

ECONOMIC CONDITIONS OF THE VIRGIN ISLANDS



SUPPLEMENTAL REPORT

ON AN INVESTIGATION OF THE ECONOMIC CONDITIONS
OF THE VIRGIN ISLANDS OF THE UNITED STATES WITH
SPECIAL REFERENCE TO THE CURRENCY SITUATION
AND THE POSSIBILITY OF ESTABLISHING
AN AMERICAN BANK

By RUFUS S. TUCKER



PRESENTED BY MR. WILLIS

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LETTER OF TRANSMITTAL

SEPTEMBER 15, 1925.

SIR: I have the honor to submit a report on an investigation of the economic conditions of the Virgin Islands of the United States, with a special reference to the currency situation and the possibility of establishing an American bank.

This report is the result of a visit to the Virgin Islands and a careful study of reports of previous investigators, and of the official statistics. The progress of the investigation was greatly facilitated by the local officials who had for some time been accumulating pertinent data.

The subject of taxation is omitted from this report as it is adequately discussed in an accompanying report by Mr. R. F. Magill

Respectfully,

RUFUS S. TUCKER.

HON ANDREW W. MELLON,
Secretary of the Treasury.

LETTER OF TRANSMITTAL

September 15, 1954

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This report is the result of a visit to the Virgin Islands and a careful study of reports of previous investigations and of the official statistics. The progress of the investigation was greatly facilitated by the local officials who had for some time been accumulating pertinent data.

The subject of taxation is omitted from this report as it is adequately treated in an accompanying report by Mr. H. E. Marshall.

Respectfully,

Walter S. Jackson

Hon. Arthur W. Mellon,
Secretary of the Treasury.

ECONOMIC CONDITIONS OF THE VIRGIN ISLANDS

AUTHORITY FOR INVESTIGATION

As a result of many difficulties that have arisen in connection with the currency and banking system of the Virgin Islands a committee was appointed early in 1925 by the Secretary of the Treasury, consisting of Hon. Charles S. Dewey, Assistant Secretary of the Treasury; George L. Harrison, Esq., deputy governor, Federal Reserve Bank of New York; and Walter W. Stewart, Esq., director of the division of research and statistics of the Federal Reserve Board. This committee consulted with various practical bankers and economists, and decided that it was necessary before recommending any changes in currency and banking to become very thoroughly acquainted with the general economic conditions of the islands.

As the governor of the Virgin Islands, Capt. Philip Williams, had requested that an expert be sent to recommend changes in taxation; Mr. Roswell F. Magill, of Columbia University law school, formerly of the Bureau of Internal Revenue, was designated to investigate and report on the tax system, and the undersigned was designated to report on the financial and general economic situation.

We arrived in St. Thomas on May 26, and spent nine days there and three days in St. Croix. We also made a one-day trip to St. John. Our researches were greatly assisted by the fact that the governor and his aides had for several months past been accumulating statistical and legislative material. Many of the prominent inhabitants were interviewed, for the most part privately, but we also attended a meeting of the St. Thomas Municipal Council, at which the members expressed their opinions concerning the existing situation and suggested legislative changes.

Among the persons interviewed were the following:

Mr. Axel Holst, senior manager of the National Bank of the Danish West Indies; Mr. Axel Thage, junior manager of the National Bank of the Danish West Indies; Mr. G. J. Anderson, representative of the Shipping Board; Mr. E. A. Berne, ship agent and consul for several nations; Mr. E. D. Boardman, collector of the customs; Mr. Cyril E. Daniel, auctioneer and consul general for Haiti; Mr. W. O. Simmons, harbor master; Mr. George Levi, ship chandler and consul for Peru and other nations; Mr. Johnson, the manager of one of the local drug stores and one of the manufacturers of bay rum; Mr. Larkin, British consul; Mr. Isaac Paiewonsky, also a manufacturer of bay rum and prominent storekeeper, formerly owner of the floating dock; Mr. H. Bang, acting manager of the (Danish) West Indian Dock Co.; Mr. LaBeet, a retired business man and estate owner; Dr. Viggo A. Christenson, manager of a dairy farm, and Mr. Waldemar A. Miller, his partner, who is also

active in shipping and cattle raising in the island of St. John; Mr. George Audain, editor of a local newspaper; Mr. J. E. Kuntz, chairman of the colonial council; Mr. H. P. MacGowan, American trade commissioner.

The views of the local naval officials were also obtained especially in discussion with Commander C. S. Baker, Government secretary; Lieut. A. B. Clark, assistant Government secretary; and the governor himself.

Persons interviewed in St. Croix include Lieutenant Commander Shamer, dispatching secretary; Mr. Folmer Andersen, president St. Croix Chamber of Commerce and manager of the Danish West India Sugar Co.; Mr. Albert Nelthrupp, cattleman and cotton raiser; Mr. Bromley Nelthrupp, cattleman; Mr. Robert L. Merwin, a steamship agent; Mrs. Eleanor Jorgensen, manager of a cattle ranch.

As a result of these investigations on the spot and a careful study of statistics and legislation and of various petitions and statements that have emanated from the islands in recent years, the following report is submitted. A report on taxation has been separately prepared by Mr. Magill.

LOCATION AND AREA

The Virgin Islands of the United States lie between longitude $64^{\circ} 34'$ and $65^{\circ} 6'$ west, and between latitude $17^{\circ} 40'$ and $18^{\circ} 25'$ north, being about 40 miles from Porto Rico at the nearest point. Their land area is about 132 square miles; that is a trifle less than the combined area of the islands of Marthas Vineyard and Nantucket in Massachusetts, but their population, which is 26,000, is over three times as great as that of Marthas Vineyard and Nantucket. Compared with the District of Columbia, their area is about twice as great.

ACQUISITION BY UNITED STATES

These islands were formerly known as the Danish West Indies. They consist of three inhabited islands: St. Croix or Santa Cruz, with an area of 84 square miles; St. Thomas, with an area of 28 square miles; and St. John or St. Jan, with an area of 20 square miles, besides about 50 small islets or cays, of which only 5 are inhabited.

The Danes first occupied St. Thomas in 1666 and settled St. John in 1717 and St. Croix in 1733. St. Thomas was held for a few years by the English, and St. Croix has been occupied at various times by Dutch, English, French, and Spanish. The United States first offered to buy the islands in 1867, and a treaty was signed and ratified by Denmark providing for the sale of St. Thomas and St. John for \$7,500,000. This was rejected by the United States Senate. In 1902 another treaty provided for the sale of all the islands for \$5,000,000, but this was rejected by the Danish Rigsdag. Finally, by the treaty of August 4, 1916, the islands were sold to the United States for \$25,000,000, and were transferred to American sovereignty on March 31, 1917.

The chief reason for acquiring the islands was a strategic one. They are so located as to form a good naval base for the defense of

the Panama Canal. Even more important, in the hands of an enemy they would be a menace not only to the Canal but also to the Gulf and South Atlantic ports of the United States, and to the trade between the United States and South America. This was shown during the Revolution, the War of 1812, and the Civil War, when St. Thomas was a rendezvous for privateers and blockade runners. At present it forms a part of the so-called Culebra base.

POPULATION

The population of the Virgin Islands had been decreasing for many years before they were purchased by the United States. The highest recorded population in St. Croix was 28,803, in 1796; the highest in St. Thomas was 14,389, in 1880; in St. John, 2,555, in 1841. It is reported by historians that St. Thomas reached the height of its prosperity in the decade 1821-1830; but since regular censuses were instituted the periods of most rapid growth of population were, for St. Thomas, 1855-1860; for St. John, 1835-1841; and for St. Croix, 1880-1890. In 1917 the total population of the islands was 26,051, divided as follows: St. Croix, 14,901; St. Thomas, 10,191; St. John, 959. The density is 197 per square mile, which is about the same as in the State of Pennsylvania.

Since the last census was taken, in 1917, the population of St. Croix has continued to decline; that of St. Thomas has undergone considerable shifting, but on the whole seems not to have declined; that of St. John is not known for sure but has probably increased. Such decline as may have occurred in the islands as a whole is plainly due to emigration rather than natural causes, as the death rate has considerably decreased since 1917.

The decline in population is not peculiar to the Virgin Islands of the United States, but is shared by most of the neighboring British and Dutch islands. During the last census decade the population decreased in the Bahamas, Antigua, Montserrat, St. Kitts-Nevis, the British Virgin Islands, Grenada, Barbados, Saba, St. Martin, and St. Eustatius. In the case of Antigua, St. Kitts, Barbados, Saba, and St. Eustatius this decline has continued for a generation or more.

The reasons for this phenomenon are in general connected with the decline in sugar-cane cultivation, which in turn was caused by the competition of beet sugar and the labor difficulties following the abolition of slavery. In some of the islands the soil has lost its original fertility because of the one-crop system, and has washed badly because of the destruction of forests. In St. Croix, however, the soil is still almost as fertile as ever, partly because of its composition, partly because only small crops could be raised with the limited rainfall, and partly because manuring has been commonly practiced. The European war interfered with the export trade of all of the West Indian islands, and the disorganized state of the world's currency and shipping since the war, as well as the financial crisis of 1920, have prevented a satisfactory revival.

Statistics of emigration in the Virgin Islands are fairly good, since most emigrants go to the United States or to Porto Rico, and usually in regular steam liners, whose officials make regular reports in accordance with the immigration laws of the United States. Sta-

tistics of immigration and interisland migration are not complete, as most immigrants come from nearby British, Dutch, or French islands in small sailing vessels whose owners are not careful to report them. The immigration law of the United States was not enforced in the Virgin Islands before June 1 of this year (1925). Consequently, although recorded emigrants greatly exceeded recorded immigrants during the greater part of the last eight years, there is no reason to believe that the records correctly portray the situation. It is known that negroes from Tortola, Antigua, and other islands, and whites from St. Bartholomew have immigrated in large numbers to St. Thomas in recent years. In 1901, 21.9 per cent of the population were natives of some other place than the Virgin Islands; in 1911, 21.7 per cent; in 1917, 23.8 per cent. In 1910-20, 15.66 per cent of the school children were recorded as having been born outside of the islands; in 1923-24, 12.31 per cent.

Since the American occupation, sanitary conditions in the islands have so improved that there has been a marked decline in the death rate, as shown in the accompanying table. For 20 years before 1917 the reported deaths exceeded reported births in every year except 1901-2. In 1919, and every year since, births have exceeded deaths. The reduction in infant mortality has been especially noticeable.

Period	Birth rate ¹	Death rate	
		Total ¹	Under 1 year ²
1911-1917	27.7	35.4	320.0
1918-1923	27.6	24.9	209.5
1922	28.0	25.3	208.2
1923	24.8	24.5	193.2

¹ Per 1,000 census population; stillbirths not included.

² Per 1,000 births, excluding stillbirths.

These figures compare favorably with corresponding ones for the neighboring islands. The death rate in Antigua in 1923 was 27.56 per 1,000; in Barbados, 37.1; in the Bahamas, 25.2.

It is unfortunately true that the vital statistics of St. Croix still show an unsatisfactory situation. The average annual death rate for 1918-1923 (exclusive of stillbirths) was 28.2, and the birth rate only 26. Deaths of infants under 1 year, per 1,000 born alive, average 268.5. Even here, however, there has been considerable improvement over former conditions; the corresponding rates for the period 1911-1917 were 38.3 (total deaths), 26.8 (births), and 380.6 (infants' deaths).

The number of stillbirths is large in both St. Thomas and St. Croix, and shows no sign of decreasing. The annual average for 1918-1923 was 9.2 per 100 children born. Malnutrition was said to be responsible for 28 per cent of the deaths during 1923 of children born alive who died under one year, but all of these except one were in St. Croix. Other important causes of deaths of infants are acute colitis, broncho-pneumonia, and prematurity. The chief causes of death for the population in general are organic diseases of the heart, pneumonia, Bright's disease, and diseases of the arteries

and veins. Malnutrition was assigned as the cause of death in only 9 cases other than infants in 1923, and 8 of these were in St. Croix.

The commonest dangerous diseases occurring in 1923 in St. Croix were trachoma, filariasis, chicken pox, venereal diseases, and dysentery; in St. Thomas, venereal diseases, chicken pox, dengue, dysentery and fish-poisoning.¹ The typical plagues of the Tropics are practically unknown in the islands, but pellagra is moderately common in St. Croix, and a leper asylum is maintained on that island. Occasional epidemics of measles, mumps, and whooping cough occur.

The causes for the backward condition of St. Croix are several: The inhabitants are more scattered and therefore less easily supervised and instructed than in St. Thomas²; possibly the laborers are not as intelligent; and the sewerage facilities are not so good. Moreover, St. Croix was more severely injured by the drought that prevailed in 1920-1924, and the inhabitants were compelled to use doubtful sources of water and in some cases to subsist on less than the proper amount of food.

On the whole the natives of the islands appear to be well built and strong, although the medical officers report a large amount of concealed or minor defects. No deformed persons were seen during our 12-day sojourn, except some aged poor. The children looked healthy and well cared for. The native population in general is strikingly clean. Even their working clothes are frequently white and spotless, and on Sundays and holidays they are, as a rule, very well dressed, although many do not wear shoes.

The white immigrants from the French islands, known as "Chachas" are not as sturdy as the native negroes, partly because of the prevalence of hookworm, due to their unsanitary mode of living and the absence of footwear.

RACE AND LANGUAGE

According to the census of 1917, 7.4 per cent of the population were white, 74.9 per cent negro, and 17.5 per cent mixed. The proportion of whites was highest in the rural districts of St. Thomas (23.4 per cent), and lowest in St. John (0.4 per cent). At the present time the proportion in St. Thomas is believed to be slightly larger, but in St. John there are now only two white persons. The distinction between negro and mixed persons is too difficult to warrant putting much stress on the figures, but the proportion reported as mixed was highest in St. John, closely followed by St. Thomas town and Christiansted town, and the proportion reported as negro was highest in the rural districts of St. Croix.

With reference to their place of birth, 77.9 per cent of the negroes and 85.8 per cent of the mixed were reported as natives of the Virgin Islands, the others coming mainly from the British Islands. Only 36.4 per cent of the whites were natives of the Virgin Islands, 28.5 per cent natives of the United States, 13.4 per cent other West Indies

¹ The commonest in 1922 were in St. Croix, chicken pox, filariasis, venereal diseases, trachoma, and dysentery; in St. Thomas, measles, venereal diseases, chicken pox, dengue, and tuberculosis of the lungs.

² On the other hand, conditions in St. John are comparatively good in spite of poor medical control.

(not including British West Indies), and about 12.2 per cent from Denmark.

The language of the islands has been English for over a century, although laws were published also in Danish. Only three or four hundred persons speak Danish, a few more than that speak French, and probably not over a hundred speak Spanish, and a small number Dutch. Most of these individuals know English also.

Twenty-four and nine-tenths per cent of the population over 10 years of age was reported to be illiterate in 1917. The rates for different classes varied from zero for the whites in St. John and Frederiksted to 41.9 per cent for the negroes in the rural districts of St. Croix and 50 per cent for the white females in the rural districts of St. Thomas ("Cha-Chas"). Since 1917 the situation has undoubtedly improved, as school attendance is now compulsory from the age of 7 to 15, and the law is very well enforced. In fact, the colored inhabitants, for the most part, seem to desire to send their children to school, and the attendance is remarkably good. However, the statement sometimes made that 98 per cent of the inhabitants can read and write is plainly impossible.

SEX AND AGE

The census of 1917 shows an excess of females over males among the natives, except in the rural districts. The number of old women was strikingly large in comparison with the number of old men, in spite of the fact that women in the islands habitually perform the hardest kinds of labor.

CHARACTER AND MORALS

There is much difference of opinion concerning the character of the natives. The apparent cleanliness of the negroes and their good record of school attendance and their skill in making various articles of handicraft impress some observers, while others are more impressed with the large number of illegitimate births and the complaints of employers that they can not get a fair day's work out of them. Taking these last two matters up in order we find that in 1917 38.2 per cent of the inhabitants living together presumably as man and wife had never been legally or religiously married. The proportion of irregular unions among the negroes was 43.4 per cent; among the mixed population 26 per cent, among the whites 3.4 per cent. Among the negroes in the rural districts of St. Croix the proportion was 50 per cent. The proportion of illegitimate births to the total declined from 61.8 per cent in 1919 to 55.5 per cent in 1923, for the islands as a whole, but was 61.3 per cent in St. Croix in 1923. The unfortunate consequences of this practice are shown in the large number of deserted old women and women with children for whose support and control and no one is legally liable.

With regard to the efficiency of labor, employers rate the workingmen as from one-fifth to one-half as efficient as ordinary laborers in the States, and considerably below ordinary laborers in Porto Rico. The inefficiency is said to consist not in inadequate muscular strength but in irregularity of attendance and a disposition to loaf on the job; also in apparent inability to carry out instructions unless constantly

supervised, and competent supervisors are scarce. On these points many public officials agree with the employers. It is said also that a spirit of discontent and political unrest exists, especially in St. Croix, that has caused strikes and threats of sabotage at various times, including some cases of arson in the cane fields. If the crop being raised is of a sort that can be consumed on the spot, there is usually a great loss on account of what the director of the agricultural station in his report calls "praedial larceny." One planter reported that from 8,000 banana trees he only got 330 bunches of bananas, the rest being stolen. Grapes, pineapples, and all sorts of tree fruits go the same way. This planter now raises honey, as the bees can protect themselves. On the sugar plantations one sees men, women, and children sucking canes at all hours. This is regarded by the planters as one of the inevitable costs of the business. In the matter of stealing household articles the natives have a very good record, and the major forms of larceny are practically unknown.

There is a conflict of opinion concerning the temperament and disposition of the natives. They are reported by some observers to be kindly and docile; by others to be insolent and turbulent. It is obvious that they are not as happy and care free as the black laborers in the United States. It is stated by some white residents that the natives of St. Thomas are as a rule more courteous and good natured than those of St. Croix; by others that the principal trouble makers in St. Croix are not natives, but immigrants from the British islands. Both islands suffer from the fact that some of the politicians, editors, and labor leaders are of an emotional type, prone to utter in public extreme statements which in many cases they would willingly modify in private; and of course they are unwilling to admit any proposition that might seem to imply any difference in the capacity of whites and blacks. Incidentally there are frequent instances of bad feeling between the blacks and the so-called "colored," i. e., persons of mixed white and black origin.

Landowners who have tried to lease small plots to natives have usually found difficulty in preventing them from destroying trees, either by pasturing goats and cattle among them, or by burning them for charcoal, or cutting them, for broom handles and similar uses. Rents are also paid irregularly, and cultivation is frequently so slipshod that the owner's share of the crop is too little to make such leasing profitable. As a result there have been some cases of eviction, which caused complaint. A commission recently appointed by the governor was unable to find any cases of tenants being unjustly evicted. In fact there was one case at least of land being leased free and being so abused that the lessor was compelled to repent of his generosity and retake it.

