TERRITORIES

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GUAM

Elective Governor Legislation.

Guam was ceded to the United States by the Treaty of Paris in 1898, following the Spanish-American War. The Department of the Navy was given responsibility for administering the island which has served as an important naval installation. The early governing function was carried out by a naval Commander-Governor. The island was so governed until 1950, except for the period during World War II when it was occupied by the Japanese. Following World War II, civil government was established in 1950 with the passage of the Organic Act of Guam (63 Stat. 384, 48 U.S.C. 1421). With the transfer of administrative responsibility of the unincorporated territory of Guam from the Department of the Navy to the Secretary of the Interior, the island has made remarkable economic, political, and social progress.

The Organic Act of Guam, passed by the Congress in 1950, was the first important step toward the granting of local self-government to the territory and people of Guam. The Organic Act of 1950 gave American citizenship to the Guamanians, created a 21-member unicameral legislature, provided for the appointment of the Governor by the President with the advice and consent of the Senate, directed that locally collected Federal income taxes be covered into the territorial treasury, and turned over to the Government of Guam title to real property located there which the United States owned.

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Since the passage of the Organic Act, the people of Guam have been advised that additional measures of self-government would be extended to them commensurate with their proven capacities and indications of mature judgment. In line with this, the Congress has enacted significant legislation since 1950, encouraging local responsibility. Public Law 84-876 made it possible for the Government of Guam to collect taxes on post exchange gasoline sales; Public Law 85-688 made it clear that the Federal income tax laws, which are applicable in Guam, impose a territorial rather than a Federal income tax and are to be administered in all respects as territorial laws; Public Law 86-316 permits civil suits to be filed against the Government of Guam; Public Law 88-183 gave the Government of Guam concurrent jurisdiction with the United States over "parties found, acts performed, and offenses committed" on Federal property in Guam and transferred to the territorial government certain submerged areas bordering on the island; Public Law 88-170, in authorizing the appropriation of funds to assist Guam in recovering from heavy typhoon damage, provided for the concurrence of the Legislature in requests for appropriations made by the Governor; Public Law 88-171 authorized the creation of an urban renewal authority on Guam; and Public Law 89-100 provides that the Legislature may determine the salaries of its own members which shall be paid by the local rather than the Federal Government.

The Governor of Gua, through the Department of the Interior, is responsible for the execution of the Federal and local laws, the

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administration of all activities of the executive branch, and the appointment of department heads and other employees. The Governor reports annually to the legislature on the state of the territory and recommends new legislation to carry out the programs of local government.

Recognizing the political, economic and social progress made in Guam, with emphasis on education, housing, health and welfare services, legislation was first introduced in the Congress in 1962 providing for the popular election of the Governor and in subsequent years. In 1966, the elective governor legislation was passed by the House of Representatives on May 16, and by the Senate on October 11. However, time ran out before a legislative conference could be called to perfect an agreeable bill to both Houses of Congress. Local elective governor legislation, introduced early in the 1967 Congressional session (S. 449, H. R. 7329), was reported in the Senate on May 4, 1967, Interior and Insular Affairs Committee, Report 216. The Bill passed the Senate on May 9, 1967, and was referred to the Interior and Insular Affairs Committee on May 10, 1967. The bill passed the House, amended, on June 17, 1968. On July 24, 1968, in lieu of a conference to resolve differences, the Senate after amending the bill as passed by House in two respects agreed to the balance of the House amendments. The measure was then returned to the House and is now pending in that body.

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H. R. 7329, as amended, provides that the first popular election of the Governor and Lieutenant Governor shall be held on November 3, 1970, and commencing in 1974, every four years thereafter. The bill also provides that the term of office shall be four years and that no person elected Governor for two full successive terms shall again be eligible to hold that office until one full term has intervened. H. R. 7329, as amended, defines the scope of the Governor's authority, sets out the duties and responsibilities of the office and delineates the qualifications for the office of Governor and Lieutenant Governor.

When the Senate on July 24, 1968, turned again to the Guam Elective Governor bill, S. 449, it proceeded to adopt the recently-passed House version of S. 449, with two amendments. At the urging of Senator Burdick, Chairman of the Territories Subcommittee of the Senate Committee on Interior and Insular Affairs, the Senate modified a section relating to the constitutional rights of United States citizens in Guam. The House, largely at the behest of Congresswoman Mink of Hawaii, had inserted in the bill rather general language extending the provisions of the Federal Constitution to Guam and its people, "to the extent not inconsistent with" Guam's status as an unincorporated territory.

When Chairman Burdick thereafter sought the views of the Attorney General of the United States concerning this provision, he was advised that the effect was open to argument and doubt, that the amendment might fail to confer any additional rights upon U. S.

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citizens in Guam, and that it would cast doubt upon Guam's useful exclusion from the United States customs area. With informal assistance from the Department of Justice and the Department of the Interior, Senator Burdick proposed revised language which stipulated precisely which provisions of the Constitution and its amendments would be applicable to the Territory.

Additionally, Senator Burdick recommended the deletion of the requirement that members of boards of election and members of school boards be popularly elected. Although the public record does not so state, he so recommended upon the basis of informal representations to him that the requirement, particularly in the case of school boards, would effectively eliminate military representation, this because military personnel rarely establish residence in Guam and thus rarely vote in Guam. With the Burdick amendment included, S. 449 again was passed by the Senate.

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Redistricting.

The Organic Act of G m gave that island a substantial degree of local self-government and made Guamanians citizens of the United States. It provided for a unicameral legislature composed of 21 members to be elected at large biennially in even-numbered years. The powers of the legislature extended to "all subjects of legislation of local application" not inconsistent with the provisions of the Organic Act and other laws of the United States which are applicable to Guam. The economic and political developments in Guam since World War II are unparalleled in its prior history. They are particularly evident in its growing urban centers. Under the former organic act these more populous centers were able to dominate the voting on an at-large basis, and some rural areas lacked representation. From the first to the then incumbent eighth legislature, the average number of districts from which condidates were elected to office stood at 11. Removing the election-at-large requirement of the present statute and permitting election by districts allows the legislature to bring about the greater equality of representation which was very much desired by the people of Guam.

At the request of the people of Guam, this Administration submitted to the Congress legislation to amend the Organic Act of Guam in order to authorize the legislature thereof to provide by law for the election of its members from election districts. The legislation was passed by the Congress and became Public Law 89-552, approved

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September 2, 1966. This is another step in accord with the obligation of the United States to promote the full political development of the territory. Guam is now in the process of implementing the law which, when put into effect, will provide stability in the electoral process.

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Rehabilitation.

On November 11, 1962, Typhoon Karen with its devastating 200-mile winds caused widespread damage to the flimsy public and private facilities which characterized the Territory of Guam at that time. This destruction pointed up the inadequate rebuilding of Guam after the ravages of World War II and led to a $45 million loan and grant program for Guam in the form of Public Law 88-170 (November 7, 1963), which serves as the authorization medium.

The first moneys appropriated under that authorization were received in July 1964, and in a few short years remarkable changes have occurred in Guam. When one lands by plane today in Guam he now sees an attractive new air terminal instead of the former dilapidated shed. Again, if one were to take a tour of this small island he could not help but be impressed by the new large George Washington High School, architecturally striking and efficient and as modern as any in the mainland. This new school was an important factor in helping Guam to regain the accreditation it lost during the years when the high school was jammed into a double shift operation at the single high school remaining after Typhoon Karen.

