

Coast Guard Appropriation Hearing

STATEMENTS of Rear Admiral H. G. Hamlet, Captain R. B. Adams, Commander R. R. Waesche, Commander L. T. Chalker, Commander T. A. Shanley, Commander James Pine, Commander F. J. Gorman, Constructor F. A. Hunnewell, Lieutenant D. E. McKay, O. M. Maxam, A. T. Thorson and P. J. Lathan, before the subcommittee of House Committee on Appropriations, consisting of Messrs. Joseph W. Byrns (Chairman), William W. Arnold, Charles L. Abernethy, Louis Ludlow, William R. Wood and Maurice H. Thatcher, relevant to the 1934 fiscal year appropriations of the Coast Guard.

Preliminary statement of Admiral Hamlet on Coast Guard's accomplishments in past year have been omitted; also a statement submitted to the committee on the liquor-smuggling situation.

THE Chairman: Admiral, will the fact that you contemplate laying up about 35 patrol boats have any effect upon the enforcement of the anti-smuggling laws, so far as its efficiency is concerned?

Admiral Hamlet: We made a study of that, Mr. Chairman, and the reason for laying up those boats is that about that number will by that time require replacement or very extensive repairs. We decided that, by a reorganization of our personnel, or a redistribution of our personnel, and the putting forth of every possible ounce of effort, we could be as efficient, or, perhaps, more efficient, even with the loss of those patrol boats and stations. In other words, we would eliminate only those patrol boats and stations the cost of which to put into efficient working condition would be more or less prohibitive.

Chairman: So that really, by and large, it will not affect the service?

Admiral Hamlet: It should not, and we hope that it will not. We are going to use our best endeavors to offset the loss of those patrol boats by redoubled efforts on the part of our personnel and by a general reorganization of our field forces.

Enlisted Men Reduced

Chairman: How much will that reduce your personnel?

Admiral Hamlet: About 388.

Chairman: I suppose that reduction will come about by a failure to re-enlist?

Admiral Hamlet: Yes, sir. I apprehend there will be no occasion to discharge anybody to effect this reduction. We will bring it about gradually by attrition.

Chairman: Are you proceeding upon that theory now, or do you propose to wait until July 1 to put it into operation?

Admiral Hamlet: We are approaching the problem right now.

Chairman: In other words, the mere fact that you have the appropriation exercises no influence with you as to whether or not you will spend it?

Admiral Hamlet: No, sir. We are approaching the problem, and we are cutting down the number of men as opportunity presents.

Mr. Thatcher: Admiral, let me see if I understood one of your statements. What is the total reduction, in your whole appropriation, under the 1934 estimates, as compared with the 1933 appropriation?

Commander Waesche: \$1,114,000.

Mr. Thatcher: On page 95 of the bill, it seems to be \$1,476,566 decrease. There must have been some change.

Commander Waesche: Our figures show \$1,114,194.

Admiral: Perhaps I can elucidate it in this way: Those figures were made on the basis of the economy act lasting only until June.

Mr. Thatcher: Were the furloughs taken into account?

Admiral Hamlet: Yes, sir.

Mr. Thatcher: What is the true reduction?

Commander Waesche: \$1,114,194 plus \$383,372, the estimated saving on furlough or a total of \$1,476,566, excluding the commandant's office.

Mr. Thatcher: That is the actual net reduction?

Commander Waesche: Yes, sir; on the theory that the furlough will be continued.

Mr. Thatcher: The \$1,114,194 is on the assumption that it will be continued?

Commander Waesche: The \$1,476,566 is on the assumption that it will be continued.

Mr. Thatcher: And the other figures are upon the assumption that the furloughs will not be continued?

Commander Waesche: Yes, sir.

Chairman: Admiral, regardless of what may or may not be done

by Congress with reference to the prohibition law, or the legalizing of the manufacture of beer, wine, or even hard liquors in this country, there will always be the necessity on the Coast Guard or some other governmental agency of preventing the smuggling of liquors into this country for the protection of the revenues, if for no other reason.

Admiral Hamlet: Yes, sir.

Commander Gorman: It will be more necessary, so far as the revenues are concerned.

Chairman: You say that it will be more necessary?

Commander Gorman: Yes, sir. From the history of practically every country that has gone through a similar experience, it will be more necessary. They have found it to be more necessary.

Mr. Thatcher: It will call for more antismuggling operations?

Commander Gorman: Yes, sir.

Chairman: In other words, the higher the tax, the more important the service?

Commander Gorman: Yes, sir.

Smuggling Increase

Chairman: Admiral, I thought it might save time to have the members of the committee get the information they desire from you on the work generally before taking up the estimates. It will probably save time if we will take up and exhaust that subject before going into the detailed hearings. In understand you to say a moment ago that the conditions now were about like they were a year ago.

Admiral Hamlet: Practically, yes, sir; I am attaching to the record a statement of the smuggling situation as of November, 1932.

Statement omitted here.

Chairman: That is true with reference to the amount of smuggling and the efforts being made to bring illicit or contraband articles into this country.

Admiral Hamlet: Yes, sir; and there was the further statement that we are threatened with an increase of smuggling or attempts at smuggling.

Chairman: And you say that that increase is more apparent on the North Atlantic than on the Pacific side?

Admiral Hamlet: Yes, sir.

Salaries, Office of the Commandant

Chairman: We will take up the individual items. The first item is for personal services in the office of the commandant in this District of Columbia. You are asking for \$341,000 for 1934, as compared with the present appropriation of \$372,000. Will you tell us how that reduction is brought about?

Commander Waesche: We are asking, Mr. Chairman, for 1934 for \$372,000, exactly the same as the appropriation for 1933. The annual payroll is \$374,640, and the difference between that and the reduction is what we expect to save in the way of lapses, and so forth. But the estimate is exactly the same.

Chairman: In other words, your furloughs amount to the amount of the reduction?

Commander Waesche: Exactly, the furloughs amount to the \$31,000, and the difference is entirely due to the enforced furloughs, and the assumption that they will be continued during the next fiscal year. If the furlough is not continued in effect, that figure would not be correct.

Chairman: In other words, that is impounding the amount of the furlough.

Commander Waesche: Yes.

Mr. Thorson: During this year it is being impounded, but during next year the Budget Bureau proposes to take it out in advance of the appropriation.

Chairman: How about your vacancies? Have you had any this year? What do you anticipate in the way of vacancies?

Commander Waesche: We are carrying along two vacancies now which we have not filled, but one of those we hope to fill the first of the year.

Chairman: Have you filled any since July 1?

Commander Waesche: Yes (listed vacancies filled).

Chairman: You have only got two now?

Commander Waesche: We have two now.

Chairman: What kind of vacancies are those?

Mr. Thorson: One is a messenger, retired under the economy act on June 30, and one is a clerkship which was authorized for the fiscal year 1932, but which never was filled.

Chairman: Which vacancy do you want to fill?

Mr. Thorson: We want to refill the messenger job next year if we can, at \$1,320.

Chairman: What does the messenger do? That does not appeal to me very much.

Commander Waesche: The Coast Guard occupies three whole floors and the larger part of two additional floors in the building known as Treasury Annex No. 1, at the corner of Pennsylvania Ave. and Madison Pl.

