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The Promise of the Virgin Islands

By RALPH THOMPSON

IT is hard to believe that the United States made a good trade, as the saying goes, when it bought the Virgin Islands. But bargain or no, after much talk of the navy's needs and Germany's evil designs, Denmark was in 1917 forced to sell for \$25,000,000. America thus acquired three small islands—St. Thomas, St. Croix and St. John—a large number of uninhabited cays and some 25,000 new citizens (90 per cent of them Negro). Lying to the east of Puerto Rico, at the head of the rocky island chain stretching down to South America, the "Virgins" named by Columbus are among the most beautiful of the Lesser Antilles, and in some ways the most picturesque. Yet precious few of the administrators sent down by Washington have had time to ponder the almost miraculous scenery. The business of government and rehabilitation has been a full-time job.

Padding along the hot white streets of St. Thomas or St. Croix, a bundle balanced on her head, the average Virgin Islands Negress is the picture of placidity. Her husband and her children, too, seem to be sublimely free of care. The sun shines brightly, the red flowers bloom all the year, there are no street cars and few automobiles. A little burro will plod under an amazing load, and life moves at a tropic pace. But life has been also very bitter, and at times unbearable. Even easygoing natures have been brought to realize that.

When the navy took charge in 1917 the economy of the islands had been

ruined by neglect, drought, a recent hurricane, and the departure, for obvious reasons, of the wealthy Hamburg-American Line interests. Then came prohibition, destroying the native rum industry and adding a final straw to the burden borne by the population. What had in 1900, and for generations before, been the thriving Danish West Indies, rich in sugar and rum and a world-renowned port—Charlotte Amalie, now called St. Thomas—had become President Hoover's celebrated "poorhouse." The long warehouses on St. Thomas harbor stood empty. Planters' estates on St. Croix and St. John fell into weedy ruin, and bush sprang up in their gardens and in the cane fields. The population, once nearly 50,000, was but half as large when the United States assumed sovereignty.

The navy spent about \$300,000 a year during its administration. It improved the roads, controlled disease, and ruled with adequate if stern justice. But the navy's purpose was regulation, not rehabilitation. There had, moreover, apparently been quiet reconsideration of the strategic value of St. Thomas harbor and adjacent waters. In 1931, President Hoover was prevailed upon to appoint a civilian administration responsible to the Department of the Interior, and the navy sailed away. Today that branch of the service is represented in the islands by the crew of the St. Thomas Naval Radio Station.

The Hoover-appointed régime, with Paul M. Pearson as Governor, has held

office ever since. Every so often there comes a rumor that a new administration is due—one less “Republican,” one more “honest,” one more “efficient,” one more “sympathetic” toward the New Deal. But Governor Pearson and his aides have stayed on, perhaps because they are neither Democrats nor Republicans and because they have brought to the islands the beginnings of, in the real sense of the term, a New Deal. If the plans at present under way are carried to their logical conclusion, the United States will have set up there a remarkable, possibly prophetic, economic system. Much of the credit will belong to the administration centred at Government House, St. Thomas.

This is not to say that the Virgin Islands have already been rescued from their misfortune. Whether through the inefficiency and inexperience of those in control, or through the inherent difficulties of the problem confronted, public funds available for nearly a year have only recently been put to work. A vocal and determined opposition seizes on every opportunity to condemn both acts and persons, and clamors continually for official intervention by Washington. There is none the less real progress to report. Accomplishment of the two-fold aim of making the islands self-supporting and of raising their standard of living is at least in sight. The method thus far employed has been, from the American point of view, revolutionary. It entails the use in industry and agriculture of the public moneys of the United States.

A few minutes' drive from the centre of Christiansted, one of the two towns on the island of St. Croix, stands the Central sugar factory. This has been bought for \$60,000 by the United States Government. In the last year of private operation the factory

made a profit of \$11,000, and, according to unprejudiced opinion, it should continue to make profits. A hundred yards distant is a rum distillery, also owned by the United States Government. Connected by pipe-line with the sugar presses, this plant has an annual capacity of 1,500,000 gallons, and should eventually do a successful business. For the time being the rum produced is set aside for aging.