When the original authorization of $45 million is exhausted, some time in Fiscal Year 1970, Guam will have completed the following:

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19 elementary and secondary school facilities,
3 college facilities,
4 village development projects,
13 public works projects
(sewer systems and public buildings),
8 utilities projects
(water, power and telephone),
1 new civilian air terminal
1 new commercial port, and the new economic development plan, required and authorized by section 6 of P.L. 88-170.

Although these projects, both completed and to be completed, have assisted Guam in making a significant start towards becoming a modern American community, they do not reach the goals presented to the Congress in 1963. Original cost estimates made hurriedly during the emergency period were low. Spiraling construction costs also affected the program. Consequently, this Administration proposed and it is expected that the Congress will approve an amendment to the Guam Rehabilitation Act which would increase the authorized maximum funding from $45 million to $75 million. These additional moneys are expected to provide additional structures needed by Guam to keep pace with the demands for services by its ever growing civilian population.

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Political Status.

Almost from the moment of the signing in 1947 of the Trusteeship Agreement between the United States and the Security Council of the United Nations, regarding the administration of the former Japanese mandated islands by the United States, the Executive Branch gave attention to the political future of the islands. Interested Departments recognized from the outset that trusteeship status was intended to be transitory only, and that in due course the United States and the people of Micronesia would be required to decide the permanent status of the area.

For most of the years until the mid 1960's, departmental concerns took the form of unofficial, informal, speculative, and rather desultory discussions. But beginning in about 1964, more serious attention was devoted to the issue by the Departments of the Interior, State, and Defense. The termination of most of the eleven trusteeships created under the United Nations system, together with indications that the people of Micronesia were increasingly interested in turning to the question, caused heightened interest within the Executive Branch. The receipt of House Joint Resolution No. 47, from the Second Regular Session of the Congress of Micronesia, brought definitive and public action by the Executive Branch. Following discussions over a period of many months, the

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Secretary of the Interior, on July 26, 1967, presented to the House Interior Committee, in executive session, in outline form a proposal for a commission to study the political future of the Trust Territory. By letter dated August 21, 1967, the President transmitted to both houses of Congress a legislative proposal, in the form of a joint resolution "regarding the status of the Trust Territory of the Pacific Islands," and calling for such a study commission. The resolution was introduced by the Chairmen of the Interior Committees and became H. J. Res. 805 and S. J. Res. 106.

A brief public hearing before the Senate Interior Committee was conducted on H. J. Res. 805 on May 8, 1968, followed by an Executive Session. With the receipt of a favorable report of the Committee, recommending limited and wholly acceptable amendments, the Senate passed an amended version on May 29, 1968. Hearings in executive session were conducted by the House Interior Committee's Subcommittee on Territories and Insular Affairs on July 16, 1968. No further action has been taken to date.

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Creation of Congress of Micronesia.

On August 6-11, 1956, a Trust Territory Inter-District Conference, called by the High Commissioner, was held at Trust Territory Government headquarters on Guam. This was the first conference of this nature held under Department of the Interior auspices and was the first all-Micronesian leader conference where the Micronesians were given the opportunity to choose their own delegates. Two delegates chosen by their respective elected political bodies attended from the Marshalls, Ponape, Truk, Rota, Yap and Palau Districts. One observer from the Navy-administered Saipan District was also present.* Conferences were to be held annually at the call of the High Commissioner.

During the second conference which met in Guam from September 30 to October 5, 1957, the delegates approved the formation of the annual conference into a formally-organized Inter-District Advisory Committee to the High Commissioner.

During the sixth conference, held in 1961, the delegates changed the name of the body to the "Council of Micronesia." They elected the chairman from their membership, the first time a Micronesian had presided at the annual conference, which until

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* The membership increased to 14 during the sixth conference held in September 1961, when Saipan for the first time was represented by two delegates in lieu of the one observer representative. By the following year, however, the membership was again set at 12 as a result of the transfer of administration of Saipan District from Navy to Interior and the organization of the Mariana Islands District to include the former Rota and Saipan Districts.

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then had been chaired by the High Commissioner or a member of his staff. During this 1961 conference the delegates also elected a Subcommittee for Political Development.

At the meeting of the Council of Micronesia held in September-October 1962, the Council, by Declaration Number 1 adopted October 1, 1962, called for creation of a territory-wide legislature. A special session of the Council was subsequently called by the High Commissioner to meet March 19-26, 1963, to consider primarily the structure and nature of the proposed territorial legislature and to submit recommendations to the High Commissioner.

Recommendation 3-1963, adopted by the Council of Micronesia on March 22, 1963, recommended establishment of the Congress of Micronesia, a bicameral body to be composed of a House of Delegates and an Assembly whose members would be elected. The Recommendation provided for study at the end of the first year of whether the body would be bicameral or unicameral. The Recommendation provided that persons in staff positions with the Administering Authority on Territorial and District levels as well as the Judiciary may not hold office in the Congress.

Following the consideration of the recommendations submitted by the Council of Micronesia and the High Commissioner's staff, Secretary of the Interior Stewart L. Udall, on September 28, 1964, issued Order No. 2882, Legislative Authority for the Congress of Micronesia, Trust Territory of the Pacific Islands. Secretarial Order 2882 followed closely the recommendations of the Council of

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Micronesia. It provided for a two-house Congress of Micronesia, to be composed of a 12-member House of Delegates and a 21-member General Assembly, to be elected by secret ballot in general elections to be held biennially. Regular sessions of the Congress were to be held in each year for not to exceed 30 consecutive calendar days. The Order granted wide legislative authority, gave the Congress power to levy taxes, and provided for participation of the Congress in the preparation of the annual budget prior to submission to the U.S. Congress. Unlike the original recommendation of the Council of Micronesia, however, Order 2882 provided that during the first four formative years, membership of the Congress was to be fully open to persons holding major jobs with the executive branch or the judiciary of the Trusty Territory Government. This particular section would permit the Congress to draw on experienced men during its first important, formative years.

On January 19, 1965, the first elections for the Congress of Micronesia were held throughout the Trust Territory, with approximately 70 percent of the registered voters exercising their suffrage. The Congress of Micronesia convened for the first time on July 12, 1965, with Under Secretary of the Interior John A. Carver, Jr., attending as guest speaker. A message from President Lyndon B. Johnson extending congratulations and best wishes to the members was read at the opening session.

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Order No. 2882 has undergone several amendments. Amendment No. 1, approved June 10, 1965, clarified certain minor budgetary and other problems which had developed after issuance of Order 2882.

Amendment No. 2 was approved June 28, 1966, in pursuance of a resolution adopted by the Congress of Micronesia. By this Amendment, the House of Delegates was redesignated the "Senate" and the General Assembly was redesignated the "House of Representatives" beginning July 1, 1966. Amendment No. 2 also made a minor amendment in Section 23 of Order 2882 relating to the Legislative Counsel.

Amendment No. 3 was approved July 29, 1967. This Amendment revised Section 17(b) of Order 2882 to require the passage of bills by the majority votes of all members of each House. The Amendment also revised Section 9 of Order 2882 to allow for postponement of elections in the event of a natural disaster or other Act of God. It also clarified the authority of the Congress of Micronesia under Section 5 of Order 2882 relating to the budget.

