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Annual Report of the Governor of the Virgin Islands to the Secretary of the Interior



FOR THE FISCAL YEAR ENDED JUNE 30

1940

**ANNUAL REPORT
OF THE GOVERNOR OF THE
VIRGIN ISLANDS
TO THE SECRETARY OF THE
INTERIOR**



**FOR THE FISCAL YEAR ENDED JUNE 30
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**UNITED STATES
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UNITED STATES DEPARTMENT OF THE INTERIOR

Harold L. Ickes, Secretary

TERRITORY OF THE VIRGIN ISLANDS

Lawrence W. Cramer, Governor

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ANNUAL REPORT OF THE GOVERNOR OF THE VIRGIN ISLANDS

CHARLOTTE AMALIE, ST. THOMAS

September 20, 1940

THE HONORABLE, the SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: Pursuant to section 20 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, I have the honor to submit the following annual report of the transactions of the government of the Virgin Islands for the fiscal year ended June 30, 1940.

FOREWORD

In any sound appraisal of the state of development of a community at any given time due emphasis must be given to its own history and the mores of its people. Comparisons with other communities in a wholly different historical, geographical, and climatic setting are not necessarily conclusive and they may be confusing.

It is important to recall, therefore, that the Virgin Islands are West Indian islands. They can best be understood by studying them in the light of the limitations and problems which beset this larger group. Their population is culturally and racially affiliated with the British West Indies. In fact, a large proportion of their inhabitants can trace their origin, one or more generations removed, to British West Indian islands. The language, the mores, the political organization, the plantation system of agriculture, all owe more to the British West Indies than to the Danish State whose ownership of the island of St. Thomas began in 1671 and continued until 1917 with only a brief interlude from 1807 to 1815, during the Napoleonic wars, when the islands were occupied by Great Britain. St. Croix came under Danish control in 1732 and likewise remained under it until 1917.

The Virgin Islands have the physical beauty, the warm climate, the charm and hospitality of the West Indies. But they also have suffered the long, inexorable economic decline which has made one recent commentator on the British West Indies declare that "the social and economic study of the West Indies is * * * necessarily a study of poverty." The casual visitor too often relates his experiences and

findings in the Virgin Islands to norms, or what he regards as norms, in his own community in the North, leaving out of consideration local history and geography, and the tough web of local culture which is their expression. He frequently overlooks the attitudes of insularity, exaggerated parochialism, excessive and suspicious individualism, political and social conservatism, the heritages of an inadequate educational system and of deficient public health services, the conditions of undernourishment and malnutrition, and the problems arising from economic and political re-orientation which are common to West Indian islands and which cannot be extirpated forthwith or even greatly mitigated except in course of time, whether it be by a benevolent despot or by an administrator with considerably less than dictatorial powers.

The present situation when considered in relation to former conditions in the Virgin Islands and when compared with conditions in other West Indian areas reveals much progress. A great advance can be recorded in the fields of public health and education; a public highway system worthy of that name has been created, if not completed; many important public works have been undertaken; and some progress has been made in attacking stubborn economic disabilities. Important steps have been taken to recast the form of political organization into the mold of representative American democracy. Fiscal improvement has, however, been seriously retarded by prolonged droughts now entering their fourth year.

Purchased from Denmark in 1917, at the conclusion of negotiations begun in 1867 and renewed during periods of national crisis after each successive failure, the islands are now being rapidly developed for the purpose for which they were originally acquired. Their strategic value as a defense outpost was long neglected until President Roosevelt personally intervened to establish a Marine Corps air base in St. Thomas in 1935 and to establish an advanced submarine base there in 1939. This value has in the past few months received growing recognition. The inhabitants, living at the periphery of empire and accustomed to experience only feebly even the most powerful impulses emanating from the National Capital, have noted with enthusiasm the rapidity of decision and execution which is transforming the islands into a formidable link in the national-defense chain. They have given many tangible evidences of their patriotic desire to cooperate fully in this undertaking. In the 23 years since the islands were purchased, the inhabitants have become citizens and are rapidly becoming familiar with and devoted to American traditions and political concepts. They view with pleasure and pride the substantial

steps being taken in the islands to develop the means to defend those concepts against alien, revolutionary attack.

They are aware of the great importance of these measures in transforming the local economy. For the time being, the unemployment problem does not exist. Even after the present defense construction program has been completed, it will be greatly mitigated.

The present year marks the end of the first decade during which the Department of the Interior has had administrative jurisdiction over the islands. Likewise, it is the year in which the Sixteenth Decennial Census of the United States was taken. A study of the statistical data contained in that census leads naturally to comparisons with earlier decades and gives valuable information on the results of the many-sided program of economic and social rehabilitation undertaken in the Virgin Islands. Significant trends can readily be traced in making comparisons between the 1940 census figures and those of 1930. These trends are the more clearly discernible when comparing the statistics for these years with those of the special census taken in 1917 immediately after the transfer of sovereignty. During the period from 1917 to 1931 the Virgin Islands were under the administrative jurisdiction of the Navy Department which should be credited with the inauguration of many policies which have since been pursued with increasing refinements as experience has dictated and as innovations have been proved acceptable. Unfortunately, only preliminary and partial figures are as yet available from the Bureau of the Census for the 1940 enumeration, but so far as statistics are available they reveal the same trends as does a comparison between the 1917 and 1930 censuses.

For the first time since 1860, the census reveals an increase of population in the Virgin Islands. The population decreased from 38,231 in 1860 in each census until 1930 when it had declined to 22,012. The 1940 census records a population of 24,889 which is a 13.1 percent increase from the low figure of 1930. The earlier decline in population is a gross indication of the steady economic decline of the islands. The increase in the last decade is an indication, in part at least, of economic improvement. A number of specific factors have contributed to this increase.

The most important of these is the reversal of the historical tendency of emigration from the islands by large numbers who sought economic opportunity elsewhere. Since 1930 there has been an annual increase of population by reason of excess of immigration over emigration, which in 1939 reached the relatively high figure of 2,475. This immigration has brought with it certain new problems because much of it is from neighboring Puerto Rican islands whose racial,

social, and language origins are different from those of the Virgin Islands.

The infant mortality rate has been reduced from the extraordinary figure of 328.9 per thousand in 1917 to 101.7 in 1939. The death rate has been reduced from 41.5 in 1917 to 20.9 in 1939. The annual average death rate per thousand for the decade of the twenties was 23, and for the decade of the thirties, 21.34. The birth rate in the Virgin Islands in 1917 was 24.6 per thousand and 35.8 in 1939. The average annual birth rate per thousand for the decade of the twenties was 24.57, and for the thirties, 29.05.

In addition to these factors, traceable in large measure to improved economic and fiscal conditions, other factors such as the establishment of military forces in the islands and the establishment of new industrial enterprises have added to the number of residents as well as contributing to the economic improvement of the community.

In the succeeding sections of this report consideration will be given to the economic, political, social, fiscal, and administrative problems of the Virgin Islands, giving comparative data where possible and relating developments during the past fiscal year to the policies which have characterized administration of the islands since their transfer to United States sovereignty. In an appendix numerous tables are given for convenient reference.

ECONOMIC SITUATION

In the last 20 years the value of exports from the Virgin Islands has in only one year been greater than the value of imports. In the past 10 years the adverse trade balance has been at an annual average figure of \$1,594,253. These trade statistics, set forth in a table in Appendix 1, reveal the slender natural resources of the islands and on the surface lend credence to the contention that Virgin Islanders live by their wits. The continued adverse balance is, however, offset by the expenditure of Federal funds, by ship servicing charges, and by tourist expenditures. The first of these is the most important.

Total trade figures in each of the past three years have been greater than in any year since 1921, the year of fantastic sugar prices. Exports in these years have likewise been higher than in any year since 1921. This is a result chiefly of improvement in the shipping business, the revival of the rum business and of the establishment of new enterprises in the islands. The table in Appendix 2 sets forth the annual exports of rum since the reestablishment of this industry.

Sugar, rum, bitters, and cattle are the chief articles produced for export. Coal and oil are sold for export as ships' bunkers but this constitutes a service activity, involving the resale of imported products.

SUGAR

In the Virgin Islands, as in other West Indian islands, the early settlers turned to agriculture as their chief economic activity. Tobacco and sugar were the principal crops. The former soon disappeared and left sugar as the basic industry. The large supply of labor required for sugar cultivation was secured by the importation of slaves. The ruins of substantial "estate" houses and slave villages scattered over the islands on the characteristic estates or plantations are mute evidence of the one-time prosperity of their former owners. With the abolition of slavery in 1848 the islands of St. Thomas and St. John rapidly went out of cultivation. Only St. Croix continued to depend on sugar cultivation as its basic industry.

There the need for labor was met by the establishment of a so-called immigration fund which was used to import under government auspices contract laborers from neighboring British West Indian islands. With the establishment of the beet sugar industry and the opening of new and more favorable sugar producing areas throughout the world, the price of sugar has tended to decline except in a short period during and after the World War when abnormally high prices prevailed. This decline put the sugar business in St. Croix in the marginal production class because of low per acre yields, high freight rates and high production costs. But though this industry has for years teetered on the edge of collapse, it is still the largest single employer of labor in the Virgin Islands, and for lack of any other suitable cash crop, the most important economic factor in St. Croix. The United States immigration laws have been extended to the Virgin Islands so that the immigration of foreign laborers is no longer possible. This is not a detriment to production at the present time since the local labor supply is considerably in excess of employment possibilities. The chief present effect of the exclusion of alien laborers is the protection it affords local laborers against competition from lower-priced foreign labor.

The estate system of sugar cane cultivation has practically disappeared. This is of serious social and economic consequence. In other West Indian islands the plantation system has considerable value in communities where it still persists. Plantation owners are often the most enlightened and scientific cultivators. They can afford to introduce new methods, new machinery, and equipment which increase yields and reduce costs. They constitute an economic unit complementary to peasant farmers or small holders. The latter are normally owners or operators of very small holdings and cannot secure from them sufficient income to support themselves and their

families; they must, therefore, work on plantations as a means of supplementing their income.

In St. Croix sugar plantations operated by owner-farmers no longer exist. Those estates which are still operated as sugar cultivation units are kept in cultivation by corporate owners who operate sugar processing mills or factories. These corporate agencies fulfill in some measure the function of the estate owner-operator in other West Indian islands, chiefly in furnishing employment opportunities, but their size and organization preclude the same direct relationship between owner and workman characteristic of the plantation system. These corporations have their own serious problems. In the Virgin Islands for a variety of reasons their difficulties are becoming almost insurmountable. Wise policy should thus seek to direct agricultural activity into channels which will lead to the economic survival of the farmer who is the basic unit in the industry.

It is clear that no solution of the problems of agriculture in the Virgin Islands is possible which does not for the time being accept dependence on sugar cane as the cash crop. It is clear, also, that the production of sugar cane as a plantation or factory operation on a labor-wage basis cannot give permanent employment to laborers at rates of wages which are at or above the subsistence level. Whatever solution is proposed should, therefore, proceed from the theory that agriculture is not only a means of livelihood but also a way of living—an economic as well as a social manifestation.

Experience in other West Indian islands has established beyond doubt that small holdings, whether they be designated as homesteads, tenant-farms, share-croplandings or by any other name, offer at least a partial solution to social and economic problems characteristic of the entire West Indies. Experience there reveals that the basic requirements for social and economic rehabilitation are that land be made available whether on lease or in ownership; that a system of financing be provided to make the working of the land possible; that a system of agricultural and vocational education or supervision be established to assure that it be economically and well worked; and that marketing arrangements be provided which will yield the greatest possible return to those who work it.

Administrative policy in the Virgin Islands has been directed toward each of these objectives with more or less result. The homesteading program inaugurated in 1931 has made some progress in making land available. P.W.A. and W.P.A. allotments, and the municipal authorities of the Municipality of St. Croix have, even though haltingly and discontinuously, made provisions for the financing of small holders' operations. The Farm Security Administration is now establishing on a firm, and it is hoped permanent, basis its program

of farm loans which should henceforth adequately meet the financial requirements of small farmers. That agency and the staff of the agricultural experiment station have carried on extension and supervisory work among tenant farmers and small holders to demonstrate and teach better farming practices which are essential for the sound development of any agricultural program. Little progress beyond the planning stage has been made in the development of properly protected marketing facilities.

A study of the problems of sugar producers completed during the year by the Director of the Agricultural Experiment Station reveals the variety of steps that must be taken in order to meet immediate difficulties. Certain of these steps are of a character which can be accomplished by the industry itself, others require the intervention of the local governmental authorities and still others require the action of the Government of the United States.

None of these, unfortunately, can provide the ample rainfall which is essential for profitable sugar yields. The rainfall deficiency of the past three years continues at the present time and has already ruined the 1941 crop. How long farmers will continue to attempt to grow sugar cane is problematical. If legal disabilities now operating against them are not promptly removed, these discriminations together with prolonged drought will soon deliver the *coup de grace*. Irrigation possibilities are limited and under the best circumstances costly. Certainly, they are beyond the means of the industry and of the local government at the present time.

Among the steps to improve the sugar business which can be undertaken by the industry are the limitation of cane varieties planted in the island to the smallest number possible of approved varieties conformable with soil conditions; adjustment of the grinding season to conform with the optimum sucrose content of millable cane; standardization of cane cultivation practices to conform with recognized good tilth; the establishment of receiving and weighing stations in convenient locations within the areas of maximum production; the improvement of the system of receiving and discharging cane-carrying trucks at factory receiving depots to eliminate congestion and the spoilage of cane; the establishment of an equitable and nondiscriminatory basis of payment for small holders' cane according to the sucrose content and purity of cane; the reduction of haulage, lighterage, and other trade-handling costs included in the processing charges levied on the cane producer; the payment in cash to producers of an appropriate proportion of the value of residual molasses extracted from sugar cane; the establishment of a system of bonus payments under which sugar cane producers will share in additional profits from the sale of sugar

at prices in excess of the basic price paid to them when delivering their cane.

The local governmental authorities will undoubtedly need to intervene to accomplish any of the above improvements which the industry itself does not put into effect. In addition, they can contribute very substantially to the survival of sugar cultivation by independent farmers by repealing the export tax of \$6 per ton now levied on raw sugar exported from the Virgin Islands regardless of its destination. This tax, originally imposed by Congress at a rate of \$8 per ton, has become increasingly burdensome as other factors have eliminated the profitableness of sugar production in the Virgin Islands. Even though the local government has been given the power to repeal this tax, it is obvious that it cannot forego the revenue now raised by it unless it can find a substitute. Clearly, a tax falling upon the shrinking production of a decreasing number of producers should be replaced by a tax with a wider base at a less excessive rate. The elimination of this tax is the more necessary because of its discriminatory character. Nowhere else under the American flag is such a tax levied. It should not be inflicted on the citizens of the United States who happen to reside in the Virgin Islands and there engage in the business of producing sugar cane. It is improbable that a local source of revenue can be found which will permit the elimination of this tax. It is clear, therefore, that congressional action is necessary to rectify a situation which tends to transform farmers into relief clients. The enactment of a bill which has been before Congress for the last two sessions under which it is proposed to transfer to the Treasury of the Virgin Islands excise taxes collected on products of the Virgin Islands when shipped to the United States in a manner similar to that which has been in effect for many years in the case of Puerto Rico and the Philippine Islands would furnish the means to the local government to permit it to repeal this burdensome, discriminatory, and un-American tax.

It is essential that the local government enact legislation similar to that in effect in Puerto Rico and in other sugar-producing areas, under which the price paid by sugar mills for sugar cane delivered to them by independent growers is fixed by law and in accordance with the sucrose content of cane rather than on its weight. Regulation and supervision of sugar mill laboratories and the licensing of sugar mill chemists, and of weighers and checkers are also requisite.

Sugar mills have a public utility character very similar to that of the grist mills which dotted New England streams during our colonial era. In St. Croix two grinding mills still operate. They are the only available market for approximately 1,000 cane growers. The operation of these mills is as much affected with the public interest as is the operation of a small electric power plant in the island which serves a con-

siderably smaller number of consumers. The welfare of these sugar growers, most of whom are tenants or small farmers operating farms of less than 10 acres, demands that there be established a sugar board with full power to regulate the price paid at mills for sugar cane, the charges levied by sugar mills for processing it, the location of weighing stations, the inspection of scales and laboratory equipment, and the character and amount of charges made for services rendered to sugar growers by the mills. Legislation is now in preparation to accomplish these ends and will at an early date be submitted to the Municipal Council of St. Croix for consideration.

A study of sugar companies which have operated in St. Croix during recent years supports the oft-repeated assertion of experienced managers that under the present division of returns between the independent sugar grower and the processing mill, the mill can make a profit from its operations. A long established, rule-of-thumb, and unscientific system returns to the grower the value of 6 pounds of sugar for each 100 pounds of cane delivered, based on current raw sugar prices in the New York commodity market. In Puerto Rico, of 14 sugar mills reporting in 1936, the rates of mill payments to cane growers averaged 7.3 pounds of sugar per 100 pounds of cane. The highest rate paid by any mill there was 8.37 and the lowest 6.42. From this value, however, deductions are made in the Virgin Islands for export tax, lighterage, freight, insurance, and all similar handling charges on the sugar produced by the mill from the cane sold to it by the grower. Under Puerto Rican law similar charges there are limited to 25 cents per 100 pounds. No attention is paid in the Virgin Islands to the sucrose content of cane, which determines the amount of sugar which can be extracted from it, except it be on occasion when the sucrose content has gone so low as to impel the mill to pay a lower price than the value of 6 pounds of sugar.

The practice in St. Croix has been for sugar companies to carry on "administration" cane cultivation, i. e., the growing of cane as a company operation. The financial statistics of these companies in recent years reveal a definite correlation between the size of the area kept in administration cane and the size of their annual losses prior to collapse. Although they have made profits from the processing of independent growers' cane, they have lost those profits and more in their sugar cultivation operations. It is nevertheless argued that sugar factories cannot operate without a substantial acreage of administration cane because of the need for supplying the grinding mills with adequate supplies of cane to permit uninterrupted operations for 24 hours a day for 6 days in the week. This contention is not supported by the experience of at least one sugar factory which operated in recent years in St. Croix which did not keep an acre of ground in cultivation. During

a 3-year period of operation this factory made more than a respectable profit while at the same time retiring all outstanding indebtedness.

Whether or not the experience of the sugar companies which have operated in the recent past in St. Croix is accepted as conclusive, it should not be the objective of any legislation which might be enacted to prevent them from carrying on large-scale administration cane cultivation. The same pressure on the land by a rapidly growing population which prompted the enactment of a law to limit land holdings by corporations to not more than 500 acres in the island of Puerto Rico does not exist in the Virgin Islands. The objective of any legislation should be to safeguard the independent sugar grower so that the mill charges him for its service in processing his cane only so much as that processing operation costs plus a reasonable profit. If, thereafter, a sugar company wishes to take this reasonable profit and use it to carry on cane cultivation activities, there can be no valid objection to this procedure.

