THE HISTORY OF SOCIAL WELFARE AND FOREIGN LABOR IN THE UNITED STATES VIRGIN ISLANDS: A POLICY ANALYSIS

E. Aracelis Francis

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ABSTRACT

THE HISTORY OF SOCIAL WELFARE AND FOREIGN LABOR
IN THE UNITED STATES VIRGIN ISLANDS:
A POLICY ANALYSIS

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This study examines the foreign-worker crisis in the United States Virgin Islands during the twenty-year period from its inception to 1976. The role of social workers in policy formulation is discussed in terms of the development and role of the Virgin Islands Department of Social Welfare, specifically this agency's response to the needs of the foreign workers and to the community in general.

The author hypothesizes that the lack of appropriate and adequate responses sprang from (1) the federal government responding more to business interests than to the social needs of the foreign workers and their families; (2) the federal and local governments viewing the foreign workers as temporary and failing to envisage the emergence of critical social problems; (3) the federal government's disregard for whether or not the local government could deal with the socioeconomic consequences of migratory workers; (4) the local government's bypassing the needs of the foreign workers in order to preserve scarce services for the native-born and voting population; and (5) the local government's failure to develop adequate policies and programs to deal with the consequences of the foreign-workers
program being directly related to the local government's inability
to influence federal policies.

Hypotheses one through four are supported by the study data, but the fifth was not supported.

The author points to the Virgin Islands' territorial status, and the consequent prejudicial relationship vis-a-vis Washington as a dominating factor in both federal and local policy formulation and execution. United States citizenship in the Virgin Islands does not guarantee the same benefits as citizenship on the United States mainland. In particular, Virgin Islanders do not vote for the President and the Vice President nor do they receive Supplemental Security Income (SSI). Only recently in fact have Virgin Islands secured representation in the federal Congress—a non-voting delegate. The author traces the local government-federal government relationship from its earliest roots through 1976. Particularly important is the haphazard manner in which funds are provided for Congressionally mandated programs in the Virgin Islands.

Policy implications and recommendations are based on the distinction between the cultural and socioeconomic characteristics of the Virgin Islands and the United States mainland and on the planning necessary when large numbers of migrants are introduced into a society.

The author contends that (1) the migrant workers should become healthy, productive, and contributing, members of the Virgin Islands society, the basic goal of such a policy being successful integration into the community; (2) the local government must actively plan for
the health, education, and welfare of the migrant labor force. In the final analysis, the local government is held responsible for the migrant work force; (3) local social service programs must fit local mores and cultural values; (4) the federal government must provide training and resources to effectively and efficiently carry new programs out. The Virgin Islands' ambiguous status has made this a major problem in providing adequate social welfare services.

In order to implement policy successfully, clarification of the relationship between the Virgin Islands government and the United States government is necessary. Also necessary is evaluation of the cultural and socioeconomic differences of an island community with limited resources and different needs than the United States continent.
DEDICATION

In loving memory of my beloved father,
Imadeo I. Francis, who very much wanted me to achieve this goal and would have been most proud of my accomplishment.
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CHAPTER I

INTRODUCTION

During the two decades from 1956 to 1976, the United States Virgin Islands experienced unprecedented economic development and population growth. (Appendix A shows the islands rapid economic development as illustrated by its population growth statistics.) For example, in this period, the Virgin Islands government's budget was increased thirty-two times from $4,095,601.00 in 1955 to $128,680,635.00 in 1976.\(^1\) Per-capita income increased 680 percent from approximately $675.00 in 1955 to $4,596.00 in 1976. Business licenses sextupled from 1,527 in 1955 to 8,278 in 1976 (down from a high of 10,981 in 1973). Building and construction permits showed a similar growth from 367 in 1955 to 888 in 1976 (from a high of 1,880 in 1970).

Most important for the purposes of this study is the dramatic increase in total population: estimated at 29,000 in 1955, 32,099 in 1960, 49,747 in 1965, 75,151 in 1970, and 95,650 in 1976.

This growth has brought profound changes to the previously underdeveloped and isolated Virgin Island communities of St. Thomas, St. Croix, and St. John.\(^1\) The close interpersonal relationships encouraged by a small population and the community cohesion that once characterized these islands no longer exists. Today, the United States Virgin Islands are marked by increased community tensions, alienation of youth, deteriorating interpersonal relationships, and increased crime. In short, they are afflicted with all the ills of a modern industrial society in the last quarter of the twentieth century.

In comparison with other communities, however, the United States Virgin Islands, with a population estimated at still under 100,000 in 1976, is relatively small. One might well assume, therefore, that the problems facing the Virgin Islands could be easily understood, analyzed, and resolved. Unfortunately, this is not the case. Lewis aptly describes the problem as a rapidly increasing population accompanied by very little planned effort to increase welfare facilities and services to meet the explosion.\(^2\)

The central question, then, is why was there not planned effort to provide the services needed by the ever-increasing population? The present study attempts to find answers to this question in the course of tracing the history of foreign labor in the American Virgin Islands.

\(^1\) Although sixty-eight islands officially comprise the United States Virgins, these three islands are by far the largest and most important.

and its impact on the social welfare system during the twenty years from 1956 to 1976. We shall, of course, discuss the policies of the Virgin Islands government, and thus the policies and programs of its social welfare bureaucracy during this critical juncture.

Background of the Problem

Discussions of the foreign labor problem in the United States Virgin Islands during the period of our study must invariably center on the 1956 decision to permit the entry of large numbers of foreign workers from the British, French, and Dutch West Indies\(^1\) in order to stimulate the Islands' economic development by providing an expanded labor pool in the private sector. There were approximately 630 foreign workers admitted to the Virgin Islands in 1957; by 1960, the number had increased to 3,688. In 1965, 10,715 workers were admitted and by 1971 this number had increased again to 12,500. The 1976 figure declined to 7,250 due to the Islands' economic recession and the fact that many foreign workers had been granted permanent-resident status, entitling them to apply for American citizenship.\(^2\)

The 1956 decision was motivated by the fact that in the 1950s, Virgin Islanders were primarily concerned with the economic development of the Islands and the potential for improving the standard of

---


\(^2\)See Table 1 for the numbers of foreign workers in the U.S. Virgin Islands during the fiscal years 1957 to 1976.
TABLE 1
FOREIGN WORKERS IN THE U.S. VIRGIN ISLANDS FROM FISCAL YEARS 1857 TO 1976

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total*</th>
<th>Fiscal Year</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>1,256</td>
<td>1967</td>
<td>10,439</td>
</tr>
<tr>
<td>1958</td>
<td>1,500</td>
<td>1968</td>
<td>10,335</td>
</tr>
<tr>
<td>1959</td>
<td>3,008</td>
<td>1969</td>
<td>10,380</td>
</tr>
<tr>
<td>1960</td>
<td>3,688</td>
<td>1970</td>
<td>+ *</td>
</tr>
<tr>
<td>1961</td>
<td>4,971</td>
<td>1971</td>
<td>12,500</td>
</tr>
<tr>
<td>1961</td>
<td>6,297</td>
<td>1972</td>
<td>11,500</td>
</tr>
<tr>
<td>1963</td>
<td>7,427</td>
<td>1973</td>
<td>11,200</td>
</tr>
<tr>
<td>1964</td>
<td>8,742</td>
<td>1974</td>
<td>8,500</td>
</tr>
<tr>
<td>1965</td>
<td>10,715</td>
<td>1975</td>
<td>7,933</td>
</tr>
<tr>
<td>1966</td>
<td>6,790</td>
<td>1976</td>
<td>7,250</td>
</tr>
</tbody>
</table>

*No figures available as foreign labor certification program was being transferred from the Virgin Islands Employment Security Agency to the U.S. Department of Labor.

*Totals from 1960 to 1970 are adjusted totals as foreign workers were certified every six months so total figures had to be readjusted to reflect this.

living through increased government revenues, the development of public services, and the creation of additional jobs. The negative consequences of the large-scale migration of foreign workers were conveniently overlooked. Their status as temporary workers encouraged a prevailing attitude that the society did not need to plan for this group because they would return to their native islands once they were no longer needed. It soon became obvious, however, that the jobs filled by the foreign workers were in fact permanent jobs, that they were not returning to their native islands, and were establishing families in the American Virgin Islands. Despite the situation of foreign workers, no plans were made by the government to assist foreign workers in meeting minimum needs for housing, health care, or protection of their job rights. Their permanent status was officially ignored.

Consequently, foreign workers were forced to fend for themselves: as low-wage employees, they were unable to pay the high rentals demanded in the private housing market; as non-citizens, they were denied access to the public-housing program. On the other hand, Virgin Islanders who were experiencing the same cost problems in the private housing market were assisted by the department of social welfare's Emergency Housing Program. Excluded from both

1 The U.S. Immigration and Nationalization Service had argued that the jobs that were available in the U.S. Virgin Islands were in fact permanent jobs and had used this as their rationale for denying entry to foreign workers under the temporary workers section of the Immigration and Nationality Act, prior to 1956. See U.S. Congress, House, Subcommittee on Immigration, Citizenship, and International Law, Nonimmigrant Alien Labor Program on the Virgin Islands of the United States, 94th Congress, 1st Sess., 1975, pp. 7-8.
public housing and emergency housing, foreign workers were thus relegated to the Islands' slum housing—where they were forced to live in deplorable conditions.

Similar treatment was accorded them in other areas. For example, they paid the full cost of health care—if they were granted access to health-care services. (When serious illness struck the foreign worker often had to return to his native island.) Since their employment was contingent on their employer's whim, they were hardly in a position to assert themselves and demand rights such as a minimum wage, maximum work week, and holiday and vacation pay that citizen employees were guaranteed. Their families were denied entry into the American Virgin Islands, unless their spouses were also able to present proof of employment as a condition of entry. Their non-citizen children were denied access to the public-school system. Thus, if they were able to bring their children to the Virgin Islands, foreign workers were forced to pay for private-school tuition from their low wages. These substandard conditions endured by foreign workers affected them and their families in many ways. Continued indifference to their plight generated social tensions and group hostilities which prevented the integration of the foreign workers into the Virgin Islands community. Official neglect of the foreign

The two major studies on foreign workers conducted by the Social, Educational Research and Development, Inc. (SERD) and entitled "Aliens in the U.S. Virgin Islands: Temporary Workers in a Permanent Economy" and "A Profile and Plans for the Temporary Alien Worker Problem in the U.S. Virgin Islands" document the multiple problems which they faced. They were published in January 1968 for the College of the Virgin Islands and on August 25, 1969 for the Office of Economic Opportunity respectively.
workers helped to provide a unifying chord and within a few years these same workers asserted their rights and demanded a recognized place in Island society. Attempts to address these demands by both the local and federal governments often resulted in a haphazard and inconsistent application of policies which, as we shall discover in later chapters of this study, exacerbated existing problems rather than resolved them.¹

Policy Analysis

Gil defines policies as guiding principles or courses of action adopted and pursued by societies and their governments, as well as by various groups or units within societies. Specific policies are intended to govern specified domains of a society or its subunits. Any policy may affect domains other than the one with which it is primarily concerned. Gil also suggests that the fragmented, parochial, and incremental approaches to social policy are the result of pressures from various self-serving groups in the "social marketplace" to change conditions which they consider undesirable in terms of their perceived interests.²

A comprehensive review of the history of the foreign-labor program and the delivery of social welfare services in the American Virgin Islands shows that a coherent policy was made impossible by the perceived interests of various groups in the society. This


factor, along with insufficient appreciation of the nature of the key processes through which social policy systems operate, prevented systematic analysis and synthesis of the policies relating to the temporary alien worker.

In this study, Gil's framework for the systematic analysis of existing or newly proposed social policies will be used to achieve the three objectives of social-policy analysis and synthesis. The objectives are:

1. Gaining an understanding of the issues that constitute the focus of a specific social policy or social policy cluster which is being analyzed or developed.

2. Discerning the chain of substantive effects resulting, or expected to result, from the implementation of a given social policy, including intended and unintended short- and long-range effects.

3. Generating alternative policies aimed at the same or at different objectives concerning the focal issues.¹

Of particular importance to the present author is the fact that the main sections of Gil's framework are designed to elicit answers to five basic questions concerning a policy:

1. Which of the many domains of concern to a society constitute the focus for this policy?

¹Ibid., pp. 31-32.
2. How would the policy affect this domain in substantive terms?

3. How would society as a whole be affected by the substantive consequences of the policy?

4. What effects may be expected from the interaction of the policy with various forces within and outside the society?

5. What alternative policies could be designed to achieve the same or different policy objectives concerning the specified domain?1

Answers to these five basic questions, in terms of the policies of the Virgin Islands foreign-labor program and the delivery of social welfare services, should help to illuminate our discussion.

Theoretical Considerations

There is an extensive body of literature on immigration. However, little has been written about social welfare policy and its relationship to migration. Although the United States is often described as a nation of immigrants, no dominant public policy has been developed to deal with the provision of services to the United States domestic migrant poor such as the Blacks, Puerto Ricans, or migrant farm workers.

Eaton writes that planning with respect to internal migration is a frontier of social work practice that has been but partially

1Ibid., p. 36.
explored. Migration presumably offers an opportunity for people to improve their lives, but when the migrants are poor, the lack of financial reserves heightens the problems inherent in mobility. This condition is compounded by the fact that poor people move in order to take low-paying entry-level jobs which few, if any, of the area's settled residents are willing to take. Too, when a large influx of migrants into a community occurs, overt expressions of prejudice are often stimulated among the area's settled population.¹ In the American Virgin Islands, this phenomenon is reflected by the prejudice which natives manifest against migrant West Indians. This discrimination, based on superior numbers and politics, kept migrant West Indians out of government jobs and public schooling for many years.²

Migration, however, is clearly a two-sided phenomenon: Figure 1 taken from Eaton, is a graphic description of the therapeutic and stressful consequences of migration.

Figure 1 charts the pressures that pushed the migrant West Indian to leave his native island and seek a living elsewhere. By moving to the United States Virgin Islands the migrant was freed from the ascribed low status in his own community, he was able to secure employment and new job skills, thus expanding his earnings potential. As Figure 1 shows, the foreign worker's move to the Virgin Islands was also very stressful. Assigned a low status in the Virgin Islands


²Mario C. Moorhead, Mammon vs. History (American Paradise or Virgin Islands Home) (Frederiksted, St. Croix: Square Deal Printer, 1973), pp. 167 and 172.
FIGURE 1
PARADIGM OF SOCIAL WELFARE ASPECTS OF MIGRATION AND RESIDENTIAL MOVEMENT

<table>
<thead>
<tr>
<th>Territorial Stance</th>
<th>Therapeutic Consequences</th>
<th>Stressful Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freedom from ascribed low status.</td>
<td>High risk of loneliness and anomie.</td>
</tr>
<tr>
<td>Migrating</td>
<td>Opportunity to achieve a new status.</td>
<td>Need to adjust to strange environment.</td>
</tr>
<tr>
<td></td>
<td>Optimum economic use of one's labor.</td>
<td>Help may be available in an emergency or must be purchased commercially.</td>
</tr>
<tr>
<td></td>
<td>Freedom to follow new avenues of endeavor.</td>
<td></td>
</tr>
<tr>
<td>Remaining</td>
<td>Continuity of ascribed status with support from a familiar environment.</td>
<td>Limited opportunities to achieve new status.</td>
</tr>
<tr>
<td></td>
<td>Good knowledge of local conditions.</td>
<td>Limited economic use of one's labor.</td>
</tr>
<tr>
<td></td>
<td>Continuity of primary group relationships and friendship ties with parents, relatives, and neighbors of long standing.</td>
<td>Low rate of upward mobility.</td>
</tr>
<tr>
<td></td>
<td>High degree of social control in primary groups with strong ties--parents, relatives, and neighbors of long standing.</td>
<td></td>
</tr>
</tbody>
</table>
community, forced to adjust to different economic standards, lacking familiarity with the local standards and mores, the foreign worker was an outsider suffering from an acute sense of loneliness.

These stressful consequences were mitigated by the restricted opportunities available to the foreign worker if he remained in the West Indies. The undeveloped state of the largely agricultural Caribbean economy, and the high rate of unemployment, made the United States Virgin Islands an attractive alternative for an unskilled worker.¹

As may be observed in Figure 2, attempts can be made to confront the problems generated by migrants. Communities can make choices to use local funds either to help migrants adjust or to help their own people. These choices have obvious consequences in terms of the eventual integration of the migrants into the community. Figure 2, again from Eaton, illustrates policy alternatives.

As we have shown, the welfare policy alternatives chosen in the United States Virgin Islands were mainly hostile. Prior to the late 1960s, little official concern was evinced for the foreign workers' problems. Simultaneously, there was virtually no interference with the practice of bringing large numbers of foreign workers to the Virgin Islands. The hostility encompassed economic, welfare, legal, and social acceptance measures. For example,

¹For a discussion of population policy in the Caribbean see Aaron Segal, Politics and Population in the Caribbean (Rio Piedras, Puerto Rico: Institute of Caribbean Studies, University of Puerto Rico, 1969).
### FIGURE 2

**WELFARE POLICY ALTERNATIVES WITH RESPECT TO MIGRATION**

<table>
<thead>
<tr>
<th>Policy Alternatives</th>
<th>Economic Measures</th>
<th>Welfare Service Measures</th>
<th>Legal Measures</th>
<th>Social Acceptance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supportive Welfare Policy</strong></td>
<td>Travel costs payments.</td>
<td>Emergency counseling</td>
<td>Honoring acquired tenure rights</td>
<td>Making arrangements to help people make new social contacts.</td>
</tr>
<tr>
<td></td>
<td>Settlement subsidies and loans</td>
<td>Special support programs.</td>
<td>Moratorium on violations of rules not yet known to newcomers.</td>
<td>Open-door policy for newcomers by clubs, churches, and other social programs</td>
</tr>
<tr>
<td></td>
<td>Tax exemptions.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Neutral Welfare Policy</strong></td>
<td>Absence of special measures or of concern for the problems of migrants in the area of destination; absence of efforts to interfere with migration or to limit the rights of movers in the area of destination.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hostile Welfare Policy</strong></td>
<td>Higher charges for services</td>
<td>Residence restrictions on welfare eligibility.</td>
<td>Failure to give work permits; residence requirements.</td>
<td>Social exclusion of newcomers.</td>
</tr>
<tr>
<td></td>
<td>Lower wages for newcomers</td>
<td>Arrest or harassment of people in need of help.</td>
<td>Legal restrictions on voting, public services, and other rights.</td>
<td>Viewing migrants only as labor, not as people and neighbors.</td>
</tr>
<tr>
<td></td>
<td>Exclusion from fringe benefits and many public services.</td>
<td>Deportation from area of destination if help is needed.</td>
<td>Discriminatory treatment by police and courts.</td>
<td>Closed-door policies in clubs and other social facilities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Second-class services in clinics and schools used by newcomers.</td>
<td>Harassment by arrest for vagrancy.</td>
<td>Restrictive covenants in residential areas.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shooting persons crossing borders.</td>
<td></td>
</tr>
</tbody>
</table>
foreign workers often received wages below the legal minimum because they were unaware of their rights and no government agency effectively regulated the Islands' minimum-wage laws. They were also excluded from certain fringe benefits such as social security, were ineligible for public assistance, excluded from public housing and public schooling, and were often deported if intensive medical care was needed. Additionally, they were denied the right to vote and discriminated against by the police. In brief, foreign workers were viewed by the community as temporary laborers with negligible rights rather than fellow citizen neighbors.

In recommending the establishment of a comprehensive migration policy by the federal government, Reid indicates that advocates of such a policy base their case on two assumptions: first, that uncontrolled internal migration contributes to a number of serious social problems; second, that well-planned federal intervention in migration can alleviate these problems.¹ The Virgin Islands experience is a dramatic example of the need for well-planned intervention. The absence of a strong federal policy led to serious unanticipated consequences for the Virgin Islands.

Although the Virgin Islands remains a territory of the United States, it is comparable to a developing country and as such is some ways unique in its relationship with the United States mainland. The pertinent literature implies that a place like the Virgin Islands experience is a dramatic example of the need for well-planned intervention. The absence of a strong federal policy led to serious unanticipated consequences for the Virgin Islands.

Islands can expect to experience difficulty in addressing its problems. Waterston, for example, makes the point that even in those developing countries where planning has been attempted, many problems arise with the implementation of the plans.\textsuperscript{1} The Virgin Islands did not plan for its growing population—no overall guidelines existed with which to assess political, social, and economic problems.

However, as a developing area the Virgin Islands had different problems in many instances from the United States mainland. Caiden and Wildavsky point out that the requisites of comprehensive economic planning do not exist in poor countries. In addition to being poor and lacking money, developing countries also lack capable manpower, useful data, and government capacity to effectively mobilize existing resources.\textsuperscript{2} Without an abundance of men, money, and relevant institutions, areas like the Virgin Islands, even with access to United States mainland resources, are unable to fulfill identified needs of the community.

A migration policy that fails to reflect the community's total needs will adversely affect the functioning both of the community at large and the community's basic unit—the family. We shall attempt to show in this study that the implementation of a hostile welfare policy

\textsuperscript{1}Albert Waterston, Development Planning: Lessons of Experience (Baltimore, Maryland: The Johns Hopkins Press, 1965), pp. vii–viii.

\textsuperscript{2}Naomi Caiden and Aaron Wildavsky, Planning and Budgeting in Poor Countries (New York: John Wiley & Sons, 1974), p. vii.
had severe socioeconomic and political consequences for the entire Virgin Islands community and was not limited to merely the alienation of the large foreign-labor population.

Value of Study

Throughout the history of the Virgin Islands foreign labor program, the local and federal governments have oversimplified their responses to this complex issue. As a native Virgin Islander, the author sought to understand why the foreign-worker dilemma had been allowed to reach crisis proportions. As a social worker, the author was concerned with the multiple needs of migrants and the appropriate role that social workers should play in formulating policies to provide social-welfare services.

Recognizing that the foreign-labor problem had had a profound effect on every aspect of life in the United States Virgin Islands, the author elected to focus research on the delivery of social-welfare services to the foreign-labor population within the context of an historical study and social-policy analysis of the foreign-labor program and the Virgin Islands Department of Social Welfare. A number of primary hypotheses were generated during the research phase of the present study:

1. The federal and the local government viewed the alien workers as temporary and failed to envisage the emergence of social problems.

2. The federal government responded more to business interests than to the social needs of "temporary" alien workers and their families.
3. The federal government paid no attention to whether or not the local government could deal with the socioeconomic consequences of migratory workers.

4. The local government disregarded the needs of the "temporary" alien worker because it wanted to preserve scarce services for the native-born and voting population.

5. The local government's failure to develop adequate policies and programs to deal with the consequences of the "temporary" alien-worker program was directly related to the inability of the local government to influence federal policies.

An important issue to be scrutinized in this study is the complex consequences accruing to a government subunit that follows national policy. Despite the large and widely separated geographical areas encompassed by the United States and the regional variations, broad national policies are developed. Since a broad national policy by definition cannot consider local peculiarities, the intended benefits are often subverted in the local units and/or additional problems created.

In relation to the above, the Virgin Islands is culturally and socially unique, and its territorial status and powerlessness in influencing national policy illustrate the difference in power between a government subunit and a national unit. Hopefully, therefore, the present study should also provide a perspective on the following:
the effects of a national policy on the unique subunits within the nation; and

the ability or inability of local units to meet the un-anticipated consequences of national policy.

Methodology

The author of the present study, a native Virgin Islander, began her research on this project in 1972. Over the course of twenty-four months of intensive research, the author learned many new things about the United States Virgin Islands, not the least of which was that the Islands have a distinct, strong personality of their own, even more so than may be at first apparent to an observer who considered herself to be very familiar with them.

A valuable point of departure in any discussion of the Islands is that they were, and are, a developing area. Thus, while they were limited by and benefitted from policies formulated in mainland Washington, the Virgin Islands retained their own flavorful character—a character molded to a significant degree by the history of the Caribbean, of which they were an integral part, and almost accidentally by their relationship to the United States. As we shall see in later chapters, the Virgin Islands traditionally have been viewed as an afterthought on the part of federal legislators and policy planners, rather than as a critical policy concern.

The author's familiarity with the Islands and the people who live on them guided her during the research period and undoubtedly assuaged, but did not remove, some of the barriers attending
specialized research in a developing area. The primary sources of information in scrutinizing the history of foreign labor and its impact on the social welfare system during the twenty years from 1956 to 1976 were the various documents of the era. These included government reports and minutes of government meetings, census records, police files, newspaper and magazine articles, various statistical files, and available scholarly research pertaining to the subject. Access to the Department of Social Welfare's files proved instrumental in reading information that was not included in the Department's annual reports.

A secondary source of information was informal interviews. The central barrier to assembling and interpreting information was that recordkeeping in the United States Virgin Islands reflected the Islands' status as a developing area. Specifically, records were often incomplete, sometimes missing or misplaced, and not infrequently contradictory or patently erroneous. Too, records or memoranda often proved not to be housed where yet other records said they should be. If by definition scholarly research demands patience, then scholarly research in this case demanded a laborious pouring over and sorting out of a mass of poorly organized information.

On a smaller scale, the same held true of informant interviews: an interview scheduled for one day might in reality finally take place days or even weeks later.

1See the Bibliography for a complete listing of the sources used in this study.
In refining the research data, the researcher was aided greatly by the work of Katz, who suggests that the dilemmas posed by the conflict between the anthropological and the quantitative approaches in social research can be readily resolved by utilizing the anthropological approach as the initial stage in a field study. The phase which he calls the "scouting expedition" or "anthropological short-cut" lists ten practical procedures. Katz suggests that this phase can be utilized to secure the full advantages of seeing the situation as a whole and grasping the fundamental relationships:

1. **Contacts should not be limited to a narrow segment of informants as people are limited in their information by their daily social roles.** This researcher talked informally to top administrators, program directors, middle managers, supervisors, social workers, and clerical staff of the Department of Social Welfare and a group of present or former staff members in the Department of Labor, Virgin Islands Employment Service, the Housing Authority, Education, and Health. These contacts represented a broad cross-section of opinion and information.

2. **The informants have a wide range of contacts.** A native librarian was especially helpful in suggesting sources of information, securing information that was not readily available, and gaining access to people who would have the needed information.

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3. Locate and consult with informal leaders as well as people in positions of formal leadership. Formal and informal leaders of groups such as the foreign-workers' organizations, and anti-foreign-workers' organizations, and other civic and concerned community groups were identified and consulted informally on an ongoing basis.

4. Check discrepancies in accounts of various informants. This was especially critical in this study and the researcher used a variety of documents and sources to check discrepancies in written reports, informal discussions, or in information commonly accepted by the community.

5. Assess information from respondents in relation to their social role and position, their group membership, and their personal activities. Wherever possible, information such as residence, political party, nativity, social class, race, religion, and social affiliations were secured about governors, commissioners, federal officials or congressmen and others who were in influential positions.

6. Considerable time should be spent in participant observations. The researcher was brought up in the Virgin Islands. This provided a perspective that would otherwise have been impossible.

7. Personalized and private beliefs should be sought as well as the socially accepted climate of opinion. The researcher taught thirty government employees who were primarily from the Department of Social Welfare. Both the foreign-labor program and the Department of Social Welfare were discussed; workers freely shared their
feelings and opinions about both programs. This experience provided insight into their personal beliefs. Additionally, radio talk shows were also an invaluable source of information for personalized and private beliefs due to the strongly opposing positions on the appropriate role of the foreign workers in the Virgin Islands community.

8. **Full records should be kept by field workers.** The researcher devised a series of headings (which are listed in Appendix B). The research data was then organized according to these headings in a five-by-eight-inch card system and in a letter-size loose-leaf folder system that ultimately numbered fourteen large loose-leaf books. Information that could be placed on five-by-eight-inch cards went into that system and longer material went into the loose-leaf folders. Other materials such as notes from annual reports or congressional hearings were filed together. When writing on a particular topic, all the material from that section was reviewed. This system enabled the researcher to easily retrieve needed information.

9. **Initial impressions and global judgments should not necessarily be discarded.** As a native Virgin Islander, the researcher naturally started out with certain impressions and assumptions about the foreign-labor program and the Department of Social Welfare. Some of these impressions were confirmed while others were not.

10. **Available records and secondary sources should be studied carefully and the operational procedures for deriving such records examined.** The portion of this study that deals with changes in
the social services was the major area where operational procedures had to be examined. Since it was unlikely that reporting procedures would remain the same indefinitely, it was crucial to make sure, for example, that differences reflected differences in services and not changes in accounting procedures. Thus, particular emphasis was placed on changes in the operational procedures that could make the data non-comparable from one period of time to another. For example, Table 1 noted that administration of the foreign-labor program was shifted from the Virgin Islands Employment Security Agency to the United States Department of Labor. In the reporting system of the first agency, certifications were counted while the second system counted people. Since each worker had to be certified every six months, the Virgin Islands Employment Security Agency system could be made roughly comparable by adjusting the number of certifications, thus producing an estimate of the number of foreign workers.

Adherence to Katz's ten steps together with the broad range of sources used hopefully helped to unify the data in an accurate and fair manner.

Overview of the Chapters

Now that we have introduced the subject of the study, discussed some of the literature relating to it, and hopefully given the reader an understanding of the methodology used, we shall describe, in brief, the following chapters.
The impact of foreign labor on the Virgin Islands cannot be adequately appreciated unless the reader is familiar with the historical, political, and socioeconomic context of the Islands.

Chapter II, "Political History," traces the historical and political growth of the Virgin Islands while focusing on the relationship between the United States government and the Virgin Islands government.

Chapter III, "Socioeconomics and the initiation of the Foreign Labor Program," describes the Islands' socioeconomic conditions at the time of their purchase by the United States, the successes and failures of the naval administration, the New Deal, World War II, and the political changes resulting from universal suffrage. Chapter III analyzes the interplay between the difficulties involved in creating a viable economy and the Islanders' expectations of improvement in the standard of living. It also explores the relationship between these forces and the desires of the business entrepreneurs who developed the Islands' economy in the 1950s and secured the initiation of the foreign-labor program.

Chapter IV "Consequences of the Foreign Labor Program," provides details of the program and its rapid growth. Also discussed is the response of this growth by various interests including the Virgin Islands legislature, which developed protective legislation for resident workers; the College of the Virgin Islands, which convened a conference to discuss the impact; the response of various government agencies to the foreign worker and his family; and the
federal government, which initially ignored the foreign-labor program but eventually reasserted control. Chapter IV closes with an examination of the major executive, legislative, and judicial decisions that led in the 1970s to the integration of the foreign workers into Virgin Islands society. Chapter IV also reveals the failure of various branches of the Virgin Islands and United States governments to effectively plan for the consequences of foreign-labor migration.

Chapters V through VII examine the development of the Virgin Islands Department of Social Welfare. Chapter V, "The Development of Social Welfare Services," deals with the history of the Department beginning with the extension to the Islands of the major relief programs of the New Deal and ends in the late 1950s. By that time the Department of Social Welfare attempted to duplicate the services of United States mainland agencies, even though it did not have the resources to do this effectively. Thus, Chapter V analyzes the demands placed on the agency by federal regulations, the restrictive financial provisions and other constraints under which the Department had to operate, and the effect these had on the delivery of social welfare services to Virgin Islands' residents.

Chapters VI and VII describe the delivery of social welfare services to the foreign-labor population from 1960 to 1976. Chapter VI, "Aging, Special Programs, and Public Assistance," focuses on the services of the Division of Aging and Special Programs and the Division of Public Assistance services that should have met the
needs of the foreign laborers. Chapter VI demonstrates that the discriminatory federal financial treatment of the Virgin Islands required ever-increasing local expenditures for these programs. This treatment, in turn, reduced the ability of the Department to meet the minimum needs of low-income Virgin Islands residents, especially the foreign laborers.

Chapter VII, "Child Welfare," focuses on the growth of the various programs provided by the Division of Child Welfare such as services to children in their own homes, institutional care, foster care, adoptions, and day care. Chapter VII emphasizes that the division was overwhelmed by the increased demands created by limited funds, severe staff shortages and expanding service mandates.

Chapter VIII, "Conclusion" reexamines the information in the preceding chapters in terms of which of the five hypotheses presented previously were supported by the data. A discussion of the possible policy implications follows, then recommendations are made on the structural arrangements that should be considered when large numbers of migrants are introduced into a society. Chapter VIII concludes by pointing out that implementations of these policy recommendations will require a reassessment of (1) the position or relationship of the Virgin Islands government vis-a-vis the United States government, and (2) the cultural, socioeconomic, and development differences and constraints of an island community with limited resources and needs differing from the United States mainland.

Now, we proceed to Chapter II, "Political History."
CHAPTER II

POLITICAL HISTORY

Chapter II will focus on the historical-political forces that have shaped the Virgin Islands government, particularly since it became a United States territory in 1917. The establishment and development of the foreign-labor program and social welfare services in the United State Virgin Islands can only be understood if viewed within the context of these historical-political forces. These forces provide a perspective on the peculiar nature of the Virgin Islands-United States relationships.

We shall begin Chapter II with a brief presentation of several basic historical and geographical facts followed by a discussion of Danish control of the Islands. Next, we shall examine the United States purchase of the Islands from Denmark and then focus on the control aspects of United States sovereignty including the extension to the Islands of federal laws, the status of American citizenship for the Islands, interpretations of the Islands' constitutional position, and the post-naval administration period marked by the Congressional "organic" acts of 1936 and 1954 and the elective governor's mandate of 1968.

The reader should note that in Chapter II, as throughout this study, all conclusions should be considered tentative and subject to further research.
**Historical and Geographical Framework**

Under the terms of the August 4, 1916 treaty in which the United States agreed to purchase the Virgin Islands for twenty-five million dollars in gold coins, the United States government received the three major islands of St. Thomas, St. John, and St. Croix and forty other islets and cays of volcanic origin. Geographically, the islands are a part of the Antilles which form the dividing line between the Caribbean Sea and the Atlantic Ocean.¹ This location, which is in the path of the trade winds, made the Virgin Islands an important port of call during the days of sailing ships. It was also an important link in the triangular trade between the United States, Africa, and the Caribbean during the 1600s and 1700s.²

Prior to the advent of modern communications and jet transportation, the isolation of the Virgin Islands was a significant factor in the development of relationships, especially misunderstandings, between the Islands' government and the United States government. The Virgin Islands lie 1,400 miles southeast of New York, 990 miles south and east of Miami, Florida, 1,646 air miles from Washington, D.C., and 40 miles east of Puerto Rico.³

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¹Convention Between the United States and Denmark, Etc., Treaty Series, No. 629; CONVENTION between the United States and Denmark, 39 Stat. 1706 (Cession of the Danish West Indies), and J. Antonio Jarvis, Brief History of the Virgin Islands (St. Thomas: The Art Shop, 1938), p.9.


The Danish Colonization

The Virgin Islands became important in the 1600s when the European nations sought to expand their industrial and commercial enterprises into the West Indies. In 1670, King Christian V of Denmark concluded a treaty with Britain which assured British acquiescence to Danish occupation of St. Thomas. King Christian V then chartered the Danish West India Company which, among other things, was authorized to participate in trade and plantation agriculture and to occupy and take possession of St. Thomas and other nearby uninhabited islands that were suitable for plantations.

By 1672, first successful colonization of St. Thomas was in progress although the Danish West India Company experienced difficulty as did other European nations in recruiting colonists. However, uninvited colonists who had booked passage to St. Thomas, or even jumped ship, to escape the Third Dutch Wars brought with them their agricultural lore, which was of great value to the young colony. ¹

The white laborers in St. Thomas died faster than they could be replaced. Thus, a prime ingredient of success in the St. Thomas colonization was slaves to work the sugar cane—a remedy borrowed from the British and French colonies in the West Indies. The first shipload of Africans destined expressively for St. Thomas arrived in 1673.

In 1718, St. John was settled and the English and Spanish settlers were asked to swear fealty to the settlement's commander. In 1733, a slave rebellion wrecked on St. John's economy, leaving the

island uninhabited, and the Danish West India Company's financial difficulties dictated further expansion. The company coveted the French island of St. Croix to the south, negotiated for its purchase, and took possession that same year. A year later, in 1734, a Danish settlement was established in St. Croix and the British planters already established on the island were permitted to remain if they took the Oath of Allegiance to the King of Denmark. The settlement of the three islands by colonists of various nationalities meant that the ties to Denmark were at best tenuous.

Perhaps the lack of strong bonds between the colonists and Denmark was the root cause leading to the company's downfall, for it continued to incur financial obligations without showing a profit. Finally, in 1754, the Danish West India Company was dissolved with Crown approval.

The Danish Crown then became responsible for the Islands' management appointing local administrators to carry out its will. Ultimate decision-making authority rested, of course, in Copenhagen. Although the slow communications between the Islands and Copenhagen vexed the colonists, there wasn't very much they could do about it for almost another century when, in 1848 and 1849, the slaves in the Danish West Indies were emancipated and constitutional changes occurred in Denmark.

1 Ibid., pp. 41, 43, 121, and 124-125; and Luther Harris Evans, The Virgin Islands from Naval Base to New Deal (Westport, Connecticut: Greenwood Press Publishers, 1945), pp. 15 and 17-18.


The Colonial Laws of 1852, 1863, and 1906 established a more representative government in the Danish West Indies.¹

The Colonial Law of 1852 established a single Colonial Council; the text of the law included extension of a limited franchise to the Islands.² The limited franchise meant that only affluent members of the society participated in the "representative" government.³ However, inter-Island rivalry and differing needs resulted in the Council often being unable to meet as the St. Thomas members would not travel to St. Croix for meetings.⁴ The Colonial Council made recommendations about laws to the Crown which then issued Ordinances extending Danish laws to the Territory or established specific legislation.

¹See Moorhead, op. cit., pp. 63-71, for an analysis of the effects of these Danish constitutional changes on the different economic systems in St. Thomas and St. Croix. Dookhan, op. cit., pp. 203-204 and 205-207.


³Dookhan, op. cit., pp. 205-207.

⁴Dookhan, op. cit., pp. 208-209. The conflict regarding separate Councils continues and there are periodic demands that a separate Legislature would more appropriately meet the Islands' needs. In 1936 when the U. S. Congress passed an Organic Act for the Virgin Islands, the separate Municipal Councils were retained. In 1954 the Revised Organic Act established a unicameral Legislature for the Virgin Islands. During the 1953 hearings on the Revised Organic Act, the St. Croix Chamber of Commerce opposed the Single Legislature but gave no reasons for their opposition. Congressman Butler felt this was a retrogressive stand by the St. Croix business community and surmised that the businessmen feared political domination by the more populous and aggressive island of St. Thomas. All the other speakers at the hearing supported a single legislature. (Source: U.S. Congress, Senate, Committee on Interior and Insular Affairs, Virgin Islands Report, 83d Congress, 2d sess., 1954, pp. 14 and 34.) D. C. Canegata details the difference between the two islands and laments the lack of knowledge of local constitutional history that resulted in the absence of any reference to the 1852 Colonial Law during the 1953 hearings by
The Colonial Law of 1863 granted the Danish West Indies a more
detailed and specific constitution. The struggle for separate dis-
tricts was won: each participated in lawmaking and the administration
of their respective municipalities. The law also required that prior
to passage of any Island-related act of the Danish Parliament, the
expression of the Councils had to be received. Yet another critical
feature was the inclusion of a Bill of Rights reflective of the consti-
tutional guarantees then enjoyed by Danish citizens. 1

The Colonial Law of 1906 was the last major act of the Danish
Parliament dealing with the Danish West Indies government. Following
the unsuccessful attempts by the United States government to purchase
the Islands in 1902, a Royal Commission was appointed to investigate
and report on measures to improve Island conditions. A series of recom-
mandations were made; some, such as a single Colonial Council, were
rejected by the separate Colonial Councils. The 1906 Colonial Act was

Senator Butler. See D. C. Canegata, St. Croix at the Twentieth Cen-
p. 118-120. The First and Second Constitutional Conventions in the
Virgin Islands retained the Single Legislature as established in the
1954 Revised Organic Act. (Source: Virgin Islands Constitutional
Convention Report--Draft of Organic Act for the Territory of the Virgin
Islands of the United States. Adopted by Constitutional Convention of
the Virgin Islands on February 26, 1965 and 1971-72 Virgin Islands
Convention, Constitution of the Territory of the United States Virgin
Islands, Second Constitutional Convention of the Virgin Islands,
August 10, 1972 approved.) The discussions of the delegates to the
Third Constitutional Convention clearly demonstrated that this issue
was still a major concern. On April 20, 1978, the Third Constitutional
Convention of the Virgin Islands adopted a constitution which provides
for District Assemblies in St. Croix, St. Thomas, and St. John under
Article VII on Local Government. Local government was created to bring
about an improvement in the delivery of local services as well as
bringing government closer to the people it serves. (Source: Special
Edition on Virgin Islands Constitution dated May 9, 1978. The inclusion
of a section on district assemblies reflects the continuing concern
about separate councils.)

Ibid., pp. 209-211, and Moorhead, op. cit., pp. 67-68.
basically a reenactment of the 1863 Colonial Act except for three provisions. The most significant of these extended the franchise by lowering the financial qualifications and introducing the secret ballot.\(^1\) This reflected the Islands' constitutional arrangement when the Danish West Indies were purchased by the United States government in 1917.

In summary, then, by 1917 the Danish West Indies had been transformed from isolated, uninhabited islands to important trading and sugar-cane plantation economies. The administration of the Islands by the Danish West India Company eventually led to conflicts between it and the very influential European merchants and planters who composed the majority of the Islands' white population and who had contributed significantly to the Islands' economic development. This lack of cooperation with the company contributed to its ultimate dissolution. The Danish Crown then assumed the responsibility for the Islands' governance. After constitutional change in the Danish government, the colonists continued to press for more political power, resulting in the three major Colonial Laws of 1852, 1863, and 1906. Local representation was secured for the affluent landowner and merchant, even though the majority black population remained disenfranchised and the governor's authority remained supreme.

The Purchase of the Danish West Indies

In 1917, the United States government purchased the Virgin Islands from Denmark for twenty-five million dollars, climaxing the

\(^1\)Dookhan, \textit{op. cit.}, pp. 213-214, and Bough, "General Introduction to the Constitutional Evolution of the Virgin Islands," pp. 119-120.
negotiations and discussions between the two governments which had started as early as 1856.¹

Denmark's need to sell the Islands emerged as a result of:

1. the declining economy of the Virgin Islands which had made them a political liability;

2. an increase in expenditures due to the necessity of meeting the education and welfare needs of the ex-slaves. The local government was unable to pay for these expenses. The Danish government could not assist the Islands due to its critical financial position caused by the 1864 War with Prussia and the need to finance its industrial development;

3. the declining revenue from the Islands which led to recurring deficits and growing indebtedness;

4. The Islands' decline as a market for Danish produce or a source of raw materials and its consequent loss of importance to the Danish government; and

5. the small minority of Danish citizens in the Islands. This meant, as noted previously, an absence of close nationalistic ties between the Danish West Indies and Denmark.²

The United States government's interest in purchasing the Islands was in its harbors and naval stations which could be important for trade and for military purposes. Additionally, the United States had had a long association with the Danish West Indies in commerce and trade, extending as far back as the early eighteenth century. By the end of the nineteenth century, trade with the United States accounted for approximately one-third of the Islands' imports. During the American Civil War, a suitable port in the Danish West Indies had been essential. The construction of the Panama Canal made the


acquisition of the Islands even more attractive, for ownership would enable the United States both to defend the approaches to the Panama Canal and prevent the Islands from falling under the hegemony of hostile nations such as Germany.¹

Three separate attempts were made by the United States to purchase the Danish West Indies. The first was the Treaty of 1867 which was concluded after a long series of negotiations. The discussions regarding the purchase had been initiated by Secretary of State William H. Seward, an ardent expansionist.² The treaty provided for the acquisition of St. Thomas and St. John for 7.5 million dollars with the understanding that the Islands' inhabitants would express their agreement through a plebiscite.³ St. Croix was excluded, because the 1733 Treaty for the Danish purchase of St. Croix from France had included a provision that Denmark would not sell St. Croix to any foreign nation without French consent. The two Islands' voters overwhelmingly approved the purchase and the Danish Parliament ratified the treaty which was signed by the King on January 31, 1868.⁴ However, the United States Senate delayed approval; after many extensions the foreign relations committee recommended Senate disapproval on March 22, 1870. Reasons for the ratification's failure included public

¹Ibid., pp. 247-249.

²For a description of the initial overtures regarding the purchase of the Danish West Indies, see Tansill, op. cit., pp. 5-13.

³Convention Between His Majesty the King of Denmark, and the United States of America, Concerning the Cession of the Islands of St. Thomas and St. John in West Indies.

⁴Tansill, op. cit., pp. 49-50 and 96-98.
indifference, reaction against Seward's expansionist policies, the country's emphasis on social and economic reconstruction, and the policy of isolation.  

Although some approaches were made in the 1890s, another treaty was not concluded until January 24, 1902. Five million dollars were to be paid for the three islands and a plebiscite was not required. Majoritv opinion in the Islands was against the sale because of the earlier rejection, but United States' conservative opinion now favored the purchase as a source for harbors and coaling depots. The treaty was easily ratified by the Senate and signed by the President on March 1, 1902.  

The treaty was not received favorably in Denmark. The Lower House of the Danish Parliament approved the treaty in view of the Islands' failing economy, indebtedness, and Denmark's inability to maintain them, but the Upper House opposed the sale.  

The United States, however, considered the sale essential because

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1 Dookhan, op. cit., pp. 253-254.  
2 Convention Between the United States and Denmark for the Cession of the Danish West Indies, Signed at Washington, January 24, 1902. Ratification advised by the Senate February 17, 1902. Ratified by the President, March 1, 1902.  
3 Dookhan, op. cit., pp. 256-257. See D. C. Canegata, op. cit., pp. 13-42 for a discussion of the controversy regarding the sale of the Danish West Indies and the second treaty. D. C. Canegata also reports that the 1896 Republican platform supported the purchase of the Danish Islands, op. cit., pp. 13 and 153-156.  
4 Dookhan, op. cit., pp. 257-258, Canegata, op. cit., pp. 31-42, and Tansill, op. cit., pp. 349-365 discuss the reasons for the treaty's failure in the Danish Parliament and the controversy regarding the sale. The latter two authors give a vivid description of the situation at that time.
of the fear of German intentions. Therefore, the United States government added concessions to the treaty packages including commercial privileges.

On August 4, 1916, the treaty was signed by Secretary of State Robert Lansing and Constantin Brun, the Danish minister in Washington, D.C. Under its terms, private property rights were to continue unimpaired, while the United States Congress reserved the power to determine the civil rights and political status of Virgin Islands inhabitants. Danish citizens in the Islands were allowed to remain or leave, but in either case would retain all rights of property.¹

The United States Senate ratified the treaty on September 7, 1916. Twenty-one Islands' planters sent cables supporting the sale and both Colonial Councils unanimously passed resolutions supporting it.² Differences in Denmark were overcome by a national referendum that supported the sale.³ The Danish Parliament followed the people's wishes. On December 22, 1916, King Christian X signed the treaty; on January 16, 1917, President Wilson signed it.⁴

On March 31, 1917, formal transfer ceremonies were held in St. Thomas and St. Croix. The Danish flag was lowered and the United

¹ Dookhan, op. cit., pp. 259-260, Evans, op. cit., pp. 41 and 45, and also see Convention Between the United States and Denmark for the Cession of the Danish West Indies, signed at New York, August 4, 1916; ratification advised by the Senate, September 7, 1916; ratified by the President, January 16, 1917, ratified by Denmark, December 22, 1916; ratifications exchanged at Washington, January 17, 1917; proclaimed, January 25, 1917, Treaty Series No. 629.

² Dookhan, op. cit., p. 260.

³ Evans, op. cit., p. 44, and Tansill, op. cit., p. 514.

⁴ Tansill, op. cit., p. 515.
States flag raised. The transfer produced emotions. For example, Dr. Hamilton Jackson, the labor union leader, told the inhabitants, "We know who we got, but we don't know who we are going to get."\(^1\)

The expectations raised by the transfer in ownership are perhaps best summarized by a native author:

The Islands had suffered economic disaster through the war and were on the verge of complete collapse by the time of the signing of the treaty in August. With the transfer came the end of over two hundred fifty years of Danish rule. African Negroes had been the mainstay of the European plantation owners and the great merchants of the Islands, as in the other colonies of the West Indies. Together with their masters, these Negroes had built fortunes and lost them. The exploited Negroes had nothing except faith in the United States and hope that the new nation would give them the opportunity it promised to all men under the American Flag.\(^2\)

In other words, the Islands' black majority expected that United States ownership meant a better life for themselves.

**American Sovereignty**

The record shows that the major concern of the United States government in purchasing the Virgin Islands was not the extension of the principles of American democracy to the newly acquired territory, but rather the protection of its interests and boundaries from attack by hostile countries.\(^3\) This fact is the foundation supporting the framework in which to review the Islands' political and constitutional evolution. That is, specifically, the black Virgin Islanders' struggle

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to achieve the expectations created by the advent of American sovereignty in 1917.

The struggle for representative government, the extension of the principles of American democracy, the dilemmas that have confronted the United States government and its island possessions in their complex relationship—all are clearly illustrated by scrutiny of the five major landmarks in Virgin Islands constitutional history since the 1917 transfer:

5. The 1972 Act providing a Delegate to the House of Representatives.

Let us begin by studying the act of 1917.

**The 1917 Act of Congress**

The act of Congress of March 3, 1917 made provisions for the governance of the United States Virgin Islands.\(^1\) It gave the President of the United States the power to appoint an officer of the army or navy as governor. It is of critical importance to note that the Danish Colonial Law of 1906 was continued as the Islands' constitutional system of government. Thus, the then-current laws regulating elections, electoral franchise, and any other laws not in conflict

\(^1\) Act of Congress, March 3, 1917, Statutes at Large, XXXIX, Ch. 171, 1132 (1917).
with the changed sovereignty remained in effect.¹

The retention of the Danish electoral franchise meant that the majority black population was excluded from the electoral process. Since the combined Colonial Councils represented no more than 3 percent of the Islands total population,² this meant that over 90 percent of the residents could not vote. In 1917, in fact, only 700 out of the Islands' population of about 26,000, of which only 2,000 were white, were eligible to participate in the electoral process. The 700 voters were composed of Creoles, Danes, non-Danish, Europeans, and mulattoes. The members of this elite class made their livings as plantation owners, merchants, real estate owners, and other businessmen.³ The powers of the Colonial Councils included participation in the budgetary and auditing processes and they had responsibility for municipal administration. However, they were strictly limited in their authority and were easily overruled by the vast powers of the governor.⁴

Since the Islands had been purchased for their strategic position in naval warfare, the President nominated, and the Congress approved, the United States Navy to oversee the new territory.⁵

¹ Evans, op. cit., pp. 52-53.
² Lewis, op. cit., p. 47.
⁴ Evans, op. cit., pp. 86-87; Bough, "General Introduction," p. 120, and Lewis, loc. cit.
⁵ Lewis, op. cit., p. 46.
On April 6, 1917, the United States government formally entered the First World War and was preoccupied with it until 1918. Ultimately, it took nineteen years before a permanent government was established in the United States Virgin Islands. This delay conferred upon Virgin Islanders an odd combination of American sovereignty and Danish institutions.

**Major Unresolved Issues.** Thus, four major issues were left unresolved.

First was the question of civil government, that included separation of the executive, legislative, and judicial branches. Universal suffrage and the participation of all Island residents in the government's decision-making process through elected representatives were also deemed essential. Second, American citizenship for all Island inhabitants was desired. In the early 1920s the State Department, in response to a joint Congressional committee request, indicated that United States Virgin Islands inhabitants had American "nationality" and were entitled to government protection, but that they did not have civil and political status equal to United States citizens. Under the 1916 treaty, the Congress was given the right to determine the "civil rights and political status" of the inhabitants. Thus, Virgin Islanders who graduated from American universities could not practice

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their skills in any of the states because they were not citizens.\textsuperscript{1} The third issue was constitutional status. This involved the definition of the relationship between the United States and the Virgin Islands and the inhabitants' inherent rights. Although the 1916 Treaty did not address the issue of status, however, the United States Supreme Court in the 1901 Insular cases\textsuperscript{2} had made a distinction between unincorporated and incorporated territories. Briefly, the Court insisted on "an express declaration" of the intent to extend the United States Constitution to an unincorporated territory, but this had not been done with the Virgin Islands.\textsuperscript{3}

The fourth problem concerned the applicability of federal laws to the Virgin Islands. The Act of March 3, 1917 did not expressly extend United States statutes to the Virgin Islands. General United States laws did not apply unless something in their language might be interpreted to extend them.\textsuperscript{4} However, it was obvious that the Virgin Islands required extension of certain federal laws.

\textsuperscript{1}Lewis, \textit{op. cit.}, p. 44, and Evans, \textit{op. cit.}, pp. 61-63.

\textsuperscript{2}In 1901 in a series of decisions popularly known as the Insular Cases, the U. S. Supreme Court endorsed the right of Congress to legislate for Puerto Rico in the manner that had been accomplished. There were three cases affecting Puerto Rico, but \textit{Downes v. Bidwell}, 182 U.S. 244 (1901) is used most frequently in discussing the V.I. Other U.S. Supreme Court cases that have been related to the situation in the Virgin Islands are \textit{Dorr v. United States}, 195 U.S. 138, 24 S. Ct. 808 (1904), \textit{Balzac v. People of Puerto Rico}, 258 U.S. 298 (1922) and \textit{Rasmussen v. United States}, 197 U.S. 516 (1905).

