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THIRTY-FIRST ANNUAL REPORT OF THE GOVERNOR OF PORTO RICO



MESSAGE FROM THE PRESIDENT OF THE UNITED STATES
TRANSMITTING THE THIRTY-FIRST ANNUAL REPORT OF THE GOVERNOR
OF PORTO RICO, INCLUDING REPORTS OF THE HEADS OF THE
SEVERAL DEPARTMENTS OF THE GOVERNMENT
OF PORTO RICO



DECEMBER 10, 1931.—Referred to the Committee on Insular Affairs
and ordered to be printed



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1932

MESSAGE

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled, "An act to provide a civil government for Porto Rico, and for other purposes," I transmit herewith for the information of the Congress the Thirty-first Annual Report of the Governor of Porto Rico, including the reports of the heads of the several departments of the governments of Porto Rico and those of the executive secretary, the auditor, and the chief of the bureau of commerce and industry, for the fiscal year ended June 30, 1931.

I concur in the recommendation of the Secretary of War that this report, with appendixes consisting of condensed reports of the several agencies referred to above, be printed as a congressional document.

HERBERT HOOVER.

THE WHITE HOUSE,
December 10, 1931.

THIRTY-FIRST ANNUAL REPORT OF THE GOVERNOR OF PORTO RICO

Hon. THEODORE ROOSEVELT

GOVERNMENT HOUSE,
San Juan, P. R., September 1, 1931.

To the SECRETARY OF WAR,
Washington, D. C.

SIR: Pursuant to law, I have the honor to submit the report of the Governor of Porto Rico for the fiscal year ending June 30, 1931.

In my annual report last year I gave a description of conditions as they were in Porto Rico, and the plans we had adopted whereby we hoped to solve them. This year I will try to show how far we have got in their development, what the results have been, and what additional measures have been adopted.

As far as general conditions go, they are better. That does not mean, however, that by any stretch of the imagination they can be called good. They are not good, but bad, and need attention and aid or we will soon slip back to where we were. For example, though the statistics indicate that from the health standard we have improved, this improvement does not mean that we even approximate conditions in the continental United States. The same will hold true economically, in education, etc. Though unemployment has decreased we still show a greater proportion of people without work than is the case on the continent.

Our policies have as their aim solutions, not merely palliatives. We are convinced that if they can be maintained and developed they will lead to greater happiness and comfort for our people, and will create of Porto Rico a community where the average individual can, by his own efforts, obtain for himself and his family those opportunities in life which we believe should be the portion of every American citizen.

FINANCE

Basically, of course, a government stands or falls on its financial condition. (I am happy to say that for the first time in 17 years the government of Porto Rico is able to report an actual surplus for the year 1930-31.)

In certain of the previous years deficits were due to appropriation liabilities carried over. This year we took care of our carry-over appropriation liabilities, and showed a surplus.

Our cash position is better. We show an excess of resources over liabilities of \$748,000. This, however, includes \$654,000 reserve, realized from securities, which is set aside for emergencies.

We are particularly proud of this achievement because it has been accomplished in the face of a world-wide economic depression. It is due to the unremitting efforts of the treasurer in the collection of taxes, and the cooperation of all in curtailing unnecessary expenses.

The detailed financial statement is carried in the report of the treasurer.

During the coming year I confidently prophesy that the same results will obtain.

During the past session of the legislature taxes were to a certain extent readjusted and, though much is left to do in this respect, much has been accomplished. We are trying to distribute them in such a fashion that their weight is equitably borne and that they do not impede those business developments so necessary to the prosperity and happiness of the people.

At the invitation of the economy commission of the legislature, a financial expert from the continental United States came to Porto Rico last October and finished a study of Porto Rican finances begun some two years ago. The report was of great value to us in shaping our policies.

Entirely outside of the governmental finances, the situation of the island has improved. All of the most important banks are in a very much better position this year than they were last year. Furthermore, with better prospects for the sugar crop in the coming year, their position will become stronger as time passes.

AGRICULTURE

However, three of our principal crops have had bad years. Our fruit farmers have been unable to get sufficiently good prices, and have lost money. A considerable part of our fruit has not been sold.

Our tobacco growers find themselves in the same situation. Very little of our crop has been sold, and the prices obtained for that are such as barely to pay the cultivators for their yearly labor. The situation is therefore critical, for if the crop is not sold the farmers can not obtain the money wherewith to continue their planting. Furthermore, with this crop still hanging over our heads, the next planting might well glut the market further. Our difficulty lies in the fact that our tobacco is of too high a grade to be used profitably in the cheaper cigars, which, with the depression in the United States, have largely taken the place of the more expensive.

Last of all, our coffee farmers are in a desperate case. During the last year the crop we raised was only about 25 per cent of our normal production, and this year it will be about the same. This is due directly to the hurricane of 1928, which destroyed the shade trees and many of the plants. The coffee plantation needs time before it begins to pay its way. We figure 5 years must pass before the plants reach a size where they will pay the cost of their cultivation, and 8 to 10 years before the farmer gets into the clear as far as the money he has expended during the early years is concerned.

The situation has been further complicated by the loans with the Federal land bank. For example, a planter had a loan on his farm before the cyclone. Then came the cyclone, destroying everything. Now the payments are falling due, and he has nothing that returns him money.

Coffee is exceedingly important for Porto Rico. Water is the life of the island. Because of the density of our population, the vast majority of our land is now under cultivation. That means the elimination of the forests, unless the crop predicated a forest or its equivalent, as does coffee. With the forests go the rivers. Within the past 10 years we have seen some of our rivers decrease to less than half of their original size. The only substitute we have for forests are coffee plantations. For that reason coffee is not only important to the farmer who grows it, but also to all the farmers in the lowland.

At this moment few of the coffee farms are being rehabilitated to their original size. Time after time I have seen properties where before the cyclone two or three hundred acres were under cultivation. Now 50 to 100 are being rehabilitated. This is because the farmers have not the funds to rehabilitate more.

We are doing what we can to help our coffee growers on the island. We are interpreting the law that was put on the books in the past session of the legislature to aid in reforestation as applicable to new plantations of coffee, and are freeing them from insular taxes for a stated period. We intend to present within the next few months further plans which I believe will aid in this very serious matter.

In addition, we are encouraging where we can the cultivation by these coffee growers of minor crops during this period of rehabilitation. Through the bureau of commerce and industry we tried last year to open a market in England for their bananas. The first attempt failed, but we are still working on the matter and hope for definite results this year.

In agriculture we have developed and extended the policies outlined in my last annual report. In brief, what we have been endeavoring to do is to bring to the farmer, especially the small farmer, the knowledge necessary to make his work successful. We have now four farm bureaus, organized during the last year and operating successfully and four more in process of formation. These organizations are like those on the continent—namely, semi-cooperatives with governmental aid and advice. We have now eight demonstration farms, and one in process of organization. We have increased the number of our agricultural agents by about 50 per cent.

We are working in every way possible for a diversification of crops. Specifically, we are devoting our attention to the encouragement of vegetable farming, and with the government aid a small cooperative has been started for truck farmers.

In the Isabela irrigation district the government has provided a packing house. We see no reason why, with the advantages given us by the tariff, Porto Rico may not eventually furnish the major portion of the \$12,000,000 worth of fresh vegetables shipped annually into the United States from the tropics. Our efforts are bearing fruit, as is indicated by the following figures: In the year 1928-29

Porto Rico shipped 368,163 pounds of fresh vegetables to the United States; in the last year we shipped 1,678,458 pounds. This, of course, is small, but it represents the beginning of an industry which can well have very far-reaching effects. Building up a market for vegetables will not only bring money into the hands of the farmer, but will in addition extend their cultivation greatly on the island and thereby provide more food for local consumption as well.

Besides this, truck farming is particularly profitable for the small farmer. Experts from Cuba, with whom I have discussed the question, invariably say that a man with a little farm to which he can give his personal attention, fares better than one with a large acreage which must be cultivated by hired help.

Purely as a by-product of this work, we are aiding in the solution of our difficulties in the Isabela irrigation district, for now three times as much land is under cultivation as there was a few years ago.

Meanwhile the department of agriculture has made it its mission to encourage in every way the formation of cooperatives by farmers. Perhaps the most notable achievement in this line during the past year is the organization of the tobacco growers. A year ago there were five cooperatives with all the difficulties and hardships that such a form of organization predicates. Now all those cooperatives have federated into one strong organization, capable of taking advantage of the Federal aids offered, and administering its affairs in efficient and able fashion.

The generosity of the Federal Congress in making applicable to us Federal aid in extension and research work in agriculture, and in the marketing act, will have a great effect in the coming years. A formal agreement has been reached already between the insular government and the Federal Department of Agriculture, and all necessary steps are being taken to render cooperation complete and effective immediately the act comes into force.

As for the marketing act, we are already feeling its benefits, for through it our tobacco growers and our coffee growers will receive much-needed aid.

The department of agriculture furthermore has given serious attention to our forestry problem. We are a little island with a population of 450 to the square mile, and therefore the last 30 years have tended to see our forests in great measure destroyed. Unless we not merely check this destruction, but reforest, our land will become arid. The last legislature passed laws practically exempting forest land from taxation. The Federal Government extended to us certain others of the forestry laws. We have been engaged in tree planting. During the last year over 1,800,000 seedlings were distributed from our nurseries. As soon as facilities permit, we intend to develop a more comprehensive policy.

We feel that one of the basic troubles in Porto Rico lies in the fact that so much of the land, especially on the coastal plain, has gravitated into the hands of a comparatively small number of large landholders. We regard as basic the principle that the country is happiest which is populated by farmers living on and cultivating the land which they own. Our policies, therefore, have been specifically

directed toward the building up of the small farmers. Wherever possible, we have directed governmental machinery to this end. Part of this work has been carried on through the schools, where we are turning our attention to the training of the children, and where we hope to be able to extend the work in certain phases to the surrounding adults; part through the department of agriculture, wherein we are directing our policy toward the pushing of education in such crops as lend themselves most readily to profitable cultivation on small properties.

In addition, during the past year, we have worked out an arrangement with certain of the larger companies whereby plots of ground are lent to their working people for the purpose of raising food crops. This serves a double purpose. It ameliorates the conditions of hunger and distress from which the workers of the sugar plantations suffer during the slack season, and at the same time, trains those workers in farming. Because many of these workers have never done anything but work in the cane fields, and know nothing of vegetable farming, we have assigned to work on each one of these sections an agent of the department of agriculture. This puts the government in the position where it would know immediately the merits of any dispute that might arise. The agent's duty is to see that the working men are apprised of this offer on the part of the companies and to instruct them thereafter in the cultivation of their plots. In order to get this work under way, the government has given free seeds to the working men. To make this policy effective, certain laws were passed by the legislature to protect the interests of all parties concerned. Among these was one providing against the turning of a workman off his plot by some foreman before he had reaped the benefit of the crop he had sown. In order also to encourage the practice on the part of large property holders, we have furthermore provided that their property used in this fashion may be exempted from taxation.

At this time there are about 775.76 acres under cultivation through this arrangement, and more than 1,000 working men and their families are benefiting thereby.

THE HOMESTEAD COMMISSION

The main endeavor toward the reestablishment of this small farmer, however, is centered in our homestead commission. This commission originally had two functions—

(a) Providing houses for working men.

(b) Homesteading small farmers on government property. As the government had but little land available, this second feature became inoperative quickly. For this reason we broadened the commission's scope by providing money which we have been using as in the nature of a revolving fund. With the money we have bought land. On the land we have established small farmers, who by an installment plan of payment over a number of years purchase outright their farms.

Our general plan is as follows: We purchase a considerable tract of property. We then divide it according to its fertility into farms ranging, roughly speaking, from $2\frac{1}{2}$ to 30 acres. On each one of

these is put a landless man with his family. The group of farms together constitute a colony. We have among each group a small government demonstration farm run by a government employee. It is his mission to aid the farmers in every way possible. He advises them as to the products most profitable to cultivate, the best methods of cultivation, where the seed may be obtained. He aids them in marketing their products and in the formation of small cooperatives. He always stands ready to advise on any problem that may occur. In addition, the departments of the government cooperate in making the undertaking a success, in such questions as the establishment of schools, adequate roads, etc. We believe that this endeavor represents one of the most important of our governmental activities.

In my last report I advised that \$500,000 in bonds authorized by the legislature of 1930 be used to continue this work. Unfortunately, due to a technicality this issue of bonds was judged to be illegal. This greatly impeded the work of this body. Realizing that the error was purely a technical one, after consultation with the legislative leaders, we anticipated so far as possible these moneys. We bought the El Duque tract of 4,000 acres, and as a result, will have established thereon 700 small farmers, owning their own property, rather than tenants. Through the operations of this commission during the past year, we have put back on the soil on farms they will ultimately own themselves, 850 small farmers, and established in homes which they will own in like fashion, 230 working families.

We have under contract 10,208 acres which we will buy as soon as our money becomes available. We estimate that on these tracts we will establish during the coming year 1,276 small farmers.

This commission has the ability to do the most valuable type of work for the island. It is money alone that is holding us back. I know of no place where Federal aid could bring greater results in health, happiness, and character building.

HEALTH

As far as our department of health is concerned, we have, in accordance with the plans outlined in the last annual report, devoted our attention to the establishment and expansion of health units; for we feel that they, more than anything else, can aid toward the solution of our problems. In their organization we have followed the plan outlined a year ago. Each unit has a full-time doctor as its head, with a staff of nurses, social workers, and inspectors. We have divided the island into districts grouped according to population, accessibility, etc. These districts will ultimately number 20. In my last report I said that during this past year we hoped to develop units in 10 of them. Due to strict economy and coordinated effort on the part of all, we succeeded in reaching that number and organizing for their expansion and increase up to 16.

This does not mean, however, that in every one of these 16 districts the unit has the personnel and facilities that are necessary to cover the entire district. Nevertheless, we are now covering with reasonable efficiency 29 municipalities, with an aggregate population of over 800,000. The efforts of the department this year will be directed

toward developing these 16 units and the establishment of as many others as possible, with a view to reaching the goal of 20 units, serving the whole island.

Furthermore, we have found that these health units serve most admirably as nuclei around which can be grouped all the health efforts of the community, not merely insular, but municipal and private as well. The executive officer of the unit serves not only as an administrator of his specific unit, but, in addition, as a coordinator of the efforts of other agencies.

For example, as a by-product of this coordination work, local tuberculosis hospitals have been developing in many places in the island. This has done infinite good. A year ago I personally saw many poor people with tuberculosis forced by poverty to live with their families, and spreading the contagion to their children. Now at least some of these are isolated, where they get better care and can not spread the contagion. Special programs on malarial control, where that scourge is most prevalent, have been organized with local cooperation. Examples are in the district of Salinas and Santa Isabel, where cultivation is entirely by irrigation, and therefore malaria was particularly virulent. The two municipalities have made substantial local contributions to the establishment of the health unit, and the local landowners and sugar company made appropriations for the purpose of scientific drainage, which not only improves the health of the workers, but the value of the land as well.

Another important endeavor was that of our milk stations. In all, with funds raised from the continental United States amounting to \$63,000, and additional aid contributed by the localities, we have opened and maintained 93 stations through the last fiscal year. These were operated not by professionals, but by volunteers from the community. To them we ascribe the fact that the infant mortality rate of last year was lower than at any other time in the history of the island. Without them an appalling number of babies would have died.

I have visited these stations and seen children just starting on the service who were little more than skeletons. At subsequent visits at a later period I have been literally unable to recognize those children, so greatly had their condition improved.

It is impossible to give too much credit to the devoted ladies of the various communities who have been working so faithfully and tirelessly to maintain these stations. What is more, I would like to draw attention to the fact that the work they do is not merely the work of a charitable board of directors, which sits in a comfortable parlor and passes resolutions. Their work is actually out among the people, discovering cases, passing on cases, teaching the mothers to prepare the milk, seeing by personal calls that it is put to the right use, etc.

HEALTH STATISTICS

The direct result of the work of the department of health and such specific endeavors of the school lunch rooms and of the efforts of the bureau of commerce and industry to provide for new industries

and for increased employment is clearly evident in the vital statistics for the island.

We are basing these now on the calendar year, not the fiscal year, in order to conform to accepted practice in the world. The statistics based on the fiscal year, though not quite so striking, confirm the same conclusions.

During the calendar year 1930, the death rate fell to 18.6, the lowest for any calendar year in the history of the island of Porto Rico. This should be compared with the rate for the calendar year 1929, of 25.3.

Our malaria rate has fallen from 137.9 to 121.8.

Our tuberculosis rate has fallen from 301.4 to 263.2. Our deaths from this latter disease were 4,080 as compared with 4,600.

The infant mortality rate has fallen from 161 to 126—the lowest in any calendar year in the history of the island.

These statistics show a very satisfactory progress, due to the splendid efforts of the health department and the individuals and organizations whose cooperation and aid it has secured.

The reader, however, must not judge these statistics as representing a good condition so far as disease is concerned.

For example, though our death rate has fallen to 18.6, the death rate in the continental United States is only approximately 12.

Though our tuberculosis rate has fallen to 263, the tuberculosis rate in the continental United States is not more than 25 per cent of that figure.

Though our infant mortality rate has fallen to 126, the infant mortality rate in the continental United States is 68.7. In other words, we are merely making a beginning on the great task that lies before us.

AID FROM PRIVATE SOURCES ON CONTINENT

In my last report I told of the Porto Rico Child Health Committee, which, with the aid of the American Child Health Association, the Catholic Porto Rican Child Welfare Association, the American Relief Association Children's Fund, the American Social Hygiene Association, the National Tuberculosis Association, and the Porto Rico Child Feeding Committee, had started a campaign to raise \$7,300,000 to be expended in a 5-year program for the rehabilitation of the island.

Due to the exceedingly bad economic conditions on the continent, we were not able to realize the sums of money that we had hoped. However, sufficient was realized to embark in reasonably adequate fashion on such endeavors as the school lunch rooms, the milk stations, and the health units. We must, however, continue to raise money in the coming year, or we will be faced with disaster.

Specifically, let us take the milk stations, for undoubtedly to them, more than to any other cause, is attributable the great decrease in infant mortality. If we do not raise funds from the continental United States in sufficient quantities during the coming year, those milk stations will have to be curtailed materially. Indeed, at the present moment we have had to cut them considerably because we have exhausted the funds raised for this purpose on the continent.

That, in plain terms, spells death or a life crippled by disease to many of the babies of to-day. For example, at Cidra, where we recently had to close the station for lack of funds, the municipal doctor tells me that many of the babies now have little except water with sugar and crushed herbs. The same holds true in other localities.

In the coming year our plans are to continue the extension of our health units and the development of the activities outlined above. In addition, the department of health is undertaking the study of one of the basic problems of the island, briefly that poverty is so great in many sections of our island that our people can not afford to pay for medical attendance, and must either depend on government service or go without. One of the plans that we have in view to alleviate this situation is to instruct the school teachers in simple remedies so that they may at least in part minister to the needs of the children who attend those schools, and cooperate with the municipal doctors in their preventive campaigns.

SANTO DOMINGO HURRICANE

Belonging properly to the history of the health department is Porto Rico's achievement in the disastrous Santo Domingo hurricane of last September. Six hours after the news of the hurricane reached this island, the Porto Rican units were organized and ready to leave. A little more than a day later they were landing at the stricken city. There they set up a hospital with 1,000 beds, took care of the sanitation and water supply, ministered to the needs of literally thousands of injured, and inoculated some 18,000 against typhoid. Commander Johnson, Medical Corps, United States Navy, told me personally that in 30 years' service he had never seen greater efficiency at time of emergency than was shown by our units. The British inspectors testified to the same effect. It is worthy of note that every member of the units, from doctors to nurses, was born on this island.

EDUCATION

With our insular education, we have followed the line laid out in the last annual report. Though in no way neglecting the cultural side of our work, we have placed particular emphasis on practical education. This is perhaps exemplified more thoroughly by our secondary rural schools than in any other endeavor.

These rural schools are built on farms of 5 to 15 acres, which are cultivated by the boys under the direction of a practical farmer. The crops raised are such as are profitable in the surrounding country. One-third of the proceeds goes to the boys; two-thirds are either sold for school funds or used in the school lunchrooms.

We have classes in manual training where we do not have articles of ornate uselessness made. Everything constructed by the pupils has a value. They make chairs, tables, beds, washboards, etc., objects that when finished can go into the homes and be of practical use. As an illustration of what can be done, 80 per cent of the furniture for the new schools established this year was made by the school children themselves. The outbuildings for cattle, etc., were handled in the same fashion.

Meanwhile the girls are being taught serviceable home economics. They cook on charcoal stoves similar to those which are used in their own homes. They prepare and serve the meals for the school lunchrooms.

We are now working on plans for a model house, which we intend to have constructed by the school children, to serve as an example of what can be done at a very slight cost. One very comfortable house, in which everything, the building, the furniture, etc., was made by the children, cost approximately \$250 for the material.

We are providing for these schools social workers who not only take care of the children, but make those children's homes their responsibility as well, advising the parents on sanitation, diet, etc. These social workers are being specially trained at a summer course at the university. We are planning to use them also with our health units and with our bureau for women and children in industry when we inaugurate it. In three places they have been in charge of milk stations in their district.

During the past year we have nearly tripled the number of our secondary rural schools, bringing the total to 36. Furthermore, we have continued and amplified our policy wherever possible of extending through the other schools instruction of a similar practical nature, instruction of such a nature as to be readily applicable by the children to gaining their livelihood and improving the conditions in which their families are at this time living.

Our plans on this have been greatly aided by the extension to Porto Rico by the Federal Congress of the Smith-Hughes Vocational Training Act, whereby Porto Rico receives aid in vocational training in the same fashion as do the States of the Union. This act provides a sum of money of approximately \$120,000, which we match down here, and which is devoted to vocational training along certain specifically designated lines—agriculture, home economics, trades, and industries.

The law fills out our policy of practical education, because through it we are developing work in the urban centers which will be commensurate with that which we are doing through the rural units.

During the past school year the lunchrooms have been extended and maintained wherever we had the means to do so. We have received for this purpose from the continental United States, and spent this year, \$133,005.97. That, plus the sum appropriated in our insular government and the generous help of the communities, has enabled us to feed approximately a daily average of 50,000 children.

We have used these lunchrooms not merely to feed the children, who would otherwise have gone hungry, but also to inculcate proper ideas of dietetics on schedules arranged by the medical authorities. The meal costs in the neighborhood of from $3\frac{1}{2}$ to 5 cents per child. As we do not believe in the principle of "something for nothing," we arrange for each child to pay 1 cent, or contribute its equivalent in produce. Naturally, where the child can do neither of these he gets the meal just the same.

THE UNIVERSITY OF PORTO RICO

During the last year a new chancellor was elected for the university. Under his direction, and under the direction of the board of trustees, plans are being rapidly developed for the expansion and extension of our university work. These plans embrace not merely cultural aspects of the fine arts, but in addition, such matters as the school of arts and trades, which has been started in earnest. We believe that our university will form a center where the two great cultures of the Americas will meet.

It is our conception that the university should play a far greater part in community life than it has done in the past. We believe that educational institutions of higher learning should be sources from which independent investigations on public matters should originate. We believe that they should be utilized to study problems which are confronting the country, and through their findings to aid those in public life to determine the policies necessary. Work of this sort has been mapped out already for the university in the coming year.

COORDINATION

Gradually during the last year we have been evolving more comprehensive plans as far as our schools are concerned. Though the extension work carried on by the Department of Agriculture is virtually important, and similarly the health work of the Department of Health, it has become increasingly evident that these efforts to be brought to their fullest efficiency must be supplemented. We have not the financial means of maintaining the number of rural agents we wish, or to construct the number of health units we know are necessary. On the other hand, we have now in operation 3,786 schools, among which some 2,028 can properly be classed as rural. It is these that we feel should be the fulcrum on which to rest the lever wherewith we hope to change the conditions on the island.

The devotion of our school teachers, who form the shock troops in our fight for better conditions, is notable. Few realize, who have not seen them at work, just what their day's schedule means. For example, not long ago I visited a little 1-room schoolhouse in a country district. The school teacher there was a young woman of 24 or 25. Every morning she walked a couple of miles on a muddy road to get to her work, returning in the same fashion in the evening. During the morning period she had 37 children, during the afternoon, she had 35 others. She supervised and arranged for the serving of a noonday meal in the school to approximately 25 children. She directed the care by the children of a truck garden nearly an acre in size, in which she had obtained the cooperation of the near-by parents. She was bright, cheerful, and had no complaints. When I asked her if there were anything else she needed, she thought for a second and said, "New lanyards for the flag-pole," that was all. She gets a salary of \$65 a month for a 10-month year.

In the municipality of Vieques, the school superintendent not only handled the affairs of the schools, but in addition organized a class in needlework which gives instruction to a hundred or more women,

superintended and encouraged the planting of truck gardens, organized the distribution of food when there was a famine there due to a prolonged drought, and helped in a hundred different ways. I saw her a few days since, studying at the university during her summer vacation.

Incidentally, the spirit of our teachers on the island is illustrated by the fact that this year the university summer school has some 1,200 students, the vast majority of whom are school-teachers. It is on these school-teachers and their schools that we place our reliance.

Part of our plan is embraced in the secondary units with which I have already dealt. We are, however, extending it still further.

We have arranged for a board, composed of the commissioner of education, the commissioner of agriculture, the commissioner of health, and the commissioner of labor, or alternates therefor. This board is charged with the mission of developing through the schools the dissemination of practical knowledge in health, agriculture, and industry in general. During the last year we established, and in the coming year we propose to extend, a system of lectures. These will be held at stated intervals at the schools, generally in the evening, as these lectures will be held primarily for the adults. They will be in main on practical subjects, such as rudimentary health and sanitation, farming, etc. They will be carefully supervised and put in such form that they are easily comprehended. In other words, the lecture on medicine will not be delivered in technical terms. Latin names will be taboo. The subject matter will be explained in colloquial Spanish with illustrations from everyday life.

THE SCHOOL AS A SOCIAL CENTER

As a further ramification of this thought, we are striving to develop the schools themselves as social centers. In certain instances this has been done by the individual initiative of the school director or teachers. For example, at many of the secondary rural units at stated intervals what would correspond in the north to a fair is held. There the handicraft of the children, the vegetables, etc., are exhibited, a program of dances of various sorts, music, and recitations is given, and, where possible, simple refreshments are served. We are planning to systematize and develop this endeavor.

One of the most important of the means whereby we believe this can be accomplished is the radio. At the present moment we have on the island a broadcasting system run by the International Telephone & Telegraph Co. It is woefully inadequate and has been let get into such condition through lack of funds that its equipment is incapable of consecutive or dependable use. We therefore have approached the departments in Washington with the idea of obtaining aid in the establishment of an insular broadcasting station. In order to obtain this, congressional action will be necessary. If the money for the original construction is made available, we hope to be able to consummate with the Navy Department arrangements whereby it can be run in conjunction with the naval radio station at Cayey. This will reduce the cost of maintenance to practically nothing.

That, however, is but half of the battle. The transmitting station is of no value unless we have the receiving sets. We wish ultimately to put a receiving set in every one of our schools. Such a procedure, particularly in the rural schools, would be of enormous value. First, of course, we could use it for lectures delivered during school time in the same fashion that it is used in Cuyahoga County, Ohio. Second, and even more important, it could be used for evening programs. The vast majority of rural schools are situated in the hill country. That country is much like the mountains of Virginia, Kentucky, and Tennessee. Practically no means exist for social contact. When night falls, the poor people return to their little houses, where inadequate light practically prohibits all recreation or study. One of my close friends, who was brought up in the Virginia mountains, has often told me how when a boy he would walk some 5 miles after nightfall and return those same 5 miles, in order to be at a church singing festival—not because he cared for singing but because it was all that represented social life and contact.

In the same fashion I am confident that if we were able to install radios in the schools and arrange proper programs, we could draw the vast majority of the local population to those schools. We would plan to have the programs delivered once a week, or oftener, from San Juan. They would comprise reasonably short lectures on practical subjects, delivered by the best authorities on the island. In addition, we would try to have them not merely educational, but recreational as well, and would arrange for band concerts, singing, etc.

Due to the extreme poverty and inaccessibility of many of our rural districts, the ordinary means of transmitting information, such as the newspapers, are practically entirely absent. We would therefore have a brief summary of topics of the day.

At this moment many of our rural teachers quite naturally prefer to live in the nearest town rather than by their school. We are considering plans whereby they may be induced to change and live in the community. This might be done by offering a slight increase in salary, or a house, for those who would do so.

Roughly, that comprises our plans for the utilization of the radios. The difficulty that confronts us now is securing the money wherewith to buy them. We have not the resources at hand ourselves. With this end in view, we have placed before the Carnegie Foundation a request for \$50,000. Though this sum would not purchase sufficient radios to equip the schools, it would give us money wherewith to start to equip the most isolated and poorest. Once that was done and the programs established, the probabilities are that the remaining communities would somehow find means for providing for themselves.

Merely parenthetically, a radio broadcasting station such as outlined would have a very distinct value from the standpoint of contacts between North and South America. Matters of interest to Latin America could be transmitted from Porto Rico, and in addition the radio could be used for the transmission of advertising programs in Spanish to South and Central American countries. Right now,

Santo Domingo listens to our lectures on agriculture. It could play an important part in the ultimate program of mutual understanding and sympathy which must be cultivated between North and South America.

LABOR

In the past, as industries had played only a very minor part on the island, the machinery to protect the interests of the working people was only slightly developed. As a part of the department of agriculture there was a bureau of labor. Logically and inevitably it received but little attention, for agriculture and labor are distinct and separate features. In view of the strides toward industrialization that the island is making, we felt this should be rectified. We accordingly obtained the sanction of the Federal Congress for the establishment of a department of labor. The necessary steps were taken by our last legislature, and that department is now in existence and functioning.

Different services which were spread and incoordinate to a certain extent, such as those rendered by the industrial commission, the mediation and conciliation commission, the division of labor, and others, through this act were brought to and placed under the administrative jurisdiction of the new department of labor.

Besides this, provision is made in the organic act of the department of labor for the creation of a division of inspection, investigation, and diffusion of labor laws; for a bureau of employment with authorization to establish a branch office on the mainland; for a bureau of protection and claim of wages; for a bureau of women and children in industry, and for a division of accounts, property, and statistics.

Means at the disposal of the government, at the time of the signing of the general appropriation act made it impossible for the government to provide appropriations for the activities of the employment bureau in Porto Rico, and for the bureau of women and children in industry.

We hope that conditions will grow better so that we may be able next year not only to provide sufficient means for those social activities, but to expand the work of this new department by providing means for the creation of a bureau of emigration and a bureau of cooperatives and work of labor organizations.

In addition, the last legislature passed certain necessary and progressive general labor laws. The most important of these can be grouped under three general headings. The first grants to the commissioner of labor discretionary powers, within limits, on hours of work, giving flexibility to those statutes. The second deals with wages, and has for its general purpose the securing of them to the working men so that he may not be defrauded of them by any false failure or chicanery. They are definitely constituted as a first lien. The third and last deals with the practice of farming on shares, and with the loan of property to working people by the larger sugar companies, as explained in another part of the report. The purpose here is to provide that property once loaned can not be arbitrarily reclaimed before the crop is harvested.

COMMERCE AND INDUSTRY

One of the most noteworthy achievements of the insular government, remarkable because it represents work done by an agency that has been in existence for only 18 months, is the record of the bureau of commerce and industry. It operates as a separate unit under the executive office, and has branch offices in New York and Washington. It has for its mission—

- (a) The extension of markets for industries now in existence, and the building up of those industries;
- (b) The encouragement of new industries in the island;
- (c) Publicity and tourist trade, and
- (d) A general roving commission on coordination, marketing conditions, etc.

The success of the bureau's efforts is testified to by the facts. This is particularly significant, because the world has been in the throes of the greatest world-wide economic depression ever known, and prices have fallen everywhere. Porto Rico has exported more to the continental United States in quantity this year than during the previous year. While our exports have increased in volume, and remained practically identical in cash value, our imports from the United States have decreased notably. The following figures indicate this clearly:

Year	Exports to United States	Imports from United States
1929-30.....	\$95, 097, 640	\$73, 078, 779
1930-31.....	94, 876, 997	68, 018, 167

Our trade with foreign countries does not compare as favorably, but even there our position as far as the relationship between exports and imports is concerned is better.

The following table gives the total imports and exports of Porto Rico to and from all markets for the years 1929-30 and 1930-31:

Year	Total ex- ports	Total im- ports
1929-30.....	\$99, 566, 205	\$83, 922, 829
1930-31.....	198, 400, 927	176, 437, 410

¹ Revised figures.

The balance of trade, therefore, in favor of Porto Rico increased last year by \$6,320,141, or 40 per cent.

The big majority of the decrease in imports to the island, representing \$6,585,419, is found in a decreased importation of foodstuffs. Unquestionably our policy to encourage the cultivation of foodstuffs consumed locally has also borne as its fruit more food for the average individual, and more employment.

In connection, however, it must be borne in mind that the visible balance of trade in favor of Porto Rico is in a measure fictitious. This is because the invisible balance, represented by debt-service

charges, dividends on outside capital invested here, etc., stands strongly against us and represents millions of dollars yearly.