The United States Government can make a substantial contribution toward keeping the sugar business alive and establishing it on a basis which will permit farmers to continue in a state of independence by enacting legislation which will return to the local treasury processing taxes now collected under the provisions of the Sugar Act of 1937 on sugar produced in the Virgin Islands and shipped to the United States. Although the quota and other restrictive provisions of this act apply to the Virgin Islands, and though the processing tax applies to Virgin Islands sugar, the sugar producer in the islands is singled out for especially discriminatory treatment in that he alone of all sugar producers under the American flag does not receive benefit payments. As a result of this discrimination and because of the imposition of the \$6 per ton export tax on sugar, the local producer, who must sell his sugar at current prices in the American market, receives \$16 to \$18 less per ton of sugar than do producers elsewhere in the United States. This represents from 25 percent to 30 percent of the value of his crop.

Because of the smallness of the local sugar industry the Department of Agriculture does not wish to take responsibility for the administration of sugar benefit payments in the Virgin Islands. It is held that the administrative costs would be so great that such a plan would be uneconomic. Recognizing the soundness of this position, the local governing authorities and the Department of the Interior have proposed legislation which calls for the transfer from the United States Treasury to the Treasury of the Virgin Islands of sugar processing taxes collected on Virgin Islands sugar shipped to the United States. If this legislation were enacted, the local authorities could then establish by ordinance a system of benefit payments comparable to that

provided in Title III of the Sugar Act of 1937 to be administered by local agencies at very small cost. This bill (H. R. 9214) has been before Congress during the entire life of its present session but has not as yet been acted on. The obvious justice of the bill and the imperative necessity of its enactment have won the support of a great majority of those who have considered it. The continuation of a severe drought into its fourth year has created an emergency which requires immediate action to relieve Virgin Islands cane producers. It is clear that wise policy calls for the removal of singular and unjust discriminations against farmers in the Virgin Islands which tend to transform them into relief applicants. This is especially true since the United States Government has expended large sums of money in recent years to purchase land for subdivision and resale to these same farmers. If they cannot meet their payments for their farms and homes, the Government's investment will be jeopardized and probably lost.

In St. Croix a rapid decline of cane cultivation between 1920 and 1933, from 13,000 acres to 4,505 acres, brought with it loss of work opportunities for laborers, loss of effort and investment for farmers and sugar companies, and loss of revenue to the island treasury. The rise of cane cultivation acreage after 1933 from 4,505 acres to 6,500 acres in 1940 is almost entirely attributable to the expenditure of Federal funds in the homesteading program and in the Virgin Islands Company project, both of which depend almost entirely on sugar. If the sugar industry is to be permitted to continue its decline into final dissolution, these large investments will in greater part be lost.

The vagaries of rainfall and their telling effect on sugar crops are graphically reflected in data on the tonnage of St. Croix sugar exported (and all local production is exported). The table in Appendix 15 gives a tabulation of these exports. While cane acreage declined steadily but only in small annual losses, crop yields fell off by 60 percent or increased by 100 percent or more. The investment in labor and capital in succeeding years declined only slightly from each previous year, and where crop yields fell 50 percent or more substantial losses were certain to be incurred. During this period the price of raw sugar in the New York market has tended downward with consequent loss and discouragement to the sugar industry.

Unless the remedial legislation outlined above is enacted in the near future, there is little hope that the sugar business will survive in St. Croix. Since there is no agricultural industry other than cattle raising which can be established in its place, there is only the prospect of widespread unemployment, poverty, and misery if the sugar business is permitted to continue its steady march toward final collapse.

HOMESTEADING

Preliminary figures of the 1940 Census record an increase in the number of farms in the Virgin Islands from 329 in 1930 to 828 in 1940, an increase of 152 percent. This change is attributable almost entirely to the establishment of a so-called homestead program inaugurated in 1931 and later considerably expanded.

The plantation system of agricultural economy, a heritage of the Danish period, proved to be a serious obstacle to the establishment of any considerable body of independent small farmers. Its deterioration prior to the transfer of sovereignty had already led to the development of a system of unregulated farm tenantry. Very few tenants were able to find the means or the opportunity to become landowners. Most of them were unable to save or borrow funds to purchase land. Estate owners did not wish to incur the expense of subdividing their land merely to sell it on credit to individuals with a low or nonexistent credit standing and with little or no training or capacity for operating farms independently. As a consequence, tenants and other agriculturalists usually found it impossible to become landowners. Tenants paid rentals which varied according to the nature and location of land and the disposition of owners or of tenants, but which in general were exceedingly high in comparison with the income which the tenant could wring from the land. Rentals ranged from \$5 per acre per year to \$12, sometimes \$15. Meanwhile, land was closely held by large estate owners and by sugar factories. In 1932 it was reported that 273 individuals and corporations owned 90 percent of the land in the Virgin Islands.

Thus, of 2,944 persons recorded in 1930 as gainfully employed in agricultural pursuits, 2,440, or 83 percent, were classified as farm laborers. These laborers formed a labor pool from which plantation owners or sugar factories drew their labor when needed. Approximately twice as many laborers are required to harvest a sugar crop as are needed to plant and cultivate it during its growing season of 18 months. Few laborers, therefore, could hope for employment for more than 100 to 120 days in the year. In 1930 their pay, when they could get employment, was at a rate of 40 cents a day during the cultivation season and 60 cents during the harvesting season. Since then these rates have slowly been raised to the figures of 80 cents and \$1 per day now being paid. Farm laborers were often tenant farmers in their spare time, cultivating areas from one to three acres depending on their energy and the size of their families.

Some of them were permitted to occupy estate or factory village houses without payment of rent. For the most part these houses were dilapidated and devoid of all sanitary facilities. Less fortunate laborers were required to pay rentals of 25 cents per room per week

at neighboring estates or in towns. When they had to find quarters in the towns, it was necessary for them to walk distances of 2 to 5 miles to and from the scene of their labors. Those who occupied village houses were given subsistence garden plots of from $\frac{1}{8}$ to $\frac{1}{4}$ of an acre in which to raise food for themselves. They worked these plots either before beginning the day's work as farm laborers or after its completion. Also, they worked them on days when they could not hire out their labor.

Farm laborers consequently were a landless, dispossessed class with little hope of improving their lot. They constituted a serious social problem. The Danish Government found it desirable to enlist in Denmark a gendarmery corps of 123 officers and men who were permanently stationed in the islands to maintain the public peace.

Experience in other West Indian islands indicated that at least a partial solution for the social and economic problems involved in this situation could be found in the establishment of small farm holdings. A number of efforts to establish such a program were made prior to the transfer of jurisdiction over the islands to the Department of the Interior. None of them were successful. In 1931, however, Congress appropriated funds to purchase large estates for subdivision and resale to small farmers or homesteaders. Subsequently, additional allocations were made under NIRA and other emergency relief acts which permitted the expansion and development of this program. To date, a total of 3,552 acres have been purchased in the islands of St. Croix and St. Thomas for subdivision which are now being sold under rental-purchase contracts to 328 small holders. The sale price of this land is being amortized in 20 annual payments. These payments are lower than the annual rents previously paid by tenants. In addition, 77 families have been established on small holdings set up by the Municipality of St. Croix. These municipal homesteaders have been given substantial assistance by the agencies directing the Federal homestead program.

Ninety-one houses have been constructed or reconstructed on these areas which are likewise being sold under purchase contracts to their occupants. These are modern two-, three-, or four-room houses located on the homestead plots or near them. Many more houses are required to supply all homesteaders with quarters on or near their plots.

In any sound rural rehabilitation plan certain basic features must be present. It is essential that sufficient land at a reasonable price be made available to a small holder to bring in an income sufficient to support him and his family as well as to cover amortizing payments. The original subdivision in St. Croix provided plots which averaged

6.37 acres. This acreage has proved to be too small to provide adequate family income as well as amortization. A policy has therefore been adopted of dividing among adjacent homesteaders plots reverting to the government in case of death or cancelation of contracts. This procedure has resulted in increasing the average size of homesteads to 7.75 acres. With the assistance furnished homesteaders by the government they can successfully operate farms of even larger size.

Another fundamental requirement is that supervisory control be exercised by the government to assure the adoption of improved farm practices. To turn over raw land to erstwhile farm laborers or tenants without making provision for this control would doom the project to early failure. Not only is supervisory control necessary, but financial assistance in the form of agricultural loans must also be given. In the production of any cash crop which is to be sold in competition with other producing areas, the benefits of large-scale operation must be provided. The production of a cash crop is itself an essential requirement. This must be coupled with a program of subsistence farming in order to furnish to the small farmer as much of his living as possible directly from the farm. Provision must also be made for raising a small number of cattle and fowl so that milk, meat, and eggs can be produced for direct consumption on the farm.

The homestead program in the Virgin Islands is based on small-scale ownership and large-scale operation. This is accomplished through the assistance of the agricultural experiment station which provides supervision and direction in cultivation practices and methods and by making modern farm machinery available at cost and under competent direction for use on homestead plots. Much emphasis has been given the planting of approved cane varieties selected for their suitability for different types of soil. These varieties are propagated by the agricultural station for distribution to farmers willing to cooperate in employing improved cultivation practices. The timing of planting and the preparation of soil are likewise given emphasis.

The Farm Security Administration has carried on its characteristic program of farm loans, extension work, and home-demonstration work. It is encouraging homesteaders to purchase cows or other animals and giving instruction in their care. Special emphasis is given by the home-demonstration agents to all phases of subsistence gardening, preserving, and in the direct use of home-grown articles wherever possible. The Soil Conservation Service has inaugurated a demonstration project to train small farmers to use water-conserving practices such as contour plowing, terracing, mulching, as well as soil conserving practices.

Although the homestead program has been hampered by the discontinuity of allotments for its prosecution and by the statutory discriminations operating against the sugar business in the Virgin Islands, it had nevertheless become soundly established and gave promise of rehabilitating a large number of families in rural independence and self-support. During normal years, in excess of 90 percent of payments due under purchase contracts for land and homes were paid on time. Prolonged drought, however, added to statutory discriminations has placed this hopeful program in serious jeopardy. Many homesteaders have found it impossible to secure an adequate income from their farms and have had to seek work away from them to supplement their incomes. If this necessity continues for too long a period, their homesteads will be neglected and payments for them will rapidly become too great a burden to be carried.

A beginning has been made in the construction of rural housing which is an indispensable element in any sound program of rural rehabilitation. A means has not yet been found to expand this program to meet more than a fraction of the need. It is clear that Federal aid in some form must be forthcoming if this problem is to be met with any degree of adequacy.

The enactment of H. J. Res. 586, a bill "transferring the administration of the homestead projects established in the Virgin Islands from the Government of the Virgin Islands to the Department of Agriculture," now before Congress, is highly desirable. The Farm Security Administration already has stationed in the Virgin Islands a competent staff, trained to carry on rural resettlement work. Much of its present work is carried on with homesteaders. The transfer of the homestead program to its jurisdiction will unify control in qualified hands over government activities in behalf of homesteaders. It will also relieve the staff of the agricultural station of responsibility in connection with it, thus permitting it to devote its full attention to its normal activities.

VIRGIN ISLANDS COMPANY

In 1930 the West Indian Sugar Factory, Ltd. collapsed. This Danish corporation had operated two sugar mills in the island of St. Croix. It owned 13,000 acres, keeping approximately 4,500 in administration sugar cane cultivation. It had employed about 1,000 laborers. Because of its relatively great size it dominated the island economically and politically.

During the succeeding four years stark unemployment was mitigated only by the expenditure of large allocations of Federal emergency relief funds. It was clear, however, that an overwhelming burden of unemployment would continue to exist so long as the major indus-

try of the island was prostrate. Many and prolonged efforts were made to persuade private American capital to revive it. They were uniformly unsuccessful. As a consequence, the decision was made to use relief funds to perform this task directly.

The Colonial Council of the Municipality of St. Thomas and St. John enacted on April 16, 1934, an ordinance creating a special corporate charter to establish the Virgin Islands Co. This charter authorized the company to engage in a wide variety of activities including the sugar business in order to effect the economic rehabilitation of the Virgin Islands and to promote the general welfare of their people. Three incorporators were designated: The Secretary of the Interior, the Assistant Secretary of the Interior, and the Governor of the Virgin Islands. They were authorized to appoint directors to manage the company.

Under the charter the incorporators executed a trust agreement binding themselves to accept no emoluments or personal benefits from the operations of the company. They appointed as directors a number of officers of the Interior Department and local officials and individuals.

The company has been wholly financed with Federal emergency relief funds. To date allocations totalling \$3,409,404.50 have been made for its capital and operating expenses. The table in Appendix 3 sets forth the source and amount of these allocations.

With these funds the Government has acquired two sugar mills, a distillery, 5,000 acres of land, villages, estate houses, farm and industrial structures, equipment, cattle, and other animals. The land acquired was overgrown with brush; the factories, village, and farm structures were practically all in need of major reconstruction.

After two years of development work, the company was subjected by special enactment of Congress to the requirement that it pay into the local treasury sums equivalent to the taxes that would normally be paid by a private company on similar real property and the like business operations.

The Government has rehabilitated and improved the sugar mills, distillery, and industrial buildings. It has procured industrial and farm equipment. It has restored workers' homes in some of the estate villages and constructed new villages, and many new homes which provide quarters for the officers of the company, its supervisory employees, and for a part of its laborers. It has cleared, drained, and improved land and put it into cultivation or pasturage. This reconstruction work has, of course, given substantial employment to local laborers.

The rehabilitated land and industrial property were then turned over under an operating agreement to the Virgin Islands Co.,

without rental payment to carry on its agricultural and commercial activities.

The principal activity of the company has been the production of sugar cane and its processing. It has also produced rum and other distillates either directly from cane juice or from byproducts of raw sugar manufacture. It has engaged in a variety of other agricultural activities such as tomato raising, chicken and egg production, and other farming activities.

The company has given permanent employment to its officers, supervisory and technical staff, and to a large number of skilled and unskilled laborers. It has given part-time employment to many additional skilled and unskilled laborers during milling seasons and to field laborers during cane harvesting seasons. Approximately 1,000 employees have thus had full-time or part-time employment as a result of its operation.

The operating agreement under which the company uses the Government's real and personal property described above provides that all income from its use be deposited in the company's treasury. If and when the directors determine that it has made a profit, that profit is to be deposited in the United States Treasury.

During the first 5 years of the life of the company it has operated at a loss during 4 years and has recorded a small net profit in 1 year. The total net loss during this 5-year period, ending June 30, 1939, was \$139,926.49. The table in Appendix 4 gives an analysis of its financial position in this 5-year period.

In a society which tends to measure success in terms of financial profit, this showing may be construed to indicate that the company has a low survival potential. This is especially true where political considerations must necessarily be involved because of the governmental character of the venture. Against this result, however, there must be put in balance the cost of providing relief employment or direct relief to the large numbers who have been employed by the company. The rehabilitation of the agricultural and industrial property through the use of Federal funds constitutes an investment of substantial financial value.

The soundest criteria for judging the results of this undertaking in relation to its cost are those concerned with the number of persons permanently rehabilitated by it and the degree of improvement in the economic and social conditions of those affected by it. Here, it is clear that the program has directly and permanently rehabilitated only a very small number of persons. Nor is it organized to do more unless it can survive indefinitely and give an increased number of persons permanent employment at rates of pay which are considerably above those now paid to its laborers. For only a fraction of the cost of this

venture, the homestead program has made substantial steps toward the permanent rehabilitation of over 300 families. The annual cost of supervising and assisting homesteaders is slight and is offset in part by payments made by them for their land and house rental-purchase.

The operating losses of the company cannot indefinitely continue to be offset by additional relief allocations. Since the history of sugar company operation in the islands indicates clearly that large-scale administration cane cultivation has so far led inevitably to financial collapse, the Virgin Islands Co. cannot be expected to provide employment indefinitely to those now on its rolls.

The company enjoys many advantages which private companies do not. At the same time its relative size and its governmental character create problems which seriously affect its balance sheet. It produces 40 percent of the island crop of sugarcane, processes 60 percent to 70 percent of the raw sugar manufactured in the island, and produces 80 percent of the island's rum. Except for the cattle business these are the only important commercial activities carried on in St. Croix. The dominant position of the company astride island economy gives to all of its operations and activities an importance and public interest which they would not have if it were one of a number of large enterprises in the community. Its officers must exercise great restraint and care to resist local political pressures. They must exercise great care also in their negotiations with labor organizations whose members can find few opportunities for employment other than those offered by the company, so that those negotiations are conducted on a basis of equality between the labor organizations and the company.

As a governmental undertaking, the company has been expected to emphasize social objectives, to improve wages and working conditions, to improve its laborers' living conditions, and to conduct its relationships with farmers who supply it with raw materials with a view to the farmers' economic improvement. These objectives are not always compatible with financially profitable operation in a commercial sense.

Although present labor wage rates at 80 cents and \$1 per day are not high, they are considerably higher than they were when the company began to operate. Unfortunately, increases have had to be brought about by strikes which have at times embittered relations and cast doubt on the sincerity of the Government's purposes. An insistence on the establishment of wage rates on a task system rather than on the previously established day's wage basis is looked upon with doubt and suspicion by labor. Some of the workers have the security afforded by year-round employment but most of them are still in the category of casual laborers, employed when they are needed and dismissed when they are not. The previously established 8-hour

day has not been disturbed and other working conditions are practically unchanged.

The Fair Labor Standards Act has brought about an increase in wage rates for certain classes of employees. This gain has been jeopardized by the enactment of an amendment to that Act incorporated in the Relief Act of 1941 which provides that the minimum wage provisions of the Fair Labor Standards Act shall not apply to the Virgin Islands but that instead minimum rates shall be established by an industry committee. Since labor union activities elsewhere in the United States have fixed wage scales in competitive businesses at rates considerably higher than the minima prescribed by this Act, there is basis for the expectation that rates not lower than those minima will be prescribed for the manufacture of sugar and rum in the Virgin Islands.

Some company workers have been furnished well-constructed and well-maintained homes with satisfactory sanitary facilities. These are provided without payment of rent as are small subsistence garden plots. Other workers are not furnished houses nor a cash equivalent for their rental value. Company laborers' houses are a vast improvement over similar houses furnished on other estates. They represent a considerable outlay of funds, clearly beyond the means of commercially operated estates or sugar companies. While they are permitted to occupy them, the laborers enjoy a substantial improvement in their living standards. They can, of course, be dispossessed at the will of the management for reasons which it deems sufficient.

Independent cane producers, of whom 600 or more sell their crop to the company, have secured no appreciable benefit from its operation. They are paid for their crop in precisely the same way as they always have been. If there has been any saving in processing costs as a consequence of the large investment made by the Government in mill rehabilitation and in industrial equipment, no part of that saving has been passed on to them. So far as is known, the company has no plan to rationalize the method of paying for sugarcane delivered to it or to reduce the high charges levied on cane producers for processing their product. Rationalization in these matters is essential in the interest of the independent farmer. It is entirely within the power of the company to undertake it, as it has been since 1934.