Amendment No. 4, approved July 26, 1968, puts into effect, beginning January 1, 1969, Section 11 of Order 2882 disqualifying government officers and employees from serving as a member of the Congress while holding such office. Amendment 4 also provides for annual salaries of $3500 to each member of the Congress, with $500 additional compensation to the presiding officers of each house, payable from funds appropriated by the United States Congress, this provision to become effective July 1, 1969, and end

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June 30, 1973. The Amendment also amends Section 12 of Order 2882 relating to legislative sessions, extending the 30-day session each year to 45 days and introducing a new 15-day session in each odd numbered year. Amendment 4 deletes language in the second paragraph of Section 4 which authorizes the High Commissioner himself to promulgate legislation. The Amendment also modifies language in Section 5 of Order 2882 to deal more effectively with the type of revenues available to the Congress of Micronesia to appropriate.

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Peace Corps.

The Peace Corps program in the Trust Territory is unique in that it is the only Peace Corps program operating with a host country government which is United States-administered.

In 1961-62 the Peace Corps had considered the possibility of undertaking some small programs in the Trust Territory. A program did not, however, materialize at that time because of reasons which included the competitive demands of Volunteers in other countries. In early 1966 a number of recommendations were made for reconsideration of a potential program in the Trust Territory. A series of meetings were held between representatives of the Trust Territory, Interior, State and the Peace Corps, the outcome of which was to establish clearly that Peace Corps Volunteers were needed in the Trust Territory and would be well received there. On May 3, 1966, the High Commissioner forwarded to the Secretary of the Interior a request for Peace Corps Volunteers for the Trust Territory, a request that had the endorsement of members of the Congress of Micronesia and of the District Legislatures. This request was submitted to the White House, and on May 5, 1966, by letter to the Director of the Peace Corps, President Johnson requested "the greatest possible involvement on the part of the Peace Corps" in assisting the people of Micronesia "as they seek to establish themselves in the world community." On May 6 a formal announcement of Peace Corps participation in the Trust Territory was made jointly by Secretary of the Interior Stewart L. Udall, Ambassador to the United Nations Arthur Goldberg, and Director of the Peace Corps Jack Vaughn.

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Following this announcement, a Peace Corps programming team visited the Trust Territory for about three weeks. After consulting with the High Commissioner and his staff in Saipan and visiting district centers for consultation with district officials, a program for approximately 600 Volunteers was scheduled. Concurrently with the programming mission, a special recruiting effort was conducted in the United States for Volunteers to serve in the Trust Territory. In a two-week period, more than 3,000 young Americans from 65 major colleges and universities volunteered for service in the Territory.

The first 500 Volunteers were divided into two phases: Phase I, consisting of approximately 350 Volunteers, and Phase II, consisting of approximately 150 Volunteers. Phase I was scheduled for training August through October 1966; Phase II for training November 1966 through January 1967. Phase I was further subdivided into two groups. Group A comprised 206 Volunteers, mostly teachers also trained in community development. Group B, numbering 148, consisted of medical and health workers, public works Volunteers, and community development supervisors. The Peace Corps signed a contract with Westinghouse Corporation to train Group A, and this training took place in the Key West, Florida, area from August 1 to October 22, 1966. Group B trained on Molokai Island in Hawaii under the auspices of the University of Hawaii School of Public Health.

Phase II was a repeat of the programs followed in Phase I, training for both groups beginning in November 1966. Phase III of the Micronesia program provided an additional 300 Volunteers and

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focused on problems of economic development and communications, but also provided additional teachers for the Trust Territory schools. A unique feature of Phase III was that the group trained for the first time in Micronesia, at a training center located at Udot in the Truk lagoon.

The first Peace Corps Volunteers arrived in the Trust Territory in November 1966 and by February of 1967 numbered 460, living and working on some 87 islands in 124 different communities. Because of the number of languages and dialects spoken in the Trust Territory and the need to provide a common language base for developing communications, the Peace Corps chose at the outset "Teaching of English as a Second Language" (TESL) as the main thrust of its efforts. By September 1967, over 400 Volunteers were teaching English at the elementary and secondary levels. They were also teaching a variety of other subjects ranging from health and hygiene to trigonometry. The number of Volunteers in the Territory now numbers 625.

Micronesia had the usual health problems found in developing nations, but many of the problem areas were compounded by the vast distances between islands and by a shortage of health personne. Communicable diseases of childhood such as whooping cough and diphtheria afflicted large numbers of island children because of their isolation and low resistance. Epidemics of measles, polio and other viral diseases had left their scars. Tuberculosis, leprosy and filariasis were thought to affect a significant portion of the

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population in the productive age group. Because of the need for reliable statistics to serve as a base for launching a program of eradication and control, Peace Corps Volunteers, working with the Trust Territory Department of Public Health and the University of Hawaii, conducted a public health census of all Trust Territory districts in March 1967, the data from which is being used as a guide to an improved health program.

The Peace Corps' next major objective in the Trust Territory was one of public health improvement, concentrating on rural villages and outer islands in developing vital statistics and case-finding techniques, in community health and sanitation projects, and in teaching health education and promoting environmental sanitation.

Peace Corps Volunteers in Micronesia have in addition made major contributions in practically every phase of community life and development. They have engaged in road building, mapping, agriculture, fisheries development, cooperatives and credit union development, mass-media development, and construction of various kinds. Peace Corps lawyers have provided legal assistance in the district. Volunteers have been of immense help in the typhoon-devastated areas. Their help during and following these disasters has alone established a bond of friendship between the Volunteers and the Micronesian people.

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Disaster Aid.

Following a request submitted to the Congress by the Department of the Interior, the Congress enacted Public Law 87-502, approved by President Kennedy on June 27, 1962 (76 Stat. 111), extending to Guam, American Samoa and the Trust Territory of the Pacific Islands the provisions of the Federal Disaster Act (Public Law 875 of the 81st Congress). In a letter to Secretary of the Interior Stewart Udall dated March 20, 1963, outlining the procedures to be followed in providing disaster assistance to these three territories, the Director of the Office of Emergency Planning stipulated, among other things, that "No minimum State and local expenditure requirement in order to qualify for Federal disaster assistance under Public Law 875, such as that in effect in Puerto Rico, the Virgin Islands, and all of the States, will be imposed on the Trust Territory, Guam, or American Samoa at this time. However, further consideration will be given to this matter when their economies become more self-sustaining." To meet a special problem which subsequently arose, the Acting Director of the Office of Emergency Planning, on February 18, 1966, amended OEP regulations to provide that in "remote areas" a Federal financial contribution toward the permanent replacement of housing after a disaster may be made in an amount no greater than that estimated to be required for temporary shelter.

The action of the Congress in providing disaster assistance to the three territories soon and again proved a most fortuitous action

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Typhoon Emma hit Yap and part of Palau on November 1, 1967, and caused damages estimated at $1,635,000. Typhoon Gilda followed on November 13, 1967, bringing damages of about $505,000 to the Rota District. OEP determined that the damage resulting from these typhoons was not sufficient to warrant a disaster declaration. However, in February 1968 the Congress approved a proposal to reprogram funds to meet the disaster needs of Rota and Yap, and as a result a total of $453,000 was made available from the 1968 appropriation for rehabilitation needs--$257,000 for Rota and $196,000 for Yap.

Typhoon Jean, one of the worst to hit the area, struck the Northern Marianas and Northern Truk islands on April 11, 1968. The damage was so severe that President Johnson's declaration on April 18, 1968, of major disaster authorized an initial allocation of $2,500,000 for relief and recovery work. This was followed on May 13, 1968, by an additional allocation by the Office of Emergency Planning of $6 million, making a total of $8,500,000 made available for assistance to the typhoon-damaged areas. OEP also provided emergency housing assistance, approving funds not to exceed $800,000 for emergency housing construction and repair. Finally, the Congress, in the Second Supplemental Appropriation Act, 1968 (P.L. 90-392) approved an Administration request for supplemental disaster relief and has provided an additional $6,200,000 for essential and urgently needed facilities for Saipan. Of this amount, a $1,000,000 loan fund will be used for loans to the people in the stricken areas for the purpose

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of constructing houses of basic design but with typhoon-resistant structural characteristics. Nearly $5,000,000 will be used for a water and sewage system in Saipan which would, for the first time in the island's history, adequately serve the entire community. The balance of the funds will be devoted to a new high school facility, administrative buildings, and other destroyed or damaged facilities.

