

BELL TELEPHONE CO. OF PHILADELPHIA, PA., AND  
ILLINOIS BELL TELEPHONE CO.

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JUNE 10, 1926.—Committed to the Committee of the Whole House and ordered  
to be printed

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MR. WOLVERTON, from the Committee on War Claims submitted  
the following

REPORT

[To accompany H. R. 12309]

The Committee on War Claims, to whom was referred the bill (H. R. 12309) entitled "A bill for the relief of the Bell Telephone Co., of Philadelphia, Pa., and the Illinois Bell Telephone Co.," having considered the same, report thereon with a recommendation that it do pass without amendment.

The facts are fully set forth in a letter from the Secretary of the Navy, addressed to the Speaker of the House of Representatives, under date of May 4, 1926, which is appended hereto and made a part of this report.

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DEPARTMENT OF THE NAVY,  
OFFICE OF THE SECRETARY,  
Washington, May 4, 1926.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

MY DEAR MR. SPEAKER: I have the honor to transmit herewith a proposed draft of a bill for the relief of the Bell Telephone Co. of Philadelphia, Pa., and the Illinois Bell Telephone Co.

The board on investigation of telephone matters appointed by the Secretary of the Navy investigated the claim of the Bell Telephone Co. of Pennsylvania for compensation for excess telephone equipment installed at the navy yard, Philadelphia, Pa., and at headquarters, fourth naval district, Philadelphia, Pa., to meet war conditions. The total claim of the company on this account was in the sum of \$15,022.15. The board recommended a compromise settlement of \$10,000 chargeable to the naval supply account fund, as a debit under "Pay, miscellaneous," for the fiscal year 1919, taking the company's receipt in full of all claims whatsoever arising out of the installation and removal of switchboard and the equipment at the Philadelphia Navy Yard and the fourth naval district headquarters. The company agreed to accept the compromise settlement. This report was approved by the department January 12, 1923, and instructions given to the effect that the claim be forwarded to the General Accounting Office for settlement from the naval supply account fund.

The Illinois Bell Telephone Co. submitted a claim to the General Accounting Office in the total amount of \$43,000.29 to cover excess telephone equipment installed at the naval training station, Great Lakes, Ill., during and subsequent to the World War.

This claim was referred to the Navy Department for recommendation. A special board on telephone adjustments made an investigation of this matter and recommended to the Secretary of the Navy that the company be paid \$37,269.72.

Both of these claims were considered by the Comptroller General and disallowed. Upon request of the claimants the matter was reconsidered by the Comptroller General, who, under date of February 21, 1925, sustained the disallowance, stating that the claims were "of such a nature that the only apparent right to their consideration is in the Congress alone, and not by any of the executive branches of the Government."

Under date of April 14, 1925, the Comptroller General advised the claimants that the matter might be presented "by them direct to Congress or through the department concerned, the Navy Department, in this instance, if satisfactory to it."

The American Telephone & Telegraph Co., which company is handling these claims in behalf of the associated companies, requested, in pursuance of the above suggestion of the Comptroller General, that this department endeavor to secure an appropriation by Congress to satisfy these claims.

Accordingly, the Navy Department forwarded to the Bureau of the Budget an estimate to authorize the use of the unexpended balance of the annual appropriations of the Navy Department for the fiscal year 1919 and 1920, made available by the deficiency act of March 1, 1921, for the payment of deficiencies under appropriations for the fiscal year 1920 and prior years, for payment of the sum of \$10,000 to the Bell Telephone Co. of Philadelphia, Pa., as reimbursement in full for expenses incurred in connection with the installation and removal of excess equipment at the navy yard, Philadelphia, Pa., and at the headquarters fourth naval district, Philadelphia, Pa., and the further sum of \$37,269.72 to the Illinois Bell Telephone Co. as reimbursement in full for labor and material in connection with furnishing telephone service at the Naval Training Station, Great Lakes, Ill., during the World War.

In a letter to this department dated April 6, 1926, the Director of the Bureau of the Budget states in part as follows:

"While the merits of these claims have not been questioned, they have no such legislative sanction as would justify me in recommending to the President that they be presented to Congress as an estimate. I would suggest, however, that you may very properly present this matter to Congress, recommending legislation which would authorize settlement of these claims.

"Should you decide to recommend legislation of this nature to Congress you may very properly state in your letter of submission that you have been advised by the Director of the Bureau of the Budget that such proposed legislation is not in conflict with the financial program of the President."

In view of all the foregoing, the Navy Department submits the inclosed draft of bill with the recommendation that it be enacted into law at an early date.

Sincerely yours,

CURTIS D. WILBUR, *Secretary of the Navy.*