

Mails Close

for the United States by s. s. Guiana at 4. p. m. today, 3rd.

PROCEEDINGS OF THE COLONIAL COUNCIL FOR ST. CROIX.

(Continued from yesterday's Avis.)

The *Chairman* in reply said, each department head has been advised by Government that all unexpended balances from the Federal appropriation will revert to the Federal Treasury after June 30.

1st Member for Frederiksted Town (*Jackson*): Mr. Chairman. If the amount is taken from Federal appropriation and put on our budget does it not form part of our budget?

Government Secretary (*Zinn*) remarked: Mr. Chairman. I am glad of this opportunity of being able to explain just what the general situation is with regard to the Federal appropriation from an accountability standpoint.

In the past the several Federal appropriations made for the Virgin Islands have been considered in the nature of an outright donation. Every appropriation made by Congress after having met the purpose for which it is made, if there remains any balance, it automatically reverts to the Federal Treasury and is there merged with other unexpended money and becomes available for other appropriations. Usually that is the general rule for Federal appropriations. However, there are a few cases where Congress appropriates for a specific purpose and usually lends with the words, "and shall be available until expended."

The Comptroller General, whose duty it is to determine that the money appropriated by Congress is spent for the purpose for which it is appropriated, sent representatives to these islands recently for the purpose of finding out how we handled our finances and particularly how we handled the Federal appropriation. In the course of their investigation, they found that the appropriations for these islands are considered gifts. These gentlemen questioned this view, in other words, they say in effect this, that if Congress had intended that the appropriations for these islands be donations they would have stated that. Accordingly the Governor felt that until a final decision was reached regarding this he would take no action that would stand in his way if he is called upon to return to the Treasury at the end of the fiscal year whatever balance there may be remaining out of the Federal appropriation. These two men will render a

report to the Comptroller General of what they find here.

His Excellency, the Governor has sent to Washington a thirteen page letter in support of the Federal appropriation that Congress did intend to appropriate for these islands in the nature of a gift. At present we do not know where we stand on this. That brings us down to the basis of the Resolution now pending. Under normal Federal Accounting Procedure the only way in which a current annual appropriation may be obligated to the end that funds under it may be expended after June 30 of a given year, is by entering into a contract between Government and a private party, for performance after the end of the fiscal year. No funds may be expended for labor after the end of the fiscal year chargeable to the appropriation which is expiring.

Now this money for the building of the cistern was originally provided, part of it by the budget and part by additional money bill, with no stipulation which would take it out of the ordinary class, and we cannot enter into a contract because there are apparently no firms here capable of entering into such contracts. Therefore the only means left us is to attempt to legally obligate it. I heard of this proposed resolution a few days ago and the Governor heard of it also, and he has directed me to state this in connection with it, that because this money must essentially be of the \$20,000 appropriated under the additional money bill, it follows that it is open to the criticism of being Federal Funds and as it has not been expended to June 30, would normally revert. However, he feels that because we have no means of obligating this money by contract here, this should in all equity hold and therefore he is willing to approve such a resolution with the understanding that in the future this procedure is questioned by the Federal Accounting Office the only thing we can do is to meet the situation at the time. In other words he is willing to go to the extent of approving this, but cannot say that it is going to hold water in the event it is questioned by the General Accounting Office.

Having tried to give you a general explanation of the situation today with respect to the Federal appropriation as coming under the eyes of the Fiscal Officials of the Government, whom as I say, exist for the sole purpose of seeing that the intent of Congress with regard to money appropriated by Congress is carried out, and having explained the uncertainty which exists at the present time with regard to balances, etc, I would like to conclude by saying that the Governor is in full sympathy with furnishing all the Federal aid possible to the islands commensurate with a fair return of better economic development, better living, hospital and educational conditions for the people, and in view of that, I ask that

you put aside these uncertainties, which cannot be helped, and consider the budget on the basis on which it is presented to you. If, when this matter is settled we are better or worse off than now, that is a thing entirely out of our hands. The decision does not rest with us, it rests with the President in Washington.

2nd Member for Christiansted Country District (*Berg*): Mr. Chairman. I understand that last year a letter was received from Government to the effect that no new fund should be created. Is that correct?

The *Chairman* replying to the last speaker said, I have received no such letter, but I know that it is against the general policy of the Government to create any new trust fund.

(To be continued.)

LOCAL

The performance by the Grammar and Junior High School children at the theatre on Tuesday night was a great success. The children did their parts excellently, and on the whole the entertainment afforded a very pleasant evening to the large gathering, as well as reflected much credit for the teachers and others who must have worked hard to attain the results. The Despatching Secretary Barrett delivered an inspiring address in the course of the program, and Principal Jackson made an appropriate speech at the conclusion of the same.

Our readers will have already noted the programme for the races at Mannings Bay, published in our issues from Tuesday. This will be the only public event for the 4th of July and there will doubtless be a large gathering to make it a success.

There will be no issue of this paper tomorrow (Independence Day).

PERSONAL

Among the passengers sailing for the States by the s. s. Guiana tomorrow are the Hon. E. G. and Mrs. McKean. The Judge has resigned his position as Chief Justice of the District Court of the Virgin Islands. It is with profound regret we learned of this and we would be guilty of a great omission if we did not say that there is a general feeling of public loss in the judge's departure. He administered the courts with satisfaction to all and with that mercy which bespeaks justice for all. His decisions have been always found to be wise and reasonable and the community's welfare has been in safe hands in the District Court the dignity of which Judge McKean fully upheld. As a man Judge McKean has a very amiable personality and is very popular among all classes, through his un-