Further inland is the great Bethlehem sugar factory, bought by the government for \$90,000. Out of operation for several years, Bethlehem at one time showed a profit of \$1,000,000, and even today, with relatively low sugar prices, should make money on the investment—if (and this may be important) the market can absorb the product. A recent shop inventory disclosed material and supplies appraised at \$67,000, and the actual operating machinery and plant could not be duplicated today for less than several million dollars.

On the success of these State-owned plants depends, to a great extent, the rehabilitation of the islands. The money for purchase was appropriated from PWA funds early in 1934; the transfer of title to the government took place later in the year. The Central sugar factory and its adjacent rum distillery began actual operation early in 1935, with the harvesting of the cane crop. Bethlehem will probably not produce until 1937, for the cane now being planted on near-by acres will not mature for eighteen months.

When the factories were taken over a good deal of land was bought with them. At Bethlehem alone 2,000 acres were acquired, and today much of this has been planted to cane, or cleared and plowed by the fleet of Diesel-engined tractors which form an impressive line nightly under the tool-

shedroof. Since Bethlehem needs about 4,500 acres for efficient operation, more land will have to be bought. Central will obtain its cane from neighboring government-owned estates, from the various homesteaded tracts on the island and from such private growers as may care to sell.

Privately-owned sugar factories and private growers still remain on St. Croix, and from them, naturally enough, there rose a storm of protest when the government's plans were announced. Termed nearly everything from socialistic to stupid, the scheme was fought from the beginning. The facts of the case seem to be that great efforts were made to sell the Bethlehem plant to private interests; the administration's first attempt was to bring private capital to St. Croix, and only when this attempt failed did the government take its unprecedented step. When the Colonial Council (municipal legislature) of St. Croix refused to grant the enterprise a charter, the proposition was submitted to the Colonial Council of St. Thomas and St. John, and this body gave the necessary permission.

Under the charter the plants will be operated by the Virgin Islands Company, which leases from the government the property (worth, when all purchases have been made, over \$1,000,000) for the nominal sum of \$500 a year. The directors of the company are Secretary of the Interior Ickes, Assistant Secretary of the Interior Chapman, Governor Paul M. Pearson and two prominent citizens of the islands, D. Hamilton Jackson and Lionel Roberts. Profits are to be devoted to educational and social purposes, including old-age and unemployment insurance.

The roster of enemies of the Virgin Islands Company is large. There are those who claim that government com-

petition will ruin the private growers, and indeed it may, for with expensive heavy machinery which private growers cannot afford and with low capital charges the company can produce more economically than others. Already field labor has had its daily wage in off-seasons raised by the company from 40 cents to 45 cents. Private producers have followed suit, but presumably they would have to go out of business if the company were to meet the demand of 60 cents per day made by the St. Croix labor union.

Other opponents are said to include local Catholics, who, either out of fear of "socialism" or of the effect on the parochial school system of the broadened public educational facilities promised as a result of company profits, attacked the measure in the St. Croix Colonial Council. Still another group, while sympathetic to the scheme as a whole, fears the traditional inefficiency and red tape of bureaucracy, and points suspiciously to the fact that a former Government Secretary in St. Thomas, a one-time certified public accountant, has been made general manager of the company. Another complaint is that the company's salary schedule is so top-heavy that prospect of profits is slim, and that the workers will in the long run receive no more from the government than from private owners.

Company operations are at present confined to St. Croix, although there is a good chance that in time they will be extended to St. John, where the finest bay oil in the world is grown and distilled. The government has at this writing an option on the choicest bay-tree areas on the island. But St. John, with a population of under 1,000, is in a much less precarious position than the other two islands, for there most people own at least a little land and eke out a living somehow or other

by burning charcoal or raising cattle. The problem is much more acute on St. Croix and St. Thomas. On the former until recently more than 80 per cent of the land was held by a score of men.