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Ceiling Legislation.

The Act of June 30, 1954 (68 Stat. 330) providing for a continuance of civil government for the Trust Territory of the Pacific Islands, placed a statutory ceiling of $7,500,000 annually on Congressional appropriations for the Trust Territory. Under this ceiling only minimal basic services could be provided to the people of the Trust Territory. In 1961, a reassessment of needs in the Trust Territory led to basic policy changes involving a major acceleration of education and other programs. It was found necessary to increase the ceiling limitation if the United States was to meet its commitments under the trusteeship agreement to promote the economic, social and political development of the Micronesian people. At the request of the President, the Congress enacted Public Law 87-541 (76 Stat. 171), approved July 19, 1962, which amended the Act of June 30, 1954, by increasing the appropriation authorization for the Trust Territory from $7,500,000 to $15,000,000 for the fiscal year 1963 and $17,500,000 thereafter. The funds appropriated and expended under the new authorization made possible an appreciable start toward bringing the physical facilities and the level of services to a minimum standard acceptable in an American community. In addition, there were some beginnings in the development of Micronesian resources. In spite of the start which the new authorization made possible, however, it was soon evident

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that an enormous amount still remained to be accomplished if the United States was to discharge adequately its responsibilities in this area. The Administration again, therefore, requested a further authorization from the Congress, and on May 10, 1967, by Public Law 90-16 (81 Stat. 15) the Congress increased the ceiling on Trust Territory appropriations to $25,000,000 for Fiscal Year 1967 and $35,000,000 for Fiscal 1968 and 1969.

While the appropriations approved by the Congress have fallen somewhat short of the authorizations, the increases in funds made available as a result of the above enactments have made possible vast improvements in the U. S. administration of the Trust Territory. An accelerated education program was launched with over 500 new classrooms alone added since 1963 and more than 150 stateside teachers recruited for the accelerated education program. In 1963 enrollment in the public elementary and junior high schools was slightly under 15,000. The current enrollment is some 22,000. In 1963 about 300 students attended public high school compared to a current enrollment of 3,000. A vocational school is being established in Koror. Under the government's program for higher education outside of the Trust Territory, full or partial scholarships are provided a limited number of qualified students from the six Trust Territory districts, and in addition transportation grants are provided private scholarship holders or sponsored students. In 1963, 161 students were enrolled in institutions of higher learning in Guam, the United States and abroad. Today the enrollment is some 340, more than double that of 1963.

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Major improvements have also been made in the field of health. In 1963 the only immunization programs carried out were those for infants, preschool and school children, and travelers. In 1964, a mass immunization project was instituted for smallpox, typhoid, tetanus, diphtheria, whooping cough and poliomyelitis. This program is virtually complete. Follow-up programs on immunizations will be conducted periodically throughout the territory. The general level of health is good and a census made in early 1968 indicates a mortality rate lower than that of the United States, 7.2 versus 9.4 in the United States. An overall hospital construction plan has been developed, and final working drawings for new hospitals in the Truk and Ponape Districts are nearing completion. The facility at Ponape will be a central referral-teaching hospital to serve as a center for specialized or intensive care for three districts. An arrangement with the Guam Memorial Hospital will provide the same quality of medical care for the three other districts. The School of Nursing, now in Saipan, will be moved to Ponape and upgraded in its association with the new Ponape referral-teaching hospital.

Progress in the field of economic development has also been achieved since 1963. The Trust Territory's first major commercial fishing venture was established in Palau in August 1964. An engineering survey of possible plant sites for a second commercial fishery operation has been conducted. An economic development study conducted recently by a well-known mainland research firm is offering

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helpful guidelines to the territorial government for economic development projects, and the report of the study has generated numerous proposals, some of which are currently under active consideration. A new commercial jet air service, involving Micronesian participation in investment and management, promises to provide a mjaor step in economic development. Related to air service improvements, the airline is committed to develop tourism through construction of hotels in each of the six districts. A new sea transportation agreement was signed in August 1968 which will provide improved service to and within the territory. Essential features of the agreement include formation of a Micronesian corporation, six of whose twelve directors will be Micronesians. The agreement also provides for stock offerings to Micronesians and for training of Micronesian personnel in both ship and shorside employment.

Despite the substantial advances since 1963, secondary schools still cannot accept all potential qualified students; replacement of inadequate sub-hospitals is needed, diseases traceable to unsanitary water supplies and sewage disposal systems are all too common; roads are inadequate; and the use of the territory's natural resources is handicapped by the lack of trained manpower and insufficient public infrastructure. To overcome these deficiencies, the Administration has again asked the Congress for a further increase in the ceiling to permit closing of the development gap by the early 1970's. On May 27, 1968, the U. S. Senate passed S. 3207, to amend the act of June 30, 1954, as amended, providing for the continuance of civil government

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for the Trust Territory. As passed by the Senate, the legislation would provide a ceiling on appropriations of $35,000,000 for each of the Fiscal Years 1968 and 1969, and $120,000,000 for the three Fiscal Years 1970, 1971 and 1972. The legislation would provide in addition an authorization of up to $10,000,000 for any single disaster in the future--this is a consequence of Typhoon Jean which devastated Saipan and other islands in April of 1968. The disaster funds would be in addition to those available under the Federal Disaster Relief Act or other special appropriations. The proposed legislation is pending action by the House of Representatives.

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Constitution

First formal mention of a constitution for American Samoa came in 1954, when the Legislature of American Samoa petitioned the Governor, and through the Governor, the Secretary of the Interior, for establishment of a Constitutional Committee which would study and draft proposals for a territorial constitution. A committee was appointed in 1954, but little progress was made. A new committee was established in 1959. In 1960, a final draft of a constitution was prepared, reviewed by a Constitutional Convention, and approved by the Secretary of the Interior. The Constitution provided for a bill of rights guaranteeing certain individual rights, and established a three branched governmental structure including a legislative, an executive, and a judiciary branch.

The 1960 Constitution also provided for the appointment in 1965 of a Constitutional Committee to prepare amendments to the 1960 Constitution, or, if necessary, a revised draft of the document. The Governor appointed such a committee which held public hearings, and then submitted a draft of a revised Constitution to a Constitutional Convention which approved the draft in 1966. The new draft did not dramatically depart from the 1960 Constitution, but it did contain several important changes which gave new responsibilities to the Samoans for their own government. The

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revised Constitution that emerged from the Constitutional Convention was put before the Samoan electorate on November 19, 1966, and was approved by a vote of 2,992 to 1,225. The Secretary of the Interior approved the Revised Constitution on June 2, 1967.

The new Constitution effects several important changes in provisions applying to the Samoan Legislature. Significantly, under the new Constitution, the Governor no longer can promulgate laws which he feels to be urgent, but which the Legislature has failed to pass. The 1967 Constitution reapportioned the Samoan House of Representatives to provide for more equitable representation. The Senate now consists of 18 members, 3 from Manu'a District, 6 from the Western District, and 9 from the Eastern District. Under the old Constitution, the Senate had consisted of 5 Senators from each district.

