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Fiscal Year Ended June 30, 1946

Annual Report
of the
Governor of the
Virgin Islands

To the Secretary of
the Interior

UNITED STATES DEPARTMENT
OF THE INTERIOR



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Annual Report

OF THE GOVERNOR OF
THE VIRGIN ISLANDS
TO THE SECRETARY OF
THE INTERIOR



Fiscal Year Ended June 30, 1946

UNITED STATES
DEPARTMENT OF THE
INTERIOR

J. A. KRUG, *Secretary*

TERRITORY OF THE
VIRGIN ISLANDS

WILLIAM HASTIE, *Governor*

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CONTENTS

	Page
Political	1
Economic	2
Fiscal	3
Federal public works program	5
Health and sanitation	5
Education	7
Public works department	8
Police and prison department	9
Public libraries	10
Harbor department	10
Real property tax assessments	10
Homesteads	10
Social welfare	11
Workmen's compensation	12
The agricultural station	12
The Second West Indian Conference	14
Military service	15
The municipal market	15
Local legislation	15
Public utilities	16
Conclusion	18

Annual Report of the Governor of the Virgin Islands

WILLIAM H. HASTIE, *Governor*



ON May 17, 1946, William H. Hastie was inaugurated as the fourth civilian Governor of the Virgin Islands with impressive ceremonies at Charlotte Amalie, the capital city of the Virgin Islands. On this occasion, it was a source of much gratification to the community that the presence of the Secretary of the Interior and other ranking representatives of Government from Washington, and a special message from the President of the United States to the Governor and the people of the Virgin Islands clearly bespoke the concern of the National Government with the advancement of the legitimate interests and aspirations of the inhabitants of the outlying possessions of the United States.

Although the new Governor was in office at the year's end, and his predecessor was technically at the helm for the first 11 months of the year, the record of the year is in fact the record of government under the direction of still a third person, a Virgin Islander. At the beginning of the year the President appointed Morris F. de Castro, a Virgin Islander, to be Government Secretary, the second ranking officer in the Executive Branch of the Government of the Virgin Islands. The Governor, at that time, was in poor health and found it impossible to spend more than a few days in the Virgin Islands at any time during the year. The new Governor was in the Virgin Islands only a few weeks at the end of the year. Thus the Government Secretary, serving as Acting Governor, carried the burden and responsibilities of both offices, and of the Government of the Virgin Islands, throughout almost the entire year.

Political

On the tenth anniversary of the present constitution of the Virgin Islands, the Organic Act of June 22, 1936, the people of the islands reviewed a noteworthy record of effective local government under universal

suffrage and other democratic political institutions established by that act. Moreover, they looked forward to the continuing evolution of their democratic institutions as justified by this 10-year record, and as advocated by the President this year in his annual message to Congress when he said: "The people of the Virgin Islands should be given an increasing measure of self-government."

A committee created under local legislation submitted to the Governor its preliminary report recommending revisions in the Organic Act of 1936. The most significant recommendations included a single legislature for the islands to meet annually in 60-day sessions, the removal of the power of the Governor to send bills passed over his veto to the President for final decision, the creation of a single treasury, and establishment of the office of Resident Commissioner in Washington.

Under the existing constitution, legislative powers are vested in two separate municipal councils and one legislative assembly consisting of the two councils in joint session. The councils meet throughout the year, while the assembly meets in regular session once a year. The proposal is to consolidate all legislative power in a unicameral body. Bills passed over the Governor's veto now go to the President for final decision. It is proposed to eliminate this provision and to permit bills to become law when passed over the Governor's veto by a three-fourths vote of the legislature. At present, revenues collected in either municipality are expended exclusively for the government of that municipality. The proposal is to create a single treasury for both municipalities so that revenues will be expended for the benefit and government of the islands as a whole. There is now no legislative spokesman of the Virgin Islands in the Congress, and the proposal to create the office of Resident Commissioner is designed to provide such representation.

All these suggested revisions will be included in a comprehensive plan for modernization of the Organic Act to be placed before the Congress during the coming year.

Economic

Major factors in the economic life of the islands are the bunkering activities of the port of St. Thomas, the manufacture of beverage spirits in St. Thomas and St. Croix, and the sugar industry of St. Croix. This year showed a steady improvement in shipping to St. Thomas. A total of 353 oceangoing vessels with gross tonnage of 1,493,725 visited St. Thomas, as compared with 204 vessels with gross tonnage of 264,640 in 1945. Prospects are good for continued improvement. The tourist trade, dormant during the war, is only beginning to revive.

St. Croix' basic industry, sugar, showed a production increase from 4,040 tons in 1945 to 4,970 tons in 1946, through increased acreage and acre-yield, and by improved processing. The price to the cane farmer for his 1946 crop was \$8.60 per ton as compared with \$6.73 in 1945 and \$3.02

in 1941. The day's wage for field workers rose from \$1.04 in 1941 to \$1.60 in 1945, and \$1.84 in 1946. If, and only if, reasonable assurance is to be had that present prices for cane will be maintained, by subsidies or otherwise, can an increase in cane acreage be justified.