The spirit of thrift is said to be lacking. The planters state, as planters in tropical countries frequently do, that to raise wages means to get less work done, since the laborers will be content with their previous standard of living and consequently work less, and they have many instances to back their belief. They state also that at present it is difficult to get laborers to work more than three or four days a week, although there is plenty for them to do. For example, the St. Croix sugar factory was compelled to shut down for several days during the grinding season this spring, because the squatters did not bring in any sugar during the time of the municipal

elections. On behalf of the laborers this much can be said: It is impossible for any one to work as hard in a tropical as in a temperate climate. Moreover, it is possible that they are not constitutionally as strong as they look. Organic diseases of the heart and kidneys are said to be very common in St. Croix. The chief article of diet among the poorer classes in the rural districts is "fungee," a mixture of corn meal and salt fish, which is surely lacking in nutritive qualities, and especially in vitamins. Intestinal parasites are common, although hookworm is confined to the French immigrants. On the other hand, the women are industrious and fairly reliable as servants, and the French immigrants, who are physically inferior to the negroes, are remarkably industrious and thrifty. Of course many of the more energetic and ambitious natives have migrated to the United States in the last few years, when there was unemployment in the islands on account of drought. It is interesting to note that the laborers of St. Croix are reputed to be only two-thirds as efficient as the natives of St. Thomas. The recent experience of the government in employing laborers in construction of water systems and the experience of a recent establishment for the manufacture of industrial alcohol are said to indicate, however, that when the natives are assured of a more or less permanent job, and when care is taken to eliminate the lazy and inefficient, it is possible to build up a reasonably satisfactory body of workmen.

In the matter of thrift it is believed that the natives are not wholly to blame. The opportunities for saving are limited, and the inducements likewise. In spite of this the per capita savings are much greater than in any of the near-by islands for which figures are available. The low rate of interest on savings accounts (3 per cent) is not a very great inducement, and there is not much chance for the ordinary laborer to acquire a farm or a house of his own. In view of their lack of experience in raising garden truck and the limited market for it when raised, it would be hard to obtain financial assistance in acquiring a truck farm; and sugar cultivation is not attractive on account of the uncertain yield. The same is true of cotton at present on account of the boll-worm. Fruit plantations require too long a time before they become productive. Consequently, the ordinary laborer has nothing better to look forward to than a tenancy, usually at will, and they do not as a rule make satisfactory tenants. Some tenants of this sort have done fairly well; the "Chachas" on the north side of St. Thomas, for example. A few exceptional laborers have risen to the ownership of respectable estates, and some of the white planters started in with practically no money. There seems to be a good field here for demonstration work by the Department of Agriculture and financial assistance by some Federal land bank. Several demonstration farms and model villages have been tried in the past without success, and some of the local trade unions are now managing cooperative estates. It is hoped that the rising generation, which has had the benefit of American schools, may succeed where their predecessors failed, but there is danger of spoiling them by excessive paternalism.

WAGES

Wages on the two islands can hardly be compared, on account of the different nature of the leading occupations, but wages on St. Thomas are somewhat higher per day than on St. Croix, and living conditions are better in spite of the irregularity of employment.

Common labor on St. Croix gets 40 to 50 cents for a nine-hour day; in the sugar estates regular laborers get 40 cents and also a cabin and a garden of one-tenth of an acre, and free medical attention. They are also allowed to keep a few animals and fowls. In 1921 wages were as high as \$1 a day. Second-class laborers get only 20 cents a day.

During the harvest season (March to July) laborers on sugar plantations get 60 cents a day. Cutters and carters (using the employer's carts and animals) are paid 30 cents per 1,000 pounds, and by working in small gangs are able to earn from 60 cents to \$1.75 a day each. The average per day is \$1.05.

Plowmen get 65 cents a day. Laborers providing their own horses get \$1.25.

Carpenters and mechanics get from \$1.25 to \$2.

On St. Thomas male dock laborers get \$1.10 to \$1.25, mechanics \$2 to \$3.50 or even \$4 per day, but work is very irregular. Stevedores are paid 15 cents to 18 cents per hour.

Women coaling vessels get 2 cents per basket of 80 pounds, and average 60 cents or occasionally \$1 a day for two days a week. Household servants get \$8 to \$10 per month and board.

On St. Croix it is the universal complaint of employers that they can not get laborers to work more than three or four days a week even in the harvest season; on St. John wage laborers seem to be almost nonexistent; but on St. Thomas it is the complaint of the laborers that they can not get reasonable continuous employment. On the other hand, an attempt to establish a lace-making industry failed because of the unwillingness of St. Thomas women to work more than half time and residents of St. Thomas complain that servants are irregular in attendance and that odd jobs of carpentry, etc., are frequently left uncompleted for unreasonable periods, or botched in an attempt to save time, or even for no apparent reason.

IMMIGRATION

The policy of the Danes was to encourage the immigration of field laborers from neighboring islands, for which purpose they even levied a special tax in St. Croix of 10 cents per acre. Since 1922 the American Government has restricted immigration, and on June 1, 1925, the United States immigration law was put into full effect. Many planters oppose this restriction; the labor leaders on the whole favor it. Since it does not apply to natives of Porto Rico there has been much talk of colonizing the sugar plantations with Porto Ricans, but differences of language, race, and religion stand in the way. Moreover the Porto Ricans are accustomed to higher wages (60 per cent to 100 per cent higher), and although many observers believe they are worth that much more on account of their superior industry and reliability, others deny this. In any case it would be hard to have both kinds of labor on one estate. Many negro laborers

of the British islands, such as Nevis, would be glad to emigrate if allowed, since conditions are worse in their homes than in St. Croix. It is widely believed that some of the labor leaders in St. Croix are deliberately restricting their output in order to force estate owners to sell or lease on easy terms. Even if this is true, the estate owners have the option of turning their estates into cattle ranches, which many have done, or of importing Porto Ricans. Consequently, letting down the bars to British West Indians can not be recommended, especially as many of them in the past have been trouble makers.

SUGAR

The principal crop of St. Croix and the most valuable export of the Virgin Islands for many years has been sugar. In the minds of many residents sugar must continue to be the main crop in the future, but there are many reasons to think that this is not the case. The rainfall on the easily cultivable portions of the islands is inadequate and too irregular to make sugar cultivation anything better than a gamble. The crop has varied in the last 20 years from 1,457 short tons in 1923 to 15,334 tons in 1916, due almost wholly to variations in rainfall during the planting and growing seasons. The annual rainfall for this period varied from 26.5 inches in 1922 to 65.5 inches in 1915, but these figures represent the average of three stations, and individual plantations varied several inches from these averages. The average of these three stations for 72 years (1852-1924) was 46 inches. Owing to the prevailing steady winds and consequent high evaporation, less than 50 inches is rarely sufficient for good sugar crops. Only 3 of the 10 years, 1915-1924, were profitable. Over a long period of years a well-managed estate can expect to make a profit only half the time, but sometimes the profit is very great, as in 1920. These occasional killings have caused planters to continue in the business when it might have been more prudent to convert their land to some other use.

Another reason for their persistence in raising sugar was the hope that the United States Government would build irrigation reservoirs, which they were convinced would at least double the yield. A report by Mr. C. C. Fisher, engineer of the Reclamation Service, made in April, 1924, showed that this hope was fallacious. Only 3,000 acres, or possibly 4,000, could be irrigated, and the increased yield would not be enough to repay the cost at present prices on more than 2,500 acres. Moreover, as these profitable projects would benefit exclusively two large corporations, it would be contrary to precedent for the Federal Government to undertake them.

These two corporations are the West India Sugar Factory (usually referred to as the Bethlehem estate) and the La Grange estate. The West India Sugar Factory produces two-thirds of the entire crop of sugar in St. Croix, and is the best equipped, both for grinding and cultivation. Its average yield in 1925 is 22 to 23 tons per acre, with a sugar content of about 18 per cent, in a few cases as high as 20 per cent. It has recently introduced improved methods of dry farming. It owns 12,500 acres, of which 5,000 is in cane, 120 acres in cotton, and some in leguminous or forage crops. It has between 1,100 and 1,200 cattle and other draft animals. It gets about 15 per cent of its cane from outsiders, whose product usually contains only 10½ per cent of sugar. Its mill can grind at the rate of 700 tons of cane

a day. This concern is mainly owned in Denmark, but the National Bank of the Danish West Indies owns 100,000 kroner of its 1,600,000 kroner capital stock. The cost of the proposed irrigation scheme will be between \$250,000 and \$370,000.

The La Grange factory has a grinding capacity of 250 tons per day. It is now owned by residents of St. Croix. About two-thirds of its cane is bought from independent planters. Its capital stock is 525,000 francs, of which 350,000 francs may be preferred stock. The cost of the suggested irrigation scheme would be about \$507,000.

The St. Croix Sugar Factory has a grinding capacity of 200 tons per day, but its output in 1924 was larger than that of the La Grange factory. It gets the greater part of its cane from independent planters. It was formerly partly owned by the Danish Government but in 1923 was sold to a local corporation for 375,000 francs. The authorized capital is 290,000 francs in stock and 375,000 francs in mortgage bonds.

Both the St. Croix factory and the La Grange factory have received loans of 250,000 francs from the immigration fund, in the nature of 4 per cent first mortgages amortizable over 25 years.³

The area devoted to sugar cultivation was 27,655 acres in 1796, 23,971 acres in 1847. As a result of the abolition of slavery, it fell to 19,736 acres in 1851 and steadily declined since, to 9,014 acres in 1923. An increase of 818 acres was reported for 1924, on account of good rains in the planting season. Scarcity of labor is said to be responsible for the decline in recent years. Since 1917, according to various planters, the number of laborers has declined between 27 per cent and 35 per cent, and seasonal laborers, who were formerly encouraged to come from the near-by British islands, are now forbidden by the American Government. The administration discontinued its aid to immigration in 1919 or 1920, and the Federal immigration act was applied to the Virgin Islands June 1, 1925. There might be ample labor if the natives would work full time, but the planters unanimously testify that the natives will only work three or four days a week.

The yield of sugar has not decreased as rapidly as the acreage, owing to improved methods of cultivation and extraction. The highest on record was 23,000 tons, in 1812; the highest since slavery was abolished was 19,275 tons, in 1903; the figures for recent years are as follows:

Year	Weight of sugar (tons)	Value of sugar	Tons of cane (per acre)	Year	Weight of sugar (tons)	Value of sugar	Tons of cane (per acre)
1918-----	5,842	¹ \$969,104.85	9.7	1923-----	1,457	\$295,860.60	5.5
1919-----	9,723	1,429,244.25	15.7	1924-----	2,385	275,080.00	9.2
1920-----	13,329	4,086,671.40	15.8	1925-----	7,200	-----	-----
1921-----	6,706	661,857.53	7.6	1926-----	7,000	-----	-----
1922-----	5,789	583,531.20	8.8				

¹ Danish West Indies.

The figures for value and yield per acre in 1924 are taken from the petition of the St. Croix Chamber of Commerce; the others from the official records; there are some discrepancies; local estimates run lower; the yield for 1925 and 1926 is as estimated by Willett and Gray.

³ Further details concerning these companies are contained in the Annual Report of the Dispatching Secretary of St. Croix, 1922-23.

The crop of 1925 is large, because of rains in October, 1923; the rainfall in 1924 was also satisfactory, but the price of sugar is low, and the planters do not expect to make more than enough this year to pay off their losses in 1921-1924.

The average annual export of sugar was 9,216 tons in the period 1898-1920, 8,696 tons in the period 1835-1897, and 10,778 tons in the period 1777-1807.⁴ The largest export ever recorded was 19,836 tons in 1902, but the most valuable was in 1920.

The export of molasses amounted to 1,213,800 gallons in 1871, but that was very unusual. The average for five years 1889-1894 was 190,128 gallons, and after 1897 the amount declined rapidly. The export of rum declined rapidly after 1854.⁵

The comparative steadiness of the sugar output over the decades as compared with the disappearance of the by-products, molasses and rum, is explained by improved methods of refining which make it possible to obtain as much sugar from a smaller amount of cane. The old muscovado process was not entirely abandoned until after the islands were bought by the United States.

The average yield of cane per acre in the 10 years, 1914-1924, has been 11.6 tons, the highest 24.8 tons, although 45 tons have been produced in a specially favored location and under exceptionally favorable conditions. Competing sugar-raising districts report yields in recent years as follows:

	Tons
Santo Domingo -----	12 -25
Trinidad:	
On large estates -----	12 -25
On small estates -----	8 -12
Louisiana (15.6 to 17.3 normal) -----	10.4 -20
Porto Rico -----	14.5 -23
Cuba -----	20 -25
Hawaii -----	35 -60
Java -----	40 -46
Texas, 1919 (10.1 to 11.3 tons, normal) -----	6.8

Some figures are available for a comparison of sugar yield per acre:

	Pounds
St. Croix (1914-1924) -----	999-5,952
Porto Rico:	
1919 -----	4,258
Exceptional case -----	17,000
Louisiana (1919, abnormally low) -----	1,430
Hawaii:	
1914 -----	11,400
1919 -----	9,034
Philippines (1919) -----	1,880

The yield on irrigated estates in St. Croix might be 25 to 36 tons of cane per acre, but as these estates are already to a large extent yielding more than the average for the island, on account of superior cultivation, it is obvious that the 6,000 or more acres now devoted to sugar on estates that can not be irrigated must yield too little to be able to compete with Porto Rico, Cuba, and Hawaii, unless wages

⁴ Statistics covering these years are published in Bulletin No. 2 of the Virgin Islands Agricultural Experiment Station.

⁵ See Bulletin No. 2 of Virgin Islands Agricultural Experiment Station; also section on "Prohibition" in this report.

are kept down to a much lower level than wages in those competing areas. Consequently, a change of crop is advisable for them.

The costs of raising cane have been stated in some detail by the managers of the LaGrange Sugar Factory and of the West India Sugar Factory and run around \$3 per ton in an average year. These figures, however, refer to field costs only, with no allowance for overhead.⁶ These costs represent the experience of large estates using machinery and comparatively modern methods of cultivation. The "squatters," of whom there are about 1,000, and who in some cases have only 2 or 3 acres, raise cane by primitive methods, and even some of the larger independent estates do not use modern methods of dry farming, with the result that their yield per acre is less and likewise the sugar content of the cane.

The cost of sugar at the wharf in St. Croix has varied from \$76 per ton to \$255 per ton in the last 10 years, the average being \$119.90. Normally it is said to be \$80 to \$85 per ton. It is stated that when the New York price is less than 5 cents a pound sugar is unprofitable in St. Croix, but a generalization of this sort would not be correct in every year. This year the crop is profitable at a price slightly over 4 cents.

The West India Sugar Factory has experimented with various other crops as an alternative to irrigation. An experiment with sisal some years ago was not carried through on account of the low market price of the product when the plants were ready to harvest. Pine-apples are now being grown, but the flat, easily cultivable soil does not seem to be chemically suitable; on the other hand, they grow very well in the hilly districts. It would seem reasonable to suppose that they might grow well on the LaGrange estate, which is situated on the older geological formation. Onions and castor beans grow well; their profitable production is a question of marketing. Experiments are being made with cucumbers for pickling and garlic. Cotton grows well and is of excellent quality and sells at a good price, but the pink bollworm has ruined the crops for several years, and as yet no successful method of combating it has been found. Coconuts grow well but suffer from hurricanes and depredations of the natives.

Many of the planters in the drier sections have found cattle raising more profitable than sugar.

On the whole it seems obvious that sugar cultivation in St. Croix may be made profitable on those areas that are capable of irrigation, and they may yield even as large a crop as is now yielded by the whole island, but any attempt to encourage sugar planting on non-irrigable land, whether by repealing the export tax or by developing new varieties of cane or distributing free cane for planting or extending loans to planters or encouraging immigration of field laborers during the harvest season, would be economically wasteful as a permanent policy, though perhaps justifiable as a temporary measure. Of course the export tax might be repealed for other reasons, but the necessary expenses of government must be met somehow, and the planters should be required to pay some other form of tax in that case, as there is nothing inherent in sugar pro-

⁶ See report of dispatching secretary, St. Croix, 1923-24, p. 8; also report of C. C. Fisher on irrigation possibilities, April, 1924; and petition of St. Croix Chamber of Commerce, December, 1924.

duction that entitles it to be permanently subsidized at the expense of other industries where it can not support itself.

Of course the sugar of the Virgin Islands, like all sugar grown in the United States, is protected by the tariff of 2.2 cents per pound; and the export tax, which is equivalent to 0.4 cent per pound, is in no sense a part of the Federal tariff, but is a purely local tax in lieu of other forms of taxation for local purposes.

Freight rates on sugar, St. Croix to New York, were as low as \$2.90 per ton in 1914 but in 1918 and 1919 were \$11.60 a ton. Since then the rate has been \$3.60.

Exports of sugar and molasses from St. Croix

Year ¹	Sugar		Molasses	
	Quantity ²	Value ³	Gallons	Value ⁴
Average 1889-1894.....	19,180,000	\$555,905	190,128	\$23,335
1896.....	21,453,785		275,000	
1897.....	28,057,835		202,949	
1898.....	27,856,679		87,802	
1899.....	25,935,010	4526,227	69,186	46,327
1900.....	26,387,779		90,591	
1901.....	18,785,396		16,841	
1902.....	26,455,591		63,356	
1903.....	34,709,480		37,545	
1904.....	23,331,274		54,896	
1905.....	27,712,849		94,500	
1906.....	12,561,930		849	
1907.....	24,381,682		38,622	
1908.....	25,600,057		1,645	
1909.....	8,036,600		1,186	
1910.....	22,021,000		5,576	
1911.....	21,328,400		40,941	4,000
1912.....	20,047,800		11,314	1,200
1913.....	12,126,800		5,082	600
1914.....	11,681,000		1,961	200
1915.....	9,610,800		1,228	200
1916 ¹	7,778,200		1,389	
1918 ¹	15,968,612	940,815		
1919.....	20,691,881	1,401,908	30,823	18,015
1920.....	26,446,221	4,220,237	85,200	61,683
1921.....	12,625,688	550,930		
1922.....	11,446,635	582,570		
1923.....	3,521,539	240,241		
1924.....	⁵ 4,764,490	249,279		

¹ Year ending Mar. 31, 1889-1916; calendar years, 1918-1924.

² Danish pounds 1889-1916 (=1.1 pounds United States); United States pounds 1918-1924.

³ Danish West Indies dollars, 1906-1916; United States dollars, 1918-1924; silver dollars before 1906.

⁴ Average.

⁵ To United States only.

NOTE.—Sugar exported in calendar year 1916 estimated 30,000,000 pounds; in 1917, 12,000,000.