The messenger force (five) ventilates and dusts these offices every morning, carries mail, telegrams, and so forth, between offices, runs errands, makes regular trips to the department mail room and to other offices throughout the Treasury, the General Accounting Office, and so forth, and frequent trips to other departments and offices daily. Their time is fully occupied.

The Chairman: I have found this—and I am not speaking of the Coast Guard particularly—but I think it is apparent, although it may not be so much so as it was a year or two ago, that in a great many of these offices there is an abundance of these errand jobs. Can you not make those fellows take a little quicker step, and not loiter on the corner, or anything of that sort, and when you hand him a paper and tell him to take it somewhere, see that he goes ahead and takes it and comes back immediately?

Commander Waesche: Frequently we cannot get a messenger to take a message when we want him.

Chairman: You mean you have none?

Commander Waesche: We have only a few, such a small number, and they are busy carrying papers from one office to another around the building.

We have had lots of complaints to the effect that the mail does not move fast enough, that the messengers are not sufficient in number to keep the mail moving, and it is almost impossible to get a messenger to send on an errand now, because his time is entirely taken up on his routine work, carrying documents around, and so forth.

Chairman: You know the time is coming when we have got to reduce, and you and I will agree to that, I am sure.

We built up the governmental forces—and I am not referring to your bureau particularly; I am talking about the general service; it may not be applicable at all to you—but we have built up the service until undoubtedly it has been overmanned in many respects and in many places.

You put a man on under the Civil Service, and he is there under the law. Of course, there is no reason why the President should not discharge him, if he is not needed. But that is never done.

When he gets in the Civil Service it is assumed that he is there for life or until he retires. Then he is retired upon certain pay.

This is a sort of painless economy, as some have called it, that may be exerted at this particular time, when the business of the Government is slow, just like the general business of the country, and when vacancies occur and you do not fill them, nobody is hurt. Somebody, of course, is cut out of a job, but he did not have it before, and he cannot complain very much if he is not given it when he is not needed.

Of course, it is not necessary to say that to you, but when you said you were going to fill a vacancy with a messenger rather than a clerk, it did not appeal to me very much.

Have you an application pending to have that approved?

Commander Waesche: No, sir.

Commander Waesche later in the hearing redrew the request for a messenger.

Chairman: And it is contemplated that the clerk's position will be eliminated?

Commander Waesche: Yes, sir.

Chairman: And will not be filled between now and July 1?

Admiral Hamlet: We find we can get along without it, Mr. Chairman.

Chairman: How much does that pay?

Mr. Thorson: \$1,620.

Chairman: Do you anticipate any vacancies between now and July 1?

Commander Waesche: We will have one oceanographer who has resigned as of December 1. That is a man who goes on the inter-

national ice patrol and gathers oceanographic data. The cost is born by practically all maritime nations. We will have to fill that. We have asked to have it filled. However, this is a field position and comes under the appropriation "civilian employees."

Chairman: Are there any other vacancies?

Commander Waesche: Judge Harrington, our senior law clerk, retired on November 30th, and that vacancy will be filled by promotion. We will have to ask for that vacancy to be filled.

Chairman: Is your law force kept busy?

Commander Waesche: Yes, sir; it is.

Admiral Hamlet: That is a very important detail that Judge Harrington has. He is retiring for age.

Chairman: Without regard to that, I was wondering if you put in a younger man he could not step a little more lively?

Admiral Hamlet: That is our purpose. I assume it will be filled by the promotion of the next man.

Chairman: As I understand it, you are going to actually fill the vacancy from the foot of the list.

Admiral Hamlet: If we can get that authority.

Commander Waesche: The estimate is based on that place being filled from the bottom.

Chairman: Have you any other vacancies that you anticipate now?

Commander Waesche: Mr. Maxam, the chief of the Division of Operations, under the present law, would retire on the 31st of January. It is our intention to ask the President to waive the age limit, and I think that it is a very worthy case. Mr. Maxam is a valuable man.

Chairman: Then we can only hope for the elimination of but one office in your service next year?

Commander Waesche: Yes, sir.

(Section of hearing pertaining to need of additional clerks, retaining of draftsman, transfer of funds, and maintenance of passenger autos at Headquarters, omitted.)

Pay and Allowances

Chairman: For pay and allowances for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen and two civilian instructors, and so forth, you are asking \$19,609,322 for 1934. Your present appropriation is \$20,640,000.

Will you tell us about that? Is that difference made up altogether of furloughs?

Commander Waesche: That reduction is made up of the furloughs, and excluding the furloughs we are asking for \$19,926,515, which is a reduction of about seven or eight hundred thousand dollars from the previous appropriation.

That reduction is due to the economies which we will effect by placing out of commission thirty-five 75-foot patrol boats and 12 Coast Guard stations. We have also made a change in the ration allowance which has made a tremendous saving.

Additional Commissioned Officers

Mr. Ludlow: You are asking for 24 more officers and 20 cadets. I would like to have an explanation of that, in view of the fact that personnel generally is being reduced. I would like to know why you are estimating for these increases.

Commander Waesche: The increase in the way of cadets is to take care of the normal attrition of officers of the Coast Guard, plus the necessary increase in officers.

As Admiral Billard stressed before this committee year after year, we have been tremendously handicapped by the lack of commissioned officers.

For instance, we have to allow commissioned officers to have instruction periods. We are now trying to find about four officers to put on inspection service on the Atlantic, Pacific and Gulf coasts, as well as on the Great Lakes, and we need for that service 10 or 20. For the 165-foot patrol boats, there should be four commissioned officers, but we are able to put only one on each. We have 400 to 500 enlisted men at a section base where we have only four or five commissioned officers. We have spread them out as thinly as possible over the service for the supervision of the work, and we have suffered from that condition. As you know, we have had some very unfavorable publicity along the coast about misconduct, and so forth, and that in a large measure is due to not having the proper number of commissioned officers to supervise the work of the service. That has been the biggest drawback to the efficiency of our service—that is, the lack of commissioned officers. It is a very urgent situation, and it is very important that we build up the commissioned strength of the Coast Guard as quickly as possible.

Mr. Ludlow: It has not been longer than a year or two since it was increased, has it?

Commander Waesche: It is being gradually increased every year. I do not know exactly what the increase has been.

Admiral Hamlet: There are around 25 cadets graduating annually.

Chairman: The actual difference, as we figure it from the state-

ment submitted, between your estimates for next year and your current appropriation is \$1,030,678. Is that right?

Admiral Hamlet: Yes, sir.

Chairman: That does not seem to comport with the statement made a moment ago. We would like for you to show where the decrease comes in.

Commander Waesche: The principal decrease is due to the change in the ration allowance.

Chairman: Let us take them in order. Let us take the detail of commissioned officers and instructors that you have been talking about.

Admiral Hamlet: I might say that we do not contemplate having or taking on any more officers to reach that 478. That is a little different method of arriving at the average number of officers. We do not contemplate taking into the Coast Guard any additional officers except graduates of the Coast Guard Academy.