\textsuperscript{3}Evans, \textit{op. cit.}, p. 50.

\textsuperscript{4}\textit{Ibid.}, p. 56.
Organized Opposition

After World War I, Congressional concern arose about the "temporary government" of the Virgin Islands. However, differences of opinion existed in the Islands about the need for a more permanent form of government. The traditional ruling class, for example, emphasized economic development as its major priority. The naval administration, which followed a policy of Americanization, and the ruling class were both unwilling to share their political power with any other class of Virgin Islanders.¹

On the other hand, the majority black Virgin Islanders worked through their labor unions to institute civil government as well as other desirable reforms. The St. Thomas and St. Croix Labor Unions were established in 1917, and the American Virgin Islands Federation of Labor in 1919. The latter also had branches in St. Thomas and St. Croix and had been affiliated with the American Federation of Labor since 1920. The unions published newspapers that consistently took strong anti-government positions by attacking the naval administration, by supporting a civil government, and by educating their readers in the American way of life. Although some of the union leaders eventually became members of the Colonial Councils, their articulate and outspoken expressions on behalf of the majority black population branded them as militant radicals, Reds, and Bolsheviks.²

The naval administration responded by warning and intimidating the newspaper editors, which resulted in the muzzling of the press

² Ibid., pp. 11-15, and Evans, op. cit., p. 223.
through the courts. For example, the editor of the St. Croix Herald was imprisoned for six days for contempt of court. Alien associates and supporters of these editors were deported as undesirables; reprisals were taken against government employees who dared to criticize the naval administration or associate with known opponents of the government.¹

Another instrumental factor in political reform was the quasi-political parties—the Party for Progressive Political Action, the Republican Club, and the People's Party. Additionally, two other groups—the Civil Rights Committee and the Active Citizens' Committee in St. Croix—were also helpful. These groups distributed propaganda leaflets and established platforms which advocated a new economic system, the removal of the existing form of government, and universal suffrage. They also aroused and sustained interest in political reform by conducting public lectures and discussions.² The activities of these groups broadened the base of support for political reform. Thus, not merely the labor unions campaigned for political reform, but a wide cross section of the black majority, including some of the enfranchised blacks.³

Support for political reform in the United States was essential for success. Spokesmen for the black majority made frequent trips to speak before Congressional committees, civic organizations, and to


³ Evans, op. cit., p. 219, and Hill, Rise to Recognition, op. cit., pp. 80-81.
plead their case before the President of the United States. The influential American Civil Liberties Union and various mainland Virgin Islands organizations, such as the Associated Virgin Islands Societies of New York, also helped to foster support.¹

The naval administration, in the face of increased opposition from the majority black population and their local and mainland supporters, advised the United States Congress that the only responsible opinion in the Virgin Islands was that of the Colonial Councils and the traditional ruling class. The local groups and their supporters, pushing for political reform, were an irresponsible group of rabble-rousers.² While a considerable body of sympathy was aroused on the mainland for the plight of the Islands' black majority, Congressional action proved forthcoming only after prolonged agitation by the proponents of reform.³

The extension of federal laws to the Virgin Islands was first raised in relation to the passage of the Eighteenth Amendment, also known as the Volstead Act or the National Prohibition Act. Following a request by the governor of the Virgin Islands, the United States Congress extended the National Prohibition Act to the Virgin Islands on November 23, 1921. However, when the Eighteenth Amendment was repealed in the United States Congress, in accordance with the Supreme


³ Hill, Rise to Recognition, op. cit., Dookhan, A History, op. cit., and Lewis, op. cit., support the position that self-government in the Virgin Islands has only occurred after an extensive and extended struggle on each issue.
Court's decision on unincorporated territories, a special act was necessary to rescind the law in the Virgin Islands.¹

Inevitably, Danish law proved inadequate in negotiating the complex relationship that grew between the mainland and the Islands. Some of the more important legislation extended to the Islands during the naval administration included the following:

1. Congress by an October 28, 1919 act directed the Postmaster General to establish an office in Charlotte Amalie. As communication between the United States and the Virgin Islands increased, a need arose to improve mail transport. The logical outcome was to extend the United States Postal System to the Virgin Islands.²

2. The United States Immigration Act of 1924 was extended to the Islands on June 1, 1925. The extension of the immigration laws was construed by the Department of State as enabling all aliens born in the Virgin Islands to enter the United States under the non-quota classification and facilitated the out-migration of Virgin Islanders to the mainland. The extension resulted in a petition by twenty-three Crucian planters to Governor Trench, requesting that the law be waived due to the shortage of local labor, for the entry of British West Indians doing seasonal agricultural work. Local labor leaders viewed the planters' request as a deliberate attempt to suppress wage rates and vehemently opposed it.³

¹Evans, op. cit., pp. 56-57.
²Ibid., p. 65.
In the ensuing conflict, the naval administration opposed the entry of foreign labor and favored the entry of a limited number of Puerto Ricans. Before the end of the naval administration, this program was initiated.\(^1\) However, the lines between planters and labor unions were now clearly drawn on the foreign-labor issue. The tide of British West Indian emigration to the Virgin Islands was stemmed. The emigration had resulted in a net gain in population, rather than a net loss, despite the heavy outmigration of Virgin Islanders to the United States and other foreign countries in order to improve their economic conditions.\(^2\)

The extension of federal immigration policies to the Virgin Islands brought to an end the easygoing Danish immigration policies which had resulted in a very cosmopolitan community. The close ties between the Virgin Islands and the rest of the West Indies were weakened; consequently, Virgin Islanders experienced a loss of identification with the rest of the Caribbean.\(^3\)

3. The Census Acts of 1929 and May 17, 1932 provided for the extension of the fifteenth national census and all subsequent censuses to the Virgin Islands. At the request of the governor, the Commerce Department had arranged for a census in 1917\(^4\) that enabled the United States to:

\(^1\)Evans, op. cit., p. 75.

\(^2\)Dookhan, "The Search for Identity," op. cit., pp. 9-10. This paper also illustrates through source documents that there was more immigration (total of 9218) from the United States and all other countries into the U.S. Virgin Islands during 1920-23 than emigration (total of 7998) from the U.S. Virgin Islands.

\(^3\)Lewis, op. cit., p. 104.

\(^4\)Evans, op. cit., p. 66.
States to get an accurate count of the Islands' inhabitants, which assisted the navy in planning health and education programs. The inclusion of the Virgin Islands in the census act, of course, provided comprehensive statistical information about the inhabitants.

4. The United States Admiralty Laws were extended to the Virgin Islands by an act of May 20, 1932. Under March 3, 1917 act establishing the temporary government for the Virgin Islands, the Danish Admiralty laws remained in effect. It soon became obvious that the laws would have to be changed due to the inherent conflict in governing an American possession with Danish laws. Both the governor and the Colonial Councils united in requesting the change to the Admiralty laws of the United States. 1

5. The emergency relief acts of 1932-1935 were extended to the Virgin Islands. The Virgin Islands by the late 1920s were experiencing a serious economic depression that preceded the Great Depression in the United States. The naval administration had been unable to stimulate the Islands' economy and the socioeconomic situation in the Islands had deteriorated. Extensive poverty and hardship prevailed throughout the Islands. After a 1929-1930 study of the conditions in the Islands by the chief of the federal Bureau of Efficiency, several recommendations were made.

One of these recommendations concerned the establishment of a large-scale rehabilitation program to counter the depressed economic conditions. This program was initiated in 1930. Consequently, the

1 Ibid.
Roosevelt New Deal programs were also extended to the Virgin Islands. The Virgin Islands was included within the scope of the Federal Emergency Relief Act of 1933 which provided cash grants to the needy and the unemployed. Under section 301 of the Emergency Relief and Construction Act of 1932, the Virgin Islands was provided Presidential allotments to construct roads. Thus, jobs were provided to the unemployed in addition to the construction of a much-needed road system. The public-works section of the National Industrial Recovery Act (Title II) and Works Progress Administration grants, under the Emergency Relief Appropriation Act of 1935, were also extended to the Islands. Overall, the Islands' economy was improved and important public-works projects were initiated.

In summary, the United States government adopted a patchwork response to the many problems that faced the Islands. Consequently, the extension of United States laws was haphazard. Some laws were extended at the initiative of Congress; others because of pleas from the naval governors or request from the Colonial Councils. The New York groups representing Virgin Islands' interests and the on-island representatives of the disenfranchised black majority also influenced the extension of federal laws to the Virgin Islands. Virtually every issue was fought over bitterly.

American Citizenship

Many local groups demonstrated support for granting full citizenship to the inhabitants of the United States Virgin Islands including

1Ibid., pp. 67 and 281-283.
2Ibid., pp. 67 and 300-301.
the New York Virgin Islanders' organizations and the Colonial Councils. A federal commission of Negroes, appointed in 1924 by the Secretary of Labor to study Island conditions, strongly recommended the granting of full American citizenship. A total of eight bills on constitutional reform were introduced in the United States Congress from 1924 to 1926. All included provisions for the extension of United States citizenship.¹

On February 25, 1927, United States citizenship was granted to most Virgin Islanders. The inhabitants who were resident in the Virgin Islands on January 17, 1917 and February 25, 1927 received citizenship. Although it was assumed that this legislation covered all Virgin Islanders, certain groups of Virgin Islanders were in fact excluded. Specifically, Virgin Islanders not on the Islands on those dates did not receive American citizenship. The problem was that many Virgin Islanders had migrated to the United States or other foreign countries and were not in the Virgin Islands on those two dates. Eventually, additional enabling legislation was passed on June 28, 1932.²

The delay in extending full United States citizenship to the Virgin Islanders reflects ambivalence and uncertainty about the proper status of the residents vis-à-vis the United States mainland. Lewis points out that exclusion seems to have been used against communities such as the Virgin Islands where the majority of the citizens were of Negro origin.³

United States citizenship still did not mean the same rights and

²Evans, op. cit., pp. 63-64.
³Lewis, op. cit., pp. 44-45.
privileges for Virgin Islanders as for other Americans living in the continental United States. Marshall argues that citizenship confers rights in at least three different areas: civil rights, political rights, and social rights.\(^1\) It is of paramount importance to note that the 1927 extension of United States citizenship to Virgin Islanders did not confer these rights to the inhabitants unless they left the Virgin Islands. In other words, as long as they remained in the United States Virgin Islands, none of these rights were available.

For example, the only civil rights available to Virgin Islanders were those included in the 1906 Danish Colonial Law, thus the United States Bill of Rights, which guaranteed other American citizens certain freedoms, was not applicable in the Virgin Islands. The covert censorship of the press during the naval administration was an example of the restricted rights of Virgin Islanders. Political rights were only available to a small percentage of the population, since the franchise was limited by sex, property value, or annual income. Even those Virgin Islanders who were enfranchised could only vote for representatives of the legislative branch of government and this body, as noted previously, exercised limited powers. Social rights were limited to those social benefits already available in the Virgin Islands.

The extension of United States citizenship was of most benefit to those Virgin Islanders living on the United States mainland.\(^2\) The


\(^2\)Lewis, *op. cit.*, p. 66, writes that it was estimated that by 1930 New York Harlem's ghetto was estimated to contain 20,000 Virgin Islanders. Dookhan, "The Search for Identity," *op. cit.*, p. 9, presents data secured from NARS RG55/2, File 10802. Miscellaneous data obtained for the federal commission shows that between 1920 and 1923, 2,592 Virgin Islanders migrated to the United States.
economic deprivation in the Islands had resulted in heavy migration to the United States and American citizenship accelerated this movement. Thus, Virgin Islanders who were mainland residents were entitled to all the rights and privileges of American citizenship.

**Constitutional Status**

As the preceding discussion has shown, the anticipated inclusion in all of the benefits of American democracy were not forthcoming. Dookhan states that the important question which the United States had to resolve was whether it should continue the autocratic government then practiced in the Virgin Islands. He concludes that autocracy was selected as the Virgin Islands was conceived of as a naval base and the people considered inexperienced in operating a democratic system.¹ Perkins and Lewis see the failure to address the Islands' constitutional status in a planned, meaningful way as due to the fact that the United States, unlike France and Great Britain, lacked the administrative machinery of colonialism needed to govern colonial dependencies.

Article IV, Section 3 of the United States Constitution gives the United States Congress power to dispose of and make rules and regulations respecting the territory or other property belonging to the United States.² The United States Congress exercised this responsibility in its act of March 3, 1917 which provided a temporary government

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¹ Dookhan, *A History*, op. cit., p. 266.

for the Virgin Islands by vesting in a governor, appointed by the President with the advice and consent of the Senate, all military, civil, and judicial powers necessary to govern the Virgin Islands. The act was silent on constitutional status and the Virgin Islands government remained subject to the whims, interests, and priorities of the United States Congress.

In Dorr v. United States, Justice Brown enunciated a distinction between the "fundamental" guarantees of the Constitution which must prevail everywhere and the "non-fundamental" guarantees that Congress did not have to extend to the territories unless it wished to. In the Virgin Islands these so-called non-fundamental rights have at various times included trial by jury, indictment by a grand jury, and separation of powers between the judicial and executive and the civilian and military branches of government, as well as a Bill of Rights.

Two months after the Islands' transfer, the United States Attorney General ruled that a law prohibiting naval officers from holding certain government positions, such as judgeships in territories, was inapplicable to the Virgin Islands. The Virgin Islands were "neither organized nor incorporated territory of the United States"; an act extending "all laws of the United States which are not inapplicable" to "organized" territories did not suffice to extend such laws to "unorganized" territories like the Virgin Islands.

1 Bough, "General Introduction," op. cit., p. 120.
3 Lewis, op. cit., pp. 43-44.
4 Evans, op. cit., p. 50.
Of critical significance, too, was the fact that Virgin Islanders had no Congressional representatives. Lewis describes this as giving Virgin Islanders second-class citizenship and a government ruled by Congress rather than by constitutional guarantees. 1

Civil Government

On February 27, 1931, President Hoover signed an Executive Order, without prior consultation with the local legislature, placing the administration of the Virgin Islands' government under the Secretary of Interior, removing the naval administration, and appointing a civilian governor. 2 Although there had been a great deal of political agitation for civil government, there were overriding reasons for this change.

A subcommittee of the House Committee on Appropriations, after a 1929 visit to the Islands, requested the Bureau of Efficiency to make a thorough survey of the political, economic, and social conditions of the Islands. 3 The Islands' declining economy had required heavy deficit spending, for the naval administration had not been able to stimulate economic development. It was hoped that economic development would reduce federal appropriations. 4 Herbert D. Brown, chief of the Bureau of Efficiency, visited the Islands during the winter of 1929-1930

1 Lewis, op. cit., p. 18.
2 Ibid., p. 68.
3 Evans, op. cit., p. 159.
and held hearings that resulted in two major recommendations: (1) a change to a permanent civil government; (2) a large-scale rehabilitation program to counter the acute economic conditions. Both the House subcommittee and the President approved of the rehabilitation program. Brown was placed in charge of the rehabilitation program with authority to distribute the accompanying federal funds which amounted to a grant of $141,000.

Right after Brown's appointment Governor Waldo Evans questioned Brown's control of the federal funds. In the midst of this controversy, the President ended the naval administration, bringing to a successful conclusion the long struggle by the representatives of the Islands' black majority for its replacement. However, the agitation continued for a permanent government for the Virgin Islands. The first civilian governor, unlike his naval predecessors, outplayed his opposition by publicizing his case and lobbying the United States Congress and the federal administration. Local feelings against his administration intensified with some groups, such as the Colonial Councils, even favoring the restoration of the naval administration.

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3 Ibid., p. 163, and Hill, Golden Jubilee, op. cit., p. 50.
4 Evans, op. cit., pp. 162 and 280.
5 Dookhan, A History, op. cit., p. 278.
6 Ibid., and Evans, op. cit., p. 308.
7 Evans, op. cit., pp. 299-300.
When the New Deal came to the Virgin Islands, high expectations were raised of developing economic self-sufficiency. Unfortunately, these expectations remained unfulfilled; thus, political unrest continued and mass unemployment remained the order of the day. The New Deal and its impact on the Virgin Islands will be discussed more fully in the following chapter.

The 1936 Organic Act

On Monday, June 22, 1936, President Franklin D. Roosevelt signed the Virgin Islands Organic Act, which established a form of government on familiar American lines while retaining much of the existing political arrangements that were compatible with American principles. This provision revolutionized the political process in the Virgin Islands by extending the franchise to the majority black population, who for the first time could elect representatives concerned about their interests. The control of the Islands' legislative power by the merchants, real-estate owners and the Crucian planters was ended. With one act, the Islands were revolutionized politically and socially.

The 1936 Organic Act allowed each municipality to retain its

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1 Jarvis, op. cit., p. 230.
3 Creque, op. cit., p. 108.
Council. The governor was empowered to convene the two Councils, acting as the Virgin Islands Legislative Assembly, to consider legislation applicable to the entire Virgin Islands.

Executive power remained vested in the governor who was appointed by the President with the advice and consent of the Senate. The governor was empowered to exercise a legislative veto which could be overridden by a two-thirds majority of the Assembly, but final decision was reserved for the United States President. The governor reported to the Secretary of the Interior.\(^1\)

Additionally, the courts now were subject to the United States Constitution and the guarantees embodied in the Bill of Rights.\(^2\)

Obviously, the 1936 Organic Act also represented a great step forward in separating the executive, legislative, and judicial branches. However, the Organic Act did not completely fulfill the Virgin Islanders' expectations for self-government. For example, the Virgin Islands' governor remained a Presidential appointee answerable to the President through the Secretary of the Interior. The local legislature could pass local legislation, but their override of the governor's veto was subject to Presidential approval.\(^3\) Eventually, these gaps in self-government led to agitation of the type that had preceded the passage of the 1936 Organic Act. Bough illustrated this dilemma when he pointed out that the interpretation of rights as set

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forth in the 1936 Organic Act expanded or contracted in direct proportion to the liberalism or conservatism of the current governor and Secretary of the Interior or both. The problem existed until 1954 when the first Organic Act was substantially modified. ¹

Universal suffrage extended new powers to the legislature which enacted a series of progressive measures such as the Homestead Act and the Home Loan Fund. ²

The Islands' political leaders were determined that Virgin Islanders would need to elect their own governor, be granted a Resident Commissioner to serve as the Islands' representative to the United States Congress and have a single treasury department. Additionally, they campaigned for unification of the St. Thomas and the St. Croix districts as a stimulus to the Islands' socioeconomic development. ³ Specifically, the leaders established an Organic Act Committee in the Virgin Islands Legislative Assembly in 1945, brought about Island-wide referendums on these issues in 1948 and 1952, and pressured the United States Congress with petitions, resolutions, and delegations to Washington, D.C. These efforts, among other things, produced visits in 1947-1948 and in 1953 by Senator Hugh Butler, chairman of the Senate Committee on Interior and Insular Affairs. ⁴

The committee recommended the following:

³Lewis, op. cit., p. 104.
1. a unicameral legislature and a strong administrative organization;

2. a single treasury;

3. the establishment of a new revenue structure to exploit all sources of governmental revenue;

4. the return of the Internal Revenue Tax on rum, but with some restrictions on the use of the money.

The committee did not recommend an elected governor and a resident commissioner to the United States Congress.¹ Senator Butler's conservatism was to play a major role in shaping the final provisions of the 1954 Revised Organic Act.²

By 1953, widespread support existed for a revised Organic Act, and the Department of the Interior, the Virgin Islands Legislative Assembly, and the St. Thomas Chamber of Commerce favored a unicameral legislature, a resident commissioner to the United States Congress, and the return of the Internal Revenue taxes on Virgin Islands' products shipped to the United States.³ They differed on the elective governor and language provisions,⁴ on immigration, and in some other minor areas.

¹U.S. Congress, Senate, Committee on Interior and Insular Affairs, Virgin Islands Report, pp. 22-24.

²Lewis, op. cit., p. 345.

³Creque, op. cit., pp. 147-149.

⁴The 1936 Organic Act had stipulated the ability to read and write English as a requirement for voting. By 1953, there was considerable sentiment for deleting this requirement. Others, however, favored its retention. According to the 1950 Census, approximately 10 percent of the Islands' population were non-English-speaking, mostly of Puerto Rican origin. In effect, this meant that Puerto Ricans whose legal residence was in the Virgin Islands were prohibited from voting. The 1954 revision of the act rescinded this requirement.
The November 1953 Congressional hearings in the Virgin Islands enabled Senator Butler to survey representatives of all economic, political, and social groups. Groups such as the Legislative Assembly, the St. Thomas Labor Union, and the Unity Party favored an elective governor, a resident commissioner to the United States Congress, a unicameral legislature, and the return of the Internal Revenue taxes. The Republican Club, the Virgin Islands Hotel Association, the St. Croix Chamber of Commerce, and several prominent white citizens who were former mainland residents opposed the elective-governor provision; the populace, they felt, had not proven themselves fit for this measure of self-government. Some observers favored a resident commissioner and the return of the Internal Revenue taxes, but others contended that the community should be more interested in self-support than in spending money.

Except for the St. Croix Chamber of Commerce, general agreement existed on the establishment of a unicameral legislature. Both the St. Croix and St. Thomas Chambers of Commerce and the Virgin Islands Hotel Association recommended the relaxation of the immigration laws. On the other hand, the labor unions strongly opposed easing immigration restrictions. They saw this move as a businessman's ploy to keep wages artificially depressed.¹

¹Hill, Golden Jubilee, op. cit., pp. 146-153, and U.S. Congress, Senate, Virgin Islands Report. During the hearings before Senator Butler's Committee, the St. Thomas Labor Union had pointed out that there were hundreds of women willing to work as domestics but were unwilling to work for the mere pittance of $25.00 or $35.00 a month (U.S. Congress, Senate, Virgin Islands Report), p. 38. In the 1953 Annual Report of the Governor of the Virgin Islands to the Secretary of Interior (Washington, D.C.: Government Printing Office, 1953), p. 21, it was reported that minimum hourly wage rates are now uniform for the Virgin Islands and are as follows: utility workers, $.30; unskilled
labor, $.40; sales or service workers, $.35; skilled labor, $.65; semi-skilled labor, $.50. A committee was established in early 1953 to study the cost of living and make a survey to note the changes since the last wage increase in St. Thomas in 1949 and the change in St. Croix since 1951, Daily News (St. Thomas, Virgin Islands), January 16, 1953. The committee recommended that the present statutory method of fixing wages by labor categories by superseded by fixing wages on an individual industry basis. The change was recommended as the labor categories were seen as too inclusive and led to the evasion of the Wage and Hour Ordinance and created many difficulties for the Wage Commissioners who made the decisions about which category a worker should fall into, Daily News (St. Thomas, Virgin Islands), May 23 and 29 and June 1, 1953. Employees of privately operated businesses engaged in interstate commerce were governed by the Federal Fair Labor Standards Act. The original Fair Labor Standards Act, which became effective on October 4, 1938 contained no special provisions for the V. I. so the same rate applied. The Wage and Hour Division could not enforce the statutory minimum wage due to the severe economic problems, the considerable unemployment, and the low standards of living. In June 1940, the U.S. Congress enacted an amendment to the Fair Labor Standards Act which authorized lower rates to be established in the Virgin Islands upon the recommendation of the special industry committee appointed by the Administrator. The Special Industry Committee was authorized to recommend rates up to 40 cents an hour. Wages approved by Industry Committee #2 and effective August 29, 1949 and November 26, 1951 ranged from a low of 15 cents per hour to a high of 50 cents an hour. By 1949, the minimum wage in the United States had reached 75 cents per hour. See Valdemar A. Hill, Jr., "Minimum Wages in the United States Virgin Islands, 1938-1968" (Master's thesis, Inter-American University, 1968), pp. 7-8, and U.S. Department of Labor, Wage and Hour and Public Contracts Division, Data Pertinent to the Review of Minimum Wage Rates Under the Fair Labor Standards Act for Employment in Industries in the Virgin Islands, October 1968, pp. A-3 - A-4. The 1953 Virgin Islands Employment Service Annual Report (St. Thomas: Government Printing Office, 1953), p. 9, reported that average wages were: domestic workers, $.18-$.20 per hour; hotel and restaurant workers, $.30-$1.35 per hour; construction workers, $.80-$1.00 per hour; laborers, $.50 per hour.

The report also stated that more than 400 orders for farm laborers that could not be filled locally were received. Farm work was described as unattractive because wages were low, hours irregular, and farms isolated. Due to the low wages, $.40 per hour, only foreign labor from nearby British and French islands could be attracted. James Warren Green, "Social Networks in St. Croix, United States Virgin Islands" (Ph.D. dissertation, University of Washington, 1972), p. 80, reports that in the mid 1930s farm laborers in St. Croix received $.55 per day due to the union's efforts. This was nearly twice the wage then available in the British Virgin Islands. It can be assumed that this disparity in wages still existed in the 1950s, thus the Virgin Islands was an attractive employment area.
The Revised Organic Act of July 22, 1954

Senator Butler's influence helped insure passage of a new Organic Act and on July 22, 1954, President Eisenhower signed into law the Revised Organic Act of the Virgin Islands. The act provided for a single legislature, a single treasury, and the return of the Internal Revenue taxes—with a provision that a government comptroller appointed by the Secretary of the Interior would audit, provide financial oversight for, and have the final decision on questions on all Virgin Islands revenues and receipts.¹

Although the Revised Organic Act provided for a much-needed reorganization of the 1936 Organic Act, it could hardly be termed a further advance in the quest for self-government. Lewis describes the revisions as a counterrevolution, leaving unchanged the governor's power of veto and the President's power of final veto over local legislation. It actually reduced the previously accredited perogatives of the elected legislature and increased those of the Islands' executive branch.² For example, the legislators' authority to determine their own salaries was eliminated and a set per-annum rate established. Legislative sessions could be held only for a fixed number of days and only the governor could convene special sessions.

The use of Internal Revenue funds was limited and although appropriations could be made by the legislature, approval by the Secretary of the Interior was required.³ Bough writes that Senator Butler, in

²Lewis, op. cit., p. 105.
³Act of Congress (June 22, 1936, Ch. 699, 49 Stat. 1807), and Act of Congress (July 22, 1954, Ch. 558, sec. 1, 68 Stat. 497).
his report to the Senate on the 1954 Revised Organic Act, stated categorically that the act was designed to provide a larger measure of self-government. However, close study of the 1954 act in comparison with the 1936 act and the Puerto Rican constitution leaves much room for debate.¹ The limitations on the use and amount of the Internal Revenue funds, the increased powers of the governor, and the enlarged supervisory role of the Secretary of Interior reflected a decrease rather than an increase in local autonomy.

Former Governor Morris de Castro was to tell Congress later that the Revised Organic Act rested on the assumption that the ills of democracy could be cured by less democracy.² Senator Butler, then, had moved to correct what he perceived as the evils of the Virgin Islands legislative system, but had in reality curbed the powers of the people's representatives. Neither an elected governor nor a resident commissioner was mandated by the 1954 act. The basic flaw in this situation, according to Lewis, was the certain conflict between a weak legislature and an irresponsible executive.³

The 1954 Organic Act thus failed to address the Virgin Islanders' aspirations for more self-government, although admittedly it was the first time that Congress in the thirty-seven years since the Islands' purchase had bothered to define their status. Bough states that the unincorporated territorial status of the Virgin Islands satisfied Congressional conservatives who opposed statehood for them.⁴ There are

²Lewis, op. cit., p. 106.
³Ibid., pp. 105-106.
in fact no clear guidelines about the rights and privileges of "unincorporated territories."

The difficulties in implementing the Revised Organic Act, and the ensuing battles between the appointed governors and the elected legislature, stirred even more agitation for an elected governor, a Washington representative to the United States Congress, and increased perogatives for the local legislature. The businessmen and the wealthy white continentals, of course, were quite satisfied with the status quo, but the liberal, labor-oriented Unity Party opposed it.

Twelve years after passage of the 1954 Organic Act the Virgin Islands legislature managed to convene a constitutional convention (on April 2, 1964). The purpose of the convention was to draft yet another revised organic act, within the framework of the United States Constitution, for presentation to Congress. This elected body of thirty-three délegates held several public sessions during a three-month period, developing eight major proposals for enlarging self-government. By 1979, three of the eight recommendations had still not been implemented: the right to vote for the United States President and Vice President; a comptroller to be appointed by the governor with the advice and consent of the Virgin Islands legislature; and amendment of the Organic Act by the legislature through popular referendum or by a constitutional convention.

The other five provisions were adopted through piecemeal legislation: (1) an elective governor and lieutenant governor serving terms

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Virgin Islands Law, To Provide for a Convention, Election of Delegates and for the Submission of Proposals of the Convention to the Congress and President of United States, To Provide an Appropriation Therefor, Act 1174 (1964).
of four years; (2) abolition of the limitation on voting for legislative members at large; (3) representation in the United States Congress through a resident commissioner or delegate to the House of Representatives; (4) abolition of the Presidential veto on local laws; and (5) authorizing the local legislature to fix the salaries of its members, effective upon election of a succeeding legislature.¹

It is insightful to review the steps leading to the successful passage of the elective-governor legislation. In 1966, as a result of continuous pressure, an elective-governor bill was introduced in both houses of Congress, but opponents were able to postpone enactment until the Ninetieth Congress. The appointed Democratic governor wanted the provision enacted in 1967 to coincide with the fiftieth anniversary of the transfer of the Virgin Islands to the United States. However, the opposition, led by the editor of the leading newspaper and the Republican Club, proposed a 1970 date. They felt that the appointed Democratic governor would use his influence to manipulate the elective process and insure his continuation in office. The Republican Party reasoned that it would be impossible to achieve a genuine two-party system if an election was held prior to 1970.² The United States Congress eventually agreed to set the date for 1970, thus removing the major objection to the bill's implementation.

² U.S. Congress, Senate, Guam-Virgin Islands Elective Governors, Hearings Before the Territories and Insular Affairs Subcommittee and the Committee on Interior and Insular Affairs, 90th Congress, 1st Session, February 20, 1967 and April 26, 1967, pp. 52-53, and Hill, Rise to Recognition, pp. 149-150.
The 1968 Elective Governor's Act

On August 23, 1968, President Lyndon B. Johnson signed the Elective Governor Bill into law. The act provided for the election of the governor and the lieutenant governor for a four-year term. If no candidate received a majority of the votes cast, a runoff election was mandated within fourteen days. \(^1\) Despite the right to elect their own governor, the people of the Virgin Islands were still under the supervision of the United States Secretary of the Interior, whose power to appoint a government comptroller for the Virgin Islands was retained. \(^2\) We may reasonably conclude that retention of this office virtually guarantees the adversary relationship that has characterized this office. \(^3\)

\(^1\) Virgin Islands Elective Governor Act (73 Stat. 569).

\(^2\) Ibid., and Hill, Rise to Recognition, op. cit., p. 153.

\(^3\) On August 4, 1977, I attended a governor's cabinet meeting where then-Governor Cyril E. King advised his cabinet that he was terminating certain U.S. government comptroller privileges such as the colocation of their offices in the Department of Finance. He also added that he was halting all existing audits and as of the date of the meeting, no audits would be done without advance notice and clearance from the governor, who would then send the department head a letter saying he had approved the audit. The responsibility for approval had formerly rested with the Commissioner of Finance. The governor had returned from meetings in Washington, D.C., and had been unable to resolve the policy differences between his position on the role of the U.S. government comptroller and that of the Department of the Interior. The governor was taking the above measures to prevent the infringement of the rights of the local government. Another example of the troubled relationship between the Virgin Islands governor and the U.S. government comptroller is described in an article by John Riehm, "He Checks the Books but Comptroller's Efforts Not Always Lauded," The St. Croix Journal, Thursday, December 13, through Wednesday, December 19, 1973. The U.S. government comptroller, in a discussion with the newspaper writer, expressed surprise at the heat of the recent blast made by the then-Governor Melvin Evans at the U.S. government comptroller for his criticism of the Virgin Islands government's shortsighted planning on the widening of the Veteran's Drive, a public highway in St. Thomas.
On November 17, 1970, Virgin Islanders elected a governor for the first time, thus achieving a goal that had first been articulated in the 1920s when the leaders of the majority black Virgin Islanders attempted to secure a representative government for their people. Virgin Islanders' governors were now answerable to their elected representatives rather than to the President of the United States.

The 1972 Non-Voting Delegate Bill

The quest for a resident commissioner to represent Virgin Islanders in the United States Congress began shortly after the passage of the 1936 Organic Act. As early as 1945 the Virgin Islands Assembly had petitioned the Congress for a Washington representative.

Finally, on April 10, 1972, President Richard M. Nixon signed Public Law 92-271 to provide for a non-voting delegate to the House of Representatives from the Virgin Islands and Guam. Governor Melvin Evans, the first elected governor of the Virgin Islands, hailed the bill's passage by the United States Senate as a "most momentous occasion" and expressed "joy and happiness" that this "long-sought-after goal had finally become a reality." As the Virgin Islands Washington representative so ably argued during the hearings on the non-voting-delegate bill, the greater array of problems confronting

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1Hill, Rise to Recognition, op. cit., p. 155.
2Creque, op. cit., pp. 122-123.
4Daily News (St. Thomas, Virgin Islands), March 29, 1972.
the Islands, combined with the greater array of federal programs to
combat them, meant that the Islands' needs were beyond the scope of
casual attention by the Interior Committee. ¹

Under the provisions of the law, the non-voting delegate lacked
the vote on the House floor, but enjoyed other House privileges such
as a seat on the floor, a right to engage in debate, and the right to
introduce legislation. ² After the election of the first Virgin Islands
non-voting delegate, the House rules were amended to allow him a
committee vote. ³

Although the Virgin Islands legislature had its first Washington
representative in 1968, he functioned solely as a lobbyist for the
Islands' interest. ⁴ As a representative he was not entitled to a
Congressional office, membership on committees, lacked access to the
House floor and had no voting power. ⁵

The long struggle for a Washington representative is vividly
described by Lewis, who sees the long history of the fight for adequate
representation in Washington as reflection of the indifference,

¹Home Journal (St. Thomas, Virgin Islands), April 11, 1972,
Daily News (St. Thomas, Virgin Islands), March 16, 1972. U.S. Congress,
House, Committee on the Interior and Insular Affairs, Subcommittee on
Territorial and Insular Affairs, Hearings on Non-voting delegates--
²Daily News (St. Thomas, Virgin Islands), Wednesday, March 29,
1972.
³U.S. Congress, House, House Resolution 6, approved on January 3,
⁴Virgin Islands Code, Office of the Elected Representative to
Washington, D.C. from the Virgin Islands (1968, Title 18, c. 2).
⁵Lewis, op. cit., p. 348.
inaction, and outright hostility with which the United States Congress traditionally viewed demands by Virgin Islanders. A resident commissioner for the Virgin Islands was supported by Virgin Islands' voters in two different referendums, and also by administration officials and Congressmen friendly to the Virgin Islands.

Attempts to secure representation through local legislation were vetoed by Governors Harwood in 1944 and Gordon in 1956. They reasoned, first, that the legislature's action did not inspire confidence in the Virgin Islanders' ability to assume the obligations of their government, and, second, that legislating locally illegally attempted to bypass the Secretary of the Interior, who was the Presidential agent for the territories.

Congressional objections had reflected these attitudes. The first was related to cost and the second to the attitude that the Islanders had no right to complain because only the United States Congress had the authority to determine the Virgin Islands' political status.¹

Summary

Constitutional progress in the United States Virgin Islands was achieved only after an extensive and extended struggle. According to Lewis, "The central malaise of life" in the Virgin Islands "is their continuing status as an 'unincorporated territory'" of the United States. This unhappy condition stems directly from the lack of Constitutional guarantees to unincorporated territories. Lewis concludes, therefore, that Virgin Islanders necessarily exist within an atmosphere of profound

¹Lewis, op. cit., pp. 345-348.
uncertainty, for what Congress gives, Congress can as easily take away.¹

This uncertainty has affected the Islands' development, directly impacting on the foreign-labor program and the development of social services. The delay in implementing an American system of government and the piecemeal manner in which it occurred meant that the businessmen and the landowners maintained their hegemony in Virgin Islands affairs after the 1917 transfer. Thus the black majority's hopes for democratic government remained unfulfilled. Representatives of the black majority, like the labor unions, were viewed as rabble-rousers. The labor unions themselves were unable to secure better salaries and improved working conditions for their members.

Due to the economic difficulties experienced in the Islands after its purchase by the United States government, the only alternative for the black majority was to migrate in search of economic betterment. This large outmigration both created a labor shortage and deprived the Islands of many talented younger people.

When United States immigration laws finally were extended to the Virgin Islands in 1925 businessmen, particularly the owners of the sugar-cane plantations in St. Croix, campaigned for seasonal foreign labor, specifically West Indians. A vicious cycle was thus created: the black Virgin Islander was forced to migrate in part because immigrants were willing to work for lower wages. Although the naval administration was successful in securing Puerto Rican migrants for the agricultural work on St. Croix, the Puerto Rican laborers, American citizens, were free to accept other employment or return at will to

¹Lewis, op. cit., pp. 344 and 358.
Puerto Rico. The businessmen continued to press for foreign workers whose freedom was considerably more restricted. The labor unions maintained that any labor shortage was due to low wages.

Universal suffrage was finally secured in 1936 and the representatives of the black majority secured political power. However, their legislative power easily could be curtailed by the governor. Thus, local legislative initiatives could be severely curtailed. For example, attempts to secure representation in the United States Congress were vetoed and the legislators criticized for their immaturity.

The relatively underdeveloped state of the Virgin Islands and the multiple needs for basic public services such as electricity, water, sewage systems, and so forth, and the impact that a large migration of foreign workers would have on the society, were ignored by the United States Congress, which implemented legislation allowing the entry of foreign labor.

The lack of clarity about Virgin Islanders' citizenship status created a great deal of uncertainty. The Islanders' quest for self-government could thus be prolonged.

As we shall see in Chapters V, VI and VII, the haphazard treatment suffered by Virgin Islanders was especially evident in the social welfare programs. Specifically, the Virgin Islands was excluded from the 1935 Social Security Act. After many years of public testimony, frequent Island delegations to the United States Congress and federal agencies, and publicity about the Islands' deteriorating socioeconomic posture, some provisions of the Social Security Act were allowed. However, more onerous requirements were imposed including different dollar-for-dollar matching formulas and tighter financial ceilings.
The result has been an ineffective social service delivery system.

Today, the trend continues. For example, the Virgin Islands was included in the Food Stamp program, but excluded from the Supplemental Security Income (SSI) program. Under Title XX, the Virgin Islands receives funds if the fifty states and the District of Columbia don't use their total allotments. The Virgin Islands government is constantly on the defensive as it strives to provide programs comparable to those on the mainland.

The magnitude of the total problem can be appreciated by the fact that extraordinary effort must be exercised in regard to all federal programs and the many special legislative acts that pertain exclusively to the Virgin Islands. However, not until 1972 did the United States Congress approve a non-voting delegate for the Virgin Islands. This delay is but one of many illustrations of the Congressional perspective on the Islands. Lewis quite accurately refers to the indifference, inaction, and hostility with which Congress has viewed Virgin Islanders' demands. Not surprisingly, this attitude has fostered a position of inferiority on the part of the Islands' representatives vis-à-vis the Congress.

All of these factors have multiplied the problems related to foreign labor and an effective social service delivery system.

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1 During the closing hours of the 95th Congress, an amendment increasing the ceiling for the Public Assistance program in the territories was attached to the Tax legislation. See, U.S. Congress, Senate, The Revenue Act of 1978 (Pub. L. 95-600, 95th Cong., 2d sess., 1978). However, this increase was limited to the fiscal year 1979 only and the financially strapped territories are unable to effectively make use of these funds to assist clients since there are no guarantees that the funds will be extended.

2 Lewis, op. cit., p. 346.
Now that we have discussed the political relationship between the Virgin Islands and the United States, we shall proceed to Chapter III, "Socioeconomics and the Foreign-Labor Program."
CHAPTER III

SOCIOECONOMICS AND THE FOREIGN-LABOR PROGRAM

Discussions of the multiple socioeconomic problems in the Virgin Islands during the 1970s must inevitably include the foreign-workers program. This program, initiated in the late 1950s, was an exception to the temporary-workers' provisions of the 1952 Immigration and Nationality Act. Under this special program Virgin Islands' employers were permitted to use foreign workers from the British, French, and Dutch West Indies if the local labor market could not supply workers needed in the tourist industry, which generated the economic prosperity of the 1960s.¹

Many discussions on the problems generated by the temporary alien-workers' program are limited to the time the program was in existence. However, the pertinent historical circumstances are germane to any comprehensive examination, for they help in appreciating the distinctive forces that shaped the socioeconomics of the United States Virgin Islands. Critical to an understanding of the Virgin Islands domestic labor force are the interrelationships among the rising aspirations of the unskilled and uneducated Virgin Islands

laborer, cyclical trends of prosperity and depression on the Islands, and the limited opportunities available to the native Virgin Islander for self-advancement.

Chapter III, therefore, will focus on the socioeconomic history of the Islands since the 1917 purchase.

We shall begin our discussion with a review of the socioeconomic conditions at the time of the transfer to the United States. Then we shall discuss the achievements and shortcomings of the naval administration followed by an examination of the Roosevelt New Deal's impact on the new civil administration of Governor Pearson. His creation, The Virgin Islands Company, will then be scrutinized after which our discussion will turn to the 1936 Organic Act and the failures of the aging New Deal. The two major periods spanning the years from 1941 to 1954 will be covered next. Universal suffrage and post-1954 economic development--the Revised Organic Act and the initiation of the foreign-labor program--conclude Chapter III.

Of course, the reader should bear in mind that all conclusions remain tentative.

Socioeconomic Conditions at Transfer

The Virgin Islands, at the time of their purchase by the United States, had lapsed economically into the status of dependencies requiring state subsidies to cope with the endemic problems of poverty, unemployment, and malnutrition.\(^1\) The Danish government, however, had

\(^1\) Lewis, op. cit., p. 38.
spent a fraction of what was actually needed. Thus the United States bought a depressed colonial society with an economy whose traditional outlets for laborers had been estate agriculture based on cheap black labor on St. Croix, harbor commerce supported by clerks and stevedores on St. Thomas, and farming, fishing, and the production of bay oil on St. John. The economic system's inequalities were compounded by hereditary land monopolies: on St. Thomas, 60 percent of the total acreage was held by fifteen owners; on St. Croix, twenty families and one alien industrial group owned 80 percent of the land. Thus, upward mobility of the majority black population was severely restricted and only a few blacks were able to acquire financial and economic power. Small wonder, then, that most of the Islanders looked to their new government, the United States, to improve their economic status.

In St. Croix, where agriculture was the major industry, the prominent products were sugar, rum, cotton, fruits and vegetables, hay, forage, and cattle. Since the middle of the nineteenth century, the Crucian sugar-cane industry had declined due to its low yield per acre, high production costs and freight rates, and more efficient competitors. Despite the sugar industry's decline, it had long been

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1Lewis, op. cit., pp. 38 and 59.
the mainstay of the St. Croix economy.¹ Wages of ten to twenty cents a day, plus housing and a plot of ground, the seasonal nature of sugar-cane cultivation and the limited employment opportunities had fostered the mass migration of Crucian labor to Puerto Rico, Cuba, Panama, and the United States.² Laborers from other West Indian islands were recruited to replace them.³

The St. Croix Labor Union was formed in 1916, but attempts to negotiate labor agreements brought little but repression from the island's power brokers. A strike in 1916, however, led to a wage increase amounting to thirty-five cents per nine-hour day.⁴ Except for very limited gains, the plight of the island's laborer remained virtually unaltered. The agricultural laborers lived a starvation existence in huts and outbuildings, and malnutrition was rampant. Under these conditions, labor's productivity was substandard.

The 2 percent of the population of St. Croix who were landowners remained opposed to modernization, for the tax structure encouraged the holding of land for future speculation while successful sugar-cane cultivation was perceived as dependent on cheap agricultural


2 Jarvis, op. cit., p. 102, Lewisohn, op. cit., p. 357 and Zabriskie, op. cit., p. 132.


labor. These conditions helped maintain the status quo and cut into the union's potential strength.

St. Thomas's agricultural base had been overshadowed by the island's importance as a shipping and transshipping center for the other islands in the West Indies. It was also the communications center of the West Indies and for communications from Europe and the United States. Consequently, St. Thomas laborers were employed primarily in the coaling of ships and related harbor work. When the harbor was busy, as it normally was, laborers earned one dollar or more per day. The exceptions, therefore, such as the 1916 hurricane and the subsequent hard times, fostered the unionization of the coal carriers and other laborers. It was believed also that they were inspired by the success of the St. Croix strike. The St. Thomas Labor Union struck against the West Indian Company in 1917 and obtained the increased wages demanded.


2Moorhead, op. cit., p. 71, in his discussion of the 1916 strike comments that a union of dependent people makes for very limited power. The union could strike but their members owned no land, thus they were dependent on the landowners for housing and subsistence. This limited their bargaining power. Dickinson supports Moorhead's position with his description of St. Croix as the last stand of the old feudal system of industry which depends on cheap and ignorant labor, autocratic and romantic minded overlords and land monopoly. He saw this in opposition to the practice of 20th century which is based on scarce, high paid and increasingly intelligent labor, efficient working executives risen from the ranks and distributed land. See Dickinson, op. cit., p. 378.


4Hill, Rise to..., p. 65 and Zabriskie, op. cit., p. 138.
The economic activity of St. John was limited to the production of bay oil, used in the manufacture of bay rum, the raising of a limited number of cattle, and the cultivation of a small amount of fruit and vegetables, fishing, and the manufacture of bay rum. The population of 959 inhabitants earned their livelihood from the twenty-six farms that represented four-fifths of the island's acreage.¹ St. John's proximity to St. Thomas provided St. John's laborers with some mobility.

The St. Thomas laborer earned three times as much as his Crucian counterpart and even though the Crucian laborer received housing and a plot of ground to grow provisions, he could not substantially improve his position.² His only viable alternative was emigration from St. Croix. The St. Thomas laborer, on the other hand, benefited directly in times of increased harbor activity. Additionally, his exposure to travelers from other parts of the world provided him with knowledge of off-island opportunities. His world view was, as a result, wider than his Crucian counterpart's.

Despite the wage gap between St. Thomas and St. Croix, the socioeconomic conditions of the overall Virgin Islands laboring class were extremely poor. The disastrous hurricane of 1916 further aggravated this situation, prompting the Danish Parliament to dispatch


²There was little unoccupied land in the Virgin Islands on which laborers could settle without violating the law of possession so they were compelled to work on the plantations in order to earn their livelihood. See, Dookhan, A History..., p. 224.
yet another commission to study and report on the Islands—this time in case the treaty of cession of August 4, 1916 was unsuccessful. Their findings indicated that the decline of the Islands had continued. The competition from beet sugar and the low price of cane sugar in the world market had hurt St. Croix. The low wage levels and the building of the Panama Canal had resulted in the emigration of the better workmen whose places were filled by inferior laborers from Barbados and other islands. St. Thomas had declined because of the changes in shipping due to new scientific developments and the dislocations of the World War.

The various attempts by the Danish government to make the Islands self-supporting had failed and numerous improvements were needed. Among these were a geological survey to determine if irrigation was feasible, the improvement of the water catchment system, the construction of a sewer system, the control of mosquitoes, and the modernization of the hospitals. Since the Danish treasury could not afford these improvements, the Islands' transfer to the United States was perceived as the most desirable alternative.

1The Crucian planters were deprived of an adequate supply of laborers as a result of the emancipation of the slaves in 1848. By 1851, they had turned to immigration as a means of securing the needed labor. Considerable effort and government expense went into the recruitment of supplementary labor and by 1860 a tax was imposed to pay for these costs. Laborers came from the British, French and Dutch West Indies, in addition of Madeira and indentured labor from India. Many of these immigrants were leaders during the labor revolts of 1878 and 1916. On the other hand, the continuation of the unfavorable living conditions led to the large scale emigration of Virgin Islanders. Since 1848, the population showed a consistent decline from 39,614 in 1850 to 32,786 in 1890 and 27,086 in 1911. See Dookhan, op. cit., pp. 226-27 and James Warren Green, "Social Networks in St. Croix United States Virgin Islands (Ph.D dissertation, University of Washington, 1972), pp. 79-80.

2Evans, op. cit., pp. 32-33.
As noted previously, the Virgin Islanders hoped their new association with the United States would cure their economic and social ills.\textsuperscript{1} Contrastingly, the primary value of the Virgin Islands in the eyes of the United States related to government coaling depots and military bases. Additionally, a United States Department of Commerce investigating team had made a study in 1916 of the possibilities of marketing more American products in the Virgin Islands and had predicted a bright economic future for the Islands—in direct opposition to the bleak picture painted by the Danish commission. It is important to note that the Commerce Department investigators had not attempted a detailed breakdown of the Islands' socioeconomics. Had they bothered to do so, they could hardly have evaded the true facts.\textsuperscript{2}

The Naval Administration

The conception of the Virgin Islands as militarily strategic led to the Navy Department's appointment to administer them.\textsuperscript{3} The 26,051 inhabitants could not be ignored,\textsuperscript{4} but the outlook for the Islands' economic recovery was poor. The negative factors included precarious

\textsuperscript{1}Dookhan, \textit{op. cit.}, p. 262. In Governor Oliver's May 17, 1917 \textit{Preliminary Report on the Virgin Islands}, he states that the laboring classes were under the impression that the American occupation would increase wages and provide employment for all unskilled labor and that $10 million had been appropriated for this purpose. The landed aristocracy also believed that the United States would purchase large tracts of land at fancy prices.

\textsuperscript{2}Evans, \textit{op. cit.}, p. 34.

\textsuperscript{3}Dookhan, \textit{A History...}, p. 266.

climatic conditions, difficult terrain, minimal natural resources, dwindling shipping and sugar production, declining quantity and quality of population, a slavery inheritance that encouraged family instability, racial friction, and the concentration of land in the hands of a reactionary oligarchy. Governor Oliver's first annual report stated that the problems of sanitation, hygiene, public morality, health care (particularly infant and death mortality rates), education, public roads and water supply were so severe and far-reaching that only gradual improvements were practicable. Although he recognized that limited employment opportunities had forced native laborers to emigrate, his immediate plans did not foresee economic improvement. Instead, funds were requested for an immediate attack on projects related to water supply, sewage disposal, and health and sanitation.2

Emphasis on reforming the Islands' health, education, and public-works programs were to continue under subsequent Naval governors3 and their achievements were remarkable. For example, the naval administration reorganized the hospitals in St. Thomas


2Annual Report of the Governor of the Virgin Islands, Fiscal Year 1917. (Typewritten) The governor also states in this report that there was no immediate necessity for improving the St. Thomas harbor. This was seen as relatively less important than the problems of public health and sanitation.

3Between 1917 and 1927 there were no less than six Governors. These frequent changes frustrated any hope of achieving continuity of policy. See Dookhan, A History..., p. 269.
and St. John, increased hospital personnel and equipment, established training programs for native nurses, improved infant and maternal welfare, formulated a sanitary code, and effectively controlled tropical diseases. The death rate dropped from 35.4 per thousand in 1917 to 19.5 per thousand in 1926.\(^1\) Their greatest achievements, however, were in education.

The educational system was secularized, school buildings were built or reconstructed, teacher training was initiated, existing junior and senior high schools were improved and new ones built, curriculums borrowed from other states were introduced, teachers were employed in increased numbers, and salaries were gradually raised.\(^2\) Thus, the illiteracy rate dropped to a low of 16 percent at the end of the navy era, down from a high of 25 percent in 1917.\(^3\)

Additionally, the naval administration introduced a safe water-supply system, a sewage disposal system, a partial saltwater flushing system, and a modern fire department.\(^4\)

The navy was an abject failure in improving the Islands' economic structure, which continued to deteriorate despite a brief improvement in the sugar industry after World War I.\(^5\) Further

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\(^3\)Lewisohn, op. cit., p. 367.


aggravating the economic situation was a series of calamities that befell the Islands including the movement of the Hamburg-American Steamship Line to Curacao during World War I and the loss of employment for about one thousand people, and scientific advances which saw cable replace radio communications and oil replace coal as fuel in transatlantic steamers. Too, prohibition was extended to the Virgin Islands from 1921 to 1934 and affected the sugar industry in St. Croix, the bay-rum industry in St. John, and the shipping activity in the St. Thomas harbor. The longest and most severe drought in the Islands' history lasted from 1921 to 1923. The disastrous effects of the 1928 hurricane in St. Croix affected every family and the labor market was further depressed by the low price of sugar due to the competition from the beet industry.¹

Despite these harsh setbacks, the naval administration was either unwilling or unable to act. Except for some assistance given Crucian plantation owners through drilling wells and facilitating the marketing of cattle in Puerto Rico, few attempts were made to stimulate agricultural development in St. Croix or increase trade activities in St. Thomas.²

In 1924 in response to a joint resolution of the Colonial Councils, the governor created a department of Commerce, Labor, and Agriculture. The resolution stated that the department's


²Dookhan, A History..., pp. 268-269.
purpose was the investigation of and advising on the "fundamental economic problems of the entire Virgin Islands and securing the most expert advice regarding modern methods of cultivating, processing and marketing" the agricultural products of St. Croix and increasing the dependence of the people of St. Thomas on the soil. The navy chaplin who had responsibility for public welfare was placed in charge of this new department. His repeated requests that an agriculture expert be retained were ignored. Thus the naval administration effectively undercut the Colonial Council's desire to assist in the Islands' economic development.