Sucrose recovery was increased from 9.73 to 10.53 by improved operation methods in the Virgin Islands Company's sugar factory, the only one now operating in the Virgin Islands. This Company continues to perform well the function of providing wage employment in field and factory, and facilitating self-employment by its processing of cane for over 500 small farmers. Private enterprise has been unable to perform these functions satisfactorily. While ways and means must be found, and are now being studied, to integrate the Company's functions with other features of the economy of the Virgin Islands, there is now full public acceptance of its vital role in the economy. Without it, abject poverty and widespread public relief would prevail.

St. Croix exported 137,608 proof gallons of rum and liqueurs in 1946, as compared with 129,082 proof gallons in 1945. St. Thomas exported 817,441 proof gallons in 1946, as compared with 1,340,208 in 1945. The rum and liquor industry, upon which these islands have depended during the past few years for their major source of revenue, and for private employment of wage earners, has suffered a severe curtailment of production due to Federal conservation orders. Still the largest single industry in the islands, rum manufacturers were turning more and more, as the year closed, to the still unrestricted manufacture of whiskies, gins, and liqueurs from neutral spirits for the continental American market.

A cooperative association of cattlemen in St. Croix, operating the federally owned abattoir, exported 921 beef carcasses as compared with 720 during the previous year, and 360 sheep and 45 hog carcasses as compared with 277 and 171, respectively, in the preceding year. These meats were slaughtered under rigid Government inspection. Exports are chiefly to Puerto Rico, but the municipal market and cold storage plant in St. Thomas is also procuring part of the meats for sale in St. Thomas from St. Croix.

Underlying the economic problems of the Virgin Islands is the fact that a large amount of money is sent out of the communities in payment for food, clothes, and other commodities produced abroad, while very little money comes from the outside for things that are produced in the islands. Every successful effort to reduce the islands' dependence upon imported goods and services, and to increase the consumption of local products at home and their marketing abroad, will help the economy of the islands.

Fiscal

On June 30, 1946, the treasury of the municipality of St. Thomas and St. John showed an unappropriated surplus of \$28,295.57. However, the

revenues were increased by \$216,547.62, representing surplus funds of preceding fiscal years transferred to meet this year's obligations. On the other hand, the municipality of St. Croix required a Federal deficit appropriation of \$150,000.

The municipality of St. Thomas and St. John.—The revenues of the municipality of St. Thomas and St. John were \$1,112,002.07 as compared with \$1,257,416.53 in the preceding year, a decrease of 11.56 percent.

Income-tax collections were \$622,573.27 as compared with \$941,090.47 in the previous fiscal year, a decrease of 33.85 percent. Real property taxes yielded \$59,167.89 as compared with \$63,902.63, a decrease of 7.41 percent. Trade taxes yielded \$37,220.50 as compared with \$43,783.26, a decrease of 14.99 percent. On the other hand, revenues from pilotage reflecting the increased business in the harbor of St. Thomas, yielded \$9,682.82, an increase of 116.58 percent over the amount of \$4,470.72 collected in 1945. Likewise, customs revenues increased 298.03 percent from \$12,900 in 1945 to \$51,346.19 this year. Revenues from income taxes reflected a notable decrease due to decrease in rum sales. Conversely, customs and harbor revenues showed a marked increase due to increase in shipping activities and in the importation of merchandise. As the revenue from income tax collections continues to be the largest single source of revenue, serious attention must be focused upon the fluctuation of collections from this source in determining the budgetary power of the municipality.

The budget for the municipality of St. Thomas and St. John carried total appropriations of \$1,083,851.50. Major departmental appropriations were: Public works and fire, \$164,056.08 compared with \$310,013.23 in the preceding year; education, \$210,066.25 compared with \$191,680 in 1945; municipal hospital, \$132,235 as compared with \$128,428.75 in 1945; police and prison departments, \$63,401.50, practically the same as the preceding year; the legislature, \$49,793.20 as compared with \$38,700 in 1945; sanitation service, \$25,730 representing \$1,000 less than the preceding year; and social welfare, \$87,627 as compared with \$78,055 in 1945. Indications are that the peak of wartime income has passed and that ways and means must be found to provide the best possible municipal services without further budgetary increases.

The municipality of St. Croix.—In this municipality revenues were \$262,257.54 as compared with \$515,383.28 a year ago, a decrease of 49.11 percent. Congress appropriated \$150,000 toward the expenses of local government in the municipality of St. Croix.

Income tax collections in St. Croix were \$103,069.94, which was a decrease of 73.64 percent from collections in 1945 of \$391,075.63. Real property taxes increased 16.30 percent from \$53,660.06 in 1945 to \$62,407.39 this year.