COTTON

Cotton was raised in all of the islands in the eighteenth century; 157,000 pounds were exported from St. Croix in 1792. An attempt was made to revive its cultivation during the American Civil War, and in 1866, 71,000 pounds were exported. In 1907 the export of cotton began again, with gratifying success until the outbreak of the European war. In 1920 the pink bollworm made its appearance, and a law was passed forbidding the planting of cotton for two years. This closed season was not successful, as the worm either survived in wild cotton and okra, or else was introduced with the new seed. Unfortunately the improved varieties of seed developed by the St. Croix Agricultural Experiment Station were all destroyed. At present very few acres are in cotton, the variety grown is a sea island

cotton from Barbados. It was grown partly as a rotation crop with sugar, partly by itself, in the eastern parts of the island where sugar will not grow. St. Croix would be greatly benefited if some means of eradicating the pink bollworm could be devised, as the yield has been good in the past and the quality is excellent. In 1920 the average yield was 1,000 pounds of seed cotton to the acre.

The ginnyery on St. Croix was sold in 1923 to a local corporation for 31,500 francs. This corporation had an authorized capital stock of 40,000 francs and was permitted by its charter to issue bonds up to 30,000 francs. The paid-in stock was 20,000 francs and it borrowed from the municipal immigration fund 20,000 francs at 5 per cent, payable in 1,000-franc installments every year. It has since sold out to the West India Sugar Factory.

Exports of cotton and cottonseed

[Source: 1909-1916, Statistisk Arbog; 1918-1924, reports of United States Department of Commerce. Cf. also Bulletin No. 1, Virgin Islands Agricultural Experiment Station, "Sea Island Cotton in St. Croix"]

Year	Cotton		Cottonseed	
	Weight	Value	Weight	Value
1909 ¹	2 197, 400	(?)	2 513, 000	(?)
1910 ¹	2 219, 200	(?)	2 421, 000	(?)
1911 ¹	2 225, 200	3 \$68, 000	2 524, 800	3 \$4, 000
1912 ¹	2 237, 600	3 78, 600	2 491, 800	3 3, 800
1913 ¹	2 119, 800	3 39, 600	2 339, 400	3 2, 600
1914 ¹	2 323, 400	3 106, 800	2 554, 800	3 4, 200
1915 ¹	2 125, 800	3 41, 400	2 441, 800	3 3, 400
1916 ¹			2 125, 200	(?)
1918	8, 746	7, 934		
1919	46, 786	34, 905	145, 120	1, 983
1920	26, 636	26, 636	61, 558	1, 800
1921			223, 029	2, 230
1922				
1923	81, 501	25, 734		
1924	8, 360	5, 518		

¹ Year ending Mar. 31.

² Danish pounds (1.1 United States pounds).

³ Danish West Indies dollars (\$0.965 United States).

GARDEN CROPS

The experimental station has made great efforts in recent years to encourage the growth of garden vegetables—partly to provide a crop for export that might be more reliable than sugar, but more in order to remove the necessity of importing them from the British Virgin Islands, and to increase their consumption by the natives, whose diet was insufficient and ill-balanced. It has been proved that many vegetables can be profitably raised for the local market, and a few even seem to be well adapted for export. The vegetables most successfully raised are listed herewith: Black beans, lima beans, string beans, cabbage, carrots, corn, endive, eggplant, kohlrabi, mustard, okra, onions, parsley, peas, sweet peppers, pimentoes, sweet potatoes, pumpkins, radishes, tannia, taro, tomatoes, yams, yautia.

Fruits include: Avacados, bananas, coconuts, figs, grapefruits, guava berries, limes, mangoes, oranges, papayas, pineapples, sap-adillos, soursops, tamarinds, and other less well-known tropical fruits.

Private interests in St. Croix are now attempting to raise onions on a commercial scale for export, and also castor beans, and are experimenting with pineapples, pickling cucumbers, garlic, and preserves made of guava and other tropical fruits. Excellent pineapples are grown on St. Thomas and St. John, but the topography is inconsistent with large-scale cultivation and the use of machinery or horses. Bananas and papayas can be grown on those islands for local consumption, and it is possible that the growing of limes and manufacture of citrate of lime might be profitable on St. John. Avacados, oranges, and coconuts have also been grown on St. John, and coconuts might be used on St. Croix to replace cane on some of the nonirrigable plantations.

OTHER COMMERCIAL CROPS

Passing over for the moment the grasses and green manures, other crops that grow well are castor beans, divi-divi, and sisal, of which only the castor beans have been commercially grown.

The forests have been largely cut off except on St. John, but there are still mahogany trees here and there, and a few eucalyptuses have been planted mainly as windbreaks. Bay trees grow abundantly in St. John with but little care; the demand for bay oil would warrant further planting if the local labor situation were propitious.

The green manures referred to above include Lyon beans, velvet beans, canavalia beans, and cowpeas. The leading fodder crop is Guinea grass, which grows remarkably well, but is hard to plant on hillsides and may be injured by close grazing; moreover, it does not stand long droughts as well as Barbados sour grass, which is preferred by some cattlemen on this account.

The Guinea grass is very nutritive, although some cattlemen find it desirable to supplement it with patent feed. The Barbados grass can only be used successfully when the cattle have access to plenty of water.

Other important fodder crops are imphee, elephant grass, and blue wis (a small native legume much relished by cattle).

LIVESTOCK

The raising of cattle for the Porto Rico market has become an important industry since 1917, on all three of the islands, partly because of the opening of a new market under the American flag, and partly because of the hopelessness of raising sugar profitably under conditions that prevailed in 1917 and 1918, and again in 1921 and 1922. A cooperative dairy society has been formed in St. Croix, with 28 members. In addition there has been a beginning of dairy farming on St. Thomas, and bulls have been imported from the United States to improve the breed.

The native cattle are of the Senegal strain, which is nearly immune to tick fever except when weakened by drought. They are said to contain a trace of zebu blood, and many of them have distinct humps. For dairy processes they are occasionally crossed with Ayrshires or Guernseys; there are also a good many Trinidad shorthorns and some redpolls. As a rule they are large and healthy looking, and gentle in disposition, but poor milkers.

The chief obstacle to successful cattle raising has been lack of water. As far as St. Croix is concerned this seems to have been remedied by driving wells, although the water so obtained is sometimes too brackish for human consumption. In some cases it was sweetened with molasses to make it acceptable to the cattle. During the three years of drought the number of cattle in St. Croix declined to about 5,000. All the grazers interviewed on St. Thomas and St. Croix were very optimistic as to future prospects, and St. John is at least as well adapted for cattle raising. If loans could be obtained for the purpose it is likely that a good deal more land would be converted to pasture, but the amount of capital required is considerable, as in addition to constructing silos, dipping vats, wells, and cattle yards, it is necessary to spend up to \$20 an acre, to root out the brush and weeds and to plant desirable fodder crops. It is possible that a small packing house would be profitable, where frozen meat could be prepared for shipment to the United States or for sale to steamers.

CATTLE DATA

In 1917, 12,187 cattle were reported on farms in the Virgin Islands, and 134 not on farms; total value, \$338,693; average value, \$27.54. (United States Census 1917.) Eight thousand nine hundred and seventy cattle were reported on St. Croix, 2,127 on St. Thomas, 1,224 on St. John.

*Exports of cattle*¹

Years	From St. Croix	Value (United States currency)	From St. Thomas	Value (United States currency)	Total number	Total value
1919 (6 months)-----	1,066	\$30,561	196	\$7,729	-----	-----
1920-----	1,310	67,083	75	2,010	1,385	\$69,093
1921-----	1,033	14,161	77	4,821	1,110	18,982
1922-----	712	36,095	262	5,941	974	42,036
1923-----	1,145	28,653	953	20,381	2,098	49,034
1924-----	868	32,029	386	10,411	1,254	42,440

¹ Data gathered by local department of agriculture, commerce, and labor from customs figures.

*Imports of cattle from British islands*¹

Years	Into St. Croix	Value (United States currency)	Into St. Thomas-St. John	Value (United States currency)	Total number	Total value
1919-----	-----	-----	1,320	\$20,532	-----	-----
1920-----	-----	-----	1,475	24,719	-----	-----
1921-----	-----	-----	1,175	18,308	-----	-----
1922-----	-----	-----	1,244	19,403	-----	-----
1923-----	-----	-----	1,360	17,036	-----	-----
1924 ² -----	180	\$5,557	983	15,896	1,163	\$21,453

¹ Data gathered by local department of agriculture, commerce, and labor from customs figures.

² 28 head were brought into St. Thomas from United States and Porto Rico and were valued at \$1,700.

Exports of cattle from Virgin Islands¹

Year	To United States		To Foreign countries		Total	
	Number	Value	Number	Value	Number	Value
1918.....	264	\$15,955	(?)	-----	(?)	(?)
1919.....	1,044	43,706	(?)	-----	(?)	(?)
1920.....	1,516	72,212	39	\$3,500	1,555	\$75,712
1921.....	614	27,732	0	0	614	27,732
1922.....	1,448	39,351	64	2,200	1,514	41,551
1923.....	2,125	51,000	2	50	2,127	51,050
1924.....	1,235	41,043	-----	-----	-----	-----

¹ As reported to U. S. Department of Commerce; the figures differ slightly from those in the preceding table.

² Not reported.

Exports of hides and skins from Virgin Islands

Year	To United States	To foreign countries	Total	Year	To United States	To foreign countries	Total
1918.....	\$16,445	-----	\$16,445	1922.....	\$5,560	-----	\$5,560
1919.....	27,901	-----	27,901	1923.....	4,273	-----	4,273
1920.....	21,942	\$2,900	24,842	1924.....	7,034	-----	7,034
1921.....	1,909	25	1,934				

The cattlemen interviewed had from 125² to 600 head on their estates, which ran from 300 to 4,000 acres. Some of them also raise sugar and cotton when the prospect seems favorable. There are some cattle estates owned by Porto Ricans, and practically all of the cattle marketed are sold to Porto Rican buyers.

POULTRY, ETC.

Common fowl do not grow as large as in the States and are hard to raise on account of the innumerable mongooses. Turkeys thrive, although they are small, and guinea fowl prosper exceedingly, but, as they are extremely noisy, are not raised to any great extent. Since the hurricane of 1916 destroyed all the native bees, some success has been had in keeping Italian bees, the honey having a peculiar and pleasant flavor on account of the tropical flowers on which they feed.

BAY RUM

Except for some small establishments preparing foodstuffs and clothing for local consumption, and some small ship-repairing establishments, the bay-rum industry is the only industrial activity in the islands. There are few statistics available to show how much bay rum was produced under the Danes, but at the present time exports of bay rum form, roughly, 6 to 8 per cent of the total value of exports from the Virgin Islands. The amount sold in the United States has increased very rapidly in recent years, but the amount sold abroad seems to have declined. There are several reasons for this: The necessary restrictions of the prohibition law have caused a good deal of annoyance and some expense to the manufacturers of bay rum, as well as a good deal of uncertainty. This

situation has cleared up, but foreign producers have taken advantage of it to advertise that their own product was superior, being free of denaturants, and have also persuaded their governments to impose discriminating tariffs. Jamaica and the other British West Indies and the French islands formerly took most of the St. Thomas product, but are now producing their own. The withdrawal of the Hamburg-American steamers resulted in a serious deterioration in freight service between the islands and Europe.

The hurricane of 1916 discouraged some of the planters, since many bay trees were destroyed. But the St. Thomas manufacturers at present are highly optimistic and look forward to good profits from their trade with the United States, whether or not they lose their old markets. The only serious obstacles are the difficulty of obtaining enough of the raw materials—bay leaves and alcohol. It is stated that not only the number of trees on St. John is not now as great as would be necessary to supply the market, but also that the natives are too lazy to pick them, with the result that three-fourths of the oil now used comes from Porto Rico; only enough from St. John is used to give the desired aroma. The alcohol likewise comes from Porto Rico, and worse yet, is supplied by distillers who are themselves also manufacturers of bay rum. It would obviously be desirable to arrange with the St. Croix sugar people to use their rum, or to erect new stills capable of producing a high-grade alcohol, but it seems to be very difficult for Thomians and Cruzians to cooperate.

The number of people directly employed by the bay-rum industry is very small—about 20—but it is an industry that should be encouraged, as it is not so affected by droughts as the other industries of the islands. However, the suggestion frequently made by natives of St. Thomas that sugar cane should be grown there for the purpose of distillation can be summarily dismissed, as the topography of the island makes sugar cultivation too expensive to contemplate. More bay trees could be grown on St. John, and very likely a change in the system of taxation might cause them to be grown, and picking gangs could be taken over from St. Thomas if necessary, or school children employed, if a few roads were constructed on St. John.

HANDICRAFTS

Some of the natives are skilled joiners and can turn out exquisite pieces of mahogany, but their work is very uneven unless constantly supervised. Beautiful little mats and baskets are woven on St. John from a creeper that grows abundantly there. Coarse straw hats are made in St. John and also by the cha-chas in St. Thomas. Fine specimens of lace have been made by negro women in St. Thomas, but an attempt to organize them for commercial production failed utterly because of their inability to work regular hours and maintain a fixed standard of quality.

SISAL POSSIBILITIES IN ST. CROIX

The unsuitability of large parts of the islands for sugar cultivation has caused some attention to be given to the possibility of raising some other crop that does not require as much rain. The hillier

districts have to a large extent been turned over to cattle raising, the flatter parts are so easily cultivated and so well supplied with means of transportation that it would be very surprising if some crops could not be grown that would be more productive than forage for cattle. The soil in the level parts of the island is said to be very fertile; it is usually a heavy clay on a limestone base, but in some places inclined to be chalky. Some estates report a sandy, porous soil, but these are as a rule not in the limestone area.

Experiments were made with sisal some years ago, 100 acres were planted, and 200 acres on St. Thomas, but on account of the low market price the crop was never harvested. There is no doubt that sisal will grow abundantly, and that the leaves can be easily transported to the mill, and the fiber easily shipped to market. It has this advantage over other crops mentioned as substitutes for sugar, that it is not the kind of thing the natives would steal from the fields. Cotton is impracticable at present on account of the pink bollworm. On the whole, it appears that there are about 9,000 acres of land in St. Croix whose possibilities for the cultivation of sisal would warrant careful investigation by experts.

DIVI-DIVI

The divi-divi tree grows wild in St. Thomas and has been occasionally cultivated on a small scale in St. Croix and small quantities of pods have been exported as tanning material. At the present price of divi-divi pods (\$50 to \$55 a ton in New York) it might be profitably raised, especially on the dry, hilly tracts that are good for little else. A tree normally yields 100 pounds of pods annually, and at least 500 trees would be necessary for economical handling. The principal source of supply at the present time in Venezuela, and the Virgin Islands could probably get a cheaper freight rate than that from Maracaibo.

Mangroves are found in the islands, but it is not believed that they could be profitably utilized for tanning material. The profitable cultivation of divi-divi is, however, only a question of market price.

REFORESTATION

Large tracts of land are found on all of the islands which are not adapted for cultivation, and it has been frequently suggested that they should be planted in trees. The original forest has wholly disappeared except in parts of St. John. The present owners lack capital and incentive for such a project. The taxes on this land are very low—1 per cent or less on the assessed valuation in St. Thomas and 1 cent per acre in St. Croix. It is said that raising the taxes, instead of causing owners to develop their land, would cause them to abandon it. If that should occur the Government might find it profitable to establish forests. It should not be difficult to arrange a system of taxation that would allow private owners to grow trees while at the same time making it unprofitable to let the land lie idle; such a scheme as has been adopted in Massachusetts and other States would exempt the standing timber from a taxation and collect taxes on the trees only when cut. If roads were built to make marketing possible, there would be a good local demand for

mahogany for the manufacture of furniture and tourist souvenirs. At present the local joiners use imported wood.

It would be unreasonable to expect any perceptible effect on rainfall or temperature to result from reforestation, as the area affected would be only a few square miles, and the climate of the islands is brought to them by the trade winds for at least nine months of the year. It is possible that the flow of the streams might be modified, but as they are all small, and with one exception dry for part of the year, there would be little advantage in that. The value of forests would consist mainly in the timber grown, and to a slight extent in improving the attractiveness of the islands to winter visitors.

Trees that are known to grow well in the islands are mahogany, bay, divi-divi, palms of various sorts, silk-cotton (kapok), eucalyptus, and limes and other fruit trees.

There are some dry rocky areas where it is likely that real trees will not grow, but various species of agave and aloes flourish there, which might be turned to good use. The necessity of reforestation is not, however, great enough to warrant Federal appropriations at the present time. If any considerable amount of potential forest land should come into the possession of the municipalities it would then be time to consider sending a forestry expert to the islands to establish a municipal forest.

Any attempt at reforestation would be made difficult by the native customs of allowing goats and cattle to graze indiscriminately and of cutting all available growths for charcoal or broom handles.

COMMERCE

Since St. Thomas was made a free port in 1764 its trade with the United States has been more important than its trade with Denmark, and for many decades has been more important than all the rest of its trade put together. St. Croix never had such active commercial relations with the United States; nevertheless the greater part of the St. Croix sugar crop was sold in the United States for many years prior to annexation, in spite of the tariff of \$25 per ton. The accompanying tables show the foreign trade of the Virgin Islands in recent years. Exports from St. Thomas were not recorded by the Danes, but are known to have been much less than from St. Croix. In view of the complaints that have been made of loss of prosperity under American rule, it is worth pointing out that exports from St. Croix since 1916 have in every year except 1923 and 1924 exceeded in value the amounts ordinarily reported under the Danish Government, and imports have likewise been much greater than under the Danes.

There are three ports in the islands, but since the harbor of Christiansted is very shallow, with a narrow, winding entrance, and the port of Frederiksted is only an open roadstead, practically all of the imports come through St. Thomas. There is some sentiment in favor of improving the harbor of Christiansted, but the expense of opening it to large vessels is not warranted by the volume of trade. At present steamers drawing 17 feet can enter with difficulty, and there is a 12-foot schooner channel that might be widened without great expense. A longer pier would facilitate loading the steamers,

which at present is performed by means of lighters, but in view of the short distance to Frederiksted and the good motor roads it would not be wise to spend much money on this harbor. The harbor of St. Thomas, on the other hand, has great possibilities.

Exports to Virgin Islands from United States

	Total	Domestic	Foreign (reexports)
Year ended June 30:			
1907	\$777,577	\$764,328	\$13,249
1908	727,193	721,997	5,196
1909	693,681	678,600	15,081
1910	749,174	746,286	2,888
1911	810,537	806,485	4,052
1912	924,700	920,293	4,407
1913	894,087	887,406	6,681
1914	890,966	889,461	1,505
1915	703,354	700,713	2,641
1916	850,377	843,754	6,623
1917	1,438,904	1,416,342	20,798
Calendar year:			
1915	882,442	877,603	4,839
1916	851,106	844,405	6,701
1917	1,885,497	1,853,923	31,574
1918	1,640,103	1,619,256	20,847
1919	1,804,117	1,791,090	13,027
1920	3,993,478	3,777,381	216,097
1921	2,622,396	2,599,863	22,533
1922	1,647,353	1,638,852	8,501
1923	1,617,625	1,601,106	16,519
1924	1,668,495	1,647,579	20,916

¹ Besides parcel-post, \$6,778.