The new Constitution gives an expanded role to the Samoan Legislature in the budgetary process. The Governor is required to submit a preliminary budget plan to a special session of the Legislature before the final budget of the Government of American Samoa is submitted to the Secretary of the Interior. Any recommendations from the Legislature which the Governor does not adopt, he forwards to the Secretary of the Interior. The 1960 Constitution did not require the Governor to submit a proposed budget to the Legislature. In addition, the Constitution gives to the Legislature, with certain exceptions, authority to appropriate locally derived revenues.

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The Revised Constitution advances the date of the opening of the annual regular session of the Legislature from March to February and increases the length of the session from 30 to 40 days. The limit of 15 days each year for special sessions under the 1960 Constitution has been removed. It also reduces the time within which the Governor must act on bills which are passed by the Legislature. Also it permits the Legislature to pass a bill over the Governor's veto during the same session in which the bill was first passed, which it could not do under the old Constitution.

The compensation of Legislators has been increased, from $300 to $600 per year for Legislators, and from $300 to $900 for the President of the Senate and the Speaker of the House. In addition, each member will not receive $15 a day for each day of a special session of the Legislature. And, the new Constitution lowers the voting age from 20 to 18 years of age.

The judiciary and executive branches of Samoan government are also affected by provisions of the new Constitution. Legislation affecting the judiciary no longer needs the approval of the Secretary of the Interior to become effective. The limitation on the number of executive departments in the government was deleted. The 1960 Constitution provided for a limit of 8 executive departments. The Governor is required to publish laws within 55 days after the close of each legislative session. The Revised Constitution requires, as did the 1960 one, the appointment of a Convention to review the Constitution 5 years after its adoption.

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Educational Television.

In May 1961, H. Rex Lee was appointed Governor of American Samoa. On his arrival in Samoa soon after his appointment, he found its educational system appalling. It used textbooks which had little relationship to anything familiar to Samoans. The classroom technique was mainly simple repitition--learning to recite by rote. While instruction was theoretically in English, not one teacher could be found to speak it fluently. The average level of education of Samoan teachers was ninth grade, estimated to be the equivalent of fifth grade U. S. education in most subjects and much lower than this in English skill. Students could pronounce English words, but barely understood what they were saying. In Governor Lee's own words:

> "I found that I could not make myself understood, nor could I understand, the very teachers who were responsible for English language instruction. To be trite, but explicit, the blind were indeed leading the blind."

Returning to Washington, Governor Lee discussed the problem with Secretary of the Interior Stewart Udall and others. Bringing in an estimated 300 stateside teachers would be extremely expensive and could cause extreme social dislocations. The Administration was committed to the idea of helping Samoans retain what is best in their ancestral culture. The jobs of the faithful, if adequately trained, Samoan teachers had to be considered. But quality schools had to be provided, and in somewhat less than a 10- or 20-year process.

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Educational television held the greatest promise. In the supplemental Congressional appropriations for the Fiscal Year 1962, the Administration obtained $40,000 for a feasibility study. On December 22, 1962, an agreement was entered into between the Government of American Samoa and the National Association of Educational Broadcasters, a non-profit educational corporation headquartered in Washington, D. C. NAEB conducted the main portion of the study and upon its completion recommended educational television as the fastest, most effective, and, in the long run, most economical way to bring the school system up to acceptable standards. A request for $2,579,000 was thereupon included in the Interior Department appropriations request for Fiscal Year 1963 for installation of a six-channel television system to serve as the core of the educational program. The Congress approved, but recommended a two-step program, first a three-channel system for the elementary grades and then, if this succeeded, an expansion to six channels serving all grades through 12. The budget estimate was therefore halved, and $1,869,000 was authorized by the Congress for installation of the three-channel system. At the same time, additional funds were authorized for replacement of the old village schools with half as many new, consolidated schools especially designed and constructed for ETV.

On the morning of October 5, 1964, three-channel television went on the air in American Samoa, employing highly skilled teachers familiar with the medium, and using teaching concepts and examples clearly understandable to a Samoan youngster.

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In a short space of time it appeared well established that better elementary education was being offered to Samoan children at a considerable reduction in overall cost by instructional television as compared to traditional methods. As a result of the technical and apparent academic success of the elementary program, therefore, the Department proposed to the Senate and House Appropriations Committees, by letter dated January 13, 1965, approval of the reprogramming of 1964 savings and excess revenues in the amount of $989,300 for the installation of three additional television channels. The request was approved, and the second phase of the system went into operation on October 4, 1965.

Educational television in American Samoa is now in its fourth year of instruction and is subject to continual modification in order to provide the best possible results. The system is working well and has drawn attention and study by educators and others from all parts of the world.

When President and Mrs. Johnson stopped briefly in American Samoa on their way to the Manila Conference in October 1966, they made only one trip away from the airport. The President and his wife journeyed to a new instructional television school nearby and formally dedicated it the Manulele Tausala ("Lady Bird" in Samoan) Consolidated Elementary School. Like hundreds of educators, government officials and broadcasters, they found in Samoa what is considered by many to be one of the finest and most complete installations of educational television to be found anywhere in the world.

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Reapportionment of the Legislature.

The Revised Organic Act of the Virgin Islands (Act of July 22, 1954, 68 Stat. 497, as amended; 48 U.S.C. ch 12) vested the territory's legislative power in a unicameral body composed of 11 members known as senators. The power of the Legislature extended to "all rightful subjects of legislation" not inconsistent with the laws of the United States which are applicable to the Virgin Islands.

The Revised Organic Act divided the islands into three legislative districts: St. Thomas, St. Croix, and St. John. Section 5(b) of the Revised Organic Act apportioned two senators to the district of St. Thomas, two to the district of St. Croix, and one to the district of St. John. The other six were elected at large. Under the statute each elector was entitled to vote for two and only two of the at-large candidates.

In 1963 the Legislature of the Virgin Islands passed legislation establishing a Constitutional Convention to be convened on the first Monday in December 1964. The legislation was approved by the Governor on April 2. The Convention was empowered to draft a complete revision of the 1954 Organic Act to express fully the views of the territory on its future political status. The Convention submitted its report in early 1965. The reapportionment of the Legislature was one of the recommendations of the Convention.

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In 1966 the Legislature of the Virgin Islands passed a resolution memorializing the Congress to act promptly on the reapportionment recommendation of the Convention. Subsequently, legislation was submitted to the Congress of the United States by the Department of the Interior requesting revision of the Organic Act of the Virgin Islands to provide for the reapportionment of the Legislature, in accordance with the wishes of the people of the Virgin Islands.

The legislation was approved by the Congress on August 17, 1966, and was signed by the President on August 30, 1966, Public Law 89-548. That law increased the membership of the Legislature to 15 and, continuing the existing districting, apportioned five senators to the St. Thomas District, five to the St. Croix District, one to the St. John District and four to be elected at large, with the further provision that all electors in a district shall be permitted to vote for the whole number of persons to be elected in that district and to be elected at large.

More importantly, the law provided that apportionment of the Legislature should be as provided by the laws of the Virgin Islands and that the foregoing federal apportionment would exist only until such time as there was local reapportionment. Public Law 89-548 provided in substance, however, that any local reapportionment must be consistent with the "one-man, one-vote" rule as enunciated by the Supreme Court. The legislative history of this measure leaves no question concerning the intention of the Congress in this regard. The Congress acted with knowledge that, in view of

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the territorial status of the Virgin Islands, the Supreme Court rulings were not of controlling force and effect in and of themselves.