There are seven temporary officers who have been in the service a considerable period. We contemplate as a matter simple justice allowing these men opportunity to qualify for the regular service. No more appointments as temporary officers are contemplated. They are included in the total of 478.

Chairman: Your table here shows that you are increasing them by 24.

Admiral Hamlet: That would include the graduating class of cadets.

Chairman: Then, it only means that you are asking for a sufficient amount of funds to pay those who graduate from the school?

Admiral Hamlet: Yes, sir.

Chairman: Now, are there any officers retiring?

Admiral Hamlet: Yes, sir.

Chairman: How many will you have to graduate from the school? This means that you have some additional commissioned officers. You have 454 now, and you will have some retirements.

Commander Waesche: Yes, sir.

Chairman: How many?

Commander Waesche: We will have three retirements in the commissioned rank.

Chairman: That will reduce it to 451. You will have 478 for next year, which means an increase of 27. You will have only 20 to graduate.

Admiral Hamlet: There are 31 in the class.

Chairman: Do I understand that it is not the intention to add to your commissioned force any additional number, except those who are coming in by way of graduation from the school?

Admiral Hamlet: Yes, sir; that is the fact. We do not contemplate adding any officers from any source whatever, except the Coast Guard Academy. There are 31 in that class.

Number of Commissioned Officers Estimated for Fiscal Year 1934

Mr. Ludlow: What do you mean in the next paragraph, where you propose to add 20 cadets?

Admiral Hamlet: Those are in the incoming class.

Mr. Thatcher: When will that class graduate?

Admiral Hamlet: In four years.

Mr. Ludlow: Do you wish to increase the capacity of the academy?

Admiral Hamlet: We would like to have 150 cadets if we could get them, because there is a great erosion in the classes as they progress through the school. We would like to have that number of cadets so we could get a graduating class of, perhaps, 25 at the end of four years.

Mr. Ludlow: You have 31 members in the class graduating this year, but you are providing for the absorption of only 24 officers in the service. What becomes of the other 7?

Chairman: There are three vacancies on account of retirements.

Mr. Thatcher: What percentage of the number of cadets is dropped through failure to graduate?

Commander Waesche: Forty or fifty per cent.

Admiral Hamlet: I have been superintendent of the academy for four years, and my recollection is, without referring to the figures, that we lose about 40 per cent, or over 40 per cent in the four years.

Mr. Thatcher: Does that mean that a greater number drop out in the early stages?

Admiral Hamlet: We try to eliminate the unfit the first year. Of course, many things come up along through the years, physical disability and other things, which can not be foreseen. Some go out through disciplinary action and failure in studies.

Mr. Thatcher: But the greater number will go out during the first year?

Admiral Hamlet: We try to eliminate the manifestly unqualified in the first year.

Mr. Ludlow: The people generally throughout the country do not know as much about the Coast Guard Academy as they should. Otherwise, some of them would think of going to the Coast Guard Academy. All of them want to go to the Naval Academy and Military Academy. Do you advertise the institution, or give it any extensive publicity?

Admiral Hamlet: I think I can assure you that we have as fine an academy as there is in the country. It is well conducted. It is a fine place for a young man to be sent. The sons of any good citizen could well be sent there.

Mr. Ludlow: I have tried to impress that upon them, and I was wondering who so few seem to know about your academy.

Commander Waesche: We had over 900 applications for the last examination for entrance to the academy.

Commander Chalker: We have issued pamphlets showing the courses of study in the academy, and they have been circulated through practically every high school in the country. We also send them out to Representatives in Congress and Senators. We try to advertise it as much as we can. We have practically 8,000 names on our mailing list for these pamphlets, or it amounted to approximately

Mr. Ludlow: I do not think it is generally understood what kind of institution it is.

that number last year.

Chairman: Would these 150 cadets represent the maximum capacity of the academy?

Admiral Hamlet: No, sir; we could accommodate 208.

Reduction in Warrant Officer Personnel

Chairman: You are reducing your warrant officer personnel from 849 to 800, and you say that will be done by normal attrition.

Commander Waesche: In our proposed reorganization, we have reduced the warrant officer personnel from 945 to 800, and we are getting down to the 800 by normal attrition. That reduction is a part of this proposed reorganization plan that the admiral spoke about.

Reduction of Enlisted Personnel

Chairman: Then, you are cutting down the enlisted men. That is a little less than 400. Is that due to the laying up of patrol boats?

Commander Waesche: Yes, sir; and dropping some Coast Guard stations.

Chairman: Your retired list has increased?

Commander Waesche: Yes, sir; mostly by reason of enlisted men retiring.

Chairman: Of course, you can not control that. That is fixed by law?

Commander Waesche: Yes, sir.

Chairman: Did you use all of that \$30,000 this year for death gratuities?

Commander Waesche: In 1932 we expended \$28,975 on that account, or just under the \$30,000. Therefore we feel from past experience that \$30,000 is a fair allowance for that purpose.

Admiral Hamlet: That is just a safe estimate.

Mileage of Enlisted Men

Chairman: The total for mileage is \$360,000.

Commander Waesche: Yes, sir.

Chairman: Will you spend all of this \$360,000 this year.

Commander Waesche: We probably will. There was quite a cut in 1933 under 1932. In 1932 we spent over \$400,000 for mileage. In order to keep within the \$360,000, we have to use every possible economy in making transfers of personnel. We have changed our minimum term of enlistment from one to two years. We used to have enlistments for 1, 2, and 3 years, but we now enlist no men at all for one year. That policy was placed in effect last year. For that reason, in 1934 we will have a great many more discharges of enlisted men than we have had in 1932, or probably more than we will have in 1933. That is due to the large number that will complete their two years' enlistment.

Chairman: How much does it cost to send them home?

Commander Waesche: Five cents per mile.

Chairman: That pays for everything, the transportation and subsistence?

Commander Waesche: Yes, sir.

Chairman: That carries him to the point of enlistment, or to his home?

Commander Waesche: To the place of acceptance for enlistment. Of course, every man who re-enlists, even if he does not go home, gets that mileage just the same.

Chairman: I understand that custom prevails in all the services.

Commander Waesche: Yes, sir; that is the law.

Mr. Ludlow: Are you receiving any enlistments at the present time?

Commander Chalker: We have stopped all enlistments at the present time. There is another angle to that mileage, and that is, it enables the enlisted man, who has been away from home a number of years, and who has a family or parents, to visit his home. Usually when a man re-enlists, he is given re-enlistment leave, and he uses the money he gets in the way of mileage to go on leave and visit his home. It enables him to go home and see his family, and

then come back to his regular station. Then he is on for another two years. It is really giving a man an opportunity to go home every two years.

Chairman: How much does that bonus amount to?

Commander Chalker: Five cents a mile.

Chairman: Will you spend that much this year?

Commander Chalker: I do not think there will be as much spent this year on account of the two years' enlistment.

Admiral Hamlet: There will be fewer enlistments to expire this year than in 1934, because Admiral Billard extended the enlistment period to two years. That falls in 1934.

Mr. Thatcher: What is the enlistment period ordinarily?

Commander Waesche: Two years.

Mr. Thatcher: Is that governed by law or regulation?

Admiral Hamlet: By regulation.

