



DEPARTMENT OF THE INTERIOR

INFORMATION SERVICE

DIVISION OF TERRITORIES AND ISLAND POSSESSIONS

For Release FRIDAY, JANUARY 3, 1941

Recommending that provision be made for continuation of the progress that has been made in the Virgin Islands, Governor Lawrence W. Cramer, in his annual report to Secretary of the Interior Harold L. Ickes has said that the economic and social fabric of the Islands has been immeasurably strengthened by the many-sided rehabilitation programs of the past few years. Gains, however, are not sufficient to remove the accumulation of social ills and to assure a prosperous industry and fiscal self-sufficiency for the local governments, the report said.

Governor Cramer stated that the present practice of making annual appropriations of Federal funds to meet the deficits of the Virgin Islands government is "as unsatisfactory as it is unique". These appropriations, he said, have "the usual unfortunate effects on the donor as well as on the recipient. The former acquits himself of responsibility.....The latter relies on the dole and quarrels because it is not enough."

The Virgin Islanders, who have no vote in national elections, and no representation in Congress, are citizens of the United States and as such should be assisted in meeting their specific problems as are citizens elsewhere, he emphasized.

To this end the Governor made various recommendations for the extension to the Virgin Islands of various Federal services which the States already receive. Among

these are the benefits of the Social Security Act; the protection of the National Labor Relations Act which, he said, is needed in the Islands more than on the continent where labor organization is highly developed; and the payment to Virgin Islands farmers of benefit payments under the Sugar Act of 1937. He urged the continuance of the provisions of the Fair Labor Standards Act.

Pointing out that the youth of the Virgin Islands and the Islands themselves have profited greatly by the activities of the CCC, Governor Cramer stated that there is also need for the aid and direction of the National Youth Administration, which at present is not functioning in the Islands.

In addition, he stated that the Federal Government should make available to the Virgin Islands on the same basis as it has for many years to Puerto Rico and the Philippine Islands internal revenue taxes collected in the United States on Island products shipped to the mainland. This action would permit the local governments to meet their annual budgetary obligations, and to make sorely needed improvements in health, hospitalization, institutional care, education, sanitation, police protection, and other municipal services.

The present situation in the Virgin Islands, however, reveals much progress when considered in relation to former conditions and when compared with conditions in other West Indian areas, according to Governor Cramer. A great advance has been recorded in the fields of public health and education; a public highway system has been created; many important public works have been undertaken; and some progress has been made in attacking stubborn economic disabilities, he said.

There has been an increase in the number of farms from approximately 300 in 1930 to more than 800 in 1940, or more than 150 percent, and attributable in large

part to the establishment of a homestead program. This program replaces the plantation system of agricultural economy, a heritage of the Danish period, which had, prior to the transfer of sovereignty already led to the development of a system of unregulated farm tenantry. To date, a total of 3,552 acres have been purchased in the islands of St. Croix and St. Thomas for subdivision and are now being sold under rental-purchase contracts to 328 small holders.

The shipping business, upon which the island of St. Thomas depends in large degree, has shown a sharp increase in the past fiscal year, recording the highest tonnage in any year on record for the port of St. Thomas. Nine hundred and eighty-five ships with a total tonnage of 3,844,289 tons called at the port. In addition, the strategic position of St. Thomas has led to that port being visited by an annual average of 94 Navy ships during the past three years, as compared with an average of 30 such ships calling annually in the previous 17 years.

The tourist business, also an important one for the island of St. Thomas, has suffered because of the European War and the cancellation of many cruises which were scheduled to be made by European ships plying between New York and the Caribbean. Forty-five cruise ship calls were scheduled for the fiscal year 1940. Eleven of these were made prior to the outbreak of the war. Of the 14 ships scheduled to make 32 visits between September 7 and April 9, six were British, three Dutch, one American, one German, one Norwegian, one Swedish, and one French. Only two of these calls were made and the balance of the schedule was abandoned. Thus, only 21 cruise ships, bringing a total of 8,369 passengers, visited the port, whereas it had been anticipated that the 1939 high record of 11,715 cruise passengers would be exceeded.

For the first time since 1860, the census reveals an increase of population in the Virgin Islands. The 1940 figures record a population of 28,889, which is a 13.1 percent increase over the 22,012 figure of 1930 which was the lowest on record. This increase, according to Governor Cramer, is an indication, in part at least, of economic improvement in the islands and the reversal of the historical tendency of emigration by large numbers of Islanders who sought economic opportunity elsewhere.

Since American occupation of the Islands, the death rate has been cut in half. In 1917, it stood at 41.5 per thousand, and in 1939, at 20.9. On the other hand, the birth rate has risen from 24.6 in 1917 to 35.8 in 1939.

In the last twenty years the value of exports from the Virgin Islands has in only one year been greater than the value of imports. In the past ten years the adverse trade balance has been at an annual average figure of \$1,594,253. Trade figures reveal "the slender natural resources of the islands and on the surface lend credence to the contention that Virgin Islanders live by their wits," the Governor stated.

Among the recommendations made by Governor Cramer are the following:

- (1) Repeal of export tax of \$6 per ton now levied on raw sugar.
- (2) Enactment of legislation to transfer to the treasury of the Virgin Islands excise taxes collected on products of the Virgin Islands when shipped to the United States.
- (3) Federal aid to assist in construction of rural housing.
- (4) Enactment of legislation to transfer homesteads to the Farm Security Administration.
- (5) Maritime Commission to require foreign and American cruise ships operating out of New York and touching at the Islands to sell tickets with stop-over privileges or one-way tickets to the Islands.

(6) Erection of a dock for ocean-going vessels - a basic necessity for the development of adequate transportation facilities for St. Croix.

(7) Re-establishment of privilege to returning United States travelers to bring with them, under the \$100 exemption clause, foreign liquor purchased in the Virgin Islands.

(8) Enactment of legislation to provide for the establishment of St. John as a national recreation area. (A bill, H. R. 9621, to this effect, was introduced in the 76th Congress.)

(9) Enactment of legislation to encourage travel in the United States for the promotion of tourist travel to possessions. (A bill, H. R. 6884, "to encourage travel in the United States, and for other purposes..." is now pending before the Congress.)

(10) Extension to the Virgin Islands of vocational education grant-in-aid Acts.

(11) Necessity for replacing at least two hospital structures and of greatly improving the third.

(12) Extension of rural resettlement activities.

(13) Extension of some of the benefits of the Social Security Act to the Virgin Islands.

(14) Establishment of an institution for the social rehabilitation of juvenile offenders.

(15) Extension of democratization and of local autonomy.

(16) Removal of statutory discriminations against Island industry.

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

(18) Granting of benefits to the Virgin Islands similar to those extended other possessions.

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

(20) Transfer of administration of Agricultural Experiment Station to the Department of Agriculture.

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

(22) The Federal Classification Act to be made applicable to the Virgin Islands.

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

Since the end of the fiscal year for which this report was compiled, Governor Cramer has resigned his post in the Virgin Islands. Robert Morss Lovett now is Acting Governor.