Grede hypothesizes that the naval administration's failure in this area may have been due to a lack of experience in colonial administration, the impossibility of solving the carryover economic problems of the Danes or the belief that this was not navy business. Indeed, the naval administration's involvement in the Islands' civilian, non-bureaucratic life was so negligible as to be invisible. Unfortunately, this posture failed to meet the needs of both the Islands' economic classes: the large mass of landless, repressed black laborers and the small group of whites and propertied blacks.

1Evans, op. cit., p. 274, Dookhan, A History of the..., p. 269. Lewis, op. cit., p. 57. When Harry Taylor took over the work of this department, in 1931 in the Pearson regime, he discovered that the files covering the activities of these three departments consisted of the contents of less than one half of a standard file drawer. See Letter written by Harry Taylor in Virgin Islands View (November, 1965), p. 6.

2Grede, "The New Deal in the Virgin Islands of the United States, 1931-1941," pp. 58 and 60. It is conservatively estimated that the navy spent over five million dollars for naval personnel and the maintenance of the naval station while disbursing a little under four million dollars for facilities and services to Islanders.

3Ibid., p. 49 and Lewisohn, op. cit., p. 370. Lewisohn also reports that 91 percent of the Virgin Islands' population was black
Both groups entertained unrealistically high expectations about American ownership. Generally, these expectations fell into one of two categories:

That the federal government would undertake a vast spending program for the economic rehabilitation of the colonial economy; that private capitalism would invest heavily in the Islands.

Lewis comments that the tragedy of the navy experiment in colonial government was that the navy, through no fault of its own, possessed neither the machinery nor the political connections to be a political broker with Congress or a sales promoter with continental business. The officers had scant contact with business groups. Their isolation from Congressional politics prevented them from feeding at the trough of the federal pork barrel.¹

Consequently, changes in the Islands' economics were initiated not by the naval administration but by visiting Congressional delegations and representatives of the federal bureaucracy. In 1920, a joint Congressional commission visited the Islands. The commission recommended no significant changes in the form of government;² thus, the quest by representatives of the black majority for fundamental change suffered a major setback.

Despite this disappointment, three significant commissions studied the Islands during the next decade:

₁Lewis, op. cit., pp. 57-58.  
²Evans, op. cit., pp. 218-220.
1) the 1924 federal commission appointed by the Secretary of Labor to investigate industrial and economic conditions;

2) the 1928 educational survey authorized by the Secretary of the Navy;^1

3) the 1929-30 report on the political, social, and economic conditions by the chief of the Federal Bureau of Efficiency.

First, we shall discuss the 1924 commission.

The 1924 commission. The 1924 Negro Commission^2 noted that large numbers of native workers complained about being undercut by aliens from nearby islands who worked for lower wages than the pittance demanded and received by the domestic laborers. The commission therefore recommended immediate consideration of barring alien seasonal labor migration.^3 Despite this recommendation, rigid enforcement of the Immigration Act did not occur in the Virgin Islands until 1941, when the Immigration and Nationalization Service assumed complete jurisdiction.\^4

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^1These 1924 and 1928 commissions were also known as the Negro Commissions as they were composed of black mainland residents. The educational survey was conducted by Negro educators from Hampton and Tuskegee Institutes.

^2Jarvis, op. cit., p. 138. Agricultural workers were then paid 20¢ to 40¢ per day and workers involved in coaling vessels averaged 60¢ per day, but work was usually available for only two days per week. See U.S. Department of Labor, Office of the Secretary, Report of Federal Commission to the Virgin Islands, 1924 (typewritten), p. 1.

^3U.S. Department of Labor, Office of the Secretary, Report of Federal Commission to the Virgin Islands, 1924, p. 3. The report indicated that the cost of living was very low, but to improve the opportunities for work "these people must migrate" to avoid sinking to an economic level abhorrent to American ideals.

The commission reported finding pervasive unemployment, inadequate wages, hunger, and poor housing;\(^1\) indeed, six of its ten recommendations were directed toward economic rehabilitation. For example, the commission recommended that St. Thomas be restored as a port of call and that the Department of Commerce make a special study of manufacturing and commercial possibilities so the Islanders would feel that the Islands were viewed as more than a mere defense outpost.\(^2\)

Jarvis writes that Martin Trench, the governor who served from September 1925 to January 1927, was an enthusiastic and influential reformer, but died prematurely.\(^3\) Despite Jarvis's enthusiasm, however, it remains doubtful whether much could have been accomplished under Trench to improve the economy given the record of the fourteen-year naval administration.

**The 1928 Report.** Although substantial credit was due the navy for its establishment and operation of an education system, by 1927 it was obvious that further improvements were desirable.\(^4\)

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\(^1\)The housing of workers was described as largely one room shacks with an occasional lean-to kitchen. See U.S. Department of Labor, Office of the Secretary, *Report of Federal Commission to the Virgin Islands*, 1924, p. 1.

\(^2\)Ibid., pp. 2-3.

\(^3\)Jarvis, *op. cit.*, p. 140.

\(^4\)In 1928 it was reported that education which at first was liberally supported had been gradually dropped into a subordinate place. Education never came nearer than half of the expenditures for health and poor relief. See *Report of the Educational Survey of the Virgin Islands*, authorized by the Secretary of the Navy and conducted under the auspices of Hampton and Tuskegee Institutes (Hampton, Virginia: The Press of the Hampton Normal and Agricultural Institute, 1929), p. 69.
Consequently, Governor Evans, in 1927, requested the Secretary of the Navy to authorize an education survey, which was performed by Hampton and Tuskegee Institutes in 1928.¹

The survey report concluded that the Department of Education had been conducted in a sincere and capable manner, but that the rebuilding of the deteriorated economic and social life of the people demanded more comprehensive development. This goal required a large per-capita expenditure on education including the participation in the responsibility of the people for their education system, and the expansion and upgrading of industrial and agricultural education. Furthermore, the education system needed to be related more to local conditions, the gap between the home and the school bridged. A program of sabbatical leaves and scholarships was recommended as well as a salary schedule related to educational attainment.²

The commission's report transcended its educational framework to paint a stark picture of economic deprivation and social dislocation,³ focusing on the condition of labor. Noting that although wages were twice as high ten years previously, the report pointed out that they were still low and that the Islands offered little choice for the laborer. Outlets for the ambitious Islander


³Lewis, op. cit., p. 60.
were limited mostly to government clerical work and small trade, thus hastening mass migration to the United States.

The industrial interests of the Islands, said the commission, forced the standards of labor down to the cheapest possible level. The more ambitious laborers were driven to the towns to compete for clerical jobs, for places in mercantile life, or to the United States; those who remained were the old, the infirm, and the workers of lower caliber. Except for massive reconstruction, which was highly unlikely, improved education was the only way to reverse deterioration.

1The 1928 Commission reported that of the 125 high school graduates between 1920 and 1924, 60 went to the United States to study and find work, 30 were doing clerical work on the islands and it was felt that it would be too much to assume that more than a very few were entering actively into the industrial and productive life of the community. See the Report of the Educational Survey of the Virgin Islands, p. 62. Thus the educational system also helped to foster the outmigration due to the limited on island opportunities for advancement.

2Ibid. Grede reports that migration to the mainland not only reduced the quantity but also the quality of Virgin Islanders remaining as it was the ablebodied young adults, the best workers and the more ambitious who left the Islands. The children were left behind with elderly relatives or no kin at all. Another serious effect of this migration was the further weakening of the already loose family organizations. The preponderance of young males who left for the United States left behind women and children. The insecurity of females and family life resulting from the migration of young males was superimposed on a cultural pattern of loose family organization descendant from the days of slavery. Loose family ties made it easier for the young men to leave in the first place and, of course, their leaving further weakened family structure. This lack of family cohesiveness was both a cause and effect of migration. See Grede, op. cit., pp. 37-38. In 1917, the Census showed 85.4 males to 100 females and by 1930, females exceeded males by as much as 16 percent. See U.S. Department of Commerce, Bureau of the Census, Census of the Virgin Islands of the United States, November 1, 1917, p. 49, and Grede, op. cit., p. 37.

The 1929 Report. In March 1929, a subcommittee of the House Committee on Appropriations visited the Virgin Islands to study the economic problems, particularly the issue of federal appropriations. The subcommittee subsequently recommended and secured Congressional and Executive approval for a thorough survey of political, economic, and social conditions.

In the winter of 1929-1930 Herbert D. Brown, chief of the Bureau of Efficiency, and his staff conducted an extensive study in the Islands. A nine-hundred page analysis, detailing a proposed full-scale rehabilitation program, was produced.¹

Basically, Brown suggested three alternatives to the Congress:

1. decrease the federal contribution, placing the Islands on a regrettably lower standard of government service;
2. continue indefinitely the non-productive subsidies;
3. increase, for a time, the amount of federal contributions in order to establish productive enterprises capable of helping the Islanders to achieve self-sufficiency.²

The United States Congress eventually accepted the Brown rehabilitation program, for the subcommittee was impressed with the notion that larger appropriations would enable the Islanders to help themselves. But the committee would not push the program through Congress and thus credit must be given to Brown for its success.

¹Evans, op. cit., p. 159.
Brown developed the program as a whole and took the many steps necessary—including the lobbying of the Executive and Congressional branches. He then successfully fought for the funds to implement the program, which were approved on June 11, 1930. Before the end of June Brown and his staff had begun their work in rehabilitation, but his request for control over the rehabilitation funds raised the specter of a second administration in the Islands.

Rumors flew about that the Islands had two governors. Amidst this controversy, President Hoover, acting partially as a result of Brown's efforts on behalf of the report, withdrew the navy, announcing on January 30, 1931 that he would transfer jurisdiction to the Interior Department. The Bureau of Efficiency was assigned to aid in the necessary reorganization, thus strengthening Brown's grip.¹

The investigation by the Bureau of Efficiency, unlike the other investigations that had preceded it, thus represented a political and economic turning point in the life of the Virgin Islands. Politically, it resulted in the transfer of the Islands from the naval administration to the Department of Interior. Economically, it led to the launching of the rehabilitation program.²

Many authors have discussed the failures of the naval administration, but none dispute its achievements in health, education, and public works.³ Brown, however, commented that despite the great

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²Ibid., pp. 3-4.
education, health, and public-works improvements, the people were worse than before in some respects. True, education had been improved, but employment opportunities remained extremely limited and the economy depressed. He concluded by stating that the phrase "overeducated and underfed" might with some truth be applied to them.¹

Additional factors also led to the transfer. Naval disarmament forced reconsideration of the strategic value of the St. Thomas harbor; the threat of a hostile Germany was removed with the end of World War I; friendly powers controlled nearby West Indian harbors. As the United States economy declined, large expenditures on a naval base that provided employment for a small portion of the native population were increasingly difficult to justify. With the continuing deterioration of living conditions for most Islanders, a New Deal was indeed required.²

The New Deal

The New Deal in the Virgin Islands preceded President Roosevelt's New Deal by about two years. Despite President Hoover's skepticism about the possibility of making the Virgin Islands self-supporting he permitted his subordinates to test the program and supported them in their struggles with Congressional committees, leading to the


²Grede, op. cit., pp. 61-65.
appropriation of the first $141,000 in rehabilitation money.¹

The formal creation of a civilian administration was initiated by Presidential Executive Order signed on February 27, 1931.² The Interior Department was "peculiarly adapted to the task" because of its experiences with other acquired and underdeveloped territories.³

The New Deal was to evolve through four phases during the decade from 1931 to 1941:

1. the initial start-up phase under Brown and Governor Pearson;

2. the chartering of the Virgin Islands Company, a public coproration that promoted business;

3. the 1936 to 1939 period, when the New Deal achieved its greatest successes including the 1936 Organic Act that established an American form of government;

4. the subsequent failure of the New Deal efforts in the 1939-1941 period.

The New Deal Program and the Pearson Administration

Brown and his staff were already implementing the rehabilitation program when the first civilian governor, Paul M. Pearson, was inaugurated on March 18, 1931.⁴ Eight days later, President Hoover

¹Evans, op. cit., p. 281.
²Executive Order No. 5566, February 27, 1931, Cong. Rec. 74 p. 6666.
⁴Evans, op. cit., p. 162 and Jarvis, op. cit., pp. 159-160.
and Secretary of the Interior Wilbur visited St. Thomas briefly and both were discouraged by the seeming lack of prospects for the successful execution of the rehabilitation program. In commenting to the press about his visit, President Hoover described the Islands as an "effective poorhouse" where the people could not be self-supporting. Hoover hoped the transfer to a civilian administration would result in the development of some form of self-sustaining industry or agriculture, relieving the United States government of the need to support the population.

The people of the Virgin Islands were stunned by the President's statements. Governor Pearson and his staff, on the other hand, interpreted the remark as a challenge and worked hard to disprove the President's diagnosis. The Pearson administration was committed to the rehabilitation program, strongly supporting the Bureau of Efficiency's recommendations and even expanding on them. The initial $141,000 Congressional appropriation was linked to immediate objectives: (1) homesteading; (2) remodeling the Grand Hotel in St. Thomas; (3) bay-oil development in St. John; (4) establishing an industrial and agricultural school in St. Croix; (5) remodeling the poor farm; and (6) reforestation.

Adding to the above recommendations, Governor Pearson favored the promotion of native handicrafts, some of the recommendations of

1Evans, op. cit., p. 289.
4Evans, op. cit., pp. 286-289.
the 1928 Negro Commission in modernizing the education system, recreation programs, trade development, reducing the number of officials in the insular government, and holding conferences to get people interested in solving their own problems. ¹

Although it is certainly questionable whether all these goals could have been attained, Governor Pearson's attempts to achieve them were undermined by his subsequent split with Brown. Evans writes that "there is indisputable evidence that Mr. Brown attempted to exercise an unjustified and unauthorized degree of control over Governor Pearson and his administration."² Brown unsuccessfully attempted to have Governor Pearson replaced. Governor Pearson countered Brown's assertions of his incompetence by publicizing what were at times considered trivial accomplishments.³

Despite the Pearson-Brown controversy, the governor achieved some of his goals. The major activity of the rehabilitation program during this period was the homestead project on St. Croix. As noted previously, in Chapter II, the concentration of land ownership in the hands of a few families, together with the depressed wages, made it impossible for most Virgin Islanders to purchase farmland.⁴ A partial solution, used in other West Indian islands, in resolving social and economic ills was putting small farm holdings within reach of the poor.⁵

¹Evans, op. cit., pp. 286-289.
²Ibid., p. 291.
⁴Evans, op. cit., p. 283.
⁵Creque, op. cit., p. 91.
The formula, of course, was to buy land with federal funds and then to subdivide into small farms. Initially, the homesteaders would be allowed to purchase five-to-ten-acre tracts on deferred payments at low interest rates. They could grow food for their own use and produce sugar cane as a money crop.

The collapse of the sugar industry in the summer of 1930, and the bankruptcy of the company holding the best homesteading land, provided an excellent opportunity. However, the purchase was delayed by limited funds and legal encumbrances. Consequently, purchase of this property was delayed until September 1934.

In the meantime, however, other land was purchased in both St. Thomas and St. Croix and by February 1, 1933 most of the plots were in the hands of homesteaders. By July 1, 1934, it was found necessary to replace only 10 percent of the St. Croix homesteaders for unsatisfactory work while more than 90 percent made the first payment from crops grown on their farm plots. The St. Thomas land was not as satisfactory for homesteading, but plots of three to eight acres were laid out and a few were cultivated. A housing program was also linked to the homestead program and a number of concrete-block two- and three-room houses were constructed.

Further development of this project became the responsibility of the Virgin Islands Company, which was chartered on April 9, 1934 (see the following section).1

Trade development had been one of the administration's goals and four bills passed by Congress should have helped in meeting

this goal. We shall briefly describe the substance of the bills.

1. The authority for the St. Thomas Harbor Board to sell bonds. This would enable the Harbor Board to build another floating dry dock. The floating dry dock which had provided income and employment for many years had sunk in 1924, but had not been replaced. The Secretary of the Interior was required to insure that the income from harbor business would retire the bonds, which were not guaranteed by the government. Unfortunately, the harbor's revenues were insufficient and the bonds could not be authorized.¹

2. The 1930 extension of various provisions of the Rivers and Harbors Act of March 3, 1899. The 1930 act included provision for projects such as removal of the wrecked dry dock from the St. Thomas harbor because the Virgin Islands were brought under federal statutes for the protection of navigable water. Unfortunately, the dry dock was not replaced so the potential economic development benefits of this act were not fully derived.

3. The extension of the National Banking Act. This act established a United States National Bank in the Virgin Islands at the expiration of the National Bank of the Danish West Indies in June 1934. This change resulted in the United States dollar replacing the Danish West Indian franc as the Islands' legal currency. The volume of work involved in converting money was thus eliminated.²

¹Evans, op. cit., pp. 306-7, Jarvis, op. cit., p. 163, and Lewis, op. cit., p. 82.

²Creque, op. cit., p. 94, Evans, op. cit., p. 296, and Jarvis, op. cit., p. 165.
4. **Authorizing the Colonial Councils to levy internal revenue taxes.** This act was designed to add income to the municipal treasuries. Officials of the United States Customs and Postal System were directed to assist the municipal officials in the collection of these taxes. On December 18, 1933, the Colonial Council of St. Thomas and St. John implemented the provisions of this legislation by establishing an internal revenue tax which successfully met a court test of its legality. The St. Croix Colonial Council did not enact the measure. Despite this action on the part of the St. Thomas and St. John Colonial Council, revenues continued to decline and federal appropriations were needed to cover the deficits.\(^1\)

Although the four measures above did not have an immediate impact on the Islands' economy, they did push the Islands further within the American system of government.

As envisioned by Governor Pearson, trade development included the opening of new markets and the distribution and sale of what was produced in the Islands. Several experiments, such as the growing of fresh vegetables for the New York market, were tried. These attempts were not particularly successful. For example, heavy rains damaged the tomato crop in 1934. Nevertheless, plans were made for increasing the total acreage the following year. The promotion of native handicrafts such as needle work, basketry, and cabinet-making was also undertaken.\(^2\) A handicrafts cooperative was established in

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\(^2\)Evans, *op. cit.*, pp. 287 and 299.
St. Thomas and exhibits were held in mainland cities, but it was not a profitable undertaking and considerable disappointment was experienced during the first three years. Under FERA financing, the situation improved and the number of workers and the amount of sales both increased by 250 percent in 1934 over 1933. The production of bay-oil and bay-rum in St. John was investigated, but bay-rum production remained the same and sugar production suffered a decrease during fiscal year 1934.¹

The promotion of tourism was yet another goal and the initial rehabilitation appropriation provided for the remodeling of a St. Thomas hotel, which would then be leased to a private party. Mr. Brown later decided that the first hotel was unsatisfactory and in 1933 the Bluebeards Castle estate was purchased for the hotel project. A twenty-room hotel was also constructed with Public Works Administration funds, thus making a total of three hotels on St. Thomas. Plans to construct another hotel at the Lindberg Bay estate were not implemented and the property was used for a golf course and a botanical garden.² Governor Pearson reported in fiscal year 1974 that the tourist industry had increased greatly.³ Nevertheless, Lewis writes that the tourist program had little immediate effect, since cheap mass-tourist travel was unlikely to be implemented during a severe depression.⁴ Even though the groundwork began during the

³Ibid., p. 302.
⁴Lewis, op. cit., p. 82.
New Deal, tourism as a major industry did not become a reality until the 1960s.

Impressive results were achieved, however, in modernizing the education system. The accomplishments included an increase in attendance at the summer school for teachers, the securing of scholarships for Virgin Islanders at Howard University and Hampton Institute, the initiation of an adult-education program, the employment of teachers with higher qualifications, improvement in the curriculum in both quality and adaptability to local conditions, and the establishment of a vocational institute in St. Croix to promote native crafts and support the homestead program. Generally, the Pearson administration continued and improved on the methods used during the naval administration.¹

Partial success was achieved with other objectives that Governor Pearson had publicized at the beginning of his administration. For example, the reforestation of abandoned farms was initiated.² Comprehensive plans were completed for the establishment of a recreational park, a baseball league was organized in St. Croix, and a series of conferences were held to discuss the problems of orphans and adolescent girls.³

²Evans, op. cit., p. 295.
Governor Pearson had promised in 1931 to reduce the number of government officials but their numbers had increased. The rehabilitation program itself led to the creation of new offices, thus expanding, rather than contracting, the number of government officials. Lewis saw the governor's promise as an example of one of the serious internal contradictions in the basic principle of the New Deal philosophy for the Islands.¹

However, the most severe criticism of the governor was over a program of culture and entertainment that included the production of concerts and operettas. Jarvis, the native historian, wrote that however "valuable under other conditions, this program was decidedly out of place in the Islands." Fortunately, this phase of the rehabilitation scheme was soon abandoned.² Dookhan also writes that many concerts and entertainments were organized to create a feeling of satisfaction and well-being. This use of trifling achievements to indicate a return to prosperity in fact conflicted harshly with reality and helped to discredit the administration.³

Eventually, the unevenness of the rehabilitation program on the Islands and the initiation of a full-scale rehabilitation program on the United States mainland led to a reevaluation of the Virgin Islands New Deal.

¹Lewis, op. cit., p. 83.
²Jarvis, op. cit., p. 167.
The Virgin Islands Company

The establishment of the Virgin Islands Company marked a turning point in the development of the Virgin Islands New Deal. The company enabled the rehabilitation program to avoid the bureaucratic requirements of government. The essential components in the successful establishment of the Virgin Islands Company were Governor Pearson's ability as a lobbyist, his success in selling the idea of rehabilitation on a large scale, his ability to secure the needed funds, and the wholehearted support from Presidents Hoover and Roosevelt's Secretaries of the Interior.

Generally, the company was expected to promote industrial development through the acquisition and cultivation of abandoned land, to provide employment opportunities for the people, and to assist small farmers. The company's overall goal was to relieve permanently "the widespread and chronic unemployment of a stranded community without capital resources, through the industrial development of the islands in general and through the rehabilitation of agriculture." The plan for the company had been devised by an Advisory Council for the Virgin Islands established by President Roosevelt in February 1934. The company was to be incorporated under the laws

1Evans, op. cit., p. 303.
2Jarvis, op. cit., p. 167.
of the Municipality of St. Croix, the entire stock of the company to be held by three trustees—the governor, the Secretary of the Interior, and one other—who would in turn appoint a five man board of directors. The company also was directed to assist the Colonial Council in promoting education and social welfare programs. Initially, the company received a $1,000,000 grant from the Public Works Administration and smaller amounts from other federal agencies. However, acceptance of the company by vested interests in the Virgin Islands proved a difficult first test.

The New Deal had not been welcomed by the local residents and to many its early accomplishments seemed small in comparison with the withdrawal of the naval station in St. Thomas and the bankruptcy of sugar-production companies in St. Croix. There was much skepticism and some opposition to the whole homesteading scheme in St. Croix. This opposition surfaced with new intensity when the governor in 1934 attempted to secure the Virgin Islands Corporation's charter from the St. Croix Colonial Council, since the principal work of the corporation would be the management of the homestead experiment in St. Croix. The landed aristocracy and merchants, both black and white, opposed this reform because poor people would benefit and taxes would rise. Thus, the Colonial Council of St. Croix fought every phrase of the law.

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1$1,000,000 Granted by P.W.A. to Rehabilitate V.I.," The Virgin Islands Daily News, February 23, 1934.

2Evans, op. cit., p. 303.

3Grede, op. cit., pp. 6 and 7.
The most important stumbling block was the eminent domain clause which some Islanders felt was intended to take their homes and wives from them.\(^1\) Failing to secure the charter from the St. Croix Municipal Council, the governor approached the St. Thomas Municipal Council, which was nearly as recalcitrant. Nevertheless, on April 9, 1934, the Virgin Islands Company Act passed the Colonial Council of the Municipality of St. Thomas and St. John by a unanimous vote.\(^2\)

The passage of the act provided the legal authority for the company to begin implementing the rehabilitation program. The company's greatest involvement was in agriculture, especially in the sugar industry where it engaged directly in cultivation and processing or assisted local farmers.

In addition to sugar, the company processed distilled rum. The lifting of the Prohibition restriction in 1933 had made this possible; markets for the rum were found locally, in the United States, Hawaii, and Alaska. The company also manufactured and sold a special distillate to a St. Thomas corporation for the manufacture of bitters.

The Virgin Islands Company was also involved in financing industrial, commercial, and agricultural projects for private investors who could not obtain financial assistance through banking institutions.

\(^1\)Jarvis, op. cit., p. 169.

\(^2\)Ibid., and Evans, op. cit., p. 303.
In view of the inadequate rainfall in the Virgin Islands, the provision of water both for domestic and agricultural needs, was perceived as a priority of domestic development. The dams built at the company's behest drastically reduced the ill effects of droughts.

Despite the company's many endeavors, the first and second fiscal years of operation resulted in financial losses of $23,000 and $11,000, respectively.\(^1\) Additionally, the attitude of Virgin Islanders toward the company remained very negative. Crucian landowners feared company competition and believed the government would grant eminent-domain powers to the company. In their opinion, the company would ruin the private producers.\(^2\) This skepticism about the company's value was even more severe when the comptroller general subsequently decided that the profits realized by the Company through use of federal money had to be remitted to the United States Treasury. The tax exemptions granted to the company were removed in 1936, but losses amounted to approximately $30,000 annually.\(^3\)

The company's operation was also affected by the mounting opposition to Governor Pearson who, unlike the naval governors, had shown considerable skill in dealing with the political reformists.


\(^2\)Grede, \textit{op. cit.}, p. 152.

\(^3\)Evans, \textit{op. cit.}, p. 304, and Dookhan, "The Virgin Islands Company," p. 64.
He outplayed his opposition in publicizing his case and in lobbying the United States Congress and the administration.\textsuperscript{1} He had retained the governorship, despite the change from a Republican to a Democratic administration in the United States. His success had only increased the frustration and determination of his opponents.\textsuperscript{2}

After the incorporation of the Virgin Islands Company, the campaign to discredit Governor Pearson increased. An October 1934 riot after a protest march by a native political leader led to a Congressional investigation of the Pearson administration. Among other things, the governor was charged with graft, corruption, inefficiency and waste. Jarvis describes these events in a sad commentary as a fiasco played to a large gallery of investigators, lawyers, and senators. The investigation resulted in the long-sought-after removal of Governor Pearson. In July 1935 Lawrence Cramer became the new governor.\textsuperscript{3}

Governor Cramer had been the government secretary under Governor Pearson; living in St. Croix, he had demonstrated considerable skill in dealing with his political opponents. His approach was a judicious blend of firmness, frankness, and a willingness to compromise.\textsuperscript{4}

The major events of his administration were the brief success achieved by the New Deal in the period from 1936 to 1938 and the

\begin{itemize}
\item \textsuperscript{1}Dookhan, \textit{A History}, p. 278.
\item \textsuperscript{2}Ibid.
\item \textsuperscript{3}Ibid., p. 278, and Jarvis, \textit{op. cit.}, pp. 170 and 182.
\item \textsuperscript{4}Dookhan, \textit{A History}, p. 279.
\end{itemize}
enactment of the 1936 Organic Act.

Federal subsidies in the period between 1936 and 1939 were still perceived as necessary, but the New Deal spokesmen regarded them as temporary pump-priming which could soon be discarded.

The optimism was balanced during this period by tangible results. The Virgin Islands Company homestead program had involved hundreds of small farmers in sugar production and they compiled a respectable record of mortgage payments. By 1938 it was estimated that practically no one was out of work on St. Croix. The company directly employed fifteen hundred workers and mill hands amounting to one-third of the island's employable residents. Additionally, it provided indirect employment as a market for hundreds of small cane growers.¹ The Virgin Islands cooperatives expanded sales from $4,000 in 1931 to $25,000 in 1937. The tourist trade was up to 11,000 visitors per year, three times the 1931 figures. Federal subsidies, at least in St. Croix, were declining. In 1931 the federal government subsidy for municipal services on all three islands was $230,000 and by 1936 this had declined to $150,000. Within the next two years, St. Croix cut its deficit again as Virgin Islands Corporation taxes of $26,701 for 1937 and $35,532 for 1938 were paid.

By the end of fiscal year 1937, the company showed its first profit of $5,159.85.² Governor Cramer seemed to be on the way toward demonstrating that financial independence for the Virgin Islands

²Ibid., p. 63.
could be secured.\footnote{Grede, \textit{op. cit.}, p. 201.}

The 1936 Organic Act brought the much-awaited political changes and represented a considerable extension of political power. Most important was the provision granting the franchise to all residents of both sexes over age twenty-one who could read and write the English language.\footnote{Dookhan, \textit{A History}, pp. 279-280.} The lower-class Virgin Islanders could finally elect representatives to address their needs. Under the old restrictive voting requirements there were 1,498 voters in 1936, but this number doubled by 1938.\footnote{Grede, \textit{op. cit.}, p. 220.}

Universal suffrage led to the initiation and development of the first political party concerned with the black masses. The Virgin Islands Progressive Guide conducted an educational campaign to strengthen its membership and secure the support of the newly enfranchised poor voters on St. Thomas. The party secured three of the seven seats in the St. Thomas and St. John Municipal Council.\footnote{Hill, \textit{A Golden Jubilee}, pp. 128-130.} On St. Croix the Political Guild, composed of the labor union leaders, won three of the nine seats as two established politicians lost to newcomers.\footnote{The \textit{St. Croix Avis}, October 31, 1938, November 5, 1938, and November 12, 1938.} Unfortunately, both Municipal Councils were unable to address the needs of the newly enfranchised voters as the conservative interests continued their domination. By the time the voters went to the polls in 1938, the optimistic glow of 1936 had begun to fade.\footnote{Grede, \textit{op. cit.}, p. 207.}
The economic decline soon dampened the political gains. The first blow was the 1938 drought. The long dry spell sealed the fate of the small farmers. The bright prospects for financial self-sufficiency, as a result of the Virgin Islands Company's efforts, were destroyed; again the Islands had to rely on deficit appropriations from Washington. In effect, the Virgin Islands Corporation became a massive relief agency.¹

The Failure of the New Deal, 1939-1941

The New Deal declined after 1939 and was barely recognizable by 1941. Nevertheless, the political changes which had occurred as a result of the 1936 Organic Act eventually produced far-reaching legislation.² In 1940, the candidates of the Virgin Islands Progressive Guide campaigned on the "Square Deal Ticket", pledging to address concerns such as the conditions of laborers in the Islands, the need to protect workers from job injuries, and a program of slum clearance and development of a federal housing program. The entire Progressive Guide slate of seven members was elected to the St. Thomas and St. John Municipal Council.³

The St. Thomas and St. John Municipal Council proceeded immediately to develop and pass legislation related to the concerns of the working class including Hill's Wage and Hour Act of 1941 which regulated the hours of employment and the wages that would be paid to

¹Ibid., p. 208.
²Grede, op. cit., p. 204.
workers in St. Thomas and St. John. Hill vividly describes the struggle that ensued between labor and the propertied class as a result of the introduction of this legislation. Although all the members of the Municipal Council were from the Progressive Guide, eight months were needed for the legislation to be passed and signed into law by the appointed governor. The successful fight for the passage of this legislation was later to be termed a "bloodless revolution."  

Other legislation included bills on rent- and price-control legislation, education for adults, workmen's compensation, scholarships for college training on the United States mainland, improved health laws, and a strong antidiscrimination act.

Changes in the St. Croix Municipal Council were much more difficult to achieve as the conservative business interests continued to dominate the Municipal Council, so parallel legislation was not passed until after the demise of the New Deal.

The economic situation in the Islands continued to deteriorate at the same time that the United States Congress became increasingly reluctant to vote for deficiency appropriations. Grede expresses the opinion that the Islanders' unwillingness to tax themselves might have sprung from belief that they would never be self-supporting.

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1Ibid., pp. 133-139.
2Ibid., p. 139, and Creque, op. cit., p. 113.
3Creque, op. cit., p. 115.
Grede suggests the following in summarizing the reasons for the economic shortcomings and disappointments of the declining Virgin Islands New Deal: droughts and opposing private interests affected adversely both the Virgin Islands Corporation and the homesteading program; an Advisory Council was supposed to set direction but was not used; an agricultural station was poorly managed and misused; and, basically, a sugar economy that required on-going subsidies and an undeveloped tourist trade meant that little hope existed of solving the economic problems that beset the Islands.\(^1\)

Lewis, on the other hand, sees the New Deal period as the application of the New Deal spirit to the colonial problem. It did not solve that problem but it did much to alleviate its worse features. The New Deal brought to the Islands all its remarkable qualities such as its willingness to try new ideas, its passion for innovation, its experimentalism, its infectious enthusiasm, its readiness to use the power of public government in areas where private enterprise had failed. However, the New Deal experiment in the Virgin Islands became enmeshed in the Washington political jungle and the energy needed to concentrate on local problems was not available. Lewis concludes that the failure of the New Deal program in the Virgin Islands—as on the national level—was due to the fact that it was not a bold coherent plan to reshape American economic society, but rather a hasty and improvised response to a sudden crisis. In \(^1\)Ibid., p. 217.
the final analysis the economic program, despite the criticism of
the naval administration, amounted to more of the same, that is,
an accelerated injection of public works and relief programs.¹

Lewis, unlike Grede, views the failure of the New Deal as part of Washington's failure to truly appreciate the colonial nature of the society. Grede's view is that the failure was an administrative one, compounded by natural disasters and the Islands' history. In the final analysis, the New Deal, like the naval administration that preceded it, failed to provide the economic stimulation that the community needed. Consequently, the Virgin Islands entered the war years burdened with a depressed economy.

The War and After, 1941-1954

The period 1941 to 1954 encompassed two major eras in the Islands' economic history. First, the World War II period was characterized by extensive defense employment and abnormal tax collections that temporarily solved the Islands' economic problems. Second, the post-1945 period was marked by a return to economic decline.²

The World War II Period. World War II ushered in an era of prosperity and created previously unavailable opportunities including the 1943 extension of the Selective Service Act.³ The extension

¹Lewis, op. cit., pp. 69-70 and 80-82.
²Ibid., p. 92.
³Creque, op. cit., p. 122.
provided Virgin Islanders with job opportunities, enhanced their status as United States citizens, and established their loyalty to the United States government. The Virgin Islands servicemen received standard military benefits, improving the standard of living for many Virgin Islands families and raising expectations for the future.

Another factor that brought money into the Islands was German submarines. A German submarine force attacked the Aruba oil refineries in 1942, transforming the Caribbean into an active war zone. The Vichy government controlled the French Antilles and pro-German sympathizers were strung throughout the Caribbean. The United States government's desire to safeguard the Caribbean shipping lanes, protect the Panama Canal from seizure, and hold on to its Caribbean possessions led to a quick upgrading of the Islands' defense capability.

Many laborers abandoned agricultural employment for more lucrative jobs on defense projects. Defense employment demonstrated to many of them that even with limited skills they could improve their economic situation. The war thus temporarily solved the unemployment and underemployment problems in the Virgin Islands.

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1It is worthy of note that despite the reluctance of the United States government to grant Virgin Islanders the same rights and privileges as other United States citizens, they were expected in times of war to fight for the United States Government.

2Lewis, op. cit., p. 93.

Peace ended the wartime prosperity. As troops and military personnel were pulled out, the economy suffered a major decline.\textsuperscript{1} However, the laborers, to a large degree, were now unwilling to resume agricultural work that provided a bare subsistence.\textsuperscript{2} Thus, by 1946 the Virgin Islands could not provide the needed jobs or the kinds of jobs desired by the Islands’ workers.

The Post-1945 Period. A major factor impacting on the Islands’ future was the return of a large group of young men from the United States military. Approximately eight hundred Virgin Islanders were conscripted for military service and by June 30, 1946, 650 servicemen had been demobilized and returned to the Islands.\textsuperscript{3} They returned having experienced Jim Crowism. Their reactions to this experience were to be molded into a major political force that attempted to sweep aside the social, political, and economic injustices endured by lower-class Crucians.\textsuperscript{4}

Coinciding with the return of the Crucian servicemen was the reorganization of the St. Croix Labor Union, whose membership consisted for the most part of people exploited by traditional injustices.

The St. Croix Labor Union and the ex-servicemen worked together to wrest political control from the old guard. The labor union

\textsuperscript{1}Ibid., p. 99.
\textsuperscript{2}Doobkan, A History, p. 286.
\textsuperscript{4}Creque, op. cit., pp. 115-117.
appealed to their members to support the union leaders' bid for membership on the Municipal Council. The ex-servicemen, who had experienced and understood the needs of the agricultural workers, campaigned hard in the rural areas. The hard work by candidates and supporters who communicated extremely well with the masses paid off. In 1946, this group took control of the Municipal Council of St. Croix.

The Municipal Council gradually implemented regulatory programs to meet the needs of the laboring class, the conservatives, outvoted, delayed but could not block the enactment of needed legislation. It was not until 1947 that the Harrigan Minimum Wage and Hour Law, patterned after the 1941 Hill Wage and Hour Act, was passed. Like the earlier act it also regulated the wages and working hours of the St. Croix labor force.

In the St. Thomas and St. John district the return of the ex-servicemen had an impact not only on the economic situation but on a critical political movement. This group of young men, who eventually became the nucleus of the Liberal Party, immediately were opposed by the previously formed Progressive Guide Party. Attempts to secure a place on the Progressive Guide's ticket met with failure, so the younger and more liberal group ran as independents and won the support of the electorate. The wartime

1Creque, op. cit., pp.115-117; Dookhan, A History, p. 298, and Hill, Rise to Recognition, p. 101. Creque makes the point that the assertiveness of the ex-servicemen was due to their experiences with racial discrimination in the American South.

2Dookhan, A History, p. 288.

prosperity had lulled the Progressive Guide into a sense of complacency. Economic prosperity had also raised labor's expectations. The post-war depression meant that the Progressive Guide was unable to deliver and could not meet the needs of the younger and more aggressive members of the population. Thus the domination of political power by the Progressive Guide in St. Thomas and St. John was threatened.

Another indication of the declining power of the Progressive Guide was the passage of the Merit System Law by the Eleventh Legislative Assembly in 1946, despite the opposition of the Guide. The law established a modern civil service system. The Progressive Guide's power had been based on its ability to provide jobs for its uneducated and unskilled supporters. Most government jobs now required a high school education, thus reducing the Guide's ability to use government employment as a resource for its supporters. However, since a merit-system law was a prerequisite for the extension of federal grants to the Islands, this legislation was not altogether unpredictable.

In 1949, opponents of the Progressive Guide created the Liberal Party to represent the interests of the younger and more liberal St. Thomians in opposition to the conservatism of the Guide. Governor Hastie, the first Negro appointed to the position, strongly urged the voters in a preelection rally to denounce the Progressive Guide and support the Liberal Party. The governor had administered the letter of the law and one of his first moves had been to have the court

1Creque, op. cit., pp. 128-129.
clearly define the separation of powers in the executive and legislative branches of government.

Hastie had argued that some members of the Municipal Council of St. Thomas and St. John were exercising authority as members of the Municipal Police Commission that was vested solely in the governor. He sought a declaratory judgment against these members and the court ruled in his favor. His relationship with the Municipal Council deteriorated and the resulting disharmony reduced the government to a state of inertia. Governor Hastie charged that the Guide was so monopolistic that it no longer represented the wishes of the electorate and was guilty of corrupt practices.

This was the first time that an appointed governor had publicly taken a political stance in local politics. In voting, the one area where most Virgin Islanders had the power to express their desires, the citizens of St. Thomas and St. John strongly expressed, through their continued support of the Progressive Guide, their long-standing resentments against outsiders and their sense of identity with other Virgin Islanders. To this day, some observers question whether the Liberal party candidates would have had a better chance if Governor Hastie had not campaigned actively.

\[1\] Ibid, pp. 129-130.

\[2\] Hill, A Golden Jubilee, p. 142.
The Consequences of Universal Suffrage

The political revolution created by the 1936 Organic Act had shifted political power from the privileged classes of white and black sugar-cane planters, businessmen, and real-estate owners to the representatives of lower-class Virgin Islands voters. The Councilmen, as representatives of this new constituency, had to address the problems of employment and the social conditions of the masses. Consequently, they looked for ways to develop a stable economy. To this end, three important legislative bills were passed. The first created the Virgin Islands Housing Authority, enabling the Islands to qualify for federal funds to construct public housing. The second bill established the Apprenticeship Board of the Virgin Islands, creating the mechanism to protect the worker and provide him with training opportunities. The third bill created a Youth Planning Commission designed to identify the special needs of the Islands' young people.  

As the 1950s began, the Councilmen proved they could pass enabling legislation for new programs but they knew that without money from Washington the programs would remain dormant. On the other hand Governor de Castro, the first native Virgin Islands governor, viewed the situation as one that required intelligent planning to combat wasteful spending. He proposed a program of reduced government expenditures and the promotion of agriculture.

1Creque, op. cit., pp. 130-131.
and tourism, resulting, he contended, in self-support for the Islands. The only part of the governor's program that appealed to the masses was the hope that tourism would in fact bring prosperity. Tourism was perceived as the only economic alternative available to the Islands. But tourism would have to be developed over the long term and Virgin Islanders needed jobs immediately. The legislators favored a continued reliance on the federal government. This reliance conflicted with Governor de Castro's desire to make the Islands self-supporting.

In time, the development of the tourist industry was contracted to outsiders while the local politicians emphasized the creation of government jobs to administer the health, education, social welfare, and public works programs. These positions were solidified after the passage of the 1954 Revised Organic Act.

In effect, the post 1954 period saw the further consolidation of the union's power within the legislative branch of government. In the era prior to the passage of the 1936 Organic Act, the unions had been in the forefront in demanding political changes for the indigenous black population. In the aftermath of universal suffrage and particularly after 1954, their influence in the Virgin Islands' Legislature provided them a more effective vehicle for protecting the interests

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2Lewis, op. cit., p. 108.
of Virgin Islands workers. However, the development of a two tier employment system with the foreign worker on the bottom and the indigenous Virgin Islander in the middle and the lack of concern for the plight of the foreign worker meant that they ignored the provision of similar benefits and protections for that group. Consequently, the unions, instead of remaining an outside force in local affairs, became a part of the political establishment with an emphasis on protecting the public service employee and providing additional employment. This role was quite different from the role they had played in the earlier struggles for political advancement and for securing recognition of the rights of workers.

**Post-1954 Economic Development**

The two major influences that shaped the Virgin Islands' economy after 1954 were the Revised Organic Act and the foreign labor program.

**The Revised Organic Act.** The Revised Organic Act of 1954 mandated a single legislature and a single treasury. Most critical for the Islands' economic development were the financial provisions that paved the way for the economic progress that became evident
after 1954. These provisions provided for matching funds from taxes on articles produced in the Virgin Islands, especially rum, an additional sum of one million dollars or the balance of the internal revenues was available for emergency purposes and essential public projects, and permanent residents could satisfy federal income tax obligations by paying their tax on income derived from all sources into the Virgin Islands treasury. These provisions provided the jumping-off point for the local economy.¹

Additionally, the 1949 legislation that provided for designated tax exemption and industrial subsidies for eight years to new industries was reactivated in the 1950s.²

**The Foreign Labor Program.** As the foreign capital needed to fuel the tourist industry was invested, it became clear that the Virgin Islands could not supply enough unskilled labor. Business organizations, such as the Chamber of Commerce and the Hotel Association, pushed for the free ingress and egress of foreign labor. The business interests lobbied the various visiting Congressional committees for a more liberal interpretation of the applicable sections of the 1952 Immigration and Nationality Act. Written petitions were submitted to the subcommittee of the House Committee on Interior and Insular Affairs. In February 1954, the subcommittee held hearings


on immigration and labor problems in the Virgin Islands, but the Immigration and Nationalization Service remained adamant in its position that under the immigration laws it could not expedite the importation of foreign labor.¹

The pro-foreign-labor lobby next turned to a subcommittee of the House Committee on the Judiciary which held hearings on the need for alien labor. Three principal groups presented testimony at this hearing. First, the Virgin Islands legislature overtly favored the importation of labor, but in fact the two-thirds majority necessary for passage could not be mustered. Opposition in the legislature centered around the fear of a future oversupply of local labor.

Second, the business interests were represented by the Chamber of Commerce and the Hotel Association of the Virgin Islands, which favored the most liberal admissions policies. The business interests maintained that access to foreign labor was critical to the development of the tourist industry.

Third, organized labor was most hostile to foreign labor. The unions supported the existing certification system which required a petitioning procedure, denied the existence of labor shortages in certain areas, and emphasized that before any foreign labor was imported every resident Virgin Islander should be employed, followed by the tapping of other American sources of labor. Recognizing the

strength of the opposition, however, the unions suggested that if a liberalized program was implemented a control board should be created consisting of representatives of the Virgin Islands Employment Service, the unions, the Immigration and Naturalization Service, and the business community. The control board would validate requests for foreign labor. The control board would have provided Virgin Islands laborers with the necessary safeguards to insure that they would not be displaced by foreign labor.¹

The business community's position won over the subcommittee, which recommended to the Commission of the Immigration and Naturalization Service that hotel and agricultural workers from the British Virgin Islands be admitted for seasonal employment. The subcommittee recommended the development of a locally applicable British-American agreement such as the Mexican-American agreement.²

The foreign-labor program, instituted in March 1956, was administered by the Immigration and Nationalization Service and the Virgin Islands Employment Service. Initially, the program was limited to natives of the British Virgin Islands and the British West Indies and restricted to agricultural and hotel workers. Within a few years the great demand for labor, combined with the ease of securing foreign labor and the lack of concern about obtaining labor locally, led to a


²United States Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, op. cit., p. 11.
further expansion of the program to the French and Dutch West Indies.

At this point, the restrictions on occupational categories were removed. Employers were required to post a bond guaranteeing that the worker would not become a public charge, that he would maintain his status and depart at the expiration of his authorized stay.\(^1\) It is essential to note that provisions for health, housing, and other services were not required; the foreign laborer was responsible for making his own arrangements.

Since the Immigration and Nationalization Service was unable to enforce the provisions of the bond, due to its limited staff, even the minimum requirements were violated. In fact a laissez-faire attitude toward the importation of foreign labor prevailed among local and federal officials.\(^2\) The Virgin Islands Employment Service had been established to aid indigenous workers, but now was inundated with requests for foreign laborers. Its central activity became that of a middleman between the Islands' employers and the foreign laborers. In reality, the Virgin Islands laborers were forced into public sector employment with the government.\(^3\) By using foreign labor, employers avoided the problem of employee unity in improving working conditions, since an employer could easily terminate

\(^1\)Ibid., pp. 12-15.

\(^2\)Ibid., pp. 60-62.

\(^3\)In the 1970 Annual Report of the Virgin Islands Employment Security Agency, the authors state that with 45 percent of the total labor force consisting of foreign nationals, the certification process occupied too many 'ours of staff time to the detriment of other functions, pp. 2 and 3.
a worker's bond and have him deported.¹

Thus, the original position of the Immigration and Nationalization Service that the workers needed in the Virgin Islands were permanent rather than temporary was accurate. However, the description of the program as 'temporary' deceived the public into believing that the workers could be asked to leave the Islands whenever they were no longer needed. Of course, in the boom days of the 1960s this possibility was not an issue.

The gradual development of the tourist industry did make an impact on the Islands' economy. Business expanded, the job market increased, federal funds and programs flowed into the territory, improvements such as highways, public water systems, schools, housing, and hospitals were initiated. The standard of living rose for a great many Virgin Islanders.

Summary

As the preceding discussion indicates, the quest for the development of the Virgin Islands economy would seem to have had three goals: increasing employment opportunities for the average Virgin Islander, lessening the Islands' dependent-client relationship with Washington, D.C., and improving the Islanders' overall living conditions.

¹This in fact did happen in some instances and workers were deported when they went on strike. (See the Virgin Islands Daily News of December 8, 1964 in which 200 of the 280 strikers were aliens. Also see the Daily News, Tuesday, November 28, 1961.)
The 1936 Organic Act provided Virgin Islanders with legislative representatives who attempted through legislation to empower the traditionally exploited laborers. The Virgin Islands Corporation was a quasi-official agency devised by Governor Pearson to bypass bureaucratic red tape and support the flowering of agriculture and industry. Unfortunately, the corporation floundered after initial success and the federal government was forced to continue its subsidies of what President Hoover described as an "effective poor-house."

The economic prosperity generated by World War II improved the general standard of living. Additionally, a large number of young Virgin Islanders were drafted into the military, thus exposing the draftees both to mainland prejudice and hardening their determination to improve conditions at home.

In reality, the lack of jobs and the demand for better jobs led to a continuing reliance on securing federal funds and the creation of government jobs. Given this harsh factor, liberal Virgin Islands legislators acquiesced to the development of the tourist industry by outsiders since local money was nonexistent. However, the workers' need for jobs could not wait until tourism was developed. On the other hand, businessmen insisted that the Islands could not supply enough workers to fill tourism-related jobs.

Despite opposition, primarily from labor unions, the immigration laws were reinterpreted to allow for the easy entry of foreign labor. Because of chronic understaffing, the regulatory
agencies could do little more than "rubber stamp" the entry of large numbers of foreign workers. The indigenous labor force was consigned to public-sector jobs and employers of foreign laborers effectively prevented them from improving working conditions. Although the growth of tourism expanded and strengthened the Virgin Islands economy, stimulating many improvements, the underlying dilemma concerning foreign labor was not resolved.

Now that we have introduced the subject of our study in Chapter I, examined the history of the United States Virgin Islands in Chapter II, and hopefully placed in perspective the socioeconomic factors leading to the problem of foreign laborers in Chapter III, we are ready to turn to Chapter IV, "Consequences of the Foreign Labor Program."
CHAPTER IV

CONSEQUENCES OF THE FOREIGN LABOR PROGRAM

By the early 1950s, as we have seen, the Virgin Islands began
to enjoy a growing tourist trade, an infusion of federal and private
capital, and a rapid increase in public and private construction.
These developments created a job market that demanded many more laborers
than the Islands could supply. ¹ This gap was filled, as noted pre-
viously, by the large-scale migration of West Indians. The large
influx of foreign labor that began in 1956 created severe socioeconomic
problems. Initially, there was no widespread concern about the impact
that large numbers of foreign workers would have on the Islands, since
these workers were perceived as temporary. This, in fact, had been
the case with foreign workers imported for the St. Croix cane-cutting
season. Given this prior experience, few planners anticipated anything
different.

In Chapter IV, we shall discuss the rapid, unexpected growth of
the foreign-labor population in the United States Virgin Islands and
the problems surrounding the presence of a large group of foreign
laborers and their dependents. As we shall see, these problems were to
ultimately engage the entire spectrum of government resources and

services. Indeed, the impact of the foreign laborers affected every part, both in the public and private sectors, of life in the United States Virgin Islands.

Let us begin our discussion by reviewing the early history of foreign laborers in the Islands.

**Early History**

The Virgin Islands Corporation began importing laborers from the British West Indies in the early 1950s to insure an adequate labor supply for the sugar-cane harvesting season. Prior to this period, employment had been open to Virgin Islanders during the war in the construction of military establishments in St. Thomas and St. Croix at higher wages than those obtained in farming. After the war, these laborers were unwilling to return to agricultural jobs that paid, at best, a bare subsistence wage. Consequently, the resident labor force available to the corporation could not harvest its crop fast enough to keep the mill in continuous operation. Foreign laborers were thus required, but their numbers fluctuated according to the size of the crop. For example, during the 1954 harvest season, the average employment was 1,053 per-diem workers and the number of British West Indians averaged 365. In 1956, the corporation employed 471 seasonal laborers and 78 percent, or 367, were immigrants.¹

The cane-cutting crews of the 1950s came largely from Antigua and St. Kitts and were housed in old estate villages owned by the corporation.

in abandoned army barracks, and in cheap frame houses which even by local standards were regarded as primitive. Most of the housing was somewhat removed from the local population. They had minimum contact with most Crucians, for the Crucians did not fraternize with them. But these foreign laborers created a reputation for themselves—and, by association, for all British "down-islanders" who were to follow—as hard drinkers and tough fighters. The Crucians found their behavior offensive and the areas in which the laborers lived were given names that suggested to Crucians the life-style of the inhabitants. For example, one of the former estate villages was renamed Korea. These male workers left the Islands when the harvest was completed.¹

The laborers' relatively small numbers, their employment period of approximately five to six months, their relative isolation from the rest of the community, and the Immigration and Naturalization procedures regarding temporary labor prevented the foreign workers from impacting on the Virgin Islands community. In brief, this migratory labor force had a negligible impact and with rare exceptions did not become assimilated into the life of the Virgin Islands.

The Immigration and Nationality Act that became effective on December 24, 1952 continued the provisions for non-immigrant laborers living temporarily in the United States.² This migration continued in the Islands until 1964 when the corporation terminated its sugar-care operation.³


²U.S. Congress, House, Nonimmigrant Alien Labor Program on the Virgin Islands of the United States, p. 49.

