

THE St. Croix Source

US VIRGIN ISLANDS



The First Green New Deal: VI Corp on St. Croix (Part 1)

By David Bond

stthomassource.com/content/2021/05/18/part-1-the-first-green-new-deal-vi-corp-on-st-croix

May 18, 2021

Author's Note: *St. Croix, once more, stands at a crossroads. The present situation appears unworkable, the path forward uncertain. It is not, however, the first time St. Croix has stood at such a precipice. This historical six-part series explores three moments in the past century – VI Corp, Harvey Aluminum, and Hess Oil – where frustration with the given situation boiled over into radical change. Breaking with the past, a better future for St. Croix was declared, a new foundation laid. These decreed Crucian futures sometimes aligned with the people and sometimes overrode the people. Today, Limetree comes into view at just such a crossroads, and once more the future of St. Croix is up for grabs.*



A homestead farmer on St. Croix plowing on his plot in the vicinity of Frederiksted in December 1941.
(Photo by Jack Delano from the Library of Congress archive)

“Conditions in the islands have been desperate,” V.I. Gov. Paul Martin Pearson wrote his superiors in 1931. As the sugar industry collapsed in the 1920s and the Great Depression ravaged the world economy, the United States Virgin Islands entered a tailspin that sank the islands into generalized despair.

And it was on this Caribbean outpost of the U.S. Empire that President Roosevelt experimented with how to turn the tide of economic collapse. Only bold action could meet the moment, Roosevelt argued, and so in 1934 he replaced the faltering plantation economy with robust public ownership of agriculture that redistributed land to homestead farmers, collectivized a modern sugar factory and farming equipment, and operated entirely “on a non-profit-sharing basis” to channel all earnings into social investments in education, housing, and working people.

Roosevelt’s plan for this Caribbean “**pivot**” of the New Deal, as the *New York Times* reported at the time, sparked a consequential debate between “**the economy of capitalism and private property and so-called planned economy and public ownership**” in addressing the Great Depression. Newspapers on the island were less circumspect: this was a dire matter of whether the United States “**desires the island of St. Croix to be or not to be a socialist state,**” as the *St. Croix Tribune* put it.

As Roosevelt and his advisors made clear, the results of **this Crucian experiment would inform New Deal policies across the U.S.** And soon, St. Croix found itself on the front page, above the fold, of major national papers in New York City and Washington D.C. and debated extensively in Black newspapers across Atlanta, Baltimore, Detroit, and Harlem. For it was on St. Croix that the nation thought it could best read the tea leaves about how far to the left of capitalism the New Deal might go.

debated extensively in Black newspapers across Atlanta, Baltimore, Detroit, and Harlem. For it was on St. Croix that the nation thought it could best read the tea leaves about how far to the left of capitalism the New Deal might go.



A homestead farmer who borrowed from the Farm Security Administration near Frederiksted, 1941
(Library of Congress photo by Jack Delano)

The Trouble with Sugar

On St. Croix, much of this rested on reinventing sugar cultivation. Sugar cane can't nourish without the intermediary of ascending prices, an unfortunate trait that tied the Caribbean to spectacular bonanzas of wealth when distant markets roared but fated many an island to the irony of starvation amidst rich farmland when those same foreign markets retreated. The late **Robert Merwin** once described to me a boyhood scene at the bustling port of Frederiksted: local merchants anxiously awaiting the daily transmission of sugar prices on the radio. "So much," he reflected, "depended on those prices."

During the famed **Dance of the Millions** of 1920, sugar prices rose to stratospheric heights only to fall into an epic decline that battered the Caribbean, as some residents quipped, worse than any hurricane they'd known. In 1930, insolvency crashed through West Indian Sugar Company in the Virgin Islands, washing away **13,000 acres** of tended land on St. Croix, the last two sugar factories, and stranding thousands of workers and tenant farmers without income. It was at this despairing moment that U.S. President Herbert Hoover visited

and issued his infamous description of the Virgin Islands as “**an effective poorhouse.**” It remains an odd description, missing the more profound paradox: St. Croix was a proud agricultural society finding itself faint from hunger while thousands of acres of fertile farmland fell into disuse.