We believe that our showing will be found to be exceptional in this year, when compared with that of other countries.

During the tourist seasons of 1929-30 and 1930-31, 13 ships visited Porto Rico each year. This year, due to the work of the bureau of commerce and industry, more than 30 will visit our island.

We realized two years ago that one of the problems of the island lay in the fact that we bought too much, especially of foodstuffs, from without, and used too little of our own products. An intensive campaign has been carried on to obviate this. The object of this campaign has been—

- (a) To encourage the cultivation of foodstuffs consumed locally.
- (b) To arrange market facilities so that those foodstuffs could be distributed as evenly as possible, prices be maintained between the various insular centers, and the glutting of markets with any particular product be prevented.
- (c) To encourage individuals to use our own products wherever possible, by holding Porto Rico week, and soliciting the cooperation of individuals and firms.

To aid the vegetable farmers and all farmers who raise products consumed on the island, we have established certain government markets. These sell surplus production on a commission basis. We began with one unit in San Juan. When that proved a success, we established others in Ponce and Mayaguez, and plan to extend the system still further. We have obtained excellent results, and have received a number of inquiries from the continent respecting the practicability of this arrangement.

Reports of the local firms which manufacture such articles as clothing, etc., also indicate an increased consumption of those articles.

In spite of the unexampled conditions of economic depression under which the entire world is struggling, we have during the past year increased our exportations of manufactured products. Our needlework has made notable strides. Porto Rican embroidery is now known all over the United States, whereas two years ago not only were sales very much less, but in addition, the origin of the product was often concealed under the label of "imported." The work done in this line is testified to by the report of the trade commissioner for the Philippine Islands, who states that during the last year the sale of Porto Rican needlework in the United States has increased to such an extent that it competes seriously with that of the Philippine Islands.

What can be done with a small industry here is indicated by the progress of two firms which are making straw hats. During the fiscal year 1929-30 they exported \$47,107 worth of products. During the past year, they exported \$237,798 worth.

Many individuals have been to the island studying the possibilities from the standpoint of new industries. Some have already been started, others are under way, and more are waiting for the turn in the economic tide before beginning operations. Specifically, the last year has seen the establishment of 1 hat factory, 6 canning

factories, 2 needlework factories with many branches, 5 confectionery factories, 1 novelty factory, 1 fishing company, and some other similar endeavors. At this moment machinery is arriving on the piers for the establishment of other hat factories, and plans are under way on undertakings ranging from frozen fruit juice to by-product use of bagasse. The industrial development is indexed in our power situation. Last year saw an increase in the sale of power of 11 per cent. That increase represented entirely increased industrial use.

Perhaps the most notable of the coordinating work done by the bureau during the last year had to do with the food prices of the staple articles needed by the poor of the island. The three prime matters which they took up were milk, meat, and bread.

In all three prices were unduly high, due to monopolies, local combinations, and lack of transportation facilities. Many of the municipal slaughterhouses charged too high a price. In addition, a series of health rules which would be thoroughly applicable perhaps in other localities, drastically restricted the slaughter by farmers of their own livestock. In certain communities the practice had been for large bakers to pay competitors to cease from business. For example, X would have a shop, and Y would start one. X would pay Y \$100 per month to stop baking. The result of course was higher prices. By working with the manufacturers of the articles, by helping in organizing cooperatives, by abrogating unduly restrictive regulations, prices in all three of these commodities have been noticeably reduced. Meat was reduced from 30 to 22 cents a pound, milk from 20 to 16 cents a quart, and bread from 10 to 8 cents a pound loaf. The vital importance of this can not be overestimated.

These achievements are particularly creditable in view of the fact that the entire cost of the actual work outlined above was kept to a sum of less than \$30,000.

It is worthy of note that the chief of this bureau, in company with the representative of the Porto Rican Red Cross, went to Santo Domingo by airplane the day after the cyclone and gave notable service organizing the landing of personnel and supplies and handling their distribution. They were the first from any outside country to arrive at the scene of the disaster.

INSULAR POLICE

We have on our island an insular police force which numbers 788. We have no municipal police forces, sheriffs, constables, or similar officers. In fact, the insular police is the only police force on the island.

It is a splendid tribute to its efficiency and to the character of the people of Porto Rico, to realize that approximately 1,600,000 persons scattered from the remotest districts in the country to the populous centers in the cities, require for the enforcement of the law and the maintenance of order only this small body of men.

This year we have increased their efficiency by adding to their number a motor-cycle division of 27 men.

NEW LAWS

During the last year our legislature passed various laws of very great importance. The first of these dealt with the financial condition of the municipalities. As outlined in my previous report, this has been and still is extremely critical. During the third decade of this century, great quantities of bonds were issued by these governmental entities. To be accurate, their outstanding indebtedness rose from \$4,132,177.56 in 1922 to \$18,123,652.66 net in 1930. Matters went from bad to worse, until the cyclone in 1928 precipitated a crisis. The conditions became so that in certain instances the insular government has had to carry these debt charges. Out of 77 municipalities, 71 showed deficits in operation for the fiscal year ending June 30, 1930.

This matter was made the subject of very careful consideration. The legislative leaders held numerous conferences thereon, and the mayors and members of the local assemblies were summoned to joint conferences. No agreement was reached in the session of the legislature terminating in 1930, but in the session which terminated this spring a general reorganization was passed. Even though it does not go as far as it should and contains some provisions of which I do not approve, it is markedly better than what we had. By it municipal governments are simplified, certain positions are abolished and others made honorary, and closer check is arranged on financial expenditures. I confidently expect that through this departure the condition of the municipalities will be greatly improved.

It is worthy of note in considering this law to realize that the passage of such a measure implies self-sacrifice on the part of the legislators and various parties that advocated it. Anyone who has served in active politics can testify to the fact that it is a most difficult and arduous task for anyone holding an elective office, no matter how dire the need, to pass laws eliminating public positions.

San Juan, our capital, should be one of the important cities of this hemisphere. It has grown greatly in population during the last decade, increasing from 48,716 in 1910 to 114,715 in 1930. Because of its size, the problem of its finances is by far the most acute among the municipalities. During the last years the situation has become desperate. It had run a deficit in 1928-29 of \$36,020.63; in 1929-30 of \$114,363.77; and in the past year, 1930-31, of \$140,000. The deficits will eventually be larger, because in assets are carried uncollected taxes of which a considerable percentage will not be realized. Municipal employees had gone unpaid for many months, and matters were in such shape that it was unable even to sell its securities on the open market.

Realizing this as an emergency measure, the legislature passed a law creating a commission form of government to continue for six years. This law provides in its essence that five commissioners, nominated by the governor and confirmed by the senate, shall select the administrative officer and auditor of the city, and shall supervise the actions and plans of both. Such procedure will make it possible to draft into public service men who would not ordinarily be willing to go through the rigors of a political campaign. It will make it

possible to remodel the administration in the most economic fashion and should produce immediate results, reestablishing services now sadly deteriorated and the municipal credit.

Neither of these two laws is now in effect, as both are held up by suits in the courts.

The legislature furthermore passed a new civil-service law. This law is excellent. It compares favorably with that of any of the States, and is, in my opinion, better than the similar laws in the majority of the States. Good Government, the magazine of the Civil Service Reform League, has stated publicly, in speaking of this law, "By its adoption, Porto Rico will have a civil-service law comparable to the best modern civil-service systems in any of the State governments." We received invaluable aid from the Federal Civil Service Commission, who sent us one of their experts.

Besides these laws, the legislature also passed certain necessary amendments to the fiscal legislation in order that taxes might be more equitably adjusted and yet sufficient moneys realized to meet the vitally necessary governmental expenditures.

In this connection, the economy commission of the legislature availed themselves of the services of a financial expert from the continent, who made a most excellent report containing certain features which I hope will become law during the next session of the legislature.

Other excellent measures approved by the legislature have been dealt with in the parts of this report dealing with the particular subjects to which they have reference.

INSURANCE AND PENSION FUNDS

In my last annual report I referred to the fact that, due to the failure of the original state insurance fund of the insular government, this administration found itself saddled with debts to injured working men to the sum of more than \$850,000. Five hundred thousand dollars' worth of this was paid off by an issue of bonds. The balance remaining now has been reduced to approximately \$250,000 due to collections that have been made.

Fearful that this same situation might arise again, we decided to have the existing state insurance fund thoroughly investigated. For this purpose we engaged a prominent consulting actuary of Columbus, Ohio. His report is not yet complete, but from the information at hand at present, we believe it will indicate the necessity of reorganizing the state insurance. We will have the full report ready for action by the next session of the legislature.

At the same time we looked into this matter we decided to make a thorough investigation of the three big government pension funds—the insular employees, the school-teachers, and the insular police. For this purpose we obtained the services of the Federal Bureau of Efficiency.

We felt sure that all three funds had been organized on a basis that our economic condition in Porto Rico could not sustain and were headed for bankruptcy. With the police fund the conclusions were self-evident. Pensions were in arrears, and a potential deficit was being created which would reach into millions. With the aid of

the report by the Federal bureau, suitable legislation was passed to put this fund in proper condition. The reports on the other two funds, neither of which are in as bad shape, will be ready for action the next legislative session.

CONTINENTAL AID

We are most grateful for the comprehending and sympathetic attention given to our problems by President Hoover, and for the generous aid extended to us by the Federal executive departments and the Federal Congress.

Again this year Congress provided a million dollars, which, with the million given us last year will complete our program for asphalt-ing the insular roads. Coming at this time, it has been a godsend, for it has allowed us to spend in health units, rural schools, etc., money that would otherwise have had to be spent for road maintenance. It has helped in our unemployment problem. With the completion of our program at the end of this coming year, we will have almost finished asphalt-ing all our insular roads. In the past our roads were practically all macadamized. Because of the fact that it costs 60 per cent less to maintain an asphalt road than it does to maintain a macadam, the insular government will be saved an annual charge of approximately \$350,000, directly due to this appropriation. Congress also extended to us the Smith-Lever and Smith-Hughes Acts, dealing with agricultural extension work and vocational education.

The War Department loaned us personnel, without which it would have been difficult to operate. The Department of Commerce gave us one of their experts to aid us in extending our markets. The Navy Department furnished personnel and airplanes for the purpose of making a photographic map, which will be used to great advantage in our work on the soil survey of the island.

Besides all this we received unwearied help from local Federal officials, and numerous other invaluable kindnesses, some of which were referred to previously in this report.

For rehabilitation purposes after the cyclone the Federal Government provided \$6,000,000 to be loaned to our Porto Rico farmers. Because of the circumstances with which I have dealt in this report, it will be very difficult for them to repay this loan in cash until many years have elapsed. If the Federal Government could see its way clear to turning the right to these funds over to the insular government, I believe we could handle matters in such fashion as to go a long way toward solving some of our most pressing problems.

In the coffee district there are not only small farms, but comparatively large ones also. Our belief is that the larger farms can not be cultivated as profitably as the smaller, because better results are obtained where a man's family does practically all the work. In other words, these larger farmers would be better off if they had less property. As it is they often leave a part of their farm uncultivated. Almost all of them have loans from the Porto Rican hurricane relief commission. Very few if any of them will realize sufficient money to pay back these loans. If the right to them was ceded to the insular government, we could accept payment from them in

land. We could then turn the land over to the homestead commission and establish thereon smaller farmers. In that fashion we estimate we very probably might be able to create 12,000 to 14,000 small farm owners.

The matter might be arranged as follows: A certain sum or its equivalent in land allotted to the use of the homestead commission; a certain further amount realized in cash allotted for the purpose of building schools, where we are now renting the buildings. This would automatically cut down our annual expenses, for we would be freed from the rent we are paying and would provide buildings under which our incipient industries could expand. What remained would go into a special fund for the purpose of improving rural roads, which are, of course, the arteries which are a prime essential for agricultural prosperity.

We are much indebted, furthermore, to a large number of private individuals and associations, such as the committee for cultural relations with Latin America, etc., who have visited us and have been most generous in aiding us to lay our case before the continental United States, besides contributing to many of our endeavors.

PRESIDENT'S VISIT

This year we had the honor of a visit from the President of the United States, Mr. Hoover. He arrived at Ponce, traveled across the island seeing our people and towns, and reached San Juan in the afternoon where he received the leaders both of the important political parties and of the civic organizations. Next morning he delivered an address from the steps of the Capitol, and returned that afternoon to Ponce by a different route.

The visit was of great importance to us from every standpoint. We have been visited by a President only once before. The opportunity given us to show him what we were doing was exceeded in importance only by the moral effect of realizing that the President sympathized with our problems and difficulties sufficiently to wish to see them himself. Besides this, his visit focused the attention of the United States on Porto Rico.

SCIENTIFIC DEVELOPMENT

Last year I spoke of the very important rôle that Porto Rico is playing and will play in connection with the relationships between the United States and South America, and the practical ways in which she can contribute to the good of all. The two specific matters in which this holds particularly are tropical agriculture and tropical medicine.

Those two great applied sciences represent the greatest immediate needs of the tropical countries. By their development we can be of great service to the South American republics. I believe our country will fail in her mission if she confines her policy beyond her borders to self-aggrandizement.

Through our school of tropical medicine we are discovering cures for the diseases, which have devastated tropical peoples, and public-health methods to control them and make tropical lands safe for

human habitation. If we are able to develop it as we wish in the future, we will draw to it young men from all the Central American and northern South American countries, and probably send many of our young men to those countries to practice and to help in carrying out measures of health protection.

In agriculture the same holds true. Our experimental work will be of great value to those nations. Furthermore, our young men can go to them and help in their orientation and development.

This is not an idle dream, for even with the limited means at hand we have already accomplished much. Young American citizens born in Porto Rico are now in Peru, Ecuador, Colombia, Venezuela, Costa Rica, Cuba, and Santo Domingo working on the development of agriculture. Some are acting as production directors for large companies or agricultural associations. Others are in the respective departments of agriculture. Many of these have been sent at the direct request of the governments concerned.

For example, at the request of the Colombian Government one of our leading agriculturists visited the Department of Antioquia, of Colombia, five years ago for the purpose of making a detailed study of the school of agriculture and veterinary medicine. The study was made and the governor of that State passed legislation to put the recommendations into effect. At that time three experienced graduates from the college of agriculture of our university went to the school, where they were engaged on the staff of that organization in collegiate and extracollegiate activities.

The same gentleman addressed the first agricultural congress in Bogota and has been consulted by President E. Olaya Herrera on the reorganization of the agricultural services of the Republic of Colombia.

Not long ago another graduate of our college of agriculture was engaged by the Venezuelan Government for the purpose of assisting in the reorganization of their agricultural activities.

Last spring the Ecuadorian Government detailed its director of agriculture, Dr. Abelardo Pachano, to come to Porto Rico to study our organization here on the island. To aid him in his work of reorganization we have sent two of our young men to Ecuador, and they are there now. We have at present two distinguished Panamanians studying our methods.

At the recent Pan-American Conference on Agriculture, Forestry, and Animal Husbandry, held in Washington, it was one of Porto Rico's scientists who, as delegate from the United States, delivered the address in response to the delegation from the Latin American countries.

The work of the Porto Rican medical unit in Santo Domingo, already referred to, showed how epidemic diseases can be prevented in the Tropics, and how our men master the technic to carry out such protective measures even amidst the worst possible conditions.

As an example of the fact that Porto Rico's importance as a center for scientific study of tropical agriculture is being more fully recognized the world over, the World Conference of Sugar Cane Technologists will be held next March in Porto Rico.

SUMMARY

To sum up, conditions are slightly better in Porto Rico. We believe that our policies generally are sound and that if we can pursue them and develop them they will solve our problem. That does not mean, however, that suffering is not great. We must continue to realize funds from private contributions in the States for our school lunchrooms and milk stations, or those will have to be closed, with an immediate, disastrous result to the health of our children and babies. We must get funds to carry on our health campaign in earnest against tuberculosis, hookworm, and malaria. The groundwork is laid, that is all.

CONCLUSION

In closing, I wish to reiterate that our people in the north must not forget and neglect, as they have done in the past, their fellow-citizens of Porto Rico. They should remember first that Porto Ricans are American citizens in just the same fashion as the inhabitants of any State in the Union, and second, that they have demonstrated in the past, are demonstrating now, and will demonstrate in the future, character and ability to an ever-increasing degree. They have a distinct culture, developed over the centuries, the roots of which lie in Spain. It is as worthy of respect and consideration as that on the continent. Our attempt should never be to stamp it out or hinder its development in any way, but rather to foster and encourage it.

This is symbolized, as is the future of Porto Rico, by the University of Porto Rico. From that university will come in the future men who will play a notable part in shaping the destinies of the western hemisphere.

I have the honor to be, sir,
Your obedient servant,

THEODORE ROOSEVELT.

(The full reports, of which the following are condensations, are on file in the offices of the Bureau of Insular Affairs, in Washington, D. C., and the Governor of Porto Rico, in San Juan)

REPORT OF BUREAU OF COMMERCE AND INDUSTRY

AUGUST 8, 1931.

To His Excellency the GOVERNOR OF PORTO RICO.

SIR: Report upon the operation of the bureau of commerce and industry for the fiscal year 1930-31 is submitted herewith.

This is the first report to be rendered for a complete fiscal year and will be the last report for the bureau as an agency under the immediate direction of the governor, because under the provisions of Act No. 25 of the United States Congress, approved April 23, 1931, the bureau on July 1, 1931, became a part of the department of agriculture and commerce.

The policy established for this bureau by Governor Roosevelt from the very beginning was to raise the standard of living of the people of Porto Rico, and to this end all our efforts have been directed.

Our first care has been to preserve what business our manufacturers had, increase their sales wherever possible, and encourage the establishment of new industries. A survey made of the factories of the island showed that in almost every case they were employing more people this year than for the same period the year previous. Many small industries have sprung up to supply local demand, and these are being fostered to the end that they may increase their output for shipments to the continent.

Among the new enterprises which were started during the past year are recorded one hat factory, small canning plants, needlework factories with various branch plants, confectionery and fruit preserve factories, a fishing company, dairy companies, several slaughterhouses, plants for processing vegetable products, and two or more small cigar factories.

Needlework is an industry employing many thousands of women in Porto Rico who have no other means of livelihood. Special efforts have been directed toward improving the quality of the work in order to obtain better prices in continental markets, and a needlework school with branch units in the island has been conducted with the personal cooperation of Mrs. Roosevelt in order to teach the better kind of work to be done.

On agricultural products the policy has been to teach our people that market is a very important part of production and that, therefore, plantings must only be made after careful study of market possibilities.

Information on markets and futures has been given out from time to time and resulted, first, in preventing losses through haphazard crops and, secondly, obtaining a better return for those who have planted advisedly.

Additional markets for Porto Rican products have been opened in Europe and especially in England, where Porto Rican grapefruit has been made known and where considerable quantities are being exported.

In order to establish high standards of quality, a guaranty seal has been prepared by the bureau in compliance with the law creating it, and strict regulations have been made for the awarding of this seal only to those products of the island which will stand the severe test required by the regulations set up by this bureau. A few manufacturers have already been awarded the use of the seal and several other applications are pending.

The development of the fisheries of Porto Rico in order to offset as far as possible the importations of preserved fish has met with considerable success and a fish market is now in operation in San Juan taking care of the catch of practically the western end of the island. It is expected that other units will be established as the supply of fish increases and demand is created through restored confidence in the freshness of the product and reasonable prices charged.

A campaign has been carried on in order to create and stimulate demand for home-grown and homemade products with the result that the balance of trade in favor of Porto Rico has been considerably enhanced and it is expected that with the momentum gathered the next fiscal year will show a further gain in this direction.

Inland and ocean transportation has received considerable attention and movement of freight by truck from one town to another, in order to facilitate

distribution of island products, has been improved very materially. Reductions in ocean freight rates have been obtained from time to time and special attention has been given to refrigerating facilities aboard the steamers for the carriage of our fresh fruits and vegetables.

Realizing that tourist business is one of the best sources of income to-day, full cooperation has been given to all local civic organizations as well as steamship companies, hotels, etc., to encourage this traffic and to provide entertainment of interest to visitors. Steamers already scheduled to visit Porto Rico during the coming winter season are almost double in number those of the previous year.

In the matter of publicity, through courtesy of the United States Department of Commerce, information centers about Porto Rico have been established at all their branches. Every opportunity to secure publicity for Porto Rico in continental newspapers and publications has been availed of and articles have been written from time to time. Locally the press has been continuously supplied with information of interest to agriculturists, merchants, and manufacturers, and splendid cooperation has been given by all the island newspapers to help keep the public informed of developments in commerce and industry.

Arrangements were made to have Porto Rico represented at the second American Fair at Atlantic City, also at the Paris International Colonial and Overseas Exposition, both having resulted in considerable inquiries for Porto Rican products from the United States and Europe.

Action has been taken at various times during the year to reduce the prices of bread, meat, milk, fish, vegetables, fruits, and other food items by keeping a close watch on the markets in the United States and having our consumers receive the benefits of the declines in prices as soon as possible after they have taken place in the continent. In this way the purchasing power of the workman's dollar has been increased as much and as quickly as possible.

Special attention has been devoted to holding up the rates of wages in spite of the world-wide depression, and considerable success can be reported in this direction. In many cases wages remained as they were a year ago, and where reductions have been made in some cases they have not been of a very drastic nature.

A New York office has been maintained for the purpose of establishing business contacts on the continent and furthering publicity of Porto Rico there, and, in accordance with the law, a bureau of identification of Porto Ricans resident on the continent has been operated. The sale of revenue stamps for cigarettes shipped to Porto Rico has also been handled by the New York office and a very substantial amount of revenues collected and turned over to the treasurer of Porto Rico. An employment office for Porto Ricans was also operated by the bureau at New York City.

EXTERNAL TRADE

Data showing trade between Porto Rico, the United States, and foreign countries are given in the following table:

	Fiscal year—				
	1900	1928	1929	1930	1931
Brought from United States.....	\$6,952,114	\$79,743,088	\$85,078,596	\$73,078,779	\$68,018,167
Brought from foreign countries.....	3,037,391	12,599,241	12,782,164	10,844,050	8,419,243
Shipped to United States.....	3,350,577	96,662,619	76,418,210	95,097,640	94,876,997
Shipped to foreign countries.....	3,261,922	6,872,120	5,304,660	4,468,565	3,523,930
Total.....	16,602,004	195,877,068	179,583,630	183,489,034	174,838,337

As shown by the above table the total for goods purchased in the United States and abroad amounts to \$76,437,410, and the total for goods shipped to \$98,400,927. The favorable trade balance for the island is therefore \$21,963,517, which is the highest since the year 1920. It is interesting to know that the adverse trade balance with foreign countries, which year before last was \$6,375,485, has decreased to \$4,895,313. The decrease in the total dollar value of trade between Porto Rico and the United States is only \$5,281,255, a remarkable showing in view of the pronounced reduction which

has taken place in prices. The trade balance between Porto Rico and the United States appears as \$26,858,830 in favor of Porto Rico, which is also a remarkable showing.

The total amount of receipts collected at the customhouse on articles imported into Porto Rico for the last four years is shown in the following table:

1927-28	-----	\$2,392,250.09
1928-29	-----	2,043,325.43
1929-30	-----	1,967,456.36
1930-31	-----	1,642,450.47

The amount turned over to the treasury of Porto Rico for the last four years is as follows:

1927-28	-----	\$1,905,000.00
1928-29	-----	1,482,313.43
1929-30	-----	1,489,797.60
1930-31	-----	1,150,000.00

The net receipts for the customs district of Porto Rico during the fiscal year ending June 30 last, as compared with those of the preceding year, show a decrease for the last year of \$325,000. Considering the general economic depression, reductions in prices of commodities, and the fact that importations of sugarcane from Santo Domingo—which during the fiscal year ending June 30, 1930, had brought customs receipts of \$215,000—were discontinued last year because the customs rates were raised to \$2.50 per ton, the figures for the year are highly encouraging.

Comparative data for the last two years on the basic agricultural products are as follows:

	1930	1931
Sugar	\$53,670,038	\$54,366,133
Tobacco	15,407,184	17,164,457
Fruit	7,936,825	5,546,806
Coffee	151,550	488,846

Statement showing annual trade balance of Porto Rico from 1901

Years	Imports	Exports	Balance		Total exports and imports
			In favor of Porto Rico	Against Porto Rico	
1901	\$8,918,136	\$8,583,967	-----	\$334,169	\$17,502,103
1902	13,209,610	12,433,956	-----	775,654	25,643,566
1903	14,449,206	15,089,079	\$639,793	-----	29,538,265
1904	13,169,029	16,265,903	3,096,874	-----	29,434,932
1905	16,536,259	18,709,565	2,173,306	-----	35,245,824
1906	21,827,665	23,257,530	1,429,865	-----	45,085,195
1907	29,267,172	26,996,300	-----	2,270,872	56,263,472
1908	25,825,665	30,644,490	4,818,825	-----	56,470,155
1909	26,544,326	30,391,225	3,846,899	-----	56,935,551
1910	30,634,855	37,960,219	7,325,364	-----	68,595,074
1911	38,786,997	39,913,367	1,131,370	-----	78,700,364
1912	42,972,891	49,705,413	6,732,522	-----	92,678,304
1913	36,900,062	49,103,565	12,203,503	-----	86,003,627
1914	36,406,787	43,102,762	6,695,975	-----	79,509,549
1915	33,884,296	49,356,907	15,472,611	-----	83,241,203
1916	38,951,156	66,731,573	27,780,417	-----	105,682,729
1917	53,545,224	80,970,917	27,425,693	-----	134,516,141
1918	63,389,282	74,294,022	10,907,740	-----	137,683,304
1919	62,400,360	79,496,040	17,095,680	-----	141,896,400
1920	96,388,534	150,811,449	54,422,915	-----	247,199,983
1921	105,479,703	112,278,575	6,798,872	-----	217,758,278
1922	64,175,149	72,172,571	7,997,442	-----	136,347,720
1923	71,944,505	82,293,050	10,348,545	-----	154,237,555
1924	89,369,624	88,280,540	-----	1,089,084	177,650,164
1925	90,504,601	94,818,944	4,314,345	-----	185,323,545
1926	95,258,254	98,724,851	3,466,587	-----	193,983,115
1927	98,810,750	108,067,434	9,256,684	-----	206,878,184
1928	92,348,400	103,534,739	11,186,339	-----	195,883,139
1929	97,858,547	81,722,870	-----	16,135,677	179,581,417
1930	83,922,829	99,566,205	15,643,376	-----	183,489,034
1931	76,437,410	98,400,927	21,963,517	-----	174,838,337

In comparing the data on shipments of products from Porto Rico to the United States and foreign countries for the present year with those of the preceding year, a decrease in the total value of exports is to be found, but the difference in view of the existing depression and the consequent reduction in prices of commodities is astonishingly small. Moreover, a large proportion of the decrease is accounted for by the fact that this year's sugar crop amounts to an estimated production of 780,000 tons, thus being about 80,000 tons less than the crop of 1930, and even so, by June 30 last only 451,578 short tons of raw sugar had been shipped, whereas, ordinarily, a much greater proportion of the crop is shipped before that date.

The citrus fruit shipments which amount to such an important item in the list of exportations, likewise have been held back this year with the hope of more favorable prices. Lastly, tobacco, which comes next to sugar as a principal crop, has also been held awaiting a better market. When these facts are taken into consideration, the figures on exportations show such a small decrease that in view of the circumstances in general the results actually are quite favorable. To this must be added the drop in dollar value of commodities which has been particularly heavy on the three main crops—sugar, citrus fruits, and tobacco.

Merchandise shipped from Porto Rico to foreign countries during the fiscal year ended June 30, 1931

Group 0. Animals and animal products, except wool and hair-----	\$264, 293
Group 1. Vegetable food products, oilseeds, expressed oils, and beverages-----	704, 206
Group 2. Other vegetable products, except wood and fiber-----	99, 126
Group 3. Textiles-----	808, 205
Group 4. Wood and paper-----	104, 423
Group 5. Nonmetallic mineral products-----	822, 397
Group 6. Metals and manufactures of, except machinery and vehicles-----	376, 603
Group 7. Machinery and vehicles-----	102, 912
Group 8. Chemicals and related products-----	241, 765
Total value of shipments to foreign countries-----	3, 523, 930
Value of foreign merchandise reexported-----	114, 159
Total value of exports-----	3, 638, 089

Merchandise brought into Porto Rico from the United States during the fiscal year ended June 30, 1931

Group 0. Animals and animal products-----	\$9, 592, 202
Group 1. Vegetable food products and beverages-----	15, 207, 532
Group 2. Other vegetable products, inedible, except fibers and wood-----	5, 453, 111
Group 3. Textiles-----	14, 573, 241
Group 4. Wood and paper-----	3, 516, 286
Group 5. Nonmetallic minerals-----	2, 848, 523
Group 6. Metals and manufactures, except machinery and vehicles-----	3, 643, 400
Group 7. Machinery and vehicles-----	4, 959, 552
Group 8. Chemicals and related products-----	5, 938, 130
Group 9. Miscellaneous-----	2, 286, 190
Total value of imports from the United States-----	68, 018, 167

Cigars

Fiscal years	Number withdrawn for consumption	Number withdrawn for export	Total output	Fiscal years	Number withdrawn for consumption	Number withdrawn for export	Total output
1907-----	74, 698, 430	132, 669, 823	207, 368, 253	1920-----	98, 023, 748	223, 316, 450	321, 340, 198
1908-----	76, 983, 830	103, 781, 719	180, 705, 549	1921-----	105, 728, 125	152, 323, 916	258, 052, 041
1909-----	84, 933, 260	140, 302, 271	225, 235, 531	1922-----	77, 513, 408	140, 504, 000	218, 017, 408
1910-----	92, 700, 160	151, 724, 438	244, 424, 598	1923-----	75, 017, 877	184, 625, 596	259, 643, 473
1911-----	101, 064, 495	174, 743, 098	275, 807, 593	1924-----	75, 928, 681	175, 289, 000	251, 217, 681
1912-----	111, 682, 615	169, 765, 656	281, 448, 271	1925-----	70, 019, 209	196, 560, 000	266, 579, 209
1913-----	119, 038, 300	165, 768, 512	284, 806, 812	1926-----	108, 576, 901	214, 546, 000	323, 122, 901
1914-----	112, 711, 543	150, 363, 991	263, 075, 534	1927-----	68, 646, 933	160, 804, 000	229, 450, 933
1915-----	101, 423, 083	114, 275, 407	275, 698, 490	1928-----	63, 392, 413	144, 378, 000	207, 770, 413
1916-----	109, 130, 296	159, 248, 855	268, 379, 151	1929-----	61, 330, 173	158, 780, 620	220, 110, 793
1917-----		210, 399, 365		1930-----	55, 453, 305	145, 566, 000	201, 019, 305
1918-----	106, 646, 685	181, 779, 519	288, 426, 204	1931-----	48, 494, 265	166, 896, 000	215, 390, 265
1919-----	94, 334, 802	149, 124, 690	243, 459, 492				

¹ Treasury figures.

