
Franklin D. Roosevelt — “The Great Communicator”
The Master Speech Files, 1898, 1910-1945

Series 1: Franklin D. Roosevelt’s Political Ascension

File No. 362

1930 January 18

**New York City - NY State Bar Association -
Water Power**

At Dinner of State Bar Association; New York City
January 18, 1930
Proposed Legislative Act to Declare the Policy of the State
in Respect to Its Water Power Resources

I want to outline to you tonight a subject which, on its face, is not confined to the interest of the legal profession. You, however, with the other citizens of the State, have read of the proposal made a few days ago by legislative leaders which makes possible the termination of a ten-year deadlock on the subject of the development of State-owned water power.

That the future of the great public utility known as electricity must be of some interest to the legal profession may be illustrated by an experience I had last year in seeking to find an appointee to the Public Service Commission from a certain district in this State.

In evolving a list of names of approximately fifty lawyers of real standing in their profession in this district, I came, on investigation, to the discovery that every one of these gentlemen was in some shape, manner or form the legal representative of some utility company or some utility interest. I do not mention this as being derogatory to the fitness of lawyers as a whole to represent the public interests in this particular field, but merely as an illustration of the fact that the legal profession is very much concerned with the general problems of the development of utilities.

It is interesting, also, that during the past five days I have discussed with at least one hundred people the new proposal for the development of the St. Lawrence power and only one of these individuals had even read the proposed law. All of the other ninety-nine had based their opinions either on the statements of political leaders or—on the accounts which they had read in the public press.

May I, therefore, present to you as a "brief" a short account of just what has happened in the past and just what is proposed for the future.

1. The History of the St. Lawrence

More than twenty years ago, certain far-seeing gentlemen applied to the Legislature for a State franchise to develop the water power on the St. Lawrence River in what is known as the "International Section" at the Long Sault Rapids. That these gentlemen asked for a legislative charter was proof conclusive that the State has a very definite interest in the property. This charter was granted by the Legislature, but a few years later, with the growing knowledge of what the Legislature had given

away without compensation to the State; another Legislature repealed the charter and every right that it conferred.

For a number of years there was no open effort on the part of private companies or of the State to develop the latent water power of the St. Lawrence. Gradually, however, an issue was joined between two schools of economic and social thought, the one holding that the development of electricity should be undertaken wholly by private capital, the other holding that this great natural resource was of such tremendous importance to the future population of the State that its constant control should never pass from the hands of the State.

The next step was the passage of a water power act by which certain State officials were given the right to lease the State power properties, and very soon an application was made by the Frontier Power Company for a lease of the St. Lawrence rights for a term of fifty years. This in itself seemed to be in the nature of a compromise offer by those who had hitherto been willing to have the State actually sell its rights. This school was willing to admit that the ultimate fee of the title should remain in the State, but at the same time insisted that the fee could be leased for long periods of time extending into the dim, distant future. As you all know, the effort to obtain this long-term lease was blocked by my predecessor not only on the technical ground that the lease actually proposed was illegal, but on the broader ground that it was contrary to a sound public policy.

For a number of years the two schools of thought remained at complete loggerheads. One, represented by the Republican Party and Republican platforms, was willing to grant leases for all of the State's rights and properties for long periods, though admitting that the nominal ownership should rest in the State. The other school of thought, represented by the Democratic Party and its platforms, asked for the actual physical development of the electrical energy on the St. Lawrence through a State agency and the retaining of the physical manufacture of electricity, and possibly its transmission, in the hands of the State agency at all times. This was the situation when I took office a year ago.

2. The Present Situation

The next step, and the one which has brought the question finally to a head, was the definite proposal of a law which I submitted in March to the Legislature

of 1929.

The principles of this plan can best be explained by comparing its purpose with the bill introduced last Monday in the Legislature of 1930. By so doing we can arrive at a wholly fair estimate of what the new legislative offer actually is.

The Bill Itself

1. The title of the new bill is in itself important, for it is called, "An Act to declare the policy of the State in respect to its water power resources, and to provide for the appointment by the Governor of a commission."

Please note that the title itself sets up a policy.

2. Section 1 of the bill is in very definite terms the enunciation of the policy called for by the title to the Act, and because it uses the identical language, word for word, with the language of my bill of 1929, I hope that every citizen of this State will read it. It is as follows:

"The natural water power sites in, upon or adjacent to the St. Lawrence River, owned or controlled by the people, or which may hereafter be recovered by them or come within their ownership and control, shall remain inalienable to, and ownership and control shall remain always vested in the people."