Sugar cane fields in the northwest part of St. Croix, December 1941 (Photo by Jack Delano from the Library of Congress archive)

An aristocratic grip on the land guaranteed the crisis. As the islands sunk into desperate straits, “**old owners of the land still clung to their estates**” as the *New York Times* put it. In 1931, **70% of the farmland on St. Croix was owned by 14 individuals**. Abandoned sugar factories closed off any gainful outlet for sugar cane while estate owners raised rents on tenant farmers well past the point of impossibility. Unemployment touched **50% of the population** and **one in four** was dependent on the Red Cross for food.

An Economy for the People

As Gov. Lawrence William Cramer later reflected, the early 1930s witnessed the vast majority of Black Crucians fast descending into “**a landless, dispossessed class with little hope of improving their lot.**” Attentive to recent peasant upsurges in Mexico, Egypt, Spain, and above all Russia, perhaps Roosevelt appointees worried rural despair was the going recipe for revolution.

At the January meeting of the Colonial Council on St. Croix in 1934, Roosevelt's team advanced a bold plan to stave off the worst: charter a new public corporation to seize the plantations, seize the factory, and seize the ports and operate them not for private gain but the public good. Called VI Corp, Gov. Pearson explained the aim of this public corporation: **"(a) Make available additional land for homesteading; (b) Make available additional money for building houses on the subsistence plan; (c) Provide aid for new industries organized on the cooperative basis;"** with all proceeds invested back into **"economic, educational, and social programs"** for all residents of St. Croix.

With one million in federal seed money, the VI Corp would purchase large sugar plantations and break them up into five to 10-acre plots for homesteaders. It would also build a modern centralized sugar factory and rum distillery on St. Croix and oversee the exportation of sugar and rum to the mainland. **"Public Ownership for Virgin Islands,"** ran the front-page headline in the *New York Times*.



Crucian farmers attend a Farm Security Administration group meeting in La Vallee on St. Croix in December 1941. (Photo by Jack Delano from the Library of Congress archive)

VI Corp would recycle all earnings back into the welfare of the Virgin Islands. As President Roosevelt said at the time, revenue from VI Corp would be invested in “**adult education, nursery schools, homesteading, and improved housing**” on St. Croix. Initially, this uplift would come through providing low-interest loans to any capable farmer to help them gain title to a plot of prime farmland without restrictions based on race, gender, or current income.

VI Corp would also help these farmers build **modern homes** and allow them generous use of **collectively held farming equipment** like tractors and plows. Homesteaders were expected to put half of their land into cane cultivation for export and use the other half for subsistence and local market crops. Substantial investments would also be made in an agricultural station on St. Croix to test out new varieties of crops and to provide educational opportunities for farmers.

Beyond agriculture, the VI Corp promised to **bankroll public schools, health care, subsidized childcare, and social security** across the Virgin Islands.

“In the US Virgin Islands, the government has gone into business on a grand scale. As farmer, manufacturer, and merchant, **Uncle Sam has embarked there on extensive economic planning** – some call it experimentation – which, if successful, may help alter not only our national economy but our national philosophy of government,” the *New York Times* reported.

Lionel Roberts and many labor leaders in the Virgin Islands welcomed Roosevelt’s plan but insisted local unions play a substantive role in VI Corp (this demand resulted in Roberts being appointed the first director of VI Corp a few months later).

Planters and merchants had a very different response. As Governor Pearson said at the time, the affluent “**have looked askance at any such project.**” But perhaps that’s too polite a summary. As an editorial in the *St. Croix Tribune* summarized the sentiment: “**The proprietary class objects to the wholesale experiment.**”

Part two of this six-part series will further discuss the success and impact of VI Corp on the island of St. Croix.

David Bond teaches anthropology at Bennington College. He researched the Hovenssa refinery in 2010 and 2011 and has written on how **the history of the refinery informs the present struggle for justice** on St. Croix.