The necessity to follow the "one-man, one-vote" rule gave rise to a significant local controversy since it seemed clear that the historic St. John seat in the Legislature was in jeopardy. With a sparse population of only about 1500 people out of a total population of approximately 50,000, St. John feared its political identity was about to vanish, swallowed up by St. Thomas.

A Commission on the Reapportionment of the Legislature was created by Act No. 1850 of the Virgin Islands Legislature, approved February 15, 1967. That Commission reported its findings and recommendations to the Legislature by a summary report to the President of the Legislature dated March 21, 1968. Rejecting sub-districting, the Commission proposed a plan meeting, in its opinion, the criteria contained in Public Law 89-548, and, at the same time, preserving the political identity and legislative seat of St. John.

The plan was adopted by the Legislature and, as Act No. 2253, was approved by the Governor on June 26, 1968. It will be implemented at the territorial general election in November 1968.

The new apportionment establishes two legislative districts: the district of St. Croix and the district of St. Thomas-St. John. Each district is a multi-member district and six district senators are apportioned to St. Croix and seven to the St. Thomas-St. John district. Two senators are to be elected at large. The

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solution to the "St. John issue" was found to be "slotting." Of the seven senators to be elected from the St. Thomas-St. John district, six are required to be residents of St. Thomas and one is required to be a resident of St. John.

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Virgin Islands Corporation.

The Virgin Islands Corporation is a wholly-owned Federal Government Corporation created by Congress in 1949 as successor to the Virgin Islands Company, which was established by an ordinance of the Colonial Council of St. Thomas and St. John, Virgin Islands, in 1934. The Corporation has succession until June 30, 1969, unless sooner dissolved by an Act of Congress. It was chartered "to promote the general welfare of the inhabitants of the Virgin Islands through the economic development of the Virgin Islands". Today the Corporation has ceased to exist as an operating agency and is in the process of winding up its affairs in anticipation of the end of its statutory life in 1969.

The management of VICORP is vested in a Board of Directors consisting of seven members, including the Secretary of the Interior, Secretary of Agriculture, the Administrator of the Small Business Administration, the Governor of the Virgin Islands, and three experienced businessmen appointed by the President of the United States. The Chairman of the Board is selected by the Board of Directors. The officers of the Corporation are appointed by the Board. Those officers are now Interior Department officers and employees who have assumed certain responsibilities for VICORP matters in addition to their other duties. During the active days of VICORP it was operated from its main office in St. Croix by full time salaried officers and staff.

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The Corporation was authorized to engage in activities which would promote the industrial and agricultural resources of the Virgin Islands, including the production and marketing of such products as may be produced. The Corporation could engage in almost any activity which contributed to the economy of the Virgin Islands, except that it could not engage in the manufacture of rum or other alcoholic beverages. The major revenue-producing activities of the Corporation were the growing of sugar cane, manufacturing of raw sugar, the generation and distribution of electric power, and the operation of a loan program.

The Corporation operated under five main departments: Administrative, Power, Sugar, Agricultural Development, and Development. The Development Department was not an integral part of the operation of the Virgin Islands Corporation, but that Department was responsible for the management of certain properties on St. Thomas for the Department of the Interior.

The Administrative Department was headed by the Comptroller of the Corporation and was responsible for all of the financial and business affairs of the Corporation. In 1952, the Corporation acquired the power systems of the Municipalities of St. Thomas and Christiansted and Frederiksted, St. Croix, together with the then existing Rural Electrification Administration system on St. Croix. The Island of St. John was provided power from St. Thomas by a submarine cable which was energized in August 1956. Continued improvement and enlargement of generating

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facilities and the distribution systems were necessary to keep pace with the increased demand for power.

The major agricultural activity of the Corporation, and the foundation of the economy of St. Croix, was the growing of sugar cane. The Corporation cultivated approximately 3,000 acres. The harvesting of the sugar cane crop generally began the latter part of January or early February. All cane was cut by hand and loaded mechanically. The crop generally ended during the latter part of April or early May. Sugar cane production was almost entirely dependent upon weather conditions, particularly rainfall. As a result, the average yield of sugar cane produced per acre varied from 15 to 35 tons. The Corporation operated the only sugar mill on St. Croix and ground all of the sugar cane produced by the Corporation and by private growers. The sugar was sold to refineries in the continental United States.

The Virgin Islands Corporation acted as managing agent for the Secretary of the Interior in the operation of the Navy properties located at the former Marine Corps Air Facility and Submarine Base, St. Thomas. The Secretary of the Interior requested the Corporation to manage and develop these properties in the best interests of the Virgin Islands, under a Use Permit dated July 1, 1954, as amended. The finances of the Development Department were handled on a completely self-liquidating basis separate from the general operations of the Corporation. Funds of the Corporation

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could not be used for financing activities of the Development Department. The facilities of the Development Department consisted of an airport, land, and numerous buildings which were leased for development purposes, including light industries, hotels, docks, recreational areas, and dwelling houses. Considerable progress was made in rehabilitating and maintaining the properties in accordance with specifications established by the Department of the Navy. The income derived from the properties was used to provide necessary services and continued maintenance.

A careful review was made in the early part of 1961 on VICORP's continued utility as an effective instrument for promoting the economic welfare of the territory. At that time, there was pending in the Congress legislation calling for the immediate termination of its corporate existence and the disposal of its assets.

The Department of the Interior and the members of the Board of Directors recommended against this action as being premature, at least until there had been a reasonable opportunity to become familiar with the activities involved and to assess the best procedure for their continuance. This review and evaluation was continued over the following year through the medium of the quarterly meetings of the Directors. In December 1962 the Board adopted a resolution recommending the early dissolution of the Corporation and the transfer of its functions and its assets to the Government of the Virgin Islands.

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This conclusion was based on a conviction that the local government was in a far more advantageous position to assess and meet local needs, that it was already performing many of the economic development functions that the Corporation might logically undertake, and that it had the capacity and the motivation to assume these responsibilities. This recommendation was transmitted to the Congress by the President as one of the elements of an omnibus bill relating to the Virgin Islands. The bill in question did not receive Congressional action during the remainder of the 86th Congress and, during that period, the Corporation continued to review its activities and to act otherwise as a going concern performing essential functions for the territory. In the interim, the Navy Department determined that there would be no future need for the airport as a military facility and initiated procedures to dispose of it under the terms of the Federal Airport Act. Title to the airport property ultimately passed to the local government.

For a number of years the Board of Directors of the Virgin Islands Corporation, and the Congress, had been acutely concerned over the fact that the sugar industry on St. Croix had become an increasingly uneconomic enterprise. For a variety of reasons, including climatic factors and inadequate volume, the sugar-grinding activity of VICORP lost substantial amounts of money. When Congress adopted the policy of deducting these losses from

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revenues otherwise due the territorial government in lieu of direct appropriations, the Board of Directors was compelled to consider whether it should continue to operate an enterprise which returned low wages to principally alien workers and provided what amounted to the Federal subsidization which benefited only a relatively few substantial producers. After extended consideration the Board reached a decision that it would close the sugar mill after a three-year period, during which it would attempt to find a substitute activity for the island. This decision effectively fixed the day when the growing of sugar cane would cease to be an industry on St. Croix, thus bringing to an end an era which began before 1650 and reached its peak in the years between 1795 and 1800.