It is a simple fact that this key clause has been incorporated in identical language without the changing of a letter or a syllable taken directly from my bill of last year. In this fact lies the justification for the simple, unequivocal statement that this new bill of 1930 is a complete conversion to my policy on the part of the legislative leaders, and is an acceptance of the principle for which I have fought so long.

3. The new bill in Section 2 directs the Governor to appoint five commissioners to bring in a plan or plans. It calls these five gentlemen "commissioners" instead of "trustees" as I had suggested, and removes the requirement of the consent of the Senate to their appointment.

4. The third section of the new bill covers the scope of the inquiry and is in purpose and language substantially similar to the corresponding part of last year's bill. This section has the addition of a new sentence which states that in the event that the commissioners determine that the development by the State, through a State agency

is not feasible or practicable, they shall determine whether an alternative for development or distribution of power would be more beneficial, and shall report such an alternative plan. It is, of course, obvious to any reasonable person that I could have no objection to this sentence, for, as a matter of fact, there was nothing to have prevented the commissioners suggested under my plan last year from stating perfectly frankly that they could not bring in a feasible State agency plan, or from suggesting an alternative plan or plans.

5. The fourth section of the new bill relates to a technical superseding of prior provisions of law and is identical in language with last year's bill.

6. The fifth section of the new bill is identical with my bill of last year, except that it appropriates \$200,000 instead of \$100,000.

7. The next four sections of the new bill are of the utmost importance because they bear directly on the declaration of policy in the first section of the bill. These last four sections constitute a tentative setting up of an instrumentality of the State, a body corporate and politic to be known as the "Trustees of the water power resources on the St. Lawrence River."

In my bill the language set up this State agency immediately, but my bill provided, of course, that any actual work of electrical development by this State agency should be dependent upon ratification by the following Legislature of any plan proposed. In other words, I set up the agency but made it impossible for them to start any construction work until the Legislature had given its approval. The new bill merely puts this in different language, saying:

"If a development by a State Authority is recommended in a plan which is approved by the Legislature, it shall be a corporate municipal instrumentality of the State known as the Trustees of the Water Power Resources on the St. Lawrence River."

From there on, the new bill is identical in principle and practically identical in language with the bill of last year, conferring upon the proposed Trustees of the Water Power Resources the essential duty, rights and legal authority to carry on their work of actual engineering, construction, financing and sale of power.

It is true that the new bill omits a number of sections of last year's bill which were intended to clarify and simplify the work of the proposed commissioners and make their task more simple. Most of the provisions which have been omitted relate to details, but I call your attention at this time to the omission of one declaration of

purpose which I believe to be of importance and which I see no reason to leave out in any statement of policy. I refer to the following paragraph of last year's bill which has been omitted this year. It reads as follows:

"The development of the said power sites and the generation, transmission and distribution of power therefrom shall be made in such manner and on such terms as to assure fair and impartial treatment of all consumers at the lowest rates compatible with a fair and reasonable return on the actual cost thereof."

Let the people of this State read and re-read that paragraph. I hope they will. Let them ask the simple question: Does that paragraph state fairly and clearly the purpose of the development of the State's electrical resources? Why it was omitted I do not know. I am certain that the people of this State will agree with me that this paragraph should be put back into the present bill, for it carries with it a simple truth, a simple expectation, and a clear direction to the commissioners that the power must be developed primarily for the good of the consumers and at fair and impartial rates. It will be difficult for any person to defend the omission of this simple statement from any bill.

I shall be interested in knowing what valid reason can possibly be advanced for the omission of this important principle.

Such is the summary of the language and the principles of the new bill which opens a new era for the industries and the homes of the people of the State of New York. Let me briefly recapitulate:

First, the bill accepts, word for word, the same paragraph of State policy which I asked for last year.

Second, the bill creates a body of five citizens whose primary duty shall be to bring in a workable plan based on that policy.

Third, the bill sets up a permanent State agency which will begin to function in the actual work of the development of electrical power just as soon as a succeeding Legislature has approved of the plan submitted.

This does not differ in any essential of basic principle from what so many citizens of the State have demanded in the past.