Cigarettes

Fiscal years	Number withdrawn for consumption	Number withdrawn for export	Total output	Fiscal years	Number withdrawn for consumption	Number withdrawn for export	Total output
1907----	347,722,000	10,460,000	358,182,000	1920----	576,424,970	5,123,850	581,348,820
1908----	354,407,900	11,232,424	365,640,324	1921----	411,716,960	5,738,000	417,454,960
1909----	365,525,500	11,244,500	376,770,000	1922----	434,652,520	2,056,000	436,708,520
1910----	393,844,300	13,142,000	406,986,300	1923----	417,306,900	¹ 2,996,500	420,303,400
1911----	459,710,045	11,760,000	471,470,045	1924----	401,134,100	7,734,000	408,868,100
1912----	532,431,000	¹ 11,293,350	543,724,350	1925----	410,101,820	14,006,000	424,107,820
1913----	464,861,210	¹ 8,907,600	473,768,810	1926----	365,260,320	10,262,000	375,522,320
1914----	376,695,120	¹ 6,195,000	382,890,120	1927----	341,856,850	12,597,000	354,453,850
1915----	339,080,165	¹ 12,020,750	351,100,915	1928----	373,457,600	16,786,000	390,243,600
1916----	308,025,865	¹ 11,785,430	319,811,295	1929----	286,631,700	17,755,000	304,386,700
1917----	340,077,040	9,571,250	349,648,290	1930----	239,324,500	21,072,000	260,396,500
1918----	426,582,000	¹ 20,111,600	446,693,600	1931----	211,685,900	30,394,000	242,079,900

¹ Treasury figures.*Merchandise brought into Porto Rico from foreign countries during the fiscal year ending June 30, 1931*

Group 0. Animals and animal products-----	\$1,831,138
Group 1. Vegetable food products, oil seeds, expressed oils, fats, and beverages-----	1,103,658
Group 2. Other vegetable products, except fiber and wood-----	105,440
Group 3. Textiles-----	1,085,326
Group 4. Wood and paper-----	126,721
Group 5. Nonmetallic mineral products-----	2,415,138
Group 6. Metals and manufactures of, except machinery and vehicles-----	122,482
Group 7. Machinery and vehicles-----	134,101
Group 8. Chemicals-----	872,135
Group 9. Miscellaneous-----	623,104

Total value of imports from foreign countries----- 8,419,243

Data on shipments of tobacco leaf and scrap for the last four years are as follows:

Fiscal year	Pounds	Value in dollars
1928-----	29,934,896	17,074,560
1929-----	27,468,851	13,029,286
1930-----	26,037,750	11,916,505
1931-----	¹ 25,180,135	13,165,247

¹ To United States only.*Sugar exports, 1903-1931*

Fiscal year	Short tons	Value	Average price per ton	Fiscal year	Short tons	Value	Average price per ton
1903-----	113,108	\$7,470,123	\$66.04	1918-----	336,788	\$41,362,229	\$122.81
1904-----	129,647	8,690,614	67.04	1919-----	351,910	45,132,419	136.77
1905-----	135,663	11,925,804	87.90	1920-----	419,388	98,923,750	235.88
1906-----	205,277	14,184,667	69.10	1921-----	409,407	72,440,924	176.94
1907-----	204,079	14,770,683	72.37	1922-----	409,889	40,820,333	86.86
1908-----	234,607	18,690,504	76.52	1923-----	355,423	46,207,276	130.01
1909-----	244,257	18,432,446	75.46	1924-----	372,041	47,838,687	128.58
1910-----	234,522	23,545,922	82.75	1925-----	571,550	53,261,895	93.20
1911-----	322,919	24,479,346	75.81	1926-----	578,811	53,223,258	93.30
1912-----	367,145	31,544,063	85.92	1927-----	574,869	54,756,984	95.25
1913-----	382,700	26,619,158	69.55	1928-----	505,538	54,579,020	90.13
1914-----	320,633	20,240,333	63.12	1929-----	471,244	35,222,162	74.74
1915-----	294,475	27,278,754	92.64	1930-----	721,217	53,670,038	74.41
1916-----	424,955	45,809,445	107.79	1931-----	806,826	54,367,401	67.38
1917-----	488,943	54,015,903	110.47				

Coffee exports, 1903-1931

Fiscal year	Pounds	Value	Average price per pound	Fiscal year	Pounds	Value	Average price per pound
1903-----	35,207,139	\$3,970,574	\$0.112	1918-----	37,618,613	\$5,505,316	\$0.146
1904-----	34,329,972	3,903,257	.113	1919-----	27,897,771	6,065,573	.217
1905-----	16,949,739	2,141,019	.127	1920-----	32,776,754	9,034,028	.276
1906-----	28,290,322	3,481,102	.123	1921-----	26,731,648	5,352,924	.20
1907-----	38,756,750	4,693,004	.121	1922-----	23,402,127	4,316,859	.141
1908-----	35,256,489	4,304,600	.122	1923-----	16,821,939	3,188,002	.189
1909-----	28,489,236	3,725,744	.130	1924-----	21,859,215	4,595,215	.21
1910-----	45,209,792	5,669,602	.125	1925-----	23,780,574	6,574,855	.28
1911-----	35,937,021	4,992,779	.147	1926-----	26,330,159	7,070,652	.26
1912-----	40,146,365	6,754,915	.168	1927-----	19,353,581	5,747,932	.296
1913-----	49,774,197	8,511,316	.171	1928-----	7,838,104	2,596,572	.33
1914-----	50,311,946	8,193,544	.163	1929-----	1,278,615	456,831	.36
1915-----	51,125,620	7,082,791	.138	1930-----	433,901	151,550	.346
1916-----	32,144,283	5,049,283	.157	1931-----	1,978,359	546,299	.276
1917-----	39,615,146	5,892,081	.149				

Data on shipments of fruits for the last four years appear in the following table:

	Fiscal year			
	1928	1929	1930	1931
Oranges-----	1,286,039	59,760	628,541	262,441
Pineapples-----	1,654,108	1,727,063	1,743,862	2,278,449
Canned pineapples and others-----	1,159,175	523,070	1,504,829	602,440
Coconuts-----	713,992	264,778	233,084	232,388
Grapefruits-----	2,704,310	529,627	3,621,000	1,392,250
Other fruits-----	21,170	11,202	204,809	11,226
Total-----	7,538,794	3,115,500	7,936,125	4,779,194

To sum up, Porto Rico has one great problem—the economic one. If this can be solved, the pathway to attainments of all sorts automatically will become smooth. The problem is difficult in the extreme, but it is not insurmountable. It can not be settled quickly, however. Even should the sound, far-reaching policies and methods which characterize the present insular administration be continued indefinitely, it will probably take at least a decade to bring about pronounced improvement in the lot of the average family, and it goes without saying that the full support of the people to these policies and methods is implied.

Very respectfully,

CARY I. CROCKETT,
Acting Chief

REPORT OF THE EXECUTIVE SECRETARY OF PORTO RICO

OFFICE OF THE EXECUTIVE SECRETARY,
San Juan, P. R., August 20, 1931.

SIR: I have the honor to submit herewith to your excellency the annual report of this office for the fiscal year ending June 30, 1931.

LEGISLATION

Pursuant to section 33 of the organic act, the third regular session of the twelfth legislature convened the second Monday in February, 1931, the 9th day of that month, and lasted the full period allowed, closing April 15 following. Two hundred and six bills and 171 joint resolutions were passed; 101 bills and 75 joint resolution were signed by the governor and became laws; 1 bill and 3 other joint resolutions also became laws without the signature of the governor, as they were not returned by him without his approval before adjournment sine die; 27 bills and 13 joint resolutions were expressly vetoed by the governor; and the remaining 77 bills and 80 joint resolutions were allowed to lapse by the governor not signing them within 30 days after the legislature closed its session.

The vetoed legislation consisted chiefly of measures transferring to the insular government matters which are purely municipal concerns, relieving municipalities of obligations incurred with the central government, or involving expenditures the insular government was in no position to make. The outlay called for by all this legislation amounted to considerably over \$1,000,000.

The following is a résumé of the most important bills approved by the governor: Act 8 authorizes the municipalities to issue credit certificates receivable in payment of taxes. The general municipal law has been amended by Act 98, which, among other things, decreases the number of administrative officers, provides that assemblymen shall serve without compensation, require auditors to be appointed by the governor, makes mayors removable by him, reduces the proportion of the budget that may be used for salaries, and provides additional sources of revenue. Act 89 turns the power to tax admissions to public spectacles over to the municipalities. A special government is provided for San Juan by Act 99. A new and improved procedure for urbanization of municipal lands is laid out in Act 11.

Act 15 organizes the new labor department and Act 25 the department of agriculture and commerce, which also provides for acceptance of the conditions of Congress for extension to the island of agricultural experiment-station work legislation. A number of other acts regulate labor contracts and guarantee the payment of wages, limit the weight of bags for bodily transportation, regulate share-cropping contracts and exempt from taxation land gratuitously ceded for farming, allow the employment of minors who are orphans or have disabled parents, under certain conditions, so they may earn a livelihood, and otherwise promote the interests of wage earners and farmers.

Another series of acts authorizes part payment of taxes, increases the gasoline tax to 7 cents on each gallon, and the coffee import duty to 15 cents a pound, provides for a preliminary classification of property for a general revision of assessments, and amends the excise tax law by increasing the rates on oils and lubricants and articles partaking of the nature of luxuries, while decreasing those on others which were so high that the result was a considerable contraband traffic in them with consequent loss of practically all taxes.

The purpose of Act 22 is to protect and extend school lunch rooms. By Acts 27 and 28, the recent acts of Congress relating to vocational rehabilitation and education, have been accepted. Two other acts provide a new procedure for certification of teachers, etc., and repeal outworn sections of the school law, as well as certain other obsolete legislation.

Other important acts comprise new regulations for the practice of medicine, the adoption of the uniform law for the registration of births, marriages, and deaths, the creation of a property registry in Utuado, the uniform declaratory judgment law, an act declaring void sales by lots or in bulks under certain circumstances, a local pure foods and drugs act, a new police retirement law, an election contesting law, validation of all acts by the Government under certain legislation promulgated in 1919 and declared null by the Boston Circuit Court of Appeals early in 1931, amendments to the workmen's accident compensation law increasing the tax rate on insurance companies for workmen's insurance and otherwise strengthening the law, devoting the proceeds of the tax on winnings in race-track bets and pool combination blanks to child tuberculosis-prevention work, creating a new civil service commission and to regulate and improve the civil service, and again amending the Isabela irrigation law as regards assessment rates, payment of charges not covered thereby, membership of commission, and life of temporary district.

The more important among the joint resolutions are No. 6, accepting the reduction made by Congress in the amount to be paid by Porto Rico for dredging San Juan harbor, Nos. 27, 28, and 29, which together with some acts, tend to facilitate the work of the Hurricane Relief Commission in connection with its loans to farmers; No. 66, authorizing the construction of private slaughterhouses, which, it is thought, will cheapen and increase the consumption of meat and will thus result in an improvement of the diet of the poorer people; and No. 74, making provision for carrying out the construction of the general plan of municipal roads, with a total length of 1,500 kilometers.

CORPORATIONS AND ASSOCIATIONS

The number of domestic corporations registered in the office of the executive secretary during the fiscal year 1930-31 was 45, or 6 more than the previous year. These corporations had an authorized capital stock of \$3,833,000 and a paid-in capital of \$645,900. Fifteen of them were mercantile; 8 mercantile and industrial; 6 industrial; 3 for transportation; 3 were to engage in a theater and moving-picture business; 2 agricultural; 1 for operating docks; 1 dealing in tobacco; 1 a construction company; 1 a cooperative building, savings, and loan association; and the rest for various other businesses. Twenty-one domestic corporations were dissolved during the same time, 3 of them by legislative action.

Twelve foreign corporations qualified for business in Porto Rico by filing in the office of the executive secretary the documents required by law. Five are mainly mercantile, 3 industrial, 2 in motion-picture business, 1 agricultural, and 1 in a general foundry and machinery business. They were authorized to issue stock of a par value aggregating \$525,000, as well as 2,705,000 shares of no par value. No corporation of this sort withdrew from the island during the year.

Fifty-nine domestic associations not for profit were registered during the same period. Of these, 24 were for mutual aid, 12 social, 6 fraternal, 3 agricultural, 3 religious, 2 for target shooting, 2 educational, and the rest for miscellaneous purposes.

Six cooperative marketing associations not for profit were formed during the year. Of these, 2 dealt with milk and its by-products, 1 with vegetables, 1 with sugar, 1 in tobacco, and 1 in coffee and other products. No association of this type was dissolved.

One cooperative association for the production and consumption of bread, meat, and other foods was organized during the year. One association of this kind was dissolved by legislative action.

PASSPORTS

During the fiscal year ending June 30, 1931, 548 passports were issued, and 37 renewed.

The executive secretary's office has continued cooperating with the Department of State in preventing the traffic in spurious Porto Rican birth and baptismal certificates. In this connection, investigations are conducted throughout the island in order to determine not only the authenticity of birth records, but the identity of persons concerned.

The executive secretary has also assisted in every possible way the head of the identification office at 1457 Broadway, New York City.

TRADE-MARKS

During the last fiscal year there were registered 106 domestic trade-marks, 35 United States letters patent, and 20 United States trade-marks.

EXECUTIVE CLEMENCY

During the year under review the governor received 454 petitions for clemency.

The following statement shows the number of petitions received and the action taken thereon:

Applications for clemency:	
Granted—	
Full pardons	11
Conditional pardons	11
Paroles	14
Sentences commuted	7
Civil rights restored	11
Fines remitted	1
	55
Denied after investigation and consideration	327
Filed without consideration	61
	443
Pending	11

FEES

The fees collected in this office during the fiscal year amounted to \$11,185.65, as follows:

Filing and registration fees, corporation papers	\$4,816.45
Registration of domestic trade-marks, United States letters patent and trade-marks	1,832.80
Authentication of signatures, certified copies of documents, and other miscellaneous fees	588.40
Passports:	
Federal fees	2,740.00
Insular fees	548.00
Hunting licenses	660.00
Total	11,185.65

Six new consular officers in Porto Rico were duly recognized and entered in the register of consuls: A consular agent of Brazil; a provisional consul of Cuba; a consul general of the Dominican Republic; a consul of Great Britain, and an honorary vice consul of Ecuador, all with residence in San Juan; and an honorary consul of the Dominican Republic, residing at Mayaguez.

BUREAU OF SUPPLIES, PRINTING, AND TRANSPORTATION

The following table shows the assets and liabilities of the bureau of supplies, printing and transportation as of June 30, 1931:

ASSETS

	Dr.	Cr.
Fixed assets:		
Printing division	\$102,789.54	
Transportation division	21,476.15	
Office furniture and fixtures	8,994.74	
Equipment	707.11	
Building	1,858.76	
	\$135,826.30	
Current assets:		
Funds—		
Treasurer of Porto Rico	62,629.06	
Fund for loan payments	2,902.25	
Appropriation fund, 1929-30	2,326.23	
Appropriation fund, 1930-31	2,360.65	
	70,218.19	
Merchandise inventory (in)—		
Bureau stock (M. & S.)	32,390.18	
Transportation division stock	1,502.91	
	33,893.09	
Merchandise inventory (out)—		
Gasoline in Ponce	80.12	
Gasoline in Guayama	28.60	
	108.72	

	Dr.	Cr.
Current assets—Continued.		
Accounts receivable.....	\$332,023.06	
Suspense accounts receivable.....	9,873.23	
Work in process—printing.....	15,269.01	
Revised statutes and codes of Porto Rico.....	152.75	
Purchases in transit.....	20,492.20	
Post office—key deposit.....	.60	
Labor on department cars.....	59.90	
Deferred charges:		
Appropriation for administrative expenses, fiscal year 1930-31.....	1,915.39	
Fire insurance.....	1,602.76	
Risk insurance.....	665.71	
Printing division expenses in suspense.....	799.11	
	<u>4,982.97</u>	
		<u>622,900.02</u>
LIABILITIES		
Fixed liabilities:		
Investment.....	\$214,657.15	
Appropriation.....	100,000.00	
		<u>\$314,657.15</u>
Current liabilities:		
Loan payable (advances for equipment)---	5,037.84	
Audited vouchers and pay rolls.....	258,945.84	
United States accounts payable.....	26,895.40	
Suspense payable.....	6,602.27	
		<u>297,481.35</u>
Reserve accounts:		
Printing division.....	2,666.91	
Transportation division.....	690.69	
		<u>3,357.60</u>
Special nominal accounts: Surcharge 1930-31.....		<u>7,403.92</u>
		<u>622,900.02</u>

BUREAU OF WEIGHTS AND MEASURES

In pursuance of the duties imposed upon it by law, this bureau during the past fiscal year inspected and tested over 175,000 weighing and measuring apparatus and instruments. It also verified the weight or measure of nearly 600,000 packages of merchandise. The number of complaints filed in the courts for violations of the law was 617, convictions reaching 90.1 per cent. In this and various other ways the bureau has diligently and efficiently continued to act as a check on unscrupulous merchants and saved the consumers much more than what the service costs.

Very respectfully submitted.

E. J. SALDAÑA,
Executive Secretary of Porto Rico.

The honorable the GOVERNOR OF PORTO RICO,
San Juan, P. R.

REPORT OF THE AUDITOR

SAN JUAN, PORTO RICO.

To the honorable the GOVERNOR OF PORTO RICO,
San Juan, Porto Rico.

SIR: I have the honor to submit herewith the annual report of the auditor of Porto Rico for the fiscal year ended June 30, 1931.

GENERAL FUND—CASH

The general fund, commonly termed insular revenues, represents the collection of taxes and other receivables which, according to law, are available for the current operations of the government. The general fund shows a cash balance of \$553,026.85 as of June 30, 1931, viz:

Cash balance as of July 1, 1930-----		\$401, 877. 91
Receipts:		
Insular revenue receipts-----	\$11, 054, 197. 56	
Nonrevenue receipts-----	5, 424, 101. 78	
		16, 478, 299. 84
Available resources, fiscal year 1930-31-----		16, 880, 177. 25
Disbursements, fiscal year 1930-31-----		16, 327, 150. 40
Cash balance as of June 30, 1931-----		553, 026. 85

Revenue receipts for fiscal year 1930-31 as compared with the treasurer's original estimate, on which our financial program for the year was based, shows an excess of collections over the estimate of \$554,197.56, and an increase of \$1,439,950.92 over actual collection of fiscal year 1929-30. During the year the treasurer revised his estimate, increasing it from \$10,500,000 to \$10,585,000. Actual collections amounted to \$11,054,197.56.

This excess of collections over the estimate enabled us to extend our financial program and take care of services necessary to the public good, provided for and authorized by law from "any funds available in the insular treasury not otherwise appropriated." Such services and works as were most essential were considered and appropriations were accordingly set up within the margin of available resources. These particular appropriations were not included in the original financial program because our margin of resources was insufficient to set them up at the time the original program was prepared. Final liquidation of general-fund operations for the fiscal year 1930-31 resulted in an excess of resources over liabilities of \$203,969.21, and, including a reserve for contingencies as provided for by Act No. 5 of 1930, the surplus of cash and other resources over appropriation liabilities as of June 30, 1931, totaled \$755,067.27. This is particularly encouraging considering the difficult financial condition of the insular government at the close of last year when we predicted in our annual report an estimated deficit of approximately \$1,365,000 in budgetary operations for the year.

We have also made progress in reducing the amount of carry-over appropriation liabilities. At the commencement of fiscal year 1930-31 carry-over appropriations amounted to \$862,340.64, whereas at the commencement of fiscal year 1931-32 carry-over appropriations total \$629,861.72, or a decrease of \$232,478.92. This also is encouraging in view of the fact that for the fiscal year 1930-31 budgetary and other appropriations exclusive of carry-over appropriations totaled \$14,137,712.22 (includes payments on the floating debt of \$3,286,882.60), whereas in 1929-30 total appropriations amounted to \$10,847,519.70. In other words, services during the fiscal year 1930-31 were maintained, or rather were increased, yet general-fund operations for the year resulted in a surplus of resources over appropriation liabilities of about \$200,000, and at the same time carry-over appropriation liabilities were reduced approximately \$230,000.

Trust funds.—Cash balance as of June 30, 1931, amounts to \$6,771,035.12, or an increase of \$311,088.87 over cash balance at close of previous year.

Transfers from the general fund to trust funds amounting to \$621,953.35 and transfers to the general fund from trust funds totaling \$118,818.61 are explained in detail in Exhibit No. 3 (omitted in printing).

Notes payable.—Balance as of June 30, 1931, amounts to \$730,494.54. Balance as of June 30, 1930, was \$3,326,800. New loans contracted during the year amounted to \$548,494.54. The net change accordingly represents a sizeable decrease in outstanding indebtedness under notes payable in the amount of \$2,596,305.46.

The total amount of interest paid on notes during the year was \$33,008.51. Of this amount, \$4,613.80 was paid from the general fund and the remaining balance is applicable to trust funds.

Bonded indebtedness.—Outstanding bond obligations of the insular government on July 1, 1930, amounted to \$25,353,000; on June 30, 1931, \$29,097,000. Balance of the redemption fund as of June 30, 1931, amounted to \$1,458,577.14. The total amount of bonds issued during the year is \$4,650,000. Bonds redeemed during the year total \$906,000. Net increase in bonded indebtedness is accordingly \$3,744,000. Interest charges on the bonded debt for fiscal year 1930-31 amounted to \$1,354,257.50. This, together with amount paid on bank loans during the year (\$33,008.51), results in a total interest cost of \$1,387,266.01 on outstanding indebtedness of the insular government for fiscal year 1930-31. Further details as to the sale and redemption of bonds during the year are shown in Exhibit No. 31 and in the treasurer's annual report.

AUDIT OF REVENUES

During the fiscal year 1930-31 this office audited 1,048 accounts of collectors of internal revenue, involving total revenues of \$16,179,078.10, pertaining to insular revenues and trust funds.

Last year I prepared a brief memorandum for the governor in which certain examples of practical economies made during his administration were pointed out. In themselves they explain a tighter control and supervision of the government's finances.

I think a sum up of these activities for the past year will interest you inasmuch as they afford us additional available resources in the amount of \$576,059.51.

I do not attempt to cover all economies, savings, or collections in which this office may have had either direct or indirect intervention, but am merely pointing out several of the more important activities initiated during your administration which are of special interest.

Excise taxes.—During the last quarter of fiscal year 1929-30 we started an investigation of importations of taxable merchandise over a 5-year period, commencing in July, 1925, and ending in December 31, 1929. We confined our investigation to excise taxes owed to but not registered in the books of the department of finance. About 500,000 bills of lading applying to approximately 1,800 ships were examined. As a result of this work, 2,735 internal-revenue invoices covering excises due but unreported were issued by this office and sent to the treasurer for verification and collection. This involved taxes amounting to \$183,423.41, which taxes are now in process of collection. As a matter of fact, of this amount \$53,423.09 has already been collected and deposited in the insular treasury. From one firm alone we uncovered taxes due on importations in the amount of \$68,186. It is my belief that the insular government would have lost most of these taxes were it not for this investigation.

Coffee protection bureau.—Last year as a result of an investigation made by this office of the coffee protection bureau a budget was prepared and the personnel of this bureau was reduced from 106 to 21 employees. The work of the bureau is being handled efficiently and well by the present staff. The investigation and subsequent reorganization has resulted in a total saving of \$187,143.33.

Collection of past due accounts.—Under section 124 of the Political Code this office is privileged to make collection of any accounts owed or due the insular government. During the year in auditing revenues represented by property taxes, income taxes, etc., in arrears, we withheld or collected a total of \$88,794.60. This amount represents collection during the fiscal year 1930-31 of 527 accounts outstanding over the period July, 1922, to June, 1931. Last

year, when we commenced this work, we collected a total of \$116,698.17 on 499 accounts past due. Thus since commencing this particular phase of revenue audit work we have liquidated 1,026 old accounts and collected a total of \$205,492.77.

As I have already mentioned, a sum up of these three activities afford us additional available resources in the amount of \$576,059.51. This has helped in a certain extent to meet increased budgetary expenses in accordance with your policy to expand such necessary services as education, health, etc., which otherwise would have had to be met with increased taxes.

I think that the value and importance of revenue audit work is thus emphasized in the results obtained during the year under review. Last year the legislature voted an appropriation of \$45,000 for this office for the purpose of revenue audit work and for budget framing. I predicted that this authorized increase in the budget would easily be taken care of by revenues recovered in the course of audit work we proposed to do. The results are highly satisfactory and speak for themselves. Excises alone returned \$183,423.41 revenues previously unreported and now in process of collection. It is unfortunate that during the last session of the legislature our \$45,000 appropriation was reduced to \$29,500 which will of course limit to some extent this phase of revenue audit work.

OTHER AUDITS AND EXAMINATIONS

On November 7, 1928, the Federal Power Commission granted a license to the Porto Rico Railway, Light & Power Co. to develop hydroelectric power from various rivers of the Luquillo Range of mountains in the northeast corner of Porto Rico, flowing south from the peak and joining to form the Rio Blanco of Naguabo.

The public service commission of Porto Rico on December 27, 1927, granted a franchise to this company authorizing it to utilize the waters of these rivers in the development of hydroelectric power, and to construct, maintain, and operate a hydroelectric plant and appurtenances thereto. By virtue of this franchise the government of Porto Rico reserved the right to acquire said plant at the expiration of a 10-year period after construction, or upon an extension of the aforesaid period for successive periods of five years, the price to be paid therefor to be based on cost less depreciation.

The Porto Rico Railway Light & Power Co. upon completion, in accordance with the Federal power act, filed a statement with the Federal Power Commission showing the original cost of the project as of May 31, 1930.

At the request of the executive secretary, Federal Power Commission, this statement was audited by an examiner from this office in conjunction with the accountant of the public service commission. This audit was important inasmuch as the report rendered should serve as a starting point for the Federal and insular authorities in the determination of the original cost of the project. The report has been transmitted to the Federal Power Commission, Washington, D. C.

The attorney general of Porto Rico, in conjunction with the Federal Intermediate Credit Bank of Baltimore, conducted an investigation of the corporation, Tabacaleros de Caguas (Inc.). The services of an examiner of this office were requested to examine the accounts of this company. A complete audit was made and copies of the report were transmitted to the bank and to the attorney general.

The American Red Cross (Porto Rico chapter) had differences with the municipality of Aibonito relative to certain debts incurred in the years 1927 and 1928 which were supposed to be partially liquidated with Red Cross funds. An examiner of this office was assigned to the case and the matter has been satisfactorily settled.

An investigation of the records of fines and fees in the municipal court at Carolina was made as a result of which both the judge and the secretary were immediately suspended from office and salary by the government. Later the judge was permanently removed from office and the secretary tendered his resignation.

The office of secretary of the municipal court at Humacao was examined and found to be short in funds under custody of secretary in the sum of \$1,288.28. The report was transmitted to the governor and to the attorney general and said official has been removed from office. In this case criminal proceedings are being instituted in the district court at Humacao.

The examination of the books, records, and accounts of the financial receiving, and stamp clerk of the treasury department showed that the previous incumbent was short in his collections in the sum of \$2,156.12. This shortage is represented by property taxes paid by a corporation for the entire fiscal year 1917-28 in the sum of \$4,812.24 and only one half of it was accounted for by the receiving officer. Besides the matter of a shortage of funds the report also shows that false entries appear to have been made in one of the registers for collections of revenue. Copies of this report were transmitted to the treasurer for administrative action and to the attorney general for whatever criminal proceedings he deems necessary.

In addition to these special activities and usual routine examinations made, the following engagements in the auditing of municipalities deserve special mention:

1. The examination of the municipality of San Juan.

In this work four examiners were engaged during practically the entire second semester of the year. In the course of the investigation two cases of embezzlement of public funds were discovered. One was that of a deputy collector of aqueduct fees who had misappropriated certain sums and was sentenced to serve a term of one year in jail, and another of the administrator and assistant of the municipal hospital, who embezzled pay-patient fees. The municipal hospital case was submitted to the attorney general. After considering the evidence submitted the prosecuting attorney ordered the arrest of the administrator and his assistant. The case has not yet been heard in the court.

2. Investigation of charges preferred by members of the municipal assembly of Cabo Rojo against the mayor before the governor, as provided in section 11 of the municipal law.

The controversy between the assembly and the mayor was investigated, and the report rendered by the examiner on his findings was submitted to the president of the senate, who, according to the law, must select a committee to hear the case and submit their recommendations to the governor.

3. Investigation of charges preferred by members of the municipal assembly of Manati against the mayor as provided in section 11 of the municipal law.

As in the case of Cabo Rojo, the report was submitted to the president of the senate for proper action.

4. The examination of the municipality of Yabucoa.

In this engagement the investigation made of the aqueduct showed that a deputy collector had manipulated collections and misappropriated funds. The report has been transmitted to the attorney general for whatever action he deems necessary.

5. A cash audit of the funds under the custody of the municipal treasurer of Santa Isabel.

A shortage of funds amounting to \$709.98 was discovered. The report was transmitted to the attorney general, and the grand jury of Guayama returned a true bill against the treasurer for embezzlement of public funds.

6. Cash audit of the municipal treasurer of Toa Baja.

The accounts of this official were found short in the amount of \$733.46, and the case was submitted to the attorney general for action. The case is pending trial before the grand jury.

7. Investigation of charges preferred by municipal auditor against the mayor of Juana Diaz.

The report rendered was handled by the department of justice and is in the hands of the fiscal of Ponce for whatever legal action he may deem proper.

MUNICIPALITIES

Municipal budgets.—A general examination of the current and supplementary budgets of the 76 municipalities of the island was made in this office during the fiscal year. Current budgets for fiscal year 1930-31 amounted to \$6,412,921.64, or \$263,538.08 less than the budgets for 1929-30. Supplementary budgets this year amounted to \$81,365.56, or \$37,405.82 less than the previous year.

A detail of current and supplementary budgets by municipalities is shown in Exhibit No. 70.

Operation of the general fund.—Actual collections of the general fund show that amounts collected below the estimates during fiscal year 1930-31 aggregated \$1,634,135 for all municipalities. During the last three years under-collections have increased from \$868,624.42 to \$1,634,135, and the number of

municipalities reporting undercollections increased during that time from 64 to 75. During the fiscal year under review only one municipality reported collections in excess of estimate. Guanica reported an excess of \$20,582.65.

	1928-29	1929-30	1930-31
Municipality of San Juan.....	\$346,124.36	\$455,755.57	\$404,567.58
Municipality of Ponce.....	121,379.37	128,410.73	100,117.92
Other municipalities.....	¹ 401,120.69	² 838,517.70	³ 1,129,449.50
Total.....	⁴ 868,624.42	⁵ 1,422,684.00	⁶ 1,634,135.00

¹ 62 municipalities. ³ 73 municipalities. ⁵ 70 municipalities.
² 68 municipalities. ⁴ 64 municipalities. ⁶ 75 municipalities.

The amounts under collected represent about 32 per cent of the total amount of revenue on which the municipalities depended to incur their current liabilities of the general fund. This resulted in the accumulation of a corresponding proportion of outstanding accounts payable both in the form of current budgetary claims and in the form of advances of taxes.

Operation of the school fund.—Under collections of school funds during fiscal year 1930-31 amounted to \$596,155.54 as compared with the estimates. This represents 39 per cent of the total amount of school funds on which the municipalities based their school budgets. Estimated collections of school funds for fiscal year 1930-31 was \$1,515,034.88 and actual collections amounted to \$918,879.34.

School funds are derived from a proportion of property taxes. The property tax, collected by the treasurer of Porto Rico, is also the main source of revenue of the general fund of municipalities. Collections of property tax have declined about 4 per cent this year as compared with last year.

Receipts and disbursements.—Total receipts for fiscal year 1930-31 amounted to \$8,785,652.81 and disbursements totaled \$8,365,126.10. Cash balance, as of June 30, 1931, amounted to \$4,080,064.45, as compared with cash balance of \$3,659,537.74 on June 30, 1930. A detailed classification of receipts and disbursements by municipalities is shown in Exhibits Nos. 71 (a) and 71 (b) (omitted in printing).

Liquidation of budgets.—The liquidation of budgetary operations of the municipalities of Porto Rico for fiscal year 1929-30, made in this office during the fiscal year under review, is submitted in Exhibits Nos. 72 and 73 (omitted in printing), classified by municipalities. Outstanding accounts payable of the general fund has increased considerably in the past four years. On June 30, 1927, the amount was \$526,603.76; on June 30, 1930, outstanding accounts payable reached the sum of \$1,299,779.47, of which \$473,246.10 correspond to the municipality of San Juan and \$84,881.27 to the municipality of Ponce. Only 2 of the 76 municipalities liquidated their budgets with no accounts payable outstanding. They should be mentioned—Cabo Rojo and Trujillo Alto.

Cash.—The consolidated cash balance of all municipalities at the close of business on June 30, 1931, amounted to \$4,080,064.45 as per official cash statements audited and reconciled by this office against bank accounts. Of this cash balance, \$94,433.15 represents current funds and \$39,432.28 represents school funds pertaining to all the municipalities as available to meet budgetary liabilities. The remaining balance, \$3,946,199.02 represents cash bonds and deposits, loan funds, redemption funds, and other special funds.

Unexpendable property.—The cost of unexpendable property possessed by all municipalities at the close of business on June 30, 1931, amounted to \$24,793,832.64, as shown by the controlling account of this office, as compared with \$24,049,818.19 at close of the last fiscal year. During the year increases were recorded, due to purchases or construction, in the amount of \$1,215,816.20, and decreases, due to sales, transfers, deterioration, losses, or destruction by hurricane, were accounted for in the amount of \$471,801.75. A detailed statement of unexpendable property by municipalities is submitted in Exhibit No. 74 (omitted in printing).

During the fiscal year examinations of property records were made in 18 municipalities in addition to 7 special investigations. As a result of these investigations, property which cost the municipalities \$39,958.56 was recovered.

Property in the amount of \$300,895.09 which had never been recorded was found and set up on the property records of this office as well as on the inventories of the municipalities concerned.

I have been compelled to detail two men from other necessary work in the office to inspect municipal property records and make special investigations. We have no position assigned in the budget to take care of this important work. I think you will agree that the results obtained emphasize the need of additional personnel for this work and I sincerely hope the matter will be considered in the next budget.

Debt service.—The principal outstanding on June 30, 1931, corresponding to all the municipalities amounted to \$19,957,352.15, and interest accrued and payable amounted to \$27,603.47. A detailed statement of the debt service of municipalities is submitted in Exhibit No. 75 (omitted in printing).

A summary of the debt-incurring power of the municipalities of Porto Rico based on the margin of assessed property valuation authorized under the organic act, and the debt-incurring margin of each municipality, is shown in Exhibit No. 76. The net debt-incurring margin of municipalities as of June 30, 1931, amounted to \$4,027,732.90.

In a year of world-wide economic depression the insular government of Porto Rico disbursed \$33,620,075.22 (about \$5,300,000.00 more than in 1929-30) and, for the first time in 17 years, reports an actual surplus of cash and other resources over appropriation liabilities in the final liquidation of general fund operations.

Respectfully submitted.