LEGAL PUBLICATIONS
IFBs/RFPs, V.I. Courts, Public Notices

THE St. Croix Source US VIRGIN ISLANDS



The First Green New Deal: VI Corp on St. Croix (Part 2)

By David Bond

<https://stcroixsource.com/2021/05/19/the-first-green-new-deal-vi-corp-on-st-croix-part-2/>

May 19, 2021

Author's Note: *St. Croix, once more, stands at a crossroads. The present situation appears unworkable, the path forward uncertain. It is not, however, the first time St. Croix has stood at such a precipice. This historical six-part series explores three moments in the past century – VI Corp, Harvey Aluminum, and Hess Oil – where frustration with the given situation boiled over into radical change. Breaking with the past, a better future for St. Croix was declared, a new foundation laid. These decreed Crucian futures sometimes aligned with the people and sometimes overrode the people. Today, Limetree comes into view at just such a crossroads, and once more the future of St. Croix is up for grabs.*



A homestead family pose for a photo in their home on St. Croix that was constructed with FSA aid. (Photo by Jack Delano from the Library of Congress archive)

Landed Grievance and Landless Hope

The St. Croix Colonial Council debated Pres. Franklin D. Roosevelt's proposal for a public corporation to reorganize the island's economy for months in early 1934, a debate that routinely spilled out into national news. Merchants and planters, described as a coalition of wealthy whites and mulattoes by the contemporary press, quickly rallied their members. Any forced redistribution of the land, wrote a letter to the *St. Croix Tribune*, was "intolerably oppressive and entirely subversive." VI Corp, yet another letter opined, was one of those "experiments in paternalism" fit only for the colonies.

Writing from Harlem, Casper Holstein, a Crucian gambler and philanthropist who rose to prominence in the 1920s, captured the mood of those Virgin Islanders threatened by radical reform: VI Corp, he complained, "is vicious, blood-curdling, and confiscatory." The New Deal in the Virgin Islands, Holstein argued, works toward "establishing a Socialist State in a Capitalistic Government."

The *St. Croix Tribune* soon printed the "Proceedings of the Colonial Council" in its entirety during the spring of 1934. Council Member Clarke (Frederiksted) worried the new authority of VI Corp would not police the growing desperation of "the poor class of people" but instead be used to regulate the wealth of "individuals like myself and other property owners." Editor of the *St. Croix Tribune* and Council Member Ralph de Chabert (Christiansted) argued that VI Corp "provides for the tearing down of some people" but makes no provision "for the building up of the masses." Raising the threat of socialism, Council Member Alexander (Christiansted) complained, "This is the work of some brain-trust man or some professional theorist who is trying to introduce here what he is afraid to introduce in the United States."



A view of a St. Croix Colonial Council meeting in the ballroom of Government House, King Street, Christiansted, St. Croix circa 1915. (Photocopy of a photograph from the Library of Congress archive; original print in the possession of the Handels og Sefartsmuseet paa Kronborg (Trade and Seafaring Museum), Helsingor, Denmark)

Arnold Golden, chair of the Colonial Council, wrote of Roosevelt's brain trust: "They are forgetting that we have a civilization of over two hundred and fifty years. We are a civilized people, a people with culture, but Americans cannot seem to understand." George Moorehead, a union leader and member of Colonial Council, retorted, "I want to say we haven't anything to be proud of for those two hundred and fifty years."

The historical record is plush with the elegant complaints of planters and merchants, each of whom lodges a resplendent dissent. The poor rarely make it into the colonial archive but as a problem to be shoved back down. You have to strain through the written record to hear the voices of the hungry, the homeless, the hopeless. Occasionally the high-minded debates about proper governance step aside enough to let the worsening condition of most step into view. Remarking on the despairing hunger on St. Croix, one member said "the poor people of

this island will be well served if this bill goes through,” and that was enough to secure his support. Referencing the famished masses, another member said anything that helps get St. Croix back into cultivation would garner his support.

Farming as Slavery?