Whether or not the large investment in machinery and equipment has led to lower costs in the fields is difficult of determination. Three years of drought have removed crop yield and cost figures from the realm of useful comparability. Certainly, over many years, average per acre crop yields in the Virgin Islands are much below those of Puerto Rico or of nearby British West Indian islands. In periods of high rainfall, which have in recent years been infrequent, cane ton-

nage per acre may rise to an average of 20 or 25 tons. Normally it is below 10 tons per acre. In Puerto Rico, with the aid of extensive irrigation systems, average yields range from 40 to 70 tons of cane per acre. In British West Indian islands 30, 40, and 50 tons per acre are normal. In 1937 with unusually good rainfall the company reported an average per acre yield of 35 tons. In this same year independent farmers, for whom there are no complete and comparable figures, probably secured a yield of less than 20 tons per acre. In the succeeding years of deficient rainfall, averages have fallen to 10 tons, 8 tons, and lower. The cost per acre of planting and cultivating is practically as great for a crop which is doomed to failure because of drought as it is for one which prospers under heavy rainfall. The costs are as great, likewise, for a crop which is sold at a high sugar price as at a low price. In the case of administration cane where all labor is hired at a money wage, production cost outlays are necessarily higher than in the case of independent farmers where much labor is provided directly by the farmer and his family. The small farmer in his present state of training and development is less efficient than the large-scale operator with ample funds to purchase modern agricultural equipment. This is not necessarily an immutable condition. With the help of existing agencies for the direction, supervision, and education of small farmers, with the help of those which are authorized to provide loans, and with the help of those which can give them the benefit of large-scale farming operations by making available modern farm equipment at cost and supplying managerial direction they will become more efficient. Certainly, the cultivation of administration cane at wages at or above the subsistence level can be carried on only with a heavy annual subsidy.

It is not possible to determine as yet if the large expenditures incurred in the rehabilitation of sugar mills has brought about an improvement in the wretchedly low sugar extraction figures which have long characterized St. Croix factory operations. The Bethlehem factory, the largest in the island, was to be rehabilitated for use in 1937, but the contractor failed to complete his work on time. Since then the mill has stood idle because succeeding crops have been too small to justify its operation. The Central factory which has also been reconditioned at considerable expense has continued, nevertheless, to report extraction at less than 11 percent. The average extraction in 1940 was only 9.7 at this factory. In Puerto Rico the average extraction for all sugar mills approximates 12.5 percent. In neighboring British West Indian islands the rate rarely falls below 13 percent and sometimes approaches 14 percent. Thus a 25 percent increase in efficiency in company milling operations seems possible.

An examination of the results of 6 years of its operation reveals

the desirability of reorganizing the Virgin Islands Co. This can best be achieved by discontinuing the operating agreement under which it has the rent-free use of 5,000 acres of land owned by the Government. This land should be subdivided into small farms ranging from 10 to 50 acres or into larger areas of pasture land for cattle raisers and sold to homesteaders under 20-year purchase contracts similar to those already in use in the homestead program. This subdivision should be effected in such a manner as to permit ready access from the separate plots to what are now laborers' houses. These should likewise be sold under rental-purchase contracts. The administration of this extension of the homestead program should be carried on by the Farm Security Administration as a rural resettlement program. Farm equipment should be transferred to the Farm Security Administration or to the agricultural station for use on these and other homestead areas in the same way as similar equipment is used on existing homestead areas. Cattle and other animals should be sold to small holders with the aid of Farm Security Administration loans. The rum distillery and sugar mills should be operated by the Virgin Islands Co. or leased to competent private operators. If leased to private interests their operation would not constitute a political hazard nor an obstacle to securing sympathetic congressional consideration for many items of legislation needed for the economic welfare of the islands. Under whatever arrangement there may be made for the operation of the sugar mills, legislation by the municipality is requisite to regulate the relationship between sugar growers and sugar mills so that growers may receive a greater proportion of the value of their crop than at present.

It will be argued that legal discriminations against the sugar business in the Virgin Islands, drought, distance from markets, and other natural disadvantages will make it impossible for small farmers to make a comfortable living from their farms. This may be true but it is probable that legal discriminations will be more quickly removed by Congress if they affect only farmers rather than a large corporation some of whose activities are not universally approved. Those laborers who secure homesteads will be better off even in periods of severe drought and low farm income than they are as company laborers during similar periods when retrenchment is necessary and they are dismissed from the company's rolls. As homesteaders they can secure a large part of their subsistence from their farms. At worst, the Farm Security Administration can assist them directly by making loans or even by giving cash grants. The direct nature of Farm Security Administration assistance will make such a program less costly to the Government than is any involving the continuation of large-scale entrepreneurial sugar cultivation in the face of high

cost of production, low price of sugar, and recurring drought. The 90-percent repayment record in normal years of present homesteaders promises well for the eventual recovery by the Government of its investment in land and houses if this plan is adopted.

SHIPPING AND TRANSPORTATION

Shipping and the servicing of ships have historically been the principal business of St. Thomas. The harbor is the chief economic asset of the island. The well-being of most of the population depends directly on the rise and fall of world shipping using it.

This business has undergone many changes as a result of transformation in the character of world shipping. Generations ago the harbor was filled with sailing ships engaged in the transshipment business which used St. Thomas as a center for distributing American and European goods throughout the Caribbean area. Later, coal-burning steamships frequented the harbor for fueling and as a rendezvous while awaiting sailing orders. With the introduction of the radio and the change from coal- to oil-burning ships, and with the virtual disappearance of the transshipment business, the harbor fell upon evil days. Shortly before the transfer of the islands to American sovereignty, a Danish corporation established an excellent dock and the necessary facilities for bunkering coal and oil. The substantial investment of funds and the excellence of these facilities have in succeeding years gradually restored the shipping business. During the decade from 1921 to 1930 there was an annual average of 514 ships of an annual average tonnage of 1,927,676 calling at St. Thomas. In the following decade this number was increased to 659 ships with a tonnage of 2,761,175.

Other factors have also contributed to this revival of shipping. The use of the port of St. Thomas by tourist cruise ships has very greatly increased in recent years. The strategic position of St. Thomas for national defense has led to the considerable use of the port by ships of the United States Navy. The table in Appendix 5 discloses a very sharp increase during the last 3 years of United States warships calling at the port. During that period an annual average of 94 Navy ships visited St. Thomas as compared with an average of 30 such ships calling annually in the previous 17 years. Both of these developments have contributed substantially to the improvement of the economic position of the island.

Prior to the outbreak of the European war in September, the prospect was bright for a substantial increase in the tourist trade and other shipping during the fiscal year 1940. The outbreak of hostilities had an immediately disturbing effect since large numbers of ships calling at St. Thomas for oil bunkers and especially for coal bunkers flew the

flags of nations which became belligerents. The coal-bunkering business has fallen off very considerably and the tourist cruise-ship business has been greatly affected. Fortunately for the community, however, the loss of one type of shipping occasioned by the war has been made up by an abnormal increase of the recently established bauxite transshipment business.

The uninterrupted increase, begun in the fiscal year 1933, indicated in the table in Appendix 5, in the number and total tonnage of ocean-going ships calling at the port, was continued in the past fiscal year during which a total of 985 ships with a total tonnage of 3,844,289 tons was recorded. This is the highest peak attained by shipping in the port of St. Thomas in any year on record.

Transportation facilities to and from the Virgin Islands were considerably disturbed by the outbreak of the war. The Furness-Withy Line ships are no longer available for travel by American citizens. The direct service between St. Thomas and Denmark furnished by the East Asiatic Line is no longer in operation. The Pan American Airways, however, continues to furnish a weekly north- and south-bound service to St. Thomas. The American Caribbean Airways provides a triweekly service between Puerto Rico and St. Thomas and St. Croix.

The S. S. *Catherine* of the Bull Insular Line likewise continues to provide biweekly sailings between the Virgin Islands and Puerto Rico. The service of this ship is essential to the Virgin Islands because of its excellent passenger and freight, including cold-storage, facilities. Moreover, in cases of severe drought the *Catherine* is available to transport water from Puerto Rico to the Virgin Islands. Its operators are the contractors for the carriage of United States mails. Their contract expired at the close of the fiscal year. The Post Office Department advertised for bids and received one bid in addition to that submitted by the Bull Line. Because of the functional compartmentation of government activities, there was grave danger that the needs of the Virgin Islands for adequate passenger and freight transportation facilities would be disregarded because, under the law, the Post Office Department may consider only the requirements for the safe and continuous carriage of the mails when awarding a mail contract. The inherent conflict between the functional and the geographic distribution of government powers was in this case happily resolved, and the recommendations of the local authorities were given due consideration with the result that the contract for the carriage of mails was renewed for a period of years with the existing operator.

Congress has recognized the need for more adequate shipping and for direct passenger and freight facilities between the islands and the Continent by exempting the Virgin Islands from the application of the Coastwise Shipping Act. This exemption has made possible the

operation of vessels of the Furness-Withy Line, flying the British flag, between New York and the islands. This line provided a regular, if infrequent, service prior to the outbreak of war, but is now no longer available. Innumerable efforts to prevail on operators of American ship lines to enter this service have been productive of little result. As a temporary measure and until world shipping returns to its normal channels, foreign or American cruise ships operating out of New York and touching at the islands should be persuaded by the Maritime Commission to sell tickets with stop-over privileges or one-way tickets to the islands.

A basic necessity for the development of adequate transportation facilities for the island of St. Croix is the erection of a dock for ocean-going vessels. Ocean freight rates which are already high are augmented by lighterage charges at the ports of the island which are generally deemed to be excessive. Although these latter might be subjected to regulation by local governmental authorities, they could not be eliminated except by the construction of a dock. This project has been under consideration for a number of years but has not been executed because funds have been lacking. It is demonstrably a self-liquidating project and its execution would eliminate uneconomic costs now borne by the community and acting as a sharp deterrent to the establishment of new business undertakings in the island. It could be undertaken by the local government if Congress were to enact legislation now before it to transfer to the local treasury internal-revenue tax collections on Virgin Islands products.

The enactment of an amendment to section 4 of the Organic Act clarifying the language of that Act so that it could not be construed to make every provision of the United States Navigation laws and concomitant taxes apply to the Virgin Islands has removed a deterrent uncertainty. The Legislative Assembly of the Virgin Islands has meanwhile enacted an elementary and inadequate law to regulate navigation in the Virgin Islands. This law does not take the place of the United States navigation laws in insuring the safety of life and property at sea. The authority granted to the President in the amended section 4 of the Organic Act to extend such portions of these laws to the Virgin Islands as he declares to be necessary in the public interest should be exercised in the near future with a view to making applicable all their provisions relating to the safety of passengers and property at sea.

The steady increase of shipping in the harbor and the increased use of this port by ships of the United States Navy make it increasingly imperative that the harbor improvement work authorized by Act of Congress of August 30, 1935, for the harbor of St. Thomas be undertaken at the earliest practicable date. The deepening of the entrance

channel and the removal of dangerous rocks near it, the construction of a breakwater to protect the inner harbor from high seas accompanying hurricanes, and the enlargement of the turning basin and anchorage basin, are of first importance for the protection and development of shipping. Accomplishment of this work is of increasing importance for national defense.

Since 1924 when a commercially operated floating dock sank and was abandoned, many efforts have been made to establish either a floating dock or a graving dock in St. Thomas. Efforts both private and official failed. The competing harbor of San Juan, Puerto Rico, is being given substantial assistance by the United States Government to establish a graving dock which cannot fail to take shipping away from St. Thomas. The damage would in some measure be repaired if the harbor improvement project was executed in the near future.

TOURISTS

At the beginning of the fiscal year it was anticipated that the high record of calls by cruise ships at St. Thomas in 1939, when 24 ships brought 11,715 cruise passengers to the island, would be exceeded in the new fiscal year. At that time 43 cruise ship calls were scheduled for the fiscal year 1940. Eleven of these were made prior to the outbreak of the war. Of the 14 ships scheduled to make 32 visits between September 7 and April 9, 6 were British, 3 Dutch, 1 American, 1 German, 1 Norwegian, 1 Swedish, and 1 French. Only 2 of these calls were made and the balance of the schedule was abandoned. The S. S. *Nieuw Amsterdam* of the Holland-America Line, entered into the cruise service in January making 8 trips before the Netherlands were overrun. Thus, only 21 cruise ships, bringing a total of 8,369 passengers, visited the port. This reduction affected many businesses and individuals catering to the tourist trade which is an increasingly important economic factor in St. Thomas.

The construction of Bluebeard Castle Hotel beginning in 1932 has assisted materially in the development of the tourist and winter resident trade. The Grand Hotel, under the energetic direction of a new management and with some promotional activity, has likewise aided in this development. During the year, Hotel 1829 has been reconstructed and now offers comfortable accommodations for travelers and temporary residents. The attractive cottage development at Caneel Bay on St. John adjacent to a number of superb bathing beaches is drawing an increasing number of temporary residents.

Although the tourist and winter resident business and the promotional activities which are necessary to its success are peculiarly suitable for development by private capital, government activities can make and have made a substantial contribution to it. The develop-

ment of roads and the improvement of sanitation have added to the comfort and pleasure of visitors. The development of a handcraft cooperative market through the use of government funds and with government support, has created an exceedingly popular source from which tourists can secure characteristic goods of native handwork.

This cooperative, begun in 1932 with the aid of a loan made by the local government, had increased its sales from \$5,712 in 1932 to \$45,394 in 1939. This high figure was reduced during the past fiscal year to \$39,189 because of the decrease in the tourist trade. The cooperative is operated by a board of directors some of whom are officers of the government. Because it has proved to be a means of bringing in a small additional cash income to the families of approximately 700 workers, allotments of relief funds have been made to provide for instruction in the production of handcraft articles and to pay supervisory personnel. Such profits as accrue to the cooperative have been distributed among workers in annual bonuses which have ranged from 2 percent to 7 percent of the value of goods produced. Since its establishment, the cooperative has consistently followed the policy of expanding the market for goods produced by workers who sell them to the cooperative, and of paying for them at the highest rate that the market permits. During the fiscal year the directors of the cooperative established a ratio of 75 percent of the retail price as the amount to be paid by the cooperative for goods sold to it by workers.

A number of shops have been established in recent years which, like the cooperative, cater especially to the tourist trade. The Virgin Islands are in a favored position because the United States tariff laws do not apply to them. Instead, a tariff law enacted by the Danish Government in 1914, which levies an *ad valorem* tax of 6 percent on foreign goods, has been continued in force and effect by various enactments of Congress. This exemption from the United States tariff permits the importation into the Virgin Islands of foreign goods at a low rate of duty, and makes possible the development of a small but locally important business in selling these goods to American tourists who may take them into the United States under the \$100 exemption clause in the United States tariff law. The small trickle of goods entering the United States in this way does not seriously affect any business there. The sale of these goods in the Virgin Islands, however, is a factor of considerable economic importance because their availability attracts many cruise ships to the island. Until 1936, the privilege of returning United States travelers to bring with them, under the \$100 exemption clause, foreign liquors purchased in the Virgin Islands constituted an additional attraction.

Although the sales of foreign liquor to American tourists were unimportant in relation to domestic liquor sales in the United States, the

\$100 exemption clause was amended to exclude alcoholic beverages. Now a returning traveler is permitted to bring with him not more than one gallon of such goods. There is sound reason why the exemption should not apply to foreign liquors purchased by American travelers in the Bahamas or in other foreign possessions, but there seems little reason why the Virgin Islands should be denied the increased trade that would accrue to them if returning United States visitors were permitted to import, for their personal use and without payment of duty, \$100 worth of foreign alcoholic beverages purchased in the Virgin Islands.

The tourist business includes both temporary visitors who come to the Virgin Islands on cruise ships and stay in port for a few hours during which they make sightseeing and shopping tours, and visitors who stay for longer periods. The latter demand comfortable accommodations with modern sanitary facilities in a community where the sewer system, water supply, and food stuffs are above reproach, and with recreational facilities which are adequate and accessible. Although much remains to be done in the field of public sanitation, considerable advance can be recorded. In recent years the sewer and salt water flushing systems of Charlotte Amalie have been renewed and extended to all parts of the town. Eight miles of streets have been surfaced and street drains, of the open gutter type which almost everywhere in the West Indies in their neglect or decay are an offense and a menace, have been installed or reconstructed. Much remains to be done in regulating the production, processing, and distribution of foodstuffs of local origin. The local sanitation and health laws leave much to be desired in this field. The legislators have not yet learned that prevention in public health is better than cure, nor that the community has an economic interest in giving additional basis for the reputation it already has among travelers for cleanliness and healthfulness. This situation is being met by the construction, as P. W. A. projects, of an abattoir and a market both of which will have adequate cold-storage facilities. In the absence of satisfactory sanitation laws in the community in general, these units will be operated under executive control in full compliance with Federal sanitation laws and modern sanitary practices.

Although existing hotels and cottage developments represent an advance over earlier accommodations, there is much room for expansion in this field. The outstanding need of the islands is a substantial cottage-hotel development at a beach accessible by good road to the center of the town. This is a project which, if undertaken by private capital with good management and energetic promotion, would undoubtedly succeed.

A bill, H. R. 9621, "to provide for the establishment of the St. John Island National Recreational Area in the Virgin Islands of the United States, and for other purposes," introduced in the 76th Congress, should be enacted in order to make possible the development of a National Park recreational area in a tropical setting. The attractions of the island of St. John are so outstanding that their appropriate development would contribute much to draw American travelers to an American possession which has all of the romantic interest of any of the Caribbean islands.

The tourist and winter resident trade can make a substantial contribution to the economic revival of the Virgin Islands. It should be promoted to assist in establishing them on a basis of fiscal self-sufficiency and for the pleasure and gratification of American travelers. H. R. 6884, a bill "to encourage travel in the United States, and for other purposes," should be enacted in order to create a Government agency to serve as a clearing house for travel information and as a means of promoting travel to American possessions.

The effects of governmental and private efforts to develop the tourist trade in the Virgin Islands are especially evident in the period from 1935 to 1940. The table in Appendix 5 reveals that in this 6-year period there were an annual average of 17 cruise ship calls at St. Thomas, whereas in the previous 14 years the annual average was slightly less than 6 calls. The dislocations of war have impeded the normal development of this trade which has always been carried on chiefly by foreign shipping. There is opportunity for American shipping now barred from the transatlantic trade to enter the increasingly popular Caribbean cruise business. Government policy and authority should be directed toward making ships available and toward diverting as much travel as possible to American possessions as a means of improving the economic position of those possessions and of binding them more closely to the continental United States.

CATTLE BUSINESS

Ever since the European settlement of the West Indies, cattle raising has been an important industry. This was especially true during the days of sailing ships when supplies of meat had to be secured at various ports of call. In the early years of the sixteenth century, bands of freebooters known among themselves as Brethren of the Coast joined together, particularly in Santo Domingo and nearby islands where there were large herds of cattle, and sold hides and meat to passing ships. Since they cured the meat by smoking it, these freebooters began to be termed "buccaneers" from the Carib Indian word "boucan" meaning a storage place for smoke-dried meat. The

Spaniards were probably the first to introduce European cattle in the Caribbean area.

They and their successors have found that cattle raising in the tropics presents many difficulties. The chief of these center in securing adequate food and water throughout the year, and finding types of cattle adaptable to both climate and food supply.