L. A. MACLEOD,
Auditor of Porto Rico.

EXHIBIT No. 76

Statement showing the debt-incurring power of the municipalities of Porto Rico as of June 30, 1931

Capacity authorized by law:

Municipality of San Juan, 10 per cent of-----	\$73, 153, 158. 00	\$7, 315, 315. 80
Municipality of Ponce, 10 per cent of-----	27, 500, 276. 60	2, 750, 027. 66
All other municipalities, 5 per cent of-----	230, 551, 924. 79	11, 527, 596. 22

Total assessed property valuation----- 331, 205, 359. 39

Total debt-incurring power of all municipalities----- \$21, 592, 939. 68

Outstanding indebtedness:

Unaccrued payables—		
Bonds outstanding-----	\$17, 297, 600. 00	
Local loans-----	1, 609, 091. 32	
Advances of taxes-----	91, 551. 34	
Loans with insular government-----	449, 075. 00	
Other indebtedness-----	145, 271. 17	
		\$19, 592, 588. 83

Accrued principals payable—

Bonds redemption fund deficiencies due the treasurer of Porto Rico-----	43, 942. 94	
Local loans-----	189, 889. 28	
Advances of taxes-----	76, 161. 70	
Loans with insular government-----	16, 028. 89	
Other indebtedness-----	38, 740. 51	
		364, 763. 32

Total outstanding indebtedness----- 19, 957, 352. 15

Less redemption funds:

For bonds-----	\$2, 396, 720. 33	
For local loans-----	191, 491. 35	
For loans with insular government-----	67, 947. 32	
For other indebtedness-----	938. 24	
		2, 657, 097. 24

Net outstanding indebtedness as of June 30, 1931----- 17, 300, 254. 91

Difference----- 4, 292, 684. 77

Less loans and debts authorized to be contracted:

Local loans-----	\$669, 751. 87
Deduct: Redemption funds ap- propriated-----	420, 000. 00

\$249, 751. 87
15, 200. 00

Other indebtedness-----	
-------------------------	--

\$264, 951. 87

Difference:

42 municipalities have available margin amount- ing to-----	5, 244, 638. 93
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34 municipalities show excesses of indebtedness over the present 5 per cent limitation amount- ing to-----	1, 216, 906. 03
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4, 027, 732. 90

34 municipalities, because of indebtedness incurred prior to latest amendment to organic act have exceeded the 5 per cent limitation as follows:

Adjuntas-----	\$46, 896. 21
Aguadilla-----	63, 883. 31
Albionito-----	3, 700. 73
Añasco-----	69, 268. 61
Barceloneta-----	77, 617. 24
Bayamón and Cataño-----	115, 725. 68
Camuy-----	43, 155. 71
Carolina-----	71, 372. 50
Cayey-----	44, 203. 87
Ceiba-----	18, 712. 30
Ciales-----	83, 371. 57
Cidra-----	14, 340. 96
Coamo-----	4, 484. 52
Fajardo-----	29, 320. 91
Gurabo-----	1, 888. 75
Hatillo-----	2, 757. 36
Isabela-----	1, 527. 60
Jayuya-----	14, 654. 94
Lares-----	78, 285. 33
Las Marías-----	18, 702. 87
Las Piedras-----	10, 877. 72
Maunabo-----	19, 052. 93
Mayaguez-----	129, 071. 47
Moca-----	8, 102. 28
Morovis-----	24, 502. 64
Patillas-----	2, 061. 57
Quebradillas-----	13, 724. 92
Río Grande-----	20, 161. 98
Sabana Grande-----	22, 302. 52
San Sebastián-----	84, 585. 57
Toa Alta-----	8, 363. 62
Trujillo Alto-----	4, 353. 84
Yauco-----	65, 874. 00

Total-----	1, 216, 906. 03
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Difference-----	4, 027, 732. 90
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5, 244, 638. 93

42 municipalities have available margins as follows:

Aguada-----	\$24, 483. 05
Aguas Buenas-----	1, 673. 71
Arecibo-----	204, 551. 53
Arroyo-----	18, 151. 94
Barranquitas-----	8, 162. 53
Cabo Rojo-----	8, 252. 31
Caguas-----	234, 414. 41
Comerio-----	20, 760. 54
Corozal-----	41, 000. 64
Dorado-----	48, 597. 53
Guánica-----	366, 904. 41
Guayama-----	68, 524. 55
Guayanilla-----	33, 696. 78
Guaynabo-----	17, 929. 63
Hormigueros-----	74, 243. 99
Humacao-----	110, 349. 56
Juana Díaz-----	35, 494. 72
Juncos-----	121, 502. 93
Lajas-----	1, 099. 37
Loíza-----	68, 782. 73
Luquillo-----	4, 551. 32
Manatí-----	82, 993. 96
Maricao-----	16, 072. 27
Naguabo-----	45, 780. 39
Naranjito-----	19, 427. 17
Orocovis-----	39, 449. 58
Peñuelas-----	52, 468. 42
Ponce-----	180, 488. 11
Rincón-----	23, 778. 43
Río Piedras-----	575, 527. 21
Salinas-----	280, 884. 95
San Germán-----	61, 892. 17
San Juan-----	1, 919, 530. 99
San Lorenzo-----	442. 81
Santa Isabel-----	227, 074. 08
Toa Baja-----	11, 313. 81
Utua-----	70, 869. 28
Vega Alta-----	42, 401. 26
Vega Baja-----	35, 760. 08
Vieques-----	29, 829. 80
Villalba-----	13, 167. 66
Yabucoa-----	2, 358. 32

Total-----	5, 244, 638. 93
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REPORT OF THE TREASURER

SAN JUAN, P. R., *October 5, 1931.*

Pursuant to your request, I have the honor to submit the following report of operations of the department of finance covering the fiscal year ended June 30, 1931:

GENERAL REMARKS

Despite the fact that business conditions in the island during the fiscal year under review have been just as unsatisfactory as during the previous fiscal year, and perhaps more so, as a result of world-wide economic depression, the financial condition of the insular treasury on the closing date of our fiscal operations showed improvement.

This improvement has been due chiefly to two factors: First, stricter enforcement of the revenue laws; second, the speedy handling of important income-tax cases by the board of review and equalization, and also to the investigations carried out by the bureau, which resulted in an increase in revenue from the tax on incomes of \$494,028.73 over the estimated amount of \$1,500,000 for the year, or a total of \$1,994,028.73.

Actual collections from all sources of revenue during the fiscal year amounted to \$11,054,197.56, or \$1,439,950.92 more than for the previous year, and \$469,197.56 over the department's estimate of \$10,585,000.

The results accomplished may be summarized as follows:

The budget was balanced. The insular treasury was able to meet a heavy payment of principal and interest on the \$4,000,000 loan contracted last year for funding the floating debt.

Furthermore, it was able to advance \$105,000 to the Isabela irrigation fund to meet a payment of interest on the outstanding bonds of said issue, together with the balance due on a note with a local bank, and still close its accounts with an available cash balance of \$553,026.85.

As it will be seen, the financial situation of the government on the closing date of the fiscal year was satisfactory. There is no reason why it should not continue to be so if we adhere to the policy of economy and strict enforcement of the fiscal laws observed during the present year.

It is gratifying to note that for the first time in many years the government of Porto Rico is able to report an actual, even though small, surplus for the fiscal year ending June 30, 1931. We are particularly proud of this achievement because it has been accomplished in the face of a world-wide economic depression. I confidently expect that the same financial success will be attained during the fiscal year as in the one just passed.

Surplus on June 30, 1931, \$180,292.71, as against a deficit on June 30, 1930, amounting to \$1,347,503.53.

On June 30, 1931, the total bonded indebtedness of the insular government amounted to \$29,097,000, or \$3,744,000 more than the preceding year. The different is explained as follows:

New bond issues:

Bonds of 1930 for the funding of the floating debt-----	\$4, 000, 000
Workmen's relief bonds of 1930-----	500, 000
Isabela irrigation bonds of 1931-----	150, 000
	\$4, 650, 000
Paid during the fiscal year 1930-31-----	906, 000

Balance in sinking funds as of June 30, 1931, \$742,241.12.

The available cash balance of insular revenues on June 30, 1931, after covering budgetary expenditures and deficiency appropriations, was \$553,026.85. The said amount of \$553,026.85, with \$1,600 due from municipalities and school boards, aggregate a total of \$554,626.85.

In addition to the said balance of insular revenues on June 30, 1931, the cash balance in trust funds was \$6,771,035.12. This amount includes \$452,000 of municipal and school board bonds pledged.

As already stated, the actual receipts from insular revenues for the year reached \$11,054,197.56. This amount, added to the available cash balance of \$401,877.91 on June 30, 1930, makes up a total of \$11,456,075.47 for the year ended June 30, 1931.

Of the bills submitted affecting the treasury department, the most important ones passed by the legislature during its regular session of 1931 were the following:

Act No. 43, approved April 24, 1931, amending the inheritance tax act by taxing personal property outside of Porto Rico, belonging to residents.

Act No. 40, increasing the tax on gasoline from 6 to 7 cents per gallon and providing that the tax be paid at the time of its introduction in the island and not when sold, as formerly.

Act No. 48, an act providing for an assistant attorney general to take charge of all legal matters concerning the department of finance and the board of review and equalization.

Act No. 88, excise tax law. This law has been the subject of very important amendments, in the shape of increased rates, additions, and changes in the present method of payments, with a view of expediting collections and securing a substantial increase in revenue.

Act No. 90, an act authorizing the treasurer to prepare a scientific classification of lands, preparatory to a new assessment of real and personal property.

Act No. 19, approved April 20, 1931, authorizing the treasurer of Porto Rico to accept part payments on delinquent property and income taxes, plus surcharges in accordance with section 330 of the Political Code and with section 59 of Income Tax Act No. 74, as well as payments in advance made for similar reasons on taxes due, such payments to be made by means of special internal revenue stamps issued by the department of finance and for other purposes.

This is a law enacted chiefly for the purpose of giving facilities to taxpayers to liquidate their taxes, by installments, subject to certain conditions to be established by the treasurer.

Act No. 8, approved April 8, 1931, authorizing the municipalities of Porto Rico to issue credit certificates; providing for the acceptance thereof by the treasurer of Porto Rico in payment of taxes; providing for the manner of redeeming such certificates; limiting their application; and for other purposes. This law is for the benefit of creditors of the municipalities.

Act No. 84, approved May 7, 1931, to substitute subdivision 31 and to add new subdivisions 32, 33, and 34 to section 16 of Act No. 17, approved June 3, 1927, etc. These amendments put kerosene on the taxable list and change the rate on lubricating grease.

Many other laws making appropriations out of insular revenues, as well as providing for the contracting of loans for various activities, were passed by the legislature, but in all probability will not be included in our financial program for lack of funds.

BANKING

During the present fiscal year 13 banks and branches were examined.

The number of banks operating in the island on the closing date of the fiscal year was 45, of which there are 15 head offices and 30 branches. All of these banks and branches are under the supervision of the treasurer with the exception of the seven branches of the National City Bank of New York, which are under the control of the Comptroller of the Currency as are national banks.

The banks Banco Industrial de Puerto Rico, of San Juan; Banco de Yabucoa, of Yabucoa; and Rivas Commercial Bank of Ponce are under receivership and are in process of liquidation. The Banco Internacional de Puerto Rico, which was inaugurated on August 12, 1930, had a meteoric life. On November 5, 1930, its board of directors voted for its dissolution and liquidation on the ground that the bank had lost its social capital and notice to that effect was served upon the treasurer. Immediately thereafter the bank was examined by the bank examiners of this department, and as a result of said examination a receiver was appointed on November 13, 1930. This bank has already been liquidated and closed.

On May 22 last, because of certain unfounded rumors, there was a run on the Banco Popular de Puerto Rico, one of our local banks. Many of its

depositors called for their money, which was immediately handed to them. The bank announced that it was ready to meet the demands of its clients. Accordingly it remained open all day and night for two days. Both the governor and the treasurer, as well as other banking institutions, published statements regarding its financial condition, which brought a favorable reaction and restored public confidence. Within a few days this bank not only got back the money withdrawn but new names were added to its list of depositors.

With a view to avoiding similar situations through the spreading of false rumors by blackmailers or disgruntled individuals, this department on several occasions has undertaken to introduce amendments in the banking law providing for heavy penalties for slanderous statements against banks, but so far said amendments have failed of enactment.

Aggregate deposits on June 30, 1931, amounted to \$38,885,610.54 as against \$40,468,031.18 on June 30, 1930, or a decrease of \$1,582,420.64 as compared with the previous fiscal year.

The term "aggregate deposits" used above, includes checking accounts, savings accounts, demand certificates of deposit, time certificates of deposit, certified checks, cashier's checks, dividends unpaid, insular, municipal, and Federal deposits, and deposits of trust companies.

The total amount of deposits in checking accounts and in savings accounts, on the closing date of the fiscal year, show that checking accounts decreased \$1,646,854.90 and savings accounts increased \$501,316.23 as compared with the previous fiscal year.

Total loans up to June 30, 1931, amounted to \$54,208,537.09 as against \$61,752,704.39 on June 30, 1930, or a decrease of \$7,544,167.30 for 1931.

The number of checking accounts in all banks of the island as of June 30, 1931, was 28,245, as against 30,388 for 1930.

Savings accounts for the corresponding period of 1931, amounted to 63,534 as against 60,988 for 1930.

The aggregate capital, surplus, and undivided profits of banks in operation in Porto Rico at the close of the fiscal year (not including the amounts due head offices by branches of foreign banks) was \$8,977,765.55 as against \$8,998,100.26 on June 30, 1930, or a decrease of \$20,334.71. This apparent decrease is due to the fact that the capital, surplus, and undivided profits of the Banco Industrial de Puerto Rico, the Banco de Yabucoa and the Rivas Commercial Bank, which appeared in the figures given under this heading last year, and which amounted to \$202,773.37, have not been considered as outstanding for this period, the said banks having been placed under receivership. Taking this into consideration, there is an actual increase in capital, surplus, and undivided profits of \$182,438.66. The capital, surplus, and undivided profits of the trust companies amounted to \$127,837.72, which represents an increase of \$18,864.79 as compared with the figures for the previous fiscal year.

The amount of actual cash (United States paper currency, gold, silver, and fractionary coin, but not including foreign money) in the vaults of the banks and their branches on June 30, 1931, was \$2,771,753.34 as against \$3,484,187.55 on June 30, 1930, or a decrease of \$712,434.21.

BUREAU OF INCOME TAX

Estimate of income and taxes collected.—For the fiscal year 1930-31 the sum of \$1,500,000 was estimated as the probable income from this source. The total amount of tax collected during said fiscal year was \$1,977,556.04. It will be noticed that there is an increase of \$494,028.73¹ over the amount estimated.

The total amount of income received during the previous fiscal year amounted to \$1,544,672.19 as against \$1,994,028.73 for this fiscal year, or an increase of \$449,356.54 for the latter year.

It is worthy of notice that out of the total amount collected during the year, the sum of \$1,007,270.89 corresponds to the collection of back taxes as a result of investigations.

Tax assessed.—The total amount of tax assessed during the fiscal year 1930-31 was \$1,994,642.62, comprising individuals, partnerships, corporations, and tax withheld at the source. This amount also includes the taxes canceled, which amounted to \$13,445.41.

¹ Includes \$16,472.66 previously paid under protest.

Taxes pending collection.—The total sum pending collection this year amounts to \$2,196,690.33, covering the years 1918 to 1931, inclusive. Said amount represents a decrease of \$34,317.20 as compared with the amount pending on June 30 of last year, which was \$2,231,007.53.

Investigations.—During this fiscal year 1,945 returns were investigated. It is a well-known fact that the investigation work is one of the most important activities of the bureau of income tax, requiring a great deal of time and personnel.

Returns filed by corporations.—The tax assessed on corporation during this fiscal year amounted to \$757,251.63 as against \$632,141.63 for the previous year, or an increase of \$125,110.00 for the fiscal year under review. This increase corresponds to sugar corporations.

The total number of returns filed for the previous fiscal year was 381, of which 116 returns were taxable and 265 exempt. In the present fiscal year 352 returns were filed with 145 showing tax liability and 207 exempt.

Returns filed by partnerships.—A comparison between the total assessment made in this fiscal year (\$181,979.32) and the assessment corresponding to the previous year (\$118,450.77) shows an increase of \$63,528.55 for this year.

The number of returns filed during the previous fiscal year was 470, of which 194 were subject to taxation and 276 were exempt. Of the 470 returns filed during the present fiscal year, 181 showed tax liability and 289 were exempt.

Returns filed by individuals.—The total amount of individual tax assessed during this year was \$295,174.81, as against \$174,412.57 for the previous year.

BUREAU OF EXCISE TAXES

Receipts.—Total collections of taxes under the administration of the bureau of excise taxes amounted \$6,869,430.39 for the year under review, compared with \$6,246,729.16 for 1929-30, a difference representing an increase of \$622,701.23.

Special tax collections (trust funds) for the year amounted to \$274,657.52, a decrease of \$651,802.23, or approximately 58.91 per cent less than the amount collected for the year 1929-30. The above figures, as compared with those of last year, represent differences as follows:

An increase of 23.95 per cent in excise-tax revenues and a decrease of 58.91 per cent in trust-fund revenues. This increase was partly due to the more efficient methods employed in the field force and in the administration of the bureau by way of elimination of unnecessary details.

The original estimate of receipts from excise taxes as prepared by the bureau for the year 1930-31 was \$6,400,636.85.

The increased collections over the amount estimated was \$194,136.02, or 3.03 per cent.

Cigarettes.—The tax on cigarettes so far continues to be the most valuable source of revenue, as the amount of receipts from this item alone is 29.09 per cent of the total of internal revenue collected.

Statistics relative to this item show that the consumption of locally manufactured cigarettes has been steadily decreasing during the fiscal years from 1921-22 to 1930-31 and to such an extent that from a percentage of 82.61 during 1921-22 the figures dropped to 33.19 per cent in 1930-31.

Tobacco.—The acreage planted in tobacco for the fiscal year 1930-31 was 44,648, or a decrease of 1,040 acres as compared with the plantings for the previous year, the total yield—26,788,598 pounds—showing a corresponding decrease of 624,476 pounds.

The quantity of Porto Rican leaf tobacco exported—24,062,468 pounds—also shows a decrease over the previous year of 672,099 pounds.

The quantity of leaf tobacco "imported" into Porto Rico shows an increase of 74,076 pounds as compared with figures for the previous year.

The number of cigars manufactured from pure Porto Rican tobacco—784,750—shows a decrease of 109,910. Of this quantity only 7,700 were exported, which shows a decrease of 37,375 as compared with figures for the previous year, the remainder—777,050—having been released for local consumption in Porto Rico.

The quantity of cigars manufactured from a mixture of Porto Rican tobacco and tobacco not grown in Porto Rico, namely, 217,501,818 cigars, shows an

increase in the production of 18,715,971 cigars as compared with figures of last year.

The quantity of cigars manufactured with tobacco not grown in Porto Rico was 1,665,675, or 95,075 more than the previous fiscal year.

Coffee.—The following figures show the quantity of Porto Rican coffee exported during fiscal years 1920-21 to 1930-31:

Year:	Pounds	Year—Continued	Pounds
1920-21.....	26,731,648	1926-27.....	19,125,624
1921-22.....	23,402,127	1927-28.....	7,512,991
1922-23.....	16,821,939	1928-29.....	2,412,880
1923-24.....	21,876,530	1929-30.....	366,952
1924-25.....	23,780,574	1930-31.....	1,769,245
1925-26.....	26,114,187		

It may be noticed from the low figures of the exportation of this product since 1927-28 that our agriculture is still suffering from the disastrous effects caused by the last hurricane that struck the island. However, the exportation in 1930-31, amounting to 1,423,293 pounds more than in the past year, indicates a favorable reaction as a result of the efforts made toward agricultural rehabilitation.

As the production of the native grain is low, our people are consuming large quantities of foreign coffee imported from the United States and other countries.

PROPERTY TAX

Assessment.—The total assessed valuation for taxation purposes of all individual property in the island of Porto Rico for the fiscal year 1930-31 amounted to \$238,065,600, upon which taxes were levied aggregating \$5,377,891.08.

The total assessed valuation of individual and corporation properties in the island of Porto Rico for the fiscal year 1930-31 amounted to \$331,683,530, upon which taxes were levied in the sum of \$7,467,962.18.

The total assessed valuation for the fiscal year under review shows a decrease of \$4,111,482, as compared with the valuation revised to June 30, 1930, which amounted to \$335,795,012.

Uncollected taxes.—Of the total amount of taxes assessed and levied for the fiscal year 1930-31, the sum of \$4,992,813.34 was actually collected throughout the year, exclusive of surcharges, leaving a total amount of taxes pending collection on June 30, 1931, of \$2,475,128.12.

Accumulated taxes since the establishment of the present system aggregates the sum of \$2,195,830.12, thus making a grand total of \$4,670,978.96 of uncollected taxes.

Inheritance tax.—The total amount of inheritance tax collected during the fiscal year was \$73,383.04, or an increase of \$32,248.63 over the previous year.

BUREAU OF MUNICIPAL FINANCE

During the past fiscal year of 1930-31 there were submitted for the consideration of the executive council 193 municipal ordinances, most of which were prepared by the bureau of municipal finance.

Budgets.—The receipts estimated by the municipalities of Porto Rico in accordance with their budgets for the fiscal year 1930-31 amounted to \$6,403,261.48, a decrease of \$294,422.06 as compared with the preceding year.

The estimated expenditures for the same fiscal year amounted to \$6,402,813.14, a decrease of \$287,797.77 as compared with the preceding year.

Indebtedness.—The municipalities of Porto Rico closed the year with a total indebtedness of \$19,817,975.68. This indebtedness is subdivided as follows: "Bonded indebtedness," "promissory-note indebtedness," "to insular government," and "other indebtedness."

The care exercised by the executive council, when considering municipal loan ordinances, in not approving loans for regular services which should be paid from current receipts, except in cases of real emergency, prevented a great majority of municipalities from incurring debts in excess of their budgetary appropriations. This action of the executive council, together with that of the auditor of Porto Rico in preventing inflation of incomes in municipal budgets, has given satisfactory results. This island has been in the grip of severe economic depression since the cyclone of 1928, which condition still prevails. The municipalities which have suffered most as a consequence of

the hurricane are those where coffee is grown, whose assessed valuation of property constitutes their principal source of income, and as the same has greatly decreased the revenues derived therefrom have as a consequence been reduced in the same proportion.

Many short-time advances of taxes were granted for current expenditures as a temporary measure to meet the economic crisis of such municipalities as have requested them.

Of course, this can not be accepted as a permanent procedure to be followed in normal times. The problem of the municipalities can not be solved by allowing them to borrow money. Each loan granted means additional bond issues for purposes which are not of immediate necessity, with the corresponding increase of the load of taxation for years to come and further retardation of the day of rehabilitation.

What the legislature must do is to reform our present system of municipal government so as to make it more economic and simple. At present their expenditures run in excess of receipts, with the consequent yearly deficits and increased indebtedness. The result is that practically all of the municipalities of the island are now in serious financial straits.

BUREAU OF WORKMEN'S COMPENSATION

Premiums assessed.—On balancing the books on June 30, 1930, the total amount of gross premiums assessed during the fiscal year 1929-30 was \$481,572.48, leaving net premiums after deducting the sum of \$98,816.27 corresponding to cancellations and other credits amounting to \$462,233.06 on an aggregate amount of pay rolls of \$23,978,970.03, which is the basis for the assessment of premiums.

At the beginning of the fiscal year 1930-31, as well as in the preceding year, a considerable number of employers, among whom were included important corporations, chose to insure with private companies and others became their insurers, as our workmen's accident compensation act permits free competition. The premiums paid by such employers to the State fund in 1929-30 amounted to \$46,542.25 on a pay roll of \$2,294,946.02, which represents a considerable falling off in our estimate of revenues for 1930-31, which in consequence was reduced to \$415,690.81. However, at the close of the fiscal year 1930-31, notwithstanding the above reduction, the amount of preliminary premiums assessed for 1930-31 exceeded by \$51,742.19 the amount of net premiums assessed for 1929-30, and the total amount of pay rolls also exceeded that for the previous year by \$970,115.10.

In addition to the foregoing, during the fiscal year 1930-31 the pay rolls of 1,857 employers of regular premium policies were audited. Additional net premiums were assessed, amounting to \$69,198.20. Likewise preliminary assessments were made and levied, corresponding to years 1928-29 and 1929-30, amounting to \$3,575.13 and \$22,127.80, respectively.

Premiums due.—From the mount of \$309,688.21 pending collection there should be deducted the sum of \$13,639.38, which corresponds to credits from the years 1928-29 and 1929-30 applied as part payments on preliminary premiums assessed for the years 1929-30 and 1930-31. This operation will not be recorded in our books until the cash balance of the above-mentioned years shall permit the transfer.

Uninsured employers.—During the fiscal year 1930-31, following the procedure provided by law, attachments were levied on a large number of employers who failed to take out insurance under any of the methods prescribed by law.

The cases of uninsured employers, decided by the industrial commission and reported to this office, are 428, of which 422, amounting to \$12,969.39, were paid out of the special fund for uninsured employers' trust fund, and the 6 cases remaining amounting to \$427.97 are still pending audits in this office.

Revolving fund.—Act No. 49 of April 28, 1930, provides that in cases of uninsured employers, and until such time as the levy and collection referred to in section 25 of Act No. 85 of May 14, 1928, the treasurer shall pay the compensation of injured laborers out of the workmen's relief trust fund. This provision covering all accidents suffered by the workmen of uninsured employers on and after August 13, 1928, provides also that for the payments of accidents occurring between August 13, 1928, and June 30, 1930, a revolving fund is created with any funds in the treasury not otherwise appropriated in

such amount as may be necessary. All amounts levied and collected from uninsured employers by the treasurer shall be covered into the workmen's relief trust fund as a reimbursement to said funds of such amounts as were expended in cases of uninsured employers.

BOARD OF REVIEW AND EQUALIZATION

This board is made up of six members, not including the treasurer, who is ex officio chairman. There are also two substitute members who may act in the absence of any of the six members. It has jurisdiction over appeals against property and income taxes assessed by the treasurer of Porto Rico.

The board held 83 meetings during the year, 45 for the consideration of property tax appeals and 38 for the consideration of income-tax cases.

Income tax.—On July 1, 1930, there were pending before the board 335 cases of income tax involving a deficiency of \$431,334.98; 708 new cases were filed during the year, including petitions for reconsideration, involving a deficiency of \$895,817.90; 517 cases were decided during the fiscal year, involving a total deficiency of \$726,419.14, so that there were left pending at the end of the year 526 cases, involving a deficiency of \$600,733.64.

The board decided during the fiscal year 66 appeals filed by corporations, 117 filed by partnerships, 274 filed by individuals, and 60 appeals pertaining to tax withheld at the source, or 517 in all.

Property taxes.—The board decided 6,503 property tax appeals during the fiscal year. Of these appeals 62 belonged to corporations whose assessment was reduced from \$50,857,880 to \$48,027,180, or a reduction amounting to \$2,830,700, equivalent to 5.5 per cent of the total assessment.

The assessment of property pertaining to partnerships and individuals was reduced from \$14,529,720 to \$10,057,180, or a reduction of \$4,472,540, which represents 30.78 per cent of the assessment appealed from.

Exemption of property taxes.—In addition to the above, the board decided 92 appeals for remission of taxes, filed in accordance with Joint Resolution No. 18, approved April 23, 1929. The total amount remitted aggregated \$3,139.99.

Respectfully submitted.

MANUEL V. DOMENECH,
Treasurer.

Total assessed value of real and personal property by municipalities, for the fiscal year 1930-31

[Corrected to June 30, 1931]

Municipalities	Real prop- erty	Personal property	Total
Adjuntas.....	\$1,622,680	\$102,430	\$1,725,110
Aguada.....	2,004,650	107,960	2,112,610
Aguadilla.....	2,458,860	509,275	2,968,135
Aguas Buenas.....	742,437	57,662	800,099
Aibonito.....	1,438,660	128,375	1,567,035
Anasco.....	1,981,435	71,662	2,053,097
Arecibo.....	11,526,800	2,507,630	14,034,430
Arroyo.....	2,349,185	294,670	2,643,855
Barceloneta.....	2,617,940	365,220	2,983,160
Barranquitas.....	838,258	56,792	895,050
Bayamon.....	4,609,510	755,010	5,364,520
Cabo Rojo.....	2,822,390	243,375	3,065,765
Caguas.....	8,831,014	2,863,481	11,694,495
Camuy.....	1,644,885	153,035	1,797,920
Carolina.....	3,649,780	379,070	4,028,850
Catano.....	1,489,880	263,035	1,752,915
Cayey.....	4,118,095	537,580	4,655,675
Ceiba.....	1,099,185	158,270	1,257,455
Ciales.....	1,479,110	123,275	1,602,385
Cidra.....	1,323,379	84,851	1,408,230
Coamo.....	1,910,886	294,100	2,204,986
Comerio.....	2,092,520	190,630	2,283,150
Corozal.....	1,031,420	116,500	1,147,920
Culebra.....	211,430	49,050	260,480
Dorado.....	1,713,680	192,010	1,905,690
Fajardo.....	3,994,735	919,998	4,914,733
Guanica.....	4,795,600	3,583,840	8,379,440
Guayama.....	6,163,010	1,208,240	7,371,250
Guayanilla.....	1,952,880	334,552	2,287,432
Guaynabo.....	1,722,445	137,134	1,859,579
Gurabo.....	1,844,620	276,400	2,121,020
Hatillo.....	1,809,280	158,465	1,967,745
Hormigueros.....	1,406,490	86,505	1,492,995
Humacao.....	5,710,861	1,343,704	7,054,565
Isabela.....	1,613,170	173,462	1,786,632
Jayuya.....	1,114,050	69,935	1,183,985
Juana Diaz.....	4,414,580	546,030	4,960,610
Juncos.....	2,886,385	687,900	3,574,285
Lajas.....	2,102,405	175,610	2,278,015
Lares.....	1,761,180	175,035	1,936,215
Las Marias.....	978,170	21,535	999,705
Las Piedras.....	1,358,555	196,980	1,555,535
Loiza.....	3,658,770	342,990	4,001,760
Luquillo.....	1,435,355	177,340	1,612,695
Manati.....	3,933,810	639,755	4,573,565
Maricao.....	790,777	34,185	824,962
Maunabo.....	706,795	116,213	823,008
Mayaguez.....	10,023,586	2,429,020	12,452,606
Moca.....	911,590	46,275	957,865
Morovis.....	1,017,060	83,480	1,100,540
Naguabo.....	3,460,575	584,065	4,044,640
Naranjito.....	657,090	58,320	715,410
Orocovis.....	952,215	50,640	1,002,855
Pailas.....	1,476,425	162,370	1,638,795
Penuelas.....	1,296,390	88,110	1,384,500
Ponce.....	20,739,730	6,687,585	27,427,315
Quebradillas.....	955,220	102,195	1,057,415
Rincon.....	624,945	52,750	677,695
Rio Grande.....	2,210,370	261,365	2,471,735
Rio Piedras.....	11,419,923	1,420,100	12,840,023
Sabana Grande.....	952,550	120,760	1,073,310
Salinas.....	5,506,502	1,545,018	7,051,520
San German.....	3,404,246	521,460	3,925,706
San Juan.....	50,664,016	22,174,604	72,838,620
San Lorenzo.....	1,709,720	249,680	1,959,400
San Sebastian.....	1,624,610	184,310	1,808,920
Santa Isabel.....	4,302,060	672,420	4,974,480
Toa Alta.....	1,116,543	123,460	1,240,003
Toa Baja.....	2,947,330	338,950	3,286,280
Trujillo Alto.....	1,164,610	92,675	1,257,285
Utado.....	2,667,349	219,600	2,886,949
Vega Alta.....	1,536,520	255,615	1,792,135
Vega Baja.....	3,409,980	383,595	3,793,575
Vieques.....	2,909,720	593,420	3,503,140
Villalba.....	827,520	118,520	946,040
Yabucoa.....	4,100,010	560,905	4,660,915
Yauco.....	2,684,195	454,915	3,139,110
Total.....	269,036,392	62,647,138	331,683,530

Outstanding indebtedness detailed by municipalities, June 30, 1931

Municipality	Bonded indebtedness	To insular government	Other indebtedness	Total
Adjuntas.....	\$122,000.00	-----	\$15,108.13	\$137,108.13
Aguada.....	79,000.00	-----	13,500.00	92,500.00
Aguadilla.....	175,000.00	\$30,000.00	10,000.00	215,000.00
Aguas Buenas.....	38,000.00	-----	-----	38,000.00
Aibonito.....	65,000.00	-----	18,920.00	83,920.00
Anasco.....	177,500.00	-----	5,328.00	182,828.00
Arecibo.....	360,000.00	-----	193,000.00	553,000.00
Arroyo.....	87,000.00	7,000.00	19,780.50	113,780.50
Barceloneta.....	227,000.00	-----	-----	227,000.00
Barranquitas.....	37,500.00	-----	6,168.54	43,668.54
Bayamon.....	444,000.00	-----	39,000.00	483,000.00
Cabo Rojo.....	126,000.00	-----	23,611.10	149,611.10
Caguas.....	256,000.00	-----	155,606.89	411,506.89
Camuy.....	136,000.00	-----	-----	136,000.00
Carolina.....	295,000.00	-----	3,318.72	298,318.72
Cayey.....	246,000.00	4,500.00	26,800.00	277,300.00
Ceiba.....	69,000.00	-----	19,440.21	88,440.21
Ciales.....	154,000.00	4,500.00	21,426.36	179,926.36
Cidra.....	84,000.00	-----	10,500.00	94,500.00
Coamo.....	111,000.00	-----	4,062.00	115,062.00
Comerio.....	85,000.00	-----	7,500.00	92,500.00
Corozal.....	14,500.00	600.00	1,500.00	16,600.00
Dorado.....	43,500.00	-----	3,099.07	46,599.07
Fajardo.....	279,000.00	-----	4,200.00	283,200.00
Guanica.....	48,000.00	-----	4,927.59	52,927.59
Guayama.....	244,000.00	18,000.00	69,925.00	331,925.00
Guayanilla.....	92,000.00	-----	-----	92,000.00
Guaynabo.....	76,500.00	-----	-----	76,500.00
Gurabo.....	91,000.00	-----	500.00	91,500.00
Hatillo.....	114,500.00	-----	-----	114,500.00
Humacao.....	191,000.00	18,000.00	9,000.00	218,000.00
Isabela.....	100,000.00	-----	-----	100,000.00
Jayuya.....	68,000.00	-----	5,142.86	73,142.86
Juana Diaz.....	188,000.00	-----	28,866.30	216,866.30
Juncos.....	52,000.00	6,000.00	16,317.00	74,317.00
Lajas.....	118,000.00	-----	-----	118,000.00
Lares.....	162,000.00	15,000.00	-----	177,000.00
Las Marias.....	68,000.00	-----	-----	68,000.00
Las Piedras.....	87,000.00	1,200.00	-----	88,200.00
Loiza.....	137,600.00	-----	14,124.04	151,724.04
Luquillo.....	84,000.00	-----	8,000.00	92,000.00
Manati.....	188,000.00	-----	-----	188,000.00
Maricao.....	-----	-----	24,725.00	24,725.00
Maunabo.....	64,500.00	-----	4,000.00	68,500.00
Mayaguez.....	846,000.00	-----	9,000.00	855,000.00
Moca.....	63,000.00	-----	-----	63,000.00
Morovis.....	78,000.00	-----	3,300.00	81,300.00
Naguabo.....	104,000.00	-----	11,370.00	115,370.00
Naranjito.....	14,000.00	-----	4,000.00	18,000.00
Orocovis.....	-----	2,728.89	10,644.38	13,373.27
Patillas.....	71,500.00	-----	14,809.87	86,309.87
Penuelas.....	-----	5,575.00	29,976.74	35,551.74
Ponce.....	2,055,000.00	340,000.00	289,350.00	2,684,350.00
Quebradillas.....	70,000.00	-----	-----	70,000.00
Rincon.....	-----	-----	10,800.00	10,800.00
Rio Grande.....	145,000.00	-----	-----	145,000.00
Rio Piedras.....	128,000.00	-----	28,210.60	156,210.60
Sabana Grande.....	76,000.00	5,000.00	5,850.00	86,850.00
Salinas.....	155,000.00	-----	-----	155,000.00
San German.....	136,000.00	-----	16,700.00	152,700.00
San Juan.....	6,010,000.00	-----	706,830.54	6,716,830.54
San Lorenzo.....	100,000.00	-----	-----	100,000.00
San Sebastian.....	160,000.00	-----	-----	160,000.00
Santa Isabel.....	-----	-----	19,000.00	19,000.00
Toa Alta.....	78,000.00	-----	-----	78,000.00
Toa Baja.....	170,000.00	-----	-----	170,000.00
Trujillo Alto.....	71,000.00	-----	900.00	71,900.00
Utua.....	73,000.00	1,500.00	29,195.67	103,695.67
Vega Alta.....	72,000.00	-----	-----	72,000.00
Vega Baja.....	176,000.00	-----	4,952.77	180,952.77
Vieques.....	116,000.00	4,500.00	53,083.91	173,583.91
Villalba.....	34,000.00	-----	-----	34,000.00
Yabucoa.....	232,000.00	-----	-----	232,000.00
Yauco.....	179,000.00	5,000.00	16,000.00	200,000.00
Total.....	17,297,600.00	469,103.89	2,051,271.79	19,817,975.68

REPORT OF THE ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL,

San Juan, P. R., August 14, 1931.