Eventually, the center of gravity on the Colonial Council found its guiding critique of VI Corp. Roosevelt’s real agenda, one letter to the *St. Croix Tribune* argued, was “to confine the natives to a course of Agricultural SERVITUDE.” Slavery, all over again, but this time in the name of progressive change. Land redistribution on St. Croix would really just “enslave the people,” Council Member Fabio (Christiansted) argued. Homesteading would not free the masses but chain them to the soil once more. The *St. Croix Tribune* editorialized the situation: “Our black brethren, who are being miserably deceived. They visualize what may be termed race emancipation.” A few days later the newspaper sharpened the point: VI Corp promised “our island converted into a Baby Russia.”

None of this seemed enough to dissuade those who stood to benefit: the poor. Swelling popular support for breaking up the estates and redistributing the land, the *St. Croix Tribune* wrote, can “only be motivated by a feeling of a grudge against those who they believe are more prosperous than themselves.” On one occasion the Governor retorted, “In St. Croix, the desire to own land amounts almost to religious passion.”



Workers ready machinery for the grinding season at the nationalized Bethlehem Sugar Mill on St. Croix in December 1941.(Photo by Jack Delano from the Library of Congress archive)



Women cultivate sugar cane on land owned by VI Corp in the vicinity of Bethlehem, St. Croix in 1941.
(Photo by Jack Delano from the Library of Congress archive)

Why, then, did the people's representatives on the Colonial Council stand so fiercely against them owning land? With substantial property restrictions on voting that barred 80 percent of the population from political participation, the Colonial Council was comprised of planters, merchants, and labor unions (which had amassed substantial estates when sugar prices collapsed in the 1920s). And as planters and merchants closed ranks in opposition to Roosevelt's proposal, unions came to voice their own spirited vision for VI Corp.

Labor leader Lionel Roberts called the New Deal plan to break up sugar estates an "atonement" for "the wrongs the Federal government has perpetuated upon the islands," the first step toward reckoning with the dark past that still clouded social relations on the island.

Famed labor leader and stalwart civil rights advocate A. Philip Randolph brought a similar perspective to the Council in a letter from Harlem. "Virgin Islanders in dire want and need in this depression," Randolph said, and land reform was a mighty good place to begin to emancipate "the broad masses of laboring people in their relation the tiny fabric of

capitalistically minded native landlords and landowners.” (Randolph also insisted the resulting public corporation appoint a native “representing LABOR” to its board, advice that was heeded a few months later.)

Opting Out of Leadership

After four months of fierce debate, the St. Croix Colonial Council coalesced around a workable compromise: they would refuse to hold a vote on Roosevelt’s plan. Rather than reject it outright they opted “to assume no responsibility” for the proposal. They simply ignored it. When asked to explain, Arnold Golden captured the anxiety of planters and merchants on the Council: “Why ask us to tie a rope around our neck?”

The Colonial Council will not trade away “liberty for a crust of bread,” the *St. Croix Tribune* explained. Redistribution of land, the paper argued, was not the floor of political rights but its prison ceiling. Voting to scuttle talk of public ownership, they claimed, was really a vote for the freedom of Virgin Islanders.



Women work in the nationalized Government House rum distillery of VI Corp in December 1941.
(Photo by Jack Delano from the Library of Congress archive)

“The St. Croix Colonial Council has not circumscribed the future of its youth to a 5 acre plot of land,” wrote the *St. Croix Tribune*. The paper explained the Colonial Council’s decision on April 19: “It has not closed the doors of opportunity upon him. It has left him free to soar to any height that his ability will take him.” Leaving open the slim chance for a theoretical poor child to amass colossal wealth, the Colonial Council concluded, outweighed the immediate uplift of providing abundant farmland to the hungry masses.

Undeterred, the Roosevelt Administration turned the decision over to St. Thomas and St. John, which both chartered the Virgin Islands Corporation a few days later in 1934. Roosevelt visited St. Croix to view the progress in July of that year, and by September hundreds of acres of former plantation land were being broken up into homesteads with a long line of applicants. Hundreds of workers and farmers gathered in a special thanksgiving celebration when the sugar factory resumed operation in October 1934.