In the West Indies cattle are kept and bred for three purposes, i. e., beef, draught, and milk. With some sacrifice of efficiency in each direction, it is possible to combine two and, perhaps in part, all three of these objectives. At the same time it is axiomatic that specialization is necessary to obtain the best results in any one of them. The lack of specialization and the indiscriminate blending of various breeds without due regard for their efficiency for any one of these purposes has been a great evil in this area.

The original Spanish settlers introduced Spanish cattle, red or dun in color, of large size, long horns, slow growth, inferior beef quality, but serviceable under the yoke. Subsequently, importations of cattle from Africa, Asia, and Europe were made with varying results. In some of the islands a cross of the Red Devon with native stock has shown itself most adaptable to local conditions. In Jamaica, the Hereford has developed well where there were good Guinea grass pastures. In the lowlands of Jamaica the Black Angus has proved itself a good beef breed. The Shorthorn has been less adaptable and has made a considerably poorer showing than the Devon, Hereford, Black Angus or Senegal cattle. The finest breeds of beef cattle are the most susceptible to tick infestation, which is generally prevalent in the West Indies, and the least resistant to the fever parasite. It has been found also that the intensification of nontropical blood in herds increases the hair and the tenderness of the skin of the animals which seriously increase the ravages of the tick pest.

Experience indicates that an element of the Zebu or Indian strain is essential to harden cattle to Caribbean tropical conditions. The influence of this strain is remarkable. It has been stated on good authority that one-eighth of Zebu blood is sufficient to give a short hair character and darkening of the skin to a composite animal, and, at the same time, preserve to a marked degree the qualities of the remaining seven-eighths blood.

To a considerable extent Virgin Islands cattle herds are the descendants of Spanish cattle with Zebu and African strains imported from Mysore, India, and Senegal, on the west coast of Africa. Mysore cattle are regarded as thoroughbreds among Indian cattle. For draught and endurance in the yoke they are outstanding, well combining hardness of hoof and spirit. The cross between this strain and

native stock gives large calves, which take flesh rapidly and develop into splendid work animals. The Senegal and Spanish breeds also give excellent results. They are hardy and well able to take care of themselves.

The table in Appendix 6 sets forth the number and value of cattle exported from the Virgin Islands, practically all of which are sold in Puerto Rico. It will be noted that there has been a considerable numerical increase in the annual average of cattle shipped from the Virgin Islands in the twenties as compared with the thirties. The annual average of exports for the latter decade is 517 animals higher than the average for the previous period. It should be noted also that the value of cattle exported from the Virgin Islands has in the latter period, in spite of this numerical increase, decreased considerably below the average value in the earlier period. Thus, although the annual average of cattle shipped in the decade of the thirties was 517 greater than in the previous decade, the average value of these larger shipments was \$14,567 below the value of the lesser shipments in the twenties. This is accounted for by two factors, (1) the decrease in the price of meat, and (2) the change in the character of exportations from work animals to slaughter animals.

Puerto Rican sugar companies have practically ceased to import Virgin Islands work oxen for which there was normally a good market at a relatively high price. St. Croix cattle especially were sought for work purposes. The local Zebu strain proved especially hardy and useful in this connection.

While this change in the market demand was taking place, the Puerto Rican authorities put into effect a number of laws for the improvement of the cattle business in Puerto Rico. With the assistance of Federal funds an island-wide tick-eradication program was inaugurated there. Restrictions were necessarily imposed on the importation of animals from the Virgin Islands which were a tick-infested area. Until steps could be taken to inaugurate a similar program in the Virgin Islands temporary arrangements were made to permit the importation into Puerto Rico from the Virgin Islands of animals intended only for immediate slaughter. This occasioned an immediate cessation of the exportation of work animals. Likewise it prevented the exportation of dairy animals of which a small number were annually imported into Puerto Rico from the Virgin Islands.

To meet this situation the local legislators enacted ordinances establishing a tick-eradication program, appropriating some part of the funds to carry it into execution, and sponsoring a request to the Works Progress Administration for an allocation of funds to assist in its execution. The program has been carried forward successfully since its inception. Since January, 1940, the islands of St. Thomas and St.

John have been reported to be free of cattle ticks. Importations into Puerto Rico of animals for other than slaughter purposes has been authorized since April 1 from these two islands. The program has also been carried on in the island of St. Croix, but because of the existence of deer, wild donkeys, and other tick-infested wild animals which must be eliminated, that island must continue dipping for an additional 12 months. The completion of tick-eradication work will remove a serious obstacle to the sound development and extension of the cattle business. Because of the disappearance of the market for work oxen, it will be necessary to develop beef and dairy types of cattle. The introduction of new strains, if that proves necessary, can now be accomplished without danger of substantial loss because of tick fever.

In order adequately to safeguard the gains made in the Virgin Islands, it is essential to have animal quarantine regulations enforced by the United States Department of Agriculture in the islands. Local quarantine regulations are now being enforced by the local staff. The importance of the cattle industry justifies the assignment of Federal quarantine officers to perform this work.

In addition to developing satisfactory animals for beef purposes, cattle growers will need to introduce sound methods of animal husbandry. Present conditions are exceedingly unsatisfactory. A major problem to be solved is that of providing food for animals during recurring dry seasons. This is a problem over and above that of finding sufficient water to supply cattle during periods of severe and prolonged drought such as have been characteristic during the past three years. Excellent pasture grasses have been introduced which are widely grown on cattle estates. Guinea grass, the principal food of cattle, grows freely on the hills and in the valleys of all the Virgin Islands. This is a splendid grass, responding quickly to rain with a rapid growth. It is much relished by all kinds of stock. Cattle will thrive and fatten on pastures of this grass alone. Experimental plantings of Napier or Elephant grass have been made which give promise of meeting the problem of providing cattle fodder during dry seasons. It is drought resistant and gives large yields. If methods can be found of storing it or other fodders in silos for use in the dry season, a seriously limiting factor to the development of the cattle business can be removed. Dr. Longfield Smith, the director of the agricultural station during the Danish regime, declared that "until the cattle and dairy farmers realize the necessity of erecting silos, this industry will not be placed on the footing it deserves. Elephant grass, corn, sorghum, and velvetbeans could readily be raised during the wet period for use as silage." Unfortunately, experiments have not been vigorously prosecuted in this direction and

the problem of finding fodder for animals recurs almost annually during the dry season.

It is clear that possibilities exist for the expansion of the local dairy industry since there are substantial quantities of milk, condensed and dried, and of butter and cheese, imported into the Virgin Islands each year. Drastic changes in local production methods must be effected if the local market is to be supplied by local producers. Sanitation laws will also need to be greatly strengthened if this desirable objective is to be achieved.

Although a large percentage of local cattle are exported and sold in the Puerto Rican market, considerable numbers of cattle are imported into the American Virgin Islands from the British Virgin Islands. This condition is a result of the fact that higher prices for meat prevail in Puerto Rico where the United States tariff laws are in effect than do in the Virgin Islands. Thus, the local consumer has the benefit of low-priced meat and the local producer has the benefit of a higher price market.

Because of the unsatisfactory and uneconomic conditions surrounding the slaughter and processing of meat, an allocation of P. W. A. funds has been made to construct a modern abattoir on the island of St. Croix. The construction of this plant is now nearing completion. It is planned to operate it during a demonstration and training period of 8 months in the new fiscal year in order to assure its operation in accordance with all the requirements of the Bureau of Animal Industry of the Department of Agriculture. Because it is planned to supply the increasingly large number of military forces stationed in the Caribbean area from this abattoir, a request will be made to the Department of Agriculture to assign a meat inspection officer to the Virgin Islands.

Efficient and sanitary slaughter and processing of animals in the Virgin Islands will remove much of the inhumanity, insanitation, and uneconomy that now attend the business. The successful operation of the abattoir is expected to yield an increased return to cattle growers who may then be in a financial position to improve their herds and their cattle-raising methods.

MARKET PRODUCE

The islands have historically been a one-crop area, exporting that crop and importing the principal items of foodstuffs for local consumption. The economics of the plantation system are still reflected in the diet of salt fish, salt pork, and corn meal preferred by the rank and file of the inhabitants.

Vigorous and persistent efforts by various government agencies to encourage the production and consumption of a great variety of vegetables have begun visibly to bear fruit. The distribution of Surplus

Commodities foodstuffs has made a considerable contribution to this result in spite of occasional mystification over the uses of grapefruit discovered too late not to be intended by nature to be boiled.

Homesteaders and other small farmers have grown increasing quantities and varieties of ground provisions. Their marketing has, however, been difficult and unprofitable. Marketing arrangements are primitive. Marketing facilities practically do not exist. Many perishable products which can readily be produced locally are imported for lack of refrigerated storage facilities. A considerable potential market for these products is neglected for the same reason and because local sanitary regulations relating to the processing of foodstuffs are not of a character to breed only confidence. The many ships calling at the port of St. Thomas represent a market for perishable foodstuffs of substantial proportions. The military forces stationed here and in neighboring islands are likewise a potential market for many local products if their quantity is adequate and their quality satisfactory.

Production capacity exists only in small, scattered units. Storage, processing, and distributing facilities are lacking. To bridge the gap between farm and market and to expand the market demand, a modern market with adequate cold-storage units is being constructed with P. W. A. funds. Facilities for the storage, processing, and distribution under careful sanitary regulation of meat, poultry, eggs, fish, vegetables, fruit, and other perishables will be provided. They will permit the wholesale and retail distribution of local products, thus providing an outlet for greater quantities of these products than has been possible in the past.

The St. Thomas Agricultural Station, recently established in new and well-planned structures, is completely fitted out with chicken and egg production equipment. A cooperative agreement has been entered into with a progressive poultry raiser to use this equipment for experimental and demonstration purposes to determine the most satisfactory and economic methods of poultry raising under local conditions. Large quantities of eggs and chickens are annually imported into the islands. They can undoubtedly be produced here, possibly at lesser cost than the imported articles if corn, bone meal and lime, the bulky ingredients of chicken feed, can be locally produced at low costs.

Many miles of farm-to-market roads have been opened and improved as W. P. A. and C. C. C. projects to aid farm economy. A small farmers' cooperative in St. Thomas has continued limited operations and a cooperative marketing venture has been inaugurated in St. Croix. The experience of these agencies is valuable in determining the character and limitations of the local market and in solving some of the problems of supply and distribution.

SOCIAL ASPECTS

Rear Admiral James H. Oliver, the first American Governor of the Virgin Islands, was one of the ablest and most effective administrators sent to the Virgin Islands by the United States Government. His annual reports give a penetrating analysis of conditions prevailing at the time of the transfer of the islands to the United States and outline the basic policies necessary to mitigate or solve them. Unfortunately, these reports have not been published. The policies outlined by him have been pursued with more or less vigor and success by him and by succeeding administrations.

His analysis of social conditions in the islands is heavily drawn upon for comparative data in the following sections of this report.

EDUCATION

In his annual report for 1917, Governor Oliver declared: "The existing system of public instruction in these islands leaves about everything in the way of an adequate system to be desired." He pointed out that the inhabitants of the islands needed above everything else instruction in the use of their hands and that the existing school system supplied such instruction not at all. There were no normal schools in the islands so that natives could not look forward to seeing their children as school instructors even if they displayed natural abilities for entering that profession. Practically all natives were too poor to send their children to the United States for advanced instruction. No school existed in the islands where children might obtain technical schooling in the trades, nor was there an agricultural training school nor any competent teachers to give instruction in agricultural subjects.

A small amount of money was appropriated by the local governments to subsidize various church schools because even the meager public instruction then given halted at the borders of the towns. Education in the country districts was left to the churches. The church schools did not attempt to train the children practically, confining their secular instruction chiefly to reading, writing, and arithmetic. They were no better equipped than were the public schools to carry on any of the practical instruction required to fit the children for life in their communities.

"If we are to supply the children with textbooks—there is not one in the schools at present, even the teachers have never possessed them—if we are to afford the children an opportunity to improve their lot, if we are to attempt to develop an agricultural community and make use of the waste lands—the money that will be required for this purpose must come from the United States by means of a congressional appropriation. There is not sufficient money available in

the local treasuries to support properly even the present school system, leaving aside any attempts to introduce any improvements therein. In other words, if these people are to receive public instruction from their government, it must be given them, for they cannot afford to pay for it," he stated. A substantial sum of money was necessary, he declared, to erect school buildings, to provide furniture and other equipment, and to employ qualified teachers.

"A large proportion of the children have grown up without hope of improving their lot in life, and this, incidentally, makes toward a lax view of the family relations. * * * Where there is no ambition and hope of betterment there is bound to be an indifferent attitude toward the family. Improved conditions of civilization largely flow from the hope that a man generally has of giving his children better opportunities than he has himself possessed. But in these islands few of the natives can see any better opportunities for their children than they themselves have had—the same, in general, amounting to barely more than an opportunity to exist," Governor Oliver further commented.

Vigorous steps were taken by him and by his successors to bring about improvements in the public school system. The table in Appendix 7 reveals the gradual expansion and improvement of the public school system. Between 1917, the nearest comparable census year, and 1940, the population of the islands declined 4 percent. Between 1921 and 1940 enrollment in all schools increased by 24 percent, almost entirely in the public schools. In the same period the number of teachers in the public schools increased by 53 percent and the appropriations for maintaining them increased by 54 percent.

The school system has been reorganized and follows familiar American lines. The curriculum has been extended to include many subjects of a practical nature. Educational facilities have been extended to include age groups previously entirely excluded. Much progress has been made in improving the quality of instruction, the housing and equipment of schools, and in their administration. Since 1933 six new school buildings have been erected in St. Thomas and other school buildings have been improved; four have been constructed in St. Croix and others there have likewise been improved. This has been accomplished with relief allocations which have permitted a greater development in this field than has been possible previously in any like period of years.

Junior and senior high schools have been established in both municipalities. Demonstration nursery schools, introduced in 1934 and reestablished in 1938, have increased in number and have been operated continuously during the past 2 school years. A vocational school has been established in St. Croix in which agricultural instruction is

emphasized. A vocational division has been established in the Charlotte Amalie High School.

Health instruction has been continuously carried on in the school system, and a physical training and athletic program has been introduced. To meet the serious problem of undernourishment and malnutrition among school children, a school lunch program has been established in all schools in the country districts.

Practical arts, including sewing and home economics instruction, have been introduced in nearly all elementary schools and throughout all years of high school. A differentiated curriculum has been established in the Charlotte Amalie High School which now offers a 3-year commercial course. Art instruction under specially trained teachers has also been introduced. Improved textbooks in adequate numbers are now furnished in all schools.

Much emphasis has been placed on improving the educational status of teachers in the service. With only a few exceptions all teachers in the municipal school system are natives of the islands. The improvement in the educational status of teachers has been accomplished in part by the establishment of municipal scholarship funds created by ordinance in each municipality under which cash grants or loans are made to teachers or students who desire to go to the continental United States for higher education. A number of tuition scholarships have generously been made available by the authorities of Howard University, Atlanta University, Talladega College, Swarthmore University, St. Augustin College, University of Puerto Rico, Hampton Institute, Fisk University, Tuskegee Institute, Polytechnic Institute of San Germain, Puerto Rico, and Dillard University. These are made available to selected Virgin Islands students who are also given financial assistance through the municipal scholarship funds. Twenty college-trained Virgin Islanders are now teaching in the school system. Scholarship grants have also been made available for teachers in service who desire to attend summer sessions at the University of Puerto Rico.

A teachers' institute has been established and conducted for a number of years serving as a summer school at which teachers who cannot leave the islands may improve their educational status.

Parent education and instruction in home training and child care have been carried on with the assistance of parent-teacher organizations and in connection with the nursery school project. An adult education program was established and conducted for a short period as a work relief project. Unfortunately, inadequate funds have necessitated the discontinuance of this very desirable program. The literacy rate which increased from 75.1 percent in 1917 to 83.9 percent in 1930 has nevertheless continued its improvement. Final

figures for the 1940 census are not as yet available, but it can be anticipated that they will reveal a further increase.

The character of the progress made in public instruction can be gaged by the relative standing of high school students in the Virgin Islands in standard scholarship achievement tests. For several years the median of scholarship achievement for these students has equalled or been higher than the standard of high schools in the United States. The results of similar tests in lower grades have been less satisfactory.

During the year a new school law was enacted by the Legislative Assembly of the Virgin Islands which superseded some portions of the Education Law of 1921. Although some benefits were accomplished by the enactment of this law, there are still serious problems which have not been faced. One of the chief of these is the lack of any automatic provision for increasing salaries of teachers based on length of service and satisfactory performance, and the lack of any provision for pensioning superannuated teachers whose usefulness is in the descendant.

The Virgin Islands are not eligible to receive benefits under the various vocational education grant-in-aids acts in effect in the United States. There is special need for the continuation and development of this type of educational activity in the islands. This need is now definitely recognized by local legislators, and it is appropriate to request that these acts be extended to the Virgin Islands as they have been to Puerto Rico and Alaska. A bill, H. R. 10257, is now before Congress to give to the Virgin Islands the same benefits in this connection as are accorded other territories. It should promptly be enacted.

PUBLIC HEALTH AND SANITATION

Governor Oliver in 1917 characterized the public health and medical services in the islands as deplorable. "The most important of the many needs of the Virgin Islands are a complete installation of a sanitary system, which necessarily calls for a system of water supply, which is now entirely lacking, and a comprehensive arrangement for the medical education of the general population of the islands. The death rate is very high, infant mortality being particularly disgraceful to a civilized community. This is largely due to * * * a * * * lack of sense of responsibility for the care of children, of whom great numbers die during the first and second years. As the cause of this condition is so fundamental, it cannot be hoped to cure it except after many years of patient effort along educational lines. The immediate task seems to be limited to the alleviating of conditions which are intolerable in the extreme, and it must be met by medical treatment and improvement in sanitation and general living condi-

tions. In addition to the moral education necessary, to obtain permanent results in the improvement of the physical condition of the people, comprehensive measures toward the sanitation of the islands are requisite, but as this work is one of years, it is essential that immediate steps be taken to mitigate as much as possible the present evils," he observed.

His survey of existing conditions revealed that most of the population was dependent upon the government for medical attention. This attention was provided by public physicians and by three hospitals located in the three towns of the islands. In addition there was a medical institution in St. Croix for the care of lepers, insane patients, and people suffering from leg ulcers. All of these were cared for in the same institution.

He characterized the hospitals as inefficient because they lacked proper buildings, proper equipment, and trained personnel. The hospital at St. Thomas was practically without means for proper diagnosis, without medical and surgical equipment and personnel to treat patients. No laboratory facilities existed and surgical facilities were extremely limited.

No provision was made for the systematic education of native women and men in nursing the sick and in laboratory and hospital techniques.