Commander Chalker: At the present time, the term of original enlistment is three years, and re-enlistment for a period of two years, provided they re-enlist within three months from the date of discharge. The original enlistment is for three years. As I have said, they must re-enlist within three months.

Mr. Ludlow: You are receiving no re-enlistments that do not come within three months?

Commander Chalker: No, sir.

Re-enlistment Bonus

Chairman: On the question of this bonus, that is based upon the number of years in the service?

Commander Chalker: Yes, sir.

Chairman: And it amounts to \$50?

Commander Chalker: It depends upon the man's rate. It may be \$25 or \$50 for each year's service. That does not come out of the mileage.

Chairman: I understand that this is separate and distinct from the mileage. Suppose a man enlists for two years, and his term should expire next year? What will he get in the way of a bonus?

Commander Chalker: This re-enlistment bounty is paid to the man on re-enlistment within the continuous service period. They will get \$25 or \$50 a year, according to the rating. Chief petty officers and petty officers first and second class may get \$100, and below that \$50 for a prior two-year enlistment.

Chairman: The President has submitted the estimates for a continuation of the economy law, under which that provision you are referring to is suspended as to re-enlistments made during the fiscal year ending June 30, 1934. Of course, I do not know what Congress will do, but I was wondering whether, or not, in submitting these estimates you took that into consideration. If that provision were made, there would be no such re-enlistment bonus.

Commander Chalker: No, sir; we were not aware of that.

Chairman: How much did that amount to last year?

Commander Chalker: \$385,000.

Chairman: Now, if that provision is carried by Congress, this

appropriation can be cut to the extent of \$385,000.

Commander Chalker: Yes, sir; but allowance should be made for the fact that men originally enlisting in the Coast Guard get \$93.50 clothing allowance while men who re-enlist do not get this.

Admiral Hamlet: Are you speaking now of the gratuity on re-enlistment?

Commander Chalker: I am speaking of the re-enlistment bounty.

Chairman: Section 7 reads this way:

So much of Section 9 of the act entitled "An act to readjust the pay and allowances of commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service, approved June 10, 1922, as provides for the payment of enlistment allowances to enlisted men for re-enlistment within a period of three months after the date of discharge, is hereby suspended as to re-enlistments made during the fiscal year ending June 30, 1934."

Now, that is in the estimate of the President, and it is his request that we continue that. If that is done, then you will have no re-enlistment allowance to take care of in 1934, whatever may be its effect upon the service.

Admiral Hamlet: Yes, sir; that is true.

Chairman: As I understand it, you spent \$385,000 for that purpose in 1932.

Commander Chalker: Yes, sir.

Chairman: And, of course, these estimates having been submitted before the President made that recommendation, they did not take that fact into consideration.

Admiral Hamlet: No, sir; this is the first time I have heard of it.

Chairman: I can see considerable merit in the law which provides for travel pay, giving the man an opportunity to go back home at the end of two years' service. What was the theory upon which that was granted?

Commander Chalker: It is an inducement for re-enlistment.

Chairman: You will not need that in 1934, when everybody is out of a job. Everybody wants a chance to make something to live on, and you are furnishing good lodgings and fairly good rations, I hope. It is a place where he can at least maintain himself. Therefore, you are not going to have any trouble, I imagine, in 1934, unless there is a considerable uplift in the business of the country, in getting all the men you need.

Commander Waesche: That is not needed so much now.

Mr. Ludlow: You have a great many applications now, do you not?

Admiral Hamlet: A great many; yes, sir.

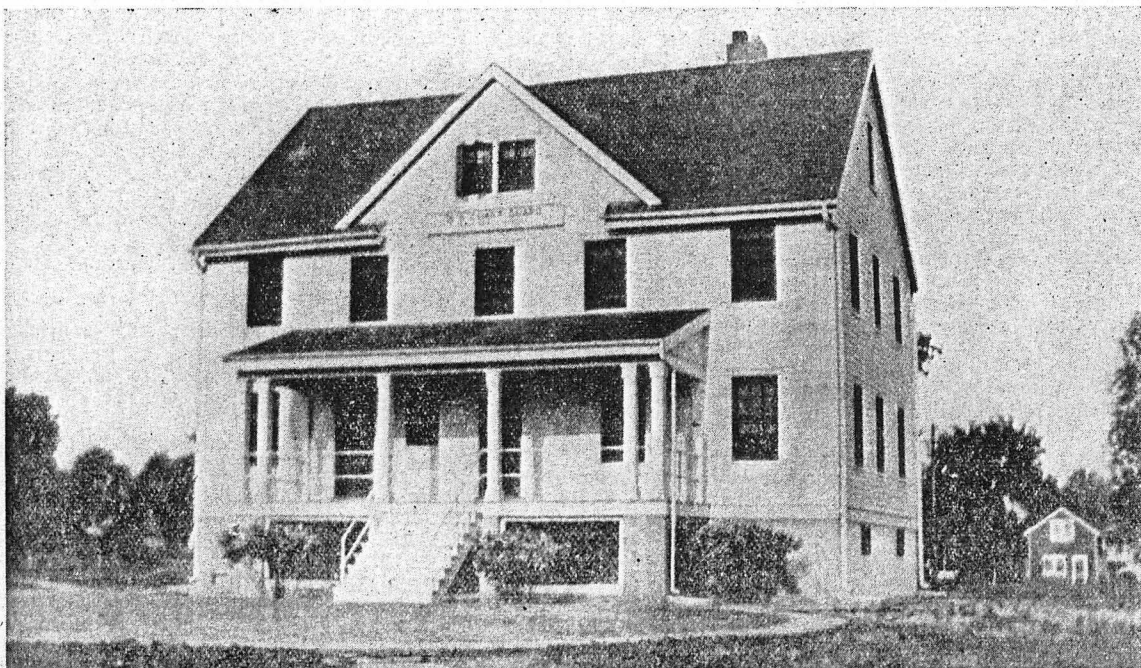
Mr. Ludlow: An abnormal number.

Admiral Hamlet: In these times it is abnormal; yes, sir.

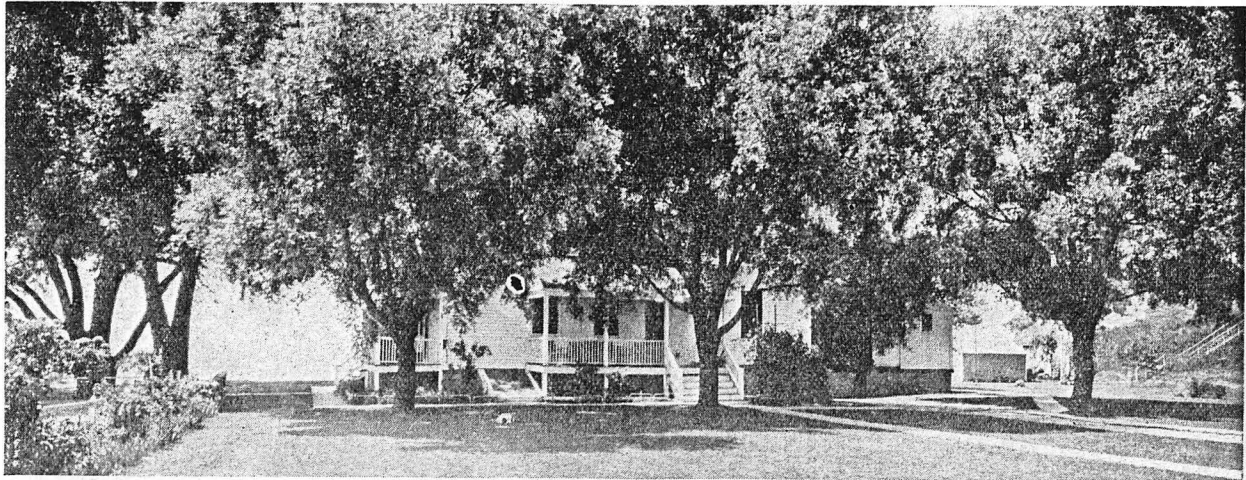
Legislative Furlough

Chairman: How much does the legislative furlough amount to under this item?

