

Statement of John A. Carver, Jr., Assistant Secretary of the Interior, Public Land Management, before the House Interior and Insular Affairs Committee, February 5, 1963. (Briefing sessions on Public Land Management bureaus - Virgin Islands Corporation.)

Virgin Islands Corporation

One of the Department's important territorial responsibilities is not specifically represented here today--and I refer to the Virgin Islands Corporation. Therefore, let me take a moment to summarize for you some of our activities and proposals in that area.

As most of you know, VICORP is a wholly owned government corporation whose basic function is to promote the economic development of that Territory. Its Board of Directors consists of the Secretary of the Interior and Agriculture, the Governor, the Small Business Administrator and three members appointed from private life. The corporation and its predecessor entity date back to depression days when private operation of sugar grinding facilities failed. Government was forced to take over since cane production was, for all practical purposes, the sole economic activity on St. Croix. We are still in the sugar business. Subsequently, however, VICORP has become the sole electric power producer in the Islands and operates a salt water distillation plant to supplement natural fresh water sources. It also manages Federal properties on St. Thomas, largely former Navy facilities, in the interest of promoting economic activity.

Over the past two years, the Board has been conducting a highly critical review of its activities and its proper place in the scheme of Virgin Islands development. We have taken notice of many Congressional expressions of doubt concerning its continued usefulness or the wisdom of maintaining some of its activities. I think it a fair summation of our conclusions to say that the present Board shares those doubts and feels that VICORP either should be playing a more vital and dynamic part in the local economy or should be abolished so that its resources may be used for this purpose by a local agency.

A year ago the Board recommended that the corporation's functions and assets be turned over to the Territorial Government. Congress, however, chose not to follow that course during the last session. Faced with a continuing annual loss in its sugar operations and seeing a large percentage of its assets tied down by this activity, the Board is now considering cessation of sugar grinding and making available some 1,700 acres of land for other enterprises which will have a more promising economic future. The proceeds from the sale or leasing of such land would then be available for other ventures to promote employment and general prosperity for the area. Let me emphasize one point here:

whatever our conclusion may be on this issue, there will be no action taken to dispose of this land without the most careful coordination with this committee and its Senate counterpart.

Even while these reappraisals were being made, the Corporation has had to go on acting as a going concern. Power demands continue to skyrocket and fresh water becomes an increasingly critical item. We are going forward with plans to augment power facilities to keep up with demand and improve service. The salt water conversion experiment has proved so successful that we are requesting funds to double the present plant capacity and add another. The present plant, incidentally, produces fresh water at a cost which is roughly half that of barging water in from Puerto Rico.

I am sure that we will be back before this subcommittee on VICORP matters before this session is very old. For the present, therefore, I will let the record stand with this short summary of activities in order that you may hear from the Governors and the High Commissioner who are not always so available to you.