The important duty of every citizen of the State—lawyers, business men, the press, the agricultural interests, and the average "man in the street"—is from now on to work wholeheartedly for the carrying out of the proposed policy and the plan which, I am confident, will result therefrom. This is not the time for us to pay heed to carpings objections as to detail; to monkey wrenches which some people may try to throw

into the machinery; to the magnifying of difficulties which can be surmounted if we have the will to surmount them. I am confident that the great majority of citizens of the State want to see something done; believe that it is practicable to work out a State agency method of development of our great natural electrical resources in such a way that the control of these resources will never pass from the ownership of the State itself.

ADDRESS OF GOVERNOR FRANKLIN D. ROOSEVELT
DELIVERED AT DINNER OF NEW YORK STATE BAR ASSOCIATION
Saturday evening, January 18, 1930.

For release in Sunday morning papers.

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At Dinner of State Bar Association, New York City, January 18,
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That the future of the great public utility known as electricity must be of some interest to the legal profession may be illustrated by an experience I had last year in seeking to find an appointee to the Public Service Commission from a certain district in this State.

In evolving a list of names of approximately fifty lawyers of real standing in their profession in this district, I came, on investigation, to the discovery that every one of these gentlemen was in some shape, manner or form the legal representative of some utility company or some utility interest. I do not mention this as being derogatory to the fitness of lawyers as a whole to represent the public interests in this particular field, but merely as an illustration of the fact that the legal profession is very much concerned with the general problems of the development of utilities.

It is interesting, also, that during the past five days I have discussed with at least one hundred people the new proposal for the development of the St. Lawrence power and only one of these individuals had even read the proposed law. All of the other ninety-nine had based their opinions either on the statements of political leaders or on the accounts which they had read in the public press.

May I, therefore, present to you as a "brief" a short account of just what has happened in the past and just what is proposed for the future.

1. The History of the St. Lawrence

More than twenty years ago, certain far-seeing gentlemen applied to the Legislature for a State franchise to develop the water power on the St. Lawrence River in what is known as the "International Section" at the Long Sault Rapids. That these gentlemen asked for a legislative charter was proof conclusive that the State has a very definite interest in the property. This charter was granted by the Legislature, but a few years later, with the growing knowledge of what the Legislature had given away without compensation to the State, another Legislature repealed the charter and every right that it conferred.

For a number of years there was no open effort on the part of private companies or of the State to develop the latent water power of the St. Lawrence. Gradually, however, an issue was joined between two schools of economic and social thought, the one holding that the development of electricity should be undertaken wholly by private capital, the other holding that this great natural resource was of such tremendous importance to the future population of the State that its constant control should never pass from the hands of the State.

The next step was the passage of a water power act by which certain State officials were given the right to lease the State power properties, and very soon an application was made by the Frontier Power Company for lease of the St. Lawrence rights for a term of fifty years. This in itself seemed to be in the nature of a compromise offer by those who had hitherto been willing to have the State actually sell its rights. This school was willing to admit that the ultimate fee of the title should remain in the State, but at the same time insisted that the fee could be leased for long periods of time extending into the dim, distant future. As you all know, the effort to obtain this long-term lease was blocked by my predecessor, not only on the technical ground that the lease actually proposed was illegal, but on the broader ground that it was contrary to a sound public policy.

For a number of years the two schools of thought remained at complete loggerheads. One, represented by the Republican Party and Republican platforms, was willing to grant leases for all of the State's rights and properties for long periods, though admitting that the nominal ownership should rest in the State. The other school of thought, represented by the Democratic Party and its platform, asked for the actual physical development of the electrical energy on the St. Lawrence through a State agency and the retaining of the physical manufacture of electricity, and possibly its transmission, in the hands of the State agency at all times. This was the situation when I took office a year ago.

2. The Present Situation

The next step, and the one which has brought the question finally to a head, was the definite proposal of a law which I submitted in March to the Legislature of 1930.

The principles of this plan can best be explained by comparing its purpose with the bill introduced last Monday in the Legislature of 1930. By so doing we can arrive at a wholly fair estimate of what the new legislative offer actually is.

The Bill Itself

1. The title of the new bill is in itself important, for it is called, "An Act to declare the policy of the State in respect to its water power resources, and to provide for the appointment by the Governor of a commission."

Please note that the title itself sets up a policy.

2. Section 1 of the bill is in very definite terms the enunciation of the policy called for by the title to the Act, and because it uses the identical language, word for word, with the language of my bill of 1929, I hope that every citizen of this State will read it. It is as follows:

"The natural water power sites in, upon or adjacent to the St. Lawrence River, owned or controlled by the people, or which may hereafter be recovered by them or come within their ownership and control, shall remain inalienable to, and ownership and control shall remain always vested in the people."