To His Excellency the GOVERNOR OF PORTO RICO,

San Juan, P. R.

SIR: I have the honor to submit herewith a condensation of the activities of the department of justice for the fiscal year July 1, 1930-June 30, 1931. A fuller and more detailed report has already been submitted as of the same date.

GENERAL REVIEW OF THE YEAR

All of the district judges appointed by the governor under Act No. 58, approved April 29, 1930, were confirmed by the last session of the senate for a period of 10 years. Salaries of judges of some of the municipal courts were raised at the last legislature at the recommendation of this department, and it is believed that the salary scale for municipal judges is now approximately what it should be, although some further slight changes should be made. The justice of the peace court of Humacao was abolished by the 1931 legislature. In connection with justice courts, the department believes that the salaries of the officers of these courts should be paid by the insular government. At present these salaries are paid by the municipalities, although the officers of the justice courts are insular officers and are appointed by the Governor of Porto Rico.

The compilation of the codes and statutes of Porto Rico, which was begun in 1923, is still lagging, the only practical result so far being the revision and publication of the Civil Code and certain revisions made in the Code of Commerce.

In civil litigation this office disposed of 144 cases during the year, leaving pending on June 30, 1931, a total of 295 cases. Judgment against the government in the three important cases brought against the South Porto Rico Sugar Co. of New Jersey and its affiliated entities, was affirmed by the United States Circuit Court of Appeals for the First Circuit, but the way was left open to amend the complaints.

The number of prisoners in the penal institutions of the island has maintained its high level which it reached last year. Complete tables on this situation will be found at the end of this report.

The department has attempted preventive work with juvenile delinquents and to that end has been utilizing during the past year a special probation officer attached to the bureau of prisons. The large families customary in Porto Rico, combined with economic necessity and family maladjustments, has made the problem of juvenile delinquency in Porto Rico an acute one. The juvenile probation officer chosen was a high-school teacher of four years' experience. This officer was given preliminary training for two and one-half months in the continental United States in juvenile court work and procedure. The results of this attempt at social work on the part of the department have been encouraging and it is believed that an extension of such work would be desirable both socially and economically. In San Juan, juvenile offenders picked by the police for minor or petty offenses are brought first to the probation officer for conferences instead of being taken immediately to court. By cooperation between the department, the schools, the police, and the parents of the boys, many of the latter are assisted without court action. In May of this year, the attorney general requested four public-spirited citizens to form an advisory committee to work with the probation officer and the work of this committee has been most valuable. Objectives have been outlined based on the needs revealed by an examination of the specific cases submitted to the probation officer during the year. The greatest physical need at present is more room at the industrial reform school for boys at Mayaguez. The

capacity of the school is 250 and there are always a number of boys detained awaiting transfer to the school. The management of the school is excellent and the boys are given both practical and theoretical education.

ADMINISTRATIVE WORK OF THE OFFICE

During the fiscal year covered by this report 177 formal opinions were rendered and 18 memoranda of law prepared; 676 bonds were examined, 5 inheritance-tax claims reviewed, 51 claims filed in bankruptcy cases, 17 pension claims were reviewed, and 304 *ex parte* petitions by private persons to establish dominion title to land were examined. Approximately 700 workmen's relief cases involving claims for indemnity were transmitted to municipal and justice courts for examination, and in addition 127 such claims were examined in this office. Ninety automobile-accident cases were investigated, 166 internal-revenue and excise tax complaints were handled, and 206 municipal ordinances were examined and reviewed, exclusive of those in which formal opinions were rendered. In addition 102 matters connected with the irrigation system, including contracts of lease, purchase of land, water and electric power, etc., were attended to, 26 titles were examined for the department of education, 13 other land titles were passed upon, 36 letters of instructions were issued to the civil registries, 34 prohibition cases were investigated by this office, 34 circular letters were issued, and 2 letters requisitorial sent. Letters sent out during the year, including those of the bureau of prisons, accounts, and statistics, numbered 24,100. Administrative work grows heavier each year as may be seen by a comparison of the figures in the annual reports.

CIVIL LITIGATION

At the close of the previous fiscal year there were pending 218 civil suits in which the people of Porto Rico was either a party or directly interested. During the fiscal year covered by this report 221 new suits were filed and 144 cases were terminated, leaving pending 295 cases.

Complete statistics regarding the work of the courts and of the registries of property will be found in the tables published with this report. The department reiterates its recommendation that the municipal courts should be reduced in number by consolidation in the interest of economy.

REGISTRIES OF PROPERTY

The work of the registries of property is fully set out in Tables 25, 26, 27, and 28 attached to this report. The last legislature created a new registry of property at Utuado, which will be in operation during the fiscal year 1931-32.

BUREAU OF PRISONS, ACCOUNTS, AND STATISTICS

Penal institutions.—The department of the interior has not yet turned over to the department of justice the new penitentiary at Río Piedras. However, the department of justice had at the end of the fiscal year under consideration 173 prisoners in the new penitentiary who are doing work near by. The land surrounding the penitentiary has been practically all prepared and planted to vegetables and fruit trees. Sweetpotatoes, yuca, yautia, corn, beans, and peas, and 3,921 trees were planted. Land has been prepared for the planting of plantains and bananas. The department hopes to make the new penitentiary self-supporting within three years from the time it is fully occupied.

The penal institutions of the insular government consist of one penitentiary, seven district jails, and the industrial reform school for boys of Mayaguez. The discipline, order, and sanitary conditions of these establishments have been satisfactorily maintained during the year. The total penal population on June 30, 1931, was 2,604 and the average penal population during the year was 2,330, excluding the industrial reform school, or an increase over the previous year of 2 per cent. The daily average of boys at the industrial reform school for the year was 236.

The daily average of sick prisoners during the year was 107.39, a decrease from the preceding year of 24.45. Forty-one deaths occurred, 17 less than in the preceding year. In the penitentiary, 965 prisoners were passed through the hospital, 1,699 were treated for various ailments, 28 operations were

performed, 21,361 minor treatments were given, and 1,590 samples of blood, etc., were sent to the laboratory of the department of health for examination.

During the year there were 59 escapes, 56 of which took place while the prisoners were not under the custody of this department.

Property reported lost during the year through theft was valued at \$215,706.47, of which 73 per cent or \$156,912.67 was recovered.

The value of articles made in the shops of the penitentiary and jails during the year was \$25,260.96. The prisoners furnished 140,695 days of work to the government and the sum of \$23,549.45 was paid to prisoners as compensation. The total cost of the penal institutions including compensation to prisoners was \$308,828.04. Subtracting from the estimated cost of maintenance the value of the work done for the government leaves a net cost of \$102,539.79 or an average of 12 cents per day per prisoner. Nine night schools are conducted for prisoners.

INDUSTRIAL REFORM SCHOOL FOR BOYS

During the year the industrial reform school for boys at Mayaguez has made satisfactory progress. The improvement of the physical condition of this school has gone steadily on and the director and teachers and boys have assisted materially in health work in the vicinity, especially in regard to mosquito control.

MUNICIPAL JAILS

The 77 municipal jails continue without adequate inspection by the department of justice due both to lack of personnel and to lack of authority to correct deficiencies noted. The personnel of municipal jails are named by the mayors of the towns and cities, and this department has no direct control in any way. During the year the department of health ordered the closing of the municipal jails of Aibonito and Maricao on account of sanitary conditions. Ninety per cent of the municipal jails in the island are deficient and many could scarcely be called jails.

PARDONS

During the year 528 petitions for executive clemency were passed upon and there were granted 20 pardons total or conditional, 13 paroles, 7 commutations, and 10 restorations of civil and political rights. In addition, three pardons were granted by the governor without the petitions having passed through the department of justice. During the year an average of 41 prisoners were at large on parole. Two paroles were revoked during the year.

EXPENSES, PROPERTY, AND CHANGES IN PERSONNEL

The expenses of the department of justice during the fiscal year 1930-31 were \$1,184,131.60, and the department finished the year with a small surplus of \$1,417.08. The unexpendable property of the department of justice at the end of the fiscal year under consideration was valued at \$319,276.88, of which amount the sum of \$139,391.29 represents books. The total number of officers and employees of the department was 606, of which 57 were justices of the peace, who are paid by the respective municipalities.

One lawyer from the department has been continually with the Porto Rican hurricane relief commission during the year, and in addition the department has undertaken to render opinions to this commission.

Respectfully submitted,

JAMES R. BEVERLEY,
Attorney General of Porto Rico.

(Tables mentioned and not printed herein are attached to the fuller report)

TABLE No. 1.—*Statement showing work of supreme court for fiscal year 1930-31*

A		B	
Cases pending June 30, 1930:		Cases decided during fiscal year	
Appeals in criminal cases----	67	1930-31:	
Appeals in civil cases-----	308	Appeals in criminal cases----	345
Administrative appeals-----	4	Appeals in civil cases-----	380
Original jurisdiction-----	13	Administrative appeals-----	26
		Original jurisdiction-----	70
Cases docketed during fiscal year	392		
1930-31:		Cases pending June 30, 1931:	
Appeals in criminal cases----	343	Appeals in criminal cases----	65
Appeals in civil cases-----	373	Appeals in civil cases-----	301
Administrative appeals-----	35	Administrative appeals-----	13
Original jurisdiction-----	72	Original jurisdiction-----	15
	823		
	1,215		394
			1,215

TABLE No. 2.—*Résumé of civil cases disposed of by the district courts during the fiscal year 1930-31*

Pending June 30, 1930-----	8,864
Presented during fiscal year-----	6,884
	15,748
Disposed of during fiscal year-----	6,502
Pending June 30, 1931-----	9,246
	15,748
Appeals taken-----	372
Amount of fees and costs collected-----	\$75,400.12

TABLE No. 5.—*Comparative statement of total showing record of criminal cases in the district courts for five years*

Fiscal year	Presented	Disposed of	Convictions	Acquittals	Appeals to supreme court	Pending at the end of fiscal year
1926-27-----	4,633	5,117	3,687	985	350	817
1927-28-----	3,012	3,415	2,250	817	240	418
1928-29-----	3,043	3,016	2,012	616	254	454
1929-30-----	3,647	3,518	2,392	729	315	583
1930-31-----	3,974	3,911	2,576	843	269	653

TABLE No. 12.—*Résumé of appeals from municipal and peace courts disposed of by the district courts during the fiscal year 1930-31*

Pending June 30, 1930-----	272
Presented during fiscal year-----	2,281
	2,553
Disposed of by:	
Convictions-----	1,396
Acquittals-----	642
Dismissed-----	253
Transferred to other courts-----	1
	2,292
Pending June 30, 1931-----	261
	2,553

TABLE No. 15.—*Résumé of civil cases disposed of by the municipal courts during the fiscal year 1930-31*

Pending June 30, 1930	3,411
Presented during the fiscal year 1930-31	7,537
	<u>10,948</u>
Disposed of during fiscal year:	
Tried	4,886
Filed without trial	2,055
Transferred to other courts	72
Pending June 30, 1931	3,935
	<u>10,948</u>
Appeals taken	271
Amount of fees collected	\$29,401.83

TABLE No. 16.—*Résumé of criminal cases disposed of by the municipal courts during the fiscal year 1930-31*

Pending June 30, 1930	1,531
Presented during the fiscal year 1930-31	63,864
	<u>65,395</u>
Disposed of during the fiscal year 1930-31:	
Convictions	44,586
Acquittals	14,176
Dismissed	3,971
Transferred to other courts	426
Pending June 30, 1931	2,236
	<u>65,395</u>
Appeals to district courts	2,210
Amount of fines and costs collected	\$91,467.49

TABLE No. 17.—*Résumé of criminal cases tried in the peace courts during the fiscal year 1930-31*

Pending June 30, 1929	213
Presented during the fiscal year 1930-31	10,389
	<u>10,602</u>
Disposed of during the fiscal year 1930-31:	
Convictions	8,978
Acquittals	902
Filing or dismissal	494
Transfers to other courts	23
Pending June 30, 1931	205
	<u>10,602</u>
Appeals to district courts	40
Cases in which the judge acted as committing magistrate	11,962
Fines collected	\$8,174.65
Expenses of courts:	
Salaries	\$39,995.00
Materials and rent of house	\$1,012.81

TABLE NO. 18.—*Classification of criminal offenses disposed of by the municipal courts during the fiscal year 1930-31*

Offenses	Convictions	Acquittals	Dismissed	Total
Breach of public peace	10,934	2,977	396	14,307
Violation of automobile law	5,405	1,384	557	7,346
Assault and battery	3,044	1,297	220	4,561
Violation of health law	2,881	1,429	172	4,482
Grave assault and battery	2,092	1,298	268	3,658
Petit larceny	2,481	611	217	3,309
Violation of municipal ordinances	2,598	322	229	3,149
Violation of public service regulations	2,763	256	83	3,102
Violation of Volstead Act	2,522	340	121	2,983
Concealed weapons	1,546	837	62	2,445
Gambling	1,936	243	67	2,246
Violation of Sunday closing law	1,338	236	81	1,605
False impersonation and imposture	477	267	447	1,191
Embezzlement	443	244	331	1,018
Malicious injury	408	466	106	980
Violation of weights and measures law	652	66	28	746
Abandonment of minors	165	421	186	722
Violation of school law	273	298	8	579
Violation of roads law	264	55	110	429
Grave assault	148	188	21	357
Violation of civil registry law	340	11	5	356
Cruelty to animals	306	37	12	355
Slander	76	201	76	353
Contempt of court	251	68	7	326
Burglary, second degree	228	33	16	277
Assault	154	100	6	260
Against the public safety	101	86	22	209
Against the public justice	105	60	18	183
Violation of excise tax law	82	33	47	162
Larceny by use	96	37	10	143
Dishonest exhibitions	88	29	7	124
Perjury	94	20	5	119
Keeping disorderly houses	36	35	19	90
Violation of forest law	54	27	1	82
Violation of law regulating the work of women and minors	30	24	5	59
Violation of internal revenues law	19	—	27	46
Lottery	27	16	—	43
Adultery	12	24	4	40
Unlawful enter	6	22	10	38
Against the executive power	6	4	27	37
Libel	22	2	2	26
Undercaution	3	6	13	22
Violation of horse-racing law	10	7	—	17
Violation of motor vehicles regulations	—	15	—	15
Conspiracy	6	3	—	10
Violation of fishing law	1	6	1	8
Violation of hunting law	5	3	—	8
Public nuisance	5	3	—	8
Forgery	2	4	1	7
Violation of labor law	—	6	—	6
Illegal practice of dentistry	3	1	—	4
Illegal practice of medicine	2	1	—	3
Violation of pharmacy law	—	3	—	3
Other offenses	46	14	19	79
Total	44,586	14,176	3,971	62,733

TABLE No. 20.—*Showing the crimes imputed to or committed by the children brought before the juvenile courts*

Classifications	Juvenile court of—							Total
	Agua- dilla	Are- cibo	Bay- amon	Gua- yama	Huma- cao	Maya- guez	Ponce	
Against property.....	5	10	-----	6	4	4	19	53
Violation of Volstead Act.....			-----					3
Breach of public peace.....			-----				1	1
Arson.....	1		-----					1
Assault and battery.....		5	-----	2	2			9
Rape.....			-----	1			7	19
Abandoned.....			-----	1	10	1		64
Violation of health law.....			-----				1	1
Attempt to commit rape.....			-----					3
Against nature.....			-----					6
Malicious injury.....			-----					4
Violation of municipal ordinances.....			-----					1
Concealed weapons.....		1	-----					1
Profanation of tomb.....			-----				1	1
Total.....	6	16	-----	10	16	5	29	235

TABLE No. 30.—*Grand total of prisoners on June 30, 1931*

	Penitentiary	District jails							Industrial re- form school	Total
		Aguadilla	Arecibo	Guayama	Humacao	Mayaguez	Ponce	San Juan		
MEN										
Confined in the penal institutions and industrial reform school.....	1, 078	70	143	143	155	131	276	285	235	2, 516
Paroled.....	39									39
Fugitives ¹	14		2		2	2		5	3	28
Total.....	1, 131	70	145	143	157	133	276	290	238	2, 583
WOMEN										
Confined in the penal institutions.....			73	10			4	1		88
Paroled.....										
Total.....	1, 131	70	218	153	157	133	280	291	238	2, 671

¹ Under this item is included the total of prisoners who have escaped during the last 5 fiscal years and who have not been recaptured. They are still considered as fugitives because they have not completed their sentences.

TABLE No. 37.—*Summary of offenses of prisoners in the penal institutions on June 30, 1931*

Offenses	Number of offenses	Percentage of total number of offenses	Rate per thousand on island's population
Burglary.....	406	15.59	0.2640
Petit larceny.....	378	14.52	.2457
Assault and battery.....	324	12.44	.2106
Delinquent minors.....	248	9.52	.1612
Murder.....	220	8.45	.1430
Homicide.....	205	7.87	.1353
Concealed weapons.....	144	5.55	.0936
Breach of public peace.....	89	3.42	.0579
Rape.....	74	2.84	.0451
Mayhem.....	64	2.46	.0416
Grand larceny.....	41	1.57	.0266
Against nature.....	41	1.57	.0266
Attempt to kill.....	35	1.34	.0227
Attempt to commit homicide.....	33	1.27	.0214
False impersonation and imposture.....	30	1.15	.0195
Violation of Federal acts.....	27	1.04	.0175
Violation of Volstead act.....	25	.96	.0162
Embezzlement.....	25	.96	.0162
Against the public safety.....	21	.81	.0137
Attempt to commit rape.....	19	.73	.0123
Robbery.....	17	.65	.0110
Seduction.....	14	.54	.0091
Arson.....	12	.46	.0078
Malicious injury.....	11	.42	.0071
Forgery.....	10	.38	.0065
Violation of health laws.....	10	.38	.0065
Dishonest exhibitions.....	7	.27	.0045
Attempt to commit sodomy.....	7	.27	.0045
Incest.....	7	.27	.0045
Attempt to commit murder.....	5	.19	.0032
Violation of automobile law.....	5	.19	.0032
Violation of municipal ordinances.....	4	.15	.0026
Perjury.....	4	.15	.0026
Gambling.....	4	.15	.0026
Bigamy.....	4	.15	.0026
Larceny by use.....	3	.11	.0019
Abandonment of minors.....	3	.11	.0019
Against the public morals.....	3	.11	.0019
Subsequent larceny.....	3	.11	.0019
Assault.....	2	.08	.0013
Against the public justice.....	2	.08	.0013
Attempt to commit burglary.....	2	.08	.0013
Violation of excise tax law.....	2	.08	.0013
Attempt to commit arson.....	2	.08	.0013
Other offenses.....	12	.46	.0078
Total.....	2,604	-----	-----

REPORT OF THE COMMISSIONER OF HEALTH

SAN JUAN, P. R., August 15, 1931.

To His Excellency the GOVERNOR OF PORTO RICO,
San Juan, P. R.

SIR: I have the honor to submit to you the report of the department of health of Porto Rico for the fiscal year 1930-31:

PERSONNEL

For the first four months of the fiscal year, July 1 to November 1, the department continued in charge of Dr. Pedro N. Ortiz, commissioner, who absented himself, on leave, beginning with the 1st of November and up to February 15, 1931, when his resignation became effective. The undersigned, who held the position of assistant commissioner, had charge as acting commissioner during this period and up until his taking oath of office as commissioner on March 13, 1931, by appointment by the governor and unanimous confirmation by the senate.

On March 25, 1931, Dr. Ramón J. Sifre was appointed assistant commissioner.

SANTO DOMINGO HURRICANE RELIEF

During the early part of the year, namely, on September 5, 1930, and under orders from the Governor of Porto Rico, a medical and sanitary unit from the department of health of Porto Rico in cooperation with the American Red Cross left Porto Rico under my direction on board the S. S. *Grebe* bound for Santo Domingo City, at which port we arrived at 9 o'clock the following morning. The unit was composed of 7 physicians, 3 engineers, 11 sanitary inspectors, a laboratory technician, and a clerk. On that same date and on board the boat *All America Cables*, 8 nurses, 1 sanitary inspector, 2 physicians, and Lieutenant Agostini, of the National Guard, with a chef and three assistants, arrived also and incorporated themselves to our unit. We carried with us besides a full equipment of tents, cots, clothing, medical and surgical material, sera, vaccines, etc.

Seventy-two hours before a terrific hurricane had swept the city of Santo Domingo. Thousands were wounded and hundreds killed. Immediately after our arrival and after conferring with the American minister to Santo Domingo, as well as with Major Crockett and Captain Silva, who had been sent by the Governor of Porto Rico by plane ahead of us, we visited the honorable President of Santo Domingo, General Trujillo, and the minister of health of the republic. We organized the following services:

1. General antityphoid vaccination.
2. Restoration of the city water supply and proper purification of same by the application of chlorine.
3. Distribution of antitetanic serum for prophylactic treatment of the wounded.
4. Establishment of an emergency 1,000-bed hospital to accommodate the excess patients from existing hospitals.
5. Laboratory work for the examination of water and biological specimens from the wounded and the sick.
6. Distribution of medical material to hospitals.

Fifteen thousand two hundred and twenty-five persons received first-dose injections against typhoid and 2,690 received second-dose injections against typhoid. At this stage of the work the service was turned over to the Dominican authorities. All wounded were given antitetanic serum.

In cooperation with local authorities proper attention was given to the extraction of garbage from the city, refuse from the hospitals, and the sanitation of hotels and other meeting places. Special care was given to refugee

quarters which had been established in churches and other public buildings. Proper sanitary installations were provided for them. A continued service of inspection of these refugees was carried out in order to promptly detect any sign of disease, for the purpose of establishing early treatment and for stopping any possible contagion.

On September 9 four surgical units and one radiological unit arrived from Porto Rico. One group took charge of our hospital which had been named "Roosevelt Hospital." The X-ray service was also there established. Two surgical groups served at the Billini Hospital and the fourth at the Hospital San Rafael. All persons found in the refugee quarters which needed treatment of any sort were referred to the Roosevelt Hospital in addition to the four hundred and odd patients which had been sent from other hospitals for treatment and care. One of our medical officers had charge of visiting the hospitals, classifying the wounded, and transporting them in our ambulance from the places they were found to our hospital or to whatever place it was thought convenient to refer them to.

Emergency hospitals which lacked the necessary equipment could thus be closed and those which were properly equipped could function without the encumbrance of an excessive number of patients.

As soon as the local doctors were in a position to assume charge of the hospital it was turned over to them. The Roosevelt Hospital was definitely turned over to the Dominican doctors on September 17.

Daily examination of the public water supply was carried out by our laboratory. There were no cases of typhoid fever or dysentery reported or found up to the time of our return. Not more than 10 cases of tetanus reported. Proper recommendations were made to the Dominican authorities for what preventive measures should be continued in order to forestall the appearance of any epidemic.

As soon as our units were relieved from duty they were sent back to Porto Rico.

A complete report of our activities was presented to the President of the Dominican Republic on our departure. We left Santo Domingo city on September 23, after 17 days of continued work in the capital.

CHANGES IN THE DEPARTMENT

On my taking charge of the department the following changes were ordered:

The office of the epidemiologist and that of the chief of the bureau of transmissible diseases, which up to that time were more or less indeterminate in their relations and sphere of action, were properly separated and their work defined, the epidemiologist to have charge of the collection of data on diseases, their study and proper interpretation, the investigation of epidemics and the study of various standing problems concerning the incidence of epidemic diseases, while the chief of the bureau of transmissible diseases was placed in charge of the control and prevention of said diseases on the basis of the investigations carried out by the epidemiologist and also to have charge of the isolation hospital, the leper hospital, vaccination, etc.

New model blanks for death and birth certificates were prepared and distributed to local registrars throughout the island with a view to improving our statistics.

The bureau of charities of this department was organized and all charity institutions under the department were placed under one single supervision and control.

The classification of municipalities and health inspectors was made so that salaries be fixed in accordance with the work, experience, and responsibility of each.

NEW QUARTERS

The old Casa de Beneficencia, where the insane hospital was housed ever since its organization in Porto Rico and until its removal to the newly constructed buildings, was prepared for our use and all central offices of the department transferred there on or about the first days of 1931.

NEW LEGISLATION

Largely as a result of our recommendations a new law for the registration of births and deaths was approved during the session of our legislature; also

a law for the control of food and drugs adulteration and misbranding and a new law for the regulation of the practice of medicine. All will make for much more satisfactory situations than previously existed.

NEW BUDGET

The new budget prepared and approved (effective July 1) has made possible at the central office and bureaus the necessary reorganization and the proper administration of health units and other activities throughout the island.

FINANCES

The department carried out its work with what appropriations had been made by the legislature for the fiscal year plus what was known as sanitation fund, made up with 6 per cent of real estate municipal taxes. As per letter dated the 14th of May, 1930, from the treasurer of Porto Rico, said fund was estimated as \$162,676.65 to be available for the fiscal year 1930-31. My predecessor budgeted out this amount, providing therefrom the salaries for health officers and inspectors. By the end of June 30, 1931, \$99,622.93 only had been realized out of the estimated amount and there were collections in arrears for \$63,063.92. Pay rolls and services rendered for the months of April, May, and June were still pending for \$29,572.88 on June 30, 1931. Purchases since October to June are pending payment for the amount of \$8,701.03. Transferences from other appropriations up to the amount of \$24,690 are to be paid back. Total collections pending amount to \$63,053.92; total indebtedness to \$62,936.91, and the unexpended balance to \$90.01.

This unsatisfactory situation led the undersigned to request from the treasurer and the legislature that all appropriations necessary for the carrying out of the work of the department be budgeted out of insular funds and that municipal contributions be accrued into the general treasury of the island, this doing away with the special trust fund. This new arrangement became effective July 1, 1931.

MORBIDITY

Small outbreaks of typhoid and poliomyelitis have occurred but no other unusual epidemic diseases have made their appearance in the island. Only the usual endemic transmissible diseases have been present such as tuberculosis, malaria, and hookworm.

Typhoid fever.—The decline in morbidity from typhoid fever during the past year has been encouraging. This is best shown by the corresponding low mortality. Four outbreaks occurred in the island. The first with 22 cases and 2 deaths in a rural district of Barranquitas during the months of September, October, November, and December; a second one during the months of October, November, and December, with 40 cases and 4 deaths, in the rural section of the municipality of Salinas; a third at the city of Guayama in the month of March; and the fourth at the town of Ciales during May and June.

Ten cases occurred at Guayama with 1 death and 11 cases at Ciales with 2 deaths.

The first of the outbreaks mentioned was caused by personal contact; the outbreak at Salinas from drinking polluted water from an irrigation canal; the third by the use of water from a cistern polluted by typhoid carriers; the fourth by the use of contaminated water from the city water supply which has no protection of any kind, a case of typhoid having occurred above the water intake.

Poliomyelitis.—A small outbreak of poliomyelitis with seven cases and no deaths developed in the town of Naguabo during October, 1930. Three other suspected cases have been reported by physicians in the island during the past fiscal year. Two were clinically confirmed.

Tuberculosis.—Two thousand four hundred and forty-seven new cases of tuberculosis were reported. One thousand were confirmed by sputum examination.

CONTROL OF TRANSMISSIBLE DISEASES

A total of 29,205 smallpox vaccinations were reported by the bureau of transmissible diseases and 117,683 antityphoid inoculations; 12,202 toxin antitoxin injections were given during the year.

One hundred and ninety-three patients suffering from contagious diseases of various descriptions but mainly typhoid fever and diphtheria were isolated at the quarantine hospital, with 11 deaths.

Four thousand four hundred and forty-three rats were caught in San Juan, Puerta de Tierra, and Santurce. Each one of them has been autopsied and carefully examined; all were negative to plague.

Five new patients were admitted to the leper hospital and five patients died during the year. The number of patients being 58 at the beginning of the year, remained the same at the end. There are now two patients pending discharge after proper treatment with ether-esters of chaulmoogra oil. There have been 63 patients treated throughout the year.

Four antirabic treatments were given during the year with no human case of rabies reported from the island.

BIOLOGICAL LABORATORY

The biological laboratory performed 121,171 examinations during the year; 96,882 were carried out at the central laboratory at San Juan and 23,289 at the branch laboratory at Ponce.

MALARIA CONTROL

During this year 85 requests from 37 municipalities were taken care of, the majority mainly in the form of distribution of quinine but some in the form of surveys preparatory to more definite control work. The disease has been much more prevalent in certain sectors of the interior of the island such as in the municipalities of Caguas, Gurabo, Juncos, and Las Piedras, undoubtedly due to the more favorable conditions for breeding of mosquitoes in rivers and creeks which in years of normal rainfall are repeatedly flushed out. While the total rainfall for the year reached in most cases a fairly high figure, the greater portion of the year was quite dry, especially at Salinas, until the months of May and June, 1931, which were excessively wet.