Building an economy around enterprising small farms, VI Corp breathed new life into St. Croix. As returns from this investment started rolling in, VI Corp came to underwrite public education and healthcare in St. Croix, St. John, and St. Thomas.



Pres. Franklin D. Roosevelt visited St. Croix in 1934 to see firsthand the success of the homestead program. (Historical photo in the public domain)

A generation later, informed opinion across the Virgin Islands was uniform in its praise for VI Corp and instrumental role in saving St. Croix (including from many members of the Colonial Council). Yet such a consensus soon found itself wielded in unexpected ways. As thousands of farmers protested the industrialization of the south shore of St. Croix in the 1960s, a primary point of reference for VI Legislators supporting Harvey Aluminum and Hess Oil was how misguided the opposition to VI Corp had been in the 1930s.

Labored Success

By most measures, VI Corp was a rousing success. Yet the ability of VI Corp to overcome gentrified opposition and empower working people was far from a given. VI Corp's adept navigation of island fraught politics and desperate realities came to rest in no small part on the key role labor unions played in it.

From Hubert Harrison to D. Hamilton Jackson, the labor movement in the United States gained widespread achievement and acclaim from the outsized contributions of St. Croix. And it was from such a rich legacy that the first board of directors of VI Corp was enlisted. Lionel Roberts, a fierce advocate for working people in the Virgin Islands, was appointed as the first director of VI Corp and D. Hamilton Jackson served on the board of directors. The advisory council for VI Corp also included the Executive Director of the NAACP. Leadership from labor ensured VI Corp aligned its operations with the needs of the people in everything from lowering the cost of land for farmers to opening up opportunities for all residents.



A Puerto Rican farmer on St. Croix tends her land where she planted sweet potatoes between rows of sugar cane in December 1941. (Photo by Jack Delano from the Library of Congress archive)

While plantation owners had charged a rent of \$7-\$12 an acre, the homestead program made that same land available to own at \$2-\$5 an acre. This not only led to a flood of homesteads – “The number of small farms has increased more than 300%” the annual report noted in 1935 – it reclaimed huge areas of the bush and put St. Croix back in productive cultivation. By 1940, there were over 800 homestead farmers on St. Croix and the number kept growing.

Federal investments and union leadership transformed the modern infrastructure of agriculture into a public resource for small farms. This collective foundation empowered enterprising farmers to purchase land, oriented Crucian farming towards social needs while still allowing for individual ingenuity in cultivation, and restored the agricultural soul of St. Croix wholly apart from the plantation model. St. Croix, wrote Governor Cramer, was well on its way to reclaiming the title “Garden of the West Indies.”

A 1934 report profiled a few of these homesteaders, noting how many of them were women. “Antoinetta Douglas, a woman homesteader, delivered 125,367 pounds of sugarcane from her 3.5 acre plot. After paying \$13.24 land installment, she had \$152.66 leftover. In addition,

she raised a large quantity of vegetables on her plot. Dolores Garcia, another woman homesteader, delivered 150,710 pounds of cane and had \$180.51 left after paying her land installment.” The report also described how profitable vegetables raised for local markets were becoming.



A Farm Security Administration borrower going to town in his Sunday cart on St. Croix in 1941. (Photo by Jack Delano from the Library of Congress archive)

In its first two years, VI Corp brought 3,000 acres of former plantation land back into cultivation on St. Croix, much of it distributed to homesteaders. These enterprising farmers earned far more cultivating their own land than they would have as workers. Unemployment disappeared within months of VI Corp being chartered and wages increased significantly in all sectors (in part, due to successful strikes by agricultural workers at the central factory operated by VI Corp). After decades of strain, municipal budgets soon found themselves flush with cash. Young men were hired to plant mahogany trees along the main thoroughfares on the island, some of which still stand.

Public Profits

As the island's economy swung into high gear, VI Corp earnings were funneled back into a massive investment in education and health care across the Virgin Islands. Beyond profits, VI Corp also paid substantial taxes into the local treasury. Nursery schools were established to let mothers help with farming and for the first time, public education was extended through high school. Teachers were given substantial raises and modern schools were built. New programs of adult education were also inaugurated, providing training in home construction and modern farming techniques alongside classes in literature and history. One in ten adults on St. Croix were enrolled in such programs by 1935.