The budget for the municipality of St. Croix carried total appropriations of \$421,658. Major departmental appropriations were: Public

works, \$66,784 as compared with \$134,764 in the previous year; education, \$77,321 which was practically the same as in 1945; police and prison department, \$41,798 as compared with \$50,843 in the year previous; Christiansted Hospital, \$38,276 as compared with \$40,662 in 1945; Frederiksted Hospital, \$33,885 which was equivalent to the previous year's appropriation; and the legislature, \$11,925 as compared with \$13,610 in the previous year.

Public services in St. Croix, even with the annual deficit appropriation, are in desperate condition. One-half of the employees of the municipal government of St. Croix are receiving salaries of \$50 per month or less. Top salaries are for two physicians in the municipal hospital, and they receive only \$3,640 per annum.

Financial and economic trends do not indicate any unusual revenue increases in the coming year. Congress has provided for a study of the municipal government by three municipal experts under the supervision of the committees of appropriations of the Senate and House of Representatives, to formulate a policy as to future assistance from the Federal Government.

Federal public works program

With appropriations totaling \$2,360,005, already made by Congress for the projected construction by the Federal Works Agency of public works, health, and sanitation facilities authorized by Public Law 510, approved December 20, 1944, no major construction project had been started by June 30, 1946. Congress specified that all but repair projects are to be constructed by contract. The first bids opened late in the year for sanitation facilities for St. Thomas were rejected because of high costs. These projects, together with the St. Croix sanitation projects, are being readvertised.

While employment in the islands is at a minimum, and there is urgent need for modernization of antiquated sewerage facilities and the replacement of old and overcrowded schools and hospitals, prospects for the early completion of these important facilities are not bright, because of the same restrictive factors which affect construction today in the continental United States.

Health and sanitation

The general health of the islands has been good, and there were no epidemics, despite the primitive sewage disposal methods for large parts of the communities. The legislative assembly adopted a comprehensive milk control law to become effective on July 1, 1946, but, at the end of the year, it appears that strict compliance will not be achieved for several months. Federal public health grants were available for general health training, tuberculosis control, and venereal disease control. These grants

have become a major factor in the development of an aggressive program in the public health field.

A sound policy of postgraduate training for medical officers attached to the municipal hospital staff has been pursued in St. Thomas. One physician was given leave of absence with pay for 1 year to study public health at the University of Michigan, while another doctor was given 2 years' furlough, one with and one without pay, to study ophthalmology at the University of Pennsylvania.

Visiting specialists this year were: two ophthalmologists, who examined a large number of patients and performed many critical and intricate operations; a doctor who was at one time on the medical staff and who returned for 2 months for specialized work in leprosy control and treatment; a public health professor who has made intermittent trips averaging a month annually in connection with filariasis research and control, and an orthopedic surgeon who has performed a number of operations on crippled children.

Nursing personnel have also received training in the United States through Federal as well as municipal grants. The chief nurse in the St. Thomas municipal hospital attended postgraduate classes for 6 months at Lincoln School for Nurses in New York City. Another nurse studied tuberculosis field work in Detroit. In St. Thomas and St. Croix a forward step was taken with the creation of divisions of public health nursing and health education supervised by competent Virgin Islanders who have received their masters' degree in public health and in health education. There remains, however, the fundamental need for better local training for the student as well as graduate nurses in the islands. While individual nurses are benefiting by training in continental United States, the general level of nursing is unsatisfactory.

The American Red Cross has recently stationed a Public Health nurse on the island of St. Croix to expand and to coordinate the work of the district nurses with emphasis on maternal and infant health. This service is proving of very substantial value.

Federal grants in aid of public health activities, received from the United States Public Health Service, have provided our one major resource for substantial expansion of essential health services. Venereal disease work, liberally supported by the Federal grants, continues. The so-called rapid treatment of syphilis was inaugurated late in the fiscal year. The average census of patients in the leper asylum at St. Croix was 41. During the year 5 cases were paroled. The census of 40 patients at the end of the year is the lowest on record. Promin therapy, a newly developed, and expensive treatment for leprosy, is now being given to 6 patients with noticeable improvement. The tuberculosis-control program, also liberally supported by Federal grants, is being developed. Typhus control, by rat eradication and ratproofing of business buildings, was started in St. Thomas under the guidance of a protozoologist of the United States Public Health

Service. Such a program for St. Croix is still awaiting local legislative authorization. In both municipalities, dental service under Government supervision was continued for school children and the indigent.

The death rate was 16.1 per thousand and the birth rate 39.9. The infant mortality rate was 109.9 as compared with 101.2 in 1944 and 83.8 in 1943. Apparent causes are congenital debility, respiratory diseases, gastrointestinal infections and malnutrition. The reversal of this trend, and the reduction of infant mortality, constitutes a major health problem of the new year.

Next year, for the first time, emphasis will be given to food sanitation when a sanitary engineer, now receiving training in the United States, will be added to the staff. Probably 80 percent of all buildings in the islands are not equipped with modern toilet facilities. Paradoxically, however, there have been no epidemics.