The hospital in Christiansted had been destroyed by hurricane in October, 1916, and patients were temporarily being cared for in an old church devoid of sanitary facilities, water supply, and other imperatively necessary facilities. The conditions at the Frederiksted hospital he described by quoting a brief description given by the doctor in charge at that institution: "My activities during the past week have been confined exclusively to the hospital. I found it to be the most dangerous place in the community, an ideal place for distribution and propagation of the diseases of men. Typhoid, dysentery, pellagra, filariasis, tuberculosis, syphilis, and gonorrhea thrown together; food, drinks, feces, and urine mixed in all possible ways. There are 6 attendants to nurse the 90 patients, to keep them clean and dressed, to feed them and give the medication, to keep the wards clean, and to do everything else. Besides, it is the attendants' duty to treat all the ambulatory cases, eyes, ears, nose, throat, ulcers and cuts, pains, and no pains, pellagra, and the 'big foot'."

He described sanitation as being imperatively in need of improvement, especially with respect to the care and disposition of night soil and the storage of water. The effect of primitive sanitary arrangements on a population weakened by malnutrition was evidenced by the excessive adult mortality rate and the fantastic infant mortality rate. Approximately 1,300 wells and cisterns furnished such water supply as was available. All of these served as breeding places for

mosquitoes since none of them were adequately mosquitoproofed. Similarly, in the matter of night soil removal, unprotected pits and privies, poorly constructed and in most cases not flyproof, added to the public health hazards.

To meet these problems he proposed an increase in personnel of the hospitals and its reorganization; the establishment of a means of training nurses and of dispensing medicines in the hospitals; the rebuilding and repairing of the three hospitals then in use; and institution of an adequate and properly inspected night soil disposal system. This program was intended to render the existing system as sanitary and satisfactory as possible and proposed the undertaking, as a government responsibility, the establishment of modern sewer systems and water-supply systems.

The immediate problems of the medical department were complicated at the time of the transfer because of the departure without notice of the two physicians in charge of the hospitals at Frederiksted and Christiansted and of medical work in the country districts. Their many patients were left entirely uncared for. This condition was met by the assignment of United States Navy medical officers, which Governor Oliver contemplated would be a temporary measure to provide for the emergency. It was his plan to secure the services of civilian physicians to replace the Danish physicians who had departed. Fortunately, his plan was not immediately carried out and, instead, an adequate staff of Navy doctors and, subsequently, a staff of Navy nurses was detailed to duty in the Virgin Islands. Their work was outstanding.

Not until 1931, when the administration of the Virgin Islands was transferred from the Navy Department to the Interior Department, was Governor Oliver's plan for appointing civilian doctors carried out. By that time the educational character of the work carried on by the Navy medical staff had had significant effects. The government medical authorities had the confidence of the population which submitted to inoculations, vaccinations, school medical examinations, and reported with alacrity to the clinics conducted at each of the three hospitals and in the country districts of St. Croix. The King's Hill gendarmerie station in St. Croix was converted into an old people's home, which in effect was operated as a medical institution for the care of ulcer and elephantiasis cases and other cases of chronic disability. A nurses training program was established and operated in conjunction with the hospital service.

The excellent record of the Navy Department in the medical field has been maintained under the civil administration. The table in Appendix 8 reveals that the death rate has been levelled off at an annual average figure in the last 10 years of 21.34 per thousand. This

decline and the increase in the birth rate revealed in the table in Appendix 9 are the result of prenatal and child care as well as of improved economic and social conditions.

This has been accomplished even though there has been a tendency to decrease the funds available for the employment of physicians, nurses, and technical personnel, partly provided in congressional appropriations. This result is due in large part to the fact that relief allocations have been made available to accomplish a great variety of sanitation work. All mosquito-breeding swamps near concentrations of population have been filled or drained with permanent drainage works. Fourteen miles of street drains, a prolific source of mosquito and fly breeding, have been installed or permanently repaired; and 8.7 miles of salt water lines have been laid which are available for sanitary flushing. Of these, 6.7 miles have been laid since 1933. A total of 8.9 miles of sewer line have been laid of which 5.4 miles have been laid since 1933. All public wells have been sealed and protected against surface pollution. All public buildings in the towns and especially the public schools have been provided with sanitary flushing toilets.

Preliminary steps, as recommended by Governor Oliver, to make provision for a public water supply for each of the towns of the Virgin Islands were undertaken in 1924 when a series of water storage cisterns and catchment areas were built in Charlotte Amalie and reservoirs for the impoundment of water for Christiansted and Frederiksted were constructed. Numerous studies by experts since that time have differed in their conclusions as to the possibility of providing wholly adequate common water supplies for the towns. It is clear, however, that any such plan would involve expenditure of funds greatly beyond the means of the local governments, and substantial even for the Federal Government. The water supply problem has in part been met, for sanitary flushing and fire protection purposes, by the installation of salt water lines. Existing public storage facilities and rain water catchments have been maintained and reconstructed and have, in some measure, been augmented by the construction of large cisterns at various public buildings. Rain water storage has the merit of economy and has at least the advantage that it limits the spread of water borne diseases which never reach epidemic proportions in the Virgin Islands.

It also has its serious inconveniences. The cleanliness of the inhabitants of the Virgin Islands in their clothing and persons is all the more remarkable because of the absence of adequate and convenient water supplies. Also, the lack of an adequate public water supply has acted as a deterrent to certain business enterprises desiring to establish themselves in the Virgin Islands. This is a matter of grave

importance. Until it is possible to secure funds to provide a satisfactory public water supply it is requisite that householders and landlords make adequate provision for the storage of water falling on the roofs of their structures so that the small public supply can be utilized as a reserve supply for emergencies. Legislation to compel house owners to provide adequate water storage facilities has been before the Municipal Council of St. Thomas for some time but has not as yet been acted upon.

A very important sanitation problem which has similarly been neglected, chiefly because of the unwillingness of the local legislatures to enact satisfactory laws, is that relating to the processing and distribution of perishable foodstuffs. Many unsuccessful efforts have been made to regulate food processors and handlers in the interest of the public health. The importance of preventive action in the field of public health has not as yet been fully realized. It is hoped that the construction of a modern abattoir and a market with adequate cold storage facilities, both of which will be subjected to strict sanitary regulation, will point the way to a general improvement in this condition.

A survey of the incidence of leprosy and of the venereal diseases has been conducted in the Virgin Islands under the auspices of the Leonard Wood Memorial Foundation with the assistance of W. P. A. funds. This survey, which it is hoped will contribute something to the removal of obscurities now surrounding the epidemiology of leprosy, has already proved to be a highly beneficial undertaking. As a result of it there has been a pronounced increase in the number of persons reporting to the hospital clinics for antiluetic treatment. Also a number of hitherto undiscovered cases of leprosy have been found which are now under treatment or segregated.

It is essential that additional funds be made available from Federal sources to carry on specialized work in the field of leprosy in the Virgin Islands where the incidence of this dread disease is relatively high. Efforts to secure the assistance of the United States Public Health Service on a basis similar to that given the Government of Hawaii, have not up to the present time been successful. Instead, a request has been made for a direct appropriation for the Government of the Virgin Islands to make possible the employment of a leprosy specialist, nurses, technologists and other necessary personnel as well as laboratory equipment, drugs, and medical supplies. This appropriation should be made at the earliest practicable date in order to permit the continuation of the excellent work now being carried on by the Leonard Wood Memorial Foundation. The local government is not able to provide the necessary funds to give the lepers confined in the asylum adequate professional care. In fact, it is not able to provide sufficient

funds properly to feed, clothe, and house the inmates. Additions to the leper asylum buildings have been constructed through the use of relief funds and reconstruction and repair work at this institution continues to be given attention in all relief allocations.

On July 18, 1940, the President approved an Act—Public, No. 752, 76th Congress—relating to the admission to Saint Elizabeths Hospital of persons resident or domiciled in the Virgin Islands of the United States. This enactment is of great importance to the Virgin Islands and especially to the insane patients who are now incarcerated in cell blocks, without therapeutic facilities, without sanitary facilities except those of the most primitive character, without adequate professional care and with barely enough provision for their subsistence and clothing. They are without hope of release except that accorded by death. None of them has been released in any other way in the memory of man. Arrangements are now being made for the transfer of these patients to St. Elizabeths Hospital where they will receive the best professional care and the benefit of the best therapeutic facilities available in the country.

It is important to the local governments to be relieved of the burden of maintaining an insane asylum. However inadequate the funds made available for its maintenance, they nevertheless constituted a serious drain on their slender financial resources. In a population of 25,000 persons with very meager natural resources it is impossible for the local authorities to maintain adequately three hospitals, an insane asylum, a leper asylum, and a home for chronic invalids. Such savings as will be effected by the elimination of the insane asylum as a local responsibility can serve to improve the maintenance and care of other medical institutions.

The imperative necessity of replacing at least two hospital structures and of greatly improving the third continues to present a problem for which there is no local solution. It would be of dubious value to request Congressional appropriations to provide the funds for this construction work if no additional means can be found by the local governments to provide for the proper care of the persons to be sent to these institutions. It is quite clear that a tuberculosis sanatorium should be established in the Virgin Islands, but in addition to procuring funds for the construction of such an institution there must also be means available to pay annual maintenance costs for the care of patients that might be committed to it. Undoubtedly, the most effective solution for the problem of securing adequate medical institution structures and the additional funds which are imperatively necessary to maintain them properly, and especially to provide adequate care for their inmates, is that of securing the enactment of legislation now before Congress, which would transfer to the Virgin

Islands Treasury all Internal Revenue taxes collected on Virgin Island products exported to the United States. This procedure would make available annually sufficient funds to provide for the proper maintenance of patients in institutions and at the same time would, over a period of years, permit the construction of well-planned, well-equipped, and suitable buildings.

PUBLIC WELFARE

The social problem in the Virgin Islands is that of a community in economic decline, with slender natural resources and with inadequate governmental revenues. The economic decline is not a condition of recent origin but has been characteristic for several generations. Underemployment or unemployment, malnutrition, wretched housing, and low wages have all contributed to the development of social problems which are now chronic. These conditions have been accentuated by the fact that there has been until very recently a constant emigration of persons in the age group from 15 years to 45 years which has tended to throw out of balance the proportions between the age groups in the remaining population. Thus, between the censuses of 1917 and 1930, there was a total loss of population in the Virgin Islands of 4,039. This loss was made up of a decrease of 3,749 in the age group between 15 to 45 years, 287 in the age group from birth to 15 years and 3 in the age group from 45 years upward. A large proportion of the emigration was of able-bodied males in their most productive earning period. The community has been left with a disproportionately large number of old people, infants, and children.

In his annual report for 1917, Governor Oliver stated: "Among the great majority of the population, social conditions are extremely bad. With these there is no proper family life, and any permanent improvement must begin in the home. * * *. Infantile mortality reaches shocking proportions as the so-called family relations are constantly changing and in too many cases the children are considered a burden for which there is no fixed responsibility, and the home training, or rather the entire lack of it, burdens the survivors of the new generation with a handicap almost impossible to overcome. These conditions encourage and disseminate disease to an alarming extent. The bad social conditions are undoubtedly due to some extent to the miserable living accommodations of many, which preclude the comforts and even the necessities of life and render impossible the observance of the dictates of ordinary decency." He emphasized the need for making unused land available to the unemployed population to solve some part of the unemployment problem and to attack undernourishment and malnutrition at their source. His efforts were not im-

mediately successful but have finally borne fruit in the establishment of the homestead program discussed in an earlier section of this report.

It is obvious that the great variety and complexity of the social problem in the Virgin Islands cannot be relieved by any single means. At the same time, it is clear that the opportunity for employment in industrial occupations or self-employment in farming operations is a basic necessity before much progress can be made in other directions. The relief program carried on since 1933 has greatly mitigated the unemployment problem but it cannot be expected to continue indefinitely. It is therefore wise to extend rural resettlement activities promptly to care for as great a number as possible. It is essential also to encourage all industries, large or small, which hold promise of success here, and to provide occupational training for men and women to fit them for employment therein. The accomplishments of the handicraft cooperative in St. Thomas in furnishing training and employment for women points the way for other industrial activities for both sexes in all the islands.

Measures taken to improve sanitation and public health have contributed substantially to the relief of persistent social evils. They should be extended, with increasing emphasis upon measures designed to advance the general health of the population through improvements in housing, diet, child care, and family health concepts in general.

A beginning has been made through the establishment of three low-rent urban housing developments, through homestead housing, and through the Virgin Islands Co. housing program, to meet at least a portion of the housing problem. The Municipality of St. Thomas and St. John has recently enacted an ordinance creating a local housing authority, and the Municipality of St. Croix is now considering similar legislation which may make a further contribution to its solution.

The local authorities in each municipality make provision in their annual budgets for "pensions" which are distributed to 735 persons. These doles average \$2.32 each per month in St. Thomas and St. John and \$1.29 each per month in St. Croix. Even at these distressingly low rates, the slender resources of the municipalities prevent the grant of pensions to more than one-half of those who deserve them. In addition, institutional care is provided at King's Hill Poor Farm for 150 persons. The Social Security Act does not apply to the Virgin Islands and, as a result, the excessive burden of providing for the aged, the infirm, the disabled and all other indigents, falls entirely on the local governments which cannot make adequate provisions for them. Some of the benefits of that Act should be extended to the Virgin Islands so that the accumulation of problems

resulting from generations of neglect can be met with some degree of adequacy.

The great variety of work done by the public-welfare department in each municipality reveals clearly the complexity of the problems that must be dealt with. These departments administer the distribution of monthly pensions, they provide medicine and nursing service for the poor and the sick who are not hospitalized, and administer the institutionalization of those who cannot be provided for in their homes. They likewise administer emergency and noncontinuing aid to persons, whether employable or unemployable, through the grant of funds to procure food and clothing or to meet rental payments; by making grants of food, clothing, mattresses, sheets, etc., available through Federal emergency relief sources; and, finally, by providing free graves for deceased indigents. In addition, they act as employment agencies, administering employment activities in connection with Federal and emergency relief projects, C. C. C. projects, and, on occasion, finding employment for workers in private industry. They conduct recreational activities and are active in promoting local Community Chest and other charitable undertakings. They also administer the rental of Federal low-rent housing projects and exercise general supervision over their conduct.

For many years, all of the agencies concerned with the problem of juvenile delinquency have urged the necessity of providing an institution for the social rehabilitation of juvenile offenders. The number of offenders is increasing but as yet no means has been found of providing correctional care for them. The municipal authorities are convinced of the necessity of establishing a correction institution, but have not been able to find the funds to do so. Coupled with this there would be required an enlightened system of parole of juvenile delinquents under supervision of trained probation officers. Eventually, an effective long-range program should be developed to meet this challenge of increasing juvenile delinquency and other related problems. Of prime importance would be extension to the widest extent possible of the nursery school program, provision of adequate recreational facilities and of community and neighborhood centers under organized direction, and of other positive social influences for youth and their parents. Needed also are passage and enforcement of legislation imposing suitable controls upon influences adversely affecting youth morale.

The C. C. C. camps in each municipality have continued to provide work opportunities, training and discipline for 300 youths. These camps are especially valuable in the Virgin Islands where loose family

ties are often accompanied by the complete absence of parental discipline. The regular living habits, cleanliness, medical and dental care, the training in trades, and the well-balanced diet at the C. C. C. camps have done much to orient the youths who pass through them to make them sounder, healthier, and more self-reliant citizens of the community. Statistics for one enrollment period reveal that they are undoubtedly heavier, their weight having increased an average of 14 pounds. Many boys, former enrollees, have found employment in trades which they learned while in camp. Meanwhile, during their periods of enrollment, they have contributed to the support of their relatives and have been engaged in the prosecution of many useful public projects. Among other important projects, the C. C. C. has undertaken the development of a number of recreational facilities, hitherto almost nonexistent. Because of the importance of organized play and of recreation in the development of well-rounded individuals, this program is of special importance in a community in which cooperative activities by small or large groups are exceptional.

POLITICAL

The 3 inhabited islands and the 50 uninhabited cays, rocks, and islands of the Virgin Islands are divided into 2 municipalities, the Municipality of St. Thomas and St. John and the Municipality of St. Croix. These governmental units are not municipalities in the American sense but constitute miniature states, almost completely independent of each other, bound together by a common executive and, since 1936, by a common legislature which meets briefly once a year and which has not as yet enacted any legislation of importance. The executive, legislative, and judicial branches of these municipal governments operate equally in the towns, which have no separate political organization, and in the rural areas. The Governor, appointed by the President, is the executive officer of each of the municipal governments as well as of the insular possession.

The political organization of the islands is a heritage of the system developed by the Danes as modified by the Organic Act enacted by Congress in 1936. Under the Danes, executive control responding immediately to direction from the mother country, was tempered only slightly by the limited legislative powers given local "colonial councils," the chosen or appointed representatives of a minuscule, propertied oligarchy in each municipality. The executive participated in the meetings of the legislatures and exercised direct control over the judiciary. Danish laws were paramount but the local legislative authorities had power to enact annual budgets and local laws not in contravention to Danish laws or on matters not covered by

those laws. Before enacting tax laws or other important laws dealing specifically with the islands, it was customary for the mother country to give the local legislatures an opportunity to express their views on these measures. The administration of the various departments of the local governments was complicated by the activities of commissions composed partly of members of the legislature and partly of executive appointees. These commissions, when they functioned, exercised the power of visitation and investigation and sometimes influenced the administration of government departments when their membership was vigorous and determined.

The franchise was vested in "every man of unblemished character" who was born in the islands or had resided there for five years, who owned property in the islands with an annual rental value of \$60 (St. Croix) or \$140 (St. Thomas) or who had a clear annual income of \$300.

These qualifications excluded all but a handful of the population both because of the difficulty of acquiring land and because of low wage rates. Thus, in 1916, a total of only 701 voters were registered in a population of 26,051. In the Act of Congress of March 3, 1917, creating a temporary government for the Virgin Islands the existing electoral laws and the laws regulating the franchise were specifically continued in force and effect.

The treaty of cession left the citizenship status of Virgin Islanders in doubt. Subsequent administrative rulings held that they were not made citizens of the United States by the treaty, but that they were instead inhabitants of the Virgin Islands entitled to the protection of the United States. This situation was partly rectified in 1927 when Congress enacted a law declaring that natives of the Virgin Islands who resided there on January 17, 1917, and on February 25, 1927, were citizens of the United States. This law has subsequently been amended to include natives who on June 28, 1932, resided anywhere under American jurisdiction regardless of their place of residence on January 17, 1917.

Because of the intimate economic and social relations between the British Virgin Islands and the Virgin Islands of the United States, and because of the failure of the Bureau of Immigration and Naturalization to take over jurisdiction of the enforcement of United States immigration laws in the Virgin Islands until 1938, many difficult citizenship cases have arisen, to solve which additional legislation is required. A number of natives of the Virgin Islands who were not in the Virgin Islands in 1917 or 1927, or in 1932, and who are now in foreign countries are persons without a country. There is no way under the law for them to return to the place of their nativity or to acquire American citizenship. Many persons who have resided in the

Virgin Islands since their infancy have lately discovered that they are aliens. They cannot become naturalized because there is no record of their legal entry into the Virgin Islands which in many cases took place prior to the transfer of the islands to American sovereignty. Others who entered the islands before the Bureau of Immigration and Naturalization took over the enforcement of immigration laws in the Virgin Islands are also without evidence of their legal entry. A bill, S. 3582, "relating to the status of certain natives and inhabitants of the Virgin Islands," if enacted, will permit a solution of many long-standing problems. It has passed the Senate but has not as yet passed the House.

