

HOUSE No. 557

By Mr. O'Connor of Lynn (by request), petition of Frank J. Harney for an investigation by a special commission (including members of the General Court) relative to control and conduct of banks in this Commonwealth. Rules (concurrently).

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Two.

Resolve providing for an Investigation and Report by a Special Commission relative to the Control and Conduct of Banks in this Commonwealth.

1 *Resolved*, That an unpaid special commission con-
2 sisting of one member of the senate to be designated
3 by the president thereof, three members of the house
4 of representatives to be designated by the speaker
5 thereof, and three persons to be appointed by the
6 governor, shall investigate the soundness of savings
7 banks, co-operative banks, trust companies, and banks
8 of discount accepting deposits from the people in this
9 commonwealth, the manipulation of bank funds; to
10 what extent, if any, any of the aforesaid have ac-
11 quired domination, control or a substantial interest
12 in investment companies or mortgage loan invest-
13 ment companies, the amount of stock ownership,
14 directly and indirectly, the consideration paid in
15 acquiring the securities and the return from the
16 investment; whether savings banks, co-operative

17 banks, trust companies, or banks of discount now
18 hold securities sold through aforesaid investment
19 companies, the price paid, and the present market
20 value, including real estate values.

21 Said commission may under authority of this
22 resolve investigate the conduct of all officers, direc-
23 tors, or trustees regarding bonuses, fees or other
24 conditions existing prior to or after the loaning or
25 borrowing of bank funds.

26 Said commission shall determine what banks are
27 solvent and instruct the bank commissioner to take
28 over and protect depositors who have funds in banks
29 that are not solvent, as investigation warrants.

30 Said commission shall hold public hearings, may
31 require of such department, commission or officers of
32 the commonwealth as has or can be obtained, infor-
33 mation in relation to the subject matter of this re-
34 solve such assistance as may be helpful in the course
35 of its investigation, may require by summons the
36 attendance and testimony of witnesses and the pro-
37 duction of books and papers relating to any matter
38 under investigation, and shall have the same author-
39 ity to take depositions as is granted to the commis-
40 sion on administration and finance by the provisions
41 of section eleven of chapter seven of the General
42 Laws, as appearing in section one of chapter three
43 hundred and sixty-two of the acts of nineteen hun-
44 dred and twenty-three. All persons appearing before
45 this committee shall be sworn before being heard
46 and any member of said committee may administer
47 oaths to such persons.

48 Said commission shall be provided with quarters in
49 the state house or elsewhere, and may expend, after
50 an appropriation has been made, for legal, clerical,

51 and other services and expenses, such sums, not
52 exceeding in the aggregate twenty-five thousand dol-
53 lars, as it may deem necessary.

54 Said commission shall report to the general court
55 the results of its investigations and its recommenda-
56 tions, if any, together with drafts of legislation neces-
57 sary to carry its recommendation into effect, by filing
58 the same with the clerk of the house of representatives
59 not later than the first Wednesday of December in
60 the current year.