Education

The public-school program has been maintained with senior and junior high schools, elementary schools, in-service teacher training, scholarship loans, evening schools for adults, limited vocational education, and school-lunch and nursery programs. In St. Thomas and St. John, the average annual expenditure for public education per child was \$66.50. In St. Croix the cost was \$52.40.

In St. Thomas the public school budget rose to a high of a quarter million dollars. Ten years ago the budget was less than \$60,000. Proportionately, high-school enrollment increased from 306, 10 years ago, to 781 this year. The need of more adequate school plants and equipment is great. Most school buildings are lacking in essential features to satisfy even minimum standards of modern school buildings. In St. Croix, the public-school budget was \$77,000, as compared with \$47,000, 10 years ago. There, as in St. Thomas, inadequate buildings and equipment hamper the school services.

The public school enrollment in St. Thomas was 2,494, of which 781 pupils were enrolled in the junior and senior high school grades. In St. Croix, the enrollment was 1,528, with 346 in the junior and senior high school grades. Average salary of teachers in St. Thomas is \$1,200 per annum, and in St. Croix \$899.69 per annum.

In St. Thomas, the Teachers' Institute conducted spring and summer sessions, and several teachers attended institutions in Puerto Rico and in the United States with or without scholarship aid. Loans were made from the municipal scholarship fund to 16 students. The evening school offered academic subjects of high school grade in addition to stenography and typewriting, dramatics, foods, arts, crafts, and dressmaking. The school-lunch service provided lunches to 1,700 children in 13 schools. Eleven nursery schools were operated with a total enrollment of 500 children.

In vocational education, students constructed a building at the vocational school, and courses in metalworking and electricity were added.

In St. Croix, for the first time, every school child attended school a full day. Heretofore, first- and second-grade pupils attended half-day sessions only. The summer school was conducted as an extension unit of the Polytechnic Institute of San German, P. R. There were classes in public school music, music appreciation, and psychology. Teachers earned credits which were accepted by the Polytechnic Institute. Scholarship loans were made to six students. School lunches were provided for 908 pupils in all schools. A limited program of nursery schools, almost eliminated due to lack of funds, was carried on in certain country districts with the assistance of The Virgin Islands Company. Industrial work was improved for girls, but the lack of an industrial arts teacher handicapped the vocational work for boys. However, a program of apprenticeships in auto mechanics, cabinetmaking, and printing was inaugurated, and the agricultural station supervised courses in practical vegetable growing.

Public Works Department

The major portion of the work of the public works departments in St. Thomas and St. Croix during the year was upkeep and maintenance of public buildings and public facilities. In St. Thomas three small water catchment areas and cisterns were completed in the country districts. The municipality purchased an area of 32.2 acres of land for development of and protection of natural water resources. The improvement and control of this natural spring should yield a more uniform supply of potable water to persons living in an overpopulated area.

Experimental wells were drilled in two places on the Island of St. John at the request of the Federal Works Agency, to determine whether suitable quantity and quality of water is obtainable continuously on St. John. The results of these tests have not yet been announced. A landslide at one of the catchment areas recently constructed from a grant of Federal funds so endangered the catchment and cistern that an additional grant of \$10,000 was obtained to build a retaining wall to support the section endangered by the slide.

Several important country roads in St. Thomas started in a previous fiscal year were completed during this year, opening up scenic drives for tourists and access to homesteads and the limited agricultural lands. Minor repairs were done to a dangerous section of the airport runway to make the field usable for commercial flights. A recreational area in a thickly populated section in St. Thomas was developed.

In St. Croix the physical condition of Richmond Penitentiary was greatly improved by refinishing of the interior of 19 cells and installation of windows to replace the slits which furnished inadequate ventilation. Considerable painting was performed on buildings of the Leper Asylum.

Of the public road system of St. Croix, comprising about 140 miles, 110 miles are dirt and gravel surface, making upkeep a major problem. With the exception of hard-surfacing of 2,400 feet of roadway this year, all other work was limited to patching 34 miles of asphalt roads and maintenance of graveled sections.

Water supply work in St. Croix was limited to drilling of two new wells in public places and reconditioning of another well. The St. Croix telephone service, which is operated by the public works department, installed 80 concrete poles replacing deteriorated wooden poles.

Public works in both islands were generally held to a minimum due to lack of funds and the scarcity of materials.

Police and Prison Department

There were 1,225 arrests made by the police department of St. Thomas during the fiscal year ended June 30, 1946, as against 1,137 in the preceding year. The major offenses were 3 cases of manslaughter, 2 cases of rape, 11 cases of burglary, and 10 cases of embezzlement. Otherwise, complaints were mostly for disorderly conduct, violation of traffic regulations, and other minor offenses. A division of criminal investigation and identification, within the police department, continued to improve during the year. Many items of equipment were acquired to help this division to function successfully, and considerable progress was made in identification and detection of criminals. Juvenile delinquency continues as a serious police and social problem. The principal cause of this evil is economic. Large numbers of children are without parental guidance and wholesome home influence. Deplorable housing conditions in the islands result in overcrowding, lack of privacy, and other major causes of juvenile delinquency. Until these basic conditions are changed, juvenile delinquency will remain a serious problem.