After many years of effort some of the anomalies of the political organization carried over from the Danish regime were removed by the enactment by Congress in 1936 of an Organic Act for the Virgin Islands. This law continued in effect as much as the framework of the local government as was compatible with American political concepts, but it clearly defined and separated executive, legislative, and judicial functions. It accorded to the inhabitants of the islands the substantive and procedural rights which are guaranteed on the mainland by the Bill of Rights in the Constitution. In spite of opposition by delegates sent to Washington by the existing legislative bodies, it established universal suffrage. It created a legislative assembly for the Virgin Islands made up of the membership of the two municipal councils which is required to meet at least once each year. This assembly and the municipal councils within their respective jurisdictions were given wide, almost plenary powers. They may not, of course, enact legislation contrary to the Constitution or applicable Federal statutes. An important addition to the powers of the municipal councils was that making appointments to municipal positions subject to their confirmation. The veto power of the executive was made suspensive rather than absolute. All members of the local legislatures are now elected, the practice of executive appointment of part of the membership having been abolished by the Organic Act. That Act has in general conferred a large degree of local autonomy on the inhabitants of the Virgin Islands and has introduced the basic concepts of democratic government into the framework of local political organization.

Opposition to the granting of greater autonomy and to the democratization of the local government expressed by former administrations was based on the assumption that the rank and file of the inhabitants were not yet ready to take part in the management of their political affairs. Opposition to the democratization of the local government expressed by the politically entrenched class in the islands was avowed to be based on the same assumption. This assumption has perhaps

as much validity in the Virgin Islands as it has in some of the large cities of the mainland. Denial of the right of such participation, however, at the same time precluded the possibility of the population learning how to take an intelligent part in their affairs.

Actually, the formal legal changes effected by the Organic Act have not greatly altered local customs and practices which tend to change slowly. Thus, although universal suffrage became effective in 1938, there has been an increase in the number of registered voters of only 2,225 between 1937 and 1938, from 1,501 to 3,726. Election campaigns have been more prolonged but have been carried on at approximately the same level of elevation. Some development of public opinion has become evident, but elections have been orderly and their outcome has been accepted without dispute by all classes.

The character of the membership of the legislatures has gradually changed, with younger men replacing those who came to maturity under the Danish regime. The new membership, even including the mainland adventurers who have won temporary admission into the legislatures, is in general more responsive to public opinion, but public opinion is slow in formation and awkward in expression. Political organizations have only recently come into being and do not yet have adequate sources of information on public questions nor adequate organs for discussion of these questions. One of them, however, has shown extraordinary and sustained energy, conducting campaigns, forums, and issuing a mimeographed weekly newspaper, all of which have contributed notably to the development of opinion on public questions. It has scored several victories by creating public opinion to which the legislature perforce has bowed. The local newspapers are practically valueless in the formation of public opinion because of their timidity and because of the unwillingness of their managers to gather more than a smattering of information on public issues.

As responsibility has been fixed on the legislature for conditions hitherto vaguely blamed on "the government" (in some cases by the members of the legislature themselves), there has been a corresponding growth of willingness on the part of the membership to enact laws for their improvement. Technical and complicated bills are often left to gather dust in committee pigeonholes and social legislation is sometimes deemed esoteric. A workman's compensation law, a law to create a pension system for government employees, improved sanitation laws and many other laws are necessary, but public opinion has not yet developed sufficiently to compel action by the legislatures. The table in Appendix 15 lists many needed items of legislation which were called for at the latest meeting of the legislative assembly but which were not considered.

The statutory separation of the powers of government effected by the Organic Act has removed several sources of conflict and confusion. There is yet no full understanding of this principle on the part of the local legislatures which tend to create administrative agencies partly elected by the legislature and partly appointed by the executive or others on which members of the legislature themselves sit. This is perhaps understandable because the executive and his staff are appointed in Washington, not elected or appointed locally. It has, however, been necessary to veto very few measures enacted locally because of their conflict with the Organic Act on this point. It is noteworthy, also, that the executive's suspensive veto, sparingly used, has been overridden only once since the passage of this Act in 1936.

Prior to the adoption of universal suffrage and the establishment of a wholly elected legislature, it was the theory that the appointed members of the legislature were to speak for the unrepresented majority of the population. The unrepresentative character of the legislatures forced the executive into the position of attempting to speak for that majority. More often than not the executive stood alone against the entire legislature, since appointed members were necessarily appointed from among the propertied electors. But often the need for legislation made compromise necessary. The compromise frequently gave second place to the interests of the majority. As the exercise of suffrage becomes more widespread and the discrimination of the electorate more precise, the position of the executive will necessarily be reversed.

The small size of the local population and its capacity for education make it probable that with acquaintance and practice of representative democratic processes, it will quickly acquire a facility in self-government. This, unfortunately, will not achieve the millennium since most important decisions about the Virgin Islands are made in Washington.

There, the relative unimportance of the islands is a serious handicap. The islanders have no vote in national elections, and no representation in Congress. They are without any formal liaison with Congress and are administered *ad hoc* by successive administrations. Although they have been treated with exceptional generosity by Congress and by administrative agencies when they have been able to gain attention, they are nevertheless that sport of political morphology, the colonial possession of a representative democracy.

Their problems are difficult and obscure, requiring patience and study for any sound solution. The islands are important for national defense purposes. They are a direct responsibility of the Federal

Government, unlike municipalities or counties on the mainland. Their proximity to the possessions of foreign nations leads to many comparisons between the capacity of the United States and of these foreign nations to administer colonies. They deserve sufficient thought to work out sound policies for their administration. These policies should include the increase of local autonomy wherever and whenever possible. The extension of democratization, the removal of statutory discriminations against island industry where it exists, the continuation of such portions of the economic rehabilitation program as have proved to be effective and practical, the granting of benefits to the Virgin Islands similar to those accorded other possessions, and the establishment of procedures similar to those in effect in the foreign service for the recruitment and control of colonial service officers to administer them should be established as basic and lasting policies for the islands.

FISCAL

The fiscal history of the Virgin Islands is made up of a series of unbalanced budgets punctuated by periodic crises and reorganizations in which accumulated debts owing to the mother country were written off the books and a new distribution of financial responsibility between the central government and the local governments was worked out. This situation was the result of a number of factors including the economic feebleness of island industry, the political entrenchment of propertied interests which resisted taxation on real property and which chose excise and consumption taxes as a lesser evil, the need for providing for all of the government services and institutions which elsewhere are provided for by municipal, county, and state governments, and their duplication in two widely separated municipalities.

This record of insolvency was not interrupted by the transfer of sovereignty over the islands. The condition has, however, been met directly by Congress by the annual appropriation of funds for the various purposes of the Government of the Virgin Islands. These include provision for the insular central administration staff which is made up of Federal officers, for the Agricultural Station and Vocational School, for direct contributions to meet anticipated deficits in the municipal budgets, and, on occasion, for special projects. The table in Appendix 11 sets forth the amounts which have been appropriated for each of these purposes since 1933. During this period large allocations of relief funds were made in addition to appropriated funds, making possible a reduction in regular annual appropriations from \$412,000 in 1933 to \$230,250 in 1940. The table in Appendix 12

lists the total of direct Federal appropriations for the Government of the Virgin Islands for each year since the transfer of sovereignty. It is to be noted that the annual average of direct appropriations of \$291,044 during the 14 years of Navy Department administration does not include the salaries of doctors, nurses, technical medical personnel, engineers, and other Navy Department personnel assigned to duty in the Virgin Islands. Their compensation, added to the annual average expenditure of \$291,044 indicated above, would raise that average approximately to the figure of \$353,228, the average annual direct appropriation for the Virgin Islands during the last 9 years.

The table in Appendix 13 sets forth the revenues collected by the two local governments and their total expenditures as well as the amounts of the annual Federal contributions to the local governments in the period from 1921 to date. Federal deficit contributions have declined rapidly in recent years. Local revenues have, during the same period increased considerably, much more, in fact, than the decrease in Federal contributions. Yet the present fiscal situation is unsatisfactory—in St. Croix, critical. This is the result of several factors. Improved standards of living in the community have necessitated the payment of higher salaries and wages to municipal employees. Thus, in 1917 the 6 nurses employed in the hospital at Frederiksted were reported to be receiving \$7 per month without subsistence or quarters. At the present time 11 nurses there are paid salaries ranging from \$25 to \$67 per month with subsistence, and 8 pupil nurses and 17 other attendants assist in the conduct of the hospital. Increased demands on the government have led to the establishment of many additional services such as libraries, welfare offices, recreational facilities, sanitation services, and to the great expansion of existing services. The number of teachers has increased from 91 in 1921 to 130 in 1940. School nurses and district nurses have been added to a greatly augmented number of nurses and medical attendants in hospitals and medical institutions. Many other employees have been added to the municipal rolls. That they do not receive high or even adequate compensation is made clear by the fact that in St. Croix of 262 municipal employees including doctors, nurses, teachers, librarians, clerks, judges, and engineers, 197 receive \$600 or less per annum, 78 receive \$300 per annum or less, and only 7 of all municipal employees receive \$1,800 or more. At the same time it is clear that for effective administration of the services now provided by the local governments, further additions to departmental staffs are essential.

The following table reveals the distribution in 1940 of municipal expenditures between the major activities of government:

	St. Thomas and St. John	St. Croix
	<i>Percent</i>	<i>Percent</i>
Health.....	22	24
Education.....	21½	21½
Public Works and Fire.....	25	14
Police and Prison.....	9½	11½
Poor Relief and Pensions.....	6	6

Increased local revenues in recent years are the result of improved economic conditions (which, in turn, are largely the result of Federal relief expenditures) and of revision, improvement, and extension of the local tax system. Since the transfer of sovereignty there has been a steady tendency toward the increase of direct taxes and the decline of indirect taxes. The United States income tax law was made applicable to the Virgin Islands in 1921, but all collections are deposited in the local treasuries. This tax, yielding \$99,236 in 1940, has become the largest single source of revenue in the Municipality of St. Thomas and St. John where, however, 3 of 121 taxpayers paid 74 percent of the total collections. In St. Croix, with a population of 12,902 (1,000 more than St. Thomas), there were 85 income taxpayers who paid only \$11,428 in 1940. Under the terms of the Organic Act, the customs duties in St. Croix were reduced to the level of those in effect in St. Thomas, thus equalizing import duties in the 2 municipalities and removing a discrimination against consumers in St. Croix. By Act of Congress in 1936 a uniform real property tax based on assessed valuation at a rate of 1.25 percent was made mandatory in the Virgin Islands. Following this enactment, a personal property tax and a real property tax based on the use of land rather than its value were repealed in St. Thomas. Similarly, an antiquated and unsound property tax law which taxed sugar land 300 percent higher when it was in cultivation than when it was not, and a series of taxes on personal property were repealed in St. Croix. A gasoline tax at the rate of 4 cents per gallon has now been imposed in each municipality. Excise taxes on liquor and tobacco at a relatively low rate have been imposed in St. Croix, but no similar tax is levied in St. Thomas. There, a so-called trade tax operates as an adjunct of the import duty. Federal excise taxes and inheritance taxes do not apply in the Virgin Islands.

Taxation is relatively light in comparison with mainland rates as is revealed in the following table of revenues and expenditures on a per capita basis:

	Population	Revenues	Per capita	Expenditures	Per capita
St. Thomas and St. John-----	11,967	\$232,848	\$19.43	\$277,000	\$23.10
St. Croix-----	12,902	176,013	13.64	270,239	20.95

These figures include all taxes levied on the inhabitants of the islands and correspond to Federal, state, county, and municipal tax payments in the United States. There are nevertheless few additional tax sources in the island especially in St. Croix because of the weakness of local economy. In St. Croix where drought has for 3 years destroyed crops and seriously reduced island revenues, municipal services have been maintained as far as possible by public borrowing. The limit of borrowing capacity has now been reached, and even the inadequate services of the municipality will have to be curtailed unless relief is promptly forthcoming.

The table in Appendix 14 lists all emergency relief allocations made to the Government of the Virgin Islands including C. W. A., F. E. R. A., W. P. A., P. W. A., Federal and non-Federal allotments, but not including allotments from those agencies made for the Virgin Islands Co. The character of the work undertaken under these allotments is indicated in later years by project descriptions. In addition to meeting the grave social problems caused by widespread unemployment and hopeless destitution, these projects have contributed substantially to the economic and social rehabilitation of the islands. Important and permanent sanitation works have been undertaken. The most important roads in the islands have been hard-surfaced and many additional miles have been improved. The principal streets in all towns and many other streets have been surfaced. New school buildings have been constructed and old ones repaired or reconstructed. Medical institution buildings have been repaired and other public buildings have been reconstructed and repaired. Educational activities have been expanded and a hopeful beginning in permanent rural rehabilitation has been made. In general, the social and economic fabric of the community has been immeasurably strengthened by the many-sided programs carried on under these relief allocations.

These gains, however, are not sufficient to remove the accumulation of social ills in the Virgin Islands and to assure a prosperous industry and fiscal self-sufficiency for the local governments. Some permanent provision must be made to permit continuation of the progress that has been made. The device of making annual appro-

priations of Federal funds to meet anticipated deficits in the municipal treasuries is as unsatisfactory as it is unique. This dole has the usual unfortunate effects on the donor as well as on the recipient. The former acquits himself of responsibility as does a father, preoccupied in acquiring wealth, when paying the bills of a spendthrift son. The latter relies on the dole and quarrels because it is not enough.

The people of the Virgin Islands are citizens of the United States. They should be assisted in meeting their specific problems as are citizens elsewhere. The Farm Security Administration and the Soil Conservation Service have recently extended their programs to the Virgin Islands. They may be expected to make an important contribution to the solution of fundamental problems of long standing in the Virgin Islands. They operate directly in meeting specific problems and are better qualified to deal with them than are agencies whose personnel is not trained or experienced in those fields. The Quarantine and Inspection Services of the Department of Agriculture should be extended to the islands. That Department should take over the direction and control of the agricultural station which is now an agency of the Government of the Virgin Islands. Vocational grants-in-aid are as necessary in these islands as they are in other territories and possessions. So are grants-in-aid for road construction. The benefits of the Social Security Act are more urgently needed in the islands than in many communities on the mainland. The laborer is more in need of the protection of the Fair Labor Standards Act and of the National Labor Relations Act than are laborers on the continent where labor organization is highly developed. Farmers who raise sugar in the Virgin Islands are more urgently in need of benefit payments which are denied them under the Sugar Act of 1937 than are sugar growers anywhere else under the American flag. They have less ability to pay a crushing export tax on their product than do any others. Public buildings in the Virgin Islands owned by the Federal Government require the attention of the Public Buildings Administration as much as do public buildings elsewhere.

The youth of the islands and the islands themselves have profited greatly by the activities of the C. C. C. They also need the aid and direction furnished by the National Youth Administration. It is more desirable to have the agencies mentioned and others with specialized functions carry on their activities in the Virgin Islands than it is to have deficit contributions doled out to the municipalities which merely permit them to meet current obligations while maintaining services at starvation levels.

In addition, the Federal Government should make available to the Virgin Islands on the same basis as it has for many years to Puerto

Rico and the Philippine Islands internal revenue taxes collected in the United States on insular products shipped to the mainland. This action would permit the local governments to meet their annual budgetary obligations, and to make sorely needed improvements in health, hospitalization, and institutional care, education, sanitation, police protection, and in all other services of the municipal governments.

ADMINISTRATIVE

During the Danish regime, government employees in the Virgin Islands were divided into state employees and municipal employees. This division persists. At present it is chiefly a fiscal device under which a number of officers and employees of the Government of the Virgin Islands are paid by the Federal Government and others are paid by the municipal governments. The former are appointed by the Secretary of the Interior or the President, the latter by the Governor with the advice and consent of the respective municipal councils. Functionally and legally there is no clear and logical division. The Governor is the chief executive of each of the municipalities as well as of the insular possession. The heads of the municipal departments are, in most cases, appointed and paid from Washington, but their subordinates are appointed and paid locally. Thus, the superintendents of education in each municipality are appointed by the Secretary of the Interior and paid from Federal funds, but teachers, clerks, messengers, and janitors in the departments of education are all municipal appointees paid from municipal funds. Some municipal officers are appointed and paid from Washington, some locally. The commissioner of finance and all of his staff and office force are appointed and paid from Washington. He administers not only Federal appropriations for the Virgin Islands but all expenditures under both municipal budgets.

This seemingly complicated arrangement is reflected in section 2 of the Organic Act which declares that in it "the phrase 'the Government of the Virgin Islands' shall include, in addition to the governing authority of the insular possession, the governing authority of the two municipalities, unless the context shall indicate a different intention." This procedure has operated without appreciable friction. It has the effect, however, of removing from local political pressure and control, if not from criticism, all important heads of departments but two. When municipal finances improve there will undoubtedly be demand for their transfer from the Federal budget to the local budgets in order to make their appointment subject to confirmation by the local legislators. When the local governments take financial

responsibility for these officers, it will be entirely appropriate for them to exercise such control.

Although the population of the islands is small, their administration involves most of the complexities of modern civilization. In some departments additional personnel is a definite need. There are, for instance, 11 doctors, all in the public service, who practice state medicine in all of its phases and care for a population of 25,000. There are no private doctors in active practice. Three dentists, 2 of them government employees, are available to furnish dental care for the entire population. Some government offices are full of titles and duties. The superintendent of public works of the Municipality of St. Thomas and St. John is also the brandmajor (fire chief); the manager of the municipal telephone system; the public surveyor; the supervisor of parks, cemeteries, public properties, and public buildings; the supervisor of the street cleaning and garbage removal service; the supervisor of highway and street construction; the supervisor of the night soil removal service; the building and plumbing inspector; and the inspector of motor vehicles. He also is keeper of the town clock. Many of these functions are performed in his capacity as project manager for W. P. A. and P. W. A. projects. He and his small staff prepare all engineering plans for the construction of bridges, wharves, highways, sewers, water-supply lines, and all municipal buildings from slaughterhouse to legislative chamber. After the preparation of plans, he and his staff must execute them. Finally, they must also maintain the structures and services when they have been constructed.

Staff members in many cases perform a variety of functions in the general field of their activities which elsewhere are performed by specialists. This necessarily must leave something to be desired in effectiveness in highly specialized fields. As an instance, in the field of health and sanitation, there is no specialist in leprosy, psychiatry, optometry, and in public health. General medical practitioners and surgeons must treat all of the medical ills of man, woman, and child. Because of the special difficulty of the leprosy problem, it is essential that an experienced leprologist be employed. A request for funds for this purpose is now under consideration by Congress.