Imports into Virgin Islands from all nations

Year	St. Thomas	St. Croix	Virgin Islands	Year	St. Thomas	St. Croix	Virgin Islands
Average, 1889- 1894 ¹	\$1,086,276	\$746,788	-----	1910	\$942,884	\$400,924	-----
1897	800,490	876,618	-----	1911	1,144,236	643,148	-----
1898	773,537	821,489	-----	1912	989,932	754,184	-----
1899	748,573	804,335	-----	1913	1,011,749	695,356	-----
1900	733,407	930,826	-----	1914	1,015,996	758,200	-----
1901	831,574	814,411	-----	1915	790,000	\$ 576,600	-----
1902	726,329	742,191	-----	1916 ¹	\$ 733,000	(?)	-----
1903	771,805	652,109	-----	1918	-----	-----	\$1,892,429
1904	983,270	683,839	-----	1919	-----	-----	2,276,512
1905	907,100	885,840	-----	1920	-----	-----	4,856,097
1906	864,152	808,947	-----	1921	-----	-----	3,038,750
1907	802,049	724,455	-----	1922	-----	-----	1,097,064
1908	1,122,803	825,303	-----	1923	-----	-----	1,940,767
1909	904,028	661,981	-----	1924 (fiscal year)	-----	-----	2,061,358

¹ Year ending Mar. 31, 1889-1916; calendar year 1918-1924.

² Danish West Indies dollars, 1906-1916; United States dollars, 1918-1924; silver dollars, 1889-1905.

Principal products of Virgin Islands exported to United States, 1924

Cattle	\$41,043
Cane sugar	249,279
Cotton	5,518
Hides and skins	7,034
Bay rum	25,627
Total	394,085

Principal products of Virgin Islands exported to foreign countries, 1923

Bay oil.....	\$320
Bay rum.....	28, 108
Turtle shells.....	2, 126
Cane sugar.....	1, 144
Manufactures of wood (chiefly furniture).....	3, 317
Total.....	99, 433

PORT OF ST. THOMAS

The activity of the port in recent years is shown by the following figures:

(a) Ships arriving St. Thomas (100 tons and over) (including warships)

Fiscal year	Number	Tonnage	Fiscal year	Number	Tonnage
1919-20.....	476	1, 687, 414	1922-23.....	449	1, 473, 020
1920-21.....	609	2, 412, 723	1923-24.....	549	1, 816, 027
1921-22.....	384	1, 167, 941	1924-25.....	428	1, 472, 242

¹ Figures supplied by harbor master from his annual report.

NOTE.—In 1910, 749 ships of 25 tons or over entered in the harbor. Between 1820 and 1830 the annual average was 2,809 vessels, but only 177,000 tons; between 1830 and 1940, 2,557 vessels, 161,000 tons; between 1840 and 1850, 2,169 vessels, 208,000 tons.

(b) Number of ships paying pilotage

Fiscal year	Number	Reported by harbor master ¹	Fiscal year	Number	Reported by harbor master ¹
1909-10.....	409	-----	1917-18.....	226	-----
1910-11.....	443	-----	1918-19.....	303	-----
1911-12.....	524	-----	1919-20.....	438	-----
1912-13.....	455	-----	1920-21.....	590	-----
1913-14.....	377	-----	1921-22.....	281	293
1914-15.....	261	-----	1922-23.....	302	314
1915-16.....	208	-----	1923-24.....	351	354
1916-17.....	299	-----	1924-25.....	-----	297

¹ Figures supplied by harbor master from his annual report.

(c) Fuel oil imports into Virgin Islands

Calendar year	Gallons	Value (United States dollars)	Calendar year	Gallons	Value (United States dollars)
1918.....	17, 534	2, 192	1922.....	5, 726, 729	256, 790
1919.....	7, 076, 932	208, 647	1923.....	6, 691, 307	286, 677
1920.....	26, 335, 910	1, 008, 644	1924.....	2, 489, 049	138, 615
1921.....	6, 525, 440	400, 225			

(d) Coal imports, St. Thomas

Calendar year	Tons	Value (United States dollars)	Calendar year	Tons	Value (United States dollars)
1910.....	78, 973	347, 956	1920.....	42, 531	402, 973
1911.....	-----	521, 568	1921.....	23, 720	131, 897
1913 ¹	-----	308, 055	1922.....	16, 166	84, 873
1914 ¹	83, 214	262, 805	1923.....	40, 969	279, 871
1918.....	21, 579	133, 037	1924, January to June.....	43, 449	214, 035
1919.....	15, 346	105, 162			

¹ Year ending Mar. 31.

(e) Coal sales to ships for bunkers, West Indian Co. (Ltd.)

Calendar year	Tons	Calendar year	Tons
1914.....	16, 246	1920.....	41, 025
1915.....	16, 941	1921.....	17, 011
1916.....	26, 251	1922.....	15, 654
1917.....	29, 163	1923.....	43, 893
1918.....	14, 720	1924.....	59, 187
1919.....	28, 126	1925, January to June.....	23, 681

(f) Comparative importance of foreign trade of St. Thomas and St. Croix

Fiscal year	St. Thomas	St. Croix	Total
IMPORTS			
1922.....	\$1, 406, 367 ¹	\$871, 295	\$2, 277, 662
1923.....	1, 093, 912	576, 617	1, 670, 529
1924.....	1, 465, 013	605, 345	2, 061, 358
EXPORTS			
1922.....	203, 696	666, 709	870, 405
1923.....	155, 234	733, 662	888, 896
1924.....	155, 310	244, 842	400, 152

Total exports from Virgin Islands¹

Year	To United States		St. Croix only		Total Virgin Islands year ended June 30
	Calendar year	Year ended June 30	Calendar year	Year ended Mar. 31	
Average 1889-1894.....				\$608, 434	
Average 1895-1901.....				563, 000	
1902.....		\$394, 948		494, 874	
1903.....		734, 020		507, 170	
1904.....		422, 307		364, 936	
1905.....		400, 904		488, 278	
1906.....		366, 361		219, 531	
1907.....		440, 855		407, 985	
1908.....		592, 292		445, 833	
1909.....		221, 457		265, 532	
1910.....		403, 926		486, 951	
1911.....		135, 117		561, 240	
1912.....		489, 639		606, 139	
1913.....		48, 031		292, 385	
1914.....	\$295, 203	29, 374		343, 200	
1915.....	84, 642	350, 822		392, 600	
1916.....	1, 083, 612	63, 496			
1917.....	928, 291	1, 259, 607			
1918.....	1, 137, 501		\$1, 249, 346		
1919.....	1, 593, 120		1, 919, 525		
1920.....	4, 540, 386		4, 749, 319		\$3, 293, 131
1921.....	734, 674		883, 735		2, 275, 264
1922.....	734, 476		835, 505		870, 405
1923.....	414, 609		514, 042		888, 896
1924.....	394, 085				400, 152

¹ Value in United States dollars, except exports from St. Croix, 1906-1915, which are in Danish West Indies dollars (\$0.965 U. S.).

From these tables it is apparent that the number of vessels entering and the value of goods imported and exported were greater in the year 1920 than any year since, but the business of the West Indian Co. in supplying coal and in transshipment of cargoes was greater in 1923 and 1924 than in 1920. In 1924 the company paid 10 per cent dividends on its capital stock of 5,555,555 francs, and carried 107,555 francs over to the next year.

It is obvious that the products of the Virgin Islands and their demand for goods for local consumption would not support a great amount of shipping. Moreover, most of the domestic goods exported are shipped from Frederiksted, not St. Thomas. The port of St. Thomas is absolutely dependent on bunkering, repairs, and transshipments, for which it is admirably adapted.

The quickest route from Europe to Panama passes close by St. Thomas. The quickest sailing route from the east coast of South America to the Atlantic ports of the United States also passes within a short distance. No other harbor in the West Indies is so well located. In former days this location was enough to insure a large volume of traffic. Steamers then had to call frequently for coal and water on account of small bunkers and low speed; moreover, on account of not having wireless communication, they had to call for orders, received by their agents via post or cable. Moreover, sailing vessels, and even low-powered steamers, were compelled to by the prevailing winds and currents to sail near St. Thomas on their way from Africa or the Mediterranean to the United States; even ships from England sometimes found a quicker passage to the United States by sailing near the Virgin Islands. With the increase in size, speed, and bunker capacity, the use of oil for fuel, and the adoption of the wireless, many ships no longer stop here. They would be attracted only by cargo. The most important exception is ships from the Pacific, between San Francisco and Valparaiso, bound through the Panama Canal for European ports. It is most economical of bunker space if ships that are to recoal at all do so as nearly as possible at the midway point of their voyage. St. Thomas is nearer the midway point for such ships than any other port they could call at without going hundreds of miles out of their way. Consequently, such ships do still, very frequently, coal at St. Thomas in spite of the fact that coal is somewhat cheaper at Panama. More of them would probably do so, since ships on this route are nearly always heavily loaded, if it were possible to dock at night, but that is forbidden by the United States quarantine regulations.⁷ Ships may, however, be loaded at any time, day or night, if they enter the harbor before 6 p. m. The actual docking and loading takes only three or four hours, but the delay on account of quarantine may be from 1 to 12 hours.

Ships bound from South American ports found it more advantageous to coal at Bardados or Trinidad or St. Kitts. If they come from beyond the Amazon those ports have the advantage in location, but their harbors are not so good; moreover, the nature of the traffic on this route is such that economy in bunker space is not so essential as on the Panama-European route. Consequently, it would not take much to divert some of this trade to St. Thomas, especially in the months of March to June, inclusive, when the winds and currents are most favorable. Relaxation of the quarantine restrictions and lowering the tax on coal imported for transshipment would probably attract vessels on this route also. Vessels outward bound to the Equator, however, do not come near the West Indies.

The principal trade of the Virgin Islands is with the United States, the principal customs districts being Porto Rico, New York,

⁷ Since this was written these regulations have been modified.

Maryland, Virginia, and Florida. The coal sold on the docks is practically all imported from Hampton Roads; the oil, until 1920, came mainly from Mexico, but now from the United States. Distances to these ports and to others with which traffic is or has been considerable are shown in the attached table.

Distances from St. Thomas, shortest customary routes (nautical miles)

Halifax.....	1,595	Havre.....	3,639
Portland.....	1,557	Antwerp.....	3,810
Boston.....	1,513	Hamburg.....	4,077
New York.....	1,442	Bremerhaven.....	4,025
Philadelphia.....	1,434	Cherbourg.....	3,570
Baltimore.....	1,417	Cadiz.....	3,260
Newport News.....	1,294	Gibraltar.....	3,312
Charleston.....	1,192	Genoa.....	4,160
Savannah.....	1,210	Naples.....	4,282
Bermuda.....	833	Malta.....	4,297
Key West.....	1,036	Bordeaux.....	3,595
Habana.....	1,048	Fayal.....	2,245
Pensacola.....	1,507	Funchal.....	3,064
Mobile.....	1,549	Teneriffe.....	2,762
New Orleans.....	1,605	Dakar.....	2,729
Galveston.....	1,786	St. Kitts.....	150
Tampico.....	1,897	Antigua.....	200
Vera Cruz.....	1,832	Montserrat.....	240
Kingston.....	692	Guadeloupe.....	257
Port au Prince.....	628	Dominica.....	302
Jacmel.....	470	St. Lucia.....	346
Cape Haitien.....	442	Martinique.....	352
Santo Domingo.....	300	St. Vincent.....	396
San Juan.....	70	Barbados.....	442
Fajardo.....	40	Grenada.....	471
Ponce.....	108	Trinidad.....	510
Curacao.....	458	Georgetown (Demerara).....	814
La Guaira.....	479	Para.....	1,700
Puerto Cabello.....	506	Pernambuco.....	2,516
Puerto Columbia (Sabanilla).....	720	Bahia.....	2,917
Cartagena.....	811	Rio de Janeiro.....	3,588
Colon.....	1,020	Montevideo.....	4,575
Liverpool.....	3,573	Buenos Aires.....	4,689
Southampton.....	3,570	Frederiksted.....	40
Plymouth.....	3,473	Christiansted.....	42
London.....	3,770		

Frederiksted to Fajardo, 55; Christiansted to St. Kitts, 120.

The harbor of St. Thomas will accommodate vessels of up to 31 feet draft. The entrance though only 300 yards wide is easy to navigate, and the basin is three-fourths of a mile in diameter and very well sheltered against anything short of a hurricane. Its area is 1.3 square miles.

A rock near the entrance, known as Rupert Rock, although so conspicuous as not to be dangerous, is inconvenient, as it narrows the channel, and might well be removed. A sunken reef outside of the entrance, called the Scorpion, is more of a menace to large vessels, since it is marked only by a small buoy. It is suggested that Federal appropriations for the removal of such obstructions to navigation would be preferable to the present system of appropriations in aid of purely local governmental activities.

PORT FACILITIES

There are six docks from which coal can be taken and upon which cargo can be discharged. Vessels drawing up to 31 feet can lie alongside any of these docks. There is a repairing slip on which small vessels can be taken up. The floating drydock, which formerly accommodated vessels up to 3,000 tons, was sunk in the spring of 1924, and can not be raised. It is now a hindrance to navigation and should be removed in order to make entrance to the United States Shipping Board's docks less difficult. The facilities for general repairing are excellent, there being many competent ship carpenters, sailmakers, and riggers, and also a very good machine shop and foundry. There are many lighters owned by various companies, and many stevedores, who are always ready to make tenders or estimates for discharging or loading vessels. Rock or sand ballast can be obtained. On account of the low rate of duty (6 per cent) ships' stores are obtainable at nearly the same prices as in the United States. Coal and fuel oil pay 32 cents a ton when imported for sale to ships. Other cargo for transshipment pays 6 cents a ton.

There are many large warehouses, both on the wharfs and in the town. They usually include a store in front and a private wharf in the rear. Most warehouses run from the principal street to the water, and the rent varies with the size, which is from 100 to 400 feet in length, and usually 40 feet in width. Water can be supplied either at the docks or from water boats in the harbor, from which it is pumped into the ship's tanks. Rain water is used exclusively except by the West India Co. (Ltd.), which has three wells. During the years 1921 to 1923 there was some scarcity of water, but the recently constructed catch basins insure an adequate supply for the future.

West India Co. (Ltd.) (Det. Vestendiske Kompagni A S.)—The West India Co. (Ltd.) is the largest concern in St. Thomas. It is a joint-stock company, with headquarters in Copenhagen. Its capital is 5,555,555.55 francs. It was founded in 1912 and is controlled by the East Asiatic Co. (Ltd.), a Danish concern, which formerly had interests in the Danish West Indies, and still carries on trade with Asia via the Panama Canal.

Its work in connection with deepening the harbor, reclamation of land, construction of a pier, and the erection of a breakwater was completed in 1916. The coal depot of the concern, with a capacity of 180,000 tons, was completed in 1914. The company also owns oil tanks, holding 24,000 tons, an electric plant, supplying power for its own use and also for lighting the streets and houses of St. Thomas, and a complete system for supplying ships with drinking water.

The 1924 statement of the company gives its fixed assets the following value:

	Million francs
Harbor works.....	3.9
Technical works (including power plant, oil tanks, coal bunkers, cranes, etc.).....	1.2
Real estate in St. Thomas.....	.7
Plants, barges, boats, and inventory.....	.3
Total	6.1

For the year 1924 it declared dividends of 10 per cent on its capital stock.

The warehouse on the dock of this company has a capacity of 15,000 tons. Water can be supplied to ships at the rate of 15 tons an hour, and coal at the rate of 125 tons an hour. The dock is over 1,000 yards long and its basin is 31 feet deep and 130 to 165 yards wide. The coal supplied is entirely Pocahontas, imported from Newport News in foreign vessels.

The company formerly ran a Diesel motor ship to Santo Domingo and Jamaica in connection with the service of the Danish East Asiatic Co. to Asia via St. Thomas and the Panama Canal. This ship has been abandoned, presumably on account of the costs and delay of transshipment, but it is rumored that this traffic will be resumed on even a larger scale.

St. Thomas Dock Engineering & Coaling Co. (Ltd.).—This company was formerly British controlled, but was bought out by local interests early in 1924. It repairs vessels of all kinds and has a large repair shop in which engineering, boiler making, etc., has been done for all sorts of ships, including repairs on board United States Government steamers. It supplies rain water and coal, but since the sinking of its floating dock in May, 1924, has not been very active. During the three months that the dock was managed by local men it is said to have been very profitable. They are attempting to obtain a new dock larger than the old one.

United States Shipping Board.—The docks formerly belonging to the Hamburg-American Line were taken over by the United States Government and are now controlled by the United States Shipping Board. They occupy about 8 acres of land, and include, besides the pier, three large warehouses and three large oil tanks of 165,000 barrels capacity; also a small marine slip and water tanks and cisterns holding about 1,500 tons.

The office building at King's wharf, which was built in 1914 at a cost of \$60,000, is now used for Government purposes.

The Shipping Board's dock is not so convenient of access as the West India Co.'s dock, and is patronized only by Shipping Board vessels. It would probably be more economical if Shipping Board vessels were required to use the West India Co.'s dock, and if the Shipping Board dock were abandoned, at least until such time as the traffic of St. Thomas may become considerably greater than at present.

The only steamship lines now regularly calling at St. Thomas besides the East Asiatic Co., mentioned above, are the Quebec Steamship Co., which runs a fortnightly service from New York to the Lesser Antilles and British Guiana; the Colombian Line, which runs from New York to Barbados, calling only on its outward trips; and the Bull Insular Line, which runs weekly from St. Croix to San Juan and Santo Domingo.

Formerly there were the Royal Netherlands West India Mail, monthly, from Hamburg and Amsterdam to the Greater Antilles; the Compagnie Générale Transatlantique, monthly, from Cuba, Haiti, Santo Domingo, and Porto Rico to Martinique and Guadeloupe and back; the Leyland Line, every six weeks, from England to Jamaica; the Hamburg-American Line from Hamburg; and the Royal Mail Steam Packet Co. from England. There was also a

weekly sloop to Fajardo and another to St. Croix. At present the only interisland communication is by the Quebec Steamship Co.'s vessels and the Bull Insular steamer, or the Government tug, and a weekly mail boat from St. Thomas to Cruz Bay, St. John.

QUARANTINE REGULATIONS⁸

Ships from all foreign ports, except the British Virgin Islands, must be inspected by a quarantine officer. This includes vessels from the Panama Canal if they have taken on passengers, crew, or cargo, even if they originally cleared from a United States port, and it includes all vessels touching at any foreign port en route. A vessel may, however, take on mail, fuel oil, and bunker coal in the Canal Zone, and passengers may visit the cities of Colon and Panama and travel overland via the Panama Railway without subjecting the vessel to quarantine, if it cleared originally from a United States port.

Inspection must be made between sunrise and sunset, except in case of vessels in distress, or carrying perishable cargoes, and regular line vessels under regulations approved by the Secretary of the Treasury.

