

ter of great gratification to the home government.

3. You will remember that in their report to Congress, the Congressional Commission which visited these Islands over a year ago, characterized the system of taxation in vogue as "unjust, inefficient and archaic". The system is still in force, but further delay in changing it should not be indulged in, for it is neither fair nor agreeable to live under laws that are deserving of such sweeping arraignment before the bar of unprejudiced judgment. I am aware that owing to the wording of the Act of Congress approved March 3, 1917, some people hold to the belief that the local tax laws cannot be changed without an act of Congress. I hold differently, for since these present local tax laws are in no wise "compatible" with American sovereignty or American principles, they are thereby exempt from the provision limiting changes in the law, and a Commission of Congress has condemned them in its report, which report was adopted and stands approved. Furthermore, it comes directly to my knowledge from association with the distinguished members of Congress who are greatly interested in these Islands, that it is their desire and expectation that the people of the Islands will themselves remedy their own tax laws, and that it is the hope in Washington, that we shall perform this necessary duty right here and in the near future; and not by our continued inaction force the Congress to make local tax laws for us. American principles urge upon us the duty of arranging for our own local taxes, and placing them on an equitable, just and right basis and one that will meet the legitimate expenses of government.

4. I have not as yet had the opportunity of studying the question of the water supply in St. Croix and so shall have to defer until a later meeting any observations that I may have to make on this subject; but I am under the impression that this is a problem that must soon be faced and solved.

5. From the testimony before and the proceedings of the Congressional Commission which I read very carefully before coming to the Islands and from information which has come to me since, I learn that the great question of capital and labor finds a strong echo in this Island. Because of the importance of this subject in the community, I believe that the people are entitled to know just how the Governor stands in relation to the whole matter. I shall endeavor to make my position so clear that even the children in the schools cannot possibly misunderstand my meaning. Capital and labor are inseparable in human relations; neither can function broadly in world affairs without the other. I believe in capital, and, as Governor, I am a friend of capital, for no business or industry can be carried on without it. Capital is fully entitled to a just and sometimes under extraordinary conditions to even a generous, but never to an excessive, interest. In other

words the returns should never become so fat as to subject the consumer to extortion and profiteering on the one hand or to reduce labor to anything approaching penury on the other hand. At the same time if returns fall much below a just figure, upkeep will suffer, material will deteriorate, capital will become discouraged and the whole community will suffer in some degree. It is the duty of capital to pay labor a fair living wage, one that not only brings to the worker the necessities of life but also some of the happiness and ethical uplift that comes from a healthy surplus, either placed in saving or intelligently expended toward better health and education. I believe in labor, and, as Governor, I am the friend of labor. A Great Master has told us that the laborer is worthy of his hire, and the same Wise One has taught us that he who serves is entitled to a high place in the estimation of all right thinkers, but when I have said that labor should have a fitting reward, I have not said all that I think. A good wage demands an honest return in labor, not twenty-five percent efficiency, where it takes four men to do the work of one real man, but one hundred percent, efficiency. We all know, however, that it is given to but few men in all the world to deliver one hundred percent, of efficiency and we should be merciful in that knowledge, but the man who, of his own free will and accord, falls below seventy per cent, in his efficiency is generally lacking in some of the qualities of good citizenship, while the man who works only two or three days in the week, where he could work six days, and then lies off as long as his money lasts is a positive menace to the community in which he lives. I draw no fine distinctions in labor. The man who works diligently at a mental occupation is as much a laborer as he who tills the soil or plies a trade. All are equally honorable. None shall be slighted. No legitimate activity of mankind can be inhibited without the loss being felt in some measure by the whole community. The foot or hand cannot be amputated or disabled without the brain becomes aware of the defect; and if the brain is removed or even injured, the feet and hands are done for. The solution of the problem of capital and labor is UNSELFISH COOPERATION. There is no other solution. There can be none other.

6. From testimony before the Congressional Commission and from articles in the local press, I note that the impression still seems to rest in the minds of some of the people that the Government of these Islands is a naval government. I wish to, once and for all time, disabuse the minds of these good people of any such fallacy. Your Government is not a naval or military government in any sense of the word. Your law making body is a civil legislative body and your Governor is a civil governor, appointed as such by the President with the advice and consent of the senate. What happens to be the lifelong profession of your Governor has nothing to

do with his functions as Governor. You gentlemen of the Council fully understand this fact; but it is apparent that some of your constituents do not yet comprehend it and I will ask you to promptly correct all false impressions on the subject.

7. It having come to my attention, soon after my inauguration, that dissatisfaction exists with the present income law and that certain provisions in the United States Income Tax Law were desired, I requested Congress to extend to these Islands the National Income Tax Laws, so that the people here might be in the same status as other Americans elsewhere. It was a matter of surprise to me to find that residents of these Islands, owing allegiance to foreign countries, have been and are still eligible to hold public office. I have brought this matter to the attention of Congress also as one wholly and entirely at variance with American principles.

8. From time to time I shall have messages for the Colonial Council which I shall either bring or send to you as may be most expedient.

SUMNER E. W. KITTELLE.
Governor.

His Excellency the Governor left the meeting.

(To be continued.)

On the occasion of his address before the Colonial Council of St. Croix, Governor Kittelle touched upon the desirability of an improved water supply for the people of this island. This was encouraging, but far more encouraging was the statement by the Governor in private after he had made a careful investigation of prevailing conditions. Speaking on this subject the Governor stated: "Provision for an adequate supply of fresh water for St. Croix must be made in the very near future and a project with this end in view will have my hearty co-operation."

The Governor further emphasized his conviction by saying, in effect, that such a great public necessity as a good water supply must have consideration even before seemingly very desirable public improvements of a less urgent nature now under discussion, and in his address before the Colonial Council at St. Thomas he went beyond mere recommendation for an adequate water supply and unequivocally demanded that it be provided. Thus he has made his position on the water question as positive as it is popular.

Until such time as a permanent supply of water can be obtained, an effort will be made to relieve temporarily, the situation by making available the water now in the large cisterns on Protestant Quay (about 350,000 gallons), by running a pipe line from the Quay to the Wharf, near the Customs House. If this construction is accomplished, the water can be sold at not more than one half cent a gallon, or two and one half cent for as much as a gasoline tin will hold.