In St. Croix the police department secured convictions in 103 complaints, of which 72 were for disturbance of the peace, and the others for violation of traffic regulations, disorderly conduct and minor offenses. There were 19 prisoners in Richmond Penitentiary at the end of the year, 13 from St. Thomas and 6 from St. Croix. The prison industries which had been started during the preceding fiscal year were officially established this year, and power tools were ordered and installed. Most of the production of the prison industries, consisting of toys, baskets, mahogany novelties, and childrens' furniture, has been marketed in St. Thomas and St. Croix.

During the year, 1,102 persons were tried for criminal offenses in St. Thomas, and 17 persons in St. John. These figures compare with 1,122 persons tried in St. Thomas and 15 in St. John in the previous year. The greater number of offenses were disorderly conduct and violations of automobile laws. In St. Croix 264 cases were tried by the police court,

representing a decrease in the preceding year's figure of 320 cases. The majority of the charges were disturbance of the peace, petit larceny, and simple assault and battery.

Public Libraries

Library activities in St. Thomas have been normal. Juvenile circulation and attendance have been maintained and in the adult department both circulation and attendance figures showed slight increase. The library was used considerably by persons attending evening school and by those taking teacher-training courses. The juvenile department conducted its annual story hour activities. In St. Croix this year there has been a satisfactory growth in the use of both libraries. The library facilities in this island, however, do not function as they should, because of lack of funds. For example, one librarian is provided for the two public libraries in the two towns of St. Croix.

Harbor Department

There has been a steady increase in shipping during the year and prospects are brighter for the coming year. Some 353 oceangoing vessels with gross tonnage of 1,493,725 entered the harbor of St. Thomas during the year, as compared with 204 vessels with gross tonnage of 264,640 in 1945. The prewar peak, however, was 1941, when 1,220 vessels with gross tonnage of 3,943,124 called at St. Thomas.

Real property tax assessments

With the appointment of a new tax assessor in St. Thomas, considerable attention was given to reorganization of the office. A complete physical survey of all property was made in the municipality of St. Thomas and St. John, revealing 2,749 taxable properties and lots of real estate. The assessments of the new tax assessor resulted in 162 tax appeals, approximately 6 percent of the total number of assessments. The board of review reduced 131 assessments and 31 were allowed to stand. As revised by the board of review, total assessments in the municipality of St. Thomas and St. John for 1945 were \$5,897,580.94, which is an increase of approximately 20 percent over the preceding year's assessments.

In St. Croix total assessments of real property in 1945 were \$4,344,283.61 of which \$1,000,000 is the value of Federal property operated by the Virgin Islands Company, but which is taxable under a special congressional dispensation.

Homesteads

Homesteading progressed favorably in St. Thomas and St. John during the year under review. On the island of St. Thomas, 74 homestead deeds were issued by the homestead commission. In St. John, homesteaders

were still making deposits on account of the purchase price of their homestead plots, and by the end of the year they had deposited \$4,225, approximately one-fifth of the aggregate selling price. Thirty-two 5-acre homestead parcels were allocated. After all such parcels were allocated, 160 house lots or building sites, to be organized into a community development project, each containing approximately 5,000 square feet, were allocated for sale. There were 55 applications received for these house lots, and by the end of the year 15 deeds were issued. Late in the fiscal year, 29 house plots in an urban area in St. Thomas were acquired by the municipality and placed under the jurisdiction of the homestead commission to be sold, on reasonable terms, to the tenants at sufferance who had lived thereon for many years.

Social welfare

Efforts were concentrated on the securing of improved municipal appropriations for aid to the poor and on the obtaining of Federal aid for supplementary public assistance and welfare services through the extension to the Virgin Islands of titles I, IV, V, and X of the Social Security Act. This legislative reform was not achieved by the end of the fiscal year. There is no area under the flag where American citizens are in greater need of such assistance from their Government.

Assistance to the needy in St. Thomas was the chief responsibility entrusted to the department of social welfare. It was carried on in four general categories, namely, cash assistance, commodity grants, services of various kinds, and institutionalization of the aged. In St. Thomas and St. John, emergency cash grants advanced 43 percent to a total of \$40,880.67. These grants averaged \$6.75 per case per person, as compared with \$4.98 in the preceding year and \$2.64, 5 years ago. At the same time, the number of cases receiving regular assistance remained at the high level of over 400. This increase in average monthly cash grants, low as the figure still is, constitutes a most significant gain, and represents the cumulative result of many years of interest and effort by the community, by the legislature, and by the administration.

In St. Croix, the \$15,000 budget for aid to the poor was the same as for the preceding year. The average monthly grant remained the pittance of \$2.50 to approximately 400 persons.