Admiral Hamlet: That does not operate against enlisted men. Enlisted personnel are not affected by the economy act.



The New Port Huron Station, Michigan



Beautiful Niagara Station, at Mouth of Niagara River, Lake Ontario

Chairman: How does it affect the officers? It affects them, does it not?

Admiral Hamlet: Yes, sir.

Chairman: How much does that amount to?

Commander Chalker: It appears to be \$264,295.

Commander Waesche: It would amount at \$317,184 for commissioned and warrant officers on the active and retired list.

Outfits on Enlistment

Mr. Thatcher: As I understand it, there is an original bounty or outfit of clothing given to new men.

Commander Waesche: Yes, sir.

Mr. Thatcher: How much does that amount to?

Commander Waesche: \$93.50.

Mr. Thatcher: How does that enter into this picture with regard to the bounty paid on re-enlistment?

Admiral Hamlet: It does not figure at all. He gets \$93.50 as a clothing allowance to draw against in providing his original outfit of uniforms. He receives no cash.

Mr. Thatcher: I was wondering how the two items balance each other.

Commander Chalker: If a man in the service re-enlists, within three months, he gets \$25 or \$50 for each year of his prior enlistment, depending on his rating. Chief petty officers and petty officers first and second class get \$50 for each year while all others get \$25 for each year. That is offset by the new man receiving \$93.50, which amount the re-enlisted man does not get. A man only gets his clothing allowance once, when he first enters the service. When you are taking a new man without prior service, he gets that \$93.50, which offsets to some extent the re-enlistment allowance. In the majority of cases the re-enlistment allowance does not exceed \$75. If the re-enlistment allowance is suspended, we will require more money for clothing allowance.

Mr. Thatcher: That is the point I wanted to bring out.

Subsistence Allowances

Chairman: You mentioned this morning the change in your method of subsisting the personnel from a per diem to a ration basis.

Admiral Hamlet: Yes, sir.

Chairman: How much do you save by that?

Admiral Hamlet: A very considerable amount.

Commander Chalker: \$333,000.

Chairman: When did you go upon that basis?

Commander Chalker: On July 1 of this year.

Chairman: Do these estimates take that saving into consideration?

Commander Chalker: Yes, sir.

Commander Waesche: We had to put that into effect this year in order to get through on the current appropriation.

Chairman: So that, in submitting the estimates for next year you take that into consideration?

Commander Waesche: Yes, sir.

Mr. Arnold: How does that plan work?

Commander Waesche: At the stations, and at such units as the picket boats, patrol boats, and the several section bases, we allowed, under the law, \$1 per day for subsistence, rather than the Government furnishing them the actual cost of food. At the small units, it was a hardship to run a mess. Now, when we were forced to economize this year, we changed that system; we put them on a ration basis instead of giving them this cash allowance. That reduced the cost from \$1 in some cases down to 75 cents, and in

other cases even down to 65 cents. It applied principally to the life-saving stations along the coast. When the Life Saving Service and the Revenue Cutter Service were amalgamated, the surfmen at the stations received \$1 per day for subsistence and have been receiving it up to the present year. They really looked upon that as a part of their pay. There has always been some discussion as to whether it was intended as a part of the pay of the surfmen. Anyway, they looked upon it as a part of their pay. When the appropriations were made for the current year, we were forced to place all of those people on a ration basis, and reduce their allowance of \$1 per day for subsistence to an allowance for food, the cost of which shall not exceed 75 cents per man per day.

Mr. Arnold: Who purchases that ration?

Commander Waesche: The Government. That resulted in a saving to the Government of 25 cents per day where the cost of the ration was 75 cents per day.

Commander Chalker: The cost of the ration may be less but it is not to exceed 75 cents per day.

Mr. Ludlow: Does that mean three rations per day?

Admiral Hamlet: No, sir; only one ration.

Mr. Ludlow: I thought a ration was a meal.

Admiral Hamlet: No, sir; a ration is three meals.

Commander Waesche: The actual saving amounts to \$333,998.

Mr. Arnold: Does that satisfy the men pretty well?

Commander Waesche: No, sir; there is considerable complaint among the men.

Mr. Arnold: How much does the saving amount to per man?

Commander Waesche: It varies. In some cases it will amount to a saving of 25 cents per man, and in other cases it is 35 cents per man.

Chairman: What is the basis of that cost?

Commander Chalker: We follow the Navy allowance on that to a large extent. The one dollar per day allowed was fixed by Executive order. There was an allowance of one dollar or one dollar and a quarter per day, depending upon whether they had any facilities for feeding the men. The other comes under the general mess, and that is on a sliding scale, depending on the number of men in the unit. When there is a larger number of men, the allowance is less. The allowance is from 55 cents to 75 cents, depending upon the number of men in the mess. The larger mess receives the smaller allowance per man.

Chairman: What is the payment next year based on?

Commander Chalker: It is based on an allowance of from 55 to 75 cents, the same amount that is in effect this year. At our large units we run a general mess. The cost of the ration fluctuates, but averages about 46 cents.

Mr. Arnold: How does that affect the morale of the men?

Commander Waesche: Particularly at the life saving stations, there is considerable complaint. They feel as if they have had some of their pay taken away from them, because they have always looked upon that one dollar per day as a part of their pay. In most cases the families of these men live close to the station and the men eat at home. Under the new arrangement they must eat at the station in order to benefit from the ration allowance.

Chairman: Did the President make any reduction in the subsistence allowance?

Commander Waesche: No, sir; not for enlisted personnel; it is one dollar per day for subsistence, according to the Executive order, which still stands.

Rental Allowance

Chairman: How about the rental allowance?

Commander Waesche: The rental allowance has not been changed for enlisted personnel. The rental allowance and subsistence allowance for commissioned and warrant officers were changed by Executive order.

Chairman: What was the subsistence allowance cut down to?

Commander Waesche: From 60 cents to 52 cents.

Chairman: How much is the saving on that?

Commander Waesche: The total saving is around \$133,000 for both rental and subsistence.

Chairman: What is the limit?