The homestead program now administered as an activity of the Government of the Virgin Islands is a rural resettlement program. It should be administered by the Farm Security Administration which elsewhere takes responsibility for similar activities. A bill, H. J. Res. 586, now before Congress, would, if enacted, transfer supervision of this program to the Farm Security Administration. The agricultural experiment station should likewise be transferred to the Department of Agriculture. Plant and animal quarantine

inspection services now conducted as best they can be under local auspices should be carried on by that same department. Officers of the Government of the Virgin Islands who are part-time immigration inspectors, supervisors, and district directors, should be relieved of these increasingly onerous duties. In the interests of economy in administration, and because of their familiarity with local conditions, they have administered W. P. A. and P. W. A. relief allocations. So long as there is a relief program they should continue to do so. The administration of such a program in addition to the conduct of the local governments and of the insular government is, however, a sufficient assignment for the available staff.

With only slight exceptions, all municipal positions are filled by natives. With few exceptions, Virgin Islanders have been appointed to insular government positions. Although mainlanders hold technical and professional posts in the medical service and on the agricultural station staff, and others are heads of various departments, Virgin Islanders hold some of the most important offices of the Government of the Virgin Islands. The most outstanding of these is the commissioner of finance who has for long periods served as acting government secretary, and on several occasions as acting Governor. With only the academic training which could be secured locally, he has by persistent application, tireless energy, and unselfish devotion, risen through the lower grades of government service to become that *rare avis*, an indispensable administrative officer.

The natives employed in the insular service are in general capable, alert, and efficient. They compare favorably with Federal employees on the mainland in similar grades. They do not, however, have civil service standing nor are they eligible for benefits under the Federal Retirement Act. The abilities and performance of the existing personnel warrant prompt action covering it into the Federal civil service. The recruitment of new personnel should be by competitive examination under civil service regulations.

The Federal Classification Act does not extend to the Virgin Islands with the result that native employees in the lower grades of the service receive lower salaries than are paid on the mainland for comparable grades. This disparity is the basis of justifiable complaint. It should be removed without delay in the interest of equal treatment and sound administration.

The relationship of the local administration to the central government is necessarily close and all-important. The solution of most of the islands' governmental problems depends on assistance from Washington in the form of congressional legislation and appropriations or of action by administrative agencies in making their services and facilities available in the Virgin Islands. It has been necessary,

as a consequence, for the Governor and important members of his staff to absent themselves from the islands frequently and sometimes for prolonged periods to the detriment of local administrative activities. There is need for a systematic arrangement under which certain of the officers of the Government of the Virgin Islands who are familiar with all phases of local activity would make periodic visits of fixed duration to Washington to be available for consultation with legislative and administrative agencies there and to further the business of the islands. Such an arrangement would necessitate the appointment of an additional executive officer in the Virgin Islands to assist in carrying on local administrative activities in place of the absent officer.

The Division of Territories and Island Possessions which is responsible for territorial matters can contribute substantially to the coordination of policy with respect to the possessions and, without attempting to limit desirable variations in policy and practice, it can make the results of experience in each of them available to all the others.

SUMMARY OF RECOMMENDATIONS

1. Repeal of export tax of \$6 per ton now levied on raw sugar.
2. Enactment of legislation to transfer to the treasury of the Virgin Islands excise taxes collected on products of the Virgin Islands when shipped to the United States.
3. Establishment of a sugar board with full power to regulate the price paid at mills for sugar cane, etc.
4. Federal aid to assist in construction of rural housing.
5. Enactment of legislation to transfer homesteads to the Farm Security Administration.
6. Reorganization of the Virgin Islands Co. and subdivision among homesteaders of government-owned land now used for company operations.
7. Maritime Commission to require foreign and American cruise ships operating out of New York and touching at the islands to sell tickets with stop-over privileges or one-way tickets to the islands.
8. Erection of a dock for ocean-going vessels—a basic necessity for the development of adequate transportation facilities for St. Croix.
9. Extension to the Virgin Islands of those portions of the United States navigation laws intended to insure the safety of passengers and property at sea.
10. Authorized harbor improvements work at St. Thomas to be undertaken at earliest practicable date.
11. Reestablishment of privilege to returning United States travelers to bring with them, under the \$100 exemption clause, foreign liquors purchased in the Virgin Islands.

12. Enactment of legislation to provide for the establishment of St. John as a national recreation area.

13. Enactment of legislation to encourage travel in the United States for the promotion of tourist travel to possessions.

14. Assignment of Federal quarantine officer to enforce United States quarantine regulations.

15. Assignment of a meat inspection officer by the Department of Agriculture.

16. Extension to the Virgin Islands of vocational education grant-in-aid Acts.

17. Necessity of replacing at least two hospital structures and of greatly improving the third.

18. Extension of rural resettlement activities.

19. Extension of some of the benefits of the Social Security Act to the Virgin Islands.

20. Establishment of an institution for the social rehabilitation of juvenile offenders.

21. Extension of democratization and of local autonomy.

22. Removal of statutory discriminations against island industry.

23. Continuation of such portions of the economic rehabilitation program as have proved to be effective and practicable.

24. Granting of benefits to the Virgin Islands similar to those extended other possessions.

25. Establishment of procedure similar to that in effect in the Foreign Service for the recruitment and control of colonial service officers.

26. Transfer of administration of agricultural experiment station to the Department of Agriculture.

27. Officers of the Government of the Virgin Islands to be relieved of the duty of enforcing immigration laws.

28. The officers and employees of the Government of the Virgin Islands to be covered into the Federal civil service, and the recruitment of new personnel to be by competitive examination under Civil Service regulations.

29. The Federal Classification Act to be made applicable to the Virgin Islands.

30. A systematic arrangement to be made under which certain officers of the Government of the Virgin Islands who are familiar with all phases of local activities would make periodic visits of fixed duration in Washington to be available for consultation with legislative and administrative agencies.

Respectfully submitted,

LAWRENCE W. CRAMER,
Governor of the Virgin Islands.

APPENDIXES

APPENDIX 1

Imports and exports of the Virgin Islands of the United States

	Imports	Exports	Total trade
Fiscal year ending June 30:			
1920.....	\$2, 923, 660	\$3, 293, 131	\$6, 216, 791
1921.....	4, 529, 685	2, 275, 264	6, 804, 949
1922.....	2, 277, 662	870, 405	3, 148, 067
1923.....	1, 670, 529	888, 896	2, 559, 425
1924.....	2, 070, 432	400, 152	2, 470, 584
1925.....	1, 887, 462	689, 691	2, 577, 153
1926.....	2, 206, 671	1, 199, 385	3, 406, 056
1927.....	2, 326, 018	830, 463	3, 156, 481
1928.....	2, 917, 165	1, 241, 119	4, 158, 284
1929.....	2, 771, 927	999, 080	3, 771, 007
10-year average.....	2, 558, 121	1, 268, 759	3, 826, 880
1930.....	2, 312, 609	795, 229	3, 107, 838
1931.....	1, 796, 420	656, 532	2, 452, 952
1932.....	1, 416, 748	459, 546	1, 876, 294
1932, July-December.....	642, 194	839, 242	1, 481, 436
Calendar year ending Dec. 31:			
1933.....	1, 350, 466	596, 491	1, 946, 957
1934.....	2, 673, 314	685, 962	2, 759, 276
1935.....	2, 503, 027	553, 842	3, 056, 869
1936.....	3, 599, 617	793, 651	4, 393, 268
1937.....	4, 148, 593	1, 319, 895	5, 468, 488
1938.....	3, 346, 563	1, 541, 472	4, 888, 035
1939.....	3, 456, 895	1, 664, 928	5, 121, 823
10-year average.....	2, 537, 757	943, 504	3, 481, 261

APPENDIX 2

Rum exports—Virgin Islands

Calendar year:	<i>Proof gallons</i>	Calendar year:	<i>Proof gallons</i>
1934.....	19, 814	1937.....	163, 723
1935.....	64, 844	1938.....	127, 322
1936.....	96, 555	1939.....	181, 204

APPENDIX 3

Appropriations made to the Virgin Islands Co. and Federal Project No. 16

Title

FEDERAL PROJECT NO. 16	<i>Amount</i>
National Industrial Recovery, Interior, Virgin Islands, 1933-35.....	\$1,000,000.00
Do.....	1,000,000.00
Public Works Administration, Allotment to Interior, Division of Territories and Island Poss., (Virgin Islands), 1935-39.....	67,904.50
Do.....	478,590.00
VIRGIN ISLANDS CO.	
Federal Surplus Relief Corporation.....	150,000.00
Federal Emergency Relief Administration.....	200,000.00
Emergency relief, Interior, Virgin Islands, Rural Rehabilitation 1935-37.....	170,000.00
Emergency relief, Agriculture, Farm Security Administration, Rural Rehabilitation, 1938.....	24,290.00
Working fund, Interior, Virgin Islands, Rural Rehabilitation (Emergency Relief Agriculture), 1939.....	235,710.00
Emergency relief, Interior, Virgin Islands, Federal Non-Construction Project (transferred from Work Projects Administration) 1940.....	48,000.00
Emergency relief, Interior, Virgin Islands, Federal Non-Construction Project (transfer from Work Projects Administration) 1941.....	35,000.00
Total Virgin Islands Co. and Federal Project No. 16 appropriations.....	3,409,404.50

APPENDIX 4

Comparative profit and loss statement for the 5 years ending June 30, 1939, and analysis of earned surplus account

Gross sales and miscellaneous income	1935	1936	1937	1938	1939	Total analysis or earned surplus account
Sugar.....			\$101,820.16	\$195,335.60	\$75,697.01	\$372,762.77
Rum.....	\$954.81	\$8,609.50	92,984.71	106,351.13	88,436.66	297,336.81
Special distillate.....			1,532.58	11,435.74	14,364.71	27,333.03
Tomatoes.....	170.79	2,624.12	4,979.65			7,774.56
Other.....	1,797.60	42,386.15	20,372.30	31,375.70	23,775.43	119,707.18
Total.....	2,923.20	53,619.77	221,689.40	344,498.17	202,183.81	824,914.35
Expenses before taxes.....	26,135.10	64,990.41	190,833.99	395,286.79	196,074.87	873,321.16
Net profit or loss before taxes.....	-23,211.90	-11,370.64	30,855.41	-50,788.62	6,108.94	-48,406.81
Taxes paid:						
Export duty: Sugar.....			9,007.31	18,439.66	8,042.54	35,489.51
Export duty: Rum.....			1,631.69	1,892.30	1,567.42	5,091.41
Real property tax.....			10,659.10	13,111.46	12,722.85	36,493.41
Federal income and surtax.....			1,005.77			1,005.77
Federal capital stock tax.....			876.00	780.00	776.00	2,432.00
Other taxes, licenses, and fees.....	75.00		3,521.46	1,498.62	6,002.50	11,097.58
Total.....	75.00		26,701.33	35,632.04	29,111.31	91,519.68
Net profit or loss after taxes as per balance sheet of June 30, 1939.....	-23,286.90	-11,370.64	4,154.08	-86,420.66	-23,002.37	-139,926.49

APPENDIX 5

Arrivals of ocean-going ships, St. Thomas

Fiscal year	United States Naval, and other government ships		Foreign, Naval, and other government ships		American merchant ships		Foreign merchant ships		Tourist ships ¹	Total	
	Number	Tonnage	Number	Tonnage	Number	Tonnage	Number	Tonnage		Number	Tonnage
1921.....	30	114,610	3	1,400	415	1,782,185	172	517,054	3	620	2,415,249
1922.....	62	157,951	3	15,400	159	470,037	162	516,191	5	386	1,159,579
1923.....	45	197,067	2	5,058	205	606,072	197	664,823	5	449	1,473,020
1924.....	89	268,540			180	549,751	274	978,459	6	543	1,796,750
1925.....	23	60,377	7	23,815	171	480,581	227	907,469	8	428	1,472,242
1926.....	18	46,538	4	18,320	149	388,740	261	1,203,615	8	432	1,657,213
1927.....	16	34,742	2	13,200	159	453,329	252	1,209,892	6	429	1,711,163
1928.....	12	75,751	8	32,174	154	384,949	427	2,043,855	7	601	2,536,729
1929.....	20	43,962	7	19,306	167	455,333	461	2,132,796	5	655	2,651,397
1930.....	36	110,698	8	19,164	193	558,377	358	1,715,181	6	595	2,403,420
10-year average.....	35	111,024	4	14,784	195	612,935	279	1,188,934	6	514	1,927,676
1931.....	21	85,098	5	2,731	197	569,831	304	1,658,330	5	527	2,315,990
1932.....	11	17,530	3	3,467	181	431,226	265	1,549,875	10	460	2,002,098
1933.....	16	14,435	4	8,559	153	354,906	299	1,472,927	2	472	1,850,827
1934.....	35	89,759	2	10,527	171	348,409	303	1,557,455	5	511	2,006,150
1935.....	28	75,554	1	9,860	171	470,267	349	2,012,771	16	549	2,568,452
1936.....	36	152,506	2	13,100	150	431,390	459	2,420,686	17	617	3,017,682
1937.....	18	44,383	3	4,503	215	535,483	541	2,499,804	10	777	3,084,973
1938.....	66	276,094	4	9,418	204	487,295	540	2,467,168	13	814	3,239,975
1939.....	95	371,104			209	492,650	546	2,818,367	24	850	3,682,121
1940.....	122	377,246	3	8,555	296	883,949	564	2,574,539	21	985	3,844,289
10-year average.....	45	150,371	3	7,072	195	500,540	417	2,103,192	12	659	2,761,175

¹Included in total.

APPENDIX 6

Cattle exported from the Virgin Islands

Year	St. Thomas		St. Croix		Total	
	Number	Value	Number	Value	Number	Value
1920.....	75	\$2,010	1,298	\$66,847	1,373	\$68,857
1921.....	77	4,821	440	17,586	517	22,407
1922.....	263	5,941	1,302	73,529	1,565	79,470
1923.....	953	20,381	1,166	72,743	2,119	93,124
1924.....	486	10,411	868	32,029	1,354	42,440
1925.....	205	10,995	341	19,986	546	30,981
1926.....	673	27,823	1,099	44,539	1,772	72,362
1927.....	746	11,211	1,263	53,006	2,009	64,217
1928.....	516	23,543	1,145	56,270	1,661	79,813
1929.....	430	29,425	919	56,531	1,349	85,956
10-year average.....	442	14,656	984	49,307	1,427	63,963
1930.....	588	23,882	1,225	61,175	1,813	85,057
1931.....	1,055	27,447	1,150	52,265	2,205	79,712
1932.....	680	13,135	1,360	44,125	2,040	57,260
1933.....	669	13,437	1,149	23,587	1,818	37,024
1934.....	581	11,642	1,690	35,271	2,171	46,913
1935.....	568	9,444	2,274	37,778	2,842	47,222
1936.....	438	8,617	1,751	34,468	2,189	43,085
1937.....	207	3,911	1,034	15,645	1,034	19,556
1938.....	375	9,399	1,500	37,596	1,875	46,995
1939.....	291	6,048	1,165	24,190	1,456	30,238
10-year average.....	545	12,696	1,430	36,610	1,944	49,306

APPENDIX 7

Public and private school enrollment, Virgin Islands

Fiscal year	Enrollment				Teachers employed	Appropriation
	Private and parochial	Public	Vocational school and agriculture station	Total		
1916.....				1 3,771		\$19,455.56
1921.....	1,316	2,671		3,987	91	77,335.10
1922.....	1,332	2,977		4,309	107	105,271.85
1923.....	1,222	3,174		4,396	115	97,426.40
1924.....	1,265	3,153		4,418	118	106,711.63
1925.....	1,249	3,161		4,410	120	96,452.10
1926.....	1,162	3,107		4,269	113	93,084.70
1927.....	1,164	3,083		4,247	112	85,867.71
1928.....	1,131	2,919		4,050	116	90,476.10
1929.....	1,090	2,950		4,040	114	91,935.22
1930.....	1,077	3,061		4,138	113	98,790.39
1931.....	1,106	3,132		4,238	111	97,192.15
1932.....	1,179	3,228	13	4,420	120	103,650.95
1933.....	1,208	3,411	30	4,649	125	116,800.81
1934.....	1,202	3,485	34	4,721	124	108,085.47
1935.....	1,203	3,460	29	4,692	125	112,789.20
1936.....	1,308	3,244	24	4,576	117	98,961.11
1937.....	1,370	3,249	23	4,642	121	109,113.47
1938.....	1,377	3,374	22	4,773	122	111,677.02
1939.....	1,300	3,519	2 82	4,819	126	115,957.06
1940.....	1,395	3,552	2 76	4,947	130	119,797.61

¹ According to the U. S. Census taken in 1917. The census figure for 1930 gave a total enrollment of 4,542, 9.77 percent higher than the records of the Department of Education. The 1917 Census return is perhaps an equal percent above actual enrollment in 1916.

² Included in figure for public school enrollment. For years 1939 and 1940 the plan was changed to provide vocational instruction for the male students of the high schools.