To relieve this situation, the administration has parceled out to reliable and efficient natives small areas of about six acres each. This plan was begun some years ago, and when certain future arrangements are complete there will be no qualified interested homesteaders for whom land cannot be provided. Estate Whim, in St. Croix, for instance, was bought in 1932 with money included in the annual Congressional appropriations for the islands. Settled on this tract are now 151 families, who will own their land after making small payments over a period of years. The average annual rate of purchase payment per acre is less than half the rental formerly charged by private owners.

Model two-room houses of concrete block have been erected on Estate Whim, and these, too, are bought on the instalment plan without down payment. Further aid is given by the government in that government tractors and plows clear and plow the ground, the homesteader paying for these services once his crop of cane or other produce has been sold. What it means to the Virgin Islands Negro to have a neat home and land of his own may be realized only by one who has seen the hovels in which the landless still live. The self-confidence and monetary gain which the more thrifty homesteaders have already won are sufficient proof of the feasibility of the scheme.

Estate Whim is not the only homestead project on St. Croix; others have been underwritten with government funds or municipal funds, or by the St. Croix labor union. On the is-

land of St. Thomas 250 acres are under cultivation in the Lindbergh Bay area, and further tracts will soon be bought. But the population of St. Thomas is traditionally non-agricultural, and placing these people on the land has its difficulties. For generations St. Thomas Negroes, male and female, have lived on the harbor, coaling ships or unloading cargoes. To provide for them a livelihood in the old way is no longer possible; even had the number of vessels fueling at St. Thomas not fallen off, automatic cranes are infinitely more economical and speedy than the strongest of human bodies. Facing the fact that St. Thomas homesteading is merely a palliative, the administration has sought other ways out.

There has been no attempt to introduce industries foreign to the people. Government House has instead encouraged more or less familiar handcraft work, and set up shops and cooperative marketing facilities. Workers are trained and materials are furnished; a revolving fund of \$5,000 obtained from FERA supplies the necessary capital.

Almost any afternoon one may see groups of women and children sitting about the Cooperative in St. Thomas, learning the rudiments of their trade, and every tourist ship leaving the harbor carries with it hooked rugs, embroideries, basketry, woodwork and jellies and preserves bought by passengers. The demand from the United States for these products far exceeds the supply, and although sales for the year ended in June, 1934, were 250 per cent greater than for the preceding year, new workers are still being taken on.

Another scheme for helping the islands—one upon which the administration pins especially high hopes—is that of attracting increasing numbers

of tourists. To this end Washington appropriated funds for a new hotel, erected on the knob of a hill overlooking St. Thomas harbor. Opened early in 1935, Bluebeard Castle Hotel, named for the ancient keep about which it is built, has already entertained many guests. It is at present under the direct control of Governor Pearson, but will eventually be leased to an operating company. If prospects are sufficiently encouraging, the government is prepared to build another hotel, as well as modern private dwellings which may be rented by visitors and tourists. Virgin Islands weather during the Winter is nearly ideal, and all ordinary sports facilities are available.

In other ways, perhaps less dramatic than the foregoing, the rehabilitation goes on. Truck gardening for local consumption and for Winter export to the United States is being encouraged. Refrigerated boats and storage will help the fishing industry. Agricultural experiment stations are testing the soil for cotton and other money-crop possibilities. Recently established CCC camps will fight erosion, recover long-lost springs, reforest where necessary. Adult and nursery school education is supplementing the growing primary and secondary school system.

Much has been made in the American press of the local antagonism to the Pearson administration, and indeed the most obscure observer from abroad will not be long in the islands before he is beset on every side by explanation and accusation. There have been charges of corruption, malfeasance, bribery, theft, incompetence. A local merchant is as likely as not to launch unasked upon his version of matters political; the Negro porter carrying a visitor's luggage to the hotel can be easily persuaded to ad-

vance his theory of what is right and what is wrong. Petitions signed by thousands of natives have asked for removal of the Governor; demonstrations in favor of the Governor's opponents have ended in broken heads and cries of police brutality.