³Dookhan, "The Virgin Islands Company," op. cit., p. 75.
By March 1952, the St. Thomas Immigration and Naturalization Service was processing a number of visa petitions for hotel employees and domestics from the British Virgin Islands. The Selective Service Act had cut severely into the available labor supply.\(^1\) The Immigration Service, Governor de Castro, and the Virgin Islands Employment Service were concerned about permitting temporary foreign laborers to fill permanent jobs. After the 1952 act became effective, the Immigration Service took the position that many of the jobs in the Virgin Islands were not temporary and therefore could not be filled by temporary workers.\(^2\)

As we saw in Chapter II, the pro-foreign-labor lobby campaigned successfully in Washington for a relaxation of immigration rules. We might note here that the governor of the Leeward Islands in the British Virgin Islands was also very active in the struggle to relax immigration laws so that the "temporary" workers would better themselves.\(^3\!\)

\(^1\)U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 59. During fiscal year 1951, inductions for military service were initiated due to the outbreak of hostilities in Korea in June 1950; 201 men were inducted or enlisted and 383 men were inducted or enlisted in fiscal year 1952. See 1951 Annual Report of the Governor of the Virgin Islands to the Secretary of Interior (Washington, D.C.: U.S. Government Printing Office), p. 12, and 1952 Annual Report of the Governor of the Virgin Islands to the Secretary of Interior (Washington, D.C.: U.S. Government Printing Office), p. 12. Although these numbers are small, they had a severe effect on an already tight labor market.


\(^3\)For a detailed description of the position of the governor of the Leeward Islands, see the Statement of Kenneth W. Blackburn, governor of the Leeward Islands on December 3, 1953 to Senator Butler's Committee. Source: U.S. Congress, Senate, Committee on Interior and Insular Affairs, Virgin Islands Report, pp. 56-57.
The 1956 Agreement

On March 1, 1956, Commissioner Swing of the Immigration and Naturalization Service met in the United States Virgin Islands with Governor Gordon, British officials, and a representative from the Caribbean desk of the Department of State. This meeting resulted in authorization for the temporary entry of workers in five categories from the British Virgin Islands: (1) agricultural; (2) hotel; (3) domestics; (4) unskilled laborers; and (5) construction.

This agreement, effective on March 19, 1956, went far beyond the Congressional subcommittee's recommendation by including domestics, unskilled laborers, and construction or project workers. This requirement satisfied the Islands' business interests, British officials, and Governor Gordon's desire for workers for special projects. However, as discussed previously, many of the "temporary" jobs were in fact continuing, and foreign workers could be admitted for up to one year after which they were required to be physically absent for only one day in order to resume employment for another year.\(^1\)

\(^1\) The Virgin Islands Employment Service initially issued clearance orders for non-immigrants for up to one year, but this was later changed to six months. There are no clear indications in available documents regarding when the shift was made. The 1959 Annual Report of the Virgin Islands Employment Service (St. Thomas: Government Printing Office, 1959), p. 4, indicates that 3,008 openings were certified for the importation of foreign workers. The 1960 Annual Report of the Virgin Islands Employment Service (St. Thomas: Government Printing Office, 1960), p. 5, states that a total of 2,222 agricultural workers, involving over 1,000 workers since these orders had to be renewed every six months. This would seem to indicate that the policy change occurred in the 1960 fiscal year.
In August 1956, the Immigration Service adopted the requirement that the Virgin Islands Employment Service's certification of the unavailability of qualified local labor must apply to the British Virgin Islands. The Immigration Service had previously waived this requirement for British Virgin Islands laborers.\(^1\) The petitioner for foreign laborers was also required to post a bond guaranteeing that the workers would not become public charges, that they would maintain their status and depart at the expiration of their authorized stay.\(^2\) This

\(^1\) Under the 1952 Immigration and Nationality Act, the temporary admission of foreign workers is governed by section 101(a)(15)(H) and section 214(c). Section 101(a)(15)(H) provides for the entry of three subcategories of temporary workers as defined by the Immigration and Nationality Act; of which category (ii) other temporary workers, is the one most frequently used. Section 214(c) authorizes the Attorney General to make determinations regarding the importation of aliens under section 101(a)(15)(H) upon petition from the importing employers. Consultation with appropriate agencies of the government is also required. In the case of the H-2 worker, a reasonably formalized procedure for Justice Department consultation with the Department of Labor has been specified in regulations since 1953. The employment agencies of the Department of Labor have been involved in this procedure. At the local level, the state employment agency affiliated with the Labor Department is the agency involved. The Virgin Islands Employment Service was created in 1951. According to the usual procedure, the initial action on the H-2 employer's application is made by the local office of the state employment agency which makes a recommendation regarding the unavailability of domestic workers. This action must be approved by the Labor Department and may be overruled by the Department of Justice since the Attorney General has final authority on the admission of H-2 workers. The Virgin Islands non-immigrant alien labor program, as it evolved, represented a departure from the usual procedure in regard to the role of the Virgin Islands Employment Service functioned more or less autonomously until 1967 when the Labor Department began reasserting control. See, U.S. Congress, House, *Non-Immigrant Alien Labor Program on the Virgin Islands of the United States*, pp. 6-7 and 14.

\(^2\) This requirement of a bond is the source of the term "bonded aliens," which was commonly applied to the temporary alien workers or foreign workers on the Virgin Islands. See, *Ibid.*, p. 13.
practice was discontinued in November 1959; it was replaced with a signed agreement between the employer and the United States that included a penalty payment by employers for violation of the agreement.\(^1\)

The 1956 program expanded rapidly due to the increase in construction and the year-round boom in tourism. Certifications for foreign labor issued by the Virgin Islands Employment Service numbered 1,256, 1,500, and 3,008, respectively, in the years 1957, 1958, and 1959.\(^2\)

In June 1959, the Immigration and Naturalization Service's central office discovered that through a misunderstanding, the officer in charge in St. Thomas had extended the special British Virgin Islands exemption to foreign workers from all of the British, French, and Netherlands West Indies. The central office directed that this unauthorized practice be discontinued immediately; 1,038 men and women were affected by this change.\(^3\) Governor Merwin protested against this policy and on August 19, 1959, the Immigration and Naturalization's central office then reversed its position by issuing a memorandum authorizing the admission of certain workers from the British, French, and Netherlands West Indies under the so-called British Virgin Islands rule.

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\(^1\)Ibid., p. 14.


\(^3\)U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 14 and 61.

In 1960, the Department of Labor's Bureau of Employment Security surveyed the procedures used by the Virgin Islands Employment Service to determine the unavailability of United States workers prior to the issuance of certifications. The procedures were found deficient in the protection they afforded domestic workers and a revised plan for certification was proposed by the Labor Department. These recommendations were not implemented due to the objections from the Immigration and Naturalization Service on the grounds that they seemed to include on-island rather than off-island recruitment.¹

Unfortunately, the Labor Department did not demand the implementation of the new procedures—very few employers actually recruited outside the United States Virgin Islands. The actual practice was that a foreign national entered the Virgin Islands on a "visitor's visa" which generally was given for a twenty-nine-day period. The individual immigration authorities had considerable latitude in the length of time they could give and many "visitors" secured regular extensions or indefinite extensions. If the foreign national found a job while in the Islands on a "visitor's visa," his new employer would process the required documents for entry as a non-immigrant.² Other foreign nationals found jobs through letters, word of mouth, friends

¹U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 15 and 61.

²Social, Educational Research and Development, Inc., A Profile and Plans for the Temporary Alien Worker Problem in the U.S. Virgin Islands. A Final Report Submitted Under the Provisions of Contract Number OEO B99-4862, August 25, 1969, p. 26. The report also states that during the spring of 1969, there were about 16,000 aliens in the Virgin Islands on "visitor's visas." Many were wives and children so they were not all looking for work.
or relatives, and recruiters sent to the home island by Virgin Islands employers.¹

By May 1963, the Virgin Islands Employment Service issued clearance orders for any jobs for which there was a declared labor need. Thus the program's original geographical and occupational restrictions had been abandoned.² The program, which had been developed to maintain the close social and economic ties between the British and United States Virgin Islands, had now expanded to include the entire Caribbean. All occupations were also covered and this had a significant impact on the Virgin Islands labor market.

Program Growth

The placement activity of the Virgin Islands Employment Service during 1964 presented the paradox of a decreasing number of local workers and an increasing number of foreign workers. For example, total domestic placements during 1964 fell by 1,801 from 1960 which represented a percentage decrease of approximately 56.2. During the same period, job openings certified for the employment of foreign workers rose by 5,431 which represented a percentage increase of 210.9.³

A comparative analysis of local worker placements versus foreign


²U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 15 and 61.

nationals by the major industrial sectors further confirmed this trend. For example, in fiscal year 1960 all industries showed a total of 5,780 firm openings of which 3,203 or 55.4 percent were filled by placement and 2,577 or 44.6 percent by foreign labor. In fiscal year 1964, there was a total of 9,410 firm openings of which 1,402 or 14.9 percent were filled by local placement and 8,008 or 85.1 percent by foreign labor.

As Table 2 shows, in those industries in which foreign labor predominated, such as construction, manufacturing, trade, hotel service, and private households, the shift was even more dramatic. By 1964, foreign laborers filled almost every position in construction and private households.

By 1960, the construction and service industries, including private households, were the major employers of foreign labor. This might have been a reflection of the occupational restrictions of the 1956 foreign-labor program. The foreign labor program expanded rapidly after 1964. According to unpublished Labor Department statistics, the number of non-immigrant workers more than doubled in the four-year period from 1964 through 1968, as foreign workers increased from 5,741 to 13,288. By 1968, an estimated 45 percent of the total labor force of 27,000 workers were non-immigrants, with much higher percentages in some occupations. Foreign laborers were estimated to hold 90 percent of the construction jobs and 60 percent of the service jobs in 1968.¹

¹U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 15.
TABLE 2

PERCENTAGE OF JOB OPENINGS FILLED BY PLACEMENTS AND CERTIFICATIONS
BY MAJOR INDUSTRIAL SECTORS FOR 1960 AND 1964

<table>
<thead>
<tr>
<th>Industry</th>
<th>Year</th>
<th>Openings</th>
<th>Placements</th>
<th>Certifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>1960</td>
<td>1,667</td>
<td>38.6</td>
<td>61.4</td>
</tr>
<tr>
<td></td>
<td>1964</td>
<td>2,992</td>
<td>7.1</td>
<td>92.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1960</td>
<td>771</td>
<td>87.4</td>
<td>12.6</td>
</tr>
<tr>
<td></td>
<td>1964</td>
<td>549</td>
<td>56.5</td>
<td>43.5</td>
</tr>
<tr>
<td>Wholesale and</td>
<td>1960</td>
<td>535</td>
<td>81.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1964</td>
<td>1,633</td>
<td>27.1</td>
<td>72.9</td>
</tr>
<tr>
<td>Service Industry</td>
<td>1960</td>
<td>901</td>
<td>49.8</td>
<td>50.2</td>
</tr>
<tr>
<td></td>
<td>1964</td>
<td>1,329</td>
<td>11.4</td>
<td>88.6</td>
</tr>
<tr>
<td>Private Households</td>
<td>1960</td>
<td>1,079</td>
<td>40.9</td>
<td>59.1</td>
</tr>
<tr>
<td></td>
<td>1964</td>
<td>2,817</td>
<td>9.6</td>
<td>90.4</td>
</tr>
</tbody>
</table>

Impact On Labor Force

In 1960, the Virgin Islands population over age sixteen totaled 19,349 and equaled 58 percent of the total population of 33,425. In 1967, the over-sixteen population totaled about 35,000 and equaled 62 percent of a population estimated at 56,700 or 58 percent of an estimated 60,700 people. The labor force also showed a dramatic increase. The 1960 census showed an employed labor force of 10,845 or 56 percent of the total population over sixteen; in 1967, the employed labor force was estimated at about 28,000 or 80 percent of the total population over sixteen.

Three major developments accounted for this increase.

First, the number of employed females increased. This number was much larger both absolutely and comparatively than in the 1960s, with women constituting about 45 percent of the labor force. This large increase in working women reflected the employment of domestic maids, primarily foreigners. The prevalence of domestic maids was seen as high by stateside standards.

Second, there was only marginal unemployment. During this

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1The 1967 figures were estimates hence both figures are used. See, Bruno Neumann, "The Economy of the U.S. Virgin Islands—Some Basic Aspects," in Bough and Macridis (eds.), op. cit., p. 147.

2Ibid., pp. 147-148 and 154; 1966 Annual Report of the Virgin Islands Employment Service (St. Thomas: Government Printing Office), p. 10, indicated that there were 1,184 female foreign workers employed in private households. No figures are available for 1967 as the Virgin Islands Employment Service did not publish an Annual Report.

3Neuman, "The Economy of the U.S. Virgin Islands," op. cit., pp. 148 and 154. This author writes that the key word is "reported" as unreported unemployment was seen as another matter. Foreign workers refrained from reporting when they became unemployed as they were then required to leave the Virgin Islands.
period, unemployment was generally less than 1 percent. Third, the steep increase in foreign workers by the late 1960s resulted in a dependence on foreign labor in certain subsectors of industry.

The reliance on foreign workers is generally thought to have resulted from (1) the growth of the tourist industry during the 1960s; (2) an apparent unwillingness on the part of the indigenous population to accept many jobs commonly associated with tourism; and (3) the depressed wages prevailing in occupations where foreigners were represented in large numbers.

The expansion of jobs in the public sector, that is, government employment, was well advanced by the late 1950s. Virgin Islanders looked to government employment as a vehicle to improve their standard of living. In 1957, a local newspaper carried the headline, "Government Employees One Out of Every Fourteen Virgin Islanders." The accompanying article stated that outside the seasonal demands of construction, agriculture, and sugar cane, federal and territorial government was the largest on-island employer with an estimated total labor force of 2,375.

In 1961, the Department of Commerce reported that 37 percent of the Islands' labor force was now encompassed by professional, technical,

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1 U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 20.
managerial, office worker, and sales categories—an increase of 11 percent over 1950. During the same period, the laborers declined by the same percentage, that is, from 23 percent of the working population to 12 percent.¹ This trend was further accelerated during the 1960s by the importance of federal grants-in-aid and matching funds in financing a wide range of public services and public works. Income taxes, which were levied according to federal standards but spent locally, were another major factor in the increase of government services and employment.²

Government employment increased 310 percent between 1962 and 1970.³ By 1969, two-thirds of government revenues were spent on salaries and wages and perhaps 75 percent of all native-born adults were employed by the government.⁴

The high cost of living in the Virgin Islands, higher, for example, than in Washington, D.C., discouraged the indigenous workers from accepting employment in the private sector, let alone workers from Puerto Rico.

² Neumann, "The Economy of the U.S. Virgin Islands," op. cit., pp. 145 and 153. In fiscal year 1968, federal grants-in-aid totaled about $5.4 million. Matching funds were generated by the stateside sale of Virgin Islands rum which is subject to the federal excise tax. The revenue derived is transferred (minus a small charge for administrative costs incurred) to the treasury of the Virgin Islands. In fiscal year 1968, this amounted to $12.4 million. The term "matching fund" stems from a legal requirement that the transfer of federal excise tax revenue must not be higher than, or must be matched by, revenues of local taxes. In fiscal year 1968, this amount was over $50 million. In fiscal year 1968, the revenue from individual and corporate income taxes was about $26.0 million.
³ U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 16.
⁴ O'Neill, op. cit., p. 72.
Rico or the mainland. In 1969, a Labor Department official maintained that if the labor supply was as tight as employers contended, wages should have risen rapidly as employers competed for a limited labor supply. However, large numbers of foreign workers worked for the prevailing low wages. Consequently, no wage spiral occurred and wages remained artificially depressed. 1

Income distribution and educational attainments tended to correspond to population groups: foreign laborers were at the lowest level, native Virgin Islanders in the middle, and whites, mostly from the mainland, at the highest level. The greater part of the foreign workers were unskilled laborers, more than 25 percent of the employable natives worked in governmental service, including education. The rest were tradesmen, skilled workers, and white-collar workers. The majority of the whites worked in the tourist industry, in their own firms, as managers, or lolled in the sun during mainland winter. While constituting not more than one-fourth of the population, they owned more than half of the land which had been skyrocketing in value. 2

The ease with which foreign labor could be obtained and the dramatic increase of these laborers suggest questions concerning whether the tourism industry was avoided by the indigenous workers because the large influx of foreign laborers meant that wages and working conditions were artificially depressed. O'Neill states that the


absorption of the indigenous work force by the government meant that the conventional wisdom of the cynical continental that "the native Virgin Islander won't work," would go unchallenged. Whether the natives would have filled the boom-created jobs or not if foreign workers had not been as plentiful, given the expanding government employment, is a question that remains moot.  

We might also consider whether the Virgin Islander was purposely excluded from the tourist industry and from the oil refining and bauxite processing industries in St. Croix. To some employers, as noted previously, a docile labor force appeared to be a very desirable advantage. A worker who could be fired and deported within five days, or who could not switch jobs without leaving the Islands, was unlikely to militantly demand better working conditions. Foreign laborers could and did join labor unions, but union effectiveness was limited by the five-day rule. A grievance could seldom be settled in five days and an effective strike was virtually precluded.  

The Legislative Response

As we have seen, the United States Virgin Islands in the 1950s was a developing island society requiring expansion of support services such as housing, health care, education, social welfare services, electricity, garbage collection, water distribution, and sanitary facilities.

The legislature's quest to satisfy their constituents' needs during this period led to the search for local and federal funds to pay  

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1O'Neill, op. cit., p. 73.

for the services. With the rapid increase in the number of foreign workers, the legislators were faced with a problem of extending newly won benefits to the foreign laborers. However, since the hard-pressed Virgin Islands government could not afford to meet the needs of both the indigenous and the foreign-worker population simultaneously, it elected to bypass the problems of the latter. As we shall see, the needs of the powerless foreign workers could easily be ignored.

This was further compounded by society's view of the foreign workers as temporary visitors. This concept was supported by the legal definition of aliens, the rules and regulations governing their status, and the consequent attitude that the foreign workers were indeed temporary.\(^1\) Second, their status as non-United States citizens, lacking voting rights, made them a voiceless minority in the Islands' political system.

Congressman Philip Burton, in discussing the elected-governor bill for the Virgin Islands, pointed to the fact that if a governor was elected he was much more likely to serve the people who could vote for him rather than those who could not.\(^2\) This comment also was applicable to the Virgin Islands' legislators. Thirdly, there were no major political, social, or civic groups to champion the foreign workers' concerns or needs.\(^3\)

We shall now describe some of the legislation aimed at protecting the indigenous workers and offer suggestions concerning its ineffectiveness.

**Protective Legislation.** The concern about the rapid increase in the numbers of foreign workers led the legislature to enact protective legislation as early as 1961. On October 30, 1961, the legislature added a new section to the Virgin Islands Fair Labor Standards Act mandating that preference should be given to resident workers in occupations and industries. On February 25, 1964 and subsequently, the legislature enacted detailed procedures to achieve the objectives of the October 30, 1961 act. Namely, that resident workers shall be given preference in employment and that the employment of non-resident workers shall not cause injury or adverse effects upon the wages and working conditions of resident workers. Virgin Islands law also included the requirement that non-resident aliens be replaced when qualified resident workers became available.

Enforcement of the provision that preference be given to residents was vested in the Virgin Islands' Commissioner of Labor who also had responsibility for setting the prevailing wage. The Virgin Islands Employment Agency was empowered to issue a clearance for the employment of non-resident workers for advertised job vacancies for which no qualified workers were available. Employers were required to enter into legally enforceable written agreements with the Commissioner of

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1. Virgin Islands Code 1 et. seq.
2. Virgin Islands Code 125 et. seq.
3. Virgin Islands Code 128(c).
Labor and, on request, with the Virgin Islands Employment Service regarding wages and benefits.¹

Both the Virgin Islands Labor Department and the Virgin Islands Employment Agency were criticized severely for their administration of the alien labor program during the 1960s. According to a United States Labor Department official, the Virgin Islands Employment Agency was overly permissive in issuing certifications, lax in determining wages which would prevent adverse effects, and neglectful of its placement duties. The Virgin Islands Labor Department was criticized for its failure to enforce compliance—as evidenced by the widespread evasion, underpayment, and employment of illegally present foreign workers. While the local agencies were not singlehandedly responsible for the foreign labor problem during the 1960s, their administration was a major factor.²

The Virgin Islands legislature enacted sound laws for the protection of resident workers. In one of the few instances when the Virgin Islands Labor Department enforced the regulations regarding payment of the prevailing wage rates and adherence to the forty-hour week for foreign workers in 1965, the District Court ruled that the Virgin Islands Act of 1964 as amended did not conflict with the Immigration and Nationality Act or the rules and regulations thereunder. The requirement that the Virgin Islands Commissioner of Labor rule on an employer's application was seen as an additional safeguard that the admission of foreign workers was in the public interest.³

¹24 Virgin Islands Code 127, 161.


Another local law to protect resident workers was enacted on July 5, 1957, with subsequent amendments.\(^1\) This modification of the existing tax-exemption law stated that "not less than 75 percent of all persons employed in an industry or business with respect to which tax exemptions or subsidy benefits are granted shall be legal residents of the Virgin Islands." This law was circumvented by provisions or temporary waivers which were generally requested and granted. An internal United States Labor Department memorandum states that tax concessions had attracted two major employers, aluminum and oil refining, to St. Croix. Approximately 80 percent of the employees were to have been native Virgin Islanders, but the reverse was closer to the facts.\(^2\) This finding would appear to support Moorhead's position that foreign capital sought cheap unskilled labor to insure high rates of profit.\(^3\)

Although no general consensus exists about why the local government failed to act, some answers might be found by discussion of the Islands' appointed governor during this development decade, Ralph M. Paiewonsky. He is described by Lewis as an able business-manager type whose vision of the general good was limited by his view that what was good for business was necessarily good for the Virgin Islands. Since Paiewonsky rarely delegated authority\(^4\) and was strongly pro-business, we may well appreciate why regulation of foreign workers was grossly inadequate. If the protective legislation had been enforced, we may

\(^1\) 33 Virgin Islands Code, 4051.


\(^3\) Moorhead, op. cit., p. 96.

\(^4\) Lewis, op. cit., pp. 305 and 298.
surmise that some of the flagrant practices of the foreign-labor program would have been prevented.

Thus, confronted with the dilemma of attempting to redress the problem and thereby possibly inhibiting economic growth, the Virgin Islands legislature in the mid-1960s opted to improve the standard of living of its constituency and ignore the growing foreign-labor population and its potential to adversely affect the entire society. Lewis describes the essence of the problem as that of a rapidly increasing population accompanied by very little effort to accelerate welfare facilities and services to meet the population explosion.¹

Another important aspect of the decision not to inhibit economic growth in the Virgin Islands was the continuing and growing influence of the business entrepreneurs in the U.S. Virgin Islands. By the 1960's the two major corporations, Hess Oil and Harvey Aluminum, had established an oil refinery and a bauxite processing plant on St. Croix. In addition, major banking institutions such as the Chase Manhattan Bank, First National City Bank, Citibank, First Federal Savings and Loan Association and First Pennsylvania had established branches in the U.S. Virgin Islands and other large corporations involved in the construction, watch manufacturing, hotels, retail and wholesale industries had been established in the U.S. Virgin Islands. Their economic investment in the Islands and their extensive contribution to the Islands' treasury enabled them to exert an extremely powerful though subtle influence on political affairs. As the government's revenues have declined, large corporations such as Hess Oil can exert even more

¹Lewis, op. cit., p. 225.
influence by agreeing, for example, to pay employees' withholding
taxes or other taxes ahead of schedule to guarantee the local govern-
ment's financial solvency. Of equal importance, however, is the influ-
ential role which they play in the political process in the United
States and their ability to secure favorable legislation in the U.S.
Congress. The political clout which these industries have developed
during their corporate history and the influence both nationally and
locally will continue to play a critical role on the Virgin Islands' eco-

The Virgin Islands Conference

By 1966, the number of foreign workers in the Virgin Islands had
increased to 8,355.¹

In 1966, the College of the Virgin Islands, with funds granted
under Title I of the 1965 Higher Education Act, held a series of work-
shops on the foreign workers and their families.² The primary subjects
covered were immigration and employment, health, housing, social

¹This figure was taken from the Social, Educational Research and
Development, Inc., Aliens in the United States Virgin Islands:
Temporary Workers in a Permanent Economy, op. cit., p. 16. They had
secured the figures from an undated manuscript titled "Temporary Alien
Workers in the Virgin Islands Work Force" by the Branch of Immigration
Analysis, U.S. Employment Service, Bureau of Employment Security, the
U.S. Department of Labor, Washington, D.C. This figure is higher
than that reported on Table 1 which was taken from local annual reports.

²The College of the Virgin Islands, "Conference on the Alien
Worker and His Family," St. Thomas, Virgin Islands, 1967 (mimeographed),
pp. 1-3.
welfare, mental health, and education. The significance of the workshop series was that of a discussion forum where local and federal government representatives could exchange views concerning the impact that the large number of foreign workers and their families had on government services. While the needs of this large foreign-worker population could not be ignored entirely, local agencies resented the additional burden it imposed. Overall, of course, a policy on foreign workers was nonexistent.

In the following sections, we shall discuss the positions expressed at the conference by government representatives concerned with mental health, health, social welfare, and housing and education.

**Mental Health**

The mental health division of the Department of Health recognized the stress and anxiety endured by foreign workers. Five factors affected the foreign workers' mental health: (1) separation from families and breaking of ties with friends; (2) loose alliances with native Islanders and lack of security concerning legal rights; (3) concealment of pregnancy to insure American citizenship for unborn children and prevent deportation; (4) severe day-to-day anxiety over the possibility of job loss, the loss of a bond or non-renewal when visa time was up; and (5) antagonism from community members who feared lowered wages and were prejudiced against outsiders.

The mental health workers recommended that equal opportunity be extended in regard to health, education, and social services.¹ The

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¹Eldra L.M. Shulterbrandt and Leta Cromwell, "Mental Health and the Alien Worker," in the Conference on the Alien Worker and His Family,
mental health division, in fact, was the only agency that overtly recognized the foreign workers' mental stress and the need to respond positively.

Health Services

Foreign workers' depressed economic status meant that they had usually received inadequate medical attention in the past. They then emigrated to the Virgin Islands and lived in substandard housing. Consequently, they had a high percentage of communicable diseases including parasitic infestation and venereal disease.

The entry of foreign workers was perceived as having three detrimental effects on overall community health. First, the foreign worker was permitted entry into the United States Virgin Islands without a medical examination. Thus the public health services were unable to

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pp. 48-49. The following statistics indicate the numbers of foreign-born mothers giving birth in the Virgin Islands were already showing a steady increase by 1963. According to the vital statistics of the Department of Health in the Virgin Islands, 1963 was the third consecutive year that tabulations by birthplace of parents revealed that in St. Thomas both fathers and mothers born in the British West Indies exceeded the number of fathers and mothers born in St. Thomas. Of the 901 infants born alive in St. Thomas, 437 mothers were born in the British West Indies (201 in Tortola in the British Virgin Islands and 236 in other British islands). St. Croix was still reporting a predominance of native-born parents, but the number of alien mothers was rapidly increasing. The number of alien-born mothers increased by 58 over 1962 when there were only 55 alien-born mothers. See, Virgin Islands Vital Statistics 1963 (St. Thomas: Reproduced by Printing and Graphics Section of the Department of Health, 1964), pp. 9-10.
screen out foreign workers who had communicable diseases. Second, there had been a considerable improvement in Virgin Islands health standards since 1917 and many of the diseases that plagued tropical islands had been eliminated. The rest of the Caribbean had not made similar progress in health care, so fear was aroused that many of the eliminated illnesses and diseases would reoccur. Third, the foreign worker was usually unable to find satisfactory housing with sanitary facilities.¹

The public health services' attempt to improve community sanitary facilities was frustrated by the constant movement of foreign workers into substandard housing. Overall, the entry of foreign workers into the Virgin Islands affected the gains that had been made previously in health care. Consequently, the public health service representatives proposed pre-entry medical examinations for all foreign workers, screening out those with communicable diseases. They also recommended that equal health services be extended to all residents, thus protecting the Islands' health environment.² However, foreign workers continued to be excluded from the full gamut of available health services such as immunization, health education to encourage persons to seek the proper medical care, diagnostic and clinical


²Ibid., pp. 15-16.
treatment, particularly directed to chronic and communicable diseases, and periodic medical checkups.¹

Social Welfare

The Department of Social Welfare viewed the alien population as responsible for the increase in behavioral problems relating to the abandonment or neglect of children. Behavior problems such as stealing, truancy, deviant sexual behavior, and running away were said to be prevalent among the children of foreign workers.²

Evaluation of these problems by the Department of Social Welfare revealed that the foreign-worker parents of American-born children expected the Virgin Islands government to assume full responsibility for the care of these children. Furthermore, parents were unable to provide proper care and supervision of their children and emergency trips often had to be made off-island to other children who had been left with friends or relatives.³

¹Ibid., p. 15. See Social, Educational Research and Development, Inc., Aliens in the United States Virgin Islands: Temporary Workers in a Permanent Economy, op. cit., pp. 47-49 for a detailed description of the health services and which ones were provided to foreign workers and their families.

²Macon M. Berryman, "Welfare Services to Aliens," in the Conference on the Alien Worker and His Family, op. cit., p. 41. No documentation was provided in the report on the numerical increase in service requests by foreign workers' families.

³Ibid., p. 42.
However, these attitudes were not truly unique to foreign-worker parents. During a 1952 conference on juvenile delinquency, for example, a police court judge mentioned that some parents felt that government agencies should assume responsibility for children when they exhibited problem behavior.¹ Consequently, both indigenous and foreign-worker parents often requested placement of their children in foster homes or in the Insular Training School for Boys and Girls.²

Three conditions were characteristic of the foreign workers' relationship to their children. First, no provisions existed for foreign workers to bring any dependents with them. In some cases children were left in the British West Indies with other relatives. New families were often formed after the foreign worker came to the United States Virgin Islands. In order to keep their jobs, foreign workers frequently had to ignore the needs of their on-island families because working hours were extremely long.

Second, the large percentage of female foreign workers employed as domestics assumed the child-caring and housekeeping functions of


²The author experienced such requests while employed as a child welfare worker with the Virgin Islands Department of Social Welfare from 1960 to 1962.
their employers, who worked primarily in government jobs. The foreign worker was expected to work a nine-to-twelve-hour day, leaving them very little free time.

Third, we may surmise that when these mothers did return to their unsupervised and neglected children, they were too tired to pay much attention to their needs. Thus, lack of communication between parent and child led eventually to anti-social and/or illegal behavior.¹

Denied access to good child care, foreign workers were forced to resort to what was available.² Additionally, the legal requirements that foreign workers be physically absent once during the year meant that foreign-worker mothers often made less-than satisfactory arrangements for the care of their American-born children since they could not always afford to take their children with them to the British West Indies. If they encountered difficulties in returning to the United States Virgin Islands, the children would inevitably be brought

¹There was no available documentation of the problems faced by the foreign-worker parents who had children and also worked. Reportedly many parents sent their American-born children to the British West Indies until they were of school age, but documentation was unavailable.

²When the author was chief of the Bureau of Day Care Services for the Virgin Islands Department of Social Welfare, a visit was made to the home of an elderly woman who was providing child care in a slum area in St. Thomas. The facility had been discovered by the Public Health nurse who made the referral due to concerns about the health of the children. Many foreign worker mothers used this facility where approximately ten infants and preschoolers occupied one room and slept on rags on the floor. In the document by Social, Educational Research and Development, Inc. A Profile and Plans for the Temporary Alien Worker Problem in the U.S. Virgin Islands, op. cit., pp. 32 and 58-59, it was reported that in their study group of more than four hundred foreign workers that they were a much younger age group than Virgin Islanders; more were men (75.4 percent of the study group) than women and they were likely to be single
to the attention of the Department of Social Welfare. Foster care placement and inquiries to the British West Indies about the children's parents could be the next step followed by the eventual return of the American-born children to their parents in the British West Indies.¹

Too, the foreign worker not infrequently encountered problems with the child care arrangements for children left behind on their native islands. For example, relatives died or wished to be relieved of the responsibility. Godparents or friends themselves wanted to migrate to work in the United States Virgin Islands. The foreign worker generally had three options: (1) return to the British West Indies and take care of her American- and British-born children there; (2) leave the American-born children in the United States Virgin Islands with the expectation that foster-care placement would result; (3) bring her British-born children into the United States Virgin Islands on a visitor's visa.²

If the children entered as visitors they usually overstayed; as illegal aliens, they were ineligible for the school system, leaving though living with a mate. Of those who have children the average was better than 3.5 per person. Females in the sample had 2.62 children per person. Implications were that aliens are a prolific group and will continue to have children through their child-bearing lives.

¹Berryman, "Welfare Services to Aliens," op. cit., p. 42. No data were given on the actual number of children who were provided services.

²Visitors are aliens who arrive in the United States without a visa and are given a "visitor's visa" for twenty-nine days. These visits may be, and often are, extended for progressively shorter periods of time.
a great deal of unsupervised time to get into trouble. Even foreign-worker parents, usually mothers, with the best of intentions could do little for their children under such crippling conditions.

The Department of Social Welfare acknowledged that efforts to assist these parents and children were often blocked by the lack of adequate housing, ineligibility for public housing, inability to pay the high rents in the private housing market, the necessity of accepting live-in jobs which inhibited their ability to make adequate provisions for their children, the twenty-nine day visitor mother whose children were left behind with inadequate care, and the exclusion of alien children from the school system. Most of these constraints encountered by the Department of Social Welfare were in fact symptomatic of the foreign workers' exclusion from the society.

Foster care, institutional care, day care, burial services, and other services were available only to those foreign workers who could pay their full cost. Thus, the Department of Social Welfare, an arm of the government, effectively excluded foreign workers by requiring full payment for services from the people most in need of them, but

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1Berryman, "Welfare Services to Aliens," op. cit., p. 42.

2In the document by Social, Educational Research and Development, Inc., A Profile and Plans for the Temporary Alien Worker Problem in the U.S. Virgin Islands, pp. 46, 40, and 134-136, indicates that the Virgin Islands Labor Department enforced wages, hours, and working conditions for all workers save domestics in private households. In the case of domestics, the U.S. Labor Department "set the standards, but there were no enforcement procedures." Wage rates for domestics can be as low as $.54 per hour. The law required that "live in maids receive $100 per month" and "live-out maids received $132 per month." Prior to this increase in 1967 domestics received $60 to $75 per month. As of May 27, 1969, minimum wages ranged from a low of $1.15 in the hotel industry to a high of $2.75 for a pipefitter in construction work. Since most foreign workers were in unskilled and skilled occupations in construction, hotels, and related work, they were paid at the lower end of the hourly wage rate range.
least able to pay.¹

Housing

According to the 1954 "Governor's Annual Report," 80 percent of the homes in St. Thomas were substandard and 69 percent were slums. Slums in the United States Virgin Islands were described as those in which as many as nine people lived in a single room with no sanitary facilities and a leaking roof. The population was housed in a total of approximately five thousand dwellings. The limited incomes of a large segment of the population and the high building costs meant that private ownership of adequate housing was very rare. Thus, the public housing program was perceived as the only realistic way to provide decent, safe, and sanitary housing for this low-income group. Two public-housing projects—240 units in St. Thomas and 110 units in St. Christiansted—had been completed.²

An overall economic development program announced in 1962 defined the Islands' three major problems as substandard housing, water, and electricity. On June 18, 1962, the Department of Housing and Community Renewal was created by the Virgin Islands legislature. All housing

¹The day care fee in 1967 was $1.25 per day or $25.00 per month. There is no information in the annual reports for the department of Social Welfare on the monthly board rate paid to foster parents. The average cost per person per year at the Insular Training School was $4,177.95 during the 1967 fiscal year. See 1967 Annual Report of the Department of Social Welfare (St. Thomas: 1967), p. 57.

activities of the government were thus centralized. The small turn-
over in public housing and the absence of adequate private housing
resulted in ever-increasing public-housing waiting lists.  

In 1967, when the conference on foreign workers was held,
housing was still a very critical problem. Hundreds of Virgin
Islands families lived in substandard dwellings. The government's
efforts over the past six years had produced major advances in
housing, but limited funds had kept the program small. The expected
completion of large low-cost housing developments by private builders
was expected to alleviate the problem to a great extent. 

1962 Annual Report of the Governor of the Virgin Islands to
the Secretary of Interior (Washington, D.C.: Government Printing
Office, 1962), pp. 71, 73-74. The average contract rent as of June
30, 1962 was $26.63 per month. Nevertheless, more than 40 percent
of the tenants were paying less than $20 per month.

21967 Annual Report of the Governor of the Virgin Islands to
the Secretary of Interior (Washington, D.C.: Government Printing
Office, 1967), p. 124. The Social, Educational Research and Develop-
ment, Inc., Aliens in the United States Virgin Islands: Temporary
Workers in a Permanent Economy, op. cit., p. 6, indicates that one
room with no sanitary facilities or furnishings cost up to $75 a
month, so rooms were often shared with another foreign worker. The
Social, Educational Research and Development, Inc., A Profile and
Plans for the Temporary Alien Worker Problem in the U.S. Virgin
Islands, pp. 51-52, 55, indicates that in their study group 32.4
percent paid $26 to $35 per month for rent, 18.4 percent paid 0 to
$25 and 15.4 percent paid $56 to $85 per month. Under 30 percent
of the study group earned less than $1.50 per hour, which excluding
deductions and overtime was no more than $60 per week. Taking into
account the size of the typical units and the facilities available,
rent was not cheap. 33.6 percent of the study group lived in three
to five rooms while 32.7 percent lived in one room and the third
largest group of 25.8 percent lived in two rooms; 87 percent did not
have running hot water, 42 percent did not have a stove or bath and
37 percent did not have access to a refrigerator. In addition,
access to water meant a walk of 50 to 100 yards and the sharing of
toilet or bath facilities sometimes meant sharing with 6, 8, or 10
people or even the entire neighborhood.
However, as the government mobilized federal and local resources to combat the housing problem, large numbers of foreign workers were arriving and moving into a tight housing market. During the 1967 conference, presentations on housing were made by officials from the Virgin Islands Planning Office, the United States Department of Housing and Urban Development, and from a former government secretary who had been involved in the Islands' emergency housing program. While all three presentations contributed to the conference, the remarks by the former government secretary illustrated the problem by developing adequate housing.

In discussing the development of the emergency housing program in the late 1950s, this official pointed out that the Virgin Islands government wanted to end the outmoded and unsanitary night-soil removal system. Laws were enacted to force landlords to install modern plumbing. The landlords responded by evicting tenants and demolishing old buildings, replacing them with modern structures commanding higher rents.

The result was many displaced tenants. Although some public-housing units were then under construction, immediate action was needed. Therefore, the government embarked on an emergency housing program that supplied only a fraction of the required housing.¹ The number of foreign workers was not as great in the 1950s as in the 1960s, and the foreign workers were still seen at that point as

¹The emergency housing program, which was under the auspices of the Department of Social Welfare, will be discussed in detail in Chapters V and VI.
temporary workers who would return to their home islands.¹

The foreign workers were concentrated in predominantly sub-
standard urban housing. On St. Croix, many foreign workers also lived
inadequately in rural areas.² Foreign workers in fact were living
in housing vacated by indigenous workers who had secured better
housing as a result of the several housing programs conducted by the
Virgin Islands government for low-income residents. Consequently,
although housing conditions for Virgin Islanders were gradually
improving, the overall housing picture remained substandard. Since
the housing supply was restricted, priority was assigned to residents
first, resident aliens second, and non-immigrant foreign workers
third.³

The deputy regional administrator for the United States Depart-
ment of Housing and Urban Development expressed concern at the 1967
conference about the rapid increase in the foreign labor population
during the preceding ten years. Since no housing registry existed
in the Virgin Islands, information on how foreign workers satisfied
their housing needs was obtained from observations or personal histo-
rives. Five categories were recognized:

¹Roy W. Bornn, "Experiences in Emergency Housing," in the
Conference on the Alien Worker and His Family, op. cit., pp. 32-35.

²Thomas R. Blake, "Housing," in the Conference on the Alien
Worker and His Family, op. cit., pp. 27-28.

³Ibid., p. 28. In the paper by Alonzo G. Moron on "Housing for
the Alien in the United States Virgin Islands--1968", in the Conference
on the Alien Worker and His Family, op. cit., p. 19, he reported that
as of January 1, 1966, there were 3,045 permanent resident aliens in
the Virgin Islands.
1. With relatives from the British and French West Indies who were no longer aliens. This was especially true for aliens on student or visitor's visas and for some non-immigrant foreign workers.

2. In quarters furnished by employers. This was especially true on St. Croix. However, many of the maids and gardeners who remained on the Islands for any length of time eventually settled down to a two-home existence.

3. In buildings rented or constructed for single workers by employers of large cadres of foreign workers. Unfortunately, the quality of housing provided varied and was built with no consideration of existing housing or planned future development.

4. In the general rental market, which included jerry-built housing especially constructed to house foreign workers. The spectacular increase in rents charged during the preceding five years meant that foreign workers were forced to crowd into these rental units.

5. In shacks built by foreign workers and made of crates and cardboard with no sanitary facilities. In 1965, the Department of Health reported that more than four hundred of these shacks had been illegally assembled in St. Croix. Some 150 of these shacks were later torn down.

The regional office of the United States Department of Housing and Urban Development, in recognition of the housing problems of the foreign workers, made the following policy changes: (1) approval was given to admit family groups in public housing if at least one
of the members was a resident alien. However, the legal requirement that priority be given to citizens and the long waiting lists meant little immediate improvements could result;

(2) the regional office required that relocation plans include proposals for the relocation of foreign workers who resided in the relocation areas; and

(3) the requirement for equivalent demolition of old housing for each new housing project was waived due to the existing housing shortage.1

Interestingly, these policy changes were initiated by a federal agency. The local government had the legal tools to respond to complaints about overcrowding and exorbitant rent increases, but did little. Building, housing, health, fire prevention codes, and rent-control laws were ignored; the overcrowding and rent exploitation continued to exist. Corrective steps would have cost money, reducing the incomes of many owners, so the codes were not enforced.

The deputy regional administrator contended that the foreign worker was entitled both to share in the benefits of the Islands' economic progress and enjoy the same legal protection available to the general public.2 However, no immediate changes were forthcoming and the foreign workers continued to live in the most deplorable housing in the Virgin Islands community.


2Ibid., p. 24.
Education

The Education Department excluded foreign workers' children from the public-school system. The commissioner of education supported this exclusion on the grounds that the Virgin Islands school system had been victimized by years of systematic neglect, including inadequate facilities. Even though 166 classrooms had been built since 1961, public-school enrollment had increased by 44 percent, so classrooms routinely held thirty, forty, and even fifty children per class. The commissioner attributed the increase in enrollment to the influx of American citizens from the United States mainland, the expansion of the Puerto Rican community in St. Croix, and the achievement of permanent-residence status by the children of foreign workers.¹

The Immigration and Naturalization Service required schools in which foreign students were enrolled to verify the validity of the school. Schools awarded verification are then legally permitted to enroll non-citizen children. All the private schools in the Virgin Islands had completed verification and enrolled foreign workers' children on student visas.² Thus, these parents, many of whom earned minimum wages, paid a fee for their children's education.³ This further strained those foreign-worker parents who were attempting to keep their families together.

¹Arthur A. Richards, "Education of Non-Citizens" in the Conference on the Alien Worker and His Family, op. cit., p. 37.

²Social, Educational Research, and Development, Inc., Aliens in the United States Virgin Islands: Temporary Workers in a Permanent Economy, p. 39. This study also reported that in checking with two parochial schools there were approximately 371 children enrolled in their schools.

³Richards, "Education of Non-Citizens," op. cit., p. 37. No information on the cost of private or parochial schools was readily available.
By 1966, the Education Department was forced to address the problem of non-citizen children when it was learned, during the summer of 1966, that there were 181 non-citizen children who did not attend school. The resulting pressure to admit all children to public education culminated in the enrollment of non-citizen children in public elementary and secondary schools. Admission was conditioned on the following: (1) good health; (2) presentation of necessary school records or the taking of a placement test; (3) that enrollment would not cause the number of pupils in a class to exceed prescribed standards; (4) preference was given to parents who had worked legally in the United States Virgin Islands for at least two consecutive years and expected to remain in employment; and (5) the presentation of satisfactory evidence that off-island guardians were unable to supervise the child or children for whom admission was sought.¹

The Department of Education policy-makers apparently believed that this restrictive policy would prevent parents from bringing in more of their foreign-born children or transferring children from the private-school system. On the other hand, they apparently also believed that the policy would address the problems created by the large number of non-citizen children who did not attend. In reality, however, the very restrictiveness of the policy effectively eliminated large numbers of these foreign-born children as the overcrowded classrooms meant that very few children were admitted.

¹117, Virgin Islands Code, 103-1.
Conference Accomplishments

Unfortunately, the 1967 conference goals were limited to providing a forum. Since the conference had not been convened by the governor or the legislature, its recommendations, which were sent to the governor for his consideration, were not implemented.

The conference did, however, shed light on the nature of the problem. First, it was evident that the critical situation in housing and education was beyond the scope of the local agencies. Second, agencies, such as Social Welfare, which restricted their services to citizens were not addressing the severe problems of foreign workers. Third, the quest to provide needed services for the indigenous population meant that scarce resources were allocated to the indigenous population. Thus, the needs of the foreign-worker population, by that time already assuming crisis proportions, continued to be ignored.

In retrospect, we may surmise that the failure to address the problem at this midpoint—1966—would critically affect the Islands' social and economic development.

The National Response

Eventually, the problems of the foreign workers received attention from the executive and legislative branches of the United States government.

John J. Kirwan, acting director of the Office of Territories of the United States' Department of the Interior in 1965, deplored the Islands' reliance on a continuing supply of cheap alien labor. He indicated that the continuing failure to address the issue would lead
to a deterioration of the quality of life. Kirwan compared the money, imagination, and effort that the Virgin Islands government expended furthering business interests with what it had done for the alien population.¹

Kirwan's attempt to secure the assistance of the commissioner of Immigration and Naturalization met with the response that the program was based on the House subcommittee's recommendation that foreign workers in the Virgin Islands should be considered temporary, and that the admission of these workers was authorized only after clearance by the Virgin Islands Employment Service.² Clearly the Immigration and Naturalization Service had taken a hands-off position.

The conclusions of the House study on the non-immigrant alien labor population in the Virgin Islands can be summarized as follows:

1. the policies for admitting foreign workers to the United States Virgin Islands had developed sporadically, primarily in response to pressures from local government officials and businessmen. There had been no systematic or uniform enforcement of the Immigration and Nationality Act.

2. the non-immigrant alien labor problems then confronting the United States Virgin Islands were the direct result of the inaction or misdirected action of the Department of Labor and

¹U.S. Congress, House, Committee on Territorial and Insular Affairs, Election of Virgin Islands Governor, Part 11, pp. 701-703, for letter from John Kirwan to Governor Paiewonsky dated August 12, 1965, and Lewis, op. cit., pp. 227-228.

²U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 27.
3. The Immigration and Naturalization Service had been given the statutory authority to admit temporary workers, but had totally ignored the alien labor program in the Virgin Islands.¹

In hearings held in 1967 on legislation authorizing the election of the Virgin Islands governor, the House Subcommittee on Territorial and Insular Affairs expressed considerable interest in the alien labor program and its problems. Congressmen Morton and Carey were particularly critical of the program and the role of the Labor Department in the Virgin Islands.²

The United States Department of Labor, like other federal agencies, had taken a hands-off policy toward the foreign-labor problem in the Virgin Islands. However, as a result of the Immigration and Nationality Act amendments of 1965, which, among other things, abolished the national-origins quota system and increased the degree of mandatory participation by the Labor Department in authorizing the entry of certain immigrants, a new policy was developed for the Virgin Islands.

The 1965 act provided for a transition period to July 1, 1968, during which as many temporary workers as possible would be converted to immigrant status. This approach was supported by the Virgin Islands governor and the Labor and State Departments. Procedures were developed to differentiate between temporary workers who worked at

¹Ibid., pp. 51-52.

²U.S. Congress, House, Committee on Territorial and Insular Affairs, Election of Virgin Islands Governor, Part 11, pp. 695-698.
permanent jobs and workers whose jobs were truly temporary in nature.\footnote{U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 20-21.}


It is appropriate to note that during this period several major exposes on the foreign-worker problem appeared in the national news media.\footnote{The publicity meant that the problems could no longer be ignored either nationally or locally.} The beginning of the 1970s marked a new period in the Islands' approach to the problem of the "temporary" alien worker. In the 1970s, the Virgin Islands experienced another economic recession and was less able to afford the government benefits that people expected. Now these benefits were extended to the large, foreign-labor population.
Three major developments led to the foreign laborers' participation in the Island society: (1) the extensive review of the foreign-labor program by the United States Department of Labor;¹ (2) Public Law 91-225;² and (3) the decision in the Virgin Islands district court in Hosier v. Evans.³ Let us examine these developments.

The Labor Department Review

Beginning in 1969, the United States Labor Department, partly in response to the reports on the foreign workers that had been developed by Social, Educational Research Development, Inc.,⁴ a consulting firm, began an extensive review of the foreign labor program in the Virgin Islands. This review led to the May 1970 directive.⁵

The establishment of a new policy was a direct acknowledgement on the part of the United States Labor Department that the procedures used by the Virgin Islands Employment Services had been ineffective and that a new approach was needed. The new procedures aimed to integrate non-immigrant workers into a permanent labor force and curtail the entry of new workers.

¹U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 36-37.
This step symbolized the acknowledgement that the temporary foreign-worker program was, in reality, permanent, that foreign workers were essential to the Virgin Islands economy: The establishment of a local Labor Department office also marked the re-entry of a federal agency into Virgin Islands' affairs in contrast to the years of the Department's indifference and neglect.

The new procedures stipulated that all foreign laborers working in the Virgin Islands as of December 31, 1969 were part of the permanent work force. Eligibility for indefinite certification was generally restricted to non-immigrant workers with labor certifications who had been employed on the Islands between July 1969 and December 30, 1969; or to non-immigrant aliens without such labor certification who were documented as having been employed at the prevailing wage prior to January 1, 1970. Domestic workers without labor certifications were initially barred from indefinite certification, but this restriction was subsequently relaxed under certain conditions.

The identification and certification of the original group of eligible non-immigrants, totaling about 12,500 was completed in July 1971.¹ This sizable number reflected the Islands' dependence on foreign labor.

This attempt to resolve the foreign-laborer problem was deemed successful by the Labor Department. However, it does not seem probable that all of the indefinitely certified workers will become permanent workers. According to the Labor Department's Manpower Administration, 

¹Ibid., p. 37.
at least 10,000 of the 11,200 foreign workers certified as of July 1, 1973 will never qualify for permanent-resident status without Congressional action due to the low annual quotas of the not fully independent nation states in the British West Indies.¹

This group was almost evenly distributed between the two major islands with St. Croix having 5,925 workers and St. Thomas 5,000. Only 275 of this group were employed in St. John. Also of interest was the fact that of this group of 11,200, only 180 were from the British Virgin Islands which historically has had the closest ties with St. Thomas. It can be assumed that the small number of workers from the British Virgin Islands reflected the long association between the American Virgin Islands and the British Virgin Islands, which would mean that many British Virgin Islanders were already naturalized citizens and could more easily secure permanent residence for their relatives. The largest group of 4,320 were from Anguilla, Nevis and St. Kitts with the second largest group of 2,575 from Antigua. Both St. Lucia and Dominica had over 1,000 workers while the other islands had numbers ranging from a low of 25 workers (from Barbados) and a maximum of 380 from Trinidad and Tobago.² The foreign labor program

¹Ibid., pp. 39-40. The not fully independent nation states in the British West Indies have 200 visas available annually. For example, Anguilla, Nevis, and St. Kitts have 4,320 foreign workers certified. Thus, it would take several decades for natives of those islands to secure a visa for entry into the United States. This situation will change more rapidly for those islands in the British West Indies which become independent. Independent countries of the Western hemisphere are subject to an annual overall quota of 120,000.

²Ibid., pp. 40-41.
represented a sizable influx of persons from islands which had not had close social or economic ties with the United States Virgin Islands.

Dissatisfaction with the procedures was strong among the Islands' indigenous workers. The comparatively high unemployment rate combined with a large non-immigrant labor force strained an already delicately constructed arrangement.¹ The most visible source of conflict lay in the fact that many of the indigenous workers were unemployed while employment was high among the foreign workers. The ostensible reason for the striking difference, of course, was that the foreign workers had jobs that Virgin Islanders had traditionally been unwilling to take. Clearly, however, fragmented and piecemeal planning was the real, underlying cause of the problem.

¹Ibid., p. 42. In the fall of 1973, the Virgin Islands unemployment rates was running at approximately 5.5 percent of the labor force. By 1976 this had increased to 10.8 percent but the number of non-immigrants had also decreased to 7,250. Unemployment figures were secured from the Department of Commerce's "Comprehensive Growth Statistics--1960 to 1977." The figure on number of non-immigrants in the Virgin Islands during fiscal year 1976 was secured from the St. Thomas office of the Manpower Administration.
Public Law 91-225

The enactment of Public Law 91-225 on April 7, 1970 extended additional privileges to foreign workers.¹ This legislation was designed to facilitate the entry of certain non-immigrants by the establishment of a new visa classification for the dependents of foreign workers entering under one of the three "H" classifications: (1) persons of distinguished merit and ability; (2) other temporary workers; and (3) trainees.

The specific problem that the legislation addressed was the fact that people in business and other professions were concerned about their inability to gain entry for managerial and professional staff members from their overseas branches for intracompany assignments which were outside the requirements for temporary workers under the provisions of the Immigration and Nationality Act. Thus, these international employees had to wait for extended periods before receiving grant visas. This dilemma was particularly critical in American firms in Canada where employees often waited from ten to twelve months for immigrant visas. Consequently, American business was handicapped. Public Law 91-225 addressed this need by changing the intent of two of the three sections on temporary employees. It also permitted the entry of the families of all temporary workers.²


Although there was some discussion about the Virgin Islands while the bill was under consideration, it is questionable whether the Judiciary Committee was fully informed about the probable impact of the new modifications provisions on the Virgin Islands.¹ This was yet another example of Congressional actions having an adverse impact on the Virgin Islands.