The director of social welfare of the Virgin Islands made two trips to the United States during the year, appearing before the national convention of the American Public Welfare Association at Chicago, and conferring with the Interior Department, the Social Security Administration, and the Children's Bureau. He prepared a formal justification which was presented to Congress for extension of the benefits of the welfare titles of the Social Security Act to the Virgin Islands. He appeared before the Ways and Means Committee of the House of Representatives to present

oral and written justification for extension of the welfare titles of the Social Security Act to the Virgin Islands.

The Queen Louise Home for the Aged in St. Thomas continued to operate satisfactorily bringing comfort and care to 20 inmates. A public-spirited citizen of St. Thomas, deceased during the year, willed a property to the municipality for housing indigents, but the actual transfer has not as yet taken place. Assignments to the juvenile school for boys brought the total number of boys there to 36.

In St. Croix a small boys' home is operated in conjunction with the police department, the judge of the juvenile court, and the welfare department. The police furnish food, and the welfare department furnishes housing, clothes, and supervision. There are at present seven boys in this home, which is located in the welfare office at Frederiksted. The average occupancy of the Kingshill Home for the Aged and Indigent in St. Croix was 145. The 25 cents per day per patient, which is appropriated for subsistence at this home, reflects the desperate state of public institutions and the inadequacy of care for the needy.

Workmen's compensation

A workmen's compensation law has been in effect in the municipality of St. Thomas and St. John for several years. Such a law has not been enacted for St. Croix but, at the end of this year, prospects for early enactment of this much-needed social reform seemed good. In the municipality of St. Thomas and St. John, employees are protected by a municipal insurance fund into which premiums are paid by private and public employers alike. On June 30, 1946, this fund showed a cash balance of \$50,292.91, as compared with \$38,509.36 a year ago. Gross premiums collected were \$17,771.09. The administration of this law in St. Thomas is still unwieldy and cumbersome. Administration requests for streamlining of the compensation law, and the procedures it requires, are pending before the legislature. During the year, the compensation commission received 88 injury reports and disposed of 79 cases involving medical costs or compensation for death and disability. There were 101 orders issued awarding a total of \$5,376.86.

The agricultural station

The agricultural station in the Virgin Islands, with its main operations on the island of St. Croix and a substation on the island of St. Thomas, was originally established in 1910 under the Danish administration. It was transferred to the United States Department of Agriculture in 1919, and until 1931 it was operated as a scientific experiment station. In 1932, it was transferred from the United States Department of Agriculture to the United States Department of the Interior, and the station work, which had

been organized on an experimental project basis, was reorganized to carry out the triple functions of experiment, extension and agricultural education.

While the aims of the station have been, and should be, that through research the economic condition of the islands may be improved, that through extension work the circumstances of rural life might be improved, and that through education the islands will develop better farmers and agricultural leaders, the history of the station shows that after approximately each 10-year period, the station starts a new cycle which is terminated by change of policy or administrative transfer to another Department. When these changes have occurred, much of the previous valuable information obtained by experimentation and experience has been disregarded, and continuity of development has been lost.

A new director of the agricultural station was appointed this year following a period of extended staff vacancies. Initial reports of the new director indicated that the agricultural program in St. Croix, as well as in St. Thomas, was badly in need of improvement, so that the farmers would receive greater benefits from the work carried on at the station. The island of St. John has received practically no help from the agricultural station in the past, although this island has possibilities in the production of fruits and vegetables which should be developed.

The prices received for vegetables during the past year are an indication that productive agriculture in the Virgin Islands is declining. Farmers are receiving unusually high prices; yet very little farm produce is obtainable at the markets. This condition will probably remain until farmers in the Virgin Islands reduce the amount of hand labor used in producing crops, and improve their methods of production. The failure of farmers to supply vegetables at the high market price of 16 cents per pound for tomatoes and onions, 7 cents a pound for carrots, 5 cents per pound for sweet potatoes and yams, and 12 cents per pound for beets, reflects the failure to date, of agricultural agencies and agricultural leaders to accomplish their basic missions.

A serious problem at the present time is the decrease in farm and crop acreage. From 1930 to 1940 there was an increase of 152 percent in the number of farms, accompanied by a decrease of 19 percent in farm acreage and a similar decrease in crop acreage. The average acreage in crops per farm in 1940 was 6.7 acres, and at the present time it is 5.4 acres. Some of the decline in crop acreage may be traced to weather conditions. The rainfall at the agricultural station in St. Croix was but 32.41 inches.

During the year, the agricultural station propagated and distributed 89,945 vegetable slips of various kinds, and sold 39 pounds of improved vegetable seed including onions, tomatoes, peppers, kohlrabi, carrots and cabbage. About 2,000 cane plant tops were distributed, and 13,862 pounds of corn were produced. Bay beans have been planted on a small plot in St. Croix late in the fiscal year and are showing excellent growth during the drought. This crop has the desirable characteristics of a good cover

and soil improvement. Experiments are being tried with tropical kudzu, velvet beans, Guatemala grass, Merker grass, and Zea-maize corn.