In addition to work being carried on in other areas, campaigns for more permanent control of malaria have been started in two towns and studies preparatory to a campaign have been made in three others.

Definite campaigns are in progress aiming at sufficient reduction in the mosquito population to prevent the transmission of the disease about the towns of Fajardo (began 1925), Luquillo (1927), Salinas (1927), Patillas (1928), and San German (1928).

New work has been concentrated about the town of Salinas. There are four estates involved: Colonias Magdalena and Isidora, belonging to Godreau Brothers, and Colonia Carmen and Margarita, owned or rented by Central Aguirre. Work started in 1929 in Colonia Magdalena was finished during this year, so that all but a few acres at about tide level have been tiled. Excellent cooperation has been received from the owners who have paid a large proportion of the cost of the work. The fields first drained have functioned very well. Only sufficient surface ditches were used to carry off excess rain water. The first crop yielded about 15 tons of cane per acre more than had ever been harvested and a good second growth is coming up where replanting has always been necessary in previous years. There are still several spots of alkali or salty land scattered throughout these fields through which water filters with extreme difficulty and upon which cane will not grow well. Experiments are being carried on to determine what method can be used to convert them into normal soils.

In both colonias Margarita and Carmen, under control of Central Aguirre, work has been started and several fields tiled. With the cooperation of Aguirre it is planned to practically tile the remainder of wet lands above tide level this coming year, leaving the lowlands for a pumping project which is being studied.

During the year slightly more than 100 acres were tiled at an average cost of about \$56 an acre without including the salary of the engineer.

Surveys have been made in numerous areas where funds have not yet been made available for control work.

Approximately \$55,000 were spent by the bureau, or almost the identical amount of previous year. Of this amount a little more than one-fourth was spent on central office administration and supervision, slightly less than three-fifths on field antimalaria activities as a part of continuous control work about

certain towns, and the remainder in special studies, surveys, and emergency work in connection with epidemics. Of the approximately \$33,000 spent in field work \$9,500 was spent on permanent drainage, mostly subsoil drainage.

VITAL STATISTICS

Taking advantage of the 1930 census, we have made a thorough revision and correction of our vital statistics for the last 20 calendar years beginning with 1911. The calendar year is a much more logical and generally accepted basis for estimating figures for the vital statistics of the world at large.

In some cases, fiscal years had been closed on June 15. On all cases the population as estimated for June 30 was taken as a basis for computation for fiscal years which was an obvious statistical mistake.

Our death rate during the last calendar year (1930) was 18.6; the previous year (1929) was the highest in 20 years with the exception of 1917 and 1918—two years with great epidemics of influenza and measles. The 1929 figures were the result of the San Felipe hurricane which occurred during the latter part of the calendar year 1928, but the calendar year 1930 has had a reduction in the death rate to a much lower figure than the precyclone years—in fact, to a lower figure than any calendar year recorded in Porto Rico. The same may be said of the infant mortality rates. For this we have available figures only since 1918.

The following more important causes of deaths have shown a decrease:

Diarrhea and enteritis under 2 years was reduced from 284.6 for 1929 to 195 during 1930 per 100,000.

Diarrhea and enteritis (2 years and over), from 249.9 to 132.2.

Malaria, from 137.9 to 121.08.

Congenital debility, from 107 to 84.2.

Bronchitis, from 80.9 to 57.6.

Dysentery, from 33.5 to 6.6.

Nephritis, from 205.6 to 133.8.

Bronchopneumonia, from 125.9 to 97.9.

Typhoid fever, from 14.5 to 8.5.

Uncinariasis (hookworm disease), from 50.4 to 23.7.

Tuberculosis, all forms, from 301.4 to 263.2.

Influenza, from 10.4 to 3.3.

Heart diseases, cancer, and external causes, showed increases.

BIRTH RATE AND MARRIAGE RATE

Births.—There were 54,574 births registered in 1930 as against 52,468 the year before. The birth rate per thousand population was 32.2 as compared with 34.4 for the previous year.

Marriages.—Marriages in 1930 numbered 9,961, marriage rate being 12.8 persons per thousand. Marriage rate for the previous year was 10.9.

GENERAL INSPECTION

Four thousand one hundred and seventy-one tuberculine tests were given to cattle in the dairy industry; 31 were found positive, 29 suspicious, and 4,058 negative.

Appropriations by the various municipalities for municipal garbage-extraction service have been reduced due undoubtedly to the poor economic conditions of the municipalities. For the year to come further reductions have been made. The situation is not satisfactory by any means.

There has been an increase in the amount of fresh meat consumed in the island; 112,296 hundredweight of beef was consumed last year as compared with 91,110 the previous year. Nevertheless, a decrease of about 300 hundredweight in the consumption of pork and a little over 500 hundredweight of mutton was noticed. Slaughtering was always carried on under the supervision of sanitary inspectors.

The amount of milk sold in licensed milk depots has been reported as 24,327,306 liters plus 4,083,356 sold directly from the licensed dairies to the consumers.

During the year 4,422 cases of violations to sanitary regulations were taken to court; 4,160 cases were passed upon by the courts with 2,857 convictions and 1,303 acquittals; 262 cases are pending.

Two thousand one hundred and seventy-three inspections to buildings were performed by special building inspectors; 2,305 by inspectors' plumbers.

Four hundred and fifty-three thousand four hundred and forty-eight visits were carried out throughout the island by local inspectors on private dwellings, commercial establishments, and municipal dependencies.

Forty-eight thousand three hundred and ninety-six notices were served for correction of sanitary deficiencies, of which 42,945 were complied with and 5,441 are still pending.

A census was made on conditions of sanitary installations in towns and cities throughout the island with the following results:

	Houses
With sanitary installations-----	26, 184
With latrines-----	39, 726
Without any sanitary convenience-----	6, 716

The leading city as to the lack of sanitary installations of any sort was Ponce.

CHEMICAL LABORATORY

During the fiscal year, 11,952 samples of all classes were examined: Food-stuffs, drugs, condiments, water, beverages, and technical products of applied chemistry.

Although most of the work performed has been in connection with cow milk, varied and important work has also been undertaken at the request of other departments of the government on investigations of great responsibility.

SANITARY ENGINEERING

Plans for the construction of 2,560 buildings were approved; for 239 building extensions; for 5 urbanizations; for 2 water supplies; for 2 sewerage systems; for 1 irrigation plant, and for 1,605 sanitary installations.

No new public water supply has been placed in operation during this year.

The municipalities of Bayamón and Cataño have a common system under construction but it has not been finished at the end of the fiscal year.

The city of Caguas has a purification plant under construction.

Tables giving the situation as to water supplies and sewerage system for the urban and rural population of the island are attached.

RURAL SANITATION

From July to September, 1930, inspectors in charge of rural sanitation were distributed throughout 37 municipalities. In October, 1930, a redistribution of inspectors was carried out, concentrating them in seven municipalities.

Four thousand four hundred and forty-five new latrines were built and 5,756 latrines repaired during the year, making a total of 133,103 latrines built and repaired ever since this kind of work was begun in the island 10 years ago.

Treatment work was finished at the four municipalities of Hormigueros, Maricao, Las Marias, and Caguas; 45,253 treatments were given; 16,527 persons were pronounced cured; and 27,041 microscopic examinations were carried out in these places.

Treatment work was begun at the municipality of Dorado; 4,570 microscopic examinations were carried out there; 8,295 treatments administered, and 2,294 persons pronounced cured.

The total number of treatments administered during the year for the whole island has been 53,548.

The educational campaign consisted of house to house propaganda; 5,336 such visits were carried out; 149 conferences were given in rural schools and throughout the rural sections of the municipalities; 53 of them in cooperation with the department of education.

BUREAU OF TUBERCULOSIS CONTROL, SOCIAL WORK, AND HEALTH EDUCATION

The tuberculosis mortality in Porto Rico during the year 1930 was 263.2 per 100,000 inhabitants; in 1929 it was 301.4. In the past five calendar years it has been as follows:

Year	Rate per 100,000 in- habitants	Year	Rate per 100,000 in- habitants
1926.....	248.7	1929.....	301.4
1927.....	252.6	1930.....	263.2
1928.....	261.3		

Last year was marked by a considerable increase in the number of available tuberculosis beds.

At the close of the fiscal year 1929-30 there were 394 tuberculosis beds in Porto Rico, including those that were available in private institutions. At the close of this year of 1930-31 there are in the island 572 beds for cases of tuberculosis. These beds are distributed as follows:

	Number of beds
Insular Tuberculosis Sanatorium at Rio Piedras, including the municipal tuberculosis hospital of San Juan, on the sanatorium grounds, and the children's pavilion.....	350
Tuberculosis sanatorium of the Antituberculosis League of Ponce.....	30
Municipal tuberculosis hospital of Caguas.....	24
Municipal tuberculosis hospital of Juncos.....	10
Municipal tuberculosis hospital of Guayama.....	10
Tuberculosis hospital of Aguadilla.....	10
Private institutions.....	138
Total.....	572

The campaign has also been marked by the formation of new tuberculosis committees in different towns of the island, and the union of these committees into one general tuberculosis association, La Asociación Antituberculosa de Puerto Rico, under the initiative and with the active cooperation of the National Tuberculosis Association.

The tuberculosis hospital of the Antituberculosis League of Ponce and the municipal tuberculosis hospitals of Caguas, Juncos, and San Juan have been subsidized by the insular government, and their administration has been largely under the control of the health department.

The capacity of the Insular Tuberculosis Sanatorium has increased 40 per cent this year. At the beginning of 1930-31 the institution had 250 beds. Now it has 350. Of the 100 beds added, 60 correspond to the San Juan pavilion, built during the previous fiscal year and equipped with the cooperation of the municipality of San Juan, and the other 40 to the new children's ward, which was opened on April 22, 1931.

Seven hundred and ten patients were treated during the year at the sanatorium. There were 464 admissions, and 363 patients were discharged.

The new patients were classified according to the degree of their illness, as follows:

Incipient	Moderately advanced	Far advanced
30	115	319

When the San Juan pavilion was opened, the patients of "La Perla," the old tuberculosis hospital of San Juan, were transferred to the sanatorium. This brought with it the admission of a great number of far-advanced cases of tuberculosis and a corresponding increase in mortality at the sanatorium. Thus this year was 138—58 deaths more than last year.

Among the improvements of the sanatorium might be mentioned the San Juan pavilion, the morgue, the children's ward, two new warehouses, and four additional cottages which will be ready by October, 1931, and will lodge 20 additional patients.

One hundred and fifty meters of new streets have been constructed, and the new entrance to the sanatorium through the place where the road from Rio Piedras joins the new road from Stop 33, Hato Rey, has been started.

Out of the fund for the prophylaxis of tuberculosis in children, the health department has maintained during the year 30 children at the preventorium of the "Sociedad para Evitar la Tuberculosis en los Niños," at Guaynabo. It

has also provided milk out of this fund for the children attending the rest rooms for undernourished children at Caguas, Arecibo, José Julián Acosta school at San Juan, and the camp for undernourished children at Aibonito.

Out of the fund for the prophylaxis of tuberculosis in children, the department of health has also contributed this year \$24,424.44 toward the maintenance of milk stations in practically every town of the island, for undernourished children under 2. These milk stations were possible through the generous contributions of the A. R. A. Children's Fund (Inc.) and the American Child Health Association.

The milk stations.—Ninety-three milk stations have functioned during the year. An average of 1,100 children under 2 were fed milk daily, and a total of 351,803 quarts of milk were distributed from July 1, 1930, to June 30, 1931.

One thousand four hundred and seventy women took part in the activities of the ladies' clubs associated with the stations. Altogether it is estimated that the milk stations carried instruction in infant feeding and care to more than 4,000 poor mothers throughout the island. The educational activities of the milk stations were carried out through the ladies' clubs under the instruction and guidance of 12 infant feeding instructors.

The mortality among the infants attending the stations was 57 per cent lower than the general infant mortality over the island. The value of the milk feeding given at the stations was further proved by the fact that the mortality among children who were attended by the stations for 4 months or over was 46 per cent lower than among those who had this privilege for periods of less than four months.

BUREAU OF CHARITIES

Ever since the 8th of December, 1930, and by administrative order the bureau of charities was organized. It includes the hospital for insane, the boys' and girls' charities schools, the Ponce district hospital, the Institute for Blind Children and the Asylum for the Indigent Blind, the care for deaf and dumb, and the supervision of charity municipal work.

Institute for blind children.—Nine pupils learned to read and five to write according to the Braille system. For the first time in our history four blind children have been granted the common-school diploma. Vocational training has continued and in general the institution has been efficiently managed. The total number of children in the institution during the year has been 81, with 32 admissions and 30 discharges. On June 30, 1931, there were 51 inmates in the institution.

Boys' charity school.—Seventy-one boys left the school during the year. Three had training as masons, 1 as a carpenter, 3 as shoemakers, and 3 as master plumbers. The internal organization of the school will be reorganized according to new plans with a view to give to the boys practical training in order that they may be able to gain their livelihood. There were 75 admissions during the year. There were 388 boys in the institution at the end of the year. Two hundred and sixty-one had promotions in their school work.

Girls' charity school.—Twenty-one girls graduated from the commercial course. There were 251 promotions and 38 nonpromotions at the end of the school year. There were 57 admissions during the year and 57 discharges. There were housed 300 girls at the end of the fiscal year.

District hospital in Ponce.—Seven hundred and fifty-four patients were hospitalized during the year. These patients came from 33 different municipalities. Two hundred and thirty-five operations were performed and 290 medical cases attended. Ninety-two deliveries were attended. Seventy-seven X-ray plates were taken, and 6,488 minor operations were performed. Two hundred and seventy-eight specimens were sent to the laboratory for examination.

Insular Blind Asylum.—One hundred and ninety-nine cases were admitted to the Insular Blind Asylum. Two hundred and four discharges took place. Eighty eye operations were performed during the year. There were 96 inmates in the institution at the end of the fiscal year. Sixty-four temporary inmates came to the institution for treatment because of the inability of the municipal charities to give eye treatment. Thirty-two have made a home of the institution.

Hospital for the insane.—At the beginning of the year there was a total of 652 inmates. Three hundred and seventy-six admissions had taken place during the year; 139 discharges, and at the end of the fiscal year there were 889 patients in the institution. From the beginning to the end of the year there

was a total increase of 237 in beds occupied. Arrangements have been made so that the total number will be increased to 1,000. This means almost doubling the capacity of the institution from the time it was housed in the old building at San Juan, when the total number was 550. The change to the new buildings took place during the fiscal year 1929-30. The admission of cases which up to now had been in municipal jails and emergency hospitals has taken place during this last fiscal year. Two pavilions with about 100 capacity beds were added to the buildings during this year. A thorough reorganization of the institution has taken place and new internal regulations have been put in force.

Deaf and dumb children continue to be taken care of at the San Gabriel School as per contract with this department.

HEALTH UNITS AND LOCAL OFFICES

Units and semiunits were in operation during the entire year in the following towns and were covering both urban and rural zones:

Rio Piedras	(Unit).
Yabucoa	Do.
Caguas	Do.
Cafano	Do.
Cayey	Do.
Adjuntas	Do.
Guayama	Do.
Juncos	(Semiunit).
San Juan (has no rural zone)	(Unit).

In the following towns the rural zones were not covered:

Ponce	(Unit).
Humacao	(Semiunit).
Mayaguez	Do.

In semiunits the health officers were part-time employees.

In January, 1931, a new public-health unit was organized in Arecibo with a full-time officer and complete staff. It served both urban and rural population of that municipality.

Persons attended during the year was as follows:

Clinic:	Number of clients
Tuberculosis	7, 079
Maternity	2, 229
Infant and preschool	11, 686
Total	22, 994

In San Juan, Ponce, and Juncos there are also venereal-disease clinics connected with the units. The total number of clients of these three clinics was 3,319.

Five thousand one hundred and ninety-two physical examinations to applicants for health certificates were given at the units; 9,082 school children were examined. In many cases these examinations were followed by treatments for such conditions as hookworm disease, malaria, and parasitic skin diseases, and by immunizing treatment against diphtheria, typhoid fever, and smallpox. The visiting nurses made a total of 37,718 visits to the homes of dispensary patients.

COOPERATION FROM PHILANTHROPIC ORGANIZATIONS

Rockefeller Foundation.—The valuable cooperation which the people of Porto Rico have been receiving from the Rockefeller Foundation ever since 1920 has continued throughout the year. The Rockefeller Foundation has continued to cooperate in the organization and maintenance of the two health units at Cayey and Adjuntas, organized the year before, and to the newly organized unit at Arecibo. They have continued to cooperate with us in the malaria-control work and in solving problems of rural sanitation with special reference to hookworm control.

The chief of the bureau of vital statistics returned from the United States, where he had been a guest of the Rockefeller Foundation, about the month of September. A member of the bureau of rural sanitation was also a guest of the foundation, and an engineer is being trained as their guest. Dr. Abel de Juan, assistant chief of the bureau of transmissible diseases, made also a visit on study at the invitation of the foundation.

American Relief Administration Children's Fund (Inc.).—Contributions from the American Relief Administration Children's Fund (Inc.) amounted to \$53,750.67 for the purpose of conducting our milk stations. Dr. S. J. Crumbine and Dr. William S. Snow visited the island on behalf of the Porto Rico child health committee in order to perfect our plans for the expansion of existing health units and the establishment of the new units, a work which the Porto Rico child health committee is making possible through its financial assistance. A large number of municipalities were visited by them, accompanied by the undersigned, and plans of cooperation with the municipalities were discussed, which were under way ever since July 1. This was follow-up work in connection with the previous visit of Doctors Crumbine, Mitchell, and Miss Amy Tapping, which had taken place the previous year on behalf of the American Child Health Association.

Municipalities where no health units were at work during the year to which this report refers were in charge of sanitary inspectors plus the direct attention of central bureaus. The report for this work is found under "General inspection."

Respectfully submitted.

Dr. A. FERNOS ISERN, *Commissioner of Health.*

REPORT OF THE COMMISSIONER OF EDUCATION

INTRODUCTORY SURVEY

The year 1930-31 may be characterized as a period of consolidation. The department of education has adopted a policy of intensive rather than of extensive efforts. The aim has been to carry a number of children as far in their educational career as necessary in order to make the work of the school a practical contribution to their lives as efficient members of society. The problem of extending educational facilities of the same degree of efficiency to all the children of the island is perhaps impossible of solution under the present economic and social order. Future growth is scarcely possible from the point of view of extension. Even if it were possible, it is very questionable whether it would be the wisest policy. When this extension of educational facilities amounts only to a smattering of the rudiments of an education which will probably wear off very soon after the children leave school, the hope seems to lie rather in intensive work and in a redirection of present efforts toward goals of greater efficiency and practical utility. To this task the department of education has definitely committed itself.

Some of the most outstanding educational events of the year are the following:

1. The adoption by the legislative assembly of a new certification law embodying the best modern thought on the matter.
2. The adoption of another law introducing a number of amendments in the school laws of Porto Rico that were necessary in order to bring the school legislation of the island up to date.
3. The extension to Porto Rico of the benefits of the Federal legislation for the promotion of vocational education and rehabilitation.
4. The extension of the second unit organization to 23 additional rural communities.
5. The reorganization of the central office of the department of education into two main divisions—technical and administrative—and the addition of several bureaus and additional office force.
6. The strengthening of the plans for cooperative work between the department of education, the University of Porto Rico, and the departments of health and agriculture and commerce.
7. The successful maintenance of the system of school lunch rooms as educational and social agencies.

General objectives.—The objectives of the school system of Porto Rico have always been conditioned by the insufficiency of the funds allotted to public education in comparison with the population of school age. With 483,348 children between the ages of 6 and 17, and only 226,215 enrolled in all kinds of schools exclusive of the university, the most urgent need lies clearly in the direction of developing, in as large a number of children as possible, an efficient control over the knowledges and skills most generally needed by children and adults. In the interpretation of this objective the learning of the traditional three R's has received in the past the largest share of time and effort in the primary grades.

The pursuance of such an objective is fully justified by its propædæutic value. There is, however, the danger of overemphasis, especially in the face of the high mortality rate prevalent after the fourth grade. A command of the fundamental processes and the mastery of the tools of knowledge are, however, an indispensable foundation for any kind of education which may follow.

An interesting phase of the way the Porto Rican schools are attempting to realize this objective is the bilingual plan of instruction which is followed in the island. In this connection, the policy of the department of education for

many years has been the conservation of Spanish and the acquisition of English. The wisdom of this aim is denied by no one; there are, however, differences of opinion in regard to the most effective procedure to follow in order to bring about the desired outcomes.

Of recent years, a very decided effort has been made to lay the foundations for a more practical education along vocational lines. The second unit rural schools (consolidated schools of a vocational type) are the embodiment of a new objective towards which the educational system of the island is heading, namely, providing boys and girls with a better training to earn a living in those vocational pursuits typical of the Porto Rican environment. During the school year covered by this report, the number of such second-unit rural schools has increased from 13 to 36.

The extension to Porto Rico of the benefits of Federal legislation for the promotion of vocational education will place educational authorities in the island in a more favorable position in connection with the furtherance of this objective, especially in urban communities. The courses offered at two trade schools located in the largest cities of the island, and the commercial training offered in 18 of the 23 high schools are also centers for vocational training at the secondary school level.

A third clearly defined objective of educational work in the island is the promotion of better health for the children attending school and for the community as a whole. This objective is being realized in five different connections:

1. Health instruction as a regular part of the day-to-day program of instruction.
2. Physical training and athletics—dances, games, playground work, and organized track team contests.
3. School lunchroom service—feeding hot lunches to undernourished children and to poor students who live too far from school.
4. School medical service.
5. Dental clinics.

Through the organization of second units, 23 of which have been established during the past year, the department of education is attacking the rural phase of the health problem. The social workers and the teachers of home economics, in cooperation with agents of the insular department of health or acting by themselves, have made a decided, if experimental, move in the direction of realizing this objective in the rural schools.

The contribution made by the school lunchroom, both in the urban and in the rural zones, towards the realization of this objective deserves a word by itself. During the year under review a total of 994 lunchrooms have functioned in the island, 158 in urban schools and 836 in rural centers. At these school lunchrooms several phases of health education have been kept paramount: Underfed children have received food in amount and quality necessary for nutrition, the taste for dietetic elements heretofore absent from the regular diet of children has been developed, and children have been trained in the hygienic preparation and presentation of balanced meals.

During the past year, the legislature, at the request of the department of education, created a bureau of health and physical education which will integrate all the efforts in the direction of realizing this objective.

Secondary schools.—The island is supporting 23 four-year high schools, 1 of them partly paid from municipal funds and 22 totally paid from insular funds. The total enrollment in the high schools was 5,823. In addition to the high schools, there were 23 towns with continuation schools with an enrollment of 1,127, making a grand total of 6,950 in all secondary schools. These schools were served by 207 high-school teachers and 155 continuation school teachers.

Two different curricula were offered by the public high schools of the island—the general or scientific and the commercial. In harmony with a plan of reorganization, courses in agriculture were established in the high schools at Utuado, Caguas, Humacao, and Cabo Rojo, and the continuation school at Arroyo. This movement marks the beginning of the introduction of real vocational work in our high schools.

Committees for the selection of textbooks in Spanish, English, mathematics, science, and history were appointed. These committees prepared recommendations for the adoption of high-school textbooks in the subjects mentioned.

The work in science has been systematized, especially as regards the method of requisitioning material. The new plan will result in considerable savings in the upkeep of our laboratories.

Two new 4-year high schools, one at Isabela and another at Cabo Rojo, were established during the past year.

Of the continuation schools, one offered a 3-year course; sixteen, 2-year courses; and six, 1-year courses.

The 6-3-3 plan or some similar one, in substitution of the 8-4 plan used at present would provide a more gradual transition. Although such a plan is not a panacea for our evils, still it would no doubt solve some of our most pressing problems in the proper correlation of elementary and secondary instruction.

Elementary urban schools.—A total number of 1,712 urban schools with an enrollment of 89,741 is taking care of the educational needs of the urban population. These urban schools were served by 11 principals, 179 teachers of English, and 1,584 English graded teachers. The lowest salary paid to these teachers is \$700 with an increase of \$50 per annum, up to \$900. Teachers of English receive a fixed annual salary of \$1,125; principals, \$1,100. Some of the municipalities have been compelled to include in their budgets appropriations for additional teachers. The total amount of these appropriations for the year was \$98,454.

The preparation required for an elementary urban teacher is a 2-year normal course after graduation from high school. The principals and acting principals are supposed to have the same preparation. However, not all the teachers in service at present fulfill these requirements, the average preparation being —2.92, or almost three years less than the accepted standard.

The legal school age is from 5 to 18. The compulsory school attendance covers the ages from 8 to 14 inclusive. As a matter of fact very few children gain admission at the ages of 5 or 6. There is no room for all those who seek admission. The number of schools has not increased in proportion to school population. Due to this fact preference is given to the older children. This practice, which is common in the rural zone where distances are great and parents do not eagerly seek the school, creates a serious problem in the urban zone, where there is always an excess of lower-grade children. In an effort to cope with the situation all first grades have been organized on the double-enrollment plan, which permits one teacher to teach two groups of 35 pupils each, one in the morning and another in the afternoon.

Pupils are generally grouped by intelligence, and promotions are based more on the ability of pupils to do advanced work than on their achievements in the grade in which they are. Upon the satisfactory completion of the elementary course of study, the common-school diploma is granted, and this entitles the holder to enter a high school without further examination. At the end of the school year 1930-31, 5,161 common-school diplomas were granted.

First-unit rural schools.—The rural school system of Porto Rico comprises at present two distinct organizations—grades 1 to 6 constitute what has come to be known as the rural first unit; a second organization known as second-unit rural schools, enrolls pupils who have completed the courses prescribed for the first unit.

The aim of the first-unit schools is to provide rural children with the traditional equipment of a primary education. No formal vocational work is offered in this unit and the curriculum in general is intended to fit the child either for vocational second-unit schools or for an academic career in the schools organized according to the traditional curriculum. Incidental instruction in gardening and handwork is offered more with the aim of developing appreciation and love for nature and for handicraft than with the purpose of giving the child training for wage-earning or for gainful occupation.

Three different types of organization are to be found in the first-unit rural schools:

1. Single session plan: Under this scheme children attend school the whole day from 8.30 to 11.30 a. m. and from 1 to 4 p. m.

2. Double session plan: Two different groups of pupils are in attendance: One group, generally made up of pupils in the first grade, attend from 9 a. m. to 12 m., and a second group, generally made up of pupils from the second and third grades attend during the afternoon session, from 1 to 4 p. m.

3. Mixed plan: Under this type of organization, first, second, and third grade children attend school for one-half day only and the fourth, fifth, and sixth grade pupils attend during the whole day.

The first-unit rural schools were taught by 222 English graded teachers known as consolidated-school teachers, and 1,825 rural teachers. This type of rural-school organization exists in almost all the "barrios" of Porto Rico and until the organization of the second-unit rural schools, it was the only opportunity offered rural children for any kind of education.

Second unit rural schools.—The second-unit rural schools are consolidated rural schools of a vocational type. Their organization has come as a result of the recognition that the academic education offered our rural children was not fitting them for an efficient life as producers and consumers of goods.

These schools were started in the year 1928-29 with the establishment of 5 centers in strategic points in the island. The second year their number grew to 13 while during the year under review there were 27 complete units and 9 nuclueses for future second units.

Although the normal length of the curriculum in the second units is considered to be three years, an effort is made to keep the organization as elastic as possible so as to make provision for pupils who can not stay in school for the full 3-year course.

Even if the final aim is to make the second-unit schools serve as vocational schools for pupils who have finished the courses offered in the first-unit rural schools, those who have completed the third grade are admitted when such a procedure is justified by any of the following reasons:

1. Inability of the pupil to continue academic studies due to economic pressure.

2. Inability of the pupil to continue academic studies due to lack of general intelligence.

3. Lack of higher grades than the third in the community where the child lives.

When such children are admitted, every precaution is taken to see that their health and physical development warrant the taking up of vocational courses that generally require a certain degree of maturity and physical strength.

The vocational courses organized in the second units are still in the experimental stage. The extent to which they may contribute to fit rural children for gainful occupation will be the criterion that will guide us in retaining or in dropping them from the curriculum of the second-unit schools.

The personnel of the second-unit schools for the year under review was as follows:

Teachers of agriculture.....	36
Teachers of home economics.....	36
Teachers of manual training.....	34
Social workers.....	28
Industrial teachers.....	17
Teachers of academic subjects.....	103

Each second unit is under the direction of a principal who is generally selected from the teaching staff.

The limited extent to which the rural children of the island have the opportunity to attend such schools as are described here may be judged from the fact that there are only 36 schools of this type for the whole Island. The principal difficulty in the way of a rapid extension of this type of school lies in the fact that it is a much more expensive organization than the traditional consolidated school. The provision of a farm, animals, outhouses, agricultural equipment, and salaries of special teachers are expensive but indispensable items in the establishment of a second-unit school.

Bureau of extension and examinations.—The purpose of this bureau is to provide instruction to persons who can not afford to attend day schools. Its scope has been enlarged to include the following:

1. Examinations in all subjects of the elementary and secondary schools in June, December, and August of each year.

2. A correspondence school.

3. Evening extension courses established in several towns of the island.

4. Summer schools for the benefit of teachers and students.

During the year under review 1,806 persons were examined in high-school subjects and 11 in eighth-grade work, a total of 1,817; more than 60 per cent of the examinees were teachers.

As a result of the examinations held in December, 1930, June and August, 1931, a total of 61 high-school diplomas were issued. No eighth-grade certificates were granted this year.

The per capita cost for secondary instruction given by the bureau of extension and examinations is \$10.87 per pupil.

The curriculum.—The school system of Porto Rico has offered instruction in the traditional common-school subjects, including manual arts, home economics, agriculture, and physical education. A unique feature of our system is the bilingual plan of instruction. This plan is intended to insure the conservation of Spanish and the acquisition of English.

During the year under review, careful attention has been given to informal testing in all the subjects of the curriculum in order to diagnose deficiencies and to prescribe remedial teaching.

Teachers.—In the publicly supported schools of all grades under the department of education there were employed 4,523 teachers, of which 4,357 were paid by the insular government and 166 by the municipalities; 1,246 were men and 3,277 women; 3,743 were white and 780 colored. Classified by positions, the numbers were as follows: Rural teachers, 1,876; graded, 1,584; English graded for consolidated rural schools, 300; second unit rural teachers, 132; high-school teachers, 207; special teachers of English, 179; continuation teachers, 155; principals, 51; special teachers of physical training, 10; teachers of technical subjects, 9; special teachers of agriculture, 7; teachers of needlework and embroidery, 8; special teachers of miscellaneous subjects, 5.

The teachers paid from municipal funds are classified as follows: 9 teachers of technical subjects; 8 needlework teachers; 1 continuation school teacher; 103 graded teachers; 37 rural teachers; 3 high-school teachers; and 5 special teachers of miscellaneous subjects.

Enrollment and attendance of pupils.—The total enrollment in all the schools supported with funds of the people of Porto Rico under the department of education, was 226,215, excluding duplicates. Of this number, 124,148 were enrolled in the first-unit rural schools, and 5,376 in the second-unit rural schools, a total of 129,524 in the rural zone; 89,741 in the elementary urban schools, and 6,950 in the secondary schools. In addition to the pupils enrolled in the public schools, 6,994 attended private accredited schools, of which 831 were enrolled in private secondary schools, 5,704 in private elementary schools, and 459 in private kindergartens.

Average number belonging.—The average number belonging in all schools directly under the department of education was as follows: First-unit rural schools, 114,654.36; second-unit rural schools, 4,835.19; total rural zone, 119,489.55; elementary urban schools, 82,621.46; secondary schools, 5,892.17; grand total, 208,003.18.

Average daily attendance.—The average daily attendance was as follows: First-unit rural schools, 108,251.12; second-unit rural schools, 4,587.84; total rural zone, 112,838.96; elementary urban schools, 79,816.01; secondary schools, 5,847.46; grand total, 198,502.42.

Promotions.—Of the 89,741 pupils enrolled in the elementary urban schools, 66,908, or 83.83 per cent, were promoted to the next higher grade. Of the 124,148 in the first-unit rural schools, 86,711, or 80.10 per cent, were promoted to the next higher grade. Of the 5,376 in the second-unit rural schools, 3,619, or 78.88 per cent, were promoted to the next higher grade. In general, of the 219,265 elementary school pupils of both urban and rural zone, 157,238, or 71.71 per cent, were promoted to the next higher grade. The average daily attendance was used as a basis for calculating per cent of promotion.

Supervision.—There were in the service 45 supervisors, 2 of whom were general superintendents in charge of school districts and 51 assistant supervisors.

The school year.—The legal school year consisted of 10 months of 20 days each, leaving 194 days after deducting legal holidays. In computing the average number of days schools were in actual operation, all schools have been taken into consideration whether opened at the beginning or during the year, no matter how brief the term they functioned, and this reduced the average to the following figures: First-unit rural schools, 184.01; second-unit rural schools, 190.27; elementary urban schools, 187.48; secondary schools, 192.58; general average, 188.58.