The legislation provides for reunifications of the families of non-immigrants. Although the intentions of the bill were important for the foreign workers' families, this legislation would have been more valuable in the 1960s when the foreign-workers program was growing rapidly. Enactment in 1970 simply exacerbated problems that resulted from the mandated integration of the foreign workers into Virgin Islands society.

The most immediate result of the modification of the visa regulations in the Virgin Islands was the rapid processing and arrival of between thirty thousand and forty thousand dependents of foreign workers already employed in the Islands. Needless to say, these dependents were legally entitled to government assistance and services in areas such as housing, health, and education. This heavy and onerous population increase during a period when even workers with two or three jobs found it difficult to meet the ever-escalating cost of living had detrimental effect on these families and on the government agencies supposedly servicing them.  

¹U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 32.
The third major event was the action by the United States District Court in St. Thomas. When Public Law 91-225 was enacted a large number of foreign workers' children were not allowed to attend public schools because of the Virgin Islands Department of Education regulations.¹ A group of parents then sued the Virgin Islands government and on June 26, 1970 the regulation was declared null and void,² clearing the way for children of temporary alien workers to attend the public schools. This decision was not appealed because the last appointed governor had promised the United States Congress, during confirmation hearings, that he would work toward admission of alien children into the public school system.³ This decision eliminated the last major barrier that had denied alien children access to the Virgin Islands public schools.

The impact of this decision was immediate—80 percent of the new enrollees in the public schools were alien children. By December 1974, 32.5 percent of the total public school enrollment was composed of non-citizen children.⁴ It is important to note that although approximately 25 percent of the total Virgin Islands government budget

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¹13 Virgin Islands Code, 103-1.
³U.S. Congress, Senate, Hearing before the Committee on Interior and Insular Affairs, Nomination of Melvin H. Evans, of the Virgin Islands to be Governor of the Virgin Islands, 91st Congress, 1st Sess., June 17, 1969, p. 10.
⁴United States Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 34.
was spent on education, the government was hard-pressed to meet the demands of this sudden, steep increase in enrollment. In fact, split sessions, overcrowded classrooms, and shortages of equipment and supplies became the norm, eroding the quality of education for all students.

Summary

As we have seen, the extensive review of the foreign-labor program by the United States Department of Labor, Public Law 91-225, and the Virgin Islands District Court decision in Hosier V. Evans, awarded the foreign workers with some of the benefits that they would have been entitled to originally had their status been that of permanent, rather than temporary, workers. Unfortunately, during a period of


2An examination of the record of attrition in the Virgin Islands public school system showed two parallel trends. First, the number of students who reached grade twelve and did not graduate has shown a definite increase over the years and, second, the number of students who started in grade nine diminished by about 50 percent by the time the class was ready to graduate. These trends developed at a time when "social promotion" was an accepted way of moving students through the educational pipeline. As a result of the "non-fail" approach, high schools were turning out functional illiterates. Of one hundred students who were tested at the College of the Virgin Islands in English and Math skills, seven passed the English test and thirteen passed the math test. All the students were graduates of the three Virgin Islands high schools. See Virgin Islands Economic Policy Council, Economic Development Policy Guidelines (Draft) (St. Thomas: Government Printing Office, January 1978), pp. 48-49 and 86-87.
economic recession, the Virgin Islands government was required to reorient its focus so that the foreign-worker population was, at least on an official basis, integrated into Virgin Islands society. This reorientation and extension of government services to the foreign workers has aggravated the resentments generated on the part of the indigenous workers during the many years of mass migration of foreign labor. The government was consequently overextended and unable to extend adequate benefits to either foreign workers or native Virgin Islanders.¹

In our discussion of the history of foreign labor in the Virgin Islands, we have thus far viewed the Islands as they were before the magnitude of the foreign-labor dilemma became apparent as well as during the evolution of the problem. The Virgin Islands up until the early 1950s was a small, relatively undeveloped community with a common cultural tradition, mores, and beliefs. In such a society, there was little to attract newcomers to the Islands and the few that came were eventually integrated into the community. The economic development that began in the later 1950s, and was generated by the expanding tourist industry, changed the Islands from a stable,

¹Green writes that many British islanders consider the cultural prejudice of local citizens who dislike British Islanders as one of the most serious sources of their discontent. He adds further that the rise of a large, resident-alien population in the Virgin Islands has contributed substantially to the sense of threat and isolation felt by many Virgin Islanders. See Green, "The British West Indian Alien Labor Problem in the Virgin Islands," p. 67, and Green, "Social Networks in St. Croix, United States Virgin Islands," p. 110. See also U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 51, which states "There is serious concern among native Virgin Islanders and elected officials that regularizing the status of H aliens will eventually lead to the loss of political power."
underdeveloped, and agricultural society to a rapidly changing, industrial, and developing society. St. Thomas and St. Croix still retain their distinctive differences due to their different geography and economic and political development. St. Thomas is still the commercial and trade center with tourism and the cruise ship traffic an essential ingredient in the island's economic activity. St. Croix, on the other hand, has replaced its agricultural economy with manufacturing, specifically bauxite processing and oil refining with tourism being less developed on St. Croix than on St. Thomas.

Such a society attracted many different people from the United States mainland and the rest of the Caribbean. These newcomers brought with them their own cultural traditions, mores, and beliefs. Such a massive influx provoked serious personal, social, economic, and familial stresses on every part of Virgin Islands society. These stresses were further compounded by the societal and official view that a large majority of the newcomers were temporary, thus they did not need any services. Belated recognition of the needs of the newcomers created additional problems for an already overburdened, emerging society.

In Chapter V, "The Development of Social Welfare," we will examine the response of the Virgin Islands social welfare system to the immense challenges that confronted it.
CHAPTER V

THE DEVELOPMENT OF SOCIAL WELFARE

The United States Virgin Islands was not exempt from the traditional pressures that beset a developing society. In emerging from an agriculture-based society and becoming an urban, industrial society, the Island government and its people were forced to cope with a host of interrelated problems encompassing housing, employment, underemployment, unemployment, juvenile delinquency, education, dependency due to income insufficiency, health, immigration, mental health, family breakdown and instability highlighted by an increasing birth rate, parent-child problems, deteriorating community mores, and the sociocultural conflicts arising from the clash of American culture and West Indian culture. Additionally, a large foreign-worker population was present in the United States Virgin Islands during this period, further straining the overextended social fabric of the Islands.

The population explosion ignited in the late 1950s was another major factor underlying the social, economic, and cultural problems resulting from the Islands' industrial development.\(^1\)

\(^1\)In 1940 the Virgin Islands population was 24,889 and in 1950 it had increased to 26,665, an increase of 7.1 percent. The 1960 population had increased to 32,009, a 20.4 percent increase. Date taken from U.S. Department of Commerce, Bureau of the Census, Sixteenth Census of the United States: 1940-Virgin Islands of the United States—Population, p. 5; 1950 Census of Population, General Characteristics
How were these problems to be resolved? In the Virgin Islands, the agency responsible for dealing with the social problems of juvenile delinquency, family breakdown and instability, dependency due to insufficient income, and parent-child problems was the Department of Social Welfare.

In Chapter V, we shall review the history of the Virgin Islands Department of Social Welfare from its beginnings during the New Deal era through its troubled evolution in the 1940s and 1950s. As we shall see, the Social Welfare Department, like the other branches of the Virgin Islands government, was handicapped by piecemeal legislation locally and nationally and restricted access to federal revenues. As is true throughout this study, any conclusions in Chapter V should be considered tentative and subject to change.

Let us begin by discussing the New Deal and social security.

The New Deal and Social Security

Two years prior to the Roosevelt New Deal, federal intervention in the Virgin Islands raised the Islanders' expectations and hopes for a brighter future. Thus, the Virgin Islands experienced a mini-New Deal. Two other major, related developments, as noted previously, were the transfer of the Islands' administration from the navy to the Department of the Interior, so that the federal rehabilitation program could

be properly executed, and the inclusion of the Islands in the emergency relief acts of the Roosevelt administration.¹

The Great Depression created a major philosophical upheaval in the United States about the role of the federal government, dramatizing the fact that the American worker was dependent on factors beyond his control for economic security. Federal action was perceived as necessary in dealing with the economic risks of unemployment, old age, death, and disability—for neither state government, local government, nor private charities could cope with the forces unleashed by a nationwide economic disaster. In 1935, President Roosevelt proposed economic security legislation to the United States Congress; on August 14, 1935, the Social Security Act was signed into law.

The law established two national social insurance programs: a federal system of old-age benefits for retired workers who had been employed in industry and commerce, and a combined federal-state system of unemployment insurance.

Federal grants-in-aid were provided to the states to help meet the cost of assistance to the needy aged and blind, and to needy children who had been deprived of support or care by a parent's death, incapacity, or absence.² Other federal grants were established to enable states to extend and strengthen maternal and child health services, services for crippled children, child welfare services,

¹Evans, op. cit., pp. 67, 281-283, and 289.

public health services, and vocational rehabilitation services.\(^1\)

In the Virgin Islands assistance was provided to the poor in the form of pensions, emergency grants, institutionalization of the aged poor at a so-called poor farm, pauper burials, and the operation of the Boys Home in St. John. Funding of these programs was from money budgeted by the Colonial Councils and the interest from various trust funds.\(^2\) Under the emergency relief program, cash relief, work relief, and food relief were provided to the needy but these funds were temporary and the Virgin Islands government was anxious to establish a permanent program. The public welfare commissioner was particularly concerned about establishing a home for girls, the re-location and expansion of the boys home, the development of a compulsory social insurance system, the building of a community center, and the employment of two or more caseworkers for family welfare work.\(^3\)

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2During fiscal year 1934, 188 persons in St. Thomas and 24 in St. John received pensions from Municipal and Trust funds in the amount of $6,954.60. Data taken from Report of the Activities of the Department of Public Welfare for the 1934 fiscal year, dated August 6, 1934 and submitted by Alonzo G. Moron, Commissioner of Public Welfare to Honorable Paul M. Pearson, Governor of the Virgin Islands, p. 2. (Typewritten) The 1934 Annual Report of the Governor of the Virgin Islands to the Secretary of the Interior (Washington, D.C.: Government Printing Office, 1934), p. 20, stated that a like amount of money was spent in St. Croix for pensions and emergency grants, but numbers served were not indicated.

However, an attempt to have the Virgin Islands included in the Social Security Act was denied by Congress on the grounds that the Virgin Islands did not pay federal taxes.\(^1\) The exclusion, of course, was a great blow to the Virgin Islands government generally and the Department of Social Welfare in particular.

During World War II the wartime posture, as we have seen, structured the Islands' economy. After 1943, the boom declined and the Islands again were in dire economic straits.\(^2\) One of the contributing factors was that economic recovery in the United States led to the liquidation of the Works Progress Administration in December 1942, removing an employment resource from the Virgin Islands.\(^3\)

Now that we have reviewed briefly the Virgin Islands economy during the Depression and the early World War II years, let us discuss how the Virgin Islands government responded to exclusion from social security.


\(^2\)Lewis, op. cit., p. 94.

\(^3\)Helen I. Clarke, Social Legislation (New York: Appleton-Century-Crofts, Inc., 1940), p. 525. The U.S. Department of Commerce, Bureau of the Census, 1940–Virgin Islands of the United States, p. 24 indicated that of the 17,412 persons 14 years or older, 7,133 were employed and of that number 2,000 were public emergency workers. The termination of the Works Progress Administration created a severe employment problem for the Virgin Islands.
Virgin Islands Response to Exclusion

By the mid-1930s, Virgin Islanders had already learned that changes requiring Congressional action would come only after a hard fight. Consequently, exclusion from the Social Security Act was the basis for an intensive drive aimed at altering the decision. The lobbying took two major forms. The first entailed the enactment of legislation establishing a local public welfare agency conforming to federal requirements. Second, a carefully coordinated series of lobbying efforts was initiated that had as its ultimate goal inclusion of the Islands in selected titles of the Social Security Act.

The 1943 Act. The 1943 Social Welfare Act, enacted by the Legislative Assembly of the Virgin Islands, established the legal framework for implementation of the Social Security Act in the Virgin Islands.¹ This legislation modeled the Virgin Islands Social Welfare Department on state welfare departments on the mainland. A "state" office was opened. Municipalities became district offices. The social welfare director, equivalent to a commissioner, was appointed by the Secretary of the Interior on the basis of education, training, experience, and demonstrated ability in welfare administration. The act stipulated that consideration should be given to natives of the Virgin Islands in accordance with the 1936 Organic Act.²

¹Legislative Assembly of the Virgin Islands of the United States, Bill No. 1, An Act to Provide for Public Assistance and Welfare Services for the Virgin Islands, and for Other Purposes, Session 1943, December 13, 1943. St. Thomas Public Library, Microfilm #332.

²Section 23 of the 1936 Organic Act provided that the Secretary of the Interior should give due consideration to natives of the Virgin Islands in making appointments to executive and administrative offices.
Welfare Department communicated directly with the federal government in establishing, expanding, and strengthening services and receiving federal funds. The public assistance programs, the activities of the board of children's guardians, the homes for the aged and the poor department of St. Crox were consolidated into the Department of Social Welfare.

In defining the functions of the subdepartments a variety of services were included for adults, children, and the aged. The act spelled out provisions for the amount of assistance, application for public assistance, investigation of application, approval of public assistance, redetermination of eligibility and amount of payment, appeal and fair hearing, confidential character of information, public assistance, not assignable cases, and a public assistance fund. Clearly, we may safely conclude that if the Social Security Act was extended to the Islands, the required administrative structure would be in place.

1Legislative Assembly of the Virgin Islands of the United States, Bill No. 1, op. cit.
2Ibid.
3Ibid. These provisions would also enable the Department to insure that the Municipal Boards would only assume an advisory function, thus avoiding a repeat of the findings of the 1930 investigation of the Committee for the Poor in St. Thomas. That investigation had confirmed complaints that persons of financial means were receiving doles, that signatures were being forged, that pensioners were in some cases employed in the households of committee members, and that certain members of the committee appropriated to their own use the pensions due to persons who had left the Islands. See Evans, op. cit., p. 113.
Lobbying Efforts to Secure Extension. Over a period of several years, the commissioner of social welfare, Roy W. Bornn, with the support of the various Virgin Islands governors, testified before Congress both in Washington, D.C., and in the Virgin Islands. He also appeared before federal agencies such as the Department of the Interior and the Federal Social Security Board, testifying about the socioeconomic conditions in the Virgin Islands that generated high unemployment and extreme poverty. In 1944, the Islands received the support of the Federal Social Security Board, which in turn recommended to Congress that the public assistance, maternal, and child welfare and public health titles of the Social Security Act be extended to cover the Virgin Islands.

Despite these ongoing efforts, Congress maintained its position that because the Islands paid no income taxes into the federal treasury, the Social Security Act should not be extended. Consequently, the local government had to rely on its own limited financial resources when the various federal emergency relief programs were terminated.

Since the Virgin Islands government, as an unincorporated territory, had no representation in the Congress in the 1940s, its lobbyists enlisted the support of liberal Congressmen, sympathetic federal officials, and formal arguments to Congress and federal agencies.


agencies. It was to take more than a decade before these efforts brought results.

**First Social Security Programs**

On January 1, 1947, the Virgin Islands government won the first major victory with the extension of Title V—Grants to States for Maternal and Child Welfare—of the Social Security Act to the Virgin Islands. Although the 1943 Social Welfare Act had included child welfare services in the Department's mandate, this program had not been implemented due to financial limitations. In 1944, a program of child welfare services was implemented on a temporary basis. The child welfare consultants of the United States Children's Bureau and the Civilian Public Service unit of the Brethren Services Committee, a private group, worked together to secure the assignment of a professional social worker to the St. Thomas district.

The child welfare worker's initial efforts were concentrated on delinquent children. The board of management, which administered the Juvenile Home for Boys, an institution for delinquent boys, sought the worker's assistance in doing a careful study of all boys referred for admission to the home. Additionally, the worker, a woman, provided casework services to families where children were neglected, mistreated, or presented behavior problems. Referrals were also made by the schools, the police, and the courts. A total

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of 115 to 125 children were served during the one-year period of this project.\(^1\)

The positive impact on the community by a professional social worker convinced the St. Thomas Municipal Council that a child welfare program could no longer be omitted from the Department's activities.\(^2\) Funds for a child welfare worker were added to the Department's 1945 budget.\(^3\) Unfortunately, the low salary proved a stumbling block in enticing a social worker from the mainland.\(^4\) This one-year demonstration project had resulted in a commitment to child welfare services from the St. Thomas community, but the lack of a professional social worker halted further development of this service.

However, extension of the child welfare title did insure implementation of a much-desired and long-awaited child welfare services program. The sum of $10,167.00 was budgeted for the first six months of the program and the Department quickly implemented the


\(^2\)As early as 1934, the Commissioner of Public Welfare, Alonzo G. Moron, had recommended the employment of two or more caseworkers for family welfare work to lay the foundation for improving family life. See "Report of the Activities of the Department of Public Welfare for the 1934 fiscal year," dated August 6, 1934 and submitted by Alonzo G. Moron, Commissioner of Public Welfare to Honorable Paul M. Pearson, Governor of the Virgin Islands. (Typewritten.)

\(^3\)Reports on the activities in St. Croix during the 1945 fiscal year were not available. It could be assumed that similar actions was not taken in St. Croix since there were no indications that a professional social worker had been assigned to St. Croix.

mandated federal requirements. These requirements included the development of a "Plan for Child Welfare Services" that spelled out the services which the Department would provide.¹ The federal funds could be used only for personnel, staff training, and administrative costs. Thus, the newly established child welfare division emphasized the strengthening and further development of the institutional program for delinquent boys and the establishment of a foster-care program.

The institutional program for delinquent boys was transferred to the Department of Social Welfare in 1948 through an executive order of the governor.² Prior to the transfer, the juvenile home had been administered by a board of management and financed entirely by local funds.³ With the program's transfer to the Department of Social Welfare, many of the overdue improvements were made.

Prior to placement in the juvenile home, it was often necessary to temporarily place boys in a controlled environment. Since there were no separate facilities to provide detention care to delinquent youngsters, they were detained in the local jails. When the public was made aware of this situation, the resulting uproar culminated in detention centers for boys, established as separate facilities in the local jails in 1949.⁴ The Department's institutional program for


³Bryan, op. cit., p. 44.

⁴Ibid., p. 45.
delinquent boys thus consisted of a juvenile home and detention centers.

The Foster-Care Program

The second program established was the foster-care program. Foster care provided a substitute home for children who—for a variety of reasons such as absence or death of their parents or the inability to cope with a child's disruptive behavior—could not remain in their own homes. Foster care was not a new idea in the community, but in the formal structure developed by the child welfare division, the service was not easily implemented. Since federal funds were to be paid to the foster families, certain standards and requirements had to be met. Given the financial difficulties of the time and the substandard housing of the majority of the population, it was not surprising that the Social Welfare Department had many more children awaiting foster-home placement than families qualified to take them.

Despite these difficulties, a major effort was made to secure foster homes. These efforts resulted in limited progress and several

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1 The second Public Welfare Commissioner, Alonzo Moron, in discussing the problems of child welfare work in the home noted the high frequency with which the foster parent appears in the population. He noted that the average foster parent was not chosen by a social agency but by anyone who happens to be willing to take an orphan or a child left on the Island by a parent who wishes to go to the United States to "better her condition." The average foster parent is old, physically unable to stand the strain of rearing an adolescent and many are barely able to take care of themselves financially, much less bear the added costs of a growing child. See Report of the Activities of the Department of Public Welfare for the 1934 fiscal year, op. cit., p. 9.
families qualified to become foster parents. In addition to these foster homes, the Department also established subsidized foster homes on both islands, providing care for six children each. The realignment and upgrading of the foster-care program revealed, among other things, that a great need existed for a detention facility for girls.

Another major concern in operating the child welfare division was the lack of trained staff members. In an effort to address this need, a social work institute was conducted by the Department of Social Work at the University of Puerto Rico. Staff members from allied fields and both municipalities attended the institute. It was very successful in stimulating an improved attitude on the part of personnel and much interest in the community in general. This institute enabled the Virgin Islands government to successfully publicize the need for trained

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1As of June 30, 1951 there were 10 foster homes and 11 children in foster care, in addition to 31 children in the Queen Louise Home, a private child care facility supported by the Lutheran Church which received a small grant from the Municipality of St. Croix. See 1950-51 Annual Report of the Department of Social Welfare for the Municipality of St. Croix, p. 12 and Schedule F. No figures were available for St. Thomas. By July 1, 1951, there were 23 children in foster homes and in subsidized foster homes (14 St. Croix and 9 in St. Thomas). These figures had increased to 32 (16 St. Croix and 16 St. Thomas) by June 30, 1952. 1951-52 Department of Social Welfare Annual Report, Part III, Child Welfare (St. Thomas: Government Printing Office, 1952), pp. 6-7.


social workers. In 1948, the Social Welfare Department, though the use of federal child welfare funds, sent two Virgin Islanders on scholarship to the mainland to study for a master's degree in social work education. The students were under contract to return to the Islands for staff assignments.¹

Despite the availability of federal funds to send a few Virgin Islanders yearly to the mainland for their graduate education, this could not satisfy the immediate need for administrative personnel to implement the child welfare program. Consequently, professional social workers were imported from the mainland.² Such a move, of course, produced a clash between mainland American culture and West Indian culture.³ This clash was further compounded by the mainlanders' inability to grasp the local dialect and its cultural nuances. In brief, the social workers from the mainland found themselves isolated in a community with a different social, economic, and cultural experience.


²Although the funds to implement a Child Welfare program were received in January 1947, there was difficulty in recruiting professional personnel and the program did not begin until June 1947 when a trained social work supervisor from the U.S. mainland was recruited. See Bryan, op. cit., p. 43.

For example, in a society with minimal emphasis on time, weekly scheduled conferences with the social worker at an exact time were unrealistic, but not to the mainlanders. Despite the problems, the extension of the child welfare titles of the Social Security Act was the direct reason for the establishment of a child welfare program in the Virgin Islands.

However, the most urgent need in the late 1940s was financial assistance to alleviate the depressed economic conditions on the Islands. Within this context, the extension of the child welfare titles meant that some of the limited municipal resources had to be directed toward the child welfare program. Many of the problems

1One of the social workers recruited from the mainland in the 1940s tells the story of making a presentation on the Mandahl School to some St. Croix youngsters recommended for admission. At the end of the presentation, one youngster remarked to the other in the local dialect that she (the social worker) spoke funny. They had apparently understood very little of her presentation.

2The Child Welfare Expenditures for the period 1947 to 1949 fiscal years were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Federal Funds</th>
<th>Local Funds/St. T./St. J.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>$10,167.00*</td>
<td>$ 1,500</td>
</tr>
<tr>
<td>1948</td>
<td>$18,192.00</td>
<td>$ 6,740</td>
</tr>
<tr>
<td>1949</td>
<td>$19,280.00</td>
<td>$11,290</td>
</tr>
</tbody>
</table>

As the above indicates, there were increases of $5,240.00 and $4,550.00 in local funds during 1948 and 1949. This represents a substantial increase in local expenditures and when one considers that at the time public assistance grants were based on standards that averaged less than 30 percent of actual minimum need, one wonders if the additional local funds wouldn't have been used more appropriately for the public-assistance program.

*This amount represents a six-month allotment.

of these children and their families might have been eliminated by cash assistance grants. The limited political clout of the Virgin Islands in Congress resulted in yet another case of the Islands' needs being defined and controlled by others.

The Public Assistance Titles

The second major victory for the Virgin Islands government was the extension of the public assistance titles—Titles I, IV, and V—of the Social Security Act. Almost unbelievably, fifteen years after the establishment of the public assistance program on the mainland, the program was finally extended to the Virgin Islands. A compromise was finally reached involving, as per the by-now customary pattern, extension of the public assistance titles on a more limited basis than for the mainland.¹

On October 1, 1950 the public assistance program was inaugurated in the Virgin Islands, but the total amount certified under these titles could not exceed $160,000 and the federal share of expenditures was limited to 50 percent.² Technical assistance was secured from federal representatives and a "Plan for Public Assistance in the

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Virgin Islands" was developed and approved. The plan provided for the handling of assistance on a thoroughly modern basis on principles accepted nationally as sound and just, and applied uniformly throughout the Virgin Islands.\(^1\)

Substantial improvements were seen in the public assistance program immediately. The total assistance distributed in 1951-1952 was about double the total in 1949-1950, the year before the federal public assistance program was extended.\(^2\) Despite a 40 percent increase in caseload average, monthly grants per person during 1951-1952 were $8.40 per person or about half again the average of $5.90 per person in 1949-1950. Municipal appropriations of the program were 12 percent higher than 1949-1950, the year before federal matching began.


The caseload for 1951-1952 was 1,734 persons, 40 percent greater than the caseload of 1,248 persons in 1949-1950. The aim, beginning in October 1950, was to assist all applicants whose resources fell below 60 percent of actual minimum need and to give assistance at 80 percent of client's budgetary deficit on these 60 percent standards that were applied to federal and non-federal categories (general assistance). This new budgetary standard resulted in an increased caseload and a higher average grant.

Scarce municipal resources threatened the maintenance of this new standard. Additionally, the Department wanted to increase the caseload by covering all persons who met the new standards of need, maintain the uniformity of assistance in both municipalities despite the varying abilities to contribute to the program, and to carry forward the general modernization of the program that was required by the Federal Security Agency.

To maintain the gains of the program's first nine months the following would be needed:

1. A larger local appropriation was needed to match available federal funds.

2. A greater effort was needed on the part of existing staff to carry through unaccustomed and exacting requirements.

3. Additional staff members were needed to carry through enormously increased duties.

During the nine months of the program's operation in 1951, a total of $89,230.30 was provided from Municipal appropriations. This represented a total of $49,129.59 for the municipality of St. Thomas-
St. John and a total of $40,100.71 from St. Croix. The initial municipal appropriation for 1951-1952 was too low to maintain the standards that had been set in October 1950. This amount was increased from $122,495 ($60,000 from St. Thomas-St. John and $62,495 from St. Croix) to $133,529 ($64,534 from St. Thomas-St. John and $68,995 from St. Croix). The extensive poverty in St. Croix accounted for its greater caseload (the total number of persons receiving grants in St. Croix increased 50 percent from 626 to 987 persons while in St. Thomas, which had had a more adequate program of assistance, the increase was from 622 to 716 persons) and its greater difficulty in budgeting its full share of the public-assistance program. Since the Virgin Islands lacked an insular treasury, varying rates of matching from the poorer counties could not be implemented.

The federal matching was limited to $92,078.34, although the Virgin Islands was entitled to receive $160,000. Due to the Islands' poor economy and low government revenues, the Department could not approach the appropriation ceiling as long as the matching formula was restricted to the dollar for dollar basis.¹


<table>
<thead>
<tr>
<th>Virgin Islands</th>
<th>1949-50</th>
<th>1950-51</th>
<th>1951-52</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Oct. 1949)</td>
<td>(June 1951)</td>
<td>(May 1952)</td>
<td></td>
</tr>
<tr>
<td>Total V.I. appropriation</td>
<td>$107,728.00</td>
<td>$105,484.00</td>
<td>$130,500.00</td>
</tr>
<tr>
<td>Total Federal Contribution</td>
<td>None</td>
<td>52,345.32*</td>
<td>85,000.000**</td>
</tr>
</tbody>
</table>

*Nine months  
**Approximately
A second need was a greater effort on the part of existing staff members to carry through unaccustomed and exacting requirements. For example, federal regulations required that home visits be made to each client, but public transportation was limited or unavailable and there were few government vehicles on the Islands.

On St. Croix, which is the largest of the three primary islands, only one vehicle was available to cover the entire island.\(^1\) Additionally, most homes were unnumbered, there was limited telephone service, clients visited the offices infrequently, and clients were often absent at the time of the worker's visits. Staffs were small, vacancies remained unfilled, and retention of staff members was difficult because of the low salaries and the limited numbers of qualified people. Verification of birth records were also required and for many recipients these records were unavailable. In addition, loss or destruction of records made it impossible to verify birth dates of people born before a certain period of time.\(^2\) Since birth records were generally not used, many people were known by other names and had used names other than those on their birth certificates all their lives.

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\(^1\)In St. John, for example, where there were few roads, workers would have to travel by donkey to get to clients. In St. Croix and St. Thomas people walked or used horse and carts if they lived in the rural areas.

\(^2\)In those instances, where birth records could not be secured, affidavits were secured from people who had known the recipients and those clients were placed on general assistance. This practice is still used for clients born before a certain period of time.
Although the mailing of checks resulted in a more efficient administrative procedure, it created hardships for the large number of clients who could not write and needed assistance in the signing and cashing of their checks.¹ The elimination of the monthly visits to the offices to pick up the checks meant that workers could no longer assist clients on these visits.² Consequently, many of the clients who needed ongoing service could not receive it for workers were physically unable to visit all of their clients. The establishment of a uniform public-assistance fund resulted in centralization of accounts and disbursement, resulting in the St. Croix municipality losing some of its earlier autonomy.³

The third need was additional staff members to carry out the enormously increased duties imposed as a result of the implementation of the federal program. The administrative activities were many times the volume of those under the old local program. They included the exacting demands for investigation of applications, the maintenance of complete case records for each client, accounting by categories, pro-rating of administrative costs, and extensive statistical report-

¹According to the U.S. Department of Commerce, U.S. Bureau of Census, 1950 Census of Population, General Characteristics--American Samoa, Canal Zone, Guam, Virgin Islands of the United States, pp. 54-77. It indicates that of the 12,296 persons 25 years old and older 5.9 percent had no education and 22.0 percent had 1 to 4 years of elementary schooling. Due to the emphasis on education during the naval administration, one could assume that the elderly were disproportionately represented in the 5.9 percent of the population that had no formal education.

²Clients from the rural areas could plan their monthly visits to town around the receipt of their checks and could either walk or hitch a ride since public transportation was limited and recipients had limited funds to pay for transportation.

ing to federal agencies. Additionally, eligibility workers provided services in securing support for children from their parents and vice versa, guiding Aid to Dependent Children (ADC) families regarding children needing school adjustments or showing delinquent tendencies, and helping families overcome problems in domestic relations.

Nearly all the administrative costs were defrayed by the federal share so only a small fraction had to be borne by local funds. Nevertheless, the increased volume placed great demands on the limited staff, especially since there was a great deal of staff turnover.¹ This problem created a tremendous burden on administrative personnel as ongoing staff training was also required.²

Before the federal program was inaugurated, there were eighteen staff members. This number had increased to twenty-six by January 30, 1952, but nine of these were in general administration. The public-assistance caseload was administered by eight high-school and college-level caseworkers, whose average caseload was 161 cases. As of June 1952, only 50 percent of the workers had been on staff a year or longer. There was also a great deal of difficulty in recruiting trained and capable leadership and after some temporary assignments by mainland agency heads, a permanent public assistance director from the mainland was named in March 1952. Nevertheless, the commissioner was also


²An administrative review by the federal agency during fiscal year 1952 pointed out the need to improve staff training and provide for educational leave as staff needed strengthening in social investigation process and in assisting clients to develop potential resources. See 1952 Annual Report of the Department of Social Welfare, op. cit., p. 27.
required to carry some supervisory responsibility.\(^1\)

The requirement that supervisory and administrative personnel be experienced social workers meant that personnel had to be recruited off-island. Even though support for the training of Virgin Islanders was provided, two years were needed to complete a master's degree and work experience was required prior to promotion. As noted previously, mainland personnel were unprepared for the facts of life in the Virgin Islands.

In summary, the extension of the public-assistance titles improved the public-assistance program in the Virgin Islands. Higher benefits were received by more people. Nevertheless, implementing a mainland system of public assistance proved traumatic. The United States Virgin Islands, an undeveloped and depressed economy, had limited local resources such as funds, professional and paraprofessional manpower, public transportation, or the administrative system to effectively mold a Department of Social Welfare. The 50 percent match on federal funds meant that the Virgin Islands could not spend the federal dollars that were available for the program due to their limited resources.

Although the representatives of the federal agencies recognized the unique problems of the Virgin Islands, the Department was still expected to conform to federal rules and regulations. The Virgin Islands government strove to comply with the rules and regulations, but continued its attempts to secure the elimination of the discriminatory provisions, that is, the 50 percent matching formula, the ceiling on federal dollars, and equal treatment with states on the mainland.

Centralization of the Department

Many difficulties inherent in a municipal system of government were eliminated with the passage of the 1954 Revised Organic Act by the United States Congress. The act provided for the establishment of an insular system of government. The separate municipalities, separate treasuries, separate municipal councils, and separate department governing boards were abolished.

Under the act, the governor was given the authority to reorganize and consolidate the executive branch into not more than nine departments. Under the reorganization, the Department of Social Welfare was continued as an executive department and its scope broadened to include all public social welfare services:

The department shall have general authority over, and jurisdiction to administer, all public social welfare programs in the Virgin Islands, shall exercise general control over the enforcement of the laws relating to Social Welfare, shall make studies of, and recommendations for, and shall develop plans and programs aimed at achieving a high level of social welfare throughout the territory.

The following critical changes were required to achieve this goal:

1. The abolishment of the municipal superintendent positions with all activities directed from the district offices in Charlotte Amalie and Christiansted, and branch offices in Frederiksted and St. John.

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2 Ibid.
2. The abolishment of the two municipal departments and the assumption of their functions in one centralized Department of Social Welfare.

3. The development of one integrated budget, resulting in centralization of financing of the public assistance fund.

4. The establishment of a new division of institutions and special programs that operated the home and shelters for the aged and special programs such as the cancer program, housekeeping services for the feeble-aged, and providing for needy families.

5. The appointment of a centralized board of social welfare with representatives from all districts. The Commission on Children and Youth, previously without an affiliation, was renamed the Advisory Youth Commission and placed within the Department of Social Welfare.¹

Thus, for the first time since passage of the 1943 Social Welfare Act, the government and administrative mechanisms were implemented to finally enable the Department to establish an insular program, assess territorial needs, and develop and finance programs to meet the needs of the territory. For example, a work relief project was needed in St. Croix, but the municipality did not have the funds to initiate the program. The centralized Department was able to do so.

The Department in the Late 1950s

By 1956, when the foreign-labor program was initiated, the Department of Social Welfare had been reorganized from a municipal to a centralized department and had been receiving federal funds for the child welfare program since January 1947 and for the public assistance program since October 1950. Thus by 1960, when increasing numbers of foreign laborers were entering the Virgin Islands, the Department had thirteen and ten years, respectively, in developing child welfare and public-assistance programs. Limited local funds had inhibited the development of the non-federal programs. This short time span, as we shall see in Chapter VI, had not allowed sufficient time to implement a truly comprehensive social service delivery system or resolve the multiple problems related to limited resources.

To appreciate the problems of the 1960s and 1970s, therefore, a review of the Department's activities in the late 1950s is helpful. The three Department divisions carrying out the mandate of the Department of Social Welfare were institutions and special programs, the child welfare division and the public-assistance division.

Institutions and Special Programs

The division of Institutions and Special Programs administered the Queen Louise Home in St. Thomas for the elderly who needed custodial care and managed the shelter homes on St. Thomas and St. Croix for the elderly who could provide their own care. In addition, the department certified the indigent aged for admission to the Kings Hill Home for the Aged run by the Department of Health. In 1959, the Virgin
Islands legislature authorized the governor to transfer the administration of this facility to the Department of Social Welfare. Transfer was withheld pending the completion of a survey conducted by a National Institutes of Mental Health team which determined whether the institution should be changed to provide care for the mentally ill.\(^1\) It was felt that with the transfer to the Department, which was finally made on January 1, 1962, better care could be provided to the residents.\(^2\)

**Special Programs.** Special programs provided by the division included work relief, cancer care, burial services for indigents, services to the mentally ill in the local hospitals, after-care services to discharged formerly institutionalized mental patients, and emergency housing. The division also functioned as the operations arm of the Community Chest, an independent, voluntary charity program.

After the termination of the New Deal programs in the 1940s, work relief projects were severely curtailed. By the late 1950s, only two programs operated on an occasional basis: a work relief project for

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\(^2\) The author's experience was that the quality of care at the Herbert Grigg Home improved cyclically. Concern about the quality of care was expressed periodically and, at those times, money and additional staff members were provided. When the quality of care again declined, money and staff were again added. The most recent of these cyclical up-swings occurred during 1975-1976.
needy handicapped persons on St. Thomas who were unable to secure employment through other means and a sewing project on St. John which provided work relief for approximately three to four months in 1959 and 1960.  The program never got under way in St. Croix because of personnel problems. As employment opportunities increased in the late 1950s, there was less need for work relief projects and the program was not expanded.

Through the cancer care program, the Department provided contact and escort services to Virgin Islands cancer patients referred by the Health Department for care at the Puerto Rico Cancer League facilities. Some of the treatment services at the Puerto Rico Cancer League were provided without charge, but special services and the board rate were paid by the Virgin Islands government. Local funds were provided for the program; in St. Thomas, the Community Chest provided the major portion of the funds. By 1960, eight persons received services at a cost of $4,910.90 as compared with total expenditures of $6,052.00 in 1959 when seventeen people received services. Only $1,920.89 was spent in


1955 when deep x-ray treatment was available at the St. Thomas hospital and patients did not need to travel as frequently to Puerto Rico for treatment. (No figures on numbers served were available for 1955.) In lieu of on-island cancer services, the joint agreement between Puerto Rico and the Virgin Islands continued to provide a much-needed service.

The Department was also responsible for providing burial services for indigents. By 1956, free graves, coffins, and funeral transportation were provided on both islands. Prior to this date, the Department's services in St. Thomas were limited to the provision of free graves while the Department of Health provided coffins and funeral transportation. This change in policy resulted in the provision of a uniform service in both districts. Burial services were used more extensively on St. Croix, reflective of that island's depressed economy and the hardships imposed on the elderly population.

For example, burial services in St. Croix were provided to 93 persons in 1951, 116 in 1954, and 76 in 1957 compared with the provision in St. Thomas of four free graves in 1953, two free graves in 1954, and none in 1957. The Federal Old Age and Survivors program, extended


2 No figures were available for 1951 or 1952.

to the Virgin Islands in 1951, had begun to impact on the elderly by the late 1950s.  

During 1960, burial services were provided to only fifty-one people on both islands.  

Burial costs covered by the Federal Old Age and Survivors program were refunded to the local government, thus reducing the total costs of the program.

Casework services were provided to the mentally ill hospitalized in the St. Thomas hospital. Upon discharge, the division provided after-care services to patients and their families. Additionally, the division also had responsibility for planning and arranging the return of mental patients from St. Elizabeth's Hospital in Washington, D.C. Access to this facility, provided by an act of Congress, represented the only residential treatment facility available to the mentally ill of the Virgin Islands.

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1 The Old Age and Survivors Insurance Title of the Federal Social Security Act was extended to the Virgin Islands effective January 1, 1951 and offices of the Federal Social Security and Internal Revenue were opened to administer the provisions of the Old Age and Survivors Insurance Title. See 1951 Annual Report of the Governor of the Virgin Islands to the Secretary of Interior, op. cit., pp. 30-31.


The St. Thomas Community Chest. The Community Chest of St. Thomas, organized in August 1938, was an independent voluntary charity program administered by a board of directors. However, the Department was very involved in the management and promotion of the fund drive and the programs of the Community Chest. The division of Institutions and Special Programs provided a housekeeping service for the aged, bedside nursing care, and a special needs program. Personnel in the housekeeping services program swept and cleaned the homes of the indigent and the infirm and provided laundry, messenger, and shopping services to those clients. Through the bedside nursing care program, nursing aid was provided to sick indigents who remained in their own homes. The special and emergency needs program provided appliances for handicapped persons, emergency needs for household furnishings, special comforts for the sick, and loans and grants for any emergency needs of indigents. The chest also provided a monthly allowance for the indigent residents of the Queen Louise Home for the Aged.\(^1\)

The Community Chest of St. Thomas enabled the Department to provide additional services and to secure items needed by clients which the Department itself was prohibited from providing.

During 1950, $4,562.17 was spent for the activities of the Community Chest. By 1955, these expenditures were $8,112.13, and by 1960, expenditures were $13,952.85, the highest on record. Major expenditures

were for the housekeeping and laundry services, cancer care program, and home nursing, in that order.¹

The St. Croix Community Chest. The St. Croix Community Chest, patterned after the St. Thomas Community Chest, was organized on September 26, 1957 but did not have the same kind of leadership, organizational history, community support, nor sound organization. Although it did provide some services, such as the provision of medical appliances and small emergency loans to individuals, it did not have the programs established by the Chest on St. Thomas due to its much smaller budget.²

Emergency Housing

The division was assigned responsibility for the management of the emergency housing program in 1958.

The program was developed in response to the critical housing shortage in the Virgin Islands. By the late 1950s, an accelerated building and remodeling boom occurred, particularly in St. Thomas, where many slum areas were converted into high-rental residential or industrial properties. This posed a problem for low-income families who were unable to pay the higher rents. Consequently, many of these low-income families turned to the Department of Social Welfare for assistance. The Department increasingly found itself unable to assist these low-income families as the stock of low-income housing shrunk.


Eventually, the Department conducted a survey of families evicted because their landlords wanted to renovate. Fifty-eight family groups and 43 single adults, consisting of a total of 359 persons, were evicted.\(^1\) Single adults were not eligible for public housing, which was restricted to families of at least two related persons. Public housing could not accommodate all of the eligible family groups.

The seriousness of the problem resulted in the passage of enabling legislation to erect emergency housing.\(^2\) Attention was then directed toward meeting the needs of low-income residents who were desperately in need of immediate housing at affordable rents.

During the emergency housing program's first year of operation in St. Thomas, 186 applications totaling 894 persons were received. Of this number, 19 families consisting of 97 persons were housed in 6 units of varying sizes which were constructed or remodeled by the Public Works Department. At the end of 1960, 161 families, totaling 759 persons, were still in need of housing.\(^3\)

Clearly, the receipt of federal housing funds and the construction of public housing could not keep pace with the growing number of eligible low-income families.

In summary, then, the programs provided through the division of Institutions and Special Programs were locally funded programs and


\(^2\)Ibid.

addressed the needs identified by Virgin Islands residents as critical. The Community Chest of St. Thomas, a voluntary charity organization, provided funds to meet additional program needs. As new areas such as emergency housing were identified, the division also had to implement those programs with limited resources. However, since federal funds were not available for these programs they could be more easily adopted to local needs. Nevertheless, the division still had unmet needs including the need for more adaptable quarters and an activities program for the Queen Louise Home, the need for extensive repairs to the cottages at the Corneiro Home as well as the development of a social and recreational program, a community building for religious and social gatherings at both shelter homes, an expanded homemaker service, and a nursing home service for the chronically ill and senile.

Between 1955 and 1960, there was over a 100 percent growth in expenditures; further growth was restricted by limited funds. The increase in population further strained the Department of Social Welfare's ability to service the people.

The Child Welfare Division

The purpose of the federal child welfare grant-in-aids to states was to establish, extend, and strengthen services to children. Great emphasis was placed by the Department of Social Welfare on services to children in their own homes. Other essential services such as foster-family home care and institutional care were provided to homeless,

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1 See Table 3 for a comparison of the expenditures of the Division of Institutions and Special Programs during 1955 and 1960.
<table>
<thead>
<tr>
<th>Program</th>
<th>1955</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Care</td>
<td>$24,959.10</td>
<td>$54,640.90</td>
</tr>
<tr>
<td>Burial of Paupers</td>
<td>2,293.50</td>
<td>3,299.76</td>
</tr>
<tr>
<td>Work Relief/Sewing Project</td>
<td>1,388.48</td>
<td>7,697.15</td>
</tr>
<tr>
<td>Cancer Fund</td>
<td>1,040.00</td>
<td>1,192.90</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$28,641.08</strong></td>
<td><strong>$66,830.71</strong></td>
</tr>
</tbody>
</table>

dependent, neglected, pre-delinquent, and delinquent children. New services were also instituted such as adoption services, day care, and advisory services to the Insular Advisory Commission on Children and Youth.

Initially, strict controls were placed on caseloads to keep them small enough to be workable. This was necessitated by limited funds, lack of personnel, and lack of voluntary agencies or other community facilities and resources. In 1952, services were provided to 238 youngsters, 414 in 1955, and to 818 children in 1960.

Separate detention facilities for youngsters were provided in Forts in Christiansted, Frederiksted, and St. Thomas. Although these facilities were deemed unsatisfactory, funds were unavailable for an alternative program. In 1959, Fort Christiansted was turned over to the United States Park Service, thus detention facilities in St. Croix were eliminated, as youth care at Fort Frederiksted had been terminated earlier. Plans for new facilities on St. Croix and on St. Thomas were eventually formulated.

Foster care showed continuing growth and was one of the most


encouraging phases of the division's operations. With the development of a centralized government system, foster-home board rates were increased to $30.00 per month—an increase of $5.00 for St. Thomas and $10.00 for St. Croix. Total expenditures for the foster-care program in 1960 were $34,386.30 compared with $16,986.47 in 1955.¹

A foster-parents' club was established in St. Thomas in 1954 and in 1956 in St. Croix. These clubs assisted the Department in interpreting the program to their communities. They also provided a forum for discussion of child care and other services. A "Foster Mother of the Year Award" was established.² By 1960, a total of 145 children were in foster homes compared with 111 in 1955 and 80 in 1954.³

Federal funds had enabled the Department to employ a professional administrator for the Mandahl School for Boys and staff members were sent to the mainland for training. However, the facility's operation funds, which came from the local government were limited, thus program development and maintenance of the facility were minimal.⁴

In March 1955, the first legislature of the Virgin Islands enacted


legislation creating the Insular Training School.\(^1\) In August 1955, the school was moved to Anna's Hope in St. Croix, a 225-acre facility formerly occupied by the Federal Agricultural Experiment Station and a vocational institute.\(^2\) The Education Department continued to provide teachers for the academic program and a farm program was established. By 1960, two additional counselors and a caseworker were employed, enabling the Department to strengthen the program.\(^3\)

On March 5, 1958, the Home for Girls was established at the Anna's Hope estate. The drive for the establishment of this home had been spearheaded by the Women's League, a civic organization on St. Thomas. Due to limited local funds, the St. Thomas Community Chest provided initial funding. Although the facility's capacity was limited to ten girls, it provided a resource for adolescent girls who were unable to adjust in foster homes.\(^4\)

During 1955, the child welfare division accepted responsibility for completing the adoption studies on adoption petitions filed with the district court. These adoptions were primarily those of British West Indian children by their relatives.\(^5\) Few local children were

\(^1\)First Legislature of the Virgin Islands, Act No. 17, To Provide for the Establishment and Operation of Insular Training Schools and For Other Purposes; Approved March 28, 1955.

\(^2\)Division of Mental Health, Virgin Islands Department of Health, *Childhood Behavior Problems in Social Focus* by Robert H. Dalton, July 1968, p. 5.


available for adoption. Although children were often given to relatives, godparents, or friends, these arrangements were informal. It was also hard to preserve confidentiality in a small community if the adopted child was of a local mother. By 1959 some children were available locally, because young women from the mainland came to the Virgin Islands to give birth and then placed the children for adoption. Arrangements were also worked out with adoption agencies on the mainland to place children with families residing in the Virgin Islands.  

During 1955, the Department completed ten adoption studies for the court, placed three children for adoption, and provided supervision for one child placed by a mainland agency. By 1960, eleven children were received from agencies on the mainland and placed in local homes.  

Staff services were provided to the Citizens Advisory Commission on Youth which spearheaded the development of youth centers on each island. Unfortunately, budget difficulties and lack of trained supervisors made it difficult to fully activate the youth centers. By 1960, the commission's priority had shifted to the development of the 1960 Virgin Islands report for the White House Conference on Children and Youth.  


2 1955 Annual Report of the Department of Social Welfare, op. cit., pp. 9-10; and 1960 Annual Report of the Department of Social Welfare, op. cit., p. 9. No figures were given on the number of adoption petitions for the courts, although reference was made to the fact that this service was continuing.  


As noted previously, federal funds had enabled the Department to implement a scholarship program enabling native Virgin Islanders to earn their professional social work degrees. The goal was to develop an on-island capability and a cadre of indigenous professionals. However, the Department found it difficult to maintain its trained staff, for many left the Islands for other professional opportunities, moved to other Virgin Islands government agencies, or married and left the Islands.¹ The turnover problem resulted in a continued reliance on recruitment of professional staff members from the United States mainland and frequent vacancies in administrative positions.²

On June 10, 1959, new legislation was approved authorizing the commissioner of social welfare to stimulate the development of day-care facilities for the children of working mothers.³ The program was initiated during 1960 with the establishment of private centers on St. Thomas and St. Croix. An average of sixty children (St. Croix, twenty; St. Thomas, forty) ranging in age from three months to four

¹ Accurate records have not been kept on the number of employees who received educational leave or scholarship grants. Available sources indicate that twelve people received training through this program since its initiation in 1950. In the ten-year period, three completed only one year and of this number only two remained with the Department. Of the other nine, three had left the island, two were with other agencies, and four were still with the Department. (See, Department of Social Welfare files on the Scholarship Program.)


³ Third Legislature of the Virgin Islands, Act No. 455, An Act to Amend Titles 17 and 34 of the Virgin Islands Code to Authorize the Commissioner of Social Welfare to stimulate the Development of Day Care Facilities for the Children of Working Mothers and For Other Purposes, Approved June 10, 1959.
and one half years used the service.¹

Major unmet needs at the beginning of the 1960s, as identified by the Department, included the establishment of detention facilities on St. Thomas and St. Croix and increased day-care services. These items were included in the Virgin Islands report to the White House Conference on Children and Youth. The report also recommended provision of youth shelters and community centers.²

In the period from 1955 to 1960, local expenditures on child welfare services had more than doubled. Although federal expenditures had almost doubled, the local government, with its limited resources, still provided almost three-fourths of the total costs.³ The local government was thus severely strained economically.

The Public Assistance Division

The public-assistance division also experienced consistent growth, but the work of the division was marked by a continuing struggle on two fronts. One problem was to hold the caseload down to those in acute need, so that they could receive adequate help; the second problem was to increase the public-assistance grant to a realistic level.⁴


On February 1, 1954 assistance rates were raised from 48 percent of minimum needs to 60 percent. In 1955, the new revenues available through the financial provisions of the Revised Organic Act were channeled into public assistance to provide grants at 100 percent of so-called minimum needs for food and clothing. Other items in the client's budget were not changed. Average grants increased from $8.50 per person per month in June 1953 to $14.34 per person in June 1958 and $18.88 per person in June 1960.

In the first two years of the program's operation, the caseload had risen substantially and by June 1955, the total public-assistance caseload covered 1,673 persons. Due to a drop in public-works employment, many parents received reduced incomes, causing Aid to Dependent Children (ADC) caseloads to increase from 571 in June 1954 to 757 in June 1955. By 1958, the total caseload had decreased to 1,657 in response to major efforts to rehabilitate employables, the improving economic conditions, and the gradually developing benefits of the Old Age and Survivors and Insurance program. By June 1960, however, the caseload had increased to 1,716 due to liberalized standards of assistance and eligibility and the increase in grants for ADC children through a special appropriation of the Virgin Islands legislature that

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### TABLE 4

**LOCAL AND FEDERAL EXPENDITURES FOR CHILD WELFARE SERVICES IN 1955 AND 1960**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>1955</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$26,456.60</td>
<td>$49,442.59</td>
<td></td>
</tr>
<tr>
<td><strong>Local Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Welfare Program</td>
<td>25,728.26</td>
<td>54,738.21</td>
</tr>
<tr>
<td>Insular Training School</td>
<td>34,685.03</td>
<td>83,536.74</td>
</tr>
<tr>
<td><strong>Total Local Funds</strong></td>
<td>$60,413.29</td>
<td>$138,274.95</td>
</tr>
</tbody>
</table>

raised food allowances for children under thirteen years of age.¹

Local expenditures for the public-assistance program continued to increase and by 1956 federal matching funds were in the vicinity of $180,000 or $20,000 more than the $160,000 annual ceiling. Gradual increases in the federal ceiling had been secured; by 1960, federal matching funds were $216,116.23, still below the federal ceiling of $300,000.² Predictably, the Department would soon meet this maximum. The local share had increased by $85,000 in the 1955-1960 period while federal expenditures had increased by only $71,527.³

The major unmet need at the beginning of the 1960s, therefore, was aimed at the Department's continuing efforts to secure a federal matching formula which would be the same as the states'.⁴ Another major problem, however, was the fact that despite the small size of the Virgin Islands, it was required to carry the usual state and local responsibilities and meet the same federal administrative requirements as the large states. With the caseload divided among the three islands, opportunities for consolidation of caseloads and of casework


³See Table 5 for a comparison of total cost of assistance program (Assistance and Administrative Costs) for 1955, 1958 and 1960.