The Federal commission appointed by the Secretary of Labor in 1924 to investigate industrial and economic conditions in the Virgin Islands recommended that night inspection be permitted, and the local shipping interests are unanimous in stating that this is necessary if the port is to retain enough trade to support it. Although possibly a general rule permitting night inspection might involve some danger, especially from yellow fever, it has been suggested that night inspection could safely be permitted in two additional cases: First, in the case of well-lighted tourist vessels carrying a regular physician, on his certificate that no contagious disease exists on board. In fact, it has been suggested that no physical inspection of the passengers is necessary on such vessels. Certainly every effort could be made to make the inspection as rapid and free from annoyance as possible, since the town needs tourists and the tourists are apt to resent inspection at St. Thomas when they have not been inspected in the other West Indian and South American ports that they have just visited.

Second. Vessels intending only to take on coal, oil, or water should be allowed to dock for that purpose even at night, and to clear at night also. If night inspection is not practicable on account of improper lighting, arrangements could be made to place guards to prevent the crew from landing or residents from going aboard. The West India dock and the Shipping Board dock are so located that unauthorized persons could easily be kept out, and members of the St. Thomas police force could be employed as guards at less expense than is involved in the delays under present system. This concession should at least be granted to vessels from the Canal Zone, or from Pacific ports, if they have received a clean bill of health on passing through the canal.

⁸ This section on quarantine regulations has been made superfluous by recent modifications.

CUSTOMS AND IMMIGRATION REGULATIONS

Little criticism can be made of the system in vogue in St. Thomas from the point of view of the shipowner and passenger. The system at San Juan is, however, very annoying, and the purpose to be served is obscure. Passengers on the Bull steamship, which starts its trip in St. Croix and calls only at St. Thomas, and who must all have citizenship cards before embarking, are compelled to wait in line for inspection by the immigration official at San Juan. The same thing happens again when they reach New York. Also, the customs officials at San Juan require a statement of all goods purchased in the Virgin Islands, although such goods are not dutiable unless of foreign manufacture. This is very annoying both to tourists and to business travelers.

COASTWISE SHIPPING LAW

The merchant marine act of 1920 would prevent the Quebec Steamship Co. from running its steamers between New York and the Virgin Islands, and would also prevent the importation of coal from Newport News in foreign vessels, thus destroying the two most important branches of shipping in St. Thomas. On this point the joint resolution of the municipal councils of February 7, 1924, declared as follows:

The coastwise laws were designed primarily as an aid to American coastwise shipping and require that coastwise freight be transported in American bottoms. In the continental United States there is a natural competition in the coastwise trade between the railroads and the steamship companies, and this has the effect of keeping the freight rates of steamship companies within reasonable bounds. There is, of course, no such natural competition between the east coast ports of continental United States and the Virgin Islands, so that, should the coastwise laws be made applicable to the Virgin Islands, the natural effect would be to greatly increase freight rates, to the Virgin Islands. This would, in its turn, tend to greatly increase the cost of commodities sold in the Virgin Islands, predominantly among which would be coal and fuel oil, which are the outstanding commodities carried for sale in St. Thomas to vessels of all nations requiring such. The application of the coastwise laws to the Virgin Islands would, furthermore, presumably have the effect of compelling the merchants of St. Thomas to purchase coal and fuel oil from abroad rather than from the United States producers as they now do, by reason of the increased freight rates.

For these reasons the President has, at the request of the Shipping Board, seven times deferred the application of the merchant marine act, the latest date set being December 31, 1925. The Federal commission of investigation in 1924 recommended that the act be amended so as to make such periodic postponements unnecessary, and to relieve shipowners and local business interests of the dread that the prohibition of foreign ships may come into effect sometimes by default. One of the local managers of the West India dock stated that in such a case the cost of coal would be increased 30 cents a ton and St. Thomas would no longer be able to compete with other coaling stations, with the result that the harbor would be deserted; and the only line of steamers running directly from the islands to the United States would definitely be banished by the act as it now stands.

HARBOR DUES

Some complaint has been made concerning the amounts of harbor dues and fees charged to ships using the harbor. Comparisons are difficult in the case of many small fees levied on different bases, but with reference to pilot fees it can be stated that in most, if not all, West Indian ports not under the American flag pilotage is not compulsory, which makes possible a saving of \$12 to \$48 to a ship using these harbors instead of St. Thomas. The rate in St. Thomas is, however, less than in San Juan. Under the Danes pilotage was not compulsory in St. Thomas. Similarly quarantine restrictions are much less strict and charges less in the foreign ports, and the tonnage dues on goods discharged or laden are less, as a rule.

DOCK LABORERS' WAGES

Dock laborers receive about \$1.10 to \$1.25 a day, but employment is very irregular. (Dock laborers in San Juan receive \$2 a day.) The women who load coal get 2 cents per basket of 80 pounds and sometimes make \$1 a day, but usually for only two days or less a week.

These women are employed by the West India Co. mainly because without their contribution the men of their families could not earn enough as stevedores to make it possible for them to live near the harbor, and the men are required for trimming cargo and various operations that can not so well be done by machinery. If it were merely a question of loading coal, the company could do it more cheaply by using electric cranes, which they do use as much as they can without depriving the women of their necessary minimum of work, and thereby compelling their families to migrate. Of course, by using both women and cranes they can coal more quickly than by using the present number of cranes alone, but it would be cheaper to erect an additional crane were it not for the just-mentioned consideration.

The more skilled laborers, who work at the repair docks and machine shops, get from \$1.50 to \$3.50 per day, the latter rate being very unusual.

POSSIBILITIES OF DEVELOPING A TRANSSHIPMENT TRADE

Inspection of the shipping statistics of the United States for 1923, and of the Panama Canal for 1920-1924, shows certain possibilities for a transshipment trade in St. Thomas. The number of vessels sailing near this harbor on their way to or from the canal or the United States is enormous, and the number of vessels sailing in ballast that would be attracted here by the chance of getting a cargo, or that might stop to discharge a cargo, is very great.

In 1923, 80 vessels cleared in ballast from Atlantic ports of the United States, north of Florida, for the Caribbean and east coast of South America. Forty-two of these were on routes on which there was also an excess of inbound cargo; hence, presumably, most of these ships would welcome a chance to sail out with a cargo via St.

Thomas. The most promising routes were as follows, with the number of vessels entering and clearing, with cargo and without:

Route	Incoming		Clearing	
	With cargo	In ballast	With cargo	In ballast
New York to Panama.....	48	2	30	10
New York to Colombia.....	51	2	47	5
New York to Virgin Islands.....	6	-----	62	-----
Massachusetts to Panama.....	12	1	-----	10
Massachusetts to Colombia.....	3	-----	-----	3
Maryland to Colombia.....	5	-----	4	6

In the same year 42 vessels without cargo arrived at these ports from the ports beyond St. Thomas—13 from Brazil, of which 7 entered in Virginia.

There arrived in Florida and the Gulf ports from points east and south of St. Thomas 54 vessels in ballast, the principal routes being as follows:

Route	Incoming		Clearing	
	With cargo	In ballast	With cargo	In ballast
Florida:				
Virgin Islands.....		1	2	-----
Canary Islands.....	1	8	6	-----
Mobile:				
Other British West Indies.....	2	8	7	2
French West Indies.....	1	2	4	-----
Canary Islands.....	-----	5	2	-----
New Orleans: Canary Islands.....	-----	3	4	-----
Sabine:				
French West Indies.....	-----	2	3	-----
Argentina.....	-----	3	3	-----

The trade of Porto Rico showed several cases of ships entering or leaving without cargo that might possibly be remedied if St. Thomas became a center of transshipment.

Route	Entered		Cleared	
	With cargo	In ballast	With cargo	In ballast
Porto Rico:				
Other British West Indies.....	58	12	32	38
Dominican Republic.....	254	11	190	87
Haiti.....	16	2	4	4
Virgin Islands.....	220	35	154	116
Venezuela.....	36	1	24	4
French West Indies.....	8	3	24	-----

The trade of the Gulf ports with ports of southern Europe and northern Africa showed many cases of inward-bound ships in ballast.

Route	Entered		Cleared	
	With cargo	In ballast	With cargo	In ballast
Florida:				
Italy.....	8	18	14	-----
Spain (Atlantic).....	4	7	6	-----
Spain (Mediterranean).....	7	2	17	-----
Mobile:				
Spain (Mediterranean).....		3	3	-----
Algeria and Tunis.....		2	4	-----
New Orleans:				
France (Mediterranean).....	7	15	29	-----
Greece.....	1	4	2	-----
Italy.....	21	5	24	-----
Spain (Atlantic).....		3	11	-----
Spain (Mediterranean).....	2	5	8	1
Sabine:				
France (Mediterranean).....		4	6	-----
Italy.....		9	17	-----
Spain (Atlantic).....		2	1	-----
Galveston:				
France (Mediterranean).....	2	4	14	-----
Italy.....	2	26	46	-----
Spain (Mediterranean).....	1	6	16	-----

There were also six vessels without cargo entering Atlantic coast ports from the Canary Islands, of which three entered Virginia; and eight from "other" Portuguese Africa, of which four entered Massachusetts and two Rhode Island.

Finally, there were 54 vessels entered Pacific coast ports of the United States in ballast from England via the Panama Canal, and the Panama Canal record shows that in every normal year there is a vast number of unloaded or partly loaded ships passing through from the Atlantic to the Pacific, especially ships from the east coast of the United States to the Far East and Australasia; usually also from Europe to the west coast of the United States and to Australasia, and from the east to the west coast of the United States.

The figures just quoted have their limitations, as the official statistics give merely the last port of departure or first port of destination, and do not distinguish the various sorts of vessels—general cargo vessels, tankers, sailing ships, etc. They do indicate in a general way that there is empty tonnage coming toward St. Thomas from the Atlantic coast of the United States, from Europe, Africa, and the east coast of South America, and empty tonnage passing by St. Thomas on its way to the Atlantic and Gulf ports of the United States, the Panama Canal, the north coast of South America, and the near-by West Indian islands. Consequently, in addition to the local trade among the islands from Guiana to Cuba there are possibilities of low combination freight rates on goods from Europe to the Gulf, from Africa and the east coast of South America to the Gulf, and to the Canal and the west coast. If there were enough local traffic to insure frequent ships and adequate docking and loading facilities the costs of transshipment would amount to less than the saving in empty mileage.

Many of the inhabitants of St. Thomas are confident that with a slight relaxation in port regulations and fees and the restoration of the floating dock trade will again flourish, perhaps as much as in

bygone days. So confident are they that some of them are actively undertaking to obtain a new dock, larger than the old one. They would, of course, like to have Federal aid in various forms—the establishment of a large naval station, enlargement of the harbor entrance, lower freight rates on coal, or at least the cessation of undercutting the price of coal by the Panama Canal authorities. Some of them desire that the naval government remain permanently, as they believe that thus their taxes will be lower.

BANKING

The only commercial bank in the Virgin Islands is the National Bank of the Danish West Indies, with its head office in St. Thomas, and branches in each of the other two cities. This is a Danish institution, founded by a charter in 1904, which was guaranteed by the treaty of cession. It has a monopoly of note issue but not of banking. The British Colonial Bank formerly had a branch in St. Thomas.

As the notes of this bank are issued in the old local currency and for a few years were much below par in terms of United States gold, there has been an urgent demand for the replacement of the bank by an American one, or for its sale to American interests and recharter under the national bank act or the Edge Act. The present owners are anxious to sell, as their interests are wholly Danish, but up to the present time no American bankers have offered to buy, and there is not enough local capital to finance a commercial bank large enough to carry on the business of the islands.

The National Bank of the Danish West Indies balance April 30, 1925

	Francs	Bit
RESOURCES		
Shareholders' guaranty certificates deposited in Copenhagen.....	3,750,000	00
Cash on hand.....	619,037	72½
Notes.....	1,423,190	00
Foreign currency.....	40,613	75
Danish West Indian credit certificates.....	173,075	00
Stocks and bonds.....	247,808	30
Discounted bills, local.....	472,690	00
Foreign bills.....	74,533	60
Deposits with banks abroad.....	5,668,249	90
Sundry debtors.....	3,142,686	75
Loans against mortgages in real estate.....	786,583	95
Loans against personal and other security.....	747,188	40
Cash credits.....	481,004	52½
Real estate account.....	127,675	00
Inventory and fixtures.....	15	00
Expense account.....	99,770	25
	17,854,122	75
LIABILITIES		
Subscribed and guaranteed capital.....	5,000,000	00
Rest.....	802,937	67½
Notes issued.....	2,500,000	00
Savings deposits.....	3,770,148	37½
Checking accounts.....	1,509,032	42½
Time deposits.....	1,401,720	55
Interest and commissions accounts.....	94,637	30
Sundry creditors.....	2,722,177	32½
Profit and loss account.....	53,469	10

Analysis of bank statement of National Bank of Danish West Indies, April 30, 1925.—The total resources are reported to be 17,854,122.75 francs, roughly \$3,570,000. Important deductions to be made are as follows:

Item I. 3,750,000 francs representing capital not paid in.

Item III. 1,423,190 francs representing the bank's own notes.

Item V. 173,075 francs Danish West Indies credit certificates which have no market value, but under the present charter can be used to pay taxes at par, and when so used are allowed $1\frac{1}{2}$ per cent interest.

Item VI. Investments include 100,000 kronen stock in the Danish West Indian sugar factory, which is valued at 138,888.90 francs. Owing to the present depreciation of the krone and the recent losses incurred by the West Indian sugar factory, this stock is certainly not worth that much. It has paid nothing since 1921, when it paid 100 per cent. I was informed that the local managers had set up a reserve of \$22,000 against this, but it does not appear in the statement. Investments also include 105,000 francs of colonial lottery bonds, which paid 6 per cent until 1924, but in 1924 the total dividends, etc., amounted to only 3,969.75 francs.

Item X. Sundry debtors include about 2,334,000 francs inter-office accounts.

Item XI. Mortgages are probably not worth as much as stated, since they bear only $5\frac{1}{2}$ per cent interest when 7 or 8 per cent would seem more reasonable. They run up to 10 years callable on six months' notice and with amortization provisions. Very few of them could be called and the amortization provisions are usually neglected. Ten per cent should be deducted from their stated value for these reasons.

Item IX. Deposits with banks abroad represent the excess of amounts owed from foreign banks over amounts owed to foreign banks. The principal deposit is 8,401,484.10 francs in the national bank in Copenhagen, payment of which at par on demand is said to be guaranteed by the four Danish stockholding banks. The July 31, 1924, statement of the Danish National Bank in Copenhagen reports 5,880,898 kroner due to the West Indian bank. This converted at par equals 8,168,902.78 francs. The same statement carried a claim of \$7,349.19 against the West Indian bank.

The total deductions are about 7,869,000 francs, leaving actual assets 9,985,000 francs, or \$1,920,000, of which \$1,217,000 are cash or demand deposits in banks. The liabilities to stockholders (excluding stock not paid up) are stated as amounting to 2,106,406.77 $\frac{1}{2}$ francs, or \$405,078. The actual selling value of their equity is not over \$335,000.

The annual report for 1924 divides the "rest" (reserve fund) into two parts, which was not previously done. The second part, marked "B" presumably represents a reserve rather than a surplus. It amounts to 104,166.70 francs (\$20,032), which, if deducted from liabilities to stockholders, reduces the book value of their shares to \$385,046. The shares are carried on the books of the Danish National Bank in Copenhagen at par in terms of kroner, but this is not very significant, as it is customary for Danish banks to carry such assets at their nominal value. The amount which the bank could require from the Government under its charter, if deprived of the currency privilege, is \$301,640.

The bank regards itself as a branch of the Danish stockholding banks and considers that the United States Government has acquired no rights whatever under the treaty. The local directors suggested

that they might sell the strictly commercial assets and retain the long-term mortgages for the purpose of gradual liquidation. All negotiations must be carried on through the board in Copenhagen, which can be reached either through the Ministry of Finance or through the National Bank of Copenhagen. Somewhat over one-half of their mortgages are said to be in amounts larger than \$10,000. They do not in any case exceed 40 per cent of the appraised valuation of the mortgaged property. There were 149 of these outstanding at the end of 1924, but they have been reduced since. Other secured loans are made on a 6 per cent interest basis. Savings deposits pay 3 per cent, time deposits $3\frac{1}{2}$ per cent, checking accounts 1 per cent. The note privilege is apparently of no great value, since of the 10,000,000 francs authorized, only two and one-half millions have been issued and only 1,076,810 are now in circulation. In recent years the amount has varied from 938,000 to 2,807,000 francs. There is considerable expense attached to replacing worn-out notes with new ones, as the amount replaced annually varied from 70,000 to 1,045,000 francs. The bank paid 20 per cent dividends for 1920 and 1921, 8 per cent for 1922, nothing for 1923 or 1924.

Certain small discrepancies in the statements of the head office and the branches are said to be due to the different dates of closing for outgoing mails in the two islands.

The bank managers stated that they would welcome a change to United States currency and believe that under the treaty if United States currency were made legal tender in the islands they would have the right to issue notes in dollar denominations. They also said that they would gladly transfer such of their mortgages as were eligible to a branch of the Federal land bank if one should be established. They insist that since July, 1921, they have uniformly redeemed their notes either in United States currency at 5.25 francs to the dollar, or in gold francs of the Latin Union, but the demand for gold has been negligible. The right to use francs of the Latin Union was granted by a decree of April 1, 1906, which makes such coins legal tender in the Danish West Indies.

In the 20 years of its existence the bank has declared an average dividend of 7.46 per cent on its capital of \$241,000; since the American occupation 13.5 per cent. It has also built up a surplus of \$154,000 according to its published statements. Its business is not now as active as in 1917-1920, partly on account of the droughts in St. Croix and partly because of the world-wide depression in 1920 and following years. The holdings of real-estate mortgages declined from 1,223,171.60 francs at the end of 1919 to 786,583.95 on April 30, 1925. The amount of domestic bills discounted, which was 5,425,515.70 francs in 1921, was only 3,635,851.75 in 1924; foreign bills purchased in 1920 amounted to 19,714,324.40 francs; in 1924 to only 5,150,455.75 francs. Checking accounts declined from 3,711,156.70 francs at the end of 1920 to 1,283,309.47 $\frac{1}{2}$ francs at the end of 1924. Savings and time deposits declined from 6,634,786.12 $\frac{1}{2}$ to 5,173,907.62 $\frac{1}{2}$ in the same period. It is locally believed that the bank is restricting its loans with the expectation of withdrawing from the islands. This is denied by the bank managers, except as it may apply to loans on which payment would be slow or doubtful. Loans on collateral were greater in 1924 than

in 1923, and the bank has large reserves that the managers say they would gladly employ for local commercial loans.

Mr. Cochran, of the American Colonial Bank, estimated that the annual volume of commercial and short-term planters' loans would not exceed \$300,000 to \$400,000. Small planters would need from \$50 to \$1,000 each, and this estimate excludes the loans to the large sugar companies which would require too large sums to warrant consideration by a bank with only \$250,000 capital. The amount of loans made on other than real-estate security in 1924 was about \$350,000 (11 unsecured loans averaging \$24,000, 100 secured by collateral or indorsement, averaging \$850). Mortgages outstanding at the end of 1924 numbered 149 and averaged \$1,100, but it is believed that this average figure is misleading since somewhat over one-half the value of the mortgages is represented by a few that are over \$10,000 apiece.