Much of the local antagonism comes from those who feel that the natives are being given more than they deserve, if not more than they want. These critics claim that the Governor, a former teacher of public speaking at Swarthmore College, a Quaker and a Chautauqua organizer, has applied to his work the romanticism of an academic reformer rather than the realism of a practiced colonial administrator. But it is hard to believe that the natives resent what is being done, despite the results of a so-called plebiscite held in 1934. As for mass meetings and demonstrations, an Indian herb doctor could draw a crowd in St. Thomas market place even more quickly than in Times Square. The attitude of at least a part of the working population was well expressed in private conversation by a prominent Negro leader. "Things may be far from perfect today," he said, "but we never before had the chance we have now."

The most bitter of Governor Pearson's opponents have been worked up to a surprising pitch of personal hatred for those now in control. Several are discharged government employes who make no bones about stating publicly or privately their uncompromising attitude, and there is no question that at least one has sworn to "get even" because of his lost job. Their charges of misappropriation of funds and of intolerable incompetence are very hard to prove, especially in view of the clean bill of health recently given the administration by investigators sent down from Washing-

ton. As for the so-called censorship of the press, the stanchly anti-Pearson *The Emancipator* still makes its appearance in St. Thomas three times a week, along with the three daily papers. Not many weeks ago *The Emancipator* stated bluntly that Drew Pearson, son of the Governor and author of *Washington Merry-Go-Round*, was working to remove Judge T. Webber Wilson, anti-Pearsonite official in the islands, "simply because he does not fit into Governor Pearson's dictatorship schemes."

Other antagonism comes from those who see in the administration's plans an encroachment upon the boundaries of private business enterprise. They cite the fact that when the charter of the only local bank, a Danish institution, expired in 1934 the RFC jumped in to acquire \$125,000 of the \$175,000 capital of the new bank. In reality, however, strenuous efforts were made to bring the National City Bank or the Chase National Bank to the islands, and only when these institutions demanded government guarantees as well as the right to charge 10 to 12 per cent interest did the RFC take action.

Still others claim, paradoxically, that the administration has unduly favored the West India Company, the privately owned docking, coaling and power concern in St. Thomas, and point to the fact that electricity for lighting costs 15 cents per kilowatt hour, for power 8 cents. It seems, however, that there is a contract for the supplying of electricity at these rates which has still some time to run. Not a few government officials, moreover, believe the charges of the West India Company for these and other services to be excessive, and intend to

move for a readjustment as soon as possible. The company employs a good deal of local labor, and its complete withdrawal would be a minor catastrophe.

Since the prime difficulty of the islands has been lack of capital, it may be assumed that no deliberate moves to frighten away private investors have been made or will be made. But it may be assumed also that the islands will be made self-supporting and that the standard of living will be raised. If private capital will not further these aims, public capital, it has been shown, will do so. Although during the past three years municipal revenues have been increased 13½ per cent, largely by increased taxes, and Federal contributions to the municipal deficits have decreased 31½ per cent, there is still an annual deficit to be met by the American taxpayer—not to mention the large appropriations made necessary by the world-wide depression.

It is said that the Virgin Islands import over 75 per cent of their food-stuffs, although the surrounding waters teem with fish and the soil can bear three crops a year. Unemployment is still high, living conditions in many quarters still deplorable. But a Republican-appointed administration which providentially happened to be sympathetic toward the best principles of the New Deal is working hard to lift the Virgin Islanders above their difficulties, and thus far much has been accomplished. For the mistakes in judgment of Governor Pearson and his aides one may, according to one's point of view, blame or extenuate. On the question of their devotion and sincere purpose, however, there does not seem to be room for an honest difference of opinion.