight of the commercial motor vehicle on which such number or mark is used". A dealer that sells a one-half ton truck or a five-ton truck is entitled to loaning his markers to his customer. But on a five ton truck he has to pay a higher fee in order to have it legal for the vehicle to carry a payload. It is suggested that the one-half ton rate be the legal maximum fee. These plates are used as an accommodation only when a car is loaned to a member of the public while his car is being repaired.

Then there are the finance companies. They are left out of this bill. The finance companies can take out used car dealers' licenses. I would suggest that you incorporate into the plan something so that a finance company, or bus company, or anyone owning a fleet of vehicles can have a repairers' plate. Mr. Pratt said there is no objection to it, and he would prepare an addition to the bill. Take the Connecticut Company which has its own garage for repairs - under this they would have to have a repairers' license in order to get the plates.

On the matter of rules and regulations, I have in our office copies of all the laws of other states for dealers' license laws, and I notice in studying this particular question regarding rules and regulations that most of the other states had a provision that rules and regulations are to be published or posted in a conspicuous place in the Motor Vehicle Department and in the press. Some states have it that all licensees shall receive a printed copy of the rules and regulations. I think it would have a very soothing effect if the dealer could get a copy somewhere, even if it were out of the newspapers.

This bill would protect the public. It would help the unfortunate person who got involved in a transaction, through the threat of a dealer losing his license, and I am sure you are interested in that phase of it.

Rep. Johnston: I hope there is something in this bill so that when a car is sold to a junk dealer, it stays there. As it is now, we sell many cars to the junk dealers, and then we may find somebody has bought one of those cars, and he brings it to us to trade, and we have to give him \$50.00 for it the second time.

The following registered in opposition:

Rep. Tracy - Berby  
" Clancy - Ansonia  
" McCormack - Ansonia