

Legislative History for Connecticut Act

SB 406	PA 538 (Tax)	1947
Banks	§ 121-124	(4)
According to Banks chairman Griswold in public hearing the General Assembly did not set up a special study commission. Revision was by Banking Dept.		
4 pgs		

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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PA47538

Joint Standing Committee hearings, Banks. 1947.

STENOGRAPHER'S NOTES

of C4

PUBLIC HEARINGS

before the

JOINT STANDING COMMITTEE

on

BANKS

COMMITTEE

Senator George Griswold (Chm.) Greenwich
" Robert P. Anderson, Groton
" Robert E. Parsons, Farmington
" Alfred F. Wechsler, Hartford

House Chairman - Edward H. Delafield, Darien

Clerk - Hereward Wake, Westport

Messrs. Bernard H. Matthies, Seymour
Harry F. Jewett, Cheshire
George G. Jacobson, Coventry
Robert W. Tuller, Simsbury
Arthur G. Bissell, Suffield
Edward C. Swan, Farmington
Thomas H. MacWhinney, Essex

Mrs. Ruth A. Jones, Waterbury
Messrs. G. Gresham Griggs, Fairfield
Harry C. Clow, Plymouth
Michael Svihra, Easton

Mrs. Mary E. Flynn, Southington
Messrs. Napoleon C. Bortolan, Windham

General Assembly

State of Connecticut

January Session

1947

AUG -9 1948

BANKS COMMITTEE

TUESDAY

APRIL 22, 1947

Senator Griswold presiding.

Members present:

Senators: Anderson
GriswoldRepresentatives: Bissell
Bortolan
Clow
Griggs
Jewett
Matthies
Svihra
Swan
Fuller
Wake

Members absent:

Senators: Parsons
WeschlerRepresentatives: Delafield
Flynn
Jacobson
Jones
McWhinney

✓ S.B. 406 BANKING LAW.

Chm. Griswold: We will open the hearing on S.B. 406 BANKING LAW. It has 242 pages at the moment and will probably have more. We will open the hearing by asking if anybody wishes to speak in favor of the Recartification of the Banking Laws of Connecticut.

Mr. Richard Rapport, Bank Commissioner: This proposed booklet has been in the hands of all of the banks of the State since the 1st of February and we have received many letters, none of them in protest of any particular point. We have received about 1/2 dozen letters that have suggested what we think are minor technical changes. I think if this bill were to pass as you have it now, it would be perfectly all right. While we now have some changes, they are of such a minor nature, that the banks of this State could function well until we get a chance to correct these small matters. In New Jersey, where the recartification has been in the works for the past two years, the bankers association worked together as they did here. The job in New Jersey cost the State and the bankers association some \$60,000

while the job here was done at an overall cost to the bankers association of possibly \$10,000 and I think that it is quite a compliment to those who worked on it that it could be done as well at that cost. Mr. Wake, Mr. Harris and Mr. Elmore deserve, in my opinion, a tremendous amount of credit for the work they did on this- I can attest to this because I was with them as to the hours they put in and I think it was far beyond the call of duty.

Chm. Griswold: I should also like to thank you, Commissioner. You undoubtedly have had some effect on the organization of this matter and you should be commended.

Representative Wake: I think that Mr. Rapport was the moving force behind this. There was nothing that was too much trouble for him to do. It's only fair to say that it was the unified efforts of all of us that accomplished this job, but particularly it was Mr. Rapport's moving force behind this.

Mr. Charles J. Lyon, Chairman, Legislative Committee, Savings Banks Association of Connecticut: There have been a great many compliments given to the men who did this work. We would like to convey our compliments to them also. I would like to impress upon you that this is not only a monumental job, but every hour that went into it will assist the Savings Banks of the State of Connecticut in presenting for the first time a clear and concise book of banking law. It will be of great assistance to the savings banks and will save us a lot of difficulty in the future.

Chm. Griswold: You think the new law is a convenient one?