The station in St. Croix offers purebred sire service but, unfortunately, the farmers have not taken as much advantage of this important service as they should. There is definite need for better bulls in the Virgin Islands if the cattle industry is to assume an important feature in the agricultural program of the islands. The native cattle are excellent for crossing with many of the modern breeds of cattle. They have size and stamina, and assume the characteristics of the breed with which they are crossed without losing too much size or stamina. The dry weather has caused a shortage of feed and many of the cattle in the island are in poor condition. Extension work has included instructions in farm management, farm health, agricultural education, water supply, and tractor service.

In St. Thomas six farmers are allowed to use the terraces at the agricultural station to grow vegetables, in return for which they are required to work 2 days for the station on maintenance work, and to furnish the station with a report of their earnings from the terraces. These reports indicated that the average monthly income for six farmers was \$17.50 from the sale of vegetables, which is about one-third of the average production for the past 3 years; the main reason being dry weather and a lack of water for irrigation. Several municipal projects are operated with revolving funds on the agricultural station at St. Thomas. One of these is a cattle project for improving the dairy cattle of the small farmers. A hog project is in operation with purebred Durocs. The poultry project has not given satisfactory results due to the great difficulty in obtaining poultry feed. The rainfall at the St. Thomas agricultural station during the year was 29.99 inches.

The Second West Indian Conference

The Second West Indian Conference, under the auspices of the Caribbean Commission, was held in St. Thomas from February 21 to March 13, 1946. For the first time, delegates included representatives of four metropolitan Governments; i. e., Great Britain, France, the Netherlands, and the United States. Approximately 200 persons were accommodated in St. Thomas during the 3-week sessions of the conference. They included delegates, advisers, and facilitating personnel.

President Truman's message to the conference, delivered by Chairman Charles W. Taussig, recommended an increasing measure of self-government by the people of the Virgin Islands of the United States, and pledged the United States Government to support any suitable plan which would bring the non-self-governing territories of the Caribbean region into closer cooperation with each other, with a view to developing the educational, social, and cultural institutions of the region, improving the standards of living of the people and strengthening the foundations upon which self-governing institutions may be developed. The keynote of the conference was sounded

when the chairman stated that a "bill of human obligations" should be coupled with a bill of human rights in a world which atomic energy has confronted with two alternatives—peace or extinction. Representatives of 15 Territories attended this conference, including the Bahamas, British Honduras, Bermuda, British Guiana, Curacao, French Guiana, Guadeloupe, Jamaica, the Leeward Islands, Martinique, Puerto Rico, the Windward Islands, Surinam, Trinidad, and the Virgin Islands of the United States. Problems of poverty, overpopulation, underemployment, wretched housing, malnutrition, agriculture, production, marketing, industrial diversification, improved transportation and communication, tourism, health education, and development of local crafts were discussed and resulted in an exchange of information which should be valuable in the solution of these problems which are common to the West Indian area.

Military services

Throughout the year there has been an accelerated withdrawal of personnel from all military establishments in the Virgin Islands, until at the year's end Army and Navy installations, which accommodated a thousand or more men during the war, were reduced to essential maintenance personnel. Of approximately 800 Virgin Islanders who were conscripted for military service and sent abroad, 650 have been demobilized and returned to the islands by June 30, 1946. These figures do not include Virgin Islanders who were conscripted in the United States, or those who voluntarily enlisted. Coincident with the demobilization of Virgin Islands veterans, the Veterans' Administration established a branch of its Readjustment Allowance Division and a branch of its Contact Division in the Virgin Islands.

The municipal market

On March 31, 1946, the municipal market and cold storage plant ended 1 year of functioning under municipal operation with a loss of \$8,954.20. A new local appropriation of \$25,000 was made available for the continuing operation of the market for another period of 1 year. The loss is partly offset by the public advantage which results from adequate cold storage facilities heretofore nonexistent. At the present time the market is not used to capacity and the overhead is high. It is imperative that a new policy and program of operation be instituted by the market as promptly as possible.

Local legislation

During the year the executive approved a total of 137 bills passed by the municipal council of St. Thomas and St. John, 42 bills passed by the municipal council of St. Croix, and 11 bills passed by the legislative assembly. A total of 11 bills were vetoed. Two bills were repassed by the

municipal council of St. Thomas and St. John over the executive veto, 1 of which, an increase in wages and decrease in working hours, was sent to the President for his decision.

Noteworthy enactments of the assembly included a law to insure a sanitary and safe milk supply in the Virgin Islands of the United States, and a Virgin Islands full employment act incorporating, on a local scale, important features of the similar Federal legislative proposal.

Outstanding items of legislation of the municipal council of St. Thomas and St. John were an ordinance creating a municipal power authority for the purpose of constructing and operating a modern, alternating-current system for the island of St. Thomas; ordinances providing for home loans and small industrial loans; and a bill to increase the minimum wages of 20 cents for unskilled labor, 30 cents for semiskilled labor, and 40 cents for skilled labor, to 30 cents for unskilled labor, 40 cents for semiskilled labor, and 50 cents for skilled labor, respectively. This bill was vetoed by the executive on economic grounds, and passed over the executive veto. It was again vetoed and sent to the President, who at the end of the year had not taken final action.