Fiscal aspects.—The total expenditures for educational purposes from insular funds were \$4,236,964.25. In addition to this amount the municipalities disbursed \$1,317,579.71 from their own school funds, as follows: \$1,077,399.05 for current expenses, \$90,015.36 for capital outlay, and \$150,165.30 for the payment of debts. Thus, the total expenditures for educational purposes from all

sources amounted to \$5,554,543.96. The per capita expenditure for all purposes was \$24.55 per pupil enrolled.

School buildings.—The schools of Porto Rico were housed in 1,992 school buildings housing 4,462 classrooms. Of these buildings, 1,078 belonged to the people of Porto Rico and 914 were either rented or free. Of the public school buildings, 305 are situated in the urban centers and 773 in rural "barrios."

Lunchrooms.—During the past year the activities of the lunchrooms were among the most important of the system. The following lunchrooms were organized in urban and rural centers:

	Urban	Rural	Total
For school children.....	122	710	832
For preschool children.....	36	126	162
Total.....	158	836	994

The following shows the number of children fed during the year:

	Preschool age	School age	Total
Breakfast.....	681	1,558	2,239
Lunch.....	1,595	38,745	40,340
Breakfast and lunch.....		810	810
Total.....	2,276	41,113	43,389

These lunch rooms functioned during 184 school days with a total expenditure of \$279,959.27. The average daily cost per pupil was \$0.034 for each meal.

School libraries.—The school libraries of Porto Rico are badly in need of funds for equipment and technical direction. We do not have enough reading material. The 1,526 room libraries reported by the district supervisors with a total of 80,328 books, the majority of which are worn out and practically useless, deserve almost no mention.

Junior Red Cross.—The Junior Red Cross continues to be one of the foremost extra curricular activities of the schools of Porto Rico. Last year it had 1,025 clubs in the urban and rural schools. Among the activities carried on by their members were the following:

1. Christmas activities—2,393 Christmas packages sent to Santo Domingo.
2. Correspondence with pupils in American and European schools.
3. Subscription to Junior Red Cross Journal and Junior Red Cross News.
4. Assistance given to 14 sick juniors at the insular sanatorium.
5. Distribution of medicines to local committees.
6. Scholarships for attendance at the University of Porto Rico and at high schools granted to 11 juniors.
7. Relief to the children of Santo Domingo after the recent cyclone.

Porto Rico School Review.—The Porto Rico School Review is the official organ of the department of education. It aims to interpret the work of the schools to parents, teachers, children, and the public in general. During the year under review this publication has maintained a high standard of quality in the material printed for publication.

Teachers' retirement system.—The present pension law provides for the establishment of a pension fund for the teachers of Porto Rico. The teachers contribute 3 per cent of their salary to the fund. After 45 years of age and 25 years of service a teacher is entitled to a pension on the basis of superannuation. The pension board is made up of the commissioner of education, the treasurer of Porto Rico, the president of the Teachers Association, a school director, and a teacher in active service.

The Porto Rico Teachers' Association.—The Porto Rico Teachers' Association was organized in 1911. Its chief purposes are: To promote friendship among its associates; to adopt plans and ideas for the improvement of the Porto Rican educational system; to improve by all possible means the economic con-

dition of the teacher; to work for the stability of teachers in their positions; to help them find positions in the various branches of educational work in accordance with the special ability of each candidate; and to help the families of teachers who die while they are members of the association.

OUTSTANDING PROBLEMS AND RECOMMENDATIONS

Rural education and uplift.—In the annual report for the year 1929-30 the policy of the present commissioner in regard to rural education and uplift was expressed in the following words:

"The conditions under which our peasants live are so unsatisfactory that the commissioner feels that his first efforts should be devoted to the improvement of our rural education and the enrichment of our rural life."

The great mass of population in Porto Rico has always lived in the rural area. According to the 1930 census reports, it amounts to 72.3 per cent of the total population of the island. However, ever since the establishment of the educational system urban education has received an amount of attention entirely out of proportion to the needs as measured by population. On the basis of figures for 1930, the average daily attendance at rural schools amounted to only 10 per cent of the total rural population, while the corresponding proportion in urban centers was 20 per cent, exactly twice as large.

Impressive as these figures are, they do not convey, however, a complete idea of the inequalities in educational opportunity between town and country. The rural schools seldom offer instruction beyond the fourth grade. The following table shows the percentages of the pupils enrolled in urban and in rural schools that attend each of the grades of the elementary organization:

	Grades							
	1	2	3	4	5	6	7	8
Rural schools.....	38.64	24.82	19.89	9.63	4.46	1.71	0.53	0.31
Urban school.....	17.19	15.81	16.54	14.65	12.06	10.05	7.56	6.13

As can be seen from the preceding table, 92.98 per cent of the total enrollment in our rural schools belongs in the first four grades. Only 7 out of 100 get access to any higher schooling. Evidently, such a short school career does not allow the adequate fulfillment of any of the objectives set forth at the beginning of this report. An imperfect knowledge of the three R's is all that may be expected.

The facts discussed in the preceding paragraphs lead to the recognition of a twofold problem in rural education:

First, a thorough reconstruction of the rural school curriculum in terms of the probable length of the school career of the pupil clientele; and

Second, the gradual extension of the probable length of the school career of rural children through the organization of courses that appeal to their need, and through a more generous provision of teachers for the organization of the higher grades.

The curriculum.—The curriculum of our schools has grown by accretion from the original core curriculum adopted from the American school systems. No attempt has ever been made to make a thorough reevaluation of the subjects and activities included from the point of view of our peculiar educational needs. The fact that the system is patterned after American standards from which Porto Rico differs so fundamentally, makes its revision one of the pressing problems which our research bureau has to attack.

The curriculum problem in Porto Rico is made more complex by our bilingual plan of education. The use of English as a medium of instruction in grades above the fifth is a matter that has given rise to considerable discussion and controversy. Very little scientific research on the problem has been conducted, however. The effects of the plan now in force on the general progress of the children through school, on the achievement in school subjects other than English itself, on the mastery of English conversation and reading, etc., are interesting problems that deserve study on the basis of objective data and controlled experimentation.

Secondary education.—The liberal increase in the number of secondary school units organized in the last few years has not been accompanied by corresponding increases in the budgetary appropriations for salaries and equipment. It has been necessary to run the 23 high schools in existence last year on exactly the same appropriation allotted in 1923-24, when the number of high schools was only 12. If secondary education is to be carried on without the cramping limitations that the meager allotments now allowed impose upon it a liberal increase in the moneys devoted to salaries and running expenses is indispensable.

A second problem in connection with secondary education is the need of diversification. At present the high schools are largely college-preparatory institutions. The decision as to what additional courses should be offered, and the determination of the most suitable location for the proper utilization of such courses are problems that lie ahead of us.

The reorganization of our school system along such lines as the 6-3-3 or the 3-3-3-3 plans is a third problem affecting secondary education. Such a reorganization would provide the flexibility necessary for the proper functioning of a vocational program; it would permit of a more gradual transition from elementary to secondary studies; and finally it would make it possible to concentrate on a definite 6-year program of elementary education.

Vocational education.—With the extension to Porto Rico of the benefits of the Federal laws for vocational education, a beginning has been made toward the solution of the problem of training our young people in remunerative occupations. The efforts put forth in the past in the direction of vocational education have failed in many cases, because of lack of vision as to which are the lines of work that are likely to offer opportunity for gainful occupation in Porto Rico. A careful study of the vocational possibilities of the island is an indispensable first step in the launching of a program of vocational education.

The organization of part-time and evening vocational schools is probably the safest way of reaching people who have already chosen a trade or occupation.

Personnel.—A study of the training of the administrative and teaching corps made by the department of education during the year under review shows that all the personnel taken together lacks as an average 2.45 years of schooling to reach the standard of two years' work after high-school graduation.

Our tenure regulations guarantee their positions to the large number of untrained teachers already in service as long as their rating is satisfactory. The training of these teachers is thus one of the most urgent needs. The department of education has organized a bureau of extension work and examinations which has been offering extension courses in high-school subjects through correspondence and at evening high schools. For the college training, however, we have to depend upon the extension work that the University of Porto Rico may be able to offer. The need for such a program of extension work has been repeatedly brought to the attention of the university authorities. While a good beginning has already been made by this institution, the demand for extension work exceeds greatly the present offerings.

The endowment of a number of scholarships would allow outstanding members of the administrative staff to go north for further study and specific training for their posts.

Legislation.—The restoration of school boards in place of the present municipal school directors has been recommended year after year since the school boards were abolished.

Likewise, the conversion of the school tax levied by the municipalities into an insular equalization fund to be distributed among all the municipalities has received the indorsement of all the commissioners of education for the last 8 or 10 years.

REPORT OF THE COMMISSIONER OF THE INTERIOR

OFFICE OF THE COMMISSIONER,
San Juan, P. R., August 15, 1931.

The honorable, the GOVERNOR OF PORTO RICO,
San Juan, P. R.

ORGANIZATION

The department of the interior fulfills its duties through the following bureaus and divisions:

BUREAU OF PUBLIC WORKS

This bureau has charge of all work pertaining to survey, design, construction, and maintenance of roads, bridges, harbors, docks, and when so requested by the municipalities supervises the work done on municipal roads.

DIVISION OF PUBLIC BUILDINGS

This division is in charge of the design, construction, and maintenance of all buildings belonging to the people of Porto Rico. Municipal buildings, such as schools, city halls, hospitals, market places, town halls, etc., are also attended when so requested by the municipalities.

DIVISION OF MUNICIPAL WORKS

Under this division all municipal improvements, such as waterworks, sewerage systems, electric plants, public parks, street paving, etc., are designed and constructed.

DIVISION OF PUBLIC LANDS AND ARCHIVES

This division is in charge of the survey and leasing of all lands belonging to the people of Porto Rico and also the municipal lands when so requested by the municipalities. The general archives of the department are also under the care of this division.

DIVISION OF HARBOR AND DOCKS

The supervision of the shipping and pilotage and the collection of harbor dues and wharfage at the various ports of the island is under charge of this division.

BUREAU OF INSULAR TELEGRAPH

This bureau has charge of the construction, maintenance, and operation of the insular telegraph and telephone systems.

DIVISION OF DISBURSEMENTS AND ACCOUNTS

This division is in charge of the accounting of all appropriations assigned to the department of the interior and all payments therefrom. All property belonging to the department of the interior is also intrusted to this division.

AUTOMOBILE DIVISION

This division is in charge of all matters pertaining to licensing of motor vehicles, examinations for chauffeurs, operators, and heavy motor-vehicle drivers.

Porto Rico Irrigation Service, with headquarters at Guayama, Porto Rico, handles all matters in connection with the public irrigation and hydroelectric systems of the south coast, and to it has been attached the division in charge of the work of the insular hydrographic survey and related surveys. The operations of this service are elsewhere described in this report.

The Isabela Irrigation Service is at present engaged in the operation of the irrigation system for the dry zone lying in the northwestern section of the island. It operates also as a branch of this department, and its activities for the last year are discussed farther on in this report.

A report of the work performed during the fiscal year by the San Juan Harbor Board is also given herewith.

In the following pages is shown the work performed by these bureaus and divisions during the fiscal year ended June 30, 1931.

BUREAU OF PUBLIC WORKS

SURVEY OF ROADS AND BRIDGES

The work done by the bureau of public works in relation with the survey of roads and bridges during the fiscal year ending June 30, 1931, is as follows:

Survey of bridge site for bridge over Portugues River on Road No. 1, Ponce-Ponce Playa section.

Road from Road No. 2 to Mayaguez Playa.

Proposed diversion of Culberinas River, Columbus Memorial Park, Aguadilla. Connecting street between Ponce de Leon and Fernandez Juncos Avenues, Santurce.

Santurce-Rio Piedras Road.

Miramar-Martin Pena Branch Road.

Preliminary survey of proposed Santurce-Loiza Aldea Road, along the coast.

Preliminary survey of a section of Ponce-Jayuya Road.

Final survey of 3.2 kilometers of same road.

Relocation of main line of American Railroad Co. in the reclaimed lands at Puerta de Tierra, near San Antonio Bridge.

Plans, specifications, and estimates were made for various jobs. Complete projects and their estimated costs are shown below:

(a) Connecting street between Ponce de Leon Avenue and Fernandez Juncos Avenue-----	\$15,442.85
(b) Road from Road No. 2 to Mayaguez Playa-----	18,000.00
(c) Santurce-Rio Piedras Road, Borinquen Avenue, Martin Pena section-----	17,500.00
(d) Santurce-Rio Piedras Road, Martin Pena-Quintana section-----	15,500.00
(e) Six meters span culvert in Mirama-Martin Pena Road-----	5,088.44
(f) Miramar-Martin Pena Road-----	13,500.00
Total-----	83,031.29

Aerial map.—By arrangements with the Navy Department to carry out the work of the topographical map of the island by means of aerial photography, the work of the aerial map of Porto Rico was begun in November, 1930. An area covering about 40 per cent of the total area of the island was completed and the work of setting up the mosaic of the pictures taken was well advanced.

The work of relocating the stations of the primary triangulations was started by establishing monuments at convenient places all throughout the island.

The funds appropriated for the work amounted to \$45,000, out of which \$37,120.85 was spent during the year.

General municipal road plan.—As authorized by the Legislature of Porto Rico the general reconnaissance of a municipal road plan of 1,500 kilometers of road was carried out during the year.

Of the \$25,000 appropriated for the primary survey and preparation of said plan, a total of \$18,506.97 was spent, up to the close of this fiscal year, leaving a balance of \$6,493.03 available.

Construction of roads and bridges.—During the fiscal year ending June 30, 1931, the following work was executed: 10.77 kilometers of macadamized road were completed; one bridge and one culvert with an aggregate length of 66 meters were constructed; and 3,141.30 lineal meters of concrete curb and gutter. In addition 2,000 meters of grading in the Miramar-Martin Pena and Santurce-Rio Piedras roads were finished; 305 meters of railroad track connecting the American Railroad Co.'s main line with the harbor board tracks, and the resurfacing of 1 kilometer of Ponce-Jayuya Road.

The different contracts entered into during the year and the corresponding amount of each are shown in the following table:

Date of contract	Nature of work	Amount of contract
1930		
July 21	Construction of concrete curb and gutter, Miramar-Martin Pena Road.....	\$3, 440. 00
Aug. 23	Construction of a connection between Ponce de Leon Avenue and San Antonio-Martin Pena Road.....	9, 966. 00
23	Additional contract.....	4, 802. 50
Sept. 20	Construction of a temporary connection of the tracks of the San Juan harbor board with the American Railroad Co.....	5, 330. 44
1931		
Feb. 3	Construction of a reinforced culvert 6-meter span over new Miramar-Martin Pena Road.....	6, 464. 64
	Total.....	30, 003. 58

In addition to these contracts, work was continued on public roads and bridges previously contracted for, and there was also a certain amount expended during the year on the various jobs under construction, as shown below:

Roads:

Miramar-Martin Peña-Santurce-Río Piedras Road.....	\$48, 164. 70
San Antonio-Martin Peña Road.....	12, 553. 10
Ponce-Jayuya Road.....	19, 445. 53
Vega Baja-Puerto Nuevo Road.....	2, 123. 28
Rio Grande-Loiza Road.....	7, 827. 10
Guayabotas Road, Yabucoa.....	9, 700. 31
Branch road to leper colony.....	5, 048. 33
Connection between Fernández Juncos and Ponce de León Avenues.....	15, 342. 85
San Germán-Rosario Road.....	13, 303. 33

Bridges:

Martin Peña Bridge, 60 meters.....	44, 737. 00
6-meter span culvert on new Miramar Martin Peña Road.....	5, 088. 44
Temporary connection of the tracks of the San Juan Harbor Board with the American Railroad Co.....	5, 562. 44

Total..... 188, 896. 41

The total length of macadamized roads built during the year may be distributed, per road, as follows:

Road:

	Kilometers
Ponce-Jayuya.....	1. 40
Vega Baja-Puerto Nuevo.....	2. 40
Rio Grande-Loiza.....	3. 50
Guayabotas, Yabucoa.....	2. 00
Branch road to leper colony.....	. 27
Connection between Fernández Juncos and Ponce de León Avenues.....	. 40
San Germán-Rosario Road.....	1. 00
Total.....	10. 77

Maintenance of insular roads and bridges.—During the fiscal year ended June 30, 1931, there was spent in the regular maintenance of roads and bridges the amount of \$413,438.02, as follows:

1. Purchase of crushed and block stone for patching the road metal.....	\$36, 456. 36
2. Placing crushed and block stone.....	13, 662. 62
3. Purchase and placing asphalt and screenings.....	41, 149. 38
4. Acquisition of building material and spreading same over water-macadam roads.....	4, 452. 48
5. Cleaning and weeding ditches and shoulders.....	1, 360. 23
6. Removal of landslides.....	6, 375. 08
7. Purchase and repair of tools and equipment.....	24, 353. 89
8. Construction and repair of bridges, culverts, road houses, and other appurtenances.....	19, 591. 66
9. Road menders' salaries.....	135, 883. 40
10. Inspection (field force's salaries and travel expenses).....	97, 484. 70
11. General expenses.....	32, 668. 22
Total.....	413, 438. 02

Hurricane Relief Commission road Work.—On July 3, 1930, the National Congress assigned the sum of \$1,000,000 for road work in Porto Rico, to be disbursed by the Porto Rican Hurricane Relief Commission, with the approval

of the Governor of Porto Rico. Early in the year the following work was approved by the commission:

1. Repair work-----	\$193, 000
2. Asphalt work-----	747, 000
Purchasing tools-----	15, 000
Repair of equipment-----	45, 000
	1, 000, 000

On June 30, 1931, 254.245 kilometers of road had been resurfaced and asphalted under this plan, and in addition 33.7 kilometers of road had been resurfaced ready to receive the asphalt wearing carpet.

The total expenditures up to June 30 by the commission on road work amount to \$767,881.79, of which \$650,916.29 were expended on asphalt work and the repair of the road metal of roads not asphalted; \$32,936.28 were spent in the repair and construction of bridges, culverts, and retaining walls; \$12,506.07 in removing landslides; \$29,626.85 in the purchase, transportation, and repair of tools and equipment; and \$41,896.30 in salaries, mileage, per diems, etc., of the field force and central office personnel in charge of the work. The expenditures made directly by the board of alternates of the Porto Rican Hurricane Relief Commission in carrying on the general supervision of the work are not included in this last item.

DIVISION OF PUBLIC BUILDINGS

Notable among the structures completed during the year are the new penitentiary at Río Piedras, the school of arts and trades at the university, the high school at Fajardo, and the reconstruction of the historical archives building.

Among the buildings started during the same period, those worthy of special mention are the science building for the university at Río Piedras, the insular telegraph building at Aguadilla, and several new cottages for tubercular patients at the insular sanatorium.

Plans for a number of new buildings have been completed, and it is hoped to call for bids on them in the very near future. Among these are the museum building for the university and the baseball stands at Muñoz Rivera Park.

Maintenance, repair, and reconstruction of public buildings.—Once more we have to call attention to the very small appropriation devoted to the care of the insular public buildings. With the very small amount at our disposal it was only possible to carry our repair work of minor nature and a number of the older buildings continue in need of extensive repairs.

With the amount of \$52,147 assigned for the repair of public buildings, minor repair work was carried out in 43 buildings. Fifteen new school buildings were finished during the year, and several insular and municipal structures were either constructed or repaired.

The total expenditures of the division for all the work done under contract amounted to \$244,356.24. Work by force account to the amount of \$66,831.94 was also executed by the division.

In addition to this work, 37 projects were prepared by the division with an estimated value of \$325,000.

PORTO RICAN HURRICANE RELIEF COMMISSION—SCHOOL WORK

This division was also in charge of the work of construction and repair of school buildings damaged or destroyed by the hurricane of 1928, and continued its work in cooperation with the Porto Rican hurricane relief commission. The amount of \$248,137.97 was spent during the year, bringing the total so far spent under contract from the hurricane fund to \$1,048,487.76. It also executed by force account repair work to school buildings amounting to \$13,539.73, bringing the total so far spent by force account from the above-mentioned fund to \$202,665.85.

DIVISION OF MUNICIPAL WORKS

The following is a summary of the work executed by the division of municipal works:

CONSTRUCTION WORK EXECUTED UNDER CONTRACT

a. Commenced in preceding years and completed during this fiscal year-----	\$47,155.67
b. Constructed during this year-----	47,456.49
Work executed by day labor-----	96,835.53

Expenses.—The expenses of this division charged to the municipalities are as follows:

Permanent personnel consisting of 1 chief engineer, 1 draftsman, and 2 stenographers, paid by the insular government-----	\$7,937.00
Salaries of inspection personnel, office expenses, per diem, etc-----	20,684.40
Total-----	28,621.40

DIVISION OF PUBLIC LANDS AND ARCHIVES

Land areas belonging to the insular government surveyed during the fiscal year ending June 30, 1931, were as follows:

Public lands-----	Cuerdas 3,729.71
Private-----	1,612.45
Total-----	5,342.16

In addition to the work already mentioned this division has performed investigations relative to the property of several farms in Ponce, Guayama, Humacao, Vieques, Isla Mona, Quebradillas, and others. This division has also attended different civil cases in the courts about public lands.

The cost per cuerda of surveying government land during the fiscal year was \$2.15.

Expenses.—The expenses incurred by this division during the fiscal year 1930-31 were as follows:

Salaries of employees-----	\$17,300.00
Field work, assistants and other incidental expenses-----	4,094.14
Total-----	21,394.14

DIVISION OF HARBORS AND DOCKS

The total income, derived from all harbors during the fiscal year 1930-31 amounted to \$80,639.75, a decrease of \$1,247.87 on last year's income.

BUREAU OF INSULAR TELEGRAPH

Revenues and expenditures.—The total cash receipts of the bureau during the year were \$146,719.10, which, compared with that for the previous year which were \$133,478.48, represents an increase of \$13,240.62.

The total receipts, giving credit for the free and half rate business handled during the year, computing it at the ordinary commercial rate, were \$180,724.53, or \$20,416.08 more than the one for the previous year.

Comparing with the total expenditures for maintenance and operation, which amounts to \$217,511.55, the amount of total receipts, there results a loss of \$36,787.02, or \$45,890.32 less than the year before.

ISABELLA IRRIGATION SERVICE

The fiscal year just ended is the third of operation of the irrigation system. The area under irrigation and the application of intensive and better methods of cultivation have continued to increase in spite of the hardship created by the general economic depression.

Improvements and extensions.—The most important improvement done during the year consisted in the lining with concrete of 5,368 linear meters of the most porous sections of canals. The cost of lining amounted to \$17,630.83, or \$14.09 per cubic meter.

Several canal extensions were built to deliver water to new tracts having a total irrigable area of 383.6 acres.

Hydroelectric system.—The income derived from the sale of electricity amounted to \$48,689.43, or an average of 3½ cents per kilowatt-hour generated. This income is \$4,898.32 above that of last year. Direct operating expenses amounted to \$17,630.62, which is approximately the same as for last year.

Maintenance.—The work of maintenance was of secondary importance, and consisted in cutting down branches from trees close to the transmission lines, painting of steel poles, and minor repairs. The expenses incurred in connection with this item amounted to \$2,442.45.

Improvements and extensions.—During the year 93 new connections to the system were made to deliver current for light and power purposes. The only extension to the system consisted of a 4,000-volt line, 1,600 meters long, from the town of Moca to the village "Cuba" on the road to San Sebastián, where 33 new consumers were obtained.

The total expenditures for this work amounted to \$9,035.64.

TEMPORARY IRRIGATION DISTRICT

Area included.—The irrigation commission included in the district during the year 33 new tracts having a combined area of 149.6 acres. Seven of these tracts with an area of 64.3 acres were included at the request of their owners. The total included area is now 13,599.4 acres, of which 10,887 acres are receiving or may receive water at present. It is still the hope and belief of this service that the area that will ultimately be irrigated after the present economic crisis is over will be not less than 13,000 acres.

Crops.—The acreage in cane, cotton, and tobacco increased considerably over last year. The area actually irrigated, 5,395 acres, is also greater than in the preceding year.

INCOME AND DISBURSEMENTS

INCOME

Cash: In hands of treasurer of Porto Rico June 30, 1930		\$48,950.89
Assessments of water taxes:		
Taxes pending collection on June 30, 1930	\$57,992.09	
Assessments for fiscal year 1930-31	117,720.11	
		175,712.20
General accounts receivable:		
Balance pending collection on June 30, 1930	41,491.81	
Sale of power	45,281.11	
Other hydroelectric revenue	1,381.68	
Miscellaneous irrigation revenue	2,604.51	
Pulverizing-plant revenue	111.49	
Miscellaneous general revenue	322.09	
		91,192.69
Interest on bank balance		367.29
Proceeds of bond issue sold:		
Par value of bonds	150,000.00	
Premium	5,715.00	
		155,715.00
Temporary bank loan contracted	175,000.00	
Temporary treasury advance	105,000.00	
Repayment of advance made to disbursing officer	10,000.00	
Other items	5,366.94	
		295,366.94
Total income for the year		767,295.01

DISBURSEMENTS

Amortization of bonds (yearly payment)	75,000.00
Interest on bonded debt	178,312.50
Interest on bank loans	5,871.88
Interest on treasury advance	
Payment of bank loans due	175,000.00
Payment of treasury advance (partial)	
Construction and profit and loss—expenditures	75,323.45
Purchase of equipment and materials	1,904.26
Accrued expenses payable, including accounts corresponding to last fiscal year	36,782.50
Other items	301.70
Advance made to disbursing officer	10,000.00
Total sum disbursed during the year	558,496.29
Balance available for next fiscal year:	
Cash	\$6,487.47
Tax levies pending collection	168,835.33
General accounts pending	33,475.92
	208,798.72

IRRIGATION SERVICE OF THE SOUTH COAST

GENERAL REVIEW

Without the valuable help and broadened field of operations contributed by its ally, the utilization of the water resources, it is certain that the irrigation service this last fiscal year would have faced a most difficult situation on account of the drought, and the end of the year would have found it in serious financial distress.

The two government systems have combined for operation into a single system, but each maintains its identity as to system ownership and revenues; that is to say, they have not, as far as capital investments and returns are concerned, merged into each other; they are merely allies working for a common purpose, the electrification of the island.

Early in the year our system, with the interconnection with the Ponce Electric Co., only had a capacity of slightly over 13,000 horsepower. The interconnections made during the year provide for the general system 40,000-horsepower generating capacity with ample means for intertransmitting large blocks of power between the outside systems and ours. The drought had, therefore, as a compensation a salutary effect in the hastening of interconnection plans between the several utilities operating in the island.

The extension to the Carite No. 1 plant, comprising the remodeling of the plant and the addition of a 2,100 kilovolt-ampere generating unit were completed toward the end of the year. Several miles of transmission line were required to effect interconnection with other power systems, and they were decided upon, surveyed, and built in time to transmit power where needed.

The Guineo Dam was completed in time to put it to use storing the floods that we had after March 15, the day when the gates were closed, and by the end of the fiscal year the reservoir had filled to overflowing. Progress was likewise made in the construction of the Matrullas Canal and on the road that leads to the Matrullas Dam site.

The new fiscal year 1931-32 finds us in a more healthy condition, with an abundant supply of water for irrigation and for electric-power production, and with enlarged sources of electric power at our disposal.

IRRIGATION SYSTEM

Taking the irrigation district as a whole the stream flow for the first 10 months of the fiscal year in the various rivers that feed our storage reservoirs, was the lowest on record.

The rainfall that occurred during the last two months of the fiscal year brought up the run-off records for the whole year and the total inflow into the reservoirs of the system increased to a figure which departs considerably from average conditions for the year.

OPERATION

The following table shows the rate at which water deliveries were made to the included lands during each month of the fiscal year from each of the main distribution canals:

	Patillas	Guamani	Juana Diaz		Patillas	Guamani	Juana Diaz
1930	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	1931	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
July.....	131.94	116.09	52.64	January.....	50.21	53.69	51.02
August.....	102.63	114.66	25.46	February.....	49.38	29.84	50.50
September.....	98.62	104.24	27.55	March.....	13.84	34.67	51.52
October.....	75.46	91.18	36.46	April.....	21.60	34.77	50.72
November.....	65.34	65.68	52.89	May.....	59.03	44.68	51.50
December.....	51.49	59.38	53.09	June.....	125.02	94.30	150.21

Very little surplus water was sold during the fiscal year. Most of the water sold as surplus water was filtration water over which we do not have any control, and surplus water, Class II, which includes the water supplied to troughs for watering cattle and water delivered to municipalities for municipal water supply.

The sale of the different classes of water during the fiscal year was as follows:

	Filtration	Class I	Class II	Total
Eastern division:				
Acre-feet.....	1, 182.35	659.60	1, 748.41	3, 590.36
Value.....	\$235.61	\$886.47	\$4, 808.19	\$5, 930.27
Western division:				
Acre-feet.....	332.65	110.88	-----	443.53
Value.....	\$401.84	\$242.64	-----	\$644.48
Total in district:				
Acre-feet.....	1, 515.00	770.48	1, 748.41	4, 033.89
Value.....	\$637.45	\$1, 129.11	\$4, 808.19	\$6, 574.75

The total quantity of water delivered from the irrigation system during the fiscal year amounted to 92,255.99 acre-feet, which represents 85.64 per cent of the yearly amount appurtenant to the lands included in the district. The water offered and not used amounted to 9,062.95 acre-feet, which is 8.41 per cent of the yearly appurtenant. The deficit in deliveries accumulated at the end of the fiscal year aggregates a total of 44,117.67 acre-feet, which is 40.95 per cent of the yearly appurtenant amount. There were canceled previous deficits in the amount of 12,488.53 acre-feet which had run for a whole year without a supply having been available to make them up.

Maintenance.—Cleaning of the canals and of all structures of the irrigation system was attended to with the usual care required to maintain the works in state of efficiency. The total cleaning expenses of the canals during the fiscal year amounted to \$14,549.28, resulting in an average cost of \$148.08 per mile of canal cleaned. This was a low cost as compared to the cost of the previous year, which amounted to \$168.77 per mile.

UTILIZATION OF THE WATER RESOURCES

HYDROELECTRIC SYSTEM

Operation of the interconnected system.—The combined input into the interconnected system amounted to 27,621,093 kilowatt-hours during the year and was supplied from the various sources as follows:

	Kilowatt hours
Carite hydroelectric plants.....	10, 043, 710
Toro Negro hydroelectric plant.....	9, 585, 450
Ponce Electric Co.'s plant.....	4, 607, 600
South Porto Rico Sugar Co. of Porto Rico.....	1, 636, 000
Central Aguirre Sugar Co.....	914, 700
Porto Rico Railway Light & Power Co.....	686, 700
Cayey hydroelectric plant.....	146, 933
Total.....	27, 621, 093

Revenue from sale of power.—The total amount of electric energy sold to all consumers served by the interconnected system of utilization of the water resources amounted to \$600,462.20.

The total of bills for electric power sold by utilization of the water resources during the year amounts to \$784,130.46. The difference of \$183,666.26 between these figures and the total of \$600,462.20 reported above as the revenue from the sale of energy to consumers, represents the amount charged the irrigation service for power which was delivered by utilization of the water resources to the irrigation service district for resale to consumers in that district.

The gross income derived by utilization of the water resources from its operations during the fiscal year amounted to \$322,735.13.

The amount of power that had to be imported into the irrigation district from outside sources, including the Toro Negro plant, was 12,267,740 kilowatt-hours, or 54.98 per cent of the total requirements of the district. This amount of power was obtained as follows:

	Kilowatt hours	Per cent
From Toro Negro plant.....	4,275,807	19.16
From steam plant of the Ponce Electric Co.....	4,607,600	20.65
From sugar centrals and outside hydro plants, surplus power.....	3,384,333	15.17
Total.....	12,267,740	54.98

Maintenance and repairs of interconnected system.—The total cost of regular maintenance and repair of the interconnected system amounted to \$17,103.53.

Development and extension work.—The total expenditures incurred during the year by utilization of the water resources on operation and maintenance of the interconnected system and on development and extension of its own system, including telephone lines and overhead expenses, is summarized as follows:

Operation.....	\$183,262.72
Maintenance and repairs.....	17,103.53
Extension.....	105,954.27
Total.....	306,320.52
Development and extension of the hydroelectric system of the irrigation service.....	\$101,677.93

TORO NEGRO POWER PROJECT

Guineo Dam.—Construction was carried on continuously up to the end of May, when the dam was completed. The final cost after liquidating and closing all accounts covering the equipment, warehouse, etc., was \$89,193.08.

Matrullas Dam and road to dam site.—The test pits and borings to investigate the foundation at site of the Matrullas Dam were completed during the year. Also a road 12 kilometers long to give access was begun.

The total cost of the projects including dam and road is estimated to be \$1,075,000. So far, the amount of \$109,297.76 has been spent in general surveys, investigations, and the construction of the road.

Matrullas Canal.—The construction of the Matrullas Canal was also begun during the year and in the preliminary work of building the canal, siphons, tunnels, excavation, and the installation of transmission and electric lines. A total of \$69,979.09 was spent in this work during the fiscal year.