If an American bank were to take this bank over it should be possible to exclude the mortgages (786,583.95 francs) and part of the call deposits with the national bank of Copenhagen (8,401,484.10 francs) from the assets, making the purchase price as much below \$335,000 as seems advisable. To maintain the existing volume of business under the provisions of the national bank act a reserve of \$207,000 in United States bonds (par value) and a \$10,350 redemption fund would be required against the notes and a reserve of \$43,530 against the demand deposits. To maintain the existing volume of notes the capital of the bank would also have to be over \$207,000. But so many notes would not be necessary if American money is made legal tender, as that would supply the local needs. Federal reserve notes might be obtained if the local bank were a member of the system by rediscounting commercial paper, but United States notes and gold certificates would doubtless come in ample quantity. The reserves required of a member of the Federal reserve system to maintain existing deposits would be \$20,313 against checking accounts and \$29,837 against time deposits. The actual cash held at home or abroad is much more than is required.

The amount of mortgages now held is within the legal requirements for a national bank, since it does not exceed one-third of the savings and time deposits. However, probably more than one-half of them are of too long a maturity to be legal.

The capital required by law of a national bank in a place like St. Thomas is \$100,000. A special act is required to enable one to be established and a special clause to enable it to maintain branches in St. Croix, unless these were to be organized as two separate banks with \$50,000 capital apiece.

The provision now in the law permitting national banks to retain branches of State banks that they have purchased would not apply, as the branches of the Danish bank have no capital assigned to them, as required by United States Revised Statutes, paragraph 5155.

If the activities of the Federal land bank were extended to the Virgin Islands, to take care of agricultural loans of over five years' duration and crop and cattle loans, \$100,000 would be ample capital for a national bank covering the whole territory.

Under section 25 of the Federal reserve act, any national bank with over \$1,000,000 capital could establish a branch in the Virgin Islands, and if the national bank act were extended could hold stock

in a national bank in the Virgin Islands up to 10 per cent of its own capital. Probably it would be more convenient, however, for American banks to invest through their subsidiary investment and foreign banking corporations. It is likely that a certain amount of stock would be subscribed locally, although at present the Danish bank is entirely owned by four banks in Copenhagen. The possibility of a similar consortium of American banks should not be overlooked.

Combined balance sheet of the Danish West Indies Bank as of December 31

[In thousands of Danish West Indies francs]

	1924	1923	1922	1921	1920
ASSETS					
1. Securities deposited as guaranty with Danish Ministry of Finance.....	3,750	3,750	3,750	3,750	3,750
2. Coin.....	632	646	617	579	542
3. Notes held by bank.....	1,536	1,561	2,021	1,645	1,193
4. Foreign coin.....	51	97	241	774	1,565
5. Redeemed West Indies credit instruments.....	173	175	185	222	255
6. Securities.....	248	244	244	244	272
7. Bills of exchange on Danish West Indies.....	561	585	666	679	639
8. Due from banks and bankers.....	5,701	7,061	6,949	8,352	8,958
9. Sundry debtors.....	3,242	3,911	3,875	4,606	6,617
10. Loans on real estate.....	831	891	987	1,066	1,083
11. Loans on pledges and securities.....	427	365	422	488	478
12. Cash credit.....	443	271	587	875	1,077
13. Building account.....	128	128	128	128	128
14. Inventory account.....				1	2
Total.....	17,723	19,687	20,671	23,408	26,560
LIABILITIES					
1. Capital.....	5,000	5,000	5,000	5,000	5,000
2. Surplus.....	803	742	721	631	551
3. Notes in circulation.....	2,500	2,500	3,000	3,000	3,000
4. Savings deposits.....	3,731	3,449	3,300	3,630	4,039
5. Deposits in current account.....	1,283	2,720	2,654	3,349	3,711
6. Time deposits.....	1,442	1,511	1,775	2,008	2,596
7. Reserves and commissions accounts.....	3	4	4	4	3
8. Sundry creditors.....	2,905	3,694	3,983	5,167	7,017
9. Profit and loss.....	55	67	175	618	643
Total.....	17,723	19,687	20,671	23,408	26,560

It is almost certain that a bank operating under a charter similar to that of the present bank but with a smaller capital could make good profits, at least as long as the local currency remained distinct from the American. The requirements and restrictions of the national bank act make it doubtful whether a bank organized under it could make a good profit unless it were a branch of a bank in the United States. One of the chief sources of income has been profits on foreign exchange, including United States exchange, which would be much reduced if the local currency were abolished, for three reasons—the selling rate could not be maintained so much above par without causing protest, there would be no monopoly, and the necessity of buying American money from the bank for the purpose of purchasing postal money orders would disappear. Another important source has been mortgages on real estate, which have been usually for longer terms than the national bank act permits. The most important of all has been interest on foreign balances (mainly in Copenhagen; a certain amount in London). It is therefore likely that a branch of an American bank could do better than an independent bank in the Virgin Islands, as it could use its foreign (i. e., American) balances more advantageously.

The following table has been prepared on the assumption that an independent bank organized under the national bank act with

\$100,000 capital had done, so far as the national bank act permits, the same sort of business as the existing bank, and to the same amount as reported by the existing bank for the years 1920-1924, inclusive. Nineteen hundred and twenty was a very prosperous year; the later years have been the reverse, except that a slight increase in local business occurred in 1924. The great variation in profit is due principally to the fact that the bank's holdings of Danish West India Sugar Factory stock yielded 100 per cent in 1921 and nothing since. A more conservative investment policy would have reduced the maximum income by nearly \$50,000 and increased the minimum by, say, \$4,000.

Messrs. Cochran and Thomas estimated that a bank not under the national bank act might earn \$20,000 on a capital of \$400,000, but their estimate of costs of administration was only \$30,000, whereas the bank's reports show these costs to have run between \$60,000 and \$80,000.

On the basis of their figures a bank with only \$110,000 capital and surplus should earn dividends of 10 per cent.

ANALYSIS OF TABLE

Source of funds.—1. One hundred thousand dollars is the minimum legal capital for a city the size of St. Thomas. If banks were separately incorporated in Frederiksted or Christiansted, the amount of capital required for each would be \$50,000. A special act is necessary to permit the bank to have branches.

2. Ten per cent paid-in surplus is regularly recommended by the Comptroller of the Currency.

3, 4, 6. The amounts shown are the largest and smallest shown by the bank's statements at the end of each year 1920-1924.

5. The amounts reported by the Post Office Department. Bonds must be deposited as security and 2 per cent interest paid.

7. The legal maximum for a bank of this size. The amount in circulation has varied from \$187,000 to \$561,000, but so much would not be required if American money is made legal tender. On the other hand, the notes of this bank would doubtless circulate freely in Porto Rico and Santo Domingo, where clean money is scarce.

Application of funds.—1. The bank owns its building in St. Thomas, valued at \$10,000, and two managers' residences.

2. The amount has varied from \$166,000 to \$244,000, but over half of them have been of too long maturity. On the other hand, they have been based on 40 per cent of the value mortgaged, and consequently those otherwise eligible would be increased somewhat in amount.

3. With slight exceptions this has consisted of 100,000 kroner stock in the West Indies Sugar Factory, 105,000 francs in colonial lottery bonds, and a decreasing amount of Danish West Indian bills of credit.

4. Average price of \$100,000 bonds required by law.

5. Total of "Loans against personal and other securities," "Cash credits," and "Discounted bills, local."

6. This is merely the balance otherwise unaccounted for as of December 31. The average amount during the year will be about \$30,000 less, as there is a seasonal demand for loans to sugar factories in the first half of the year.

7, 8. Required by national bank act.

9. Three per cent not legally required.

Income.—1. The rate has been $5\frac{1}{2}$ per cent, but 7 per cent is the minimum in Porto Rico and 8 per cent is commoner.

2. These have been very speculative, but the average yield has been about 7 per cent.

3. Only 2 per cent bonds are eligible for the currency privilege.

4. Usual rate is 6 per cent, but amount outstanding at close of year is not a good indication of year's business. The amounts stated are taken from bank's statements.

5. Reckoned at 4 per cent.

6. Actual profits have varied from \$18,000 to \$72,000, but this was due to abnormal conditions and could not be expected under an American currency system. The annual imports of the islands have varied from \$1,097,000 to \$4,856,000 in the last six years, and the amount financed through the post office has not exceeded \$467,000. The bank has sold drafts amounting to \$1,500,000 to \$2,900,000 on which a commission of one-half per cent is very reasonable.

Expenses.—1. At 3 per cent.

2. At $3\frac{1}{2}$ per cent.

3. At 1 per cent.

4. The reported costs have been \$60,000 to \$80,000, of which perhaps \$12,000 to \$15,000 has been caused by the bank's acting as fiscal agent for the Government. This item might be reduced by abandoning the branch office at Christiansted, which has lost money for several years, and is of importance only as a savings bank and fiscal agent. The branch at Frederiksted could easily supply the commercial needs of St. Croix, as very few steamers ever call at Christiansted, and it is only 15 miles between the towns.

If the Government wishes to continue to have the bank act as colonial treasurer, which would save the Government \$35,000 to \$40,000 a year, it should pay the bank for its services. Twelve thousand dollars from this source would convert the bank's loss into a profit even in the worst year.

5. The bank has paid no income tax to the United States, but 10 per cent of its net profits were paid to the Danish Government and repaid by Denmark to the local government.

The bank could increase its income by acting as agent for the Federal land bank in Porto Rico (the Baltimore Land Bank), if suitable legislation were enacted. It could also act as agent for insurance companies. Under the national bank act at present a bank at St. Croix could act as agent for insurance and for real estate loans, but one in St. Thomas could not. It could also act as agent for the Treasury in sorting and shipping dirty and worn out currency.

The bank might increase its income slightly by raising the rate on its mortgages to 7 per cent, and also the rate on its collateral loans and "cash credits." This would add \$2,000 to \$4,000.

If the bank received reasonable compensation for its services to the Government and to the land bank, its net income before deducting income tax should be at least \$8,000 in a bad year and \$12,000 in a good one, making no allowance for any possible growth in the prosperity of the islands.

A member of the Federal reserve system would be relieved from the necessity of keeping a 15 per cent cash reserve, but could keep 7 per cent with the reserve bank, and very likely 5 per cent in cash locally. This would release 3 per cent, or something between \$7,000 and \$22,000, that might be invested in the United States, increasing the bank's income slightly as well as making it easier to obtain bank notes for local needs. There would be no necessity to invest in 2 per cent United States bonds for this purpose.

A branch of an American bank would be able to invest its surplus funds more profitably. The existing bank has apparently been getting over 6 per cent on its foreign balances. Probably the extra profit would amount to \$8,000 or \$10,000 a year. There would also be savings in overhead expenses and greater freedom from local control. The national bank act provides that three-fourths of the directors of an independent national bank must reside within 40 miles, which area includes the whole of the Virgin Islands and the Fajardo district in Porto Rico. There are a few persons in this area competent to act as directors, but probably such a situation would not appeal to American banking interests, and it is believed impossible to establish a purely local bank. On the whole, a branch bank seems the most promising proposition.

Probable earnings of a national bank in Virgin Islands with \$100,000 capital

	Minimum	Maximum
SOURCE OF FUNDS		
1. Capital.....	\$100,000	\$100,000
2. Paid-in surplus.....	10,000	10,000
3. Savings deposits.....	745,000	805,000
4. Time deposits.....	285,000	515,000
5. Post-office savings deposits.....	4,000	5,000
6. Checking deposits.....	250,000	740,000
7. Notes.....	100,000	100,000
Total.....	1,494,000	2,275,000
APPLICATION OF FUNDS		
1. Bank buildings, etc.....	25,000	25,000
2. Mortgages.....	80,000	120,000
3. Stocks and bonds (local).....	85,000	105,000
4. United States bonds for circulation.....	102,000	102,000
5. Loans and discounts.....	257,000	635,000
6. Balances with banks or investments in United States.....	871,000	1,132,000
7. Redemption fund.....	5,000	5,000
8. Legal reserve.....	38,000	111,000
9. Reserve against savings and time deposits.....	31,000	40,000
Total.....	1,494,000	2,275,000
INCOME		
1. Interest on mortgages.....	4,000	6,000
2. Interest and dividends on local investments.....	1,000	57,000
3. Interest on United States bonds.....	2,000	2,000
4. Interest and discounts, commercial loans.....	26,000	39,000
5. Interest and dividends, funds in United States.....	32,000	44,000
6. Profits on exchange.....	8,000	15,000
Total.....	73,000	163,000
EXPENSES		
1. Interest on savings deposits.....	11,000	23,000
2. Interest on time deposits.....	8,000	13,000
3. Interest on checking deposits.....	4,000	7,000
4. Administration.....	60,000	80,000
Total.....	83,000	123,000
5. Net income.....	10,000	40,000

¹ Loss.

PRESENT CURRENCY SITUATION

The official currency is francs and bit (1 franc=19.295 United States cents=100 bit), but trade is ordinarily carried on in terms of West Indian dollars and cents; a West Indian dollar is worth 5 francs, or 96.475 cents United States. American money is freely taken by all merchants at the rate of \$1.04 local money, although actually worth only \$1.036 on a gold basis, and is estimated to amount to about one-fifth of the currency in circulation. The post office takes only American money, with the result that purchasers of stamps and money orders have to buy it for \$1.05 in local currency; i. e., some money brokers charge about 1 per cent on each transaction unless the purchaser has some means of obtaining American money directly. As there is a large import of goods by parcel post, which are usually paid for by postal-money order, the burden of this anomalous situation is considerable. In the year 1924 the four post offices sold \$454,103 of domestic and international money orders and only cashed \$97,688. A large part of the orders cashed represents not local transfers but remittances from emigrants in the United States. It would be safe to say that \$400,000 of postal-money orders were issued to finance the purchase of goods in the United States, and the dual currency system caused them to cost \$4,000 more than they would have done if American money were the legal currency.

The total monetary stock of the islands, as reported by the comptroller of the currency, on December 31, 1924, was \$86,000 gold in banks or public treasuries, \$75,000 silver, and 2,500,000 francs paper (including notes held in the bank). This includes about \$10,000 in United States money held by the bank, but does not include United States money in circulation nor fractional currency.

REASONS FOR EXCHANGE FLUCTUATIONS IN 1919-20

The Danish krone sank below its par value in January, 1919, and declined fairly steadily in value for the next two or three years. At the same time the West Indian dollar declined almost certainly as a result of the fall in the krone. The bank has been blamed for this, the character of the specific accusations differing, however. The congressional commission that visited the islands in 1920 thought that the reason for the decline in the value of West Indian currency was, first, the large purchases and sales of United States dollars by the bank in 1917 and 1918, and second, the sale of dollars to Denmark by the St. Croix sugar centrals and the conversion of the Danish kroner into francs at an advantageous rate. The bank seems to have maintained its rate of 5 francs for 3.6 kroner longer than the market situation warranted; whether its motives were to make a profit for itself by speculating in kroner or by overcharging for dollars or to enable its Danish stockholders to make a profit by speculation can not be stated. It may have been actuated by loyalty to Denmark or by plain inertia and failure to grasp the situation. However, with all respect to the congressional commission, the purchases of United States coin can not have been responsible for the fluctuating exchanges.

This coin was bought in order to be sold, and was actually sold except after the bank was ordered to resume specie payment, in 1920, as shown by the published statements of foreign money held at the end of each year. The increase in the amount purchased in 1917 and 1918 was plainly due to the increased number of American visitors bringing coin with them after the transfer of sovereignty. The amount bought in each of the years 1920 to 1922 was greater than in either 1918, 1917, or 1916, with no harmful effect on exchange. Moreover, speculation in exchange is more commonly performed by purchasing bills rather than coins. Finally, the big drop in the value of the West Indian money did not occur until October, 1919.

A more plausible explanation is the purchase of Danish exchange by the bank for speculative purposes. That this did not occur is proved by the bank's statements, which show that such purchases were, if anything, less than normal. The largest sugar central also claims that it paid in dollars for all its local needs for francs, at a fair rate and without attempting to profit by the exchange. This is probably true, but the increase in the bank's balances abroad (i. e., in Copenhagen, mainly) sheds light on the situation. The bank did not buy more Danish exchange than usual, but it was unable to dispose of what it did buy because those who desired kroner could get them more cheaply in New York. It is to be presumed that the Danish corporations in the islands when they made remittances for dividends or purchases in Denmark did so through their New York correspondents, and not through the local bank, thereby causing the bank's balances in Denmark to pile up because the normal demand for them was removed. In fact the committee appointed by the colonial council of St. Croix, on June 14, 1920, stated that "general advantage was taken by the merchants and others in the islands of the unusual conditions that presented themselves during the four to five months preceding the increase in the exchange." However, the bank had little cause for complaint, as it made very good profits in each of the years 1917-1921. Specie payment was resumed in July, 1921, since which time the exchange has been stable.

United States money bought by bank (thousands of dollars)

1913-----	97	1919-----	498
1914-----	61	1920-----	933
1915-----	49	1921-----	482
1916-----	58	1922-----	417
1917-----	196	1923-----	329
1918-----	375	1924-----	352

Dollar bills of exchange bought by bank (in thousands)

1913-----	137	1919-----	1,324
1914-----	218	1920-----	3,356
1915-----	184	1921-----	2,373
1916-----	631	1922-----	1,190
1917-----	781	1923-----	1,073
1918-----	1,186	1924-----	928

Danish money bought by bank (thousands of kroner)

1913	11	1919	8
1914	17	1920	8
1915	20	1921	7
1916	17	1922	8
1917	15	1923	6
1918	22	1924	--

Danish bills of exchange bought by bank (thousands of kroner)

1913	1,078	1917	940
1914	1,288	1918	1,081
1915	1,379	1919	1,026
1916	2,543	1920	154

Balances in banks abroad (thousands of francs)

[A minus item in 1914 and 1915]

Dec. 31, 1916	3,082	Dec. 31, 1921	8,352
1917	2,876	1922	6,949
1918	2,651	1923	7,061
1919	5,872	1924	5,701
1920	8,958		

Foreign money on hand at end of year (thousands of francs)

1914	48	1920	1,565
1915	51	1921	774
1916	98	1922	241
1917	117	1923	97
1918	302	1924	51
1919	230		

Fluctuations in value of dollar drafts

Date	Denmark (par=3.75 kroner)	Virgin Islands (par=3.65 per cent premium), buying—selling
	<i>Kroner</i>	
August, 1914	3.75½	4 to 5 per cent premium.
December, 1914	4.02	{ Rose to 15½ per cent premium and then declined gradually to 2 per cent premium.
December, 1915	3.74	
September, 1916	3.62	{ During 1917 went to a discount and then rose to 4 to 5 per cent premium.
December, 1916	3.68	
December, 1917	3.28	{ 27½ to 28½ per cent.
December, 1918	3.73	
Oct. 15, 1919	4.42	{ 20 to 21 per cent.
December, 1919	5.20	
May 8, 1920	{ 5.94	15 to 16 per cent.
May 18, 1920		10 to 11 per cent.
May 22, 1920		10 to 11 per cent.
December, 1920	6.46	5 to 6 per cent.
Feb. 21, 1921	5.40	4 to 5 per cent.
Aug. 2, 1921	5.12	4 to 5 per cent.
December, 1921	4.98	

SAVINGS BANKS

Besides the National Bank of the Danish West Indies, which receives savings accounts, there are two savings banks in the islands, and also the postal savings bank. There are also some Government trust funds that are used for loans to planters, but when not so used are deposited with the national bank. Since 1909 the savings de-

posits in the national bank have risen from \$177,000 (Danish West Indian currency) to \$689,000, the peak being \$807,000 in 1920. The number of depositors rose from 3,273 in 1912 to 7,290 in 1924. The average deposit, excluding trust funds, was \$111.84 in 1920, \$92.38 in 1922, and, including trust funds, \$102.36 in 1924. The total savings deposits on April 30, 1925, were \$754,029. Interest is paid at the rate of 3 per cent.