TABLE 5

COMPARISON OF TOTAL COST OF ASSISTANCE PROGRAM
(ASSISTANCE AND ADMINISTRATIVE COSTS)
FOR 1955, 1958 AND 1960

<table>
<thead>
<tr>
<th>Share</th>
<th>1955</th>
<th>1958</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Share</td>
<td>$144,589.36</td>
<td>$182,108.91</td>
<td>$216,116.23</td>
</tr>
<tr>
<td>Local Share</td>
<td>186,330.89</td>
<td>236,954.66</td>
<td>272,212.45</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>$330,920.25</td>
<td>$419,063.57</td>
<td>$488,328.68</td>
</tr>
</tbody>
</table>

supervision were limited. Despite these unfavorable factors, the Islands' administrative costs were below the national averages.¹

Summary

At the end of the 1950s, the Department of Social Welfare achieved the organizational objectives of the 1943 Social Welfare Act, namely, the establishment of a centralized Department of Social Welfare. The extension of the public-assistance titles and the enactment of the Revised Organic Act enabled the Department to achieve uniform policies for its federal programs. However, the extension of the federal social security programs still did not bring enough federal dollars to effectively implement these programs. Congress imposed ceilings on the amount of federal dollars available to the territory, including an unfavorable local-to-federal dollar match. Despite these limitations, the Department of Social Welfare was still required to meet all the federal rules and regulations for program operations. Thus, limited local funds were necessarily used to implement these programs. Consequently, program development was uneven and in programs such as the Insular Training School for Boys, federal dollars were available for staff members and training, but the operating and maintenance expenses, paid from local dollars, were often inadequate. This severely affected the program's quality and its ability to respond to changing needs. Additionally, even though there was an increase in the public-assistance payments, the increases were still insufficient to

meet the clients' minimum survival needs.

The development of local programs was also handicapped even after the development of a government centralized structure; certain local programs, such as work relief, were available only in certain districts. Several other programs, such as bedside care and housekeeping services, were financed by a local charity on St. Thomas. These programs were unavailable in St. Croix.

Despite all these limitations a tremendous expansion in available social welfare services occurred in the 1950s. Many observers thus anticipated that the 1960s would see continued growth, more favorable treatment from the federal government, and the provision of more comprehensive services to the then-existing Virgin Islands population.

As we shall see in Chapter VI, "Special Programs and Public Assistance, 1960-1976," the rapid population explosion of the 1960s made the desired progress an often unachievable goal.
CHAPTER VI

SPECIAL PROGRAMS AND PUBLIC ASSISTANCE, 1960-1976

At this point in our discussion of the foreign-workers program in the United States Virgin Islands and its effect on local government policies, it is appropriate to survey pertinent comments by several writers and to review briefly the findings thus far. As mentioned previously, any findings should be considered tentative and subject to future revision.

Although the United States has been described as a nation of immigrants, its government policies do not always reflect the fact that migration is often a normal condition of living during which vulnerability to stress and crisis can be heightened. Eaton suggests that a national migration policy would bring new resources into an area so that the people already in residence could remain without suffering from a reduction of their own opportunities and services.¹

Lourie, in describing what he terms "the migration mess," contends that the United States has always let things happen and then interpreted any humanity-negating results as the will of Providence, the law of the jungle, or some other variation of the helplessness-of-man theme. This thinking is perceived by Lourie as reflecting the

obsolete concept that individual actions only affect those who are immediately involved. He states that as an industrial, pluralistic, democratic culture, we (in the United States) must accept and deal with our own dynamism, viewing our conflicts in terms of people rather than things. For example, in creating massive job opportunities, human environment consequences must be high on the list of priorities. If not, the result of massive migration will be further disintegration of families and neighborhoods, disparity in income levels and living standards, and instability in the supply of and demand for manpower. Migration, as a normal contemporary phenomenon, therefore, can be either constructive or disruptive to the family and community. Thus, it must become an integral part of all community planning and preventive health, mental health, and social welfare programs.\(^1\)

Golan and Gruschka write that immigration consists of two complementary processes: integration into the community by the immigrating individual or family unit and absorption of newcomers by the host community. They describe the dislocation experienced by the community that must open its structures, as less explicit—but certainly as disruptive—than the state of crisis often experienced by the immigrant.\(^2\)

**Findings and Overview**

As we have detailed previously, the dislocation in the Virgin Islands was compounded by a visible unwillingness to accept the new-


comers. The result was a hostile welfare policy in regard to these West Indian migrants.¹

As noted in Chapter IV, the absence of migration planning in the United States Virgin Islands created severe consequences for both the indigenous Virgin Islanders and the foreign laborers who were attracted to the Islands during the boom years of the 1960s. As we saw in Chapter IV, the human environment consequences of foreign workers' mass migration into the United States Virgin Islands was not planned or anticipated but rather was allowed to happen. The consequences of this unplanned movement, with which the Islands' government was ill-prepared to cope, included those specified by Lourie, above. Additionally, as we saw in Chapter V, the social welfare services in the Islands were developing and not equipped to offer a comprehensive social welfare services program.

In Chapters VI and VII, we will discuss the scope of this welfare policy by examining the Department of Social Welfare and its response, or lack of response, to the social welfare services needs of the foreign-labor population from 1960 to 1976. (It is appropriate to note here that 1976 marked the twentieth anniversary of the foreign-labor program in the Virgin Islands.)

The social problems already evident in the 1960s were further heightened in the 1970s not merely by the continued residence of the foreign workers in the Virgin Islands, but also by their increased numbers, the large size of their families, and their unvarying sub-standard living conditions.

¹See Eaton's figure on "Welfare Policy Alternatives with Respect to Migration" in Chapter I. Figure taken from Eaton, Migration and Social Welfare, op. cit., p. xv.
Two of the Department's three division were federally funded and required to follow the same federal regulations as public welfare agencies on the mainland. The third division, Institutions and Special Programs, was locally funded, was not constrained by federal requirements, and consequently was more flexible.

Kahn describes housing, health services, and income security as three of the five fields that traditionally have been the purview of social welfare. Chapter VI, therefore, will focus on two divisions—Institutions and Special Programs, and Public Assistance. These divisions together encompassed housing, health, and income maintenance.

The child welfare division, on the other hand, Kahn calls the sixth human service system—the general or personal social services: child welfare, family services, community programs for the aged, community centers and settlements, homemakers, day-care congregate meals and meals-on-wheels, self-help and mutual-aid activities among the handicapped, institutional care and residential treatment of adjudicated delinquents and children in need of supervision. Counseling services for adolescents, and protected residential arrangements for young people living away from their families.\(^1\) All of the above were not provided by the Department, but many fell within the purview of the child welfare division, as we shall see in Chapter VII.

In 1960, four years after commencement of the foreign-labor program, the foreign-born population of the Virgin Islands represented

12 percent of the total population of 32,099. The 1970 census reported a doubling of the population totaling 62,468. Of this number, 30 percent were foreign-born without citizenship.¹ This period may certainly be termed the growth years of the foreign-labor population, the time of greatest need for social welfare services.

Chapters VI and VII will address the following:
1. How many of the services designed for low income Virgin Islanders also met the needs of the foreign workers?
2. Were the services available to them?
3. What was the Department's posture toward the foreign workers?
4. What were the group's unmet needs?

Institutions and Special Programs

This division provided supervision of the custodial and shelter institutions for the aged, referral and escort services of the cancer program, services to the mentally ill, work relief programs and support services to the ill and disabled aged that were funded by the Community Chest.

The programs provided to the aged were based not on citizenship. Many elderly Virgin Islanders had migrated to the United States Virgin Islands as young men and women, established families in the Islands, but never adjusted their citizenship status. These long-time residents were well known in the community. On the other hand, the new West Indian migrants were young people of working age and did not need the

¹U.S. Congress, House, Nonimmigrant Alien Labor Program on the Virgin Islands of the United States, p. 15.
services provided to the elderly.

Referrals through the cancer program were available to foreign workers if they could afford to pay for their care. The other services provided to the mentally ill, the aged, and the unemployed were not extended to foreign workers; mentally ill foreign workers could be deported, they were not old enough for services for the aged, and since employment was a condition of entry into the United States Virgin Islands, a work relief program was precluded.

The two other major special programs were the emergency housing program and the surplus food distribution program. Both of these programs could also help low wage-foreign workers and their families.

**Emergency Housing.** The emergency housing program, created in 1959, sought to provide low-income housing to Virgin Islands residents who were evicted from slum areas that were being rehabilitated. This program was able to increase the housing stock of low-income dwelling units, but supply lagged far behind demand. Preference, therefore, for Virgin Islanders or families headed by native Virgin Islanders who were most in need.¹

As Table 6 indicates, on June 30, 1962 only fifty families of 295 had been housed in St. Thomas. More people were housed in St. Croix, since the Department leased housing from the Virgin Islands Corporation, but only eighty families, a little more than a third of the eligible, were housed by June 30, 1962.

¹See Table 6 for numbers of applications received and numbers of people served.
TABLE 6
EMERGENCY HOUSING PROGRAM STATISTICS
TOTAL APPLICATIONS RECEIVED AND NUMBERS HOUSED
DURING FISCAL YEARS 1960-1962*

<table>
<thead>
<tr>
<th></th>
<th>Total Families</th>
<th>Total Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>St. Thomas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications Received During 1959-60</td>
<td>186</td>
<td>894</td>
</tr>
<tr>
<td>Total Housed During Year</td>
<td>19</td>
<td>97</td>
</tr>
<tr>
<td>Applications Pending June 30, 1960</td>
<td>161</td>
<td>759</td>
</tr>
<tr>
<td>Applications Received June 30, 1961</td>
<td>229</td>
<td>1,034</td>
</tr>
<tr>
<td>Applications Pending + June 30, 1961</td>
<td>369</td>
<td>1,655</td>
</tr>
<tr>
<td>Total Housed July 1, 1960</td>
<td>19</td>
<td>97</td>
</tr>
<tr>
<td>Total Housed June 30, 1961+</td>
<td>33</td>
<td>200</td>
</tr>
<tr>
<td>Applications Received During 1961-62</td>
<td>118</td>
<td>509</td>
</tr>
<tr>
<td>Applications Pending+ June 30, 1962</td>
<td>464</td>
<td>2,048</td>
</tr>
<tr>
<td>Total Housed July 1, 1961</td>
<td>33</td>
<td>200</td>
</tr>
<tr>
<td>Total Housed June 30, 1962+</td>
<td>50</td>
<td>295</td>
</tr>
<tr>
<td><strong>St. Croix</strong>**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Applications August 1, 1960</td>
<td>51</td>
<td>157</td>
</tr>
<tr>
<td>Applications Pending June 30, 1961</td>
<td>54</td>
<td>169</td>
</tr>
<tr>
<td>Applications Received During 1961-62</td>
<td>205</td>
<td>792</td>
</tr>
<tr>
<td>Total Housed July 1, 1961</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Housed June 30, 1962</td>
<td>80</td>
<td>266</td>
</tr>
</tbody>
</table>

*In August 1962 and November 1962 in St. Thomas and St. Croix, respectively, this program was transferred to the Department of Housing and Community Renewal.

**Fifty-one (51) applications were received in August 1960, but additional applications were not accepted until June 1961 when plans were initiated to develop an Emergency Housing Program on St. Croix.

+ These figures are cumulative figures.

Foreign workers, of course endured de-facto exclusion from the housing program. Consequently, they resorted to a variety of mostly unsatisfactory housing arrangements: living with relatives, living in quarters furnished by employers, buildings built or rented by employers, jerry-built houses and shacks built by the foreign workers, who squatted illegally on unoccupied land.\footnote{Moron, "Housing for the Alien in the United States Virgin Islands - 1966", \textit{op. cit.}, p. 21.}

In August 1962, with the creation of the Department of Housing and Community Renewal, this program was transferred from the Department of Social Welfare.\footnote{1963 Annual Report of the Department of Social Welfare (St. Thomas: Government Printing Office, 1963), p. 21.} Adequate housing remained a major unmet need for both indigenous Virgin Islanders and foreign workers.

\textbf{Surplus Food Distribution.} In 1961 the Department of Social Welfare was assigned responsibility for the distribution of federally donated surplus-food commodities through an agreement with the United States Department of Agriculture. This program provided surplus foods to improve the nutrition of low-income public-assistance families.\footnote{1962 Annual Report of the Department of Social Welfare (St. Thomas: Government Printing Office, 1962), p. 19.} By 1963, the program was extended to needy citizen families ineligible for public assistance, thus effectively excluding the foreign worker and his family.\footnote{1963 Annual Report of the Department of Social Welfare, \textit{op. cit.}, pp. 21-22.} Further expansion occurred during 1965 and 1966 when the financial requirements for non-public assistance families...
were again liberalized. However, the citizenship requirement was retained.

By the 1970s, the increased population, the economic downturn, and the reoccurrence of heavy unemployment in the Virgin Islands created new demands on social services. These were reflected in the increased numbers of families and individuals participating in the food distribution program. During 1969-1970, 1,294 families representing 4,397 persons, participated. By 1970-1971, another 521 families had been added, bringing the total program caseload to 1,715 families composed of 6,227 persons.

Three additional major factors contributed to increased participation in the surplus-foods program. First, a change in the Department's regulations during 1970-1971 finally entitled foreign workers to participate. Second, the foreign workers' families often ballooned as a result of the family reunifications authorized by passage of Public Law 91-225. Third, the prevailing low-wage economy qualified many people.

The Department kept abreast of the upsurge through receipt of additional federal funds. In 1971, $22,139.86—an increase of $12,639.86 over the 1970 allotment—was received from the United States Department of Agriculture, enabling the Department to rent

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additional warehouse space, purchase vehicles, and employ more staff members.¹

The numbers of families fluctuated, but there was a noticeable increase in the non-public-assistance caseload because of the inclusion of the foreign-worker families.² During 1971–1972, the Department increased the commodities allowed per family, but this move was handicapped due to lack of warehouse space. By the following year, efforts were under way to construct a new warehouse.³ However, before this could be implemented the surplus-food distribution program, then composed of 10,301 recipients, was terminated by the federal government on June 30, 1974 and replaced by the food stamp program.⁴

As Table 7 indicates, the local government paid more than the federal government. Even with the increase in federal expenditures, it was not until 1974 that the federal share exceeded the percent of the local share. Certainly, we may surmise that the expense of the program accounted significantly for the Virgin Islands government's reluctance to include foreign workers.

¹Ibid.

²There are no statistics on the numbers of persons served by this program in the fiscal year 1972 or 1973 annual reports of the Department of Social Welfare. There are also no figures on the number of foreign-worker families served. One would assume from Table 7 on "Federal and Local Expenditures" in the Surplus Foods Distribution Program during the 1970 to 1974 fiscal years that there was a continuing increase in this program in both years.


**TABLE 7**

**FEDERAL AND LOCAL EXPENDITURES IN THE SURPLUS FOODS DISTRIBUTION**

**PROGRAM DURING THE 1970 TO 1974 FISCAL YEAR**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Funds</strong></td>
<td>$9,500.00</td>
<td>$22,139.86</td>
<td>$27,175.57</td>
<td>$45,324.40*</td>
<td>$43,095.00</td>
</tr>
<tr>
<td><strong>Local Funds</strong></td>
<td>$62,666.08</td>
<td>$61,765.79</td>
<td>$83,509.90</td>
<td>$103,286.81</td>
<td>$74,619.00</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$72,166.08</td>
<td>$83,905.65</td>
<td>$110,685.47</td>
<td>$148,611.21</td>
<td>$117,714.00</td>
</tr>
</tbody>
</table>

(Taken from Schedule A on "All Expenditures by Source of Funds and Objects of Expenditures" from the 1970-1974 Annual Reports of the Department of Social Welfare).

*Increase in federal funds was due to legislative changes in the surplus foods distribution program which increased the total appropriation available for the Virgin Islands. Information secured from former Commissioner of Social Welfare, Macon M. Berryman, in December 1978.
The Department of Social Welfare began preparations to implement the food stamp program in January 1974. The food stamp benefit levels were determined by two variables: the monthly food stamp allotment which was based on household size; and the purchase price which was based on net monthly household income. The food stamp law required that monthly food stamp allotments be set according to the dollar costs of obtaining a "nutritionally adequate diet" for various household sizes in the Virgin Islands—provided that the allotment was exceeded by the allotment in at least one of the fifty states.

For example, the higher cost of food in Alaska and Hawaii raised the level of the benefits of the fifty states. During the July to December 1977 period, the monthly allotments for a one-person household in the forty-eight states and the District of Columbia, Alaska, and Hawaii were $52.00, $70.00, and $68.00 respectively. The allotment for the Virgin Islands during the same period was $64.00 for a one-person household. ¹ Since benefits in the food stamp program were related to household size and the actual cost of a "nutritionally adequate diet," the high cost of food and the low-wage Virgin Islands economy entitled more people to benefits.² Eligibility in the surplus food distribution program had been based solely on family income.

²This policy was unanticipated as in the past U.S. poverty levels had been applied to the Virgin Islands even though the Virgin Islands cost of living was higher than Washington, D.C.
The food stamp program in the Virgin Islands was inaugurated on October 1, 1974; by June 30, 1975, 6,175 households participated,\(^1\) representing approximately 18,500 persons. This figure was almost double the 10,301 individuals who were participating in the surplus food distribution program in June 1974. The facilities and staff were inadequate for the program and the local government could not match the federal funds to ensure adequate facilities and staff.

Even though the bonus coupons were paid with federal funds, the administrative costs of the program were only matched by 50 percent federal funds; the local government was therefore required to use scarce local dollars to expand the program. As with all other Departments of Social Welfare programs, the needs exceeded the Department's resources.

**The Public Assistance Division**

Established in 1950 with the extension of the public assistance titles of the Social Security Act to the Virgin Islands and the receipt of federal funds, the public assistance division also provided services to low-income Virgin Islanders. Cash grants were provided to recipients in the federal categories of Old Age Assistance (OAA), Assistance to Dependent Children (ADC), Aid to the Blind (AB), and Aid to the Disabled (AD). General assistance, a locally funded program, met the needs of those recipients who did not fit in the federal categories. Aid in the form of food grants, work-relief assignments,

and Christmas grants were also provided.

The work of this division was characterized by a continuing struggle in two areas: (1) holding the caseload down to those in acute need so that the recipients might receive help of the highest level as possible; and (2) increasing resources so that standards of assistance could be geared to providing more of the requirements of life for recipients.¹

The division's work will be discussed by focusing on the following: (1) the benefits provided foreign workers and their families; (2) the administrative changes required by the numerous social security amendments in the 1960s; (3) the growth of the public assistance caseload; (4) the federal financial discrimination of the public assistance; and (5) the impact of this discrimination on public assistance grants.

Benefits for Foreign Workers

Public assistance eligibility required that a recipient's income and resources be below basic budget standards, that the recipient reside in the Virgin Islands, and that residence be in the Islands at the time of application and during the period of assistance. Although foreign workers might have insufficient income, they were not considered residents and were thus ineligible. Generally, the foreign workers also were excluded because of the following additional reasons: (1) a family with mother and father living

Together did not qualify for public assistance; (2) foreign workers were permitted to enter under the assumption that they would not become public charges; and (3) children born in the United States Virgin Islands of alien mother and father who were deserted by one or both parents received public assistance while definite plans were made for them.

Of central importance was the social welfare commissioner's statement that inadequate local funds and limited federal funds proscribed the extent of the public assistance program, hindering revision and expansion.

Those with permanent resident visas, rather than the temporary visas held by most foreign workers, were eligible to receive services. Forty-one adults who were resident aliens received public assistance and of these eight were officially non-residents. These eight were all elderly people, well known in the community, who had been residing in the Virgin Islands for many years but had never bothered to have their status adjusted. The forty-one were a small percentage of the 761 adult recipients.

Of the children receiving AFDC, six were permanent residents and twenty-three were American citizens. The parents excluded from the grant were named payees on behalf of their children. Presumably,

1Berryman, "Welfare Services and Aliens," op. cit., p. 46.

2A former public assistance supervisor advised that prior to the late 1960s, foreign workers could not serve as payees for their American-born children. This might account for small numbers as AFDC caseload in Fiscal Year 1967 consisted of 1,263 persons. No information was available on number of children. See 1967 Annual Report of the Department of Social Welfare, op. cit., p. 20.
it was not generally known in the foreign-workers' community that their American-born, and thus permanent resident, children were entitled to benefits depending on family income.\(^1\) Additionally, as grant levels increased, more single-parent low-income families became eligible for assistance payments, but increases were rare during these years.

**The 1960s Social Security Amendments**

The 1960, 1962, 1965, 1966, and 1967 amendments resulted in a series of reorganizations of the public assistance division and increased the Department of Social Welfare's problems in complying with federal regulations. Limited funds, shortage of paraprofessional and professional workers, frequent staff turnovers, resistance to change, and long-standing staff vacancies hindered the department's ability to achieve compliance.

In February 1961, a plan for medical assistance for those aged sixty-five or older, whose income and resources were insufficient to meet the costs of necessary medical care irregardless of whether they received assistance for other needs, was established pursuant to federal and local legislation.\(^2\) Ultimately, many elderly people who were not public assistance recipients were assisted by this program.\(^3\)

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\(^1\) The above is supported by the findings in the Social, Educational Research and Development, Inc., "A Profile and Plans for the Temporary Alien Worker Problem in the United States Virgin Islands," in which it was indicated that in their study group 62 percent of the foreign workers knew of the existence of social welfare but only 2 percent had contacted the department and less than 1 percent had been contacted by the Department. Information taken from Table XXXVI on "Service Organizations in Terms of Study Group Knowledge and Experience," (Percentages), p. 79.


An average of 462 participants were helped annually. This group represented less than one-fourth of the 1960 census figure of 2,207 residents sixty-five years of age or older.\textsuperscript{1} Again, the federal government paid only 50 percent of the program costs, so the Virgin Islands government spent scare local dollars to implement the program.\textsuperscript{2}


On July 1, 1963, the Public Assistance division moved to implement the provisions of the 1962 amendments to the public assistance title of the Social Security Act. The amendments prescribed the provision of social services to public assistance recipients and the Virgin Islands acted to comply even though the 75 percent match for services was not extended to the territories.

Under the new plan social studies on all cases in the federal category were required, but the division was able to complete only 50 percent of the social studies due to critical staff shortages. With an extension and ongoing staff training, the division, which changed its name to the Division of Family Services, was able to provide numerous services such as educational or vocational training, health care, improving financial functioning, maintaining and improving family life, and self-support to those clients who were found in need of social services. The division report for the quarter ended June 30, 1965 revealed that of 318 AFDC cases, 198 were defined as service cases and 113 actually received services. Out of 553 cases in the adult categories, 124 were defined as service cases and 57 received social services mostly in the area of health care, protective services for adults, self-care, and self-support services.¹

Under Title V of the Economic Opportunity Act, a grant was received to initiate projects for public assistance recipients who could profit from training and work experience. A project coordinator and staff were hired and thirty-two persons were placed by the end of the

year. By 1967, the level of participants maintained on the program decreased tremendously; only public assistance recipients could be included and their numbers were limited because of low grant levels. The program was phased out in 1968 and replaced by the work incentive program operated in conjunction with the Department of Labor.

As a result of the 1966 Amendments, a plan was developed to implement Title XVIII (health insurance for the aged) and Title XIX (medical assistance). The Department of Social Welfare mandated to certify individuals for medical assistance. The old medical assistance to the aged program was, therefore, terminated on June 30, 1966 when the new medical assistance program was established.

Under this program, foreign workers could be certified for medical assistance and receive hospital care, medicine, and other medical services if they met the income test of need. This was a timely and very critical breakthrough for foreign workers, as they gained access to health services.

The 1967 amendments raised the ceilings on federal financial participation annually over the following six years. The additional aid was required to be applied to administrative costs. This limitation imposed serious privations on the Virgin Islands, retarding the

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1 Ibid., p. 8.
5 Berryman, "Welfare Services to Aliens," op. cit., p. 46.
Department's efforts to provide uniform grants at the minimum subsistence level. ¹

In summary, these various amendments created tremendous changes for the public assistance division. Given the ongoing problems related to recruitment and retention of staff, the changes made it extremely difficult for the agency to meet the new mandates and it was often unable to do so. The continuing federal financial discrimination also compounded this problem, since it severely limited the amount of available money.

During the 1960s, the division moved from establishing a program of social services for public assistance recipients to a transfer of this function and a concept that separated services from income. These were major changes for all public assistance agencies but the constraints under which the Virgin Islands program was forced to operate compounded the problems faced by the Department in providing adequate services to its clientele.

Growth of the Public Assistance Caseload

Due to the full-employment market in the Virgin Islands during the 1960s, everyone able to work was employed. Between 1959 and 1964, the Old Age Assistance Caseload (OAA) had decreased by 134 persons, Aid to the Blind (AB) by 5, and Aid to the Disabled (AD) by 11 persons. Aid to Families of Dependent Children had increased by only 274 persons during this six-year period.

Factors such as standards of assistance, economic need, social conditions prevailing in the community, eligibility requirements, and the adequacy of appropriations all affected the size of the caseloads.  

As Table 8 indicates, the number of persons receiving Old Age Assistance continued to decline throughout the 1960s. This may have reflected the fact that more elderly Virgin Islanders were entitled to social security payments and no longer applied for public assistance. In contrast, the AFDC caseload continued its steady increase during this period; between 1964 and 1970 it increased by 797 persons.

The economic decline that began in the early 1970s was immediately reflected by the public assistance caseload. In the year beginning June 30, 1970, the AFDC caseload rose from 440 to 660; by the end of the following year, the caseload was 785. This rise in the AFDC caseload occurred as husbands and male companions left the Islands to seek employment elsewhere and laid-off foreign workers who could not secure new employment in the Virgin Islands were forced to return to the West Indies.

The female foreign worker was ineligible for public assistance, but her United States citizen children were eligible if her income was insufficient to meet her family's needs.  


3. The statistical records in the Department of Social Welfare's Annual Reports do not indicate the numbers of foreign workers who were payees for their United States citizen children. However, permanent
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Age Assistance</td>
<td>561</td>
<td>527</td>
<td>532</td>
<td>491</td>
<td>461</td>
<td>450</td>
<td>423</td>
<td>400</td>
<td>372</td>
<td>369</td>
<td>345</td>
<td>348</td>
<td>324</td>
<td>316</td>
<td>307</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td>Aid to Dependent Children</td>
<td>922</td>
<td>865</td>
<td>1043</td>
<td>1032</td>
<td>1156</td>
<td>1039</td>
<td>1263</td>
<td>1441</td>
<td>1623</td>
<td>1685</td>
<td>1953</td>
<td>2543</td>
<td>2900</td>
<td>3603</td>
<td>4523</td>
<td>4111</td>
<td></td>
</tr>
<tr>
<td>Aid to the Blind</td>
<td>19</td>
<td>19</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Aid to the Disabled</td>
<td>107</td>
<td>98</td>
<td>96</td>
<td>92</td>
<td>91</td>
<td>55</td>
<td>47</td>
<td>50</td>
<td>65</td>
<td>69</td>
<td>61</td>
<td>61</td>
<td>63</td>
<td>61</td>
<td>94</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>Medical Assistance to the Aged</td>
<td>--</td>
<td>288</td>
<td>451</td>
<td>480</td>
<td>496</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Federal Categories</td>
<td>1609</td>
<td>1797</td>
<td>2138</td>
<td>2110</td>
<td>2219</td>
<td>1554</td>
<td>1743</td>
<td>1901</td>
<td>2069</td>
<td>2130</td>
<td>2367</td>
<td>2961</td>
<td>3295</td>
<td>3987</td>
<td>4941</td>
<td>4514</td>
<td></td>
</tr>
<tr>
<td>General Assistance</td>
<td>107</td>
<td>124</td>
<td>140</td>
<td>160</td>
<td>163</td>
<td>202</td>
<td>189</td>
<td>162</td>
<td>171</td>
<td>172</td>
<td>225</td>
<td>282</td>
<td>316</td>
<td>360</td>
<td>328</td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>1716</td>
<td>1921</td>
<td>2278</td>
<td>2270</td>
<td>2382</td>
<td>1756</td>
<td>1932</td>
<td>2063</td>
<td>2240</td>
<td>2302</td>
<td>2592</td>
<td>3243</td>
<td>3611</td>
<td>4347</td>
<td>5269</td>
<td>4834</td>
<td></td>
</tr>
</tbody>
</table>

*Comparable figures are not available for June 1976.

Source: Taken from Comparison of Number of Persons Served for Fiscal Years 1960 to Fiscal Years 1975 from the Department of Social Welfare's Annual Reports.
Federal Financial Discrimination

Public assistance expenditures were directly related to the discriminatory treatment of the Virgin Islands in the public assistance titles of the Social Security Act. The old dollar to dollar matching formula was mandated for the Virgin Islands compared with the states, which received four federal dollars for every state dollar. Additionally, a ceiling on the maximum amount that could be received by the Islands was also imposed. During the 1960s the federal ceiling was $330,000. In 1967, the social security amendments raised the ceilings on federal financial participation annually as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>$425,000</td>
</tr>
<tr>
<td>1969</td>
<td>$500,000</td>
</tr>
<tr>
<td>1970</td>
<td>$600,000</td>
</tr>
<tr>
<td>1971</td>
<td>$700,000</td>
</tr>
<tr>
<td>1972</td>
<td>$800,000</td>
</tr>
<tr>
<td>and thereafter</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

As Table 9 indicates, total expenditures for the public assistance program rose slowly during the early 1960s. Nevertheless, the local share consistently exceeded the federal share. This was clear proof of the local government's commitment to this program. However, due to the discriminatory provisions and the tight local budgets, rapid residents and naturalized citizens were entitled to public assistance and by 1970 many of the former foreign workers had had their citizenship status adjusted.

growth and improvements in benefit levels were stymied.

Program costs continued to escalate and the 1972 ceiling remained in effect despite increased overall costs. The result is that in 1972 the federal government paid only 22.5 percent of the cost of public welfare in the Virgin Islands. States such as Alabama, Arkansas, and Louisiana received 77 percent, 78 percent and 71 percent in federal aid. Although the Supplementary Security Income (SSI) program replaced the separate programs for aged, blind, and disabled persons in January 1974, this program was not extended to the territories.

The result of this discrimination is that since 1974 when the maximum federal participation of $800,000 was reached, every addition to the caseload, every new staff position, and every additional dollar of services purchased were paid for by local funds.

More damaging than the direct costs to the department were the costs to clients and the general public of acknowledged deficiencies in assistance levels.¹ Let us survey this dilemma more carefully.

Public Assistance Grants

Title 34, Chapter I, Section 6 of the Virgin Islands Code, in discussing the amount of assistance, states that the amount of assistance shall be sufficient to provide the recipient with a reasonable subsistence compatible with health and well-being.²

¹Department of Social Welfare, Federal Financial Discrimination in the Public Assistance Program of the U.S. Virgin Islands (St. Thomas: Government Printing Office, 1975), pp. 1, 5 and 9. An example of this is the fact that the maximum public assistance a family receives is $166 while the food stamp program provided $204 for a family of four just for food.

²34 Virgin Islands Code, 1 Sec. 6.
TABLE 9
SHARING OF TOTAL COST OF PUBLIC ASSISTANCE PROGRAM
FISCAL YEARS 1961-1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Share</th>
<th>Local Share</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>$ 251,154.02</td>
<td>$ 313,818.86</td>
<td>$ 564,972.88</td>
</tr>
<tr>
<td>1962</td>
<td>312,153.91</td>
<td>410,894.47</td>
<td>723,048.38</td>
</tr>
<tr>
<td>1963</td>
<td>300,704.03</td>
<td>416,318.11</td>
<td>716,922.59</td>
</tr>
<tr>
<td>1964</td>
<td>337,619.03</td>
<td>456,461.63</td>
<td>794,080.66</td>
</tr>
<tr>
<td>1965</td>
<td>352,041.37</td>
<td>483,541.87</td>
<td>835,583.24</td>
</tr>
<tr>
<td>1966</td>
<td>350,609.31</td>
<td>541,333.62</td>
<td>891,942.93</td>
</tr>
<tr>
<td>1967</td>
<td>330,000.00</td>
<td>657,716.14</td>
<td>987,716.14</td>
</tr>
<tr>
<td>1968</td>
<td>414,902.57</td>
<td>795,646.59</td>
<td>1,210,549.16</td>
</tr>
<tr>
<td>1969</td>
<td>500,000.00</td>
<td>788,510.24</td>
<td>1,288,510.24</td>
</tr>
<tr>
<td>1970</td>
<td>592,792.21</td>
<td>613,508.01</td>
<td>1,206,300.22</td>
</tr>
<tr>
<td>1971</td>
<td>700,000.00</td>
<td>1,347,487.58</td>
<td>2,047,487.58</td>
</tr>
<tr>
<td>1972</td>
<td>829,356.13</td>
<td>1,839,494.78</td>
<td>2,668,850.91</td>
</tr>
<tr>
<td>1973</td>
<td>837,653.75</td>
<td>2,159,093.27</td>
<td>2,996,747.02</td>
</tr>
<tr>
<td>1974</td>
<td>824,329.00</td>
<td>2,300,949.00</td>
<td>3,125,278.00</td>
</tr>
<tr>
<td>1975</td>
<td>823,879.00</td>
<td>2,559,826.00</td>
<td>3,383,705.00</td>
</tr>
<tr>
<td>1976</td>
<td>1,333,073.00</td>
<td>3,024,315.00</td>
<td>4,357,388.00</td>
</tr>
</tbody>
</table>

Source: Taken from Schedule B from the Fiscal Years 1961 through Fiscal Years 1976 Annual Reports of the Department of Social Welfare.

The amounts over $800,000 in the federal share for the period 1972 to 1975 represents payment for the Work Incentive Program (WIN).

The 1976 federal share includes the $500,000 which the Virgin Islands received from unexpended balances from Title XX funds, which were not used by the fifty states and the District of Columbia.
During 1961, public assistance recipients received two increases averaging $3.00 to $4.00 per person. These increases brought all food grants up from 50 percent to 75 percent of minimum need and the average grant per person to $24.20 in June 1961.\(^1\) In June 1963, the average was increased to $30.24. The average AFDC grant for the Virgin Islands was $16.42 as compared with $3.61 in Puerto Rico and a national average of $31.24 in fiscal year 1963.\(^2\) Food allowances for adults were increased during the 1965 fiscal year from $21 and $23 per month to $28 during October 1964, thus providing 100 percent of food needs for the first time.\(^3\) In 1967, new rates for public assistance grants were put into effect. The average grant for an AFDC family increased from $78.90 to $109.93 per month, resulting in a 21 percent increase in overall spending for all categories of public assistance.\(^4\) Despite the increase in federal financial participation provided for in the 1967 social security amendments, the money could be used only for administrative costs.\(^5\)


\(^2\)1963 Annual Report of the Department of Social Welfare (St. Thomas: Government Printing Office, 1963), pp. 7 and 8. Puerto Rico matches the federal share on a dollar-to-dollar basis; thus, payments have remained very low as no extra local dollars are spent on the program.


On July 1, 1970, the public assistance grant for one person was raised from $44 to $52 per month due as a result of federal regulations.1 A couple got a maximum of $92 per month and a family of four received a maximum grant of $166 per month. These grant levels were still in effect in 1976. What this meant is that after paying $8 a month for food stamps, a disabled single person had a total of $44 per month to pay for all clothing, rent, transportation, and utilities. An AFDC family of four, after paying for food stamps, had about $130 to meet all of the same expenses.

The level of public assistance was patently insufficient. Between 1970 and 1976, the Islands' Labor Department and a report from a consultant indicate that the cost of living increased approximately 75 percent.

The average public assistance case was a family of two or three members, indicating that the average recipient who bought the entire food stamp allotment received an income equal to about 50 percent of need. In order to fulfill the mandate to provide a "reasonable subsistence," single individuals should receive $242 monthly, a family of two, $331 monthly, and a family of four, $451 monthly. The cost of increased public assistance benefits, for the amounts indicated, would have been over $5,000,000 for the 1976 caseload—and at least as much to pay even partial benefits to newly eligible applicants.2 Obviously,


the Virgin Islands government did not have the money, so families continued to receive a substandard subsistence.

Summary

Analysis of special programs and public assistance during the period 1960-1976 was hampered in certain respects by the lack of readily available data on the numbers of foreign workers, and their families, who were in need of the food distribution and public assistance programs. There were in fact no statistics on the numbers of foreign workers served in either of these programs, making it difficult to accurately predict how much of the total caseload increase was caused by the expanding population of foreign-born residents. Additionally, their American-born children were United States citizens and thus entitled to all benefits. Nevertheless, given the socioeconomic conditions under which they were forced to live, one might well surmise that there were substantial numbers of foreign workers' families served. However, it is also reasonable to expect that many more who were eligible did not participate in these programs because of lack of information.

The 1960s marked a turning point in the previously depressed Virgin Islands economy. Business expanded and industrial development accelerated. The population grew, spurring an immediate need to improve public services. In the quest to gratify these needs, the foreign workers were excluded. Economic development had been seen as the mechanism that could improve the plight of the Virgin Islands masses—who were low income, unemployed or underemployed.
Major problems confronted the foreign laborers because only single foreign workers were permitted entry into the United States Virgin Islands, employment was often unstable, and the number of foreign workers increased rapidly.

First, entry into and residence in the Virgin Islands were dependent on the whims of immigration officers and the employers, thus the workers continued residence in the United States Virgin Islands was always uncertain.

Furthermore, the foreign worker was not permitted to bring his family with him: spouses had to obtain employment in order for families to stay together. Even when a spouse obtained employment, its continuation was uncertain. In most instances, only one spouse migrated and then established new personal alliances and families. In an environment where family ties were discouraged and permanent residence was uncertain, commitments or feelings of responsibility as a contributing member of the society were neither fostered nor easily acquired.

Second, to keep a job, the foreign worker seldom complained about salaries, working conditions, or long working hours. The foreign workers were thus easily exploited. A docile labor force did foster a low-wage economy. As the cost of living escalated in the 1960s, the foreign workers found it increasingly difficult to live.

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1 In the Social, Educational Research and Development, Inc., "A Profile and Plans for the Temporary Alien Worker Problem in the U.S. Virgin Islands," op. cit., pp. 55 and 72. Figures were given for monthly rent and health and medical care paid by the 400-plus foreign workers in the study group. No figures were given on child care or educational expenses and there is no other readily available data that gives this information. (See Tables 10 and 11).
TABLE 10
MONTHLY RENT PAID BY STUDY GROUP MEMBERS

<table>
<thead>
<tr>
<th>Rent</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>None (Squatters)1/</td>
<td>53</td>
<td>13.0</td>
</tr>
<tr>
<td>0 to $25</td>
<td>75</td>
<td>18.4</td>
</tr>
<tr>
<td>$26 to $55</td>
<td>132</td>
<td>32.4</td>
</tr>
<tr>
<td>$56 to $85</td>
<td>63</td>
<td>15.4</td>
</tr>
<tr>
<td>$86 and over</td>
<td>40</td>
<td>9.8</td>
</tr>
<tr>
<td>Others and No Answer,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don't Know, etc.</td>
<td>45</td>
<td>11.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4082/</td>
<td>100.0</td>
</tr>
</tbody>
</table>

1/ Figures include the 22 (5.2 percent live-in) domestics included in the sample who receive housing from employer.

2/ The total does not add to 422 because 14 owners have been excluded.

TABLE 11
EXPENDITURES DURING THE PAST YEAR ON ALL HEALTH AND MEDICAL CARE FOR ENTIRE FAMILY UNIT

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nothing or Do Not Know</td>
<td>157</td>
<td>37.2</td>
</tr>
<tr>
<td>Less than $25</td>
<td>131</td>
<td>31.0</td>
</tr>
<tr>
<td>$26 to $75</td>
<td>74</td>
<td>17.6</td>
</tr>
<tr>
<td>$76 to $125</td>
<td>25</td>
<td>5.9</td>
</tr>
<tr>
<td>More than $125</td>
<td>35</td>
<td>8.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>422</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 11 above, indicates that in terms of expenditures, the largest category of responses consists of those who spent nothing or do not know what was spent--presumably very little.
Third, the expanding economy lured thousands of foreign workers from throughout the Caribbean in a very short period. The program had begun in 1956 and by 1960 foreign workers represented 12 percent of the Virgin Islands population. By 1970, 30 percent of the Virgin Islands population was foreign-born.¹

The failure to address the foreign workers' needs eventually created severe socioeconomic disruptions in the Virgin Islands community.

The lack of concern about the foreign workers' needs was linked directly to the overriding problem of scarce local government income and perpetually strained budgets. Thus, the foreign laborers, having virtually no voice in the government, were awarded the least possible because they were powerless. Discriminating federal funding crippled effective execution of programs to Virgin Islands residents. Both the food distribution program and the public assistance programs received federal funding, but the larger percentage of the cost of these programs was borne by the local government. This severely handicapped these programs, for local funds also had to be expended on non-social-welfare items such as public works and police and fire departments.²

In the late 1950s, programs were initiated to solve the housing problem, but the need far outdistanced the supply. Federal funds helped in the construction of new public housing projects.³ The

¹United States Congress, A Special Study on Nonimmigrant Alien Labor Program on the Virgin Islands of the United States, 94th Congress, First Session, October 1975, p. 15.


³Building costs in the Virgin Islands were very high due to the fact that all building materials had to be imported and rentals were high due to the tight rental market.
program, however, was based on the 1950 census. The resulting inability of many people to secure low-income housing was brought to the attention of the Social Welfare Department by residents who were being displaced. The Department's response was to assess the need, develop a program, and obtain funds from the local government for an emergency housing program. The foreign workers were almost entirely excluded from this program. Indeed, they frequently moved into slum housing abandoned by indigenous workers.

The experience in housing was repeated in many other areas during the 1960s and the 1970s. The increasing demands overwhelmed the Virgin Islands government including the Department of Social Welfare.

In Chapter VI, we have discussed the various programs encompassed by the Social Welfare Department's divisions of Special Programs and Public Assistance. In Chapter VII, we shall turn to the services provided by the Child Welfare division, many of which Kamerman and Kahn describe as the sixth human service system, that is, the general or personal social services.

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1 Bornn, "Experience in Emergency Housing in the Virgin Islands," op. cit., p. 34.
2 Moron, "Housing for the Alien in the United States Virgin Islands," op. cit., p. 21.
3 Kamerman and Kahn, op. cit., pp. 503-504.
CHAPTER VII
CHILD WELFARE

Chapter VII continues our discussion on the delivery of social welfare services to the foreign labor population in the United States Virgin Islands from 1960 to 1976. As we saw in Chapter VI, many of the services provided by the Child Welfare division were what Kamerman and Kahn refer to as the sixth human service system, that is, the general or personal social services.\(^1\) Although the Child Welfare division did not provide all the services that are included in the personal or general social services, its major casework services were directed toward children in their own homes, foster care, institutional care for dependent, neglected or delinquent children, adoption services, and day-care services.

In Chapter VII, we shall scrutinize each of the above services in order to understand clearly the vast array of problems associated with service delivery to both indigenous children and the children of foreign workers.

**Stresses Faced by Foreign Workers**

Family stresses were especially severe for the foreign workers who left their families behind when they came to the Virgin Islands.

\(^1\)Kamerman and Kahn, *op. cit.*, pp. 503-504.
Although the foreign workers initially entered as temporary workers their jobs, in most cases, were actually permanent and they remained in the Virgin Islands for many years. Subsequently, many established new families in the Virgin Islands. The conditions under which most of these families lived generated very acute problems, including child care problems, but unfortunately social services agencies were unavailable to assist them.

As we have noted throughout this study, the foreign workers endured uncertainty as a condition of everyday existence: they could be fired from their jobs and deported at any time. There were no safeguards. If a male foreign worker who had fathered a child was deported, the child's mother usually would be entirely responsible for the child because it was most unlikely that the absent father could afford to support two families. Since he was back with his original family, the new family in the Virgin Islands usually did not have his financial assistance.

If the foreign worker was a pregnant woman, and was deported, she and her child were usually deprived of the father's support. This dilemma confronted large numbers of foreign-born women who for the most part were shunted aside to fend for themselves.

Nevertheless, as Table12 demonstrates, the percentage of mothers who were citizens of a foreign country continually increased and their percentage of illegitimate births also increased. Thus, even when female foreign workers managed to give birth in the American Virgin Islands, they still faced a host of serious problems related directly to illegitimacy and the non-support of these children's
<table>
<thead>
<tr>
<th>Year</th>
<th>Virgin Islands</th>
<th>Foreign Country</th>
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<tbody>
<tr>
<td></td>
<td>Live Birth</td>
<td>Illegitimate</td>
</tr>
<tr>
<td>1957</td>
<td>57.2</td>
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<tr>
<td>1958</td>
<td>53.7</td>
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<td>1961</td>
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<td>1976</td>
<td>29.5</td>
<td>46.0</td>
</tr>
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</table>

fathers. These problems, of course, impaired the mothers' abilities to provide the stable, nurturing and supportive environment that their children needed. The United States Virgin Islands government was thus faced with a growing population of non-citizens who needed help.

The Child Welfare division documented increases in the following problems of children born to foreign workers: abandonment of children, gross neglect, behavior problems such as stealing and truancy, deviant sexual behavior, and running away from home. There was also an increase in the number of adolescent girls pregnant out of wedlock by male foreign workers.¹

Many of the problems experienced by the children of foreign workers were related directly to their parents' problems. Three common problems were:

1. The inability to provide proper care and supervision for their children during their long working hours.

2. The necessity of making emergency trips to the West Indies (their home islands) because child care arrangements for their foreign-born children who could not join them in the United States had broken down and new arrangements had to be made. Or these children had to be brought into the United States Virgin Islands as visitors.

3. The inadequate arrangements often made for their children's care during their required annual departures from United States territory or when changing employers and obtaining a new bond.

Consequently, the Department of Social Welfare was severely handicapped in its attempts to assist these families, for, as noted previously, in addition to the preceding problems mentioned above the foreign workers were ineligible for public housing and their foreign-born children excluded from the public school system. Supportive services such as day care, foster care, and institutional care could only be provided to their foreign-born children if they paid the full cost of these services. Even American-born children were often excluded from these resources as facilities were limited and not available to all those in need of the services.¹

We shall now discuss the staffing of the division.

Staff Members

Established in 1947 when the child welfare title of the Social Security Act was extended to the Virgin Islands, the Child Welfare division was handicapped by the restriction of federal funds to staff salaries and training. Thus, limited local funds were directed to the most critical areas including board payments in foster care, operation of the children's institutions, and day-care services. As described previously, the lack of an on-island training facility, the low salaries paid professional workers, the lack of qualified workers, and the recruitment of United States mainland residents resulted in frequent staff turnover, and long-standing vacancies.

¹Ibid., p. 42. In 1963, the foster-home board rate was $50. See 1963-64 Annual Report of the Department of Social Welfare (St. Thomas: Government Printing Office, 1964), p. 17. According to a Department of Social Welfare, August 1969 Insular Letter, the foster-home board rate was then $85 a month. Parents paid the same fee for institutional care. Day-care fees were $25 a month in 1967 and were increased to $50 by 1969.
Untrained workers provided services to families and children in need of professional services.

The division's problems were compounded during the period from 1960 to 1976 by amendments to the Social Security Act and resulting changes in federal regulations that mandatorily expanded the responsibilities of the Child Welfare division. For example, the 1967 amendments to the Social Security Act required the transfer of all Aid to Families with Dependent Children (AFDC) cases from the Public Assistance division to the Child Welfare division. The Child Welfare division was renamed the division of Child and Family Services to reflect its new responsibility of servicing the entire AFDC caseload and implementing the Work Incentive Program.\(^1\) In 1974, the Department of Social Welfare implemented the 1972 Department of Health, Education and Welfare (HEW) regulations mandating the separation of social services from cash assistance. The adult assistance recipients were transferred from the Public Assistance division. The responsibility for providing social services to all adults in need was also added. The division's name was again changed--to the Division of Social Services--to reflect the comprehensive program of services provided to families and individuals of all ages.\(^2\) The increased responsibilities aggravated the staffing problems that had faced the division since its inception. The staffing problems, as we shall see, had a major impact on the quality of service delivery.


Supervisory Staff

Prior to the series of reorganizations, the division consisted of a central office headed by a director and a district office in St. Thomas, which also directed services in St. John, and district offices in both Christiansted and Fredericksted, St. Croix. Each district office had one or more units headed by a supervisor.

The first reorganization, on July 1, 1970, changed the position of assistant director from its original central-office status to a district position. The assistant director for St. Thomas and St. John was responsible for supervising the district office, which consisted of two units—a centralized intake and licensing unit and a continuing services unit—and the Youth Care Center. The St. Croix assistant director was responsible for supervising the St. Croix district offices which consisted of a central intake unit that served Fredericksted and Christiansted and the continuing services units in Fredericksted and Christiansted.

The second reorganization, on July 1, 1972, changed the functions of the assistant commissioner of the Department of Social Welfare on St. Thomas. This officeholder was delegated responsibility for the operation of the division of Child and Family Services including the supervision of its program director. The latter responsibility was

1This section on staffing was summarized from the available Department of Social Welfare Monthly Reports from the assistant commissioner for Social Services, the Social Services administrator, and/or the director of Social Services for the period July 1970 to June 1976.
emphasized because of the expanding scope of the division. The division director had responsibility for the district offices on both islands and the Youth Care Center. The assistant commissioner had direct supervisory responsibility for the insular training schools, the day-care program, the work incentive program, and specially funded projects.

The third reorganization, in May 1974, created the expansion of the division that had occurred since July 1, 1970. There were now three assistant directors. The assistant director for the work incentive program supervised both the St. Thomas and St. Croix units. The assistant director for St. Thomas and St. John was responsible for the supervision of three separate units: foster care, intake and probation, and protective services. The assistant director for St. Croix was the counterpart of the assistant director for St. Thomas and St. John. Each unit was staffed by a supervisor, four to seven social workers, social services aides, and a secretarial staff.

Each of the three reorganizations created new administrative positions and provided enhanced opportunities for administrative and supervisory-level staff members. However, the reorganizations also increased the staffing problems at the supervisory level because of the educational requirements. Administrative and supervisory-level positions required a master's degree in social work and a minimum of three years' social work experience at the supervisory level.

However, the expansion meant that the Department's scholarship program, which sent two to three employees to graduate school each year, could not turn out enough qualified people to meet the division's
ever-expanding needs. Also, by the 1970s funds for the recruitment of staff members from the United States mainland were limited, and the rising cost of living and the comparatively low salaries made these positions unattractive.\(^1\) Thus, the Department had many supervisory level vacancies. Experienced workers assumed the responsibility for the supervision of some units.

For example, after the promotion of the one supervisor in the St. Thomas district to assistant director in May 1972, the Department as of June 30, 1976 had been unable to recruit or employ a supervisor for any of its three supervisory vacancies in the St. Thomas district. In St. Croix, the supervisory vacancies were not as prolonged as in St. Thomas. It is difficult to pinpoint why. We may surmise, however, that because the capital of the Virgin Islands is in St. Thomas and the Department's central offices are located there, more new positions were established at the administrative level. The promotional opportunities were therefore greater in St. Thomas than in St. Croix.\(^2\)

These long-standing vacancies on the supervisory level also created role confusion, as the newly promoted director or assistant directors continued to fill the role of unit supervisors in addition to their new responsibilities. Obviously, these individuals were

1In 1974 NASW Salary standards were $10,000 for a BSW worker, $12,500 for an MSW worker, and $14,500 for an ACSW worker. Supervisory staff in the Virgin Islands were then receiving $7,203, assistant directors $10,634, bachelor-degree workers $7,420, and workers with a master's degree in social work $9,019.

2At times division heads were required to live in St. Thomas as the St. Croix location made them inaccessible and not readily available in times of emergencies or when policy decisions had to be made or responded to immediately. Most staff positions were also located on St. Thomas, so that these staff members can respond immediately to the various requests made to the commissioner's office by the federal or local government.
spread too thin and could not fulfill their new jobs effectively.

Caseworkers

With the absence of supervisory personnel, the Department resorted to using experienced caseworkers as workers-in-charge. The St. Thomas district office used workers-in-charge for approximately four years, saving the agency money, giving experienced workers responsibility, and providing coverage for the units. However, these workers felt exploited by the Department, since they received no additional salary for the added responsibility. Consequently, they often performed their supervisory assignments indifferently. The lack of an on-island continuing education program also undermined the Department's structure because the workers-in-charge and the workers under their supervision were without an opportunity to upgrade their professional skills.

The problems at the supervisor level were reflected at the caseworker level. Under the Virgin Islands personnel rules, college graduates qualified as a "Social Worker II" and a worker with a master's degree in social work qualified as a "Social Worker III." The establishment of a social work major in the Social Sciences Division at the College of the Virgin Islands in 1969 produced additional social workers. During the 1970-1975 period, the program produced nineteen students and eleven were employed as social workers in various on-island agencies.1

The Virgin Islands Departments of Health and Education both recruited college graduates, further inhibiting the recruitment drives of the Department of Social Welfare. The most flagrant curb on the Department of Social Welfare's recruiting in this regard was undoubtedly the fact that the Department of Education offered shorter working days and longer vacations. The unionization of the teachers also created salary differences as they were able to secure substantial increases. Hence, low salaries, large caseloads, and poor working conditions led social workers to unionize also. Following unionization in 1974, the social workers were still not particularly effective in winning concessions, since the group was small and without much political clout.

Caseworkers did negotiate some immediate relief in November 1974 when the union contract between their union and the Department was signed. The contract limited each worker's caseload size to seventy; intake workers were limited to thirty-five cases. This change resulted in an administrative decision to close all cases with no contacts during the preceding six months. A more accurate count of active cases was also obtained.