ACCOUNTS OF THE IRRIGATION SERVICE

The division of property and accounts of the irrigation service handled during the fiscal year 621 debit vouchers amounting to \$790,530.01; 570 credit vouchers amounting to \$58,464.13; 619 journal vouchers accounting for \$3,615,355.37; also 445 requisitions and 104 service orders. The disbursing officer paid off on laborers' pay rolls and minor contracts the sum of \$353,976.76, distributed as follows:

Actual receipts.....	\$767,587.08
Less payments made during the year.....	750,581.90
In hands of treasurer of Porto Rico on June 30, 1931.....	17,005.18

ACCOUNTS OF UTILIZATION OF THE WATER RESOURCES

The accounts of utilization of the water resources are summarized in the following condensed table:

Assets:	
Fixed assets.....	\$1,686,619.61
Current assets.....	243,466.69
Deferred assets.....	122,111.42
	\$2,052,197.72
Liabilities: Current liabilities.....	283,273.33
Net surplus.....	1,768,924.39

Which has been accumulated from—

1. Collection from tax payers.....	\$1,378,983.01
2. Net operating profit, years 1929-1931.....	389,941.38
	1,768,924.39

The total net profit from all sources to utilization of the water resources during this year amounted to \$286,817.71. Deducting the amount of \$65,966.04 of taxes collected, which are included in this profit, there results a net profit from the actual operation of the Toro Negro plant and the interconnected system of

\$220,851.67. This profit of \$286,817.71, added to the surplus available at the end of the previous fiscal year, makes up the surplus given for this year: \$1,768,924.39.

The income and expense during the fiscal year were as follows:

Income:	
1. Hydroelectric revenues-----	\$416, 394. 03
2. Miscellaneous revenues-----	455. 00
3. Interest on accounts and bank balances-----	3, 322. 96
4. Back taxes collected during 1930-1931-----	65, 966. 04
	<hr/> \$486, 138. 03
Expenses:	
1. Operation and maintenance-----	75, 049. 34
2. General and administration expenses-----	31, 658. 01
3. Purchase of power-----	92, 612. 97
	<hr/> 199, 320. 32
Net profit from all operations-----	<hr/> 286, 817. 71
Formed by—	
1. Taxes collected-----	\$65, 966. 04
2. Net profit from operation of the interconnected system-----	220, 851. 67
	<hr/> 286, 817. 71

SAN JUAN HARBOR BOARD

By the provisions of Act No. 65, approved May 2, 1928, the San Juan harbor board was authorized to make a new issue of bonds in the amount of \$320,000 to carry out the construction of a bulkhead and shed at the bay of San Juan, on lands bounded by the northern shore of San Antonio Channel between Matias Ledesma Street and the boundary line of Succession Riera in litigation.

With the proceeds of these bonds plus \$15,676.42 taken from other sources, there have been constructed in that section not only the bulkhead and shed above referred to but also a marginal street along the said bulkhead, two connecting streets, and a meter-gage double-track railroad which give ample facilities for the transfer of cargo from ships to railroad. All the land extending from the Pyramid Dock Co. on the east to the property of Succession Riera on the west has been filled and rolled. On the northern side of this section two parcels of land facing Marginal and South Streets have been inclosed with a galvanized-iron fence for the stacking of lumber. On one of these parcels two reinforced-concrete office buildings have been erected and a wooden shed on the other.

Some dredging has been done in order to obtain a depth of water of 30 feet in front of the bulkhead, and in addition to all these works, installation of electric lighting, sewers, and water works have also been made.

The bulkhead thus constructed consists of a reinforced-concrete bulkhead extending along the north shore of San Antonio Channel for a distance of 762.3 feet with a long platform 32.8 feet wide. The transit shed adjacent to it is a reinforced-concrete shed of 328 feet long by 65.6 feet wide with a cover of copper-bearing material. Both structures are of the most permanent character and are built of fireproof materials.

The total work, which was commenced on June 10, 1929, was completed in March, 1931.

AUTOMOBILE DIVISION

License plates issued and amount collected.—The value of internal-revenue stamps canceled on account of the number of plates issued, which was 16,530, amounted to \$479,714.50. There were also 156 motor cycles registered, producing a revenue of \$550.33.

All the transactions made by this office during the fiscal year ending June 30, 1931, resulted in an income of \$528,104.58.

Respectfully,

GUILLERMO ESTEVES,
Commissioner of the Interior.

REPORT OF THE COMMISSIONER OF AGRICULTURE AND COMMERCE

OFFICE OF THE COMMISSIONER,
San Juan, P. R., August 24, 1931.

The honorable the GOVERNOR OF PORTO RICO,
San Juan, P. R.

SIR: In accordance with the provisions of section 13 of the organic act of Porto Rico, approved by Congress on March 2, 1917, I have the honor to submit herewith the following report for the fiscal year 1930-31.

The subject matter of this report will be grouped under three main headings, to wit: Introductory, dealing with matters of a general nature pertaining to agriculture and to the department; crops, their agricultural and economic conditions; and achievements of the different bureaus and offices of this branch of the insular government.

INTRODUCTORY

Because of act of the Seventy-first Congress, No. 677, approved on February 18, 1931, the department of agriculture and labor ceased its activities on that date, and instead, the organization of a department of labor and another of agriculture and commerce was authorized by the already-mentioned congressional legislation. Mr. Carlos E. Chardon, who very efficiently held the position of commissioner of agriculture and labor since May 1, 1923, up to the suppression of the department, retired to accept the position of chancellor of the University of Porto Rico. The undersigned was appointed on February 26, 1931, and after being duly sworn into office by the secretary of Porto Rico, took charge of his duties as commissioner of agriculture and commerce, appointing Dr. Jaime Bagué as assistant commissioner. For the reasons stated above, this report embodies the last agricultural activities of the department of agriculture and labor and the first steps of the newly created department of agriculture and commerce. It is my understanding that the activities of the bureau of labor will be fully reported upon by the commissioner of labor, to whom all the files of that section were turned over. No fundamental changes of any importance were introduced in the policies of our predecessor. It was decided not to alter the program already in operation and to devote the available time and energy to secure the proper legislation that would give us the necessary support for any new activities that might be introduced in the program of work on July 1, 1931.

The legislature in its last session passed a law which may be called the organic act of the department. All bureaus and offices were organized in accordance with the provisions of the act of Congress already mentioned when Act No. 25 was approved on April 23, 1931. Other very important legislation on agriculture was also enacted by the Legislature of Porto Rico. A very important step taken by this body was the acceptance of the provisions of Act No. 846 of the Seventy-first Congress, approved on March 4, 1931. This gives the Governor of Porto Rico the power to correlate the agricultural work of the insular government with that of the United States in order that Federal agricultural legislation may be extended to Porto Rico, therefore enabling the island to obtain its share of the money spent by Congress in fostering agriculture throughout the Nation. Although the law does not go into operation until 1932, the undersigned, during his recent trip to Washington, arrived at a co-operative agreement with the Federal Department of Agriculture, which, put into effect immediately, would pave the way for the closer contacts to follow after July 1, 1932.

While in Washington the undersigned obtained and brought back to Porto Rico pyrethrum seed through the courtesy of Dr. W. W. Skinner, of the chem-

istry division of the United States Department of Agriculture. Most of the insecticide material that goes into the Persian insect powder and other products of this sort is derived from this plant. It was introduced by us in the hope of acclimating the plant here.

Together with the Hon. Theodore Roosevelt, we visited the Federal Farm Board and made representations there that will favor the farmers of the island. After our return Governor Roosevelt, on our recommendation, asked Chairman Stone to send a man to Porto Rico thoroughly conversant with the policies and methods of the board to explain to our farmers the business and procedures of that body.

Another phase of the writer's trip to Washington comes under the general heading of quarantine matters. The plant quarantine board was approached in the interest of the citrus fruit growers of the island. They were visibly interested in the work that had been accomplished by Mr. Sehn, the assistant entomologist of our experiment station, in connection with the West Indies fruit fly. They even went as far as making arrangements for a meeting at Washington of one of their diptera specialists, Mr. F. H. Benjamin, then in Florida. Mr. Benjamin kindly examined the material submitted by Mr. F. Sehn.

Other matters received our attention while in Washington. The bases were laid for a reorganization of the New York branch of our bureau of commerce and industry. Contacts were made also with several firms interested in Porto Rican products. Among them may be mentioned John Paton & Co., dealing with honey, and the Irradiation Co., interested in "papayas" and fruit juices, pineapple juice especially.

The budgetary appropriations for the fiscal year 1930-31 amounted to \$449,636.44, of which the amount of \$433,438.56 was spent. On June 30, 1930, the trust fund of the insular experiment station had a balance of \$28,713.89 and during the year receipts amounting to \$41,566.39 carried the total to \$70,280.28. The expenses charged to this fund amounted to \$49,036.85, leaving a balance of \$21,243.43. The forest trust fund amounts to \$25,067.74, and the expenses charged against it reach a total of \$18,523.47, leaving a balance of \$6,544.27. Half of the money obtained from the receipt of forest products goes to engross the forest acquisition fund. In the organization of farm bureaus the department matched the membership fund dollar for dollar and this brought the total of deposits up to \$4,914. After paying all expenses of the farm bureaus of Utuado, Lares, Yauco, and Adjuntas there is a balance of \$1,969.26, which according to law will be added to the membership fees of the next year.

As usual, the department cooperated with the officials in charge of the scientific survey of Porto Rico and the Virgin Islands. This undertaking is under the direct supervision of Dr. N. L. Britton, the director emeritus of the New York Botanical Garden, and is being conducted under the auspices of the New York Academy of Sciences and the New York Botanical Garden. Considering the importance of this scientific task we will endeavor to continue the customary cooperation and assistance.

During the first few weeks of the undersigned's incumbency, the personnel of the bureau of agricultural extension directed a very energetic campaign against the insect popularly known as pink bollworm in the cotton district of the southern part of the island. In this connection the department inaugurated, for the first time in Porto Rico, a series of agricultural lectures over the radio. These lectures have met the approval of radio fans and of farmers having radios and we have decided to make them a permanent part of the program of agricultural extension.

Another new phase of extension was tried when, earlier in the year, at the suggestion of the governor, the departments of education, health, and agriculture formed what is known as the interdepartmental committee, with the purpose of using the rural schools as a means to carry information to the country folks on these three subjects. The lectures delivered, over 50 in all, during Sundays, were attended by big crowds of country folks. The success of this new enterprise has been of such nature that the committee will expand its activities during the next fiscal year so that the work may be more efficacious.

When the international sugarcane technologists met in Java they were officially invited by the government of Porto Rico to hold their next meeting here in the island. The invitation was accepted, and, together with the Asociación de Tecnólogos Azucareros de Puerto Rico, we expect to prepare the program of the meeting. This very important function is one which the government ought to back in order that the representative body of men that will

sojourn in our country may take back with them a real knowledge of the progress of our most important industry.

CROPS—THEIR AGRICULTURAL AND ECONOMIC CONDITIONS

Sugarcane.—The unsettled conditions which preceded the approval of the tariff law affected the cane-sugar market in Porto Rico to a very marked degree. There were instances when prominent men of the industry considered that the passage of the law had been detrimental to the sugar interests of the island. As time passed by, prices on this commodity reacted favorably, but it was so late in the season that the producers had already sold the island's sugar output. We all hope for better prices next year when new factors will enter the field of economics. During the fiscal year 1929-30 the island produced 866,109.64 tons of sugar, while during this one (1930-31) the production amounted to 783,163.34 short tons, which is 82,946.30 tons less. This is the first time since 1925-26 that we are not able to report an increase in production. A casual look at last year's report will support this statement. Weather conditions were detrimental to the crop and this was forecasted on May 7, 1931, when our mid-crop estimate of production was issued to the public. In that statement we called attention to the fact that the cane-sugar production of the island would be 4,827 tons more than our first estimate (December, 1930), which amounted to 779,047 short tons.

Although dealing with the general conditions of the market, the Porto Rican American Sugar Refinery (Inc.) is working its factory at full capacity. The production of refined sugar during the natural year of 1928 amounted to 1,009,123 bags of 100 pounds; during that of 1929 it reached a total of 1,214,700, and during the year 1930 the total was 1,689,164 bags of 100 pounds.

Tobacco.—The total production of tobacco in Porto Rico during the fiscal year 1929-30 amounted to 32,500,000 pounds or 2,400,000 pounds more than was estimated by our tobacco specialist. In March of the present year the tobacco specialist estimated that 50,000 acres had been planted and that the production of tobacco would amount to 29,800,000 for the principal crop and 3,700,000 for the second crop, thus bringing the grand total to 33,500,000 pounds of all classes. At the time of writing this report we are inclined to believe that the crop passed the 35,000,000 pounds mark.

The price of tobacco is too low and by the middle of July half the crop remained in the warehouses, as growers in good financial condition held their product hoping for a stronger market. Information gathered from different sources show that the price generally offered is 10 per cent less than the average price paid last season. The reason prompted for this situation is that the buying capacity of the public has been curtailed and the demand for high-grade cigars reduced to such an extent that manufacturers are buying just that amount of tobacco needed for immediate use, therefore doing away with the extensive warehousing of tobacco as it was customary with them. The actual demand of the market is for cheap tobacco; but Porto Rico is not able to provide it because it has specialized in a certain class of tobacco that goes mostly into blends with Cuban tobacco to produce the expensive cigars, the demand for which is very low at the present moment. The department is hereby repeating to the tobacco farmer its time-worn advice of limiting the crop and not planting more than 30,000 acres, of avoiding late planting, and of planting in accordance with the capacity of his barn facilities.

Coffee.—Because of the nature of this crop, which grows very slowly, the coffee farmers have not had time to recover from the disastrous effects of the hurricane of 1928. These men have been working very hard and nothing but a stalwart determination on their part to succeed is keeping up their morale. On May 5, 1931, Act No. 78 was approved imposing a duty of 15 cents on every pound of foreign coffee brought into Porto Rico. It is very important to establish the fact that the United States Congress enacted a law granting the Legislature of Porto Rico power to act on this matter. It is hoped that this sort of legislation will avoid the unduly flooding of the market with other coffees that will change the taste of the consumer, making it hard for the native product to regain it when full production is accomplished. The amount of coffee exported was 1,947,985 pounds, valued at \$540,419. Of this amount over 180,000 pounds went to foreign countries.

Citrus fruits and pineapples.—Due to an unfortunate situation in the fruit industry, the department has not been able to execute the law which provides

for the establishment of an experimental station for fruits. We hope that the financial embarrassment that has impaired the execution of this plan will soon disappear and that a way will be found to start the long-felt want of effective cooperation between the department and the fruit growers. The West Indies fruit-fly scare which caused so much worry amongst fruit growers is a very good example of what it means to be ready for emergencies of this kind and also of what can be achieved when a unified effort is carefully planned and well directed. Because of the final outcome of this most troublesome affair the industry deserves to be congratulated. The technical points of view on this matter are reviewed under the heading of Entomology. We are able to report that the exportations for the year amount to 428,417 boxes of fresh grapefruit valued at \$1,392,250. This means a decrease of \$2,229,450 if compared with last year's figures.

The uncultivated oranges, known to the trade as "Porto Rico wild oranges" were exported by the ports of Mayaguez and Ponce. The total number of boxes shipped to the United States was 96,661, valued at \$263,441. The cultivated orange trade of the island is very limited.

The pineapple cultivation, which is limited to a small area in the northern district, has suffered from the general conditions prevailing. The exportation of this fresh fruit amounted to 703,280 boxes at a total value of \$2,278,449.

Canned fruits, both grapefruits and pineapples, have become quite an extensive adjunct of the grove. Fruit that will not stand shipment because of market conditions goes to the cannery. Of such material the island has shipped 5,931,578 pounds of grapefruit with a value of \$465,002; 1,747,619 pounds of pineapple valued at \$123,307; and 14,482 pounds of guayaba valued at \$1,248,000.

Coconuts.—This is another product which takes a long time to bring to normalcy and full production. Quite a number of years will go by before the island recovers from the disastrous effects of the hurricane on this particular crop. During the present fiscal year Porto Rico shipped to the United States 8,137,000 valued at \$232,379. This supersedes last year's shipment of 6,552,000 by 1,585,000.

Cotton.—The acreage of cotton that was planted this year amounted to 10,000 acres in the northern part of the island and 6,500 acres in the southern district. The amount of lint cotton exported totaled 1,981 bales of 500 pounds each, valued at \$418,471. Insects, especially the pink bollworm and the cotton-leaf worm, have done a whole lot of damage to this year's crop. It is the intention of the department to study the possibility of using airplanes in the combat against these pests. This may be done, because the airplanes equipped for this kind of work are idle in New Orleans at exactly the time when they would be needed in Porto Rico. If conditions and economic results guarantee it this may become a common agricultural practice in the near future.

Vegetables.—Three years ago we shipped 368,163 pounds of vegetables which were valued at \$20,484. Last year we were able to report that the exports of the island in this particular branch of agriculture were of more than 1,000,000 pounds, which brought an increase of \$67,111, or about three times the amount of the previous year. A very energetic campaign of the field force of this department, together with the men in charge of the Isabela substation, increased the acreage and therefore made possible the shipment of 1,678,458 pounds valued at \$110,582.

This new venture in agriculture gave rise to a very tense situation brought about by market conditions. It was stated in last year's report that the limiting factor in the development of vegetables was the question of finance. Other producers did their best to keep Porto Rico out of the market and to discourage our farmers; but a natural reaction of the market has brought confidence to them, and if proper financial arrangements can be made Porto Rico will make another attempt to develop vegetables as another source of income. To foster and defend the interests of the growers the department appointed a man to inspect our shipments at the New York end and to report on their condition at the time of arrival. A whole lot of valuable information has been obtained and will be used in the preparation of future shipments. The fact that a number of men who have been for years growing vegetables in the Bahamas, Bermuda, and Cuba, have visited the island with the idea of establishing their business here, proves that the government authorities were not far from the truth when they advised the island farmer to go into this line of agriculture.

Miscellaneous products.—In last year's report the statement was made that in various products, such as ginger, wax, buttons, etc., the island had shipped

an average of over a million dollars a year. This average was based on information gathered during eight years and is considered fairly accurate. The exportations of these miscellaneous products amounted this year to \$1,598,741.

ACTIVITIES OF THE DEPARTMENT

For the sake of brevity we will endeavor to make a short review of the activities of the different bureaus of this department of agriculture and commerce, touching on the high lights of such activities. Any person interested in further details will have to consult the full report of the department, which, of course, can be procured in its headquarters. The department stands for four things in agriculture—protection, research, extension, and reforestation.

The protective measures approved by the legislature are enforced through the plant quarantine service and the fertilizer and feed service. The first of these divisions inspects all vessels and airplanes coming into the island to avoid the importation of dangerous insects, pests, and plant diseases. All vessels that came in from foreign ports were carefully inspected. The same is true of the fertilizer and feed service, which regulates the sale of all fertilizers handled in the island coming either from domestic or foreign ports and also those manufactured by local dealers.

The reforestation of the island, which is a very important feature of the agricultural work, is under the direct management of the forestry service. Together with its substations, this service produced nearly 2,000,000 trees during the present fiscal year. It is gratifying to report that practically 1,000,000 were planted to private individual farmers and concerns.

The research work in agriculture is subdivided into different subjects, such as chemistry, entomology, agronomy, etc. The budgetary appropriation for this purpose this year was equal to \$121,640, of which \$120,966 were spent. The physical equipment of our insular experiment station has been materially increased and an up-to-date library built.

The division of agronomy, as has been customary, introduced new sugar-cane varieties and kept on developing the ones that it was able to produce in former years. Of course, after the experimental stage is passed, those varieties are tested under field conditions and with an eye on their commercial possibilities. This work was also taken care of and done in cooperation with the various mills of the island. Experiments with different fertilizers, especially with cotton, were conducted during the year. Some of this work has been completed, therefore it will be replaced by other projects of a similar nature.

The division of chemistry is in charge of all the analytical work that has to be done for the various divisions of the station, and at the same time has done extra work, at the request of the farmers, on analysis of soils, molasses, water, limestone, milk, sugar-cane, grapefruit, nicotine extracts, etc. It has also done research work on the following problems:

1. Nitrogen transformation in the decomposition of sugar-cane trash with special bearing upon Porto Rico soil problems.
2. Nitrification rate of certain Porto Rico soil types.
3. Adaptation of quick methods for the determination of CaO , P_2O_5 , and K_2O in soils extracted with 1 per cent citric acid solution as recommended by Dyer.
4. Advice on technical matters of eight different questions brought to this division by outsiders.

Of course, the most important piece of work of the division at present is the management of the soil survey of the whole island, which is being done in cooperation with the United States Soil Survey Service.

The division of entomology is particularly concerned with the insect pests of the island. Insects attacking sugar-cane and cotton have been made the object of special study. The appearance of West India fruit-fly larvæ attacking grapefruits gave us and the fruit growers a whole lot of concern; but evidence provided by our assistant entomologist, Mr. Sein, changed the attitude of the United States plant quarantine authorities. Work on this particular line will be kept on until the whole subject is carefully and completely disposed of.

The division of plant pathology is specially interested in diseases of plants such as rind disease, leaf spot, dry-top-rot, gumosis, mosaic, marasmius, etc. It is also trying to develop some varieties of vegetables resistant to prevalent diseases amongst them. We expect to be able to report some very important results on this matter in the near future.

The division of animal husbandry is in charge of all the cattle belonging to the station. It handles the breeding of animals and the different animals that are stud. The services of the latter are free to the public and include pigs, bulls, and horses. Pedigreed animals that are not needed for the service stations kept by the department throughout the island are sold cheaply to farmers.

The Isabela substation, which is a branch of the research bureau of the department, is located in the Isabela irrigation districts where it takes care of the problems of that particular section of the island. Last year its major work consisted of 7 projects on the planting and cultivation of sugar-cane, 7 on vegetables, 6 on fruits, 2 on cotton, and 4 in maize.

Extension work in agriculture is wholly under the province of a bureau specially prepared for the purpose. Last year this branch of the service was specially interested in the organization of farm bureaus, in a campaign to eradicate the bud rot of the coconut palm, in the organization of demonstration farms in the coffee districts, in the establishment of nurseries for the growing of inga trees, in fostering the production of minor crops amongst the sugar-mill workers, in the organization of farm-visiting units and in radio talks to farmers. The bureau imported 600,000 inga seeds, planted 529 coffee-seed beds, organized 4 farm bureaus, and conducted 60 demonstrations on the planting and cultivation of Irish potatoes. The following information is a summary of the work done by this bureau for the year under review:

Number of demonstrations conducted-----	506
Demonstrations finished and reported-----	277
Demonstrations which failed-----	44
Number of demonstrations pending-----	185
Area in demonstrations (acres)-----	917. 35
Agricultural meetings held-----	190
Farmers attending the meetings-----	14, 886
Field meetings in demonstration plats-----	35
Farmers' tours-----	16
Total farmers in the tours-----	251
Number of farms visited-----	13, 789
Samples of fertilizers taken-----	176
Specimens of insects sent to the experiment station-----	53
Specimens of plants sent to the station-----	45
Trees from the forest service distributed-----	171, 918
New dipping vats constructed-----	7

The agricultural agents also cooperate with the bureau of commerce furnishing the information needed for the preparation of the weekly market report. Many of them cooperate with the United States Weather Bureau in San Juan furnishing data on weather conditions in their respective districts.

Respectfully submitted,

E. D. COLON,
Commissioner of Agriculture and Commerce.

REPORT OF THE COMMISSIONER OF LABOR

OFFICE OF THE COMMISSIONER,
San Juan, P. R., October 27, 1931.

The honorable the GOVERNOR OF PORTO RICO,
San Juan, P. R.

SIR: The department of labor of Porto Rico was created by an act of the United States Congress, approved February 18, 1931, as an amendment to the organic act of Porto Rico of March 2, 1917.

In accordance with the amended section the commissioner of labor is given "charge of such bureaus and branches of government as have been or shall be legally constituted to foster and promote the welfare of the wage earners of Porto Rico, to improve their working conditions, and to advance their opportunities for profitable employment." He is also to perform such other duties as may be prescribed by law.

Due to official matters causing him to be absent from Porto Rico, the present incumbent was unable to assume his official duties as commissioner of labor until March 25, 1931. Furthermore, the activities of the newly created department of labor had to be carried on as far as possible with the means provided in the budget of the extinct department of agriculture and labor for the division of labor under the old law. Hence, properly speaking, the new department of labor did not commence functioning as such until July 1 of the present year, when the new budget for the organization intended by Act No. 15 of 1931 of the Legislature of Porto Rico, entitled "The organic act of the department of labor of Porto Rico," went into effect.

Section 13 of our organic act, as amended, provides "that the heads of department shall render an annual report to the governor," and in view of the fact that the department of labor did not properly begin functioning until the first day of the present fiscal year, we might very well do without rendering such report for the time elapsed. However, since the old department of agriculture and labor is no longer in existence, and there would be no department properly authorized to gather and compile the required data and information for a complete report of the activities of the extinct division of labor, I have deemed it advisable to make this report.

I have, therefore, the honor to submit herewith the following condensed report covering the official activities of the division of labor as it existed within the extinct department of agriculture and labor up to June 30, 1931:

ENFORCEMENT OF SCAFFOLD LAW

In connection with the enforcement of the scaffold law, the division of labor made 455 inspections during the year. One hundred and two scaffolds were approved, 67 were suspended, while 43 had no use, and 243 constructions needed no scaffolds.

WAGES IN THE BUILDING TRADES

From inspections made of the building trades, wages ranged from \$1.75 to \$6.66 a day for masters, from \$1 to \$4.50 for masons, from \$1.25 to \$4.50 for carpenters, from \$1 to \$4.05 for painters, and from 60 cents to \$2 for helpers. The highest wages were paid in San Juan, Mayaguez, Ponce, and Rio Piedras. The trend was to lower wages, as compared with those paid during 1929-30, although in the case of helpers there was a slight increase both as to the lowest and highest wages paid.

WAGES IN THE SUGARCANE PLANTATIONS

Four hundred and eighty-nine inspections were made in 243 plantations employing 30,714 workers. Taking typical wages in the northern, southern,

eastern, western, and central sections, it was found that wages ranged from 30, 35, and 40 cents a day for water carriers to \$1.50 and \$1.75 for overseers. However, 50 cents, 60 cents, and \$1 were the wages most common to the various occupations.

SUGAR FACTORIES

We meet the same variation in the wages paid in sugar factories. Eighty-five inspections were made in 41 factories scattered throughout the island and employing 9,918 men. Again we took typical wages and it was found that they ranged from 58, 60, 65, and 70 cents a day for defecators, to \$1.50, \$2.50, and \$3 for mechanics, but \$1, \$1.10, \$1.25, and \$1.50 were the most common.

TOBACCO PLANTATIONS

Two hundred and eighteen plantations employing 2,846 men, 1,509 women, and 95 children were inspected. The wages for men ranged from 30 cents to \$1 a day, the most common being 50, 60, and 40 cents. The wages for women were from 25 to 50 cents a day; 30, 40, and 25 cents being the most frequent, while the wages of children were from 20 to 45 cents a day, with 25, 20, and 30 cents being the most frequent.

FRUIT PLANTATIONS

In the fruit plantations men earned from 50 cents to \$1.25 a day; 80, 75, and 90 cents were the most common wages. Women made from 35 to 70 cents a day, with 40, 50, and 45 cents as the wages most common to the various places visited.

Ninety-six plantations were inspected and they employed 2,181 men and 148 women.

FRUIT PACKING

In 78 shops visited, 120 inspections were made. One thousand two hundred and sixty-seven men, 182 women, and 5 children were employed. Men were receiving from 50 cents to \$2.50 a day, the most common wages to different places being \$1, 70, and 90 cents. Women received from 33 cents to \$1.25 a day, with 50, 40, and 60 cents as the most common wages, while children received from 35 to 40 cents a day.

FRUIT-CANNING SHOPS

Nine fruit-canning establishments were visited and 17 inspections were made in them. It was found that 151 men and 1,273 women were employed. Men received from 70 cents to \$2.25 a day, 80 cents, 90 cents, and \$1 being the most common wages. Women received from 35 cents to \$1.18, while 56, 64, and 72 cents were the most common wages in the various localities.

CIGAR FACTORIES

Two thousand four hundred and fifty-six men and 1,483 women were employed in 399 factories, in which 819 inspections were made. The men were receiving from 33 cents to \$2 a day, with \$1, \$1.50, and \$1.75 as the wages of most frequent occurrence. The women received from 25 cents to \$1.25 a day, and \$1 and \$1.25 were the most common wages.

STRIPPING

In 103 tobacco-stripping shops visited 275 inspections were made. The number of men employed was 1,588, while the number of women was 15,819. The minimum wage paid was 50 cents a day and the highest was \$1, but \$1 and 50 cents were the wages of most common occurrence. The minimum wage paid women was 21 cents and the highest was 90 cents. The most common wages were 90, 75, and 60 cents.

NEEDLEWORK AND EMBROIDERY

Officials of the division of labor visited 155 shops and made 333 inspections therein. In the shops visited 468 men, 6,245 women, and 40 children were employed. Men received wages of from 33 cents to \$1 a day, and \$1, 33, and 50 cents were the most common. The wages for women were as low as 4 cents a day and the highest was \$1.67, but 33, 50, and 83 cents were the most common. Children received from 10 to 20 cents a day, and 12, 13, and 15 cents were the most common wages in the case of children.

GENERAL

In other fields of endeavor it was found that cash register repairing shops paid the highest wages, \$8.33, \$5, and \$3.33 a day. Watchmakers' and silver-smiths' shops came next, with wages of \$6.66, \$2.50, and \$2 a day, and automobile repairing shops followed with \$5, \$2.50, and 50 cents. In a general way we may say that the wages in industrial establishments have been somewhat lowered as compared with the wages paid in 1929-30. The wages of classers and packers (men) in cigar factories were lowered from a maximum of \$5.98 in 1930 to a maximum of \$4 in 1931, while the maximum for women was lowered from \$4.52 to \$4 a day. In the tobacco-stripping shops the wages have undergone very slight variation, but in the needlework and embroidery shops the wages of women underwent a reduction of about 25 per cent as compared with the previous year, and the fruit-canning industry wages remained more or less the same.

The same is true of the sugarcane plantations, although the highest type of wage was reduced to a great extent, and in the tobacco plantations the wages of women were found to be much lower than in the previous year. In the coffee farms wages remained more or less stationary. In the fruit plantations the wages of women were somewhat lower than the previous year.

WAGE CLAIMS

Wage claims amounting to \$6,364.76 were left pending from the year 1929-30. Two thousand seven hundred and sixty-seven new cases amounting to \$54,320.09 were filed during 1930-31. We have been able to collect \$15,169.45 in 1,396 of the new cases filed this year and \$6,364.76 of the 220 cases pending from the previous year, making a grand total of \$21,534.21. One hundred and thirty-one claims amounting to \$4,435.34 could not be collected, due to false statements in some instances and to insolvency of employers and insufficiency of evidence in others, while 81 claimants withdrew their claims, amounting to \$1,058.70.

Two hundred and ninety claims amounting to \$8,486.41 were disregarded because of illusory allegations or because of lack of jurisdiction on the part of the bureau to act. Eight hundred and sixty-six claims amounting to \$24,159.54 remained pending at the close of the year.

It has been our policy to try friendly efforts in protecting workmen's wages and only when such efforts have failed have we taken the cases to court.

NEW YORK EMPLOYMENT OFFICE

The employment service office in New York registered 5,290 men and women, of which 2,761 were referred and 1,070 were placed. More could have been placed if we had had the proper persons with the needed requirements, but hundreds of unskilled workers are waiting for a chance to get something as helpers, thus showing the need of industrial schools in Porto Rico to train unskilled workers in such a way that they would be able to make a living in the United States.

NEW LABOR LEGISLATION ADOPTED

At the last session of our legislature several laws were passed improving procedure; guaranteeing payment of wages; creating a lien for wages earned in the construction, extension, maintenance, or repair of property; prohibiting payment thereof in anything other than lawful money; prohibiting the use of bags in excess of 250 pounds on the human body; regulating share-cropping contracts; and authorizing the commissioner of labor to grant permits for employment of workers outside of regular hours in cases of emergency. Amend-

ments were also made to the workmen's accident compensation act, and an act was passed to organize the department of labor, which now consists of the following divisions, bureaus, and services: Office of the commissioner; division of inspection, investigation, and diffusion of labor laws; bureau of women and children in industry; employment service; mediation and conciliation service; division of accounts, property, and statistics; wage protection and claim bureau; workmen's compensation service; and homestead service.

The bureau of women and children in industry has not been in operation because no appropriation was made for its maintenance. For a similar reason the employment service is being partially rendered in the city of New York.

The department of labor is the one department of the government having the lowest appropriation in the budget of the island. With personnel so limited as we have at present, it is materially impossible to give all the service required by the different laws under our administration. We strongly recommend that for next year sufficient funds be provided to make effective the law creating the bureau of women and children in industry, the full operation of the employment service both in New York and Porto Rico, to provide for the creation of the bureau of emigration, and for the creation of a bureau of cooperatives and labor organization.

Very respectfully yours,

P. RIVERA MARTINEZ,
Commissioner of Labor.

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