

FIRST GRANITE NATIONAL BANK, AUGUSTA, MAINE

JANUARY 23 (calendar day, JANUARY 26), 1934.—Ordered to be printed

Mr. HARRISON, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 1853]

The Committee on Finance, to which was referred the bill (S. 1853) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The following letter from the Administrator of Veterans' Affairs to the chairman of the Finance Committee explains the bill and is herein set out in full:

VETERANS' ADMINISTRATION,  
Washington, June 2, 1933.

HON. PAT HARRISON,  
Chairman, Committee on Finance,  
United States Senate, Washington, D.C.

MY DEAR SENATOR HARRISON: It is respectfully requested that you be so kind as to give consideration to introducing the enclosed proposed measure "A Bill to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Me.," in behalf of the Veterans' Administration. Precedent for such action may be found by reference to Private, No. 41, Seventieth Congress (H.R. 10954), approved March 24, 1928 (45 U.S. Stats. at L., pt. 2, p. 1712, ch. 241).

The facts making the enactment of such a measure necessary are as follows: On July 1, 1926, the First Granite National Bank of Augusta, Me., issued check 21874 on the New York Trust Co. of New York payable to Geo. W. Wood, president of the board of managers (post fund), for \$8,547.83, at the request of the Eastern Branch, National Home for Disabled Volunteer Soldiers, Augusta, Me. This check was mailed on the same date to General Wood at Dayton, Ohio, by W. T. Hanley, superintendent post fund. On September 2, 1926, Lt. R. C. Humber, Inspector General's Department, War Department, found while inspecting the treasurer's accounts of the Eastern Branch that no acknowledgment had been received of the remittance. An inquiry at the bank brought forth the information that the check had not been cashed. On September 21, 1926, General Wood was notified that the bank would not issue a duplicate check without bond of indemnity. National Bank Examiner W. P. McCall, notified General Wood on May 5, 1932, that in his examination of the First

Granite National Bank, it was found that the check was still outstanding. On June 8, 1932, the manager, Veterans' Administration, Augusta, Me. (the National Home for Disabled Volunteer Soldiers having been made a part of the Veterans' Administration by the consolidation act of July 3, 1930, and the Executive order issued pursuant thereto by the President of the United States) was requested by the Director, National Home Service, Veterans' Administration, to again take the matter up with the bank with the view to securing the issuance of a duplicate check. This the bank refused to do without bond.

On February 25, 1933, the Director of Finance, Veterans' Administration, communicated with the bank, advising that as the statute of limitation had run on this item and as the United States had taken over the general post fund, and, therefore could not give bond, it was not thought that the bond would be necessary, and in reply under date of March 3, 1933, the bank again refused to issue duplicate check without bond. Under date of March 22, 1933, the Director of Finance, Veterans' Administration, communicated with the Comptroller of Currency outlining the problem and requesting suggestions, to which, under date of April 14, 1933, the Deputy Comptroller of the Currency, replied in effect that no suggestions could be offered.

The Veterans' Administration has exhausted every means of having the money in question released to the Government, and it would appear that there is no way of accomplishing this in the absence of legislation. I will appreciate very much a reply from you in order that we may know what action, if any, you are going to take. The same request is being made of Hon. Robert L. Doughton, chairman, Committee on Ways and Means, House of Representatives.

A copy of this letter is enclosed for your use.

Very truly yours,

FRANK T. HINES, *Administrator.*

