

Calendar No. 864

69TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 879

HOWARD A. MOUNT

MAY 17 (calendar day, MAY 19), 1926.—Ordered to be printed

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

REPORT

[To accompany H. R. 2254]

The Committee on Claims, to whom was referred the bill (H. R. 2254) for the relief of Howard A. Mount, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The facts in the case are fully set forth in House Report No. 219, Sixty-ninth Congress, first session, which is appended hereto and made a part of this report.

[House Report No. 219, Sixty-ninth Congress, first session]

The Committee on Claims, to whom was referred the bill (H. R. 2254) for the relief of Howard A. Mount, having considered the same, report thereon with a recommendation that it do pass.

The sum of \$685.64 is claimed by Howard A. Mount, of Washington, D. C., to compensate him as philatelic stamp agent, Post Office Department, for loss of postage stamps inadvertently destroyed without credit in course of redemption.

In the philatelic division of the Post Office Department, where the claimant is in charge as agent, the volume of rare-stamp business has grown by leaps and bounds, and is now cared for by the clerks of the department with no particular appropriation covering this work. Through constant handling and rehandling of these stocks of stamps many become torn, soiled, and damaged. In the course of the regular routine of this business there has been fixed a shortage to cover these discrepancies. Mr. Mount as agent has taken the responsibility and reimbursed the department in the sum of \$685.64, for which amount he is asking relief.

The more detailed facts of the case are stated in letter addressed to the committee under date of April 3, 1924, which is made a part of this report.

POST OFFICE DEPARTMENT,
Washington, D. C., January 5, 1926.

HON. CHARLES L. UNDERHILL,
*Chairman Committee on Claims,
House of Representatives, Washington, D. C.*

MY DEAR MR. UNDERHILL: I refer to your letter of December 21, inclosing a copy of bill (H. R. 2254) for the relief of Howard A. Mount, which is now pending before your committee.

In accordance with the provisions of Budget Circular No. 49, issued December 19, 1921, I am referring this bill, together with a statement of the facts in the case to the Bureau of the Budget with a view of determining whether or not this proposed legislation is in conflict with the financial program of the President.

I shall be pleased to communicate with you further just as soon as a reply is received from the Director of the Bureau of the Budget.

Sincerely yours,

HARRY S. NEW, *Postmaster General.*

POST OFFICE DEPARTMENT,
Washington, D. C., January 28, 1926.

HON. CHARLES L. UNDERHILL,
*Chairman Committee on Claims, House of Representatives,
Washington, D. C.*

MY DEAR MR. UNDERHILL: Further reference is made to your letter of December 21, 1925, transmitting a copy of bill (H. R. 2254) for the relief of Howard A. Mount, in which you request copies of all papers relating to the case and an opinion as to the merits of the bill.

A statement of the position of the department will be found in the attached copy of letter dated April 3, 1924, to Hon. G. W. Edmunds, chairman Committee on Claims of the House of Representatives during the last session of Congress, for consideration in connection with a similar relief bill, No. 8269, which was not reached for attention before the close of the session.

There have been no later developments in this case to impair the validity of the claim and it is again recommended that favorable action be taken on the bill. The Director of the Budget, to whom the matter was referred, reports that a favorable recommendation in the case would not be in conflict with the financial program of the President.

Very truly yours,

HARRY S. NEW, *Postmaster General.*

APRIL 3, 1924.

HON. G. W. EDMONDS,
*Chairman Committee on Claims,
House of Representatives, Washington, D. C.*

MY DEAR MR. EDMONDS: In compliance with your request for information and recommendation on House Resolution 8269, "A bill for the relief of Howard A. Mount:"

The records of the department show that the Philatelic Stamp Agency was established in the division of stamps of this department on November 25, 1921, to provide a central agency where the general public may purchase postage stamps of different designs at their postage, or face value, and make available a complete assortment of all denominations of stamps, many of which are not carried in stock at the local post offices. Practically all of the stamps purchased through this agency are retired from circulation as postage, and the money received from their sale and deposited in the Treasury is largely clear profit.

The agency immediately became so popular with the philatelists of the country that its business outgrew all provisions which had been made for supplying these stamps to the general public.

The selling of stamps to philatelists in person, and the filling of orders for stamp collectors by mail is essentially different from selling ordinary postage stamps for postage purposes, as a very large and varied stock of every denomination of current and obsolete issues of postage stamps obtainable is required, and nearly every order filled necessitates the handling of many thousands of dollars worth of stamps to find perfect specimens of the particular stamps desired by the purchaser.

Through constant handling and rehandling of these stocks of stamps at the agency, many stamps become torn, soiled, and otherwise damaged to such an extent that prevents their sale; also among discontinued issues of stamps transferred to the agency from post offices, many are found unsuitable for philatelic purposes. This leads to the accumulation of unusually large quantities of unsold stamps and their final redemption and destruction in the same manner as other similar post-office stock.

Since the establishment of the agency over two years ago, with the work performed by one clerk in addition to his other regular duties, the business transactions have developed to such an extent as to make necessary the present force of six regularly assigned clerks to assist the philatelic agent, whose entire time is given to the sale of stamps for collection purposes and who has deposited funds in the United States Treasury of \$229,352.49, covering the value of postage stamps so sold, for which no postal service will be rendered.

The agency has recently undergone a thorough and searching investigation to determine the cause and fix personal responsibility for a shortage of \$685.64 found in the accounts of the agency after a careful inventory had been made by a committee of post-office inspectors, in which the transactions of the agency since its establishment were rechecked, showing stock valued at \$263,863.37 on hand out of a total accountability of \$741,158.66. No evidence was developed to show that any employee connected with the agency had profited in any manner whatever by the loss of this stock. It was, therefore, necessary to fix financial responsibility on Howard A. Mount, the philatelic agent, and he was caused to pay the shortage from his personal funds.

Mr. Mount has been in the service for more than 20 years, 15 years of which was as a wholesale stamp clerk in Washington, D. C., post office. His financial record has never been questioned. He has rendered many years of faithful, efficient service to the Government and his faithfulness to public trust is not now, nor has it ever been, questioned. The officials of the department are convinced that no Government funds have been lost, as it is their belief that the shortage represents stamps that were prepared for redemption and destruction and which were inadvertently destroyed without a redemption record being made thereof, and particularly to the confusing of high-denomination stamps with others of smaller denominations having similar colors, which results in reduced credits being authorized.

In connection with the redemption of these stamps for credit, it should be explained that as no appropriation has ever been made for the maintenance of this agency it has been necessary to assign to it such clerks and messengers as could be spared from their regular duties to assist in the work of redeeming the stamps not salable for philatelic purposes. Philatelists desire well-centered and perfect specimens of stamps; consequently, after such stamps are selected the stamps remaining are then prepared for redemption by placing 100 on a sheet in 10 rows of 10 each, which is the usual course of procedure in preparing stamps for redemption at all post offices. It was found that by reason of the inexperience of the clerks and messengers assigned to this work some of these sheets contained 11 rows of 10 each instead of 10 rows. This error of placing 110 stamps on a sheet for redemption instead of 100, many of which stamps were of high denomination, it is believed accounts largely, if not wholly, for the shortage involved.

It is therefore recommended that the bill be enacted into law.

Very truly yours,

HARRY S. NEW, *Postmaster General*.