Commander Waesche: The rental allowance has come down from \$20 per room to \$18 per room. There is a saving of \$133,000 on the subsistence and rental allowances. That pertains only to commissioned and warrant officers, and has nothing to do with the enlisted men. We have a new rate of 52 cents for the ration, and \$18 for a room, and that was taken into account in the 1934 estimate. We figured our estimates on that basis. These reductions went into effect on July 1.

Stations on Inactive Status

Chairman: Are these Coast Guard stations to be permanently closed?

Admiral Hamlet: They would be placed on inactive status. In other words, we would stop any outlay on them. We would stop repairs, and if the roofs were leaking they would continue to leak. However, the buildings would remain and the right of property would remain. The stations would be reopened in case of emergency if and when we got the money to put them in proper repair or in operative condition.

Chairman: I take it that no real detriment to the service will occur by reason of closing them?

Admiral Hamlet: We would exercise a great deal of care in selecting the stations that would be placed in an inoperative status so as to interfere as little as practicable with the efficient operation of the service.

Chairman: How many stations do you have now?

Admiral Hamlet: 276, 21 of which are in inactive status. The 12 I have mentioned are in addition to the ones already inactive.

Chairman: Then, this would mean 33 inactive stations?

Admiral Hamlet: Yes, sir.

Chairman: Which would leave 243 active stations?

Admiral Hamlet: Yes, sir.

Chairman: Are they located all along the seacoast and the Great Lakes?

Admiral Hamlet: Yes, sir; and on the Gulf and Pacific coasts.

Chairman: In fact, they are located on all of our coasts?

Admiral Hamlet: Yes, sir.

Mr. Ludlow: Do you leave a skeleton personnel at the inactive stations?

Admiral Hamlet: We have caretakers there; yes, sir.

Mr. Thatcher: How long have those 21 stations been in an inactive status?

Admiral Hamlet: Those in Florida have been inactive since 1921.

Mr. Thatcher: How about the others?

Mr. Maxam: The great majority of them have been in an inactive status since 1921.

Mr. Thatcher: Were some of them closed because there was no need for them?

Mr. Maxam: They were reduced to an inactive status.

Mr. Thatcher: Because there was no real need for them?

Mr. Maxam: It was because of the lack of funds, principally.

Chairman: The fact that for 11 years you have been getting along without them is a pretty good indication that they will probably not be restored to active status.

Mr. Maxam: They are life saving stations. In some cases the life saving duties have shown an increase.

Mr. Thatcher: Then you may need them?

Mr. Maxam: It is possible in the future, sir.

Mr. Thatcher: You are not able to take care of those stations?

Mr. Maxam: No, sir; not under present circumstances.

Chairman: During those 11 years your floating equipment has been greatly increased?

Admiral Hamlet: Yes, sir.

Chairman: You have a great number of patrol boats and all kinds of craft plying up and down the coast, so that you do not need those Coast Guard stations as much as you once did, do you?

Mr. Maxam: Well, we would canvass the matter very closely before deciding what additional stations we could discontinue as active units.

Chairman: I was wondering why you would have 21 stations closed. However, when you consider the fact that you have all this

floating equipment that has been increased so steadily and rapidly during the past few years, it might be possible to permanently discontinue those stations, or some of them, and get rid of the caretakers, saving that amount of money. I do not know what it costs to take care of them.

Admiral Hamlet: In that connection, we have had in mind, among other things, making a study of the situation. At this particular moment, I do not feel qualified to tell you that any one of these inactive stations would be disposed of entirely, but as soon as we can reach a decision in those matters, we will do it, and if any economy can be brought about by actually disposing of some of them, and getting them entirely off the books, you may rest assured that it will be recommended.

Chairman: You would not need any legislation for that purpose, would you?

Admiral Hamlet: No, sir.

Mr. Maxam: No, sir; no legislation would be needed. The Secretary of the Treasury can discontinue stations if they are not further needed in the interest of commerce and humanity.

Rebuilding Coast Guard Stations

Chairman: The next item is for rebuilding and repairing stations and houses of refuge, temporary leases, rent and improvements of property for Coast Guard purposes, including use of additional land where necessary. Your current appropriation for this purpose is \$520,000, and your estimate for 1934 is \$327,040. Will you tell us about that item?

Commander Waesche: Mr. Chairman, we have eliminated from that estimate every item of major repairs. It will cost the Government eventually more money to make those repairs, but it was impressed upon us that the Government could afford to spend more money two or three years from now than today. Consequently, we are asking now for only enough money to keep the shore establishments going with the least possible expense. There are a number of major repairs to units that should be made, but we have simply postponed them.

Chairman: You are saving \$187,000 on rebuilding projects. That is what you are saving here.

Commander Waesche: Yes, sir.

Chairman: You will not spend any money on rebuilding projects next year?

Commander Waesche: No, sir.

Chairman: And the item of repairs you have reduced by \$26,500?

Commander Waesche: Yes, sir.

Chairman: How much will you spend this year for repairs?

Commander Waesche: \$122,500.

Chairman: You will spend that this year?

Commander Waesche: No, sir; we will spend this year \$149,000.

Chairman: How much will you spend of this year's appropriation?

Commander Waesche: Mr. Latham can answer that.

Mr. Latham: All of that will be eaten up. All of it will be spent.

Chairman: Every dollar of it?

Mr. Latham: It will be very close. We cannot spend all of it. We are required to have a little reserve to take care of emergencies, but practically all of it will be expended.

Commander Waesche: You will notice again, Mr. Chairman, that the current appropriation represents a drastic reduction under the 1932 appropriation. We thought that we had gone the limit on that. We have had to reduce our expenditures this year.

Chairman: Still, even with the reduction made last year, with the repairs you are making this year, you will not suffer very much with the amount that you have estimated for next year, will you?

Mr. Latham: It is a continuing proposition. These are repairs to shore-station buildings, and all of our buildings are located along the shores of the lakes and oceans, where they are subject to more damage and destruction by the elements than buildings otherwise situated.

Chairman: Are they frame buildings?

Mr. Latham: Yes, sir.

Chairman: How old are they?

Mr. Latham: We have some buildings that will run up around 50 years of age. They range from that down to around 10 years old. We have a number of buildings around 35 years old. We have emergencies coming up all the time, Mr. Chairman. For instance, at Little Egg, N. J., we have a station right on the edge of the ocean. It has had to be abandoned temporarily and I understand it will be only a matter of a short time before it will be carried away.

Chairman: The building is too close to the ocean there?

Mr. Latham: Yes, sir; it is on an island, and is about 30 feet back of high-water mark.

Chairman: What would be necessary to put that in shape and move it?

Mr. Latham: It would cost around \$35,000.

Chairman: Can you not do that out of your present appropriations?

Mr. Latham: I doubt very much if we can.

Chairman: Would you tear that down, or move it back?

Mr. Latham: No, sir; we will have to salvage what we can out of it. There is no place to move it back. It is the last Government building on the island. The lighthouse and the lighthouse building have been destroyed.

Mr. Ludlow: Is it a very good station? Is it an important station?