In meeting the electric power requirements of the territory, VICORP had been faced constantly with the problem of providing expansion capital to keep pace with a phenomenal increase in demand. Historically such capital had been secured through borrowing from the Federal treasury, as authorized in the VICORP Act. That procedure, however, required Congressional appropriation. During fiscal year 1962 requests for such funds were included in budget submissions which were considered in extensive detail by the Appropriations Committees. The appropriation was denied, the House Committee stating expressly that it did not favor continued Federal financing and recommended strongly that the VICORP power facilities be sold to the Government of the Virgin Islands.

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A Conference Report adopted by both Houses adhered to the House Committee viewpoint.

In view of these events, VICORP found itself in a position of having decided to go out of the sugar business, and having a Congressional mandate to dispose of its power facilities. It was evident also that VICORP would be relieved of the responsibility for management of the airport and related facilities on St. Thomas at such time as the process of transfer to the local government had been completed.

It was anticipated that the local government would purchase the power and desalinization facilities of VICORP and would similarly purchase all of the excess Federal property on St. Thomas not transferable without reimbursement. In view of this prospective drain on the revenues of the local government, and to try to place the sugar lands in more productive use as promptly as possible, VICORP, in August 1962, authorized the offering for sale of 1700 acres of land, under the provisions of the VICORP Act which contemplated award to the highest private bidder, but which also allowed the Government of the Virgin Islands to step in and match such bid after the amount was known, if it were so minded.

Bids were invited in October 1962, and were opened in December 1962. The Government of the Virgin Islands was known both before and after such bid opening date, to have the general intention, other sizeable commitments notwithstanding, of exercising its option to match the high bid. The high bidder was

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Mr. Lawrence Harvey, who is connected with the Harvey Aluminum Company, with a high bid of $1,071,000. The local government announced its intention of matching this amount, and subsequently set about to negotiate a long term lease with one of the unsuccessful bidders, National Bulk Carriers, who intended to develop a citrus processing industry in the islands. The Government of the Virgin Islands succeeded in working out a seemingly advantageous contract with that firm which had the result, among other things, of leading the Board of Directors to believe that it had not obtained full value for the subject land itself.

For this and other reasons, the Board on May 10, 1963, rejected all bids on the property, thus depriving both Harvey and the local government of any chance to obtain the land as a result of the October 1962 offering. At this point, the Board authorized its staff to negotiate with National Bulk Carriers for the lease of the land, on the same terms generally that had been worked out with the local government by such firm. Negotiations continued until March 1964 when they were terminated by a decision of the Board. This decision too was made for sundry reasons, among them a recognition of the concern voiced by mainland citrus growers opposed to the use of this land for citrus purposes as long as importation of foregin juice was a part of the foreseen development plans. Another reason was that the sugar growers of St. Croix alleged that the withdrawal of these 1700 acres from sugar cane production would be a fatal blow to what they held out to be a

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vital and viable industry for whose well-being they were prepared to devote their time and money and lands.

Accordingly, the Board again attempted to save the Government of the Virgin Islands from the threat of revenue losses through Congressional action in years of sugar failure, to obtain for the Treasury of the United States some return on the many millions of dollars it had invested in VICORP, and to either allow the St. Croix sugar growers an opportunity to make good on their stated desire to provide for continuity in the sugar industry, or alternatively to allow someone else, anyone else, to acquire the land and devote it to some other productive purpose. The Board on May 1, 1964, authorized the sale of the sugar mill, together with 2,353 acres of land, in various options, most of which were designed to allow the sugar growers to obtain just what they needed for their industry without forcing them to take more. This time the sale was authorized under Section 48 U.S.C. 1407c(f) of the VICORP Act, which does not provide for any matching of the bid by the Government of the Virgin Islands.

Notice of the sale was given widespread coverage in the press beginning with May 2, 1964, bid forms were mailed out on May 16, 1964, and bid opening was held on June 16, 1964.

The Board of Directors met on June 22, 1964, to consider the bids received. The Board decided to make awards strictly on the basis of the high bids received, with seven awards going to five different bidders. The sugar mill itself, and 2,000 acres

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of land, went to Harvlan, Inc., related through its officers to the Harvey Aluminum Company. This time Harvey bid about $1500 per acre, contrasted with its bid of about $632 in the October 1962 offering.

Not a single bid on either the sugar mill or the sugar lands was received from any St. Croix sugar grower. With the disposal of the mill and associated lands, as well as the water and power facilities, and with the acquisition by the local government of all of the former military lands on St. Thomas formerly managed by VICORP, The Corporation by late 1966 was virtually out of business. It was anticipated that the practical termination of the corporation could be accomplished by June 30, 1967. To that end the Corporation ceased operation. The local government, by permit, was given administrative responsibility for the remaining real and personal property of the Corporation and agreed to "pick-up",salaried employees on its rolls for a reasonable period during which they would assist with the disposal of the property and at the same time have a reasonable time to seek new employment.

The remaining affairs of the Corporation were placed under officers and employees of the Office of Territories in the Department of Interior. The time table could not be met, however, and not until July 1968 was it possible to send to GSA the last of the Declarations of Excess Real Property covering VICORP lands. All of that property, totalling about 1,000 acres in scattered parcels will ultimately be acquired by the local government for public purposes.

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All that now remains of VICORP is the maintenance of its long-term accounts receivable, and the necessity to plan for its orderly demise on June 30, 1969, making appropriate disposition of its accounts and its outstanding debt to the Treasury of approximately $9 million in borrowings. In the event that the local government is able to arrange different financing of its obligations to VICORP, arising out of the water and power purchase, and can pay off that obligation at this time in so far as VICORP is concerned, that payment of approximately $8 million, together with the cash proceeds from the disposal of the remaining real property now in process and other receivables, would permit the Corporation to close its books, if not with a flourish, at least with a minimum of regrets.

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Elective Governor Legislation.

The Virgin Islands were purchased by the United States from Denmark in 1917. The Department of the Navy was given responsibility for administering the islands and all military, civil, and judicial powers were vested in the Naval Governor, who was appointed by the President of the United States. On February 27, 1931, by Executive Order, the administrative jurisdiction of the Islands was transferred from the Navy to the Department of the Interior, and the first civilian Governor was appointed by the President.

The Virgin Islands Organic Act of 1936 (Act of June 22, 1936, 49 Stat. 1807) and the Revised Organic Act of 1954 (Act of July 22, 1954, 68 Stat. 497) constituted major changes in the method of governing the islands. By these acts, Congress authorized distinct executive, legislative and judicial branches of government in the Virgin Islands. The Revised Organic Act of 1954 vested the legislative power of the territory in a unicameral, popularly elected legislature, with jurisdiction over "all rightful subjects of legislation" not inconsistent with the laws of the United States made applicable to the Virgin Islands.

Since 1954, a number of other enactments by the Congress have provided greater self-government and responsibility for the Virgin Islands. Public Law 85-224 authorized the enactment of local laws requiring the advice and consent of the legislature on gubernatorial appointees to commissions having quasi-judicial authority; Public

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Law 85-851 provided for the issuance of revenue bonds for certain types of projects authorized by the legislature and made it clear that there should be no political or religious tests for officers and employees of the government of the Virgin Islands; Public Law 86-289 allowed the territorial attorney general to exercise some of the functions of the U. S. Attorney; Public Law 88-180 provided for the issuance of general obligation bonds in certain circumstances; Public Law 88-183 authorized the transfer of submerged areas bordering on the islands to the territorial government and put within its concurrent jurisdiction "parties found, acts performed, and offenses committed on property owned, reserved, or controlled by the United States;" Public Law 89-100 provided for the payment of legislative salaries and expenses by the local rather than the Federal Government; and Public Law 89-548 amended the Revised Organic Act to provide for the enlargement of the Legislature to 15 members and provided, in effect, that reapportionments of the Legislature should be in keeping with the Supreme Court decisions enunciating the "one-man, one-vote" principle.