APPENDIX 8

Death rate per 1,000 population in the Virgin Islands of the United States

Calendar year	St. Thomas	St. John	St. Croix	Total, Virgin Islands
1920	18.2	8.3	30.8	25.0
1921	21.6	19.8	28.3	25.4
1922	21.9	17.7	28.1	25.3
1923	23.6	12.5	26.0	24.5
1924	21.7	19.8	24.2	23.1
1925	22.0	7.3	18.1	19.2
1926	18.3	10.4	20.3	19.1
1927	23.2	4.2	23.8	22.8
1928	24.6	7.3	26.6	25.1
1929	20.1	8.3	21.5	20.5
10-year average	21.52	11.56	22.77	23.0
1930	18.3	7.8	26.1	22.0
1931	16.5	10.5	24.4	20.4
1932	18.4	7.8	23.4	20.6
1933	23.3	17.0	20.9	21.9
1934	17.2	7.8	21.4	19.0
1935	19.9	22.2	24.4	22.4
1936	21.4	9.2	22.3	21.4
1937	20.2	14.4	25.2	22.6
1938	22.7	5.2	23.0	22.2
1939	18.5	9.2	23.7	20.9
10-year average	19.64	11.11	23.48	21.34

APPENDIX 9

Birth rate per 1,000 population in the Virgin Islands of the United States

Calendar year	St. Thomas	St. John	St. Croix	Total, Vir- gin Islands
1920	32.0	31.3	28.5	29.9
1921	31.4	29.2	25.4	27.9
1922	30.7	36.5	25.6	28.0
1923	28.4	17.7	22.9	24.8
1924	31.3	19.9	21.7	25.4
1925	32.5	15.6	19.3	24.3
1926	30.8	22.9	18.5	23.5
1927	26.3	12.5	18.3	21.2
1928	28.9	13.5	17.3	21.7
1929	25.7	13.5	14.8	19.0
10-year average	29.8	21.26	21.23	24.57
1930	31.9	19.6	23.0	26.9
1931	26.1	14.4	18.4	21.7
1932	28.4	17.0	22.9	25.1
1933	27.0	15.7	26.3	26.3
1934	33.8	17.0	27.3	29.8
1935	30.9	24.8	29.3	29.8
1936	32.0	19.6	29.4	30.2
1937	34.2	24.8	32.3	32.9
1938	32.8	20.9	32.1	32.0
1939	39.6	22.2	33.4	35.8
10-year average	31.67	19.6	27.44	29.05

APPENDIX 10

Status of pending legislation before the legislative assembly

Name of enactment	Introduced	Action taken
1. A law to provide a pension system for the permanent officials and employees of the municipal governments.	Dec. 4, 1939	Not considered.
2. A law to govern the production, inspection, and sale of milk and products.	do.....	Do.
3. A law to govern the production, inspection and sale of meat and meat products.	do.....	Do.
4. A law to provide for adequate water supplies, to create water commissions, and for other purposes.	do.....	Do.
5. A law to establish a uniform building code.	do.....	Do.
6. A law to control the entry of persons afflicted with dangerous communicable diseases.	do.....	Do.
7. A law to impose uniform excise taxes.	do.....	Do.
8. A law to provide for the licensing of persons engaged in the practice of medicine, surgery, dentistry, chemistry, pharmacy, veterinary medicine, nursing, optometry, massaging, and other systems of treatment of injuries or diseases.	do.....	Do.
9. A law to control internal traffic in narcotics.	do.....	Do.
10. A law to provide for registry of patents and trade-marks.	do.....	Do.
11. Resolution petitioning the Congress of the United States to repeal the following wording of sec. 18 of the Organic Act: "The laws of the United States relating to patents, trademarks, and copyrights, and to the enforcement of rights arising thereunder, shall have the same force and effect in the Virgin Islands as in the continental United States, and the District Court of the Virgin Islands shall have the same jurisdiction in causes arising under such laws as is exercised by the United States district courts."	do.....	Do.
12. A law to establish a special school or schools for juvenile delinquents.	do.....	Do.
13. A law to establish uniform plant quarantine regulations in the Virgin Islands.	do.....	Do.
14. A law to establish a workmen's compensation system in the Virgin Islands.	do.....	Do.
15. A law to create a Virgin Islands Housing Authority eligible to receive financial assistance from the United States Housing Authority.	do.....	Do.
16. A law to implement sec. 10 of the Organic Act and to safeguard the finances of the municipality by limiting the number of meetings for which compensation is paid to members of the municipal councils or committees thereof to not more than 3 each month; or to provide salaries for members.	do.....	Do.
17. A resolution to petition Congress to amend sec. 7 of the Organic Act to authorize the legislative assembly to enact rules of business.	do.....	Do.
18. A resolution petitioning the Congress to continue in effect the benefits of the Fair Labor Standards Act of 1938 for labor in the Virgin Islands.	do.....	Do.
19. A law to establish uniform animal quarantine regulations in the Virgin Islands.	do.....	Do.

APPENDIX 11

Direct Federal appropriations for the Government of the Virgin Islands, by appropriation items, 1933-40

Year	Central administration	Agricultural station	Deficit, St. Thomas and St. John	Deficit, St. Croix	Other purposes	Total
1933.....	\$150,613	\$25,000	\$112,032	\$124,355	-----	\$412,000
1934.....	134,750	25,000	98,500	98,500	\$15,000	371,750
1935.....	117,840	29,968	90,000	82,600	14,350	334,758
1936.....	131,500	35,000	80,000	95,000	-----	341,500
1937.....	130,000	35,000	70,000	60,000	-----	295,000
1938.....	120,250	35,000	60,000	50,000	-----	265,250
1939.....	127,250	38,000	40,000	80,000	-----	285,250
1940.....	127,250	38,000	15,000	50,000	-----	230,250
Total.....	-----	-----	-----	-----	-----	2,535,758

APPENDIX 14

Emergency relief grants to the Government of the Virgin Islands

1933-40

Federal Emergency Relief Administration:

One-third of Virgin Islands relief expenditures,	
First quarter, 1933.....	\$1, 638
Second quarter, 1933.....	1, 439
Third quarter, 1933.....	2, 176
Grant from discretionary funds including \$5,000 for hooked rug cooperative.....	25, 000
Grant in aid of St. Croix cooperatives.....	5, 000
Civil service education.....	4, 000
For financing civil works projects.....	356, 479
For purchase of fresh meat for relief distribution.....	9, 937
For relief and work relief for April 1934.....	10, 000
For relief and work relief for May 1934.....	10, 000
For relief and work relief for June 1934.....	10, 000
For relief and work relief for July 1934.....	10, 000
For relief and work relief for August 1934.....	10, 000
For relief and work relief for September 1934.....	10, 000
For relief and work relief for October 1934.....	10, 000
For emergency education program.....	3, 500
For assisting in completion C. W. A. projects.....	11, 000
For relief and work relief for November 1934.....	11, 000
For relief and work relief for December 1934.....	11, 000
For relief and work relief for January 1935.....	11, 000
For relief and work relief for February 1935.....	11, 000
For cabinetmakers' cooperatives.....	10, 000
For March 1935 relief.....	11, 000
For rural cooperatives.....	10, 200
For relief and work relief for April 1935.....	11, 000
For relief and work relief for May 1935.....	11, 000
For relief and work relief for June 1935.....	11, 000
For relief and work relief for July 1935.....	11, 000
For relief and work relief for August 1935.....	11, 000
For relief and work relief for September 1935.....	11, 000
For relief and work relief for October 1935.....	11, 000
For continuing relief and work relief.....	79, 000
For administrative expenses.....	3, 000
Total for 1933-40.....	<u>724, 369</u>

1936-37

Works Progress Administration and Work Projects Administration:

Establishment, maintenance, and operation of homestead community at—	
Lindbergh Bay, St. Thomas.....	16, 800
Mandahl Estate, St. Thomas.....	20, 400
La Grande Princesse, St. Croix.....	28, 000
St. John Estate, St. Croix.....	22, 000
Whim Estate, St. Croix.....	46, 000
Estates Colquhoun and Mount Pleasant, St. Croix.....	18, 000
Improve, rebuild, and construct roads in St. Thomas.....	128, 000
Improve, rebuild, and construct roads in St. Croix.....	64, 000
Build 4 additional nearby self-contained units, for accommodating 18 additional persons at Bluebeard Castle Hotel, including purchase of furniture, furnishings and equipment therefor.....	37, 400
New roadway to cottages at Bluebeard Castle Hotel.....	3, 500
Improve the present dining facilities (main building) and repair and improve other buildings at Bluebeard.....	14, 000

Emergency relief grants to the Government of the Virgin Islands—Continued

1936-37

Works Progress Administration and Work Projects Administration—Continued.

Purchase of land and building of cottages and beach in St. John and St. Thomas, including purchase of furniture, furnishings, and equipment therefor, to be run as a part of the Bluebeard Castle Hotel.....	\$36, 500
Administrative expenses.....	38, 588
Archives.....	4, 500
Total for 1936-37.....	477, 688

1937-38

Continuation of reconstruction and renovation of tourist hotel at Bluebeard Castle, St. Thomas.....	29, 000
Improvement to public highways, St. Thomas and St. John.....	92, 975
Improvement to sewage disposal and sanitary water supply system, and surface drains, St. Thomas.....	84, 525
Improvement to streets within the city limits of Charlotte Amalie, St. Thomas.....	58, 500
Mattress making and sewing projects for women at Charlotte Amalie, St. Thomas; and Christiansted and Frederiksted, St. Croix.....	11, 300
Road construction, St. Croix.....	61, 072
Installation of toilet systems at grammar schools and high school; repair and extension of water and sewer systems, and construction of cisterns at municipal hospitals, St. Croix.....	15, 521
Construction of concrete gutters at Christiansted, and construction of hard-surfaced streets at Christiansted and Frederiksted, St. Croix.....	14, 407
Construction work at Protestant Cay residence, St. Croix.....	6, 000
Administrative expenses.....	19, 500
Total for 1937-38.....	392, 800

1938-39

Improve highways system throughout the municipality of St. Thomas and St. John.....	86, 023
Improve streets throughout the city of Charlotte Amalie, St. Thomas.....	25, 000
Improve streets of Christiansted and Frederiksted, St. Croix.....	20, 445
Improve highways throughout the Island of St. Croix.....	50, 000
Collect, transport, crush, and screen rock for use on W. P. A. highway improvement projects, St. Thomas.....	14, 514
Improve public highways throughout the municipality of St. Croix.....	47, 700
Improve sanitation and water supply in Christiansted and Frederiksted, St. Croix.....	25, 500
Extend sewer and water lines, erect public automatic flush toilets, etc., throughout the city of Charlotte Amalie, St. Thomas.....	17, 000
Construct pit privy and other sanitary facilities at Mafolie Public School, St. Thomas.....	1, 500
Eradicate and control cattle tick throughout the islands of St. Thomas and St. John.....	4, 728
Eradicate and control cattle tick throughout the island of St. Croix.....	12, 320
To improve, alter, and renovate the morgue at the municipal hospital, Charlotte Amalie, St. Thomas.....	4, 000
Improve and rehabilitate municipally owned buildings and grounds in and near Charlotte Amalie, St. Thomas.....	6, 506
Improve and rehabilitate municipally owned buildings and grounds throughout the island of St. Croix.....	30, 956
Eradicate and control cattle tick throughout the islands of St. Croix, St. Thomas, and St. John.....	5, 432

Emergency relief grants to the Government of the Virgin Islands—Continued

1938-39

Make general improvements to utilities, facilities, roads, and lands at the agricultural experiment station on Estate Anna's Hope; Federal homestead projects at estates Whim, Princesse, St. John, and Colquhoun; and municipal homesteads at Rattan, all on island of St. Croix-----	\$6, 592
Improve Long Bay Public Recreation Grounds in Charlotte Amalie, St. Thomas-----	1, 248
Maintain and operate sewing rooms in Christiansted and Frederiksted, St. Croix-----	12, 500
Operate a production project for making of mattresses to be distributed free of charge to the needy, at Charlotte Amalie, St. Thomas-----	10, 500
Provide, coordinate, and supervise nursery schools and necessary parents' education at St. Thomas and St. Croix-----	7, 916
Maintain and operate sewing rooms in Charlotte Amalie-----	8, 300
Conduct a survey and study of skin and blood diseases, Charlotte Amalie, St. Thomas-----	5, 330
Improve school gardens; landscape and improve school grounds; prepare school lunches, St. Thomas-----	1, 000
Improve school gardens; landscape and improve school grounds; prepare school lunches, St. Croix-----	878
Catalog, bind, and mend books and provide special assistance for children's library work-----	415
A construction project to construct more roads and trails to make homesteads more accessible, St. Thomas-----	5, 576
Improve grounds at the H. H. Berg Homes Project of the U. S. Housing Authority, Charlotte Amalie, St. Thomas-----	1, 200
Improve drainage facilities and control flood waters at Bourne Field on Lindbergh Bay, St. Thomas-----	2, 000
Administrative expenses of the Government of the Virgin Islands-----	11, 950
Rural rehabilitation projects of the Department of the Interior on federally owned property in the Virgin Islands-----	53, 804
To aid Virgin Islands Cooperatives Association for needy persons, etc., Charlotte Amalie, St. Thomas-----	12, 772
Total for 1938-39-----	493, 605

1939-40

Eradicate and control cattle tick throughout the islands of St. Thomas and St. John-----	6, 828
Eradicate and control cattle tick throughout the island of St. Croix--	15, 691
A non-Federal nonconstruction project to improve highway system throughout the municipality of St. Thomas and St. John-----	77, 939
City-wide. A non-Federal construction project to extend the sewage disposal system throughout the city of Charlotte Amalie, St. Thomas--	12, 129
A non-Federal construction project to improve highways, streets, and gutters throughout St. Croix, including streets of Christiansted and Frederiksted-----	63, 272
A non-Federal noneconstruction project to provide, coordinate, and supervise nursery schools and necessary parents' education-----	15, 442
A non-Federal nonconstruction project to operate a production project for the making of mattresses and furniture; and to maintain and operate sewing rooms-----	36, 680
To prepare and serve school lunches in the Municipality of St. Thomas and St. John, and the Municipality of St. Croix-----	4, 500
To supervise the direct playground activities, assist in the development of health education, etc., in St. Thomas and St. John-----	2, 256
To improve sanitation and public water supply municipal buildings, and grounds telephone systems, provide cisterns, etc., throughout St. Croix-----	49, 909

Emergency relief grants to the Government of the Virgin Islands—Continued

1939-40

To rehabilitate and repair municipally owned storehouses, fire station, schools, cisterns, communication service and water-storage facilities in Charlotte Amalie, St. Thomas	\$12, 900
Conduct skin and blood surveys throughout the island of St. Croix	2, 889
To rehabilitate buildings and structures of municipally owned property in Charlotte Amalie, St. Thomas	10, 000
To repair, alter and maintain roads, ranges, and drains throughout the quarters of Company, Queen, King, and Westend, municipality of St. Croix	6, 180
To repair and replace line fences, make water improvement, introduce, plant and propagate economic plants on the island of St. Thomas	17, 188
Improve highway systems, Municipality of St. Thomas and St. John	7, 500
Construct homestead houses and incidental work on Federally owned homestead estates on the island of St. Croix	7, 149
Administrative expenses	13, 516
To provide for the administration, supervision, and instruction in co-operative activities in the production of handicrafts, cabinetmaking, fruit preserving, etc., in Charlotte Amalie, St. Thomas	19, 302
Total for 1939-40	381, 270

SUMMARY

Federal Emergency Relief Administration	724, 369
Works Progress Administration and Work Projects Administration for the following years:	
1936-37	477, 688
1937-38	392, 800
1938-39	493, 605
1939-40	381, 270
	2, 469, 732

PUBLIC WORKS ADMINISTRATION

Federal projects, Government of the Virgin Islands, 1933-40

F. P. 1. Road construction and repairs to buildings including furnishings for Government house:	
(a) King's Hill Poor Farm, St. Croix	\$4, 525
(b) Government house, St. Croix	4, 635
(c) Government owned building known as Cable Office Bldg., St. Croix	4, 150
(d) Steeple Bldg., St. Croix	750
(e) Cistern and sanitation and machinery shed, Agricultural Station and Vocational Institute, St. Croix	3, 000
(f) Center-Line Highway, St. Croix	15, 000
(g) Fort Christian, St. Thomas	2, 000
(h) Government house, St. Thomas	3, 000
(i) Administration Bldg., St. Thomas	1, 500
(j) Motor for pump station	1, 375
(k) Road construction, St. Thomas	49, 565
F. P. 2. Construction of leper asylum	25, 000
F. P. 3. For the construction, renovation, and equipment of tourist hotel at St. Thomas	133, 864
F. P. 4. For the construction of a series of low-cost houses on Government-owned land in the Virgin Islands including the purchase of land when necessary	45, 000
F. P. 5. Reconditioning of Navy headquarters building	7, 500
F. P. 6. Major repairs and furnishings for quarters B	2, 500
F. P. 7. Major repairs and remodeling of Marine Barracks	2, 000

Federal projects, Government of the Virgin Islands, 1933-40—Continued

F. P. 8.	Major repairs of Marine Corps storehouse, building No. 75..	\$2, 000
F. P. 9.	Major repairs, remodeling, and furnishing of Government house.....	3, 800
F. P. 10.	New building for Grant School.....	8, 000
F. P. 11.	Major repairs to Fort Christian.....	2, 000
F. P. 12.	Sanitation repairs, dredging, and filling for malaria control and typhoid prevention.....	5, 000
F. P. 13.	Reconstruction of Shipley's Battery and Signal Station.....	4, 500
F. P. 14.	New roof and repairs for headquarters of Despatching Secretary, St. John.....	2, 000
F. P. 15.	Major repairs and reconstruction of Marine Barracks, St. Croix.....	2, 300
F. P. 1.	For repairs and improvement to the quarters of the Director of Police, St. Thomas.....	1, 744
F. P. 2.	Construction of a house for teachers at Diamond School.....	2, 500
F. P. 3.	For 1 additional room for Dober School Bldg.....	3, 900
F. P. 4.	For the completion of the beachhouse at Lindbergh Bay on Government owned property, including the construction of a pier, etc.....	3, 240
F. P. 5.	For the construction of 3 new cottages, dormitory buildings, completion of original project with cisterns, drains, additional water supply, construction of sidewalks, grading, and landscaping at the leper colony.....	14, 746
F. P. 6.	Repair and remodeling of a portion of the fireproof masonry 2-story building known as No. 75, including new room, new floors, and stairs, set off a record room, building shelves, bins, etc., for first story, replacing termite-weakened windows and shutters with steel, etc.....	5, 000
F. P. 7.	Repairs to the other portion of building No. 75 and adjoining sheds, etc.....	1, 750
F. P. 8.	Improvement of yard, dock, and waterfront.....	800
F. P. 10.	Additions to machine and carpenter shops and equipment.....	4, 550
F. P. 11.	New warehouse to be built for Public Works Department, to add to the present inadequate facilities.....	5, 500
F. P. 12.	Completion and extension of masonry warehouse at the agricultural station begun under P. W. A.....	2, 300
F. P. 14.	Restoration of Government house, St. Croix.....	48, 100
F. P. 15.	Removing the agricultural station from Lindbergh Bay, St. Thomas to new site at Estate Dorothea, St. Thomas, including the purchase of land at Estate Dorothea and the construction of buildings for the agricultural station thereon.....	28, 709
F. P. 17.	For the purchase of property in St. Thomas including the remodeling and reconstruction of existing buildings, the construction of new buildings and equipment, including a seawall and dock.....	160, 000
F. P. 18.	For the construction and equipment of a modern abattoir at St. Croix.....	80, 000
Total.....		697, 803

Non-Federal projects, Government of the Virgin Islands, 1936-40

	<i>Federal funds</i>	<i>Municipal funds</i>
V. I. 1001-R. Street and water system improvements, St. Thomas.....	\$20, 000	\$24, 444
V. I. 1002-1-R. Surface drains and sewage disposal improvements, St. Thomas.....	50, 000	-----
V. I. 1002-2-R. Water supply and surface drain improvements, St. Croix.....	41, 939	-----
V. I. 1004-F. Reconstruction of municipal building at Charlotte Amalie, St. Thomas.....	35, 944	43, 931
Total.....	147, 883	68, 375

Subsistence homestead allotment, Government of the Virgin Islands, 1934-35

Allotment for Subsistence Homesteads in the Virgin Islands..... \$75, 669. 44

APPENDIX 15

Sugar exported from the Virgin Islands

Fiscal year:	<i>Tons (short)</i>
1920-21	4, 894. 53
1921-22	6, 274. 92
1922-23	5, 983. 84
1923-24	1, 465. 94
1924-25	4, 762. 74
1925-26	11, 228. 02
1926-27	5, 166. 37
1927-28	8, 496. 69
1928-29	8, 004. 09
1929-30	5, 372. 50
Average	6, 164. 96
1930-31	4, 643. 50
1931-32	3, 790. 68
1932-33	4, 985. 11
1933-34	3, 606. 10
1934-35	¹ 1, 256. 31
1935-36	¹ 2, 584. 00
1936-37	¹ 6, 246. 75
1937-38	¹ 5, 329. 00
1938-39	¹ 2, 899. 00
1939-40	¹ 5, 603. 00
Average	¹ 4, 094. 35

¹ Includes reexports of Santo Domingan sugar.