Mr. Latham: Yes, sir; it is one of our principal stations on the New Jersey coast. Little Egg Harbor is considered the best natural harbor on the New Jersey coast. However, that is one of the emergencies that we have. Numerous cases of assistance occur at this station. In the last 2½ years there were 181 instances involving property values of approximately \$622,000. There were 686 persons on board vessels and boats assisted, and no lives were lost in the service operations.

Mr. Thatcher: Did the water encroach on the shore, or was it built up that way?

Mr. Latham: No, sir; it used to be about three-quarters of a mile back from the ocean. During the last 30 years the shore has eroded to within about 30 feet of the building.

Mr. Thatcher: That station could not be moved back further bodily?

Mr. Latham: No, we could not do that because there is no more land to move back on. It is just an island. It has gone back, I should say, three-quarters of a mile in my time, which is around 30 years.

Mr. Thatcher: It must be quite a small island.

Mr. Latham: Oh, no, it is not a very small island.

Chairman: How near is your nearest station?

Mr. Latham: Across on the southern side of the inlet, about 3 miles below the inlet, or about 5 miles from the Little Egg Harbor station. The next one is the Bonds station, practically six miles away.

Mr. Ludlow: The other stations cannot absorb the work of that station?

Mr. Latham: No, they cannot. We have found it best to have a station on either side of inlets.

Chairman: How old is that building?

Mr. Latham: It was built in 1898; it is 34 years old.

Chairman: When that building was put up it took some time to cover the 5 or 6 miles on the water. But since then you have gotten these motor boats, which get around pretty fast. In other words, you do not need to have your stations so closely located to each other now, since you have all of this up-to-date equipment, which gives you speed in moving around.

Mr. Latham: That is, of course, true, but in this particular instance the Little Egg Harbor station is on an island by itself, and there are two inlets between the Bonds station and the Little Egg Island station on the south.

Mr. Thatcher: You do not try to protect every inlet on the coast, do you?

Mr. Latham: The inlets are some of the principal things we have to deal with, and we have to see that they are cared for.

Mr. Ludlow: Is there a good deal of smuggling up in that neighborhood?

Admiral Hamlet: There is a normal amount.

Repairs to Wharves and Bulkheads

Chairman: For repairs to bulkheads, and so forth, you have a considerable increase. You want to spend this year \$71,000, and you propose the expend next year \$104,500, or an increase of \$33,500. Tell us about that.

Mr. Latham: That is something that is natural, owing to the conditions.

This is for the repairs and upkeep of shore launching facilities for our boats, and it is a very important part of a life-saving station. We have to have the means of getting our boats into the water, and to use the money in the building of the docks to tie them up to. It is very important that we keep those up. They are subject to destruction by storm, by the teredo in the salt water, and on the Lakes from much hard usage and the ice.

In a good many instances a great deal of work has to be done on repairs on the launchways because of the lower lake levels. At some of our stations our boats draw 3½ or 4 feet of water, and the ends of the launchway where these boats have to be taken out may be a foot above the water, which results in our having to lift the boat up on a carriage. This is not only bad for the boat itself, but

also causes delay in answering calls for assistance. It is necessary to lower those so that we can get 5 feet of water at the lower end of them.

Chairman: Do you consider that more important than to go ahead on repairs?

Mr. Latham: Yes, sir; I do.

Chairman: Those items are all interchangeable; you have one lump sum?

Mr. Latham: Yes, sir; they are.

Chairman: While these items indicate just how you are going to spend the money, you can devote a little more of it to one purpose than to another, where you think it is essential to the service?

Mr. Latham: In cases of emergencies and absolute necessities; yes, sir.

Repairs to Coast Guard Vessels

Chairman: For repairs to Coast Guard vessels and boats you are asking \$2,077,242 for 1934, as compared with an appropriation of \$2,100,000 for the current year. That is a slight reduction.

Commander Waesche: The difference is entirely taken up by the legislative furlough. Our current appropriation is \$300,000 less than it was for 1932.

We have not sufficient money to carry on major repair items this year, and we will not have enough money in this appropriation to take care of major repair items in 1934, but again we are following the plan that later on, when the finances of the Government are in better shape, it will be a much better business proposition to spend more money then than to spend a less sum of money now.

Admiral Hamlet: I would like to say, Mr. Chairman, in this connection, that we realize that these repairs are an expensive item, and they should be done at the time indicated; but in the stress of the present situation, we have stricken off major repairs. It will cost more in the end, but just now we assume that the Government is not in a position to undertake major repairs.

Mr. Ludlow: I notice that you propose to allocate the major part of this item to vessels engaged against smuggling.

Admiral Hamlet: A large part of it, yes, sir; but that is because the resources of the Coast Guard are used in anti-smuggling work.

Chairman: You contemplate a considerable increase in the expenditure for offshore patrol boats.

Admiral Hamlet: The reason for that is because those patrol boats are getting along in years and they are beginning to need repairs, and we apprehend that it is better to spend a little more money on them, not on major repair items, but on just minor items that will make it more economical in years to come.

Commander Waesche: Also, because of the increased duties of the 125-foot patrol boats, we have found it necessary to put additional facilities on them in the way of toilet facilities. They go on long cruises, much longer than formerly.

Chairman: How many destroyers have you now?

Commander Waesche: We have 15. We have a reduction of one.

Chairman: Are you spending nearly half a million dollars on repairs on them?

Admiral Hamlet: Yes, sir.

Chairman: That is about \$30,000 apiece. What kind of boats are you getting from the Navy? Have you gotten any recently?

Admiral Hamlet: We have gotten one recently.

Commander Waesche: About six or eight months ago we put two out of commission and turned those back to the Navy and got one in their place. The two we put out of commission were in a very poor state of repair and would necessitate spending an abnormal amount of money on them.

Chairman: Do you know how many destroyers the Navy has tied up?

Commander Waesche: No, sir; I do not.

Chairman: They have a number, have they not?

Commander Waesche: Yes.

Chairman: Why would it not be possible, when one of these boats gets in a position where it needs more repairs than you think you are justified in paying for, for you to exchange it?

Commander Waesche: That is what we do. It takes a good deal of money to put a destroyer in commission. They have been laid up for a number of years in Philadelphia or San Diego, and from time to time the Navy has taken spare parts from those boats for other boats, and when we do take one from the Navy it costs from fifty to a hundred thousand dollars to fix it up for our use.

So, as long as we do not have to spend more than thirty or forty thousand dollars on a destroyer, it is better to spend that on that one ship than to spend \$75,000 on the one we would take over from the Navy.

Of course, in 1936 we will have to give up all of the destroyers we are now operating, with the exception of six, unless Congress authorizes the Navy to build completely up to the destroyer strength allowed in new destroyers.

Mr. Thatcher: Have you got to turn them back to the Navy?

Commander Waesche: In 1936 we will be forced to turn them back to the Navy, except six, which we will continue to operate.

Mr. Arnold: Why do you think you will have to turn them back?

Commander Waesche: The Navy always felt that they belonged to them, while the language is very clear that they were transferred bodily to the Coast Guard. But the Navy took the other attitude, and we think rightly so, because they are Navy vessels.

Mr. Thatcher: Legislation could control that.

Commander Waesche: Yes; but there is no reason why we should not turn them back to the Navy.

Mr. Arnold: Does the Navy need them worse than you do?