Another factor inhibiting recruitment was the long and tedious process of appointment to a permanent government position. Applicants were certified after presentation of appropriate documents (transcripts or diplomas) and successfully taking a social work examination. The examination was given only at certain intervals. If the applicant passed the exam, his name was added to the eligible list. The Department could hire from the list only after approval of a quarterly budget
by the budget office. Vacancies occurring within the quarter could not be filled until the beginning of another quarter.

Due to the precarious financial situation of the Virgin Islands government in the 1970s, department staff vacancies were often frozen at the end or at the beginning of each fiscal year. Consequently, staff members could not be hired and vacancies often were long-standing. When staff members were hired, these hard-fought-for additions inevitably would be offset by staff resignations. Illness, maternity leaves, and the liberal vacation policies of the Virgin Islands government ¹ depleted the district office staffs still further, creating severe on-going coverage problems. Casework staff vacancies often ran as high as eight or twelve in a staff of twenty-eight to thirty-two, with some units having only one or two caseworkers.

Actual working conditions were generally poor. The offices, for example, were cramped and provided little or no privacy for workers or clients. Understandably, clients were often reluctant to share intimate and important information in such an open environment.

Yet another problem was the inadequate number of government cars. These cars, used for home visits to clients, were rarely available. Most were in poor driving condition. This further restriction added to the staff's frustrations.

In 1971, the staff category of Social Service Aides was established. With qualifications ranging between high school and some college, these new staff members were initially assigned to the family planning

¹Virgin Islands government employees hired before 1969 receive five weeks of annual leave and those employed after that date receive three weeks of annual leave after three years.
clinics at the Department of Health and worked in the AFDC program. Later, Social Service Aides were added to the Department of Social Welfare's district offices, particularly in the work incentive unit. During periods of pronounced staff shortages, the Social Service Aides provided casework services to clients, even though they had neither the training and experience nor supervision for this work. The division of Social Services also relied heavily on the summer employment of high school and college students—not only as a means of interesting students in the profession, but as additional clerical and service staff.

The pervasive staff shortages were not eased by inadequate stopgap measures such as the above. Indeed, these shortages damaged the structure of not merely the entire division of Social Services but of the Department of Social Welfare as well. Four specific problem areas existed: (1) the division's administration; (2) agency policies; (3) groups such as foster parents and religious institutions that provided services to the department; and (4) other community agencies that often expressed severe criticism of the Department's social welfare and service delivery.

The absence of supervisors and their frequent turnover created acute case-management problems in terms of knowledge of and adherence to agency policies, affecting the agency's credibility and respect in the community. More specifically, the development of caseworker discipline and the caseworker's public image were areas of great weakness. The program's administrative staff was also handicapped in its professional development as the staff members were never able to fully
assume their middle-management responsibilities or polish these skills, since usually they carried responsibility for the direct supervision of line workers. Consequently, they were unable to support the division in planning or organizing needed policy changes.

Program policies were often not implemented through lack of knowledge or inadequate support from other community agencies. For example, caseworkers frequently accepted referrals from individual public-school teachers even though this action violated the procedures of a cooperative agreement between the Departments of Education and Social Welfare. A second commonly found example was that child-support payments were required of all parents with children in institutions or foster homes who were able to contribute to their care. Yet in most cases, there were no court orders. Even when court orders were issued few parents bothered to make payments, because caseworkers could not, or did not, get around to seeing that they did.

In another instance, the Department's attempts to solve a critical problem at the Queen Louise Home, a children's institution operated by the Lutheran Society, and with a group of foster parents revealed that additional casework services were needed and requested but were not adequately provided.

In view of the Department's poor record of service delivery, therefore, we can appreciate the consequent lack of community sympathy and support toward the Department's activities. This was reflected not only by individuals but by other government agencies. For example, when the Department needed housing for a non-citizen family, the request often was ignored since the Virgin Islands Housing Authority
gave a low priority to non-citizen families. Another problem concerned the enrollment of youngsters from the Insular Training School or the St. John Group Home into regular public school because of the stigma attached to institutionalized children. However, the severest criticism of the Department came from the judges of the Municipal Court. The judges felt that caseworkers were incompetent because: (1) Court reports were not submitted on a timely basis; (2) recommendations were often not implemented; and (3) the caseworkers provided the judges with unclear guidelines about available options.

In summary, then, the Department projected a weak image to those, including foreign workers, whom it purported to serve, to the community at large including other government agencies, and, perhaps of greatest ultimate importance, to its own staff members and managers. In the following section, we will discuss in detail the activities of the division of Social Services.

Services

In addition to staffing, three major handicaps affected the performance of the Social Services division. First, all of the programs in the division saw a dramatic increase in the numbers of people served. Second, there were changes in the kinds of people and the types of problems that clients brought to the agency. This was most vividly demonstrated in the severity and the changing nature of the emotional and behavioral problems presented by the youngsters entering the Insular Training School in the 1970s.
Third, the division was forced to operate with limited local funds. As discussed previously, the scarce local funds were diverted to public works and public service projects, thus limiting the amounts available for social welfare services. The limited federal funds available to the Virgin Islands and the continuing federal financial discrimination further aggravated this problem. For example, Title XI, section 1108 of the Social Security Act as amended, set an $800,000 limit as of 1972 on the maximum federal participation in public assistance and social service programs in the Virgin Islands. This limitation meant that further expansion of these programs came from local funds; too, other sources of federal funds were unavailable due to this ceiling. Specifically, research, demonstration, and utilization projects that might otherwise have been funded by special grants under Section 1108 were precluded because of a ruling by HEW's general counsel that such funds fell within the section 1,108 limitation on payments.

The Virgin Islands and the other territories were also excluded from participation in the Supplementary Security Income program (SSI), which replaced the separate programs for the aged, blind, and disabled. Under the new Title XX to the Social Security Act, "Grants to States for Services," the Virgin Islands, beginning October 1, 1975, received $500,000—if the States did not spend all allotted funds. The probability of funds not being needed by the States, under the economic and employment conditions of the late 1970s, was exceedingly slim.¹

Despite these problems, many of the division's services could have addressed some of the stresses faced by the foreign workers and their families. Accordingly, let us now discuss casework services to children, families and adults; foster care; institutional care to dependent, neglected and delinquent children; adoption services; and day-care services.

**Casework**

Through casework services, families were encouraged to take better care of their children when poor parent-child relationships, neglect, or abuse existed. These services were also geared to facilitate the resolution of problems that were impeding the individual's or family's ability to function adequately.

As seen in Table 13, during the ten-year period from 1960 to 1970, the number of children who received casework services more than quintupled. As a result of the 1967 Social Security Act amendments, an immediate upsurge occurred in the number of children served from the 1967-1968 figure of 2,181 to the 1968-1969 figure of 3,349 to the 1969-1970 figure of 4,534. These increases were due primarily to the population growth, the increased public awareness of the program, and the stresses experienced by families in a transitional society.

Although Table 14 indicates some fluctuations in the numbers served from 1971 to 1976, the total numbers were much larger than
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<td>Services July 1</td>
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<td>732</td>
<td>720</td>
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<td>694</td>
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<td>755</td>
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<td>June 30</td>
<td>497</td>
<td>604</td>
<td>732</td>
<td>720</td>
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<td>Total Number of Children</td>
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<tr>
<td>Year</td>
<td>818</td>
<td>756</td>
<td>906</td>
<td>1,130</td>
<td>1,011</td>
<td>1,388</td>
<td>1,492</td>
<td>1,641</td>
<td>2,181</td>
<td>3,349</td>
<td>4,534</td>
</tr>
</tbody>
</table>

Source: Department of Social Welfare Annual Reports for the Fiscal Year 1959-60 through Fiscal Year 1969-70.
during the preceding decade.\(^1\) Some of this increase was attributable to the larger school population in the 1970s and the reunification of foreign workers' families.\(^2\)

Another important service offered by the division was the work incentive program. Since 1969, the division had been responsible for contacting all AFDC families, completing a case study of each, providing available services, and evaluating every recipient over age sixteen to determine program eligibility. The work incentive program assisted families in becoming self-sufficient through training incentives, provided services to adults were also included and again three different reporting systems were used. One reported the number of adult cases accepted during the year, the second reported the total number of cases receiving services at the end of the fiscal year, and the third reported the total number of children and adults provided casework services. The major differences and inconsistencies between these reports raised questions about the reliability of the figures. Nevertheless, it can be assumed that there were sizeable increases in the number of people needing services. (See Table 14 for number of clients provided services by the Division of Child and Family Services during 1971-1976.)

\(^1\)It is difficult to determine the numbers of clients served by the division of Child and Family Services due to the inconsistencies in the statistical reporting on services which are available in the Annual Reports during the 1971 to 1976 fiscal years. During 1971-1973, three different statistical reporting methods were used. In 1971, the children receiving services at the end of the year and the total number of children receiving services during the year were reported. For 1972 and 1973 only the total number of children receiving services at the end of the fiscal year were reported. During 1974-1976, services provided to adults were also included and again three different reporting systems were used. One reported the number of adult cases accepted during the year, the second reported the total number of cases receiving services at the end of the fiscal year, and the third reported the total number of children and adults provided casework services. The major differences and inconsistencies between these reports raised questions about the reliability of the figures. Nevertheless, it can be assumed that there were sizeable increases in the number of people needing services. (See Table 14 for number of clients provided services by the Division of Child and Family Services during 1971-1976.)

\(^2\)The assumption that a number of foreign-worker families received services is based on the author's experience as an employee in the Department of Social Welfare in the 1960s and her discussions with social workers in the Social Services division in the 1970s. They generally seem to feel that a majority of the cases served were foreign-worker families, but they had no figures to document this assertion. The Department was required to compile statistics to meet federal reporting requirements. Consequently, data not required by the federal government were generally not secured. As a result, statistics on the numbers of foreign-worker families receiving services were generally not available.
TABLE 14
NUMBER OF CLIENTS PROVIDED SERVICES DURING THE 1971-76 FISCAL YEARS

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Number of Children Receiving Services at end of fiscal year</th>
<th>Children Receiving Services at the end of fiscal year</th>
<th>Total Number of Children Receiving Services During Year</th>
<th>Total Cases Receiving Services At End of fiscal year</th>
<th>Total Number of Children and Adults Provided Case-work Services</th>
<th>Adult Cases Accepted during year</th>
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<tr>
<td>1971</td>
<td>4,500</td>
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<tr>
<td>1972</td>
<td>3,140</td>
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<td>1973</td>
<td>3,207</td>
<td></td>
<td></td>
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<tr>
<td>1974</td>
<td></td>
<td>3,307</td>
<td>6,498</td>
<td>547</td>
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<tr>
<td>1975</td>
<td></td>
<td>2,389</td>
<td>8,116</td>
<td>813</td>
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<tr>
<td>1976</td>
<td></td>
<td>2,002</td>
<td>6,923</td>
<td>1,284</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Information secured from the Annual Reports of the Department of Social Welfare for the fiscal years 1971 to 1976. Figures were also reviewed by the Director of the Department of Social Welfare's Research, Evaluation and Statistics Unit and corrections made where needed.
work opportunities, job placements, and services to help prepare them for productive and independent roles in the community. Of the 465 cases that were evaluated during 1969-1970, one-third were ineligible because they were not included in the grant. Other recipients could not participate due to insufficient child-care facilities, medical problems, lack of a homemaker service, and inaccessible locations.

The large percentage of payees were due to: (1) the rate of illegitimacy in the AFDC caseload; (2) the number of mothers living with companions other than the fathers of their children; (3) the number of foreign-worker parents with United States-born children; (4) the insufficient income of working mothers to meet the total needs of their families; and (5) the lack of or minimal child support provided by the absent parent of these children.

These findings clearly indicated the need for supportive services if families were going to be helped. It should be pointed out that this problem was not unique to the Virgin Islands, for only a small percentage of the public assistance recipients on the mainland were helped by this program. They had the same problems as Virgin Islands recipients.

The economic decline experienced in the United States Virgin Islands in the early 1970s led to an increase in unemployment and a decrease in the supply of available jobs. It was, therefore, difficult


to secure jobs for AFDC recipients with limited job skills and/or work experience.\(^1\) The available program statistics show a total of 149 participants in 1974 and an increase to 306 participants in 1975.\(^2\) No clear reasons for this increase were forthcoming officially, but the total still represented less than a quarter of the AFDC caseload.

West Indian migrants who were temporary workers were excluded from participation in the work incentive program as non-United States citizens could not be included in the AFDC grant. West Indian migrants who had secured permanent residence or naturalization and met the eligibility requirements of the AFDC program were, of course, eligible, but statistics on the number of permanent residents or naturalized citizens in the program were nonexistent.\(^3\)

As the foregoing discussion indicated, the effectiveness of this program was handicapped by staffing problems, the overwhelming increase in the numbers of people needing services, and the limited local funds that prevented either the much-needed program expansion or an increase in staff members employed at competitive salaries.

Many of the referrals of children, families, and adults recommended specialized services. In those cases, a variety of other


\(^3\)The author met two permanent residents, formerly from the British West Indies, who participated in the work incentive program.
resources, some of which were unavailable, were required. For example, young children who were abused, abandoned, or neglected by their parents or guardians often had to be placed in foster homes. Changes in parental situations, such as death or illness of the parent, relative, or child's caretaker, also resulted in foster care if the families had no other resources.

Let us examine the foster-care program more closely.

Foster Care

A consistent problem since the establishment of the foster-care program was the inability to recruit sufficient numbers of foster homes. This difficulty was attributed to the housing shortage existing in the Virgin Islands in the 1950s and 1960s.¹ The division's attempts to secure the needed foster homes included: (1) the lowering of standards including waiving requirements that mothers not be employed and children be provided individual rooms; (2) periodic increases in the foster-home board rate to foster parents to more adequately cover the cost of care; and (3) periodic extensive media-outreach programs such as foster-care week and radio and television programs. These efforts helped to gradually increase the number of foster homes.

The Foster Parents Club also assisted the Department in recruiting additional foster homes by publicizing the foster-parents program.

However, the relatively low board rate, the responsibility of providing total care for problem children with special needs, the already large families, and the large number of working women were major impediments to the program's expansion.

The Foster Parents Club also served as an effective lobbying group. For example, in 1974 when the St. Croix Foster Parents Club was reactivated, they organized to demand an increase in the foster-care board rate. Although the Department's administrators recognized that the board rate was insufficient to properly meet a child's needs, they were unable to meet the foster parents' demands for an increase because of budget limitations. As a compromise, the Department offered to provide a supplemental food grant of $30 at the time of the initial placement of a child in a foster home.\(^1\) Since this was a one-time payment, the cost could be more easily absorbed from existing funds.

By 1967-1968, the waiting list for foster-home placements had grown to about one hundred, and some children were awaiting placement in detention or shelter-care facilities.\(^2\) Foster parents for adolescents and unmarried teenagers were extremely hard to find.

Because of the pressures on the foster-care program in servicing the indigenous population, only emergency services were provided to the children of foreign workers. The goal in cases where the parents had


left the Islands was to reunite the child with his parents through the assistance of the respective foreign government—even if the child was a United States citizen. If the parent did request a foster-home placement for his foreign-born child, full payment of the board rate was required of the applicant, so this option was generally not used because few potential applicants could afford it.

An additional resource available to the foster-care program was the three cottages operated by the Board of Social Ministry of the Lutheran Church. Although this was an institutional facility it was served by the foster-care program and provided care to fifty-eight children ranging from infants to twelve years of age. This greatly increased the facilities available for young children.

As seen in Table 15, the number of children in foster care fluctuated through the 1960s, perhaps reflecting the availability and capacity of the existing foster homes.

Another important resource was group homes, established by the Department to provide substitute care for children who could not remain in their own homes. In 1972 funds were received from the Law Enforcement Planning Commission, a local government agency, for the establishment of a Group Home on St. John. The Department contracted

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1Berryman, "Welfare Services to Aliens, op. cit., p. 42. See 1964 Annual Report of the Department of Social Welfare (St. Thomas: Government Printing Office, 1974), p. 17. Foster-care board rates in 1963 were $50 per month. This was increased to $85 a month by 1969. Information secured from Departmental forms and insular letters. This information was not readily available.


<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Foster Homes</th>
<th>Number of Children Served (Monthly Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>*</td>
<td>145</td>
</tr>
<tr>
<td>1961</td>
<td>37</td>
<td>168</td>
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<td>*</td>
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<td>1966</td>
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<td>1968</td>
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<tr>
<td>1969</td>
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<td>1970</td>
<td>74</td>
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<tr>
<td>1971</td>
<td>76</td>
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<td>1972</td>
<td>*</td>
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<td>1973</td>
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<td>1974</td>
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<td>1975</td>
<td>92</td>
<td>206</td>
</tr>
<tr>
<td>1976</td>
<td>67</td>
<td>247</td>
</tr>
</tbody>
</table>

*Statistics Not Available.

with the Cruz Bay Baptist Church in September 1971 to operate a home for eight youngster, ranging in ages from ten to fourteen years. Eventually, a new home was built and named "The Ranch" by the youngsters. Two couples lived on the premises with the boys and several volunteers contributed part-time tutoring and supervision. After a year's experience in which fourteen boys were served it was concluded that youngsters between the ages of ten and thirteen received the most benefits from the program.

Several problems arose. For example, a small faction in the St. John community opposed the project because of the fear that the boys in the home were delinquents who would disturb the community. These attempts to stop the project were unsuccessful. In another case, some youngsters ran away from the home during their initial adjustment period. Another group of youngsters were transferred to another school because of their involvement in a minor fracas. The attending social worker was successful in resolving many problems and by the end of the first year the home was functioning well. After three years the cost of the program was absorbed by the Department.\(^1\)

In 1976, additional Law Enforcement Planning Commission funds were allocated to establish other group homes in St. Thomas and St. John.\(^2\) Despite the availability of these funds and a recruitment

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\(^1\)This minor fracas is not described in the report or mentioned in the available monthly reports of that period. Information secured from an undated Department of Social Welfare report entitled "The Group Home for Boys--Progress Report" prepared by the project director, who was also the assistant commissioner. The content seems to indicate that the report was prepared after the first year that the project was in operation.

drive to develop more group homes, no homes were in fact established.

The reasons for the lack of other group homes are not difficult to understand. The establishment of a group home required adequate housing accommodations, competent staff, and a capital investment. A few inquiries were received by the Department, but the low board rate of $120 monthly per child was inadequate to cover reasonable operating costs.

Plans to develop other church-sponsored group homes moved very slowly. However, the Department's group-home program administrator believed that expansion would not occur until the Department implemented a program of agency-operated or religiously affiliated and operated group homes.¹

The closing of the St. Thomas Youth Care Center in April 1976 escalated the demand for adolescent facilities. To meet this need, foster-family group homes were established providing accommodations for a minimum of four adolescents. These homes actually were foster homes but were called foster-family group homes in order to qualify for the higher board rate and establish an incentive for families to take adolescent youngsters into their homes. Two foster-family group homes were established on St. Croix and one, for five girls, on St. Thomas.

The operation of these facilities provoked serious problems, for the foster parents were unable to cope with the acting-out

behavior of the adolescents in their care. Additionally, some of the youngsters in placement had problems that warranted intensive individual care.

Despite the problems encountered in operating these foster-family group homes, they did provide a much-needed alternative for the approximately twenty youngsters who were cared for.

In summary, we have seen that the foster-care program was prevented from effectively carrying out its mandate for several reasons. First, limited local funding meant that the foster-care board rate was extremely low in comparison with the cost of living, thus it did not provide sufficient financial incentives to attract additional homes. Second, the increased waiting list of children who needed substitute care could not be accommodated. Third, the staffing shortages severely restricted the provision of high-quality services to the natural parents, the foster children, and the foster parents.

Additionally, there were many youngsters who were not ready for care because of emotional and behavior problems. In these cases, institutional care was needed. We shall discuss this aspect of child welfare in the following section.

Institutional Care

The Division's institutional-care program consisted of detention facilities and the Insular Training School for Boys and Girls. The detention facilities were designed to temporarily care for children who were in conflict with the juvenile justice system, whose parents or foster parents were unable to control them, or who, because of emotional and behavior problems, could not adjust to or be maintained
in their own homes. The Insular Training School provided a structural institutional experience for children who could not be helped by supportive casework in their own homes or who could not adjust in foster homes.

**Detention Facilities**

In the early 1960s, the detention facilities operated by the Department were located in the Islands' forts. Community dissatisfaction with this arrangement led to plans to develop a modern detention facility in St. Thomas,\(^1\) which was called the Youth Care Center and opened in 1965. In 1974, a detention facility was opened in St. Croix because of the rise in juvenile crime.\(^2\)

Detention facilities supplied short-term care to children pending completion of a family diagnosis report and the development of a treatment plan. The treatment plan included returning the child to the same home situation, placement with relatives, and foster home or institutional placement, with the use of casework or group-work modalities.

The detention facility maintained custody of those children who:

1. ran away while awaiting Court action;
2. committed an offense dangerous to themselves or to the community;
3. were exposed to parental abuse;
4. were runaways;
5. were apprehended late at night by the police; and
6. needed secure custody.\(^3\)

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\(^3\)Department of Social Welfare, Insular Letter Number 30, Subject: "Definition of Services and Staff Function", May 15, 1974 (mimeographed), pp. 16-17.
The detention facility in St. Thomas accommodated twenty boys and ten girls under eighteen years old. St. Croix youngsters who needed detention care were sent to St. Thomas prior to the opening of the St. Croix facility.

Placement in the Youth Care Center was available to children who were United States citizens or permanent residents. In emergency situations, alien children were placed if their parents were not on-island. The assistance of the British Consul was then secured so that plans could be made for the child's return to his parents. By 1972, a significant increase had occurred in the number of non-citizen children needing placement. The Department sought the aid of the Immigration and Naturalization Service, but was advised that deportation was possible only if the parents were foreign workers; in most cases the parents were already permanent residents. The Department was thus forced to provide detention care.

By the early 1970s, the detention facility, intended as temporary, had become an overcrowded permanent residence for many youngsters who could not be accommodated at the Insular Training School. These children had mental or emotional problems that could not be treated at any on-island facility.

By 1971, more aggressive and acting-out youngsters were being admitted to the Youth Care Center. A subsequent decline in available

1Berryman, "Welfare Services to Aliens," op. cit., p. 42.

full- and part-time staff members compounded the problem. During May 1971, some fifty-one youngsters were at the Youth Care Center compared with approximately twenty-eight children in February 1970.¹

The discipline problems at the Youth Care Center led to the decision to transfer some of the more aggressive youths to the Insular Training School. However, this plan was delayed because of their lack of cooperation in completing physical exams and psychological evaluations. The counselors' ability to control these youngsters was further eroded when they destroyed the Center's lock-up facility. Additionally, their defiant attitudes included personal threats and attacks against the counselors. Knives, daggers, machettes, and steel pipes were smuggled into the center and used to intimidate the counselors whose primary concern became their own personal safety. Thus, in a relatively short span these aggressive youths literally took over the center.

Finally in February 1972, an arrangement was made with the Department of Public Safety to house the most aggressive youths in the cells at Fort Christian. A maximum of six youngsters, guarded by police recruits, were to be put in a lock-up facility. Within four months, the Department of Public Safety requested that the Department of Social Welfare run the facility. In September 1972, these youngsters were returned to the open program at the Youth Care Center.

¹Many of the youngsters served were those picked up by the police for curfew violations. Rather than return the youngsters to their homes, they were brought to the Youth Care Center for over-night stays. Department of Social Welfare February 1970 Monthly Report, dated March 12, 1970, from Vivian Joseph, acting supervisor, Youth Care Center, to Millicent Ann Dandridge, acting director, Child and Family Services.
According to the monthly reports, the removal of the more aggressive youngsters led to a major improvement in the discipline and control at the Youth Care Center, but these problems again increased with their return.

By March 1973, the Youth Care Center was again filled to capacity; there were innumerable delays in processing youngsters out of the facility. The only available statistics don't really reflect the capacity numbers at given times, which from 1971 to 1976 ranged from a high of thirty-three to a low of eighteen. The curtailment of placements at the Insular Training School in April 1975 resulted in overcrowding at the Youth Care Center, for there was no other available resource for youngsters in need of rehabilitation and treatment. The changes made in the Insular Training School program resulted in the placement there of several youngsters between the ages of fifteen and seventeen whose families refused to accept them. There were no educational, employment, or training opportunities for these youngsters in the community and they posed major discipline and control problems for the staff.

In addition to the older aggressive and hostile youngsters, a number of children had severe mental illnesses and required far more than outpatient treatment. This mixture of youngsters with different problems for long periods in a facility designed for temporary care contributed to the continuing deterioration of the program, raising serious questions about the institution's viability as a healthy and safe place for the Islands' troubled youngsters.
The permanent closing of the Insular Training School in October 1975 resulted in the transfer to the Youth Care Center of those youngsters for whom alternative placements could not be found. They were severely disturbed and their destructive tendencies increased the disciplinary problems at the center.

The erosion of discipline and control, the overwhelming nature of the problems presented by the youngsters, created severe job frustrations for the center's employees, resulting in high staff turnover, resignations and disciplinary measures for some staff members. It should be noted that a high school diploma was virtually the sole requirement for many staff positions. Furthermore, there was a schism between the older, discipline-oriented staff members and the younger, more pragmatic staff members, many of whom were raw and inexperienced. Compounding this dilemma was the fact that the Department assigned only one full-time social work supervisor to the Youth Care Center. This individual, of course, had little, if any, opportunity to fully employ his managerial skills.

Finally, a total breakdown of the program occurred as a result of the magnitude of the foregoing problems. In March 1976, the governor of the Virgin Islands decided to close the facility.

The closing of the Youth Care Center led to the incarceration of the more incorrigible male youngsters at least sixteen years and under age eighteen in the cells previously used to house female

1 The above was summarized from a review of the Department of Social Welfare's monthly reports from the assistant commissioner to the commissioner and the director of Social Services to the assistant commissioner on the Social Services programs from the period July 1970 to June 1976.
prisoners; the less incorrigible were sent home. This was accomplished through the presiding judge of the Municipal Court.\textsuperscript{1} It was the judge's position that a temporary arrangement would force the Virgin Islands government to propose a realistic youth program.

A skeleton staff of male counselors was retained to run the facility, but the reduced program was limited to the provision of custodial care for youngsters who were having serious difficulties with the law or for the temporary placement of homeless youngsters until alternative plans could be made for them.\textsuperscript{2}

Although the St. Croix detention facility did not open until 1974, plans and preliminary drawings for its establishment had been included in the Department of Social Welfare's Insular Training School "1963 Master Plan Project" prepared by a local architectural firm.\textsuperscript{3} Despite ongoing efforts to implement this plan, the construction of a detention facility in St. Croix was still in limbo as the 1970s began.\textsuperscript{4}

Despite community concern and the government's commitment to deal with the crime problem, action was handicapped by several factors: the Islands' economic downturn, the decline in government revenues in

\begin{itemize}
\item[2] Ibid.
\end{itemize}
relation to the population's needs for various services, and the channeling of available funds to expand the public school system to meet the large increase in enrollment created by the June 26, 1970 Virgin Islands District Court decision mandating the admission of non-citizen children into the Virgin Islands public schools. In June 1972, the long-awaited construction of the Detention facility began when ground-breaking ceremonies were held by the governor.¹

Speculation about when the new detention facility would open was ended in April 1973 with the governor's decision to turn the facility over to the Department of Public Safety to house the five murder suspects called the Fountain Valley Five, who were accused of killing eight people at a St. Croix golf course. The existing penitentiary could not provide sufficient security and it was decided to use this facility.²

Almost one year after the facility had been completed, plans were finally made to operate it for its intended use. The delay in opening this facility was indicative of the government's difficulty in meeting even those needs identified as its number-one priority.

¹The Department of Social Welfare June 1972 Monthly Report dated July 5, 1972 from the superintendent, Insular Training School, to the director, Child and Family Services, implied that the superintendent had not been advised of plans to construct the facility but had suspected something was going on as he had noted that a site on Anna's Hope was being cleared. The Department's lack of involvement in the final decision to construct the facility was confirmed in a conversation with the former commissioner of Social Welfare on Tuesday, September 5, 1978, when he stated that the governor had made the decision to construct the detention facility without consulting the commissioner.

²Department of Social Welfare, Memorandum, dated April 12, 1973 to unit supervisors from superintendent, Insular Training School, on "Use of New Detention Facility."
relation to the population's needs for various services, and the channeling of available funds to expand the public school system to meet the large increase in enrollment created by the June 26, 1970 Virgin Islands District Court decision mandating the admission of non-citizen children into the Virgin Islands public schools. In June 1972, the long-awaited construction of the Detention facility began when ground-breaking ceremonies were held by the governor.\(^1\)

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2Department of Social Welfare, Memorandum, dated April 12, 1973 to unit supervisors from superintendent, Insular Training School, on "Use of New Detention Facility."
The facility opened on January 8, 1974 because the governor wanted it opened. It had a skeleton staff consisting of a supervisor, a houseparent, four social service aides, and three youngsters. By January 28, 1974, the number of youngsters had increased to ten.\footnote{Department of Social Welfare, January 1974 Monthly Report, dated January 28, 1974, from Joseph Christian, assistant superintendent to Gaveston David, superintendent, Insular Training School; and Department of Social Welfare, January 1974 Monthly Report, dated January 31, 1974 from Gaveston David, superintendent, Insular Training School, to Millicent Ann Dandridge, assistant commissioner.}

Four new social service aides were hired and interviews with potential employees were continued in order to fill other existing vacancies.

The detention facility had a capacity of twenty-six residents. The living area of the physical plant included six security isolation rooms and two dormitory areas.\footnote{January 20, 1975 Report by assistant superintendent, Insular Training School, on "Recommendations for Restructuring the Juvenile Detention Facility Located at Anna's Hope, Christiansted, St. Croix."} However, limited space was available for recreation. The capacity of the unit was therefore limited to fourteen boys so that one dormitory area could be used for recreational, dining-room, and other activities.\footnote{According to author's interview with former supervisor of detention facility in August 1978.} The carefully nurtured plans for the facility were ignored as the governor attempted to cope with the juvenile-delinquency problem, handicapped by limited funds and lack of coordination with the Department of Social Welfare staff.

Problems concerning almost every aspect of the facility's operation began occurring almost immediately.
The detention facility was designed to serve both short-term detention purposes and for intake and diagnosis. As the only available maximum-security facility on-island, it was easily misused. For example, youngsters from the regular Insular Training School program were placed in the detention facility for varying periods as a disciplinary method. The superintendent of the facility expressed concern that detention not lose its effectiveness and be overworked as a disciplinary tool. In another case, two boys who were "sentenced adult prisoners" were placed in the detention facility while awaiting transfers to mainland prisons. One of these youngsters had severe emotional problems which scared the staff and affected their treatment of him.

Another major problem was criticism from the Municipal Court judges, who felt that not enough attention was paid to due process at the detention facility. Staff members who accompanied children during their court appearances were criticized in front of the residents about the youngsters' "allegations of staff mistreatment of juveniles," illegal incarceration of youngsters, and violation of the detainees' civil rights. The youngsters learned quickly that they


could expect sympathy from the court. The court's attitude, well known among the detainees, further inhibited the staff's authority.¹

From the facility's inception, staff recruitment was a major problem.² The requirement for the position of counselor of social service aide was a twelfth-grade education or sometimes even less; thus, the new staff members were primarily young and inexperienced. In a special report to the Virgin Islands legislature, the Department noted that the Insular Training School staff was generally interested in helping children, but its members were far from equipped to cope with children with deep-seated emotional problems. Staff members often became frustrated, confused, and overwhelmed when confronted with what they perceived as a "crazy" child. Also, attempts by the few administrative staff members to update attitudes, approaches, and techniques were not entirely successful, for the older staff members continued to relate to "what it used to be like," that is, when children respected their elders and obeyed their commands without question. Routine supervision, motivation, and the simple use of adult authority were no longer enough.³ Yet these were the only techniques that the new counselors, both young and old, brought to the job.


²Eighteen staff members were added to the Insular Training School staff during January and February 1974. (Information secured from a review of the monthly reports for that period.)

In order to more adequately supervise the newly appointed social service aides, new male counselors were assigned to the regular institutional facility under the supervision of older counselors before they were assigned to the detention facility. This gave them the opportunity of benefitting from in-service training and experience before dealing with the difficult problems at the detention facility. Subsequent assignment to the detention facility would depend on an evaluation of their job performance. However, half of the male social service aides were new. Staff shortages resulted in new counselors being assigned immediately to the detention facility.¹

Thus, expediency dictated policy, further complicating staff assignments. Counselors were transferred from the institutional program to the detention facility and vice versa as need arose, an unwieldy and confusing arrangement.²

During the year, the supervisor of the detention facility, the assistant superintendent, and a social service aide attended an off-island three-week training course conducted by the United States Bureau of Prisons. Additionally, a consulting firm and Cornell University provided on-island training for the staff.³ Unfortunately,


these training measures fell far short of the in-depth, comprehensive training program that was needed. The superintendent aptly described the ongoing situation. "Disrespect for and open abuse of staff were quite common with the direct result being retaliatory action by staff in the form of frequent use of corporal punishment."  

The youngsters' disrespect for and open challenge of adult authority contrasted sharply with the staff's expectations of respect—creating immediate and continuing conflict. The youths' rebellion against institutional authority was most manifest in the many successful escapes from the "maximum security" detention facility.

Another major problem was the condition of the physical plant. Problems began immediately after the opening of the facility in January 1974 and continued throughout the fourteen-month operation of the facility.

The slipshod workmanship of the building contractor was at fault. However, the long delay in occupying the facility meant that the building was already a year old before these problems were noted. The government, through its Public Works Department, had accepted the building without a thorough inspection. No attempts were made to force the contractor to remedy the deficiencies.  

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2This information was secured from a review of the monthly reports of the superintendent of the Insular Training School from the period January 1974 to March 1975.
The rebellious detainees further damaged the detention facility. In fact, they wrecked some parts of it.\(^1\) By December 1974, a great deal of repair work was needed.\(^2\) Needless to say, the necessary funds were not available.

The deteriorating conditions at the detention facility led to an examination and reevaluation of the goals and purpose of the overall program. Enrollment had continued to decline, as Table 16 shows, and the frequent staff turnovers created numerous vacancies. Finally in March 1975, the detention facility was closed temporarily, so that the limited staff could be used to provide coverage for the regular institutional program.\(^3\) On April 1, 1975, the detention facility was closed permanently when official recognition of the physical condition of the building made its reopening untenable.\(^4\)

In summary, within fourteen months, the detention facility, developed to provide short-term detention for St. Croix youngsters, was closed. The problems encountered in operating this facility

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\(^1\) An October 25, 1975 correspondence from the Project Director to the assistant commissioner of Public Works for St. Croix outlined seven areas in which major repairs were needed. The most extensive repairs were in the security section.

\(^2\) In an April 1972 Monthly Report, the superintendent, in commenting on the reaction of a federal official who was distressed at finding mattresses rather than bunkbeds in the detention cells, noted that the moveable bunkbeds had been used as battering rams and mattresses were being used until they could be replaced with rigid bunks which would be bolted to the floor.


TABLE 16
ENROLLMENT STATISTICS FOR THE ST. CROIX DETENTION FACILITY
JANUARY, 1974 TO MARCH, 1975

<table>
<thead>
<tr>
<th>Month</th>
<th>No. Enrolled at End of Month</th>
<th>*Runaways</th>
</tr>
</thead>
<tbody>
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<td>January</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>March</td>
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<td>April</td>
<td>9*</td>
<td>2</td>
</tr>
<tr>
<td>May</td>
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<tr>
<td>June</td>
<td>7</td>
<td>**</td>
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<td>July</td>
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<tr>
<td>September</td>
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</tr>
<tr>
<td>October</td>
<td>8++</td>
<td>2</td>
</tr>
<tr>
<td>November</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>December--15 served during month</td>
<td>2</td>
<td>**</td>
</tr>
<tr>
<td>January</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>February</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>March</td>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

April (Detention Facility closed early in April)

(A more relevant statistical reporting system would have been a detailed count of the number of youngsters admitted and released monthly.)

*Includes two girls.
**Fort Christian has two youngsters.
***Statistics Not Available.
indicated clearly that the changes in the Virgin Islands since the 1950s required different resources and approaches than those currently available. Without a comprehensive approach to the problems being experienced by Virgin Islands youths, the various attempts to address specific problems were doomed. The inability to provide differentiated services meant children and institutions were mismatched and, in some cases, facilities were overutilized with children who could not be helped or underutilized because they did not meet existing needs.

The Insular Training School

The Insular Training School for Girls and Boys provided long-term group care for neglected, dependent, and delinquent children who needed more intensive treatment than that available in a family setting. Services provided included the provision of (1) good physical care to offset the demanding effects of placement; (2) agency or community services to meet the normal development needs of the child such as medical, dental, education, and recreation activities; (3) constructive and satisfying activities to enable the youngsters to work out their problems; (4) individual and group guidance to help the child use this experience in a positive way; and (5) treatment plans based upon observation and diagnosis of the

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1There is more detailed information on the Insular Training School due to its availability. There were no changes in the administrative staff of the institution during this period and monthly reports were thorough and well written. The annual reports gave more information for this program and there was one study on the Insular Training School which gave the institution's history and detailed information about the problems and the children served.
child's behavior.\(^1\)

In the early 1960s the institution served a total of sixty-three boys with an enrollment averaging fifty-one boys. A total of seventeen girls were served and the facility was at its full capacity of twelve girls during the year.\(^2\) By the early 1970s, the Insular Training School accommodated three different age groups of both sexes: a girls cottage for twenty-six ten-to-sixteen-year-old girls, an older boys cottage for twenty-six sixteen-to-eighteen-year-old boys, and dormitories for fifty-two ten-to-sixteen-year-old boys.\(^3\) The cottages for the older boys and girls had been built in 1965 and 1966, respectively. The ten-to-sixteen-year-old boys were housed inadequately in wood and cement dormitories which were over one hundred years old and constantly needed repair.

The school's master plan had included the construction of new units for this age group, but the funds were not appropriated. Additionally, many of the older buildings such as the administration building, dining room, and kitchen were deteriorated.\(^4\) Youngsters walked for meals and program activities—rendering close supervision virtually impossible.


\(^3\)Department of Social Welfare, \textit{Insular Letter No. 30, op. cit.}

By 1968, the staff had increased to forty,\(^1\) enabling the school to develop several new programs including a farm program and a vocational program. The farm program, under the direction of a farmer counselor, expanded the poultry, gardening, and animal husbandry projects. The farm program was very successful and became self-supporting.

The school's vocational program emphasized construction and building maintenance. For example, prior to the receipt of new laundry equipment, the youngsters assisted the staff in renovating an existing building by doing all the necessary masonry, carpentry, plumbing, electricity, and painting. They also assisted the staff in the maintenance and renovation of other buildings on the school campus.\(^2\)

The Department of Education ran the school's academic program which included an ungraded elementary school program. Many of the younger boys at the Insular Training School performed below grade level because of lack of incentive and opportunity in their prior school experience. The ungraded program enabled the teachers to cope with the specialized learning needs of the children and to give more individual attention than might normally have been the case.

The Department of Health's Mental Health division administered psychological testing and psychiatric evaluation, in most cases prior


to the youngsters' admission to the school. Follow-up services, consisting of individual and group therapy, were extended when psychologists and psychiatrists were available.¹

The bureau of Health Education emphasized health care through films and discussions moderated by a health educator. The goal in this instance was to encourage the students to be responsible for their own health care through practicing sound lifelong health habits.

The Public Health division provided ongoing preventive services such as immunizations, routine testing, and regular physical exams.

Health problems at the school were minimized because of the comprehensive preventive care.

The school's recreation program was also a major factor, for it included nearly every sport, had several levels, and was a decided morale-booster. The school's baseball team participated in the St. Croix Junior Baseball League and won the Island and the Inter-Island championships.² Favorable exposure helped the school's students to feel more a part of the community rather than an isolated element.

At the same time, the community support for the Insular Training School was strong and positive. One community organization, for example, sponsored a Boy Scout Troop.³

¹The Mental Health division also experienced difficulty in recruiting and retaining psychiatrists and psychologists.


Community Reaction. By 1968, the school's program, successful as it had been, was clearly not equipped to cope with the growing number of children with severe delinquency problems. Within the school's juvenile population, there was an upsurge in drug addiction, runaways involved in purse snatchings, burglaries, and petty thefts outside the institution. These incidents generated intense community concern about the institution's inability to contain the youngsters or provide them with treatment and rehabilitation.

Security guards, fencing, and bright exterior lighting were added in an effort to stop runaways and also to decrease the incidence of pregnancy. These stopgap measures could not, however, resolve the problems facing the school's staff.¹

In the late 1960s when Dalton's study was conducted, the principal reasons for placement were truancy; antisocial acts including ungovernableness, fighting, swearing, and running away from home; unsuitable homes; and theft. Unlike the boys, 50 percent of the girls were admitted due to sexual delinquency. In those cases, girls were either grossly abused sexually or were adjudged to be in danger of mistreatment if left uncared for.²

The election campaign for the first elected governor in 1970 provided a ready-made forum for widespread and intense community expressions concerning the rising juvenile crime rate. The school's


²Dalton, op. cit., pp. 32-33.
inability to control the more aggressive youngsters received considerable attention from the public and the election candidates.

A valuable document on the subject is an unpublished study of the school's residents which was made in February 1973. In a total population of 61 (40 boys and 21 girls), 23 were diagnosed as having behavioral problems, 18 were delinquents, 8 were neglected, 6 were abandoned, 3 were rejected, 2 were orphaned and 1 was abused.¹ The study concluded that the school had experienced extreme difficulty in coping with the children's many problems. The needed professional help was unavailable at either the school or existing government agencies. The report added that escape from the school was simple.

Some of the municipal court judges, frustrated by the Department's inability to provide effective rehabilitation for the juveniles who appeared repeatedly in their courtrooms, proposed off-island institutional placement for these hardcore delinquent youngsters. However, the judges' recommendation could not be implemented because of the perennial problem—lack of money.²


It is imperative to note that during this period, the early 1970s, there seemed to have been an almost total lack of official comprehension concerning the magnitude of the juvenile-delinquent problem, much less the resources needed to cope with it. As we have also noted throughout this study, the Virgin Islands had changed in a relatively short time from a small, isolated community with close family and neighborhood ties to a large cosmopolitan community exposed, but unprepared for, all of the ills of twentieth-century industrial society. Children were brought up in a society that was very changed from that their parents had known and experienced.

In May 1972, the governor ordered the Public Works Department to construct detention cells at the school's older boys unit in an effort to curb the runaway problem.\(^1\) The governor's reaction seems to have been a response to public pressure, without regard to whether this was the proper solution to the problem.

School Reorganization. In early 1971 the Department of Social Welfare developed a reorganization plan for the school. Under this plan, the superintendent was responsible solely for the administrative aspects of the program and his office was moved to a less accessible location. The assistant superintendent was responsible for implementation including overall supervision of the laundry, kitchen, recreation program, and ground maintenance. The cottage

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supervisors were responsible for their individual unit's program and the counselors.¹

There were also several improvements in recreation and education. The assignment of a program coordinator in January 1972 resulted eventually in community volunteers helping the youngsters to participate even more in community activities including dinners at local hotels, "Big Brother" programs, more in-depth sporting activities, and an improved arts and crafts program. The goal was to project positive images that would enable the youths to live productively when they left the institution.²

The academic program for elementary schoolchildren was also enhanced with the receipt of Title I funds. Books, training aides, recreation equipment, supplies, and funds to purchase materials to build a classroom that would be constructed by the vocational education classes at the school were provided. The sometime availability of teachers of art, of physical education, and of music, and the money to pay them, helped to expand the academic program. However, the Department of Education's problems with


Staff turnover prevented the program from achieving its full potential.

Thus, in the final analysis, administrative changes, improvements in the recreation and education programs, improvements in working conditions, and money for increased staff did not permanently improve the quality of the school. The various measures taken over a period of years were without exception incomplete, lacking the comprehensiveness that would have offered any prospect of success.

Closing the School. In August 1974, three major incidents involving school residents occurred: assault charges were filed against three youngsters while on a supervised outing, charges of maltreatment and brutalizations of youths were made against some staff members, and one youngster assaulted another, resulting in surgery for the victim.

These incidents led to a two-day Senate committee investigation. Consequently, the United States Department of Social Welfare undertook yet another evaluation of the school.

On April 15, 1975, the district and municipal court judges were advised that the Insular Training School program was henceforth restricted to fourteen males and females aged ten to fourteen. Disadvantaged youths were to be served in a small family style, self-contained unit in a group home.

By June 1975, the new program had been introduced to staff members and final recommendations made for an off-island training

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program. The high hopes held by some Department administrators for the latest reorganization were short-lived. By August 1975, the boys cottage was again plagued with problems.

In summary, then, the experience with the Insular Training School was an all-too-typical example of the very inadequate social services then available to children in the Virgin Islands. Obviously, the children of foreign workers, who were consigned to the lowest priority by official policy, were easily the most neglected. The gross neglect of these children, with rare expectations, was but one of the many problems related to foreign workers that profoundly affected the structure of Virgin Islands society.

Staffing, limited funds, and changes in the kinds of children needing services led to the unavoidable termination of the institutional programs for dependent, neglected, and delinquent children. Although the facility could accommodate approximately one hundred children, poor maintenance and the rapid or continuing deterioration of the facilities limited actual capacity. Nevertheless, enrollment also declined because the existing program failed to fulfill the children's specialized needs. Limited funds and staff turnover contributed to the failure.

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We shall now discuss the Department's delivery of adoption services and day-care services.

**Adoption Services**

During 1954 and 1955, the Child Welfare division assumed responsibility for completing the investigations of adoption petitions filed with the district court.

The two types of adoption petitions received by the district court were agency placements and non-agency placements. In agency placements, the division approved the petition, oversaw placement, and supervised children in adoptive homes. These children may have been released for adoption by a parent residing in the Virgin Islands or secured through cooperative arrangements with adoption agencies on the mainland.

The non-agency placements represented those cases in which a family petitioned the court for adoption. The agency was required to complete an investigation that enabled the court to rule on the adoption petition.

Most of the non-agency adoption petitions were those of United States citizens, naturalized citizens, or permanent residents who adopted the children of relatives or other children from the British, French, or Dutch West Indies.¹

The visa status of these children could be more readily adjusted to permanent resident if they became the adopted children of United States citizens, naturalized citizens, or permanent residents.¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Related</th>
<th>Non-Related</th>
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<tr>
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<td>11</td>
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<td>1962</td>
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<td>8</td>
<td>4</td>
</tr>
<tr>
<td>1965</td>
<td>24</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>1966</td>
<td>14</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>1967</td>
<td>11</td>
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<td>1968</td>
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<td>1969</td>
<td>35</td>
<td>17</td>
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<td>1970</td>
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<td>20</td>
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<td>1971</td>
<td>25</td>
<td>20</td>
<td>5</td>
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<tr>
<td>1972</td>
<td>21</td>
<td>15 (5 Aliens)</td>
<td>6 (2 Aliens)</td>
</tr>
<tr>
<td>1973**</td>
<td>48</td>
<td>30</td>
<td>18***</td>
</tr>
<tr>
<td>1974+</td>
<td>5</td>
<td>4 (3 Alien)</td>
<td>1 (Alien Child)</td>
</tr>
<tr>
<td>1975+</td>
<td>19</td>
<td>19 (9 Alien)</td>
<td>1</td>
</tr>
<tr>
<td>1976</td>
<td>16 Own Parent/Step-Parent (7) Other Relative (9)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Statistics were available only for St. Thomas.

**National Center for Social Statistics form required state agency to indicate citizenship status for non-related petitioners only.

***Eleven of the 18 were alien children.

†No report was done so adoption cards were reviewed. There is no guarantee that all the adoption cards were submitted for these years.
States citizens or premanent residents. In the case were the adoptive parents were found to be unfit or inadequate, the division temporarily placed the foreign-born child in foster care until arrangements were made to return the child to parents or other relatives.¹ These cases were relatively infrequent, but the Department was required to provide care for non-citizen children in emergencies.

As confirmed by Table 17, the number of adoptees was small and were mostly adoptions of related petitioners. In those years when adoption petitions increased, an additional burden was placed on an already overburdened staff, affecting the quality of the petition investigations and related services.

**Day Care Services**

The Social Services division administered a day-care program designed to assist working parents and those parents who were unable to meet the needs of their children because of their own physical or emotional incapacities. Day-care centers cared for at least several children varying in age from two to five years; children under two years were placed in private homes.

Long recognized as a community need, the St. Thomas Municipal Council established a committee in the mid-1950s to study day-care nurseries. The provision of day care was perceived as a vehicle for supplying additional employees to the labor force and relying less on foreign workers. The committee recommended a day-care facility

¹Berryman, "Welfare Services to Aliens," op. cit., p. 42.
be established for preschool youngsters, but the recommendation was not implemented due to lack of funds. In 1957 when demand for more workers was high, day care was revived as an alternative to foreign workers.\(^1\) The Virgin Islands Employment Service also identified the lack of child care facilities as a major problem that prevented women from seeking employment.

The Department's day-care program was initiated in 1960 when the Virgin Islands legislature appropriated funds to (1) stimulate the development of private day-care facilities; (2) establish day-care facilities in any area where a clear need existed; (3) license all day-care facilities in the Virgin Islands; and (4) subsidize parents who were unable to pay the full costs of day care.\(^2\) This mandate was implemented through (1) operation of day-care centers; (2) licensing of day-care facilities; (3) contracting with private day-care centers; and (4) subsidizing families who were unable to pay the total costs of day care by setting fees in accordance with income.

The responsibility for administering these components rested with the bureau of Day Care Services. The office of the bureau consisted of a chief, an assistant chief, a licensing worker, educational specialists, secretaries, and a social worker in both districts. Except for the chief, these positions had a high turnover because of the low salaries.\(^3\)

\(^1\)St. Thomas Daily News, Friday, February 4, 1957.

\(^2\)34 Virgin Islands Code 19; and 3 Virgin Islands Code 377, B(3) and (5).

\(^3\)A licensing worker position was included in the fiscal year 1977 budget, thus fulfilling a long-existing need to have one person with the sole responsibility for this component.
The Department established cooperative arrangements with five day-care centers—two in St. Croix and three in St. Thomas—and services were delivered to approximately ninety children per month, far below the demand. Thus, working mothers continued to use sub-standard facilities such as babysitters or group care by older women in overcrowded and unsafe facilities. Eventually, these employed indigenous mothers began relying on the easily available and low-paid foreign-worker domestics.

Limited funds, lack of facilities, and lack of profitability prevented the extensive development of this program. Furthermore, the widespread use of foreigners as domestic workers meant that the middle class soon needed day-care centers. As a result, the very limited day-care services were judged to be successful by policy-makers.

In 1967, the United States Department of Labor ordered wage increases for foreign workers employed as domestics in private homes from $60 per month to $100 to $140 per month depending on whether living accommodations were supplied.

This large jump in domestics' salaries meant that many families no longer could afford to employ them. Thus, the Department of Social Welfare experienced a fresh demand for day-care services. The day-care program was then serving approximately 175 children in four day-care centers and two family day-care homes and the additional demand could not met. Plans were made to develop new day-care centers in St. Thomas and St. Croix.

By 1970, the Department rented several private residences in which to operate day-care centers. This move increased the number to

eleven day-care centers with a capacity of 262 and an enrollment of 236 as of June 30, 1970. A need existed for family day-care homes serving children below the age of two and a half years.¹ By April 1974, eight government-operated day-care centers—one in St. John, three in St. Thomas, and four in St. Croix—had been established.²

The government-operated day-care centers were staffed by a supervisor, social service aides (employees with a high school education or less), cooks, food service workers, and custodial workers. Additionally, chauffeurs and maintenance mechanics served all government-operated day-care centers. Although an "Early Childhood" education degree was preferred for day-care center supervisors, most had bachelor degrees in other fields such as business administration and English. Consequently, they usually brought no special knowledge or experience to their position. The supervision often was done by social service aides. The lack of qualified supervisors generated poor morale among personnel in the centers.

The day-care programs operated along traditional authoritarian lines. The end result of the program's deficiencies was custodial care—not education.

Another major problem was the inadequacy of the physical facilities in which the government-operated day-care centers were located. Of


²Department of Social Welfare, Monthly Report, April 1974, dated May 9, 1975 from Millicent Ann Dandridge, assistance commissioner, to Gwendolyn C. Blake, commissioner. The local legislation specifies that government-operated facilities should be established where there is a need, but it does not define how need is determined and there is no indication from available Department information that need was really established prior to the establishment of the government-operated day-care centers.
the eight facilities, only three were housed in buildings designed for early childhood education programs. The other five were located in homes and effective programs could not be carried out in cramped and inadequate quarters even on those rare occasions when skilled supervision was available. No new facilities were established between 1974 and 1976 (see Table 18).

An additional deficiency was that the Department of Health could not supply ongoing preventive health care because of chronic understaffing.

In July 1972 the first Virgin Islands facility for deaf and blind children opened in St. Thomas. A number of key elements combined to initiate the school, including (1) the availability of federal funds; (2) the cooperation of the Perkins Institute for the Blind, which provided training for two paraprofessionals from the Virgin Islands; (3) the assistance of the Regional Deaf-Blind Institute, whose representatives made regular consultant visits to the Virgin Islands; and (4) the assistance of the local departments of Health and Education.