St. Thomas Savings Bank.—This bank began business July 3, 1847. Its only paid officer is the accountant. It pays 3 per cent on its deposits, which have arisen from \$36,597 in 1908 to \$62,036 in 1923. In 1920 they were \$65,919. The number of depositors has fluctuated between 692 and 981; the average amount from \$49.03 to \$79.17 (in 1919); in 1923 it was \$63.69.

St. Croix Savings Bank.—There is a local savings bank in St. Croix under the name of the New St. Croix Savings Bank with head office in Christiansted and a branch in Frederiksted.

The bank was founded in 1881 with very little capital, which was subscribed by a number of residents in the island contributing \$5 each.

The business done by this institution is limited to investment of funds at 6 per cent and sometimes at 5 per cent in mortgages on real estate; 40 per cent and in certain cases 50 per cent of the value of the mortgaged property is advanced. Loans on personal security ceased 10 years ago. There is no discounting of notes and no selling or buying of drafts.

Depositors receive $3\frac{1}{2}$ per cent interest on their deposits, which are not as numerous as a few years ago, owing to the general depression in business and the severe drought from which the island has suffered for some years.

This institution has been of great help to the community by rendering assistance to poor persons in restoring their houses to a habitable condition.

As regards the manner in which investments are made and the liabilities of the institution, reference is made to the attached statement.

The New St. Croix Savings Bank (March 31, 1925)

Capital account (general fund)-----	\$29, 822. 71
Investments:	
Loans in town properties-----	\$32, 305. 34
Loans in country properties-----	32, 757. 06
Loans on self-debtor security-----	213. 07
	65, 275. 47
Rate of interest charged is 6 per cent per annum; in very few cases 5 per cent per annum.	
Danish Credit Association bonds, 69,000 crowns, at 17 cents (4 per cent interest yearly)-----	11, 730. 00
St. Thomas Harbor bonds (4 per cent interest yearly)-----	4, 000. 00
Due depositors-----	62, 080. 94

Rate of interest on deposits is $3\frac{1}{2}$ per cent per annum.

The yearly expenses for running the institution are about \$1,750.

The president receives a yearly stipend of \$400 and the accountant a yearly salary of \$540.

There are 11 trustees. These are not paid any salary, but when they attend meetings they receive an honorarium of \$2.

Other banks.—There was also a few years ago a savings bank connected with the St. Croix labor union, concerning which no details are available.

The St. Thomas post office accepts savings deposits in United States money only. Interest is paid at 2 per cent. On June 30, 1924, there were 30 accounts, totaling \$3,114, or on an average of \$10.38 apiece. The money is redeposited with the American Colonial Bank in Porto Rico, which pays 2½ per cent interest on it.

Deposits during the fiscal year 1924–25 amounted to \$9,757; withdrawals to \$6,325; the balance June 30, 1925, was \$6,546. The increase in balances of depositors during the year was \$3,432—over 100 per cent.

Sales of war savings stamps and certificates amounted to \$21,375.23 in the seven years 1918–1924, the greatest amount being in 1924, \$7,800.

The total amount of savings deposits in St. Thomas is about \$440,000, or \$43 per capita; in St. Croix \$433,000, or \$29 per capita. The reported per capita amounts in near-by islands are as follows: Porto Rico, \$8; Antigua, \$3.88; Dominica, \$0.80; Montserrat, \$0.96; St. Kitts, \$1.20; British Virgin Islands, \$0.96. In St. Thomas there is one savings account for every 2.2 persons; in St. Croix one for every 4.5 persons; in Porto Rico one for every 24 persons. This is another bit of evidence that conditions in the Virgin Islands of the United States are better than in most of the West Indies.

DESIRABILITY OF LAND BANK

One of the resolutions adopted by the executive committee of the St. Croix Chamber of Commerce, December 10, 1924, read as follows:

That the San Juan, P. R., branch of the Federal Land Bank of Baltimore, Md., be authorized to extend its operations to the Virgin Islands of the United States.

The manager of this branch has visited the Virgin Islands since that date and made a report on the situation, which is on the whole favorable.* The Porto Rico Land Bank, unlike most, is authorized to make loans directly to farmers in amounts not greater than \$10,000. Such loans would be of no great benefit to the large sugar concerns but would be very helpful to small farmers and cattlemen, who need capital for clearing, fencing, digging wells, erecting windmills and silos, and procuring breeding stock and farm machinery.

Farmers at present get loans from the local banks and the trust funds controlled by the municipal council of St. Croix. These trust funds are mainly loaned in large amounts to the sugar factories and the cotton gin, and over half of the national bank's mortgages are in amounts over \$10,000. The council, in 1924, authorized the loan of \$20,000 in small amounts to sugar planters, of which \$10,000 should by now have been repaid; the St. Croix Savings Bank reports about \$32,000 loaned on rural properties; the national bank has about \$80,000 outstanding in small mortgage loans. The bank loans are usually for 10 years, at 5½ per cent interest; some of the savings bank loans carry 5 or 6 per cent. There is a strong demand by the

* Letter to Assistant Secretary of the Treasury Dewey, Feb. 9, 1925.

planters for more loans and complaint that the national bank has been restricting its advances.

Under the provisions of section 4 of the Federal farm loan act, as amended March 4, 1923, the Land Bank of Porto Rico may lend direct to borrowers, in amounts not exceeding \$10,000, for periods not exceeding 20 years, at a rate of interest not exceeding $6\frac{1}{2}$ per cent. Section 15 of the same act permits the Federal Farm Loan Board to authorize a land bank to make loans through agents. It is believed that the National Bank of the Danish West Indies, or any American bank that might be established there, would be glad to act as agent. The national bank would probably be glad to transfer its existing mortgages, so far as they are eligible, to the Federal land bank.

Under the provisions of section 202 of the farm loan act, as amended, intermediate agricultural credits (six months to five years) may be granted in the form of discounts or purchases from banks. With slight amendment this provision could be used to benefit the cattlemen of the Virgin Islands by enabling them to borrow from the local bank, which in turn could discount their notes at the intermediate credit bank in Baltimore. It would also be of assistance to planters who wish to grow onions, castor beans, etc., for export. If a national bank were organized in the islands (which would require a special act) it could lend on farm mortgages for periods up to five years. Thus by authorizing a national bank and extending the jurisdiction of the Federal farm-loan bank and the Federal intermediate credit bank of Baltimore so it can act through an agent, the Virgin Islands would be provided with an adequate system of agricultural credit. It would be reasonable to expect that in that case part of the existing trust funds would ultimately be invested in farm-loan bonds, although there might be some advantage in continuing these funds separately for a time as a source of loans to sugar planters, since the Federal Farm Loan Board does not look favorably on sugar loans.

MUNICIPAL WATER SUPPLY

During the drought years, 1920-1924, there was a painful shortage of drinking water, as there are few dependable wells in the islands that contain water that is fit for human consumption, even when boiled. Rain water has always been used; it is obtained principally from the roofs, but in a few cases from concrete basins. During the year 1924-25 Congress appropriated \$125,000 for the purpose of constructing water systems, which in the case of St. Thomas and Christiansted consist of concrete basins, and in the case of Frederiksted a reservoir in the hills. Previous appropriations had been made by the local councils, totaling about \$79,000 for St. Thomas, \$61,000 for Christiansted, and \$60,000 for Frederiksted. The first two systems are now practically completed, but there has been some delay in acquiring the reservoir site for Frederiksted. It is unlikely that there will again be a serious shortage, unless the islands should increase in population to a wholly improbable degree. The water used for sewerage and street cleaning is pumped from the sea.

POLITICAL ORGANIZATION

The government of the Virgin Islands is based on the "act to provide a temporary government for the Virgin Islands," approved March 3, 1917, and the colonial laws of Denmark, especially the law of April 6, 1906. The ultimate authority rests in Congress, which has temporarily delegated full power to the President. According to an opinion of the Judge Advocate General of the Navy, dated August 8, 1924, the islands can be transferred to the Bureau of Insular Affairs by Executive order, and either an Army officer or a civilian appointed governor, subject only to the approval of the Senate. The governor under the Danes was usually an army officer; under the United States he has always been a naval officer. He is assisted by an executive secretary, and a dispatching secretary, who acts as governor's representative in St. Croix; also by other subordinate officials, some naval officers and some civilians.

Local legislation is in the hands of two municipal councils. The council for St. Thomas and St. John consists of 4 members appointed by the governor and 11 elected, of whom 8 represent the town of St. Thomas, 1 the country district of St. Thomas, and 2 the island of St. John. The council for St. Croix consists of 5 appointed and 13 elected members, of whom 3 are from Christiansted and 4 from its country district, and 2 from Frederiksted and 4 from its country district.

These councils have the same functions as city councils in the United States, and also have some of the functions of county and State governments. There is no regular legislature for the group as a whole, but occasionally the two councils sit together and pass joint resolutions, in the nature of petitions to Congress or recommendations to the governor. Under the Danish law a committee of an equal number of members of each council might vote on matters of joint interest.

It was customary in Danish times to obtain the approval of the local councils for laws affecting the islands, and, on the other hand, the king could veto acts of the councils, and in extraordinary cases laws affecting the islands could be passed by the Danish Parliament without reference to the local councils. At the present time the governor has an absolute veto, subject of course to the instructions of the President. Extraordinary ordinances may be issued by the governor, to be later approved by the council, or, formerly, by the Danish Parliament. All enactments must be submitted to the President, who retains the right¹⁰ to disallow them. Reports were formerly made directly to the President, but since 1922 through the Secretary of the Navy.

The suffrage is restricted to males "of unblemished character," of 25 years of age, and possessing property yielding a clear yearly rent of \$60 (\$140 in St. Thomas), or having a clear annual income of \$300. They must have resided in the islands for five years and be citizens of the islands or of the United States. The very low income requirement reduced the number of voters to 762 in St. Thomas and 417 in St. Croix, being about 35 per cent of the males of proper age

¹⁰ By Executive Order No. 2777, Dec. 26, 1917.

in St. Thomas and less than 10 per cent in St. Croix. The number of voters in St. Thomas has nearly tripled since 1917. Three-fourths of the voters are colored, and there is no political discrimination on account of color, as is shown by the fact that all of the appointed members of the St. Thomas Council are colored, and likewise most of the elected members. Four of the five appointed members of the St. Croix Council at one time were colored, besides several of the elected members.

About one-fourth of the population over 21 would be disfranchised by a literacy test, if there were one, and about one-fifth are not citizens, so the proportion who are actually disfranchised by the property qualifications is considerably less than appears at first sight. Since the women are for the most part as important economically as the men, it seems unjust to retain the sex disqualification. Under the circumstances, however, the income requirement seems a desirable thing to retain, as the interests of the nontaxpayers are looked after by the governor and the appointed members probably better than they could look after them through elected representatives. A literacy test such as is used in Hawaii, the Philippines, and many of the States would be desirable, not only in itself but as an indirect stimulus to the education of adults, especially adult women. The extension of suffrage to women would probably improve their marital status and the condition of their children, besides being in accordance with the general practice of the United States. (Woman suffrage has been urgently recommended for the Philippine Islands by Governor General Wood, and Conditions are very similar.) It might also be desirable to reduce the voting age to 21 for the sake of uniformity.

Recently there has been a good deal of political agitation, especially in St. Croix. The discontented elements are accused of Bolshevik tendencies, and some of their political speeches as reported might justify such an accusation, which, however, should not be taken too seriously. Specifically, they desire to be recognized as United States citizens and to be given universal suffrage and control of the local government, although neither the radicals nor their opponents will admit that the islands could support themselves, or should be expected to, without regular subventions from the United States Treasury. Some would not object to naval officials, if the governor's powers were restricted, and if administrative officials were not allowed to be appointed to the council. They also object to the appointment of the district judge by the governor for a two-year term, on the ground that this makes the judiciary subordinate to the executive. Some of them think there are too many government employees, and that too much money is spent on the schools. There is a good deal of resentment over alleged examples of race prejudice on the part of white officials and nonofficial residents. In St. Thomas there is a strong desire for Federal aid to the harbor, an enlarged naval station, a dry dock, good roads, an agricultural experiment station, and modification of the quarantine laws. In St. Croix many planters demand Federal aid to tenants and small farmers, the construction of irrigation works, repeal of the export tax on sugar, and distribution of cane cuttings and cottonseed by the experiment station. Both islands desire the repeal of local prohibition, though for somewhat different reasons. Both radicals and conservatives agree

that taxes are too heavy, although in St. Croix the radicals complain most of the sugar duty, while the conservatives complain more about the land tax and the proposed property tax. There is also in St. Croix a difference of opinion regarding the desirability of the immigration law of the United States, which has only recently been extended to the islands. In St. Thomas the main disputed points are the kind of public education that should be offered and the desirability of retaining a naval government. Both radicals and conservatives unite in opposing the governor's recommendations for a greater degree of self-support for the islands. Whether or not these recommendations are justified will be discussed elsewhere.

JUDICIARY

There are supposed to be police judges in each of the three cities, and a district judge for the group of islands, who holds court in each city in turn. The full number of judges is rarely available, as the low salaries offered do not attract capable men under ordinary circumstances,¹¹ and the district judge acts as police judge in case of a vacancy, which means that appeals may be tried before the same judge from whose decision the appeal was taken. Moreover, two of the police judges act as government attorney, and it sometimes happens that a judge tries persons on charges formally prepared by himself, or prosecutes an appeal from his own judgment before the district court. This causes complaint, although an appeal is allowed to the Third Circuit Court of Appeals in Philadelphia. It is believed that two police judges would be enough, especially if relieved from the duties of prosecuting attorney. On this point the joint commission of Congress reported in 1920:

It is the judgment of the commission that in the revision of the judicial system one court and judge having general jurisdiction should be provided for the islands of St. Thomas and St. John and one for the island of St. Croix; and that writs of error and appeals should be to an appellate court consisting of the two judges from said islands and the judge of the district court of the United States for Porto Rico, sitting in banc.

The abolition of two courts would save about \$15,000, and thereby permit an increase in the salaries of the remaining judges and the employment of a separate prosecuting attorney in addition to paying the salary and expenses of a visiting judge.

Another suggestion is that the district court be held by a single Federal judge from the continent or from Porto Rico, who should visit St. Thomas for this purpose as often as necessary. Two visits of one or two weeks each should be sufficient ordinarily. If it should ever become desirable to assign an additional Federal judge to Porto Rico or the Canal Zone, he could very conveniently spend part of his time in St. Thomas—say three fortnights a year—and act as district judge.

SENATE BILL 2786

A bill was introduced in the Senate on March 10, 1924, at the request of some people in New York, which was intended to provide a "civil" government for the Virgin Islands, closely modeled on that of Porto Rico. The present government is, however, a civil government, as it is subject to the President by virtue of an act of Congress, and not by virtue of his authority as commander in chief of the armed

¹¹ The district judge gets \$4,800; the police judges \$3,300 each.

forces of the United States. Civilians could be appointed to all of the governmental offices, if there were any money with which to pay them. The navy has no jurisdiction over the inhabitants; the only laws are those that are inherited from the Danish régime or have been subsequently enacted either by the local councils or by Congress.

This bill is based on another misapprehension, that a form of government suitable for Porto Rico is suitable for the Virgin Islands also, although Porto Rico is a community of 1,300,000 persons and the Virgin Islands contain only 26,000. The islands can not support a Territorial or State form of government; they are really only two counties, containing three small towns and one incorporated village. Moreover, the two counties have little in common except race and language, and an attempt under the Danes to centralize their government resulted in failure. Such an elaborate structure of government as is proposed by this bill would require a large Federal subsidy every year to keep it going. The bill seems to contemplate continuing the existing municipal councils and erecting over them a council for the whole group, as well as an elaborate executive organization. It also abolishes the export duty on sugar, which if abolished at all should at least be continued until other revenues are available. It makes no provision for an income tax, and apparently forbids a classified property tax. The clause conferring citizenship on Virgin Islanders includes those who left the islands before 1917, and probably excludes those who, having at first retained their Danish citizenship, later repudiated it.

When news of the introduction of this bill was received in the Virgin Islands the municipal councils held a joint meeting and adopted, by a vote of 27 out of 32, with some not voting, a resolution of protest against it. They also claimed a right to be consulted before any legislation affecting the islands was enacted.

CITIZENSHIP

The following statement, from the joint resolution of the colonial councils of St. Croix and of St. Thomas and St. John, of February 15, 1924, correctly summarizes the situation as regards citizenship:

6. That the Congress be requested to define the citizenship status of the inhabitants of the Virgin Islands.

The treaty of cession whereby the United States acquired the Virgin Islands from Denmark contains the following provision:

"ART. 6. Danish citizens residing in said islands may remain therein or may remove therefrom at will, retaining in either event all their rights of property, including the right to sell or dispose of such property or its proceeds; in case they remain in the islands, they shall continue until otherwise provided to enjoy all the private, municipal, and religious rights and liberties secured to them by the laws now in force. If the present laws are altered, the said inhabitants shall not thereby be placed in a less favorable position in respect to the above-mentioned rights and liberties than they now enjoy. Those who remain in the islands may preserve their citizenship in Denmark by making before a court of record, within one year from the date of the exchange of ratifications of this convention, a declaration of their decision to preserve such citizenship; in default of which declaration they shall be held to have renounced it and to have accepted citizenship in the United States; for children under 18 years the said declaration may be made by their parents or guardians. Such election of Danish citizenship shall, however, not, after a lapse of the said term of one year, be a bar to their renunciation of their preserved Danish citizenship and their election of citizenship in the United States and admission to the nationality thereof on the same terms as may be provided according to the laws of the United States for other inhabitants of the islands. The civil rights and the political status of the inhabitants of the

islands shall be determined by the Congress, subject to the stipulations contained in the present convention. Danish citizens not residing in the islands but owning property therein at the time of the cession, shall retain their rights of property, including the right to sell or dispose of such property, being placed in this regard on the same basis as the Danish citizens residing in the islands and remaining therein or removing therefrom, to whom the first paragraph of this article relates."

