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HOUSE OF REPRESENTATIVES

{ REPORT  
No. 1166

## WASHINGTON-ALASKA MILITARY CABLE AND TELE- GRAPH SYSTEM

MAY 11, 1926.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. WRIGHT, from the Committee on Military Affairs, submitted the following

### REPORT

[To accompany S. 3080]

The Committee on Military Affairs, to whom was referred the bill (S. 3080) to authorize payment of expenses of the Washington-Alaska military cable and telegraph system out of receipts of such system as an operating expense, having considered the same, report thereon with the recommendation that it do pass.

This bill has passed the Senate twice, and the report of the Committee on Military Affairs of the Senate for the Sixty-ninth Congress is made a part of this recommendation:

The Committee on Military Affairs, to which was referred the bill (S. 3080) to authorize payment of expenses of the Washington-Alaska military cable and telegraph system out of receipts of such system as an operating expense, having considered the same, report thereon favorably with the recommendation that it pass.

This legislation is recommended by the War Department and the necessity therefor is set forth in the letter from the Secretary of War, which is made a part of this report, as follows:

WAR DEPARTMENT.  
Washington, December 19, 1925.

Hon. JAMES W. WADSWORTH, Jr.,  
Chairman Committee on Military Affairs,  
United States Senate.

MY DEAR SENATOR WADSWORTH: Requests are frequently made for the transfer by telegraph of money from Alaska to the United States and from one place to another within Alaska over the Washington-Alaska military cable and telegraph system. It is possible now to make money transfers from the United States to Alaska but not from points in Alaska to the United States and not from one point in Alaska to another. The reason for this state of affairs is that all of this class of business from the United States to Alaska passes through the office of the Washington-Alaska military cable and telegraph system in Seattle, where the bonded cashier of the system is authorized to handle funds deposited with him for transfer to Alaska. He is a responsible agent.

The converse is not true because the other agents of the Washington-Alaska military cable and telegraph system, who would be required to handle the business from Alaska to the United States and from one point in Alaska to another, are unbonded enlisted men.

Upon application to the Comptroller General of the United States for decision as to the authority of this department so to delay deposit of these funds for this purpose, that officer decided, under date of August 23, 1922, that this department is without such authority and must deposit all such funds promptly. Further authority of law to delay temporarily the deposit of part of these funds will, therefore, be needed if this additional service is to be rendered.

The most practical way of providing the necessary funds for this service would be to get authority to withhold temporarily from deposit in the Treasury a sufficient amount of the receipts obtained from the operation of the system to provide funds by which such telegraphic transfer could be met, pending transportation of the funds turned over for transfer.

It will also be necessary, in order that this further service may be rendered without risk to the Government, to place under bond those employees who would be required to handle the funds temporarily withheld from deposit in the Treasury for this purpose. The personnel engaged upon this work consists of enlisted men of the Signal Corps of the Army. It is not practicable, or just, to require of them the payment of the necessary premium upon such bonds. It is, therefore, the view of this department that such premium should be paid out of the receipts of the system as an operating expense.

The extension of this service to meet the additional demands indicated would not only fill a public need, but would also result in additional net revenue.

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The legislation requested formed section 10 of S. 1974, favorably reported upon by the Senate Committee on Military Affairs in Senate Report No. 195, Sixty-eighth Congress, first session, and passed the Senate on April 21, 1924.

The Director of the Bureau of the Budget has been consulted and states that this proposed legislation is not in conflict with the financial program of the President.

A similar letter is being addressed to the chairman Committee on Military Affairs, House of Representatives.

Sincerely yours,

DWIGHT F. DAVIS, *Secretary of War.*

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