

APPLICABILITY OF NAVIGATION LAWS TO THE VIRGIN ISLANDS

JULY 17 (legislative day, JULY 10), 1939.—Ordered to be printed

Mr. KING, from the Committee on Territories and Insular Affairs,
submitted the following

REPORT

[To accompany S. 2784]

The Committee on Territories and Insular Affairs, to whom was referred the bill (S. 2784) to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The purpose of this bill is to make inapplicable to the Virgin Islands Federal navigation and other laws which prevent the port of St. Thomas in the islands from competing for certain types of shipping business with foreign ports in Jamaica, Trinidad, and elsewhere. At the present time St. Thomas enjoys a substantial coal and oil bunker business which may be adversely affected unless this or a similar bill is enacted into law.

At the present time section 4 of the Organic Act of the Virgin Islands declares that, except as otherwise expressly provided, all laws of the United States for the protection and improvement of the navigable waters of the United States and the preservation of the interest of navigation and commerce shall apply to the Virgin Islands. This bill, as amended by the committee, would amend section 4 of the Organic Act in such manner as to eliminate the applicability to the Virgin Islands of Federal laws for the preservation of the interest of navigation and commerce and to confer upon the Legislative Assembly of the Virgin Islands the power to enact navigation, boat inspection, and safety laws of local application. However, the President would have power to make applicable to the Virgin Islands such of the navigation, vessel inspection, and coastwise laws of the United States as he might find and declare to be necessary in the public interest. Any laws so made applicable by the President would, to the extent that they were in conflict with laws enacted by the legislative

assembly, supersede the laws enacted by the legislative assembly. Federal laws for the protection and improvement of the navigable waters of the United States would continue to be applicable to the Virgin Islands. Section 4 of the Organic Act, as amended by the bill, would specifically provide that no Federal laws levying tonnage duties, light money, or entrance and clearance fees should be applicable to the Virgin Islands.

The committee has accepted the view of the Department of Commerce with respect to the advisability of substituting different wording for that used in section 2 of the bill, as introduced; but was of the opinion that it was desirable to include such wording in the first section of the bill in order to prevent possible conflict between the provisions of the bill.

The legislative bodies of the Virgin Islands have on two occasions recommended the enactment of legislation such as is proposed by this bill. The introduction of this bill was recommended by the Department of the Interior after conferences between representatives of that Department and representatives of the Department of Commerce and of the local governments of the Virgin Islands. The reports of the Department of the Interior and of the Department of Commerce on the bill are set out below.

DEPARTMENT OF COMMERCE,
OFFICE OF THE UNDER SECRETARY,
Washington, July 14, 1939.

Hon. WILLIAM H. KING,
United States Senate, Washington, D. C.

MY DEAR SENATOR KING: In accordance with your request for comment on S. 2784, by this Department, being a bill to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936, we would say that, upon a reading of the bill it appears that the objective sought is to relieve the Virgin Islands of the application of the navigation laws of the United States, particularly laws levying tonnage duties, light money, and entrance and clearance fees.

It is suggested that section 2 of the bill be stricken out, and the following language inserted in lieu thereof:

"The navigation, vessel inspection, and coastwise laws of the United States shall apply to the Virgin Islands only to the extent that the President of the United States shall find and declare to be necessary in the public interest."

In view of the suggested substitution of section 2, it is thought that out of paragraph (d) of section 1, the language "not in conflict with the laws of the United States" should be deleted. This would leave the Legislative Assembly in the Virgin Islands full power to enact vessel inspection and safety laws of local application without regard to the existing law, but should the President, by virtue of the suggested section 2, deem it necessary to apply to the Virgin Islands any of the statutes for the time being not made applicable, then such acts of the Legislative Assembly of the Virgin Islands that would be in conflict with such laws when applied, would be of no force and effect. The use of the words "not in conflict with the laws of the United States" would appear to tie the hands of the assembly in passing any local laws which would be in conflict with existing laws.

Should the bill pass, two objectives would be accomplished, in that there would be no tonnage duties, light money, or entrance and clearance fees collected in the Virgin Islands; further, the navigation, vessel inspection, and coastwise laws of the United States would not apply until such time as the President determined that any one or all of such laws should apply. By suspending the operation of these laws in the islands at this time, an opportunity will be afforded to build up the commerce of the islands without the restrictions which would otherwise inhere.

No formal report has been requested of this Department, and of course no report has been transmitted to the Budget, but this Department perceives no objection to the enactment of this legislation. Therefore, this communication

expresses but the views of the Department, and is not to be considered as commitment on the part of the administration.

Cordially yours,

EDWARD J. NOBLE,
Under Secretary of Commerce.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS,
Washington, June 16, 1939.

HON. MILLARD E. TYDINGS,
United States Senate.

MY DEAR SENATOR TYDINGS: I acknowledge receipt of your letter of June 15 with which you transmit a draft of a bill to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936.

The introduction of this bill is desired by the Department of the Interior whose representatives have been in conference with representatives of the Department of Commerce and representatives of the local governments of the Virgin Islands.

The legislative bodies of the Virgin Islands have on two occasions petitioned the Congress to enact legislation such as is now proposed. The port of St. Thomas depends almost entirely on shipping, much of which is foreign, for its livelihood. The coal and oil bunker business carried on in St. Thomas is in competition with foreign ports in Jamaica and Trinidad and elsewhere, and much concern has been expressed locally over the possibility that the restrictive provisions of the navigation laws of the United States might adversely affect the substantial shipping business now carried on in St. Thomas.

The draft of bill which you transmitted with your letter is returned herewith.

Sincerely yours,

ERNEST GRUENING, *Director.*