For example, the Department of Health provided assistance in developing a medical interagency form for the handicapped and worked with staff members on the children's language development. Beginning in February 1974, the Department of Education provided a special education teacher. We should note that the extensive local and

1This information was summarized from the available Monthly Reports from June 1970 to July 1976 from the assistant commissioner, the director of Social Services and the chief of the bureau of Day Care Services, to the commissioner or to the division director in the case of the bureau chief.
United States mainland interagency cooperation was indicative of a growing concern in the Virgin Islands, and in the United States, for programs that served the severely handicapped child, although only eleven children were actually served.

At this point in our discussion, let us review some of the key elements of the day-care program.

**Licensing.** According to Virgin Islands law, any person caring for three or more non-related children was required to be licensed. Despite the licensing requirement, most people caring for non-related children were not licensed. Although the Department first implemented its licensing procedures in the 1960s, it did not have the manpower or resources to enforce the rules. In the 1970s, manpower was allocated to enforcement, which was greatly aided by the publication of a new licensing manual in June 1975.1

The effective implementation of the licensing program guaranteed protection to the public and insured a minimum standard of care to the children covered by the program. (See Table 18, for the increase in numbers of licensed facilities in the 1970s.)

**Contracting with Private Day-Care Centers.** Since 1959,2 the Department has entered into contracts with operators of private day-care centers and family day-care homes. The day-care centers or family day care homes must agree to provide the Department with a certain number of placements for children who cannot be accommodated in the government-operated day-care centers. (There are no government-operated

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1Ibid.

234 Virgin Islands Code, 19.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Day Care Centers</th>
<th>Capacity</th>
<th>Enrollment June 30, 1972</th>
<th>Number Licensed</th>
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<tbody>
<tr>
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<td>14 (7 Government Operated)</td>
<td>326</td>
<td>254</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>(7 Private Day Care Centers Subsidized)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-72</td>
<td>14 (7 Government Operated)</td>
<td>290</td>
<td>253</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>(7 Privately Operated and Subsidized)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>14 (7 Government Operated)</td>
<td>236</td>
<td>206</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>(1 Pilot Program for Deaf Blind)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(6 Privately Operated Centers Subsidized)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>14 (8 Government Operated)</td>
<td>249</td>
<td>207</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>(1 Pilot Program for Deaf Blind)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(5 Private Day Care Centers Subsidized)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974-75</td>
<td>16 (8 Government Operated)</td>
<td>270</td>
<td>260</td>
<td>(5 New)</td>
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<tr>
<td></td>
<td>(2 Pilot Programs for Deaf Blind)</td>
<td></td>
<td></td>
<td>(7 Renewals)</td>
</tr>
<tr>
<td></td>
<td>(6 Private Day Care Centers)</td>
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</tr>
<tr>
<td>1975-76</td>
<td>15 (8 Government Operated)</td>
<td>272</td>
<td>276</td>
<td>(4 New)</td>
</tr>
<tr>
<td></td>
<td>(2 Pilot Programs)</td>
<td></td>
<td></td>
<td>(11 Renewals)</td>
</tr>
<tr>
<td></td>
<td>(5 Private Day Care Centers)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*No figures available.
facilities for children under two years of age.) The contracts also guaranteed that the day-care operator received a stipulated income for providing day-care services in the private day-care facilities. This program has enabled the Department to fulfill the ever-increasing demand for day-care placements.

**Subsidizing Families.** Under the 1960 day-care legislation, the commissioner of Social Welfare was authorized to grant subsidy payments for child-care in any legitimate day-care program. Thus, many parents were able to afford day care. In the 1960s, non-citizen children were not subsidized and their parents or guardians paid the full costs of day care—$25 per month. In available documents, there was no reference to the provision of day-care services to non-citizen children.

In a 1973 study of day-care fees, 53.8 percent of day-care client families had a gross annual income exceeding $7,000. The remaining 46.2 percent had incomes below $7,000 with 23.1 percent in the $5,000 to $7,000 range. This confirms that day-care centers were used by middle-income families. Although a little more than half of these families were couples, single-parent low-income families were seemingly in the minority.

Since the foreign workers were overwhelmingly low-income, presumably only a small percentage of these managed to avail themselves

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1Ibid.
2Current day-care fees are $60 a month.
3Berryman, "Welfare Services for Aliens," *op. cit.*, p. 43.
of day care facilities. We should note also that the exclusion of data about services to foreign-worker families was pervasive—testifying to their low priority. (Of course, the United States citizen children of foreign workers were entitled to admission in the day-care program.)

Like the other services provided by the division of Social Services, day care was handicapped by limited funding and staff vacancies. Although not all day-care centers were always filled to capacity, this fact was probably more indicative of the individual center's location than lack of need. The day-care program remained primarily a custodial program.

Summary

Many of the services provided by the Social Services division could have, and in some cases did, address the foreign workers' problems. However, the division's effectiveness was handicapped by the overwhelming needs created in the Virgin Islands during the Islands' transition from a rural to an urbanized area. More specifically, the overall increase in people needing services, the impact of poorly trained, untrained, or inexperienced staff members on the quality of service delivery, the division's consequent inability to respond to these new needs, and the limited local funds impacted adversely on Virgin Islands residents, both citizen and non-citizen.

1Department of Social Welfare, "Public Day Care Fees in the Virgin Islands--A Study of Department of Social Welfare Day Care Clients and their Fees," January 28, 1974, pp. 9-10. The federal minimum wage was then $1.60 per hour and many foreign workers earned less than the minimum wage.
The social problems that arose during the 1960s were further illuminated in the 1970s by the continued residence of the foreign workers in the United States Virgin Islands, their increased population, and their marked substandard living conditions.

In refining our discussion, it was noted that in fact the local government had never been able to deliver sufficient public services to fulfill the needs of its existing United States citizen population, much less the needs of the emerging foreign labor population. Second, the government operated originally on the premise that the foreign labor population was unentitled to services, so no initial attempts were made to control the growth of this population nor plan for its needs. Third, because of an unexpected and most unwelcome (in terms of the Virgin Islands government) reinterpretation of federal immigration law, foreign workers, and their families, were abruptly made eligible for health, education, and welfare services. This development severely strained the already depressed Virgin Islands economy.

We have seen that during the twenty-year span of the foreign labor program, little, if any, official recognition was accorded the plight of the foreign workers. Yet the foreign labor population became an ever-more visible entity. Unquestionably, considerable animosity was aimed at the foreign workers because of their willingness to work for comparatively low wages, their sudden flooding of the unskilled labor market, and what was perceived by the indigenous population as a lack of civility and refinement.
Consequently, the tensions that accompany life in a developing society were greatly heightened by the presence of the foreign workers and, perhaps even more significant, the conditions under which they were forced to exist. Among this group, families were separated; single parents raised children without adequate financial, emotional, or physical care; children were unsupervised, became uncontrollable, were involved in delinquent acts, and became school dropouts. The boys were unemployable, even as unskilled laborers, and the girls became young mothers, thus regenerating the cycle.

The economic downturn during the period 1970-1976 was a hardship for most Virgin Islanders and even more so for the foreign workers, many of whom were unemployed and could not find work at any price. When the foreign workers and their families were deemed officially eligible for social benefits and services previously denied them, the result was a near-breakdown for the Virgin Islands government, which was literally overwhelmed by the demand for services that it could not supply.

The area of greatest unmet need was in those programs involving young people. Caseloads increased to the point that at times services were delivered on an emergency-only basis. The Department resorted to using social service aides who were totally unqualified. When social workers were available, they often were left to fend for themselves without administrative support or guidance.

The institutional programs run by the Department were in many cases outmoded and ill-equipped to accommodate children with specialized emotional and behavioral problems. The Department of Social Welfare
was ultimately forced to close the existing institutional facilities for children.

Now that we have covered the Virgin Islands' political history in Chapter II, its socioeconomics in terms of the foreign-labor program, in Chapter III, the consequences of the foreign-labor program, in Chapter IV, and the development of social welfare, special programs and public assistance, and the child welfare division, in Chapters V, VI, and VII, respectively, it is time in Chapter VIII to discuss the conclusions reached in our study.
CHAPTER VIII
CONCLUSION

In this study, we have discussed the policy dilemmas experienced by the United States Virgin Islands government in providing social services to a rapidly expanding and changing population that consisted primarily of native Virgin Islanders, United States mainland citizens, and a large foreign-labor work force.

Traditionally, the Islands' economic development had been viewed as the solution to poverty and unemployment. Indeed, the quickened pace of economic activity in the late 1950s and the additional revenues generated raised the expectation of these problems being resolved.\(^1\) The Virgin Islands government strove to encourage creation of more jobs, improve public services, and raise the standard of living.

Unfortunately, the Virgin Islands government failed to consider fully the ramifications of the Islands' economic evolution from a human-service standpoint—that is, the human costs and benefits of unplanned economic development. Thus, the failure to perceive the magnitude of the problem, to officially acknowledge that the Islands' people were involved in a rapid transition to an urban society from a

\(^1\)See Appendix A for "Comparative Growth Statistics from 1955 to 1977."
rural society, was a flaw that became increasingly visible as individual problems multiplied.

In Chapter I, "Introduction," a number of hypotheses related to the central topic of this study were presented. Let us now, in the light of the foregoing chapters, review these hypotheses.

**Review of the Hypotheses**

**Social Needs Ignored.** The first hypothesis stated that "the federal government responded more to business interests than to the social needs of temporary alien workers (foreign workers) and their families."

In our study, we learned that in 1955 a special subcommittee of the House Committee on the Judiciary, after holding hearings on the need for alien labor in the United States Virgin Islands, recommended a more flexible interpretation of the 1952 Immigration and Nationality Act provisions regarding the importation of temporary non-immigrant workers into the Virgin Islands. This move was perceived as necessary to enhance the Islands' economic development.

The labor unions fought the admission of non-immigrant labor, denied a labor shortage existed, predicted a future oversupply of labor, and requested enforceable return procedures if this occurred. A majority of the Virgin Islands Legislative Assembly "apparently" favored the importation of labor, but the two-thirds majority necessary to pass a supporting resolution could not be mustered. The governor of the Leeward Islands and the British commissioner in the British Virgin Islands of course supported expanded employment for British
Virgin Islanders.

The Virgin Islands business community strongly supported a liberal admission policy for foreign workers. The St. Croix and St. Thomas Chambers of Commerce had lobbied hard in Washington, D.C. against the restrictive interpretation of the 1952 Immigration and Nationality Act. Their argument, of course, was that the tourist trade required seasonal labor unavailable in the United States Virgin Islands. In 1956 a special foreign-labor program was initiated.¹

Clearly, the effective business lobby achieved its goal, for negligible attention was accorded to social needs in the course of the committee's deliberation. Thus, this first hypotheses was supported by the research finds.

"Temporary" foreign workers. The second hypothesis stated that "the federal and the local government viewed the alien (foreign) workers as temporary and failed to envisage the emergence of social problems."

In 1968, a study on foreign workers in the Virgin Islands stated that the concept of "temporary" foreign workers was totally inadequate. The escalating growth of the Virgin Islands' economy since the late 1950s, together with the large percentage of foreign workers constituting the work force, made the workers' classification as "temporary" grossly inappropriate.²


²Social, Educational Research and Development, Inc., Aliens in the United States Virgin Islands: Temporary Workers in a Permanent Economy, pp. 3 and 21. By 1968 it was estimated that 45 percent of the total labor force of 27,000 workers were non-immigrants. See U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 5-13.
For at the same time that they were officially temporary, these foreign workers became an integral part of Virgin Islands society--intermarrying, establishing permanent households and indicating a determination to remain in the United States Virgin Islands if allowed to do so. They also were a vital link in the Islands' economy, since no other effective way existed of recruiting a supplementary labor force.¹

However, both the federal government and the local government continually ignored social problems generated by this steadily growing non-citizen labor force. The inevitable result was that a large, increasingly visible segment of the population² enjoyed few social, political, or economic rights--they were second-class citizens and treated accordingly.³ They could be fired at will and were subject to summary deportation. The longer they were ignored, the more their problems festered and infected the whole population.

The 1968 study stated that no evidence existed to suggest that any agency or institution in the Virgin Islands was particularly interested in the problem of aliens. Insofar as can be determined, the 1968 study was the only example of any broad effort to generate

¹Lewis, op. cit., p. 220.

²It was estimated that aliens represented 12 percent of the 1960 Virgin Islands population and 30 percent of the 1970 population were foreign-born who had not attained citizenship. See U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 15.

interest in the foreign-worker problem.¹ Even when the impact of the foreign workers could no longer be officially ignored, the Virgin Islands government denied them social services with the excuse that they were not United States citizens.

This remarkable example of official myopia was defensible in terms of conserving scarce resources for the short term, but unquestionably was indefensible in relation to the long-term stability of the society. What arguably began as a controllable phenomenon—the influx of foreign workers with their specialized problems—was deliberately allowed to grow until it had assumed the proportions of a plague. The fact that the United States Virgin Islands government had restricted access to federal government resources compounded the problem, prolonging both the engineering of a feasible solution and its application.

Thus, the second hypothesis was supported by the research findings.

Federal Government Support. The third hypothesis stated that "the federal government paid no attention to whether or not the local government could deal with the socioeconomic consequences of migratory workers." The Department of the Interior's position toward the Virgin Islands saw a major policy shift shortly after the appointment of a

¹Social, Educational, Research and Development, Inc., Aliens in the United States Virgin Islands: Temporary Workers in a Permanent Economy, p. 2. Funds for the study had been secured by the College of the Virgin Islands which sponsored the study from Title I of the Higher Education Act of 1965. A review of available background materials at the College of the Virgin Islands on this study also seemed to indicate that the College had not received the direct support of the Virgin Islands governor, although government agencies participated in providing the needed information.
democratic governor in 1961. It was announced at the governor's inauguration that the Department would henceforth play an advisory role rather than an administrative role in Virgin Islands affairs.¹ This action effectively removed the Department of the Interior from responsibility for determining whether the local government could deal with the socioeconomic consequences of the large foreign-labor force.

The other principal federal agencies involved in the foreign-workers' program were the Justice Department's Immigration and Naturalization Service and the Department of Labor. The policies pursued by both of these agencies until 1967 can be most politely described as ones of benign neglect. For example, in 1960 a survey of the Virgin Islands Employment Service's procedures for determining availability of indigenous workers prior to issuing temporary workers' certifications found deficiencies in the protection afforded to domestic workers. However, no action was taken because of policy differences between the Department of Labor and the Immigration and Naturalization Service.

Since the 1955 Congressional Subcommittee recommendations the Immigration and Naturalization Service had permitted temporary workers to hold permanent jobs in the Virgin Islands. As tourism became less seasonal, it also became more difficult to distinguish between seasonal and permanent employment, yet no action whatsoever was taken by the Immigration Service.

By the end of the 1960s, the foreign workers were an essential ingredient in the Virgin Islands economy. The increased dependence on foreign workers had forced down wages in jobs where they were present in large numbers. The high cost of living and low wages in the Virgin Islands precluded recruitment of workers from the United States or its territories.

By 1965 when the acting director of the Office of the Territories became one of the foreign worker program's earliest critics, the situation had become uncontrollable.¹ Later corrective actions by the Department of Labor and the Immigration and Naturalization Service were necessarily of a scale that was clearly beyond the reach of the local government. The third hypothesis, then, was supported by the research findings in the study.

**Scarce Resources:**
The fourth hypothesis stated that "the local government disregarded the needs of the temporary alien workers because they wanted to preserve scarce services for the native-born and voting population." During the 1960s economic development increased the supply of jobs in the public sector. The majority of these jobs were held by indigenous workers, fostering satisfaction among Virgin Islanders.

By 1970, however, the foreign-labor population had grown so large that when the local government was compelled by a district court decision² to grant the foreign workers' non-citizen children public

¹U.S. Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, pp. 15-17 and 26-27.

schooling and other benefits, the entire society was engulfed by the problem of extending the newly won benefits.

Soon thereafter, programs such as surplus foods or medical care, initially available only to low-income Virgin Islanders or Virgin Islands residents from the United States mainland, were extended to all low-income Virgin Islands residents, including foreign workers and their families. Extension of these services dramatically reinforced the notion of conserving scarce resources.

A society in transition must improvise. For example, public school schedules were revised to accommodate two shifts per day. Students crammed what had been a six-hour day into four hours. The emerging Virgin Islands middle class, luxuriating in its newly achieved conspicuous consumption and political clout, perceived the foreign workers as a threat to their life-style. Thus, the foreign workers and their families were not infrequently stigmatized as the cause of all of the society's ills.

In fact, however, the foreign workers were lowly scapegoats, consigned to the bottom of a class structure, exercising little or no power, receiving few of the benefits to which they became officially entitled.¹

We may venture to suggest that their position was the classic one of a society's most deprived group. Therefore, the fourth hypothesis

¹An Arthur D. Little study, Inflation and Economic Growth in the United States Virgin Islands, in April 1974, found that the cost of living in the Virgin Islands was approximately 20 percent higher than on the mainland, pp. v-vii.
of our study was adequately supported by the research findings.

**Local Government Influence.** The fifth hypothesis states that "the local government's failure to develop adequate policies and programs to deal with the consequences of the temporary alien-worker program is directly related to the inability of the local government to influence federal policies." As we have observed, the unplanned and unmanaged growth of the late 1950s and the 1960s, together with the Islands government's inability to fulfill the needs of its citizens, was connected directly to the Islands' struggle for self-government and economic development.

Since the Islands' purchase and transfer from Denmark to the United States in 1917, the indigenous leaders encountered severe difficulties in achieving, first, a clarification of the Islands' status and entitlements, and, second, a representative system of government. These two aspects created far-reaching problems as there were no accepted guidelines concerning how the United States Virgin Islands should be treated vis-à-vis other United States territories, mainland states, or citizens. For example, in travel to and from the United States, Virgin Islanders were treated similarly to other United States citizens. In voting for the President and the Vice President of the United States, they were excluded. In fact, this particular citizen right has not been extended to any United States territories. In regard to income taxes, the Islanders were included but treated differently because United States Virgin Islands income taxes went into the local treasury rather than to the federal government.
This lack of clarity is dramatically illustrated in terms of the social welfare programs extended to the United States Virgin Islands. For example, the United States Virgin Islands was included in the public-assistance programs, but, unlike the fifty states, financial participation by the federal government was limited by a ceiling and a fifty-fifty match requirement compared with the seventy-five twenty-five match and the open-ended appropriation provided to the fifty states. Another example of the problem of defining entitlements was the Virgin Islands' exclusion from the Supplemental Security Income (SSI) program contrasted with the provision of state-like privileges in the Virgin Islands food stamp program.

This prejudicial treatment created severe hardships for Virgin Islands residents. Specifically, public-assistance grants remained extremely low and were unable to meet basic needs.\(^1\) Second, the Islands' aged, blind, and disabled residents were completely excluded from the more liberal provisions of the Supplemental Security Income program. Third, the necessity for using scarce local dollars for the other social welfare programs limited the funds available to improve and expand the administrative structure and organization of the food stamp program.

The Islands' long, arduous struggle to win a representative system of government had a major impact. At critical moments in the Islands' history, the elected officials were unable to make major improvements.

\(^1\)After 1970, the monthly grant in the public-assistance program for a single individual was $52 and $166 for a family of four.
decisions because many of these decisions were by law made by the federal government. The implementation of the foreign-labor program in the 1950s was a case in point.

The Virgin Islands legislature, the only branch of the Virgin Islands government elected by Virgin Islands residents, was unable to secure a two-thirds majority needed to pass a resolution favoring the importation of foreign labor. Nevertheless, the findings and recommendations of a United States Congressional subcommittee were ultimately responsible for a less restrictive interpretation by the Immigration and Naturalization Service of what constituted temporary labor.¹

As discussed in Chapter III, the program was designed without the participation of any of the people's elected representatives. This problem, however, was very similar to problems experienced in certain state counties and public welfare departments in the United States in that they did not share in the decision-making process at the federal level. Given the similarity between the Virgin Islands and small counties, one cannot conclude that the local Virgin Islands government failure was totally related to its inability to influence federal policies.

Presumably, the local government could have enforced the local legislation that was designed to protect the resident workers and prevent the exploitation caused by the depressed wages resulting from

an overabundant labor supply. Instead, the local government chose not to enforce its own legislation for fear of driving away the business entrepreneurs who were deemed essential to the growth of the Virgin Islands economy. The same fear also led the local government to devote a disproportionate share of its revenues to capital expenditures, instead of to health, welfare, and education services that would have alleviated the worst consequences of the foreign-labor program.

It should also be pointed out that the government expenditures were very much influenced by the ready availability of matching funds for capital improvements. It was also possible for local government to make health, welfare, and education services available to all those in need regardless of citizenship status. Of course, the improvements in the standard of living of indigenous Virgin Islanders would not have been realized so rapidly.

In the light of the options available to the local government, therefore, it must be concluded that the fifth hypothesis was not totally supported by the data in our study.

Now that the hypotheses of our study have been reviewed, we shall turn to an examination of the policy implications.

Policy Implications

Government policies in the Virgin Islands failed to fully embrace the consequences of economic development and the population explosion. Although non-citizens were ignored, the official view was that the government extended the benefits of economic progress
to everyone. The contribution of the foreign workers to the society was interpreted consistently as a negative. As this population expanded, its members became proportionately harder to ignore and shunt aside.

Lewis described the essence of the problem as a rapidly increasing population accompanied by very little planned effort to accelerate welfare facilities and services. Indeed, this pronounced lack of planned effort resulted in what Cafferty and Chestang described as ineffective or destructive policies, because they ignored the reality of the society and thus failed to respond to it. Hopefully, the findings in the present study can be used as the foundation for three major implications on the development of socioeconomic policy in the United States Virgin Islands.

First, if a migratory work force is to be continued, then obviously its members should be accorded access to ordinary things such as services, health care, free education for themselves and their children, family reunifications, and legal services. Thus, the Virgin Islands' government must develop policies that will enable the migrant workers to become and remain healthy, productive, and contributing members of Virgin Islands society. The basic goal should be integration into the community. Otherwise, as this study has illustrated, mutual

\[1\] Lewis, op. cit., p. 225.

hostility and alienation will surface between the indigenous population and the foreign workers.

The experience of the Virgin Islands has some parallels in other parts of the world. Germany, France, Latin America and Switzerland all at one time or another have imported large numbers of laborers to fuel their economic development. These areas, like the Virgin Islands, have also responded to them negatively but are eventually faced with determining their status or providing services to facilitate their integration into the community or deporting them. The experiences in these countries may also provide some policy guidelines or alternatives that might be useful in determining the social and economic cost of integrating foreign labor populations.

If the costs of a foreign labor population are then deemed to be unacceptable, then the costs of a slower rate of economic development should be anticipated and recognized in the formulation and execution of official policy. In the long term, this step precludes the fostering of an illusion of prosperity.
A case in point was the criticism leveled against the Virgin Islands government in the national news media and by the federal government in the late 1960s about the living conditions of foreign workers. Although the program had been implemented at the insistence of the business entrepreneurs, they were not held responsible for the deplorable living conditions in which the migrant worker and his family were forced to live.

Furthermore, the entry of a migrant work force for low salaried, dead-end employment perpetuates a low-wage economy for two reasons. First, the foreign workers tend to be docile because of their tenuous place in society, thus few demands are made for salary increases or improved working conditions. Second, because people who are low wage earners are eligible for public assistance, food stamps, and public housing, low wages are perpetuated since the basic needs are met through

The end result of such a deliberative process is the conscious weighing of the pros and cons, the costs and benefits of one policy decision compared with another. ¹ Too, such comprehensive planning would eliminate the chaos created by the unplanned and unmanaged growth of the 1950s and 1960s and the early part of the 1970s. This issue of citizenship would be muted, the emphasis placed instead on the provision of services to residents.

Second, the Virgin Islands government, should the foreign-labor program be continued, must make adequate plans for the entry of a migrant work force. The failure to take this step will cost the Virgin Islands government a hidden subsidy to those industries or businesses that hire migrant workers. Another cost will be the undermining of the government's authority.

¹The Economic Development Policy Guidelines developed by the governor's Economic Policy Council included among its ten principal problems that of the Islands' unplanned growth. It was largely responsive to the immediate needs of the market process and resulted in a disproportionate demand on the territory's limited resources. The council recommended the institution of a program of growth management to achieve a sustainable economic growth. One of the objectives to achieve this goal was to discourage the population spurts that resulted from the importation of labor. See Economic Policy Council, The Economic Development Policy Guidelines (St.Thomas: Government Printing Office, 1978).
the government subsidy programs. Thus, low wages become the rule rather than the exception and the government is forced to supply more social services. Therefore government should weigh the costs of subsidizing low-wage private-sector employees. Such a step would inevitably benefit the society in terms of improved government management.

Third, the federal government must be flexible to the extent of recognizing the importance of regionalism. When the United States government decided to partially implement a social welfare system in the Virgin Islands, it transported a system that clashed with the Virgin Islands culture. Insufficient funds were allocated to recruitment and training of social service professionals. This resulted in what Lewis called a grossly unequal relationship between the United States and the Virgin Islands. The paradox was that the United States government expected the Department of Social Welfare to provide comprehensive services without competent staff, adequate grants, and acceptable office space.

The United States government must develop appropriate policies. For example, these might well include allowing the Virgin Islands government the freedom and the technical assistance to design a plan that would best fulfill the human service needs of its population. This plan should account for the specific needs of Virgin Islands society, particularly its large migratory work force, the nature of available human services personnel, and the constraints created by

1Lewis, op. cit., p. 104.
limited access to ongoing in-service training and education advancement opportunities on-island. The plan should be subject to the same accountability standards of existing federal programs. The only major difference should be that the program fulfills locally defined needs. Indeed, the regional needs of each state and territory should be incorporated into federal program implementation.


The United States government's failure to develop either a theoretical perspective or a clearly defined public policy to deal with its United States territories is an illustration of what might be termed vintage imperialism. For example, the extension of citizenship to Virgin Islands residents, universal suffrage, immigration laws, powers of the local executive, legislative, and judicial branches of government, and the difficulty in defining the Virgin Islands' territorial status were all negotiated on a haphazard, trial-and-error basis. Each issue was resolved after a prolonged struggle by Virgin Islands residents. Throughout this struggle no discernible pattern emerged; Virgin Islanders never knew what right would be extended at a particular point in time.

As noted previously, the sharing of power between the indigenous leaders and representatives of the United States executive, legislative, and judicial branches of government is seen by Lewis as a grossly unequal relationship.¹ The result is that the Virgin Islands government's

¹Lewis, _op. cit._, p. 104.
decision-making process is inhibited by three major constraints.

The first major constraint is that critical decisions about the Islands' future are made by people with a limited understanding and knowledge of the Islands. For example, legislation proposed in the United States Senate in 1977, known as the Carter Amnesty bill, recommended that illegal aliens on the United States mainland should be accorded amnesty.

While this is a benevolent gesture toward improving the lives of people from non-United States areas, it would create severe hardship in the United States Virgin Islands. It would not resolve the status of the foreign workers who live in the Virgin Islands, but do not qualify due to inadequate residence. Governor Juan Luis, testifying before the United States Senate Committee on the Judiciary on May 17, 1978, stated emphatically that the impact of the immediate status adjustment of some sixteen thousand temporary and illegal alien residents would create severe hardship for the local government. While supporting the concept of absorption, he felt that the proposed legislation would harm the unique economic, social, and political conditions of the United States Virgin Islands.

The second major constraint is the fact that decisions made in the national interest often had severe unanticipated consequences in the United States Virgin Islands. For example, the many changes in the Social Security Act's public-assistance provisions made during

1United States, Congress, Senate, A Bill to Amend the Immigration and Nationality Act, and for Other Purposes, S. 2252, 95th Congress, 1st Session (1977).

2Statement of Governor Juan Luis of the Virgin Islands on S. 2252, 95th Congress—A Bill "To Amend the Immigration and Nationality Act, and for Other Purposes" (Introduced by Mr. Eastland for himself, Mr. Kennedy, Mr. Bentsen, and Mr. DeConcin—to United States Senate
the 1960s placed severe strains on the Department of Social Welfare since it had neither the funds, staff, nor resources to respond to the new initiatives that in fact were designed to address mainland problems.

As we saw, a major problem that affected the delivery of services was the lack of professionally trained staff at the supervisory and administrative levels. The requirement that program directors have a master's degree in social work plus appropriate experience resulted in off-island recruitment. Eventually, some supervisory and administrative staff were trained through the Department's scholarship program. Despite some progress, however, staffing of professional positions was a continued problem and vacancies at administrative and supervisory positions were long-standing. Additionally, it was often difficult to recruit bachelor-degree workers. Even supportive positions, such as clerks, remained unfilled for long periods due to budget problems, red tape, and the limited supply of workers.

The absence of supervisory and administrative staff meant that effective policies were not developed and workers were not properly trained. Thus, the impact of personnel vacancies damaged service delivery. For example, public assistance recipients were entitled to grants irregardless of the staffing situation, but regular recertifications, changes in client circumstances, and services needed by clients often could not be provided.

Assistance to the Aged program which included public-assistance recipients and other low-income aged persons. The addition of a new program, the implementation of new regulations, and staff supervision and training had to be carried out without significant personnel expansion. The 1962 amendment required the Virgin Islands Department of Social Welfare to accommodate public-assistance recipients. However, the 75 percent federal funding match for meeting this requirement, provided to the United States mainland agencies, was not extended to the Virgin Islands. Nevertheless, the Virgin Islands government was expected to comply.

The problem, then, lay in the United States government mandating certain services but not extending funds equal to mainland agencies formulas.

The third major constraint is the fact that Virgin Islands leaders are handicapped in their attempts to address issues of local concern since Congressional legislation and constitutional provisions take precedence. Public Law 91-225, for example, established a policy of reunification of spouses and minor children of foreign workers. The effect of this legislation was the promotion of family reunifications on a massive scale in the Virgin Islands. It was estimated that some twenty thousand to thirty thousand aliens entered the Virgin Islands as a result of this legislation.\(^1\) Prior to this decision, low-income foreign workers who brought their foreign-born children into the

United States Virgin Islands had to enroll them in private school and pay tuition fees. The combination of Public Law 91-225 and the *Hosier versus Evans* decision facilitated the entry of foreign-born children into the public schools.

The late Governor Cyril E. King described the situation thusly:

> The result of this ruling has been a disastrous overburdening of the schools, leading to a state of incipient collapse of the educational system. The unforeseen effects of the change (in federal immigration law) are now emerging in all areas of public service. This sudden, unplanned increase in the population, almost all of whom are poverty stricken, has thrown the service providing sector of local government into a desperate, chaotic situation.¹

In the special study by the subcommittee of the Judiciary Committee in 1975, it was noted that "it is questionable whether the Judiciary Committee would have recommended reunification of foreign workers' families if it had been fully informed by the Department of Justice as to the probably impact of the H-4 provisions on the Virgin Islands."² The lack of effective input by Virgin Islands leaders was related directly to this particular problem.

**Conclusion**

The study seemingly supports Gil's view that the characteristic features of the existing social policy system reflect attitudes and practices of exploitation toward the natural environment and toward human beings, inequalities in circumstances of living of members and groups in society, and a high incidence of alienation in

²United States Congress, House, Non-Immigrant Alien Labor Program on the Virgin Islands of the United States, p. 32.
human experience and relations. These attitudes and practices were quite evident in the Virgin Islands. Their continuation will further endanger the quality of life in the Virgin Islands. Major changes are thus mandatory.¹

Gill² argues that a society's dominant value premises will only be changed if revisions in the perceptions and consciousness of large segments of the population occur with respect to the true interests and the reality in which these population segments live. Implementation of the above policy recommendations by both the federal and local governments will require reassessment, understanding, and clarification.

The relationship of the Virgin Islands government vis-à-vis the United States government must be refined. Too, the cultural, socio-economic, and developmental differences and constraints of an island community with limited resources must be allotted careful, and respectful, attention.

Both the dilemma and the solution for the United States Virgin Islands might well be summed up by the following:

If you give a man a fish
You feed him for a day
If you teach him how to fish
You feed him for a lifetime.

²Ibid., p. 152.
APPENDIX A

COMPARATIVE GROWTH STATISTICS
IN THE U.S. VIRGIN ISLANDS
**APPENDIX A-1**

**DYNAMIC TEN YEAR GROWTH**

**MAKES U. S. VIRGIN ISLANDS**

**MOST PROFITABLE MARKET IN THE CARIBBEAN**

**HIGHEST PER CAPITA INCOME ($2,100) IN THE AREA**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Imports</td>
<td>16,255,575</td>
<td>23,622,093</td>
<td>63,364,567</td>
<td>71,002,360</td>
<td>96,005,404</td>
<td>118,675,000</td>
<td>*125,000,000</td>
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<tr>
<td>Exports</td>
<td>4,116,053</td>
<td>3,534,805</td>
<td>20,064,920</td>
<td>23,961,206</td>
<td>27,066,951</td>
<td>34,375,000</td>
<td>*44,000,000</td>
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<tr>
<td>Passenger Air Arrivals</td>
<td>63,000</td>
<td>118,000</td>
<td>176,750</td>
<td>215,809</td>
<td>337,669</td>
<td>436,775</td>
<td>500,000</td>
</tr>
<tr>
<td>Cruise Ship Arrivals</td>
<td>36</td>
<td>86</td>
<td>131</td>
<td>163</td>
<td>220</td>
<td>238</td>
<td>258</td>
</tr>
<tr>
<td>Cruise Ship Passengers</td>
<td>18,500</td>
<td>40,200</td>
<td>57,368</td>
<td>64,239</td>
<td>109,341</td>
<td>193,944</td>
<td>217,659</td>
</tr>
<tr>
<td>Tourist Expenditure</td>
<td>9,800,000</td>
<td>16,070,000</td>
<td>35,100,000</td>
<td>41,070,000</td>
<td>54,014,852</td>
<td>54,000,000</td>
<td>*65,000,000</td>
</tr>
<tr>
<td>Hotel Beds</td>
<td>1887</td>
<td>2439</td>
<td>3327</td>
<td>3519</td>
<td>3594</td>
<td>3710</td>
<td>3976</td>
</tr>
<tr>
<td>Power Output (KWH)</td>
<td>10,400,300</td>
<td>16,175,000</td>
<td>31,006,612</td>
<td>39,144,031</td>
<td>58,900,000</td>
<td>85,847,550</td>
<td>107,914,550</td>
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<tr>
<td>Building Permits</td>
<td>367</td>
<td>471</td>
<td>777</td>
<td>1,000</td>
<td>1,049</td>
<td>1,306</td>
<td>*1,600</td>
</tr>
<tr>
<td>Value of Construction</td>
<td>1,645,979</td>
<td>1,840,132</td>
<td>11,194,508</td>
<td>13,000,000</td>
<td>19,021,227</td>
<td>33,332,798</td>
<td>*40,000,000</td>
</tr>
<tr>
<td>Income Tax Collected</td>
<td>1,059,000</td>
<td>2,239,000</td>
<td>7,250,000</td>
<td>7,582,518</td>
<td>10,707,373</td>
<td>13,336,283</td>
<td>17,524,475</td>
</tr>
<tr>
<td>Real Property Taxes</td>
<td>246,581</td>
<td>347,889</td>
<td>662,730</td>
<td>804,232</td>
<td>968,794</td>
<td>853,759</td>
<td>960,855</td>
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<tr>
<td>Per Capita Income Est.</td>
<td>$675</td>
<td>$800</td>
<td>$1,153</td>
<td>$1,350.00</td>
<td>$1,761</td>
<td>2,000</td>
<td>2,100</td>
</tr>
<tr>
<td>Volume of Mail Est.</td>
<td>2,000,000</td>
<td>3,900,000</td>
<td>12,000,000</td>
<td>18,779,000</td>
<td>26,924,000</td>
<td>23,038,100</td>
<td>27,291,200</td>
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<tr>
<td>Business Licenses</td>
<td>1,527</td>
<td>1,875</td>
<td>2,436</td>
<td>2,750</td>
<td>3,496</td>
<td>3,735</td>
<td>3,852</td>
</tr>
<tr>
<td>Water Consumption (Cal.)</td>
<td>39,429,000</td>
<td>68,575,042</td>
<td>104,738,000</td>
<td>129,681,000</td>
<td>175,519,000</td>
<td>232,017,400</td>
<td>448,188,050</td>
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<tr>
<td>Vehicles Licensed</td>
<td>2,786</td>
<td>3778</td>
<td>7369</td>
<td>8316</td>
<td>10,109</td>
<td>13,048</td>
<td>13,913</td>
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<tr>
<td>Roads (Miles)</td>
<td>255</td>
<td>269</td>
<td>288</td>
<td>288</td>
<td>288</td>
<td>287</td>
<td>298.3</td>
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<tr>
<td>Bank Deposits</td>
<td>12,511,917</td>
<td>22,415,160</td>
<td>45,555,000</td>
<td>51,700,000</td>
<td>67,782,950</td>
<td>79,541,000</td>
<td>*110,000,000</td>
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<tr>
<td>Population (Est.)</td>
<td>29,000</td>
<td>30,725</td>
<td>35,430</td>
<td>37,250</td>
<td>41,913</td>
<td>45,000</td>
<td>50,000</td>
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<tr>
<td>Total Govt. Expenditure</td>
<td>$2,780,128</td>
<td>$5,848,034</td>
<td>$17,584,516</td>
<td>$19,701,263</td>
<td>$25,674,452</td>
<td>$27,773,984</td>
<td>$40,730,527</td>
</tr>
</tbody>
</table>
### United States Virgin Islands
#### Comparative Growth Stats

**APPENDIX A-2**

St. Croix, St. John, St. Thomas

#### Table: 1960 vs. 1970

<table>
<thead>
<tr>
<th>Category</th>
<th>1960</th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>66,000</td>
<td>68,740</td>
<td>71,460</td>
</tr>
<tr>
<td><strong>Total Operating Budget</strong></td>
<td>$7,121,889</td>
<td>$9,476,991</td>
<td>$9,870,021</td>
</tr>
<tr>
<td><strong>Individual Income Taxes</strong></td>
<td>$4,229,018</td>
<td>$5,246,871</td>
<td>$5,496,469</td>
</tr>
<tr>
<td><strong>Corporate Income Taxes</strong></td>
<td>$11,851,746</td>
<td>$12,211,310</td>
<td>$12,584,815</td>
</tr>
<tr>
<td><strong>Trade and Excise Taxes</strong></td>
<td>$435,000</td>
<td>7,231,667</td>
<td>7,132,106</td>
</tr>
<tr>
<td><strong>Real Property Taxes</strong></td>
<td>342,746</td>
<td>354,045</td>
<td>361,150</td>
</tr>
<tr>
<td><strong>Real Property Assessment</strong></td>
<td>41,192</td>
<td>58,800</td>
<td>74,666</td>
</tr>
<tr>
<td><strong>Licenses, Fees and Permits</strong></td>
<td>131,278</td>
<td>602,411</td>
<td>1,149,627</td>
</tr>
<tr>
<td><strong>U.S. Customs Duties In V.T.</strong></td>
<td>481,076</td>
<td>638,805</td>
<td>738,451</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>815,34</td>
<td>1,030,87</td>
<td>1,400,76</td>
</tr>
<tr>
<td><strong>No of Tax Exempt Farms</strong></td>
<td>44</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td><strong>Subsidies Paid to Exempt Farms</strong></td>
<td>44</td>
<td>44</td>
<td>44</td>
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<tr>
<td><strong>Total Imports</strong></td>
<td>66,000</td>
<td>68,740</td>
<td>71,460</td>
</tr>
<tr>
<td><strong>Imports from U.S. and P.R.</strong></td>
<td>76,417,727</td>
<td>103,480</td>
<td>123,480</td>
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<tr>
<td><strong>Imports from Foreign Countries</strong></td>
<td>17,464,137</td>
<td>44,300</td>
<td>113,400</td>
</tr>
<tr>
<td><strong>Total Exports</strong></td>
<td>137,706,617</td>
<td>197,480,648</td>
<td>217,480,649</td>
</tr>
<tr>
<td><strong>Exports to U.S. and P.R.</strong></td>
<td>145,444,456</td>
<td>240,444,456</td>
<td>250,444,456</td>
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<tr>
<td><strong>Exports to Foreign Countries</strong></td>
<td>11,200,160</td>
<td>5,000,000</td>
<td>5,000,000</td>
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<tr>
<td><strong>Air Arrivals</strong></td>
<td>127,000</td>
<td>127,000</td>
<td>127,000</td>
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<tr>
<td><strong>Estimated Tourist Arrivals</strong></td>
<td>401,800</td>
<td>511,600</td>
<td>550,900</td>
</tr>
<tr>
<td><strong>Estimated Tourist Departures</strong></td>
<td>452,600</td>
<td>548,800</td>
<td>548,800</td>
</tr>
<tr>
<td><strong>Estimated Tourist Stay</strong></td>
<td>446,000</td>
<td>532,000</td>
<td>532,000</td>
</tr>
<tr>
<td><strong>Estimated Total Expenditures</strong></td>
<td>2,100,000</td>
<td>2,500,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td><strong>Number of Visitors</strong></td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td><strong>Number of Hotel Beds</strong></td>
<td>737,000</td>
<td>737,000</td>
<td>737,000</td>
</tr>
<tr>
<td><strong>Number of Hotel Rooms</strong></td>
<td>597</td>
<td>597</td>
<td>597</td>
</tr>
<tr>
<td><strong>Hotel Occupancy Rates</strong></td>
<td>94.3</td>
<td>94.3</td>
<td>94.3</td>
</tr>
<tr>
<td><strong>Electricity Produced and Used</strong></td>
<td>15,000,000</td>
<td>15,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td><strong>Water Distribution</strong></td>
<td>3,900,000</td>
<td>3,900,000</td>
<td>3,900,000</td>
</tr>
<tr>
<td><strong>Value of Construction Projects</strong></td>
<td>1,100,000</td>
<td>1,100,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td><strong>Number of Business Establishments</strong></td>
<td>1,100</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td><strong>Bank Deposits</strong></td>
<td>74,040,000</td>
<td>83,450,000</td>
<td>83,450,000</td>
</tr>
<tr>
<td><strong>Total School Enrollment</strong></td>
<td>9,433</td>
<td>9,433</td>
<td>9,433</td>
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<tr>
<td><strong>Public School Enrollment</strong></td>
<td>8,167</td>
<td>8,167</td>
<td>8,167</td>
</tr>
<tr>
<td><strong>Number of Telephones</strong></td>
<td>1,052</td>
<td>1,052</td>
<td>1,052</td>
</tr>
<tr>
<td><strong>Number of Vehicles in Use</strong></td>
<td>9,871</td>
<td>9,871</td>
<td>9,871</td>
</tr>
<tr>
<td><strong>Total Labor Force</strong></td>
<td>11,228</td>
<td>21,018</td>
<td>23,480</td>
</tr>
<tr>
<td><strong>Labor Force Employed</strong></td>
<td>9,845</td>
<td>20,828</td>
<td>23,000</td>
</tr>
<tr>
<td><strong>Labor Force Unemployed</strong></td>
<td>383</td>
<td>400</td>
<td>400</td>
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<tr>
<td><strong>Unemployment Rate</strong></td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Partial Consumer Price Index</strong></td>
<td>100.0</td>
<td>100.5</td>
<td>118.8</td>
</tr>
<tr>
<td><strong>Gross Territorial Product</strong></td>
<td>242,300,000</td>
<td>785,200,000</td>
<td>1,400,000,000</td>
</tr>
<tr>
<td><strong>Per Capita Income</strong></td>
<td>2,564</td>
<td>2,520</td>
<td>2,704</td>
</tr>
</tbody>
</table>

**Key:** FY/V: Fiscal year from July 1 to June 30. CY/V: Calendar year from January 1 to December 31. N.A.: Not available.

1. Includes tourists, nonresidents, residents and others entering the V.I. via the Alexander Hamilton and Harry S. Truman.
2. 1960 and 1965 figures are for V.I. all others are calendar years.
3. Beginning in 1977 a new methodology is used in deriving tourist expenditures. Caution should be exercised in using the usage.
4. St. Thomas only.
5. Excludes Hess Oil and Marine Marta Enterprises, Inc.
6. This figure excludes two banks who were relinquished in reporting this information.
7. Partial consumer price index includes only 50% of the typical consumer market basket as defined by the U.S. Bureau of Labor.
<table>
<thead>
<tr>
<th>Year</th>
<th>St. Thomas</th>
<th>St. John</th>
<th>Virgin Islands</th>
<th>American Virgin Islands</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>17,711</td>
<td>10,592</td>
<td>28,303</td>
<td>5,550</td>
</tr>
<tr>
<td>1971</td>
<td>17,222</td>
<td>10,560</td>
<td>27,782</td>
<td>5,326</td>
</tr>
<tr>
<td>1972</td>
<td>16,733</td>
<td>10,527</td>
<td>27,260</td>
<td>5,098</td>
</tr>
<tr>
<td>1973</td>
<td>16,244</td>
<td>10,495</td>
<td>26,739</td>
<td>4,871</td>
</tr>
<tr>
<td>1974</td>
<td>15,756</td>
<td>10,463</td>
<td>26,219</td>
<td>4,653</td>
</tr>
<tr>
<td>1975</td>
<td>15,267</td>
<td>10,431</td>
<td>25,698</td>
<td>4,435</td>
</tr>
<tr>
<td>1976</td>
<td>14,778</td>
<td>10,400</td>
<td>25,178</td>
<td>4,217</td>
</tr>
<tr>
<td>1977</td>
<td>14,289</td>
<td>10,370</td>
<td>24,658</td>
<td>4,000</td>
</tr>
</tbody>
</table>

*Notes:* The table above contains the population statistics of the U.S. Virgin Islands from 1970 to 1977. The population figures are given in thousands. The columns denote the populations of St. Thomas, St. John, the Virgin Islands, and the American Virgin Islands, respectively.
APPENDIX B

ANALYTICAL CATEGORIES
APPENDIX B

Agriculture and Labor Department
Agriculture and Labor Department – Annual Reports
Aliens
Alien Address Program
Alien Certification Office – U.S.D.L.
Alien Eligibility
Alien Exploitation
Alien Labor
Alien Labor – United States
Alien Organizations
Annual Reports – Governor

Bills – United States
British Virgin Islands
British Virgin Islands/Virgin Islands Relationships
Budget – Virgin Islands

Chamber of Commerce
College of the Virgin Islands
Commerce Department – Virgin Islands
Comptroller – Virgin Islands
Congress
Congressional Committees
Congressional Delegate
Congressional Hearings
Constitutional Convention – Virgin Islands
Consultants/Reports
Cost of Living
Crime

Day Care

Economy
Editorials
Education
Education/Aliens
Education Board
Education – Caribbean
Education, Department of Virgin Islands
Education Private/P
Education, Vocational
Employment Security Agency - Annual Reports
Employment Security Agency - United States
Employment Security Agency - Virgin Islands
Employment Agencies

Federal Employees
Federal Grants
Federal - Local Relationships

General
Government Employees
Governor's Speeches
Governors - Virgin Islands

Health
Health Department
HEW
Hess/Harvey/VIOR
Housing
Housing Department
Housing Department - United States

Illegal Aliens
Immigration
Immigration and Naturalization Services (INS)
Interior, Department

Job Training
Judicial System
Juvenile Delinquency

Labor Department, U.S.
Labor Department, V.I.
Labor/Employment
Legislation - U.S.
Legislation - V.I.
Legislature, V.I.

Manpower
Miscellaneous
Naturalization - U.S.

Office of Economic Opportunity
Organic Act

Political Parties/Campaigns/Speeches
Population/Census
Puerto Rico

Race Relations
Recreation
Resident Workers
Revenues

Taxes
Territories, U.S.
Tourism

Unemployment
Unemployment Compensation
Unions
United Nations
U.S./Caribbean Relations

Veterans
V.I. Organizations

Wages
Weekly News Review
Welfare, Department
West Indies
West Indian/V.I. Relationships

Year End Review
Youth
APPENDIX C

DISTRIBUTION OF VIRGIN ISLANDS BUDGET
### APPENDIX C

#### F.Y. 1967

**GOVERNMENT OF THE VIRGIN ISLANDS**

**THE BUDGET DOLLAR**

<table>
<thead>
<tr>
<th>Where It Comes From</th>
<th>Percent</th>
<th>Where It Goes</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>41.70</td>
<td>Capital Budget</td>
<td>15.93</td>
</tr>
<tr>
<td>Internal Revenue Matching Funds</td>
<td>27.68</td>
<td>Operating</td>
<td></td>
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<tr>
<td>Trade, Excise, Corporation Taxes</td>
<td>16.49</td>
<td>Education</td>
<td>18.61</td>
</tr>
<tr>
<td>Real Property Taxes</td>
<td>3.53</td>
<td>Health</td>
<td>14.48</td>
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<td>Licenses, Fees and Permits</td>
<td>2.14</td>
<td>Public Works</td>
<td>13.96</td>
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<tr>
<td>Customs Dues</td>
<td>2.14</td>
<td>Public Safety</td>
<td>5.13</td>
</tr>
<tr>
<td>Carry-Over Balances</td>
<td>1.65</td>
<td>Social Welfare</td>
<td>4.98</td>
</tr>
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<td>Miscellaneous</td>
<td>1.37</td>
<td>Miscellaneous</td>
<td>4.45</td>
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<tr>
<td>Revenue Stamps</td>
<td>1.18</td>
<td>Finance</td>
<td>4.23</td>
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<tr>
<td>Medicare Programs (Medical Fees)</td>
<td>1.18</td>
<td>Executive Offices</td>
<td>3.92</td>
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<tr>
<td>Water Supply Systems</td>
<td>0.94</td>
<td>Agriculture</td>
<td>2.69</td>
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<tr>
<td></td>
<td><strong>100.00</strong></td>
<td>College</td>
<td>2.29</td>
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<td></td>
<td></td>
<td>Property and Procurement</td>
<td>1.59</td>
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<td></td>
<td></td>
<td>Housing &amp; Community Renewal</td>
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<td></td>
<td>Legislature</td>
<td>0.85</td>
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<td></td>
<td>Labor</td>
<td>0.78</td>
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<td></td>
<td></td>
<td>Law</td>
<td>0.67</td>
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<td></td>
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<td>Municipal Court</td>
<td>0.60</td>
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<tr>
<td></td>
<td></td>
<td>Elections</td>
<td><strong>0.35</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>100.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX C

**F.Y. 1971**  
**GOVERNMENT OF THE VIRGIN ISLANDS**  
**GENERAL FUND AND MATCHING FUND**  
**THE BUDGET DOLLAR**

<table>
<thead>
<tr>
<th>Where It Comes From</th>
<th>Percent</th>
<th>Where It Goes</th>
<th>Operating Budget (Percent)</th>
<th>Capital Budget (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>57.31</td>
<td>Department of Education</td>
<td>23.29</td>
<td>6.73</td>
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<tr>
<td>Internal Revenue Matching Fund</td>
<td>14.75</td>
<td>Department of Health</td>
<td>17.82</td>
<td>1.13</td>
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<tr>
<td>Trade, Excise, Corporation, and Gross Receipts Taxes</td>
<td>14.09</td>
<td>Department of Public Works</td>
<td>14.04</td>
<td>53.17</td>
</tr>
<tr>
<td>Customs Dues</td>
<td>5.30</td>
<td>Department of Public Safety</td>
<td>8.94</td>
<td>6.27</td>
</tr>
<tr>
<td>Real Property Taxes</td>
<td>3.41</td>
<td>Department of Social Welfare</td>
<td>6.12</td>
<td>5.19</td>
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<tr>
<td>Licenses, Fees and Permits</td>
<td>2.35</td>
<td>Department of Finance</td>
<td>4.85</td>
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<tr>
<td>Water Supply Systems</td>
<td>1.12</td>
<td>Office of the Governor and Executive Agencies</td>
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<td>Revenue Stamps</td>
<td>.82</td>
<td>College of the Virgin Islands</td>
<td>3.59</td>
<td>.74</td>
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<tr>
<td>Miscellaneous Receipts</td>
<td>.53</td>
<td>Department of Commerce</td>
<td>3.03</td>
<td>—</td>
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<td>Inheritance Taxes</td>
<td>.12</td>
<td>Department of Conservation and Cultural Affairs</td>
<td>2.87</td>
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<tr>
<td>Fines, Forfeits and Penalties</td>
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<td>Department of Agriculture</td>
<td>2.29</td>
<td>1.00</td>
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<tr>
<td>Court Costs, Fees and Charges</td>
<td>.06</td>
<td>Department of Property and Procurement</td>
<td>1.45</td>
<td>1.60</td>
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<td>Sanitary Service Fees - Sewage</td>
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<td>Miscellaneous</td>
<td>1.22</td>
<td>6.74</td>
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<td><strong>100.00</strong></td>
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<td>The Legislature of the Virgin Islands</td>
<td>1.18</td>
<td>—</td>
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<td></td>
<td></td>
<td>Department of Housing and Community Renewal</td>
<td>1.10</td>
<td>16.63</td>
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<td></td>
<td></td>
<td>Department of Law</td>
<td>.86</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Department of Labor</td>
<td>.82</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Municipal Court of the Virgin Islands</td>
<td>.82</td>
<td>—</td>
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<td></td>
<td></td>
<td>Office of the Government Secretary</td>
<td>.72</td>
<td>—</td>
</tr>
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APPENDIX C

FY-1976

REVENUES

GENERAL FUND 72%

FEDERAL FUNDS 12%

INTERNAL REVENUE 5%

ROAD FUND 3%

EXPENDITURES

ALL FUNDS

EDUCATION 23%

HEALTH 18%

REVENUE SECURITY 15%

PUBLIC WORKS 7%

SOCIAL WELFARE 6%

GOVERNMENT 14%

ALL OTHER 7%
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