The Governor of the Virgin Islands, through the Department of the Interior, is responsible for the execution of the Federal and local laws, the administration of all activities of the executive branch, and the appointment of department heads and other employees. The Governor reports annually to the Legislature on the state of the territory and recommends new legislation to carry out the programs of local government.

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Recognizing the political, economic and social progress made in the Virgin Islands over the years, legislation was first introduced in the Congress in 1962 providing for the popular election of the Governor, and in subsequent years to no avail. In 1966, the elective governor legislation was passed by the House of Representatives on May 16, and by the Senate on October 11. Time ran out however, before a conference committee could meet to agree upon a bill acceptable to both Houses of Congress, and the measure died with the adjournment of the 89th Congress.

The legislation was reintroduced early in 1967 in the 90th Congress (S. 450). The bill was favorably reported by the Interior and Insular Affairs Committee of the Senate on May 4, 1967, and passed the Senate on July 18, 1967, after a lengthy floor debate centering on a heated and critical attack on the local administration. Referred to the Interior and Insular Affairs Committee of the House of Representatives on July 19, it was reported favorably with amendments on June 5, 1968, and under suspension of the rules, passed the House with the committee amendments on June 17, 1968. When the House-passed version was returned to the Senate, a conference was avoided by Senate action on July 24, 1968, accepting the House amendments, but with a further Senate amendment. The House accepted the Senate action on July 26, 1968, and thus cleared the measure for Presidential signature. S. 450, as amended, provides that the first popular election of the Governor and Lieutenant Governor shall be held on November 3, 1970, and every four years thereafter. The bill

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also provides that the term of office shall be four years and that no person elected Governor for two full successive terms shall again be eligible to hold that office until one full term has intervened. S. 450, as amended, defines the scope of the Governor's authority, sets out the duties and responsibilities of the office and delineates the qualification for the office of Governor and Lieutenant Governor.

The enactment of this legislation marks an historic milestone in territorial administration for it is only the second time in the history of the United States that a territory has been authorized to elect its own chief executive, and it is the first time that such action was taken in a context other than an imminent change in the political status of the territory. The only other instance was in the case of Puerto Rico. A popularly elected governor was granted Puerto Rico in 1947 and the first election was held in 1948. This occurred at a time of political controversy over the status of Puerto Rico with the extremes of independence and statehood being vigorously advanced. A compromise solution was found with the enactment in 1950 of Federal legislation creating the Commonwealth of Puerto Rico.

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VIRGIN ISLANDS ELECTIVE GOVERNOR LEGISLATION

Documentation:

House Report No. 1522 - 90th Congress "Virgin Islands Elective Governor Bill"

Office of Territories Offical Files.

Public Law 85-224 - August 30, 1957 (71 Stat. 510) (H.R. 8126).

Public Law 85-851 - August 28, 1958 (72 Stat. 1094) (H.R. 12303).

Public Law 86-289 - September 16, 1959 (73 Stat. 568) (H. R. 7870).

Public Law 88-180 - November 19, 1963 (77 Stat. 335) (H.R. 1989).

Public Law 88-183 - November 20, 1963 (77 Stat. 338) (H. R. 2073).

Public Law 89-100 - July 30, 1965 (79 Stat. 424) (H. R. 8720).

Public Law 89-548 - August 30, 1966 (80 Stat. 371) (H.R. 13277).

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Oil Import Program.

On November 9, 1967, the President issued Proclamation 3820 adjusting the import allocations of crude oil, unfinished oils and finished products, and cleared the way for a new era of development in the Virgin Islands. Five days earlier, Secretary Udall had announced approval of a plan by the Virgin Islands Government to establish a petrochemical complex on the Island of St. Croix. Under that plan the Hess Oil and Chemical Corporation would construct a multi-million-dollar core petrochemical facility.

The Proclamation authorized the Secretary of the Interior to make an allocation of imports, not to exceed 15,000 average-barrels-per-day in any particular allocation period in Districts I-IV of finished products other than residual fuel oil, to be used as fuel. The allocation would be based on a determination that it would substantially promote employment, upgrade opportunities for employment, or increase revenues received by the Virgin Islands. The allocation of a 15,000 barrel-per-day finished products was made to the Hess Company, and a petrochemical industry was born on the Island of St. Croix.

The transition from non-productive undeveloped land on the south shore of St. Croix to a major industrial complex with great potential for benefiting the Virgin Islands began with Act No. 1524 of the Virgin Islands Legislature. Governor Paiewonsky signed the measure on September 21, 1965. It authorized the Governor to sign

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an agreement with the Hess Oil Virgin Islands Corporation for construction of an oil refinery and related facilities on St. Croix. On September 13, 1966, the Government of the Virgin Islands and the Hess Oil Virgin Islands Corporation entered into a supplemental agreement whereby the Hess Corporation would pay to the Virgin Islands Government a royalty of $12,500 per day, based on a 25,000 barrel allocation. The Corporation agreed that if an allocation was granted, it would invest an additional $30 million to expand the refinery and to establish a petrochemical complex. [At this time Hess Corporation had already spent $30 million on refinery construction.] In view of potential benefits to the community, the Government of the Virgin Islands vigorously supported the Hess application. The Sixth Legislature adopted a resolution in support of the allotment. The Hess Corporation's application for a 25,000 barrel-per-day allocation said construction of the Virgin Islands refinery had commenced and would be in operation by October 1966. Although the original Hess plan was based on a projected 25,000 barrel-per-day allocation, Secretary Udall, approved a 15,000 barrel-per-day quota in keeping with the provisions of the Proclamation.

The allocation, effective January 1, 1968, requires that the Hess Corporation pay to the Government of the Virgin Islands a royalty of $7,500 per day into the special "Virgin Islands Conservation Fund," and that such payments be used for air and water pollution control, parks and recreation, preservation of historical and architectural

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heritages, cultural programs, and beautification. The Hess Corporation also committed itself to spend within 12 months from the effective date of the allocation, and in addition to the $43 million expended by November 1967, a minimum of $30 million in new facilities in the Virgin Islands. A further expenditure of $27 million on petrochemical facilities was required to be made within three years from the effective date of the allocation.

Provision also was made that during the fifth year of the 10-year allocation and all years thereafter, 90 percent of the employees were to be legal residents of the Virgin Islands. Employment for 400 people, exclusive of construction personnel, is to be provided within 12 months of the effective date of the allocation, and permanent employment is to be provided for a maximum of 500 people, exclusive of construction personnel, within 36 months of the effective date.

In anticipation of the royalth payments, the Government of the Virgin Islands, assisted by the Department of the Interior, has been intensively planning to broaden and accelerate its conservation program.

On July 16, 1968, the Hess Corporation presented to Governor Ralph M. Paiewonsky a check for $1,635,000, the first semi-annual royalty payment. Beyond the immediate benefits to the Virgin Islands in private capital investment, employment and increased revenues, long-range prospects for development of the Hess facility and its related satellite industries hold significant promise for the future

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of the Virgin Islands. While there is no precise timetable, the plan approved by Secretary Udall will promote the basis for a second phase of industrial development based on petrochemical feedstocks originating in the Hess Refinery. Diversified chemical processing and solid products manufacture are expected in the future.

As envisioned by Secretary Udall, the Hess plant can be the vehicle for creating a new economic base for the Virgin Islands, especially for St. Croix where only four years ago the island's economy was founded on the crumbling remnants of a dying sugar industry.

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