

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-266		7196	2	1	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>Banking 104-105</i> 				<u>House Pages:</u> <ul style="list-style-type: none"> • <i>2052(consent)</i> 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • <i>1705</i>

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 5
1968-2502**

Tuesday, May 4, 1971

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Calendar No. 0620, H.B. No. 6617, An Act Concerning Ownership of Savings Bank Investment Company Shares by the Savings Bank Life Insurance Company, File No. 569; Calendar No. 0621, H.B. No. 7196, An Act Concerning Enlarging the Number of Banks Eligible for Approval by the Bank Commissioner as Reserve Agents for State Banks and Trust Companies, File No. 572; Calendar No. 0629, S.B. No. 0726, An Act Concerning Medical Treatment Provided by Towns, File No. 435; turning to page 2, Calendar No. 0634, Substitute for S.B. No. 0603, An Act Concerning Establishing a Means to Erase Records of Girls Committed For Being in Manifest Danger of Falling into Habits of Vice, File No. 424.

If there's no objection to these matters being passed as consent matters, I move you, sir, that we accept the Joint Committees favorable reports and pass these bills.

THE SPEAKER:

Is there objection to passage of any of the items moved by the gentleman from the 92nd for passage on the Consent Calendar? If not, the question is on acceptance of the Joint Committees Favorable Reports and passage of the bills. All those in favor indicate by saying aye. Opposed? The bills are PASSED.

MR. MAHANEY (92nd):

Mr. Speaker, pursuant to House Joint Rule No. 48, I would like to move to place the following matters on the Consent Calendar: I direct the House's attention to page 6 of today's Calendar, on page 6, the second item from the top of the page, Calendar No. 0606, Substitute for H.B. No. 6813, An Act Amending the Charter of Pomperaug Valley Water District, File No. 598.

THE SPEAKER:

If the gentleman from the 92nd would hold, the Clerk indicates he's

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**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
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PART 4
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THE CLERK:

Cal. 576, File 572 Favorable report joint standing committee on Banks and regulated Activities on H.B. 7196 An Act Concerning Enlarging the Number of Banks Eligible for Approval by the Bank Commissioner as Reserve Agents for State Banks and Trust Companies.

THE CHAIR:

Senator Buckley.

SENATOR BUCKLEY:

Mr. President, I move acceptance and passage.

THE CHAIR:

Will you remark?

SENATOR BUCKLEY:

Mr. President, the bill would authorize banks for holding reserves of State Commercial Banks outside of the existing reserve cities in New York, Boston, Philadelphia, Chicago or Detroit and would broaden the scope so that Connecticut State Banks might have the bargaining advantage of getting greater services from banks in other cities that are just as reliable in return for their deposits.

THE CHAIR:

The question is on passage. Will you remark further? If not all those in favor of passage signify by saying aye. AYE. Opposed nay? The ayes have it. The bill is passed.

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JOINT BANKS AND REGULATED ACTIVITIES

WEDNESDAY

MARCH 3, 1971

Rep. Ritter: Mr. Miles, what do you think would be the effect if we were to allude ourselves to a law which provided that each bank was obligated to establish its own retirement policy and have each bank have that accepted and approved by the Banking Commission. What do you think would result from that?

At this point, because of a malfunction of the tape recorder, the answer to the above question was not recorded. Also, during this period of malfunction, the following people made comments which were not recorded: Rep. Healey and Mr. Edward Lane-Reticker, with regard to bills #6945 and #6947 which were discussed at the same time. Also, Mr. William Wilcox, of the Savings Bank Association, spoke in favor of bill #6947. There was no opposition to bill #6947.

Rep. Blake: We'll atart all over again on 7196.

Mr. Lane-Reticker: Edward Lan-Reticker for the Connecticut Bankers Assocaiton, favoging 7196. At present, a state bank and trust company, which is not a member of the Federal Reserve System, is allowed to keep a portion of its reserves in bank accounts. And, these bank accounts must either be in banks in Connecticut or in five designated cities: New York, Boston, Philadelphia, Chicago or Detroit. This enlarges the number of cities in which these other banks could be, to include any bank in the city designated by the Federal Reserve Board, as a reserve city, as long as the bank has capital in surplus of \$30,000,000. It simply increases the flexibility of these non-member state banks, in placing their reserve funds in other correspondent banks.

Rep. Healey: Healey of the Committee. Is this really a practical problem?

Mr. Lane-Reticker: I would have to speak a kind of second hand about this, Mr. Healey, because our bank, being a Federal Reserve member, has no choice but to keep its reserves entirely in the Federal Reserve Bank in Boston. However, these correspondent balances are used by the banks, in return for services from the larger correspondents. And,

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some of the banks feel that they would have more bargaining power and could get better services from correspondents if they had a wider selection of banks where they could keep the money.

Rep. Blake:

Anyone else in favor of this bill? Anyone in opposition to bill #7196? Hearing none, the hearing will be concluded on #7196.

We will now move on to bill #5593. Anyone in favor of 5593? Any opposition - just a minute

Mr. Stapleton:

James Stapleton, representing the Connecticut Bankers Association. We note that the bill is just a statement of purpose. It doesn't give us very much detail. But, more significantly, we would like to call the Committee's attention to the fact that on October 26th, President Nixon signed into law House Bill 15073, which is Public Law 91-508. It is effective April 23 of '71, dealing with fair credit reporting. It deals with much of this area. We think that at this time, no further action is required until we've had a chance to see how the Federal Law does work in practice. We have a brief comment to that effect, which we will leave with the Committee.* Thank you.

Mr. Cruitt:

Mr. Chairman, my name is Jack Cruitt, President of the Associated Credit Bureau of Connecticut and also Manager of the Credit Bureau of Bridgeport. To follow up what Mr. Stapleton said, I'd just like to add a few comments concerning the Federal bill. Until three or four years ago, the Credit Reporting Industry existed in relative obscurity. However, the public became aware of its presence when representatives of the industry were called to testify before Congressman Gallagher of New Jersey. A few months later, Senator Proxmire introduced, what is now known as the "Fair Credit Reporting Act". President Nixon signed it on October 26th, and it will become law, as Mr. Stapleton said, April 25, 1971. I'd like to mention that it is significant. It took nearly two years from the time of its introduction, until its final passage. This bill was written,

* See Schedule 5