Mr. Lyon: Most convenient. In its present form, it is most difficult to use. You can never be sure that you have looked into all the places and here we will have the reference all in one place which will save hours and hours of work.

Chm. Griswold: Senator Anderson, may we have some comment from you?

Senator Anderson: I don't think it is necessary to add anything to what these eloquent gentlemen have already said. I can only say that I am very proud of it.

Mr. Reese Harris: I want to second everything that has been said about the grand job that has been done. I think that this is going to make the findings and the interpretations much simpler for the commercial banks and we hope that the committee will give it a favorable report.

Mr. Harold Read, Chairman, Bankers Association of Connecticut: Our bank, the Hartford Connecticut Trust Company, placed a copy of this law in the hands of our attorney who studied it for over a month and they were assured that it is a very good job.

Chm. Griswold: How is this going to be indexed?

Commissioner Rapport: I don't think we can answer that until we have had an opportunity to discuss the form of the law more fully to make sure that so far as possible it will be printed as a law. It will probably follow the table of contents that is in the first part of the grey covered book. However it is done, it will be done in our office under our supervision.

Chm. Griswold: We are still listening to the proponents of this bill.

Representative Matthies: I might say that I talked with the Vice-President of the Seymour Trust Company and he said they could find no fault with it.

Representative Svihra: The North End Bank had nothing but praise for it, as did the Bridgeport City Trust Company. I have heard nothing but good about it. I think the men who worked on it deserve a lot of credit.

Chm. Griswold: I could speak for the 4 banks in Greenwich. They have examined quite carefully the bill and are definitely in favor of having it go through. There was only one question that was raised- whether or not Greenwich could now be considered as a Reserve City.

Commissioner Rapport: I don't know as there is any particular sanctity about that. How does your local Chamber of Commerce stand up against Stamford?

Chm. Griswold: They think they have gone to the point where they could be considered a Reserve City.

Deputy Commissioner Elmore: That would have to be raised as a committee bill.

Representative Wake: The Norwalk and Westport savings banks both said that this bill was a good piece of legislation and that it did not need any changes.

Commissioner Rapport: I think I should like to bring out that we received the full cooperation of the Bankers Association of the commercial banks and the Savings Banks Association who appointed Mr. Harris to work with us on it. During Mr. Harris's absence, Mr. Gross took over and when Mr. Harris returned from service, he continued the work. I felt right in the beginning that the Banking Department ought to have an attorney and that is why I asked Governor Baldwin to have an attorney appointed- and so Mr. Wake became the Banking Department Attorney. This has been a very cooperative group and there has been saving on the part of the State.

Chm. Griswold: Any other people here wish to speak in regard to this bill?

Mr. Reese Harris: I talked about this subject the other night at a meeting of the Graduates of the School of Banking for about an hour. I would like to repeat what Mr. Wake has said about the Commissioner. Any undertaking like this, somebody has got to be the driving force in back- there were many days when his enthusiasm and good nature kept us going. As a salaried employee of the State, I don't know whether the State deserves the work he has put in on this thing. I don't think the State expects their Commissioners to work week-ends and all kinds of hours- and I don't think enough can be said in his favor in that respect. Other States hired people to do the work which he did on top of his regular duties. I can't take any extra credit because I am working for my clients.

Chm. Griswold: Is anyone going to speak for the Building and Loan Associations and small loan companies?

Commissioner Rapport: I brought Mr. Adams and Mr. Boddie here because they are in close touch with the finance and the small loan companies and the credit unions and building or savings and loan associations in case the committee had any questions. I am certain that none of the members of these organizations has raised any question concerning the bill.

Chm. Griswold: Being new here, I am in a position to say that it appears to me that one of the State's important departments has done an outstanding job without the legislature authorizing a special study to complete it. It is very gratifying to be connected with such a group. Is there any opposition to this bill? If not, I believe this is the shortest hearing the Banks Committee has had this session.

Mrs. Edith Mourey, Secretary, Banks Committee: It definitely is.

Chm. Griswold: I declare the hearing on S.B. 406 closed.