The foregoing provision of the treaty was generally understood by the inhabitants of the Virgin Islands as intended to confer full United States citizenship rights upon those who did not exercise their right to retain their Danish citizenship. Subsequently, the Department of State held that, as in the case of Porto Rico, a specific declaration of the intent of Congress was necessary to confer full citizenship on the inhabitants of the Virgin Islands, so that, as the matter now stands, they are citizens of neither Denmark nor the United States. This situation causes much annoyance to the people of the Virgin Islands when they desire to travel either to the United States or to foreign countries by reason of the uncertainty, generally, as to their individual civil status with relation to the United States, and furthermore, they feel that they are discriminated against through the fact that, while they were full citizens of Denmark prior to the transfer, they are not now full citizens of the United States.

The State Department defines them as "nationals," not citizens, and issues passports to them as "inhabitants of the Virgin Islands, entitled to the protection of the United States." The Labor Department admits Virgin Islanders to the United States without discrimination, but some foreign-born residents in the Virgin Islands have found it impossible to bring in their families under the quota restrictions, and can not get naturalized so as to admit even their parents or their children.

Inasmuch as United States citizenship was granted to all citizens of Porto Rico by the act of March 2, 1917, it would seem to be only just to grant it to the inhabitants of the Virgin Islands. Such action would not involve changing the form of government in any way, but it would probably cause the islanders to be more contented under any form of government than they would be if not granted the status of American citizens.

A law conferring citizenship should be carefully worded so as to include Virgin Islanders who have taken up residence in the United States since annexation, and also those who at first retained their Danish citizenship but later renounced it. It should also provide for naturalization of alien residents on fulfilling the same terms as aliens residing in the United States and should designate a court to receive their declarations, if some of the most desirable residents of the islands are not to be discriminated against.

LAND VALUES

The census of 1917 stated that the average value of farm land per acre was \$34.37, or \$43.17, including buildings, but the value of land in St. John was only \$9.46 per acre, while in St. Croix it was \$40.45. The average value of land and buildings on farms operated by white managers was \$63.73 per acre; on farms operated by mixed owners only \$22.57 per acre; on farms of 1,000 acres and over, \$31.65; on farms of 20 to 49 acres, \$106.20. Statements by representative planters, business men, and officials indicate that these values are not much different at the present time; sales are so infrequent, and when they occur so bound up with the financial needs of the seller, that it is difficult to generalize, but it would seem that land in St. Croix rose in value until 1920 and has fallen since. The

manager of the Bethlehem estate declares that his land is worth only \$20 an acre, and some of it is the best on the island. On the other hand it was stated that the usual value put by appraisers on arable land in good condition was \$40 to \$50 per acre, although frequently only about \$20 can be obtained on a sale. Cleared land is valued at \$25 to \$30; complete estates at \$75 to \$80. A recent sale was reported as low as \$28.33 an acre including the buildings, while in 1920 sales occurred at over \$100 per acre. Bush land on St. Croix is usually valued at \$10 per acre, and it is said to cost \$20 to clear. Much of it is not worth clearing, except possibly for pasturage. If these values are correct the rate of the land tax (including the immigration tax of 10 cents per acre) is about 0.1 per cent on bush land, 0.8 per cent to 0.9 per cent on pasture land, and 1 per cent to 3.5 per cent on arable land (excluding buildings). The rate in St. Thomas is limited to 1 per cent on all classes, and is frequently less than that, as the law limits the valuation to \$45 an acre on cultivated land, \$20 on pasture land, and \$10 on bush land. The average assessment is reported as \$25, \$10, and \$5.

The same limits of valuation for tax purposes apply in St. John, but the actual values are much lower. In many cases both on St. Croix and St. John the selling value of estates is not equal to either the original cost or the cost of replacement of the buildings, and there are some such cases in St. Thomas.

The total value of farms in the Virgin Islands, including stock and equipment, was reported by the census as \$3,706,911 in 1917; the land alone was worth \$2,402,501. For St. Croix alone the corresponding figures were \$3,063,747 and \$1,990,467.

TAXABLE WEALTH

The amount of taxable property in the islands can only roughly be calculated. The amount of capital engaged in manufactures in 1917 was \$1,429,524 (in St. Croix \$1,309,343). Capital employed in fishing was \$11,002 (St. Croix \$6,198). Add about \$1,000,000 for docks and piers not included, as manufacturing establishments and \$1,500,000 for city real estate (estimated) and \$1,500,000 for tangible personal property (estimated) including automobiles, and the total tangible wealth of the islands comes out as about \$9,150,000, of which about two-thirds is in St. Croix. These figures are very rough indeed, but they indicate a per capita wealth of only about \$350 compared with the per capita of \$2,918 in the United States, which is reported by the Census Bureau. The lowest per capita wealth reported for any State is \$1,216 for Mississippi. The fact that about three-fifths of the adult males in St. Thomas and over four-fifths in St. Croix are unable to procure a regular income of \$300 or more a year is further confirmation of the unusually low taxpaying capacity of the islands.

PUBLIC REVENUES

The existing sources of revenue are fully discussed in the report of Mr. R. F. Magill, and likewise certain suggestions for reform. Although, as just stated, the taxable capacity of the islands is slight, there is little doubt that a reformed system would yield more than at present without being any greater burden on the people as a whole. Even so it will be necessary to reduce expenditures considerably if the islands are to be made self-supporting.

Since the American occupation the Navy has spent large sums of money in the islands for purely naval purposes, but the services of the naval personnel have been at the disposal of the local government when needed, and at present 18 officers, whose salaries of approximately \$29,000 are paid by the Federal Government, devote most of their time to regular administrative duties in connection with the local government. Incidentally, these officers all pay their income taxes to the local treasury, not to the United States. The agricultural station is maintained by the Federal Government at an annual cost of \$22,500. The customs duties and quarantine and passport fees are paid into the local treasury, although the costs of administering these services are paid by the United States. In addition to these direct contributions for local purposes the Federal Government carries on certain activities as it would in the States, for example, lighthouse maintenance, weather service, mail service (involving a steamship subsidy of \$25,000 annually), shipping board activities, coast surveys, etc. The islands do not contribute to the Federal Government in taxes, either direct or indirect, any more than if they were a foreign country. On the other hand, Congress has appropriated large sums annually for purely local purposes. The amounts are shown in the attached table:

Fiscal year—	Amount	Fiscal year—	Amount
1918 -----	\$100,000	1923 -----	\$343,440
1919 -----	200,000	1924 -----	324,000
1920 -----	200,000	1925 -----	270,150
1921 -----	343,440	1926 -----	270,150
1922 -----	343,440	1927 -----	270,150

These sums have been expended on schools, hospitals, sanitation and water supply, and to a slight extent on roads. In St. Croix the roads are maintained by the landowners and do not enter into the public budget. The appropriations for 1925 and 1926 provided also \$53,850 and \$29,850, respectively, to be granted on condition that they were matched dollar for dollar by the municipalities, but this was not done, although the council of St. Thomas insisted that they had qualified for their share, and should not be debarred from it by the failure of St. Croix to qualify.

The per capita revenue in St. Thomas, under the budget for 1925-26, excluding Federal aid, is \$9.22, or \$11.97, if the revenues of the harbor board are included. The per capita revenue in St. Croix in 1925-26 (as estimated by the governor) is \$6.22. Taxes, direct and indirect, amount to \$7.20 per capita in St. Thomas, and \$4.95 per capita in St. Croix, according to the latest budgets. In the years before 1922 they were considerably higher.

Taxes in the Virgin Islands are therefore greater per capita than in the Philippines (about \$3.50) but less than in Porto Rico (about \$12), and very much less than in any of the United States. They are about half as heavy as the State and local taxes in Alabama in 1922 (\$12.37), and residents of Alabama had to pay in addition about \$4.17 in internal-revenue taxes to the Federal Government to say nothing of their share of the customs duties. Probably the total per capita taxation in Alabama is nearly three times as much as in the Virgin Islands, while the per capita wealth is between three and four times as much; in other words, the ratio of taxes to wealth is not very different in the two places, and Alabama was in 1922 one of the least taxed States in the Union. Moreover, the Virgin Islands

received a Federal subvention amounting to over \$10 per inhabitant, whereas Federal subventions to the States amount to only about \$1 per inhabitant.

Part of the generous appropriations made by Congress have been needed for capital expenditures that will not be repeated for many years, if ever, such as the city water supplies and sewerage systems, and some of the money spent on schools and hospitals. It is also to be hoped that these expenditures may increase the earning capacity of the islanders, so that they may not need to rely on Federal aid to such an extent in future. It would be wise to limit Federal aid to permanent projects of this sort and to require the islanders to meet their own current governmental expenses. This means gradually reducing the annual subsidy, except in the case of hurricane or similar disaster. If the two islands continue to manage their finances independently of each other, it would be well to grant separate appropriations and to make them contingent on a reasonable local appropriation for similar purposes. If Federal aid for roads and vocational education continues to be granted to the States and organized Territories, it might be granted to the Virgin Islands under the same conditions, although their claim is not so strong, because they contribute nothing to the Federal Treasury. If the provisions of the various Federal aid acts were extended to the Virgin Islands the annual subventions, under the minimum provisions of existing laws, would be: For vocational education, \$10,000; for civilian rehabilitation, \$5,000; for maternity and child welfare, about \$10,190; for highways, \$375,000. All of these sums, except \$5,000 for maternity and child welfare, are contingent on equal appropriations by the benefited State or Territory. Federal aid for vocational education, child welfare, and highways would be very desirable, although the amount needed for highways is much less than \$375,000.

It would be impossible to put the islands on a self-supporting basis in less than four or five years, as that would mean doubling the local revenues; in fact, unless expenditures were also reduced the revenues would have to be increased about 150 per cent to cover the Federal subvention and the salaries of the naval officials. Nevertheless, it is obvious that a system of property and income taxes at reasonable rates will yield more than is at present raised, and after a few years under such a system it should be possible to tell for certain whether complete self-support is possible.

Before 1879 the islands were in some years self-supporting, although the expenses of the governor's office and of the colonial office in Denmark were borne by the Danish Government. After that date annual subventions were necessary, amounting to as much as \$150,000 at times, and all attempts by the home government to reform the local taxes met with stubborn opposition on the part of the colonial councils.

Comparison with Vieques.—Some members of the St. Croix Chamber of Commerce have maintained that the costs of government were too high and pointed to the neighboring island of Vieques as an example, where, they say, the total revenues are only one-fifth as great, although the population, they say, is larger. The proper comparison is, however, not of total revenues, but of revenues raised locally; moreover, the figure of \$60,000 that has been stated as representing the taxes paid in Vieques includes only income and

property taxes collected there, but makes no allowance for Porto Rican excise taxes and customs duties that are paid indirectly by the inhabitants. The per capita burden, if these are included, seems to be between \$10 and \$15, at least 80 per cent higher than the present burden in St. Croix, and about equal to the average since 1917. No statistics are available for a comparison of the wealth of the two islands.

The preceding comparisons are based on the revenues of the Virgin Islands for the fiscal year 1924-25 and 1925-26 (as proposed by the governor). The revenues in St. Croix have fluctuated widely in the eight years of American rule; the average has been about \$12 per capita, i. e., over twice as high as the figure for the latest year. The ratio of taxes to wealth and income has not varied so much, as the value of land in 1919 and 1920 was greater than at present, and the income of the sugar planters enormously greater. It is possible that the average taxation in St. Croix has been heavier in proportion to the taxpaying capacity than in Alabama and Mississippi, but satisfactory comparisons are impossible where revenues fluctuate so, and where estimates of land value are so unsatisfactory.

The inhabitants of St. Croix complain that the Federal subsidy has not been fairly distributed between the islands. During the first seven years of American rule St. Croix received only one-third of the subsidy, although it is the largest island and contains the most people. However, the governors responsible for this state of affairs doubtless placed the money where they thought it was most needed, and in the early years St. Croix had a surplus or only a slight deficit and did not seem to require so much aid as St. Thomas. There is reason to believe that on this account the municipal council of St. Croix has been loath to increase local taxes or to decrease expenditures, hoping that a large apparent deficit would result in a larger share of the Federal money.

PROHIBITION

There is no doubt that prohibition has injured the Virgin Islands considerably, although the injury has been exaggerated by partisan or hasty observers. The Volstead Act was not extended to the Virgin Islands until 1922, and its enforcement is in the hands of the local government. As local sentiment is overwhelmingly against prohibition, its enforcement is far from being a success; anybody who wants brandy, champagne, or rum can get it with very little difficulty. The higher grade liquors are easily smuggled in from Tortola or some other near-by island; cheap rum is made in the woods of St. Croix out of low-grade molasses from the sugar mills or home-grown cane.

Santa Cruz rum was formerly a very well-known brand in Europe and the United States, but the amount exported annually had declined considerably before the United States bought the islands, for reasons wholly unconnected with prohibition. The average export in the 31 years 1777-1807, inclusive (the earliest figures available), was 992,682 gallons¹²; after 1854 the trade dropped off rapidly; in the five years ending March 31, 1894, the average export was only 98,503 gallons, worth \$20,426; and in the five years ending March 31, 1915, 59,090 gallons, worth \$19,920. This amounted to between 4

¹² In 1789 the amount of rum exported is reported to have been 4,308,022 gallons.

per cent and 5 per cent of the total value of exports from St. Croix. In 1919 the value of distilled liquors exported was \$157,874, as the stocks on hand were disposed of, and since then the trade has been negligible.

The sugar refiners have complained not only of the loss of their profits from the distillation of rum, but also of the difficulty in disposing of their "black strap" molasses, which was formerly distilled. However, the efforts of the director of public welfare to stimulate the production of industrial alcohol and denatured rum met with little encouragement. It seems to be impossible to get the bay-rum manufacturers of St. Thomas and sugar refiners to work out a scheme, although the bay-rum producers are now absolutely dependent on their Porto Rican competitors for their alcohol. Efforts to find a market for denatured rum in the United States have failed because of its poor quality. It is hard to understand why the refiners did not adjust themselves to present conditions and produce industrial alcohol, as the prohibition enforcement officials of the islands are very sympathetic. As a matter of fact, the amount of molasses on hand was only 100,000 gallons in 1924. Very recently an American-owned plant has been established to utilize this molasses.

Another industry that has suffered from prohibition is the bay-rum industry of St. Thomas, although its troubles on this account seem to be over. There was a good deal of difficulty regarding the sort of denaturant that should be required and the bonds to be given. The Federal prohibition officials seem to have acted in an arbitrary fashion, and in addition there were difficulties with regard to excise taxes. These difficulties are now smoothed out and the bay-rum producers are confident of the future. They have lost some of their old markets in the Caribbean and in Europe, mainly because of discriminating tariffs and the withdrawal of the Hamburg-American steamers, but they are building up a market in the United States which they hope will be better than what they have lost.

The shipping interests of St. Thomas complain that because of prohibition foreign ships avoid the port. This was certainly true during the period when ships were not legally allowed to carry liquor into American harbors even under seal, but at present only French vessels are affected by this restriction. There remains for other vessels only a certain amount of annoyance, which would hardly deter the owner of a vessel from ordering it to St. Thomas if he could get a good cargo or save on his fuel purchases, although it might cause the captain to go elsewhere if given discretion.

It has been suggested, not without reason, that the Virgin Islands might be developed as a winter resort, but many residents are of the opinion that in spite of their natural attractiveness winter visitors would not come in great numbers unless they could obtain alcoholic beverages as freely as in Bermuda or Nassau. As there was no great amount of tourist traffic under the Danes, it is difficult to state how much might be developed under the American flag; however, the islands are cleaner and more healthful now than they used to be, and it is possible that tourists might be attracted in profitable numbers.

In connection with this matter of prohibition two things are to be borne in mind; the Constitution does not ipso facto apply to unorganized territories of the United States; and the geographical

position of the Virgin Islands makes it unnecessary to treat them in the same way as if they were part of the continental United States.

Exports of bay rum from Virgin Islands

Year	To United States		To foreign countries		Total	
	Quantity	Value	Gallons	Value	Gallons	Value
1910		\$125				\$90,000
1911		142				
1913		197				
1914		125				
1915		146				
1916						
1917						
1918	1,016 gallons	2,161	25,515	\$26,940	26,531	29,101
1919	9,012 gallons	8,868	75,533	57,921	84,545	166,789
1920	9,322 gallons	8,675	61,464	79,112	70,786	187,787
1921	6,924 gallons	7,070	33,944	33,739	40,868	140,809
1922		23,719	49,943	47,024	75,828	170,743
1923	213,771 pounds ¹	28,095	35,558	28,108	64,466	156,692
1924	200,154 pounds	25,627				
1923-24 (fiscal year)					74,574	

¹ There are slight discrepancies in the reported figures.

² One gallon weighs about 7½ pounds.

Exports of rum from Virgin Islands

Year	Gallons	Value	Year	Gallons	Value
1777-1807 (average)	992,682	(¹)	1916 ²	69,900	(¹)
1889-1894 ² (average)	98,503	³ \$20,426	1917	⁴ 125,597	(¹)
1897-1901 ² (average)	69,514	³ 13,569	1918	⁴ 31,699	⁵ \$48,119
1911 ²	59,965	³ 15,000	1919	⁴ 51,360	⁵ 157,874
1912 ²	49,963	³ 12,400	1920	⁴ 142,560	⁵ 10,586
1913 ²	46,393	³ 13,000	1921	(¹)	⁵ 21,128
1914 ²	86,393	³ 38,600	1922	4,905	⁵ 3,704
1915 ²	52,174	³ 19,800	1923	None.	None.

¹ Statistics not published, or incomplete.

² Year ending March 31.

³ Danish West Indian dollars (\$0.965 United States).

⁴ As stated in Bulletin No. 2, Virgin Islands Agricultural Experiment Station, apparently for fiscal years and including all distilled spirits.

⁵ Includes all distilled spirits.

PREVIOUS RECOMMENDATIONS AND PETITIONS

The joint commission appointed by Congress in January, 1920, published a report (Doc. No. 734, 66th Cong., 2d sess.) in which it made 14 recommendations, most of which have been put into effect. The Federal commission appointed by the Secretary of Labor, in its report of February 29, 1924, made nine recommendations, and the municipal councils in joint session, February 7, 1924, made eight recommendations. Most of these either have been or are being put into effect. Other important official or semiofficial recommendations are the "Comments and corrections to the report of the joint commission" by a committee of the Colonial Council of St. Croix, June 14, 1920; memorandum from the delegates of the Municipal Council of St. Thomas, July 29, 1922; the resolution of the St. Croix Chamber of Commerce, December 10, 1924; and joint resolutions of the municipal councils, April 4, 1924.

Reports on special subjects include the report of special commissioners of Treasury Department to investigate currency and banking conditions, 1920; and the report on irrigation possibilities by C. C. Fisher, of the Interior Department, 1924.