

69TH CONGRESS }
2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 1742

GARFIELD HANKINS

JANUARY 12, 1927.—Committed to the Committee of the Whole House and ordered to be printed

Mr. MORROW, from the Committee on Claims, submitted the following.

REPORT

[To accompany H. R. 14071]

The Committee on Claims, to whom was referred the bill (H. R. 14071) for the relief of Garfield Hankins, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT OF FACTS

The facts in this case appear as follows: On December 6, 1922, while Mr. Garfield Hankins was postmaster at Musselshell, Mont., he purchased from the Musselshell State Bank with postal funds in his possession three drafts for \$172.95, \$145, and \$315.37, respectively, a total of \$633.32, for the purpose of remitting such funds to his depositary at Helena, Mont. Before the drafts cleared the bank closed its doors and they were returned dishonored. The former postmaster has filed a claim with the receiver of the bank for the amount lost and has assigned the claim to the Postmaster General in order that the department may obtain any amounts paid by the receiver.

The use of bank drafts for the purpose of remitting funds is in accordance with the Postal Laws and Regulations and is approved by the department.

The Postmaster General recommends that relief be granted to Mr. Hankins in the sum of \$633.32. The letter from the Postmaster General, of December 21, 1926, is made a part of this report.

DECEMBER 21, 1926.

HON. CHARLES L. UNDERHILL,
Chairman, Committee on Claims, House of Representatives.

MY DEAR MR. UNDERHILL: In further reply to your letter of the 11th instant with which you inclosed a copy of H. R. 14071, for the relief of Garfield Hankins,

late postmaster at Musselshell, Mont., I have to say that on December 6, 1922, while Mr. Hankins was postmaster, he purchased from the Musselshell State Bank with postal funds in his possession three drafts for \$172.95, \$145, and \$315.37, respectively, a total of \$633.32, for the purpose of remitting such funds to his depository at Helena, Mont. Before the drafts cleared the bank closed its doors and they were returned dishonored. The former postmaster has filed a claim with the receiver of the bank for the amount lost and has assigned the claim to the Postmaster General in order that the department may obtain any amounts paid by the receiver. The case was placed in the hands of the United States attorney for the purpose of bringing suit to enforce priority for this claim, which involved Government funds under section 3466, Revised Statutes, and the court refused to grant priority on the ground that the bank was not insolvent within the meaning of that section. According to the petition for receivership filed by the attorney general of Montana the bank could not meet its obligations because of the "frozen" character of its assets, and if the assets are really in excess of the obligations the department will ultimately receive payment in full of the amount tied up.

The use of bank drafts for the purpose of remitting funds is in accordance with the Postal Laws and Regulations and is approved by the department. It is believed necessary to use this method of sending money because of the great liability of loss by robbery when cash is sent through the mails.

It is recommended that relief be granted Mr. Hankins in the sum of \$633.32.

The Director of the Bureau of the Budget has advised that this report is not in conflict with the financial program of the President.

Very truly yours,

HARRY S. NEW,
Postmaster General.