The municipal council of St. Croix also enacted legislation creating a power authority for that municipality for the purpose of purchasing the existing direct-current system and converting it to modern, alternating current.

Public utilities

Critical problems have developed in the supplying of electric energy for light and power on the islands of St. Thomas and St. Croix.

In St. Thomas, 220-volt direct current is supplied by a private company under the supervision of a public utilities commission. Rates are 10 cents per kilowatt-hour for light, 6 cents per kilowatt-hour for power, and for consumers using more than 100 kilowatt-hours per month, special power rates on day consumption only, from 5 cents per kilowatt-hour down to 3 cents per kilowatt-hour.

In St. Croix, the towns of Christiansted and Frederiksted are equipped with 110-volt, direct-current systems furnished by a private company. Rates are 17 cents per kilowatt-hour for light, and 10 cents per kilowatt-hour for power. The rural districts of St. Croix, however, are supplied with low-rate, 110-volt alternating current by the rural electrification division of The Virgin Islands Company.

In St. Thomas, the decision was made, as far back as 1941, that the system should be converted to a modern, 110-volt, alternating-current system to be constructed and operated as a publicly owned facility. The installation of a new plant and the conversion of the distributing system were deferred during the war because of the unavailability of generating equipment and necessary critical material.

In 1941 an agreement was entered into between the municipality of St. Thomas and St. John and the private utility company which owns and operates the direct-current system in St. Thomas, providing that the company would continue to furnish 220-volt, direct-current electrical energy for light and power to private and public consumers for an indefinite period, terminable by either party upon 6 to 12 months' notice.

Subsequent to this agreement, offers of the private utility company to construct and operate an alternating-current system were rejected, because of high estimated costs and high prospective rate schedules. Finally, as the result of a survey of the situation made by the Division of Power of the Department of the Interior, the municipal council of St. Thomas and St. John, on December 20, 1945, adopted an ordinance authorizing a municipal electric light plant and distribution system, and creating an authority for the purpose of operating such plant and system. This authority is now negotiating with the Navy Department for the purchase of surplus alternating current from naval facilities at St. Thomas, as the quickest and cheapest method of bringing to the people of St. Thomas the benefits of an alternating-current supply of electrical energy.

In the meantime, however, the direct-current generating equipment of the private utility in St. Thomas has suffered major break-downs. In May of this year, for a period of about 10 days, with successive service interruptions threatening total black-outs, the Navy Department furnished a tug which supplied direct current to the city of Charlotte Amalie while emergency repairs were being made to the local plant. By the end of the year, the local power plant, with two generating units out of commission, was still unable to supply sufficient electrical energy for the entire town of Charlotte Amalie, and a modified system of nightly black-outs for various districts in the town was in effect. It now appears that there is reasonable hope for purchase of sufficient alternating current from the Navy, and for its distribution in such manner, within the new fiscal year, as to relieve some of the load on the private utility's generating units. Efforts are being made, also, to acquire a reconditioned, direct-current plant so as to assist the private utility in meeting its obligations to the public until such time as the entire system can be converted to alternating current.

In St. Croix, the Division of Power of the Department of the Interior, after a study of the power supply in the towns of Christiansted and Fredriksted, recommended that the contract with the private utility company be terminated and that arrangements be made with the rural electrification division of the Virgin Islands Company to serve all town consumers by providing alternating-current service to the residents of the two towns at the lowest average rate, and thus make available the benefits of cheap electricity to the widest extent. Representations were made to the Rural Electrification Administration of the United States Department of Agriculture to finance the expansion of The Virgin Islands Company's rural electrification division to include the towns of Christiansted and Frederiksted. This

proposal did not meet with the approval of the Rural Electrification Administration.

The contract of the municipality of St. Croix with the private utility company provided for exercise of the municipality's option to purchase the direct-current systems with 1 year's notice from September 21, 1945. This notice was given. The municipal council of St. Croix, late in the year, adopted an ordinance, similar to that earlier adopted in St. Thomas, authorizing a municipal electric light plant and distributing system, and creating an authority for the purpose of operating such plant and system. As the year closed, the power authority was making the necessary arrangements to borrow funds to acquire the properties and distributing system of the private utility, with the hope and prospect of obtaining 110 volts electrical energy through the facilities of the rural electrification division of The Virgin Islands Company.

Conclusion

Essentially, this year has been a protracted period of transition between two administrations, with an Acting Governor functioning without substantial guidance from the outgoing executive or any assurance as to the plans or program of a new administration. Thus charged with responsibility without full authority, the transitional administration of necessity focused its attention upon the limited though important objective of maintaining essential public services and administrative functions. It is to the great credit of the Acting Governor and those who carried on during this period that orderly machinery of government functioning in normal fashion was turned over to the incoming Governor at the end of the year. In the months immediately ahead, the course of the new administration will be charted.