Commander Waesche: Not at the present time; no, sir.

Mr. Ludlow: Do you make much use of these destroyers?

Admiral Hamlet: Yes, sir; they are active. They are most useful boats.

Mr. Thatcher: What is the best speed of those boats?

Admiral Hamlet: Thirty-five knots.

Mr. Thatcher: What is the best speed attained on the part of the rum-running vessels?

Admiral Hamlet: About 40 knots. That is the best speed, but not the average speed.

Chairman: Those boats are pretty expensive to operate?

Admiral Hamlet: Yes, sir; they are. They are expensive to operate, but they are the only boats that we have available for the purpose at the present time, without going to great expense in building something that would take their place.

Chairman: The high speed boats require a larger personnel to operate them, do they not?

Admiral Hamlet: Yes, sir. The curve goes up very rapidly from 15 knots to 40 knots. It is almost vertical. We can not take a 40-knot boat and put it out for a 12-knot boat. We must have an entirely different personnel and expense in operating the 40-knot boat.

Mr. Thatcher: A good many of those boats are sold and go into private use again, do they not?

Admiral Hamlet: Yes, sir. For a while we had the policy there of asking to have turned over to the Coast Guard almost every condemned boat, so that they could not be used for smuggling purposes again.

Mr. Ludlow: Is a court order required before you can sell a boat? Can you sell a captured boat without a court order?

Admiral Hamlet: I presume we can, because when it is turned over to us, I think the court has no strings on it at all. They

Mr. Thatcher: But somebody might come along and make a claim for the boat.

Mr. Ludlow: Suppose a boat is mortgaged.

Admiral Hamlet: I presume that when a court gives us a boat, it is a clear title.

Mr. Thatcher: The court, then, does act in the matter?

Admiral Hamlet: Yes, sir; invariably. We do not operate them until they are turned over to us formally.

Mr. Thatcher: I was wondering whether any high-speed boats that were captured are sold and go back into the same smuggling trade.

Admiral Hamlet: We endeavor to use every one of them we can. As I say, it is set up against the theory of not increasing this appropriation.

Mr. Thatcher: They had better be dismantled than permitted to go back into the contraband trade again.

Admiral Hamlet: Yes, sir. As I started to say awhile ago, we had the policy of requesting almost every one turned over to us, but we found that we were increasing the number of our vessels so fast that something had to be done to stop it.

Mr. Thatcher: When you do not take them, they are sold?

Admiral Hamlet: Yes, sir; they are sold.

Seaplanes

Chairman: You are increasing the appropriation considerably for seaplanes. Does that mean the purchase of new planes?

Admiral Hamlet: No, sir; except as to those recently constructed and placed into commission.

Chairman: How many planes do you have in actual operation?

Admiral Hamlet: There are 11 in actual operation today.

Mr. Thatcher: How many are in A1 condition?

Commander Hall: All of them.

Mr. Thatcher: A few years ago you had some bad planes.

Commander Hall: Those planes have been taken out of commission. We now have the new ones.

Mr. Thatcher: How are they distributed along the coast?

Commander Hall: There are two at Miami; two at Boston, Mass.; and the rest at Cape May, N. J.

Chairman: You say you have 11, and there is none in process of construction.

Commander Hall: That is true.

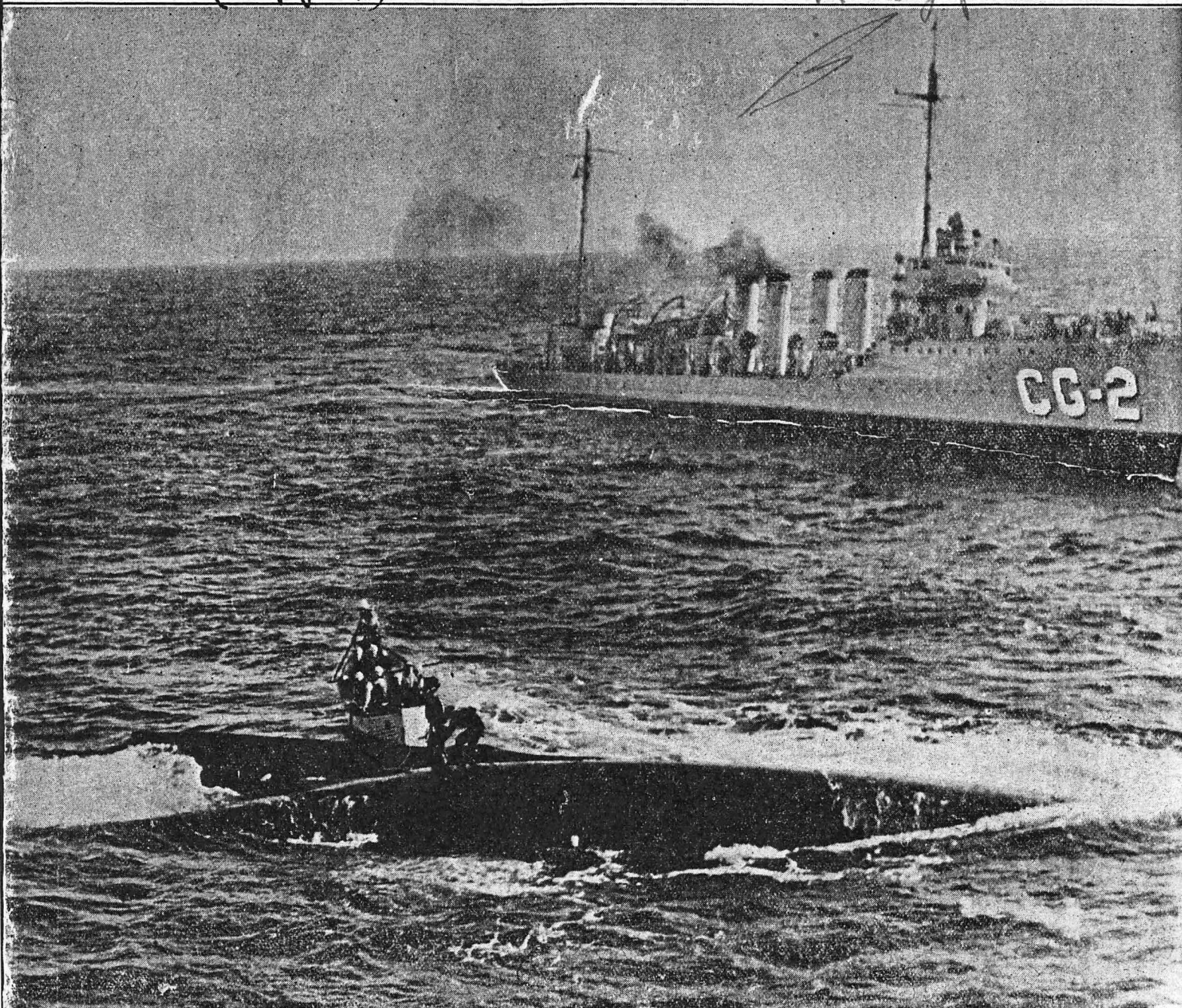
Chairman: That is the total?

Commander Hall: Yes, sir.

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