A high school class in Christiansted on St. Croix, December 1941 (Photo by Jack Delano from the Library of Congress archive)

This surge of small farms also helped break the oligarchs' exclusive claim to political participation. Responding to popular demands, universal suffrage was inaugurated in the U.S. Virgin Islands in 1936 without restrictions based on property, income, or gender.

Social investments also targeted healthcare, building new clinics and training new nurses in the Virgin Islands. Infant mortality fell 43% in the first year of VI Corp. Reflecting on its first year, the Governor said VI Corp "far exceeded all expectations." Applauding the remarkable

results of the “progressive homesteading program” on St. Croix, Secretary of the Interior Harold Ickes described VI Corp as “one of the most successful PWA [Public Works Administration] ventures” when he announced plans to widen its reach in December 1935.



A public health clinic circa 1941 near Frederiksted on St. Croix (Photo by Jack Delano from the Library of Congress archive)

By 1949, St. Croix markets bustled with locally raised produce and the island was profitably shipping over 300,000 pounds of vegetables to the mainland each winter. The agricultural station “propagated and distributed” just under a million vegetable starts for local farmers, made available at cost. The cooperative also provided seeds, “baby chicks, young pigs, and other livestock” to homesteaders, and soon there was also a robust local market in eggs, chicken, and pork.

Foreclosing the Plantation

A decade out and VI Corp had broken up every entrenched plantation and redistributed the land into collectively held farmland and small homesteads. Plantations on St. Croix, reflected Governor Cramer in 1940, “no longer exist.” This marked more of a revolution than is often recognized as the plantation was not only the primary productive unit of the Caribbean but also its enduring social institution. The end of slavery did not dispose of the plantation. As a mercenary economic reality, the plantation continued to thrive long after emancipation, a fact Queen Mary rightly protested in the labor riot of 1878. And well into the 20th century, the plantation consigned life across the Caribbean into racial hierarchies and single-use landscapes. Neither was sustainable and yet neither fell out of fashion on their own accord.



A Farm Security Administration borrower, who lives in one of the homestead houses, cultivates his sugar cane field near Frederiksted in 1941. (Photo by Jack Delano from the Library of Congress archive)

The plantation was forced out of business on St. Croix in the 1930s, even as their charming ruins and charged meaning lingers on to this day. Plantations lost their operational command over the Virgin Islands only when the will of the people and institutions of democratic governance insisted on a radically different reality for the island. The plantation's death sentence was issued not by the inevitabilities of the Great Depression but from enthusiasm for the New Deal. And on St. Croix that meant VI Corp, for it was only when the island's fertile land was taken away from out-of-touch profiteering and placed back in the service of people that the practical reign of the plantation was broken and a new society made possible.



Gateway ruins on Centerline Road near Frederiksted circa early 1930s (Photo by Jack Boucher from the Library of Congress archive)

When a former editor of *The Nation* visited St. Croix to report firsthand on this progressive experiment in 1936, he was most impressed. Public ownership had set the islands on a path of self-sufficiency, self-reliance, and general flourishing that would have been impossible with private capital. Not only was the homesteading program a smashing success but many small farmers had built up “a substantial cash reserve” after just two years, Ernest Gruening noted. “It is axiomatic that political liberties march hand in hand with economic emancipation,” he wrote, and St. Croix exemplified how economic policies attuned to the empowerment of ordinary people might enliven American democracy once more.

Part three of this six-part series will discuss the beginnings of Harvey Aluminum and its impact on the island of St. Croix.

David Bond teaches anthropology at Bennington College. He researched the Hovensa refinery in 2010 and 2011 and has written on how the history of the refinery informs the present struggle for justice on St. Croix.



-
-
-
-
-
-
-
-
-
-
-

[Facebook](#)

[Twitter](#)

[Pinterest](#)

[Email](#)