It is a simple fact that this key clause has been incorporated in identical language without the changing of a letter or a syllable taken directly from my bill of last year. In this fact lies the justification for the simple, unequivocal statement that this new bill of 1930 is a complete conversion to my policy on the part of the legislative leaders, and is an acceptance of the principle for which I have fought so long.

3. The new bill in Section 2 directs the Governor to appoint five commissioners to bring in plan or plans. It calls these five gentlemen "commissioners" instead of "trustees" as I had suggested, and removes the requirement of the consent of the Senate to their appointment.

4. The third section of the new bill covers the scope of the inquiry and is in purpose and language substantially similar to the corresponding part of last year's bill. This section has the addition of a new sentence which states that in the event that the commissioners determine that the development by the State, through a State agency, is not feasible or practicable, they shall determine whether an alternative for development or distribution of power would be more beneficial, and shall report such an alternative plan. It is, of course, obvious to any reasonable person that I could have no objection to this sentence, for, as a matter of fact, there was nothing to have prevented the commissioners suggested under my plan last year from stating perfectly frankly that they could not bring in a feasible State agency plan, or from suggesting an alternative plan or plans.

5. The fourth section of the new bill relates to a technical superseding of prior provisions of law and is identical in language with last year's bill.

6. The fifth section of the new bill is identical with my bill of last year, except that it appropriates \$200,000 instead of \$100,000.

7. The next four sections of the new bill are of the utmost importance because they bear directly on the declaration of policy in the first section of the bill. These last four sections constitute a tentative setting up of an instrumentality of the State, a body corporate and politic to be known as the "Trustees of the water power resources on the St. Lawrence River."

In my bill the language set up this State agency immediately, but my bill provided, of course, that any actual work of electrical development by this State agency should be dependent upon ratification by the following Legislature of any plan proposed. In other words, I set up the agency but made it impossible for them to start any construction work until the Legislature had

given its approval. The new bill merely puts this in different language, saying:

"If a development by a State Authority is recommended in a plan which is approved by the Legislature, it shall be a corporate municipal instrumentality of the State known as the Trustees of the Water Power Resources on the St. Lawrence River."

From there on, the new bill is identical in principle and practically identical in language with the bill of last year, conferring upon the proposed Trustees of the Water Power Resources the essential duty, rights and legal authority to carry on their work of actual engineering, construction, financing and sale of power.

It is true that the new bill omits a number of sections of last year's bill which were intended to clarify and simplify the work of the proposed commissioners and make their task more simple. Most of the provisions which have been omitted relate to details, but I call your attention at this time to the omission of one declaration of purpose which I believe to be of importance and which I see no reason to leave out in any statement of policy. I refer to the following paragraph of last year's bill which has been omitted this year. It reads as follows:

"The development of the said power sites and the generation, transmission and distribution of power therefrom shall be made in such manner and on such terms as to assure fair and impartial treatment of all consumers at the lowest rates compatible with a fair and reasonable return on the actual cost thereof."

Let the people of this State read and re-read that paragraph. I hope they will. Let them ask the simple question: Does that paragraph state fairly and clearly the purpose of the development of the State's electrical resources? Why it was omitted I do not know. I am certain that the people of this State will agree with me that this paragraph should be put back into the present bill, for it carries with it a simple truth, a simple expectation, and a clear direction to the commissioners that the power must be developed primarily for the good of the consumers and at fair and impartial rates. It will be difficult for any person to defend the omission of this simple statement from any bill. I shall be interested in knowing what valid reason can possibly be advanced for the omission of this important principle.

Such is the summary of the language and the principles of the new bill which opens a new era for the industries and the homes of the people of the State of New York. Let me briefly recapitulate:

First, the bill accepts, word for word, the same paragraph of State policy which I asked for last year.

Second, the bill creates a body of five citizens whose primary duty shall be to bring in a workable plan based on that policy.

Third, the bill sets up a permanent State agency which will begin to function in the actual work of the development of electrical power just as soon as a succeeding Legislature has approved of the plan submitted.

This does not differ in any essential of basic principle from what so many citizens of the State have demanded in the past.

The important duty of every citizen of the State—lawyers, business men, the press, the agricultural interests, and the average "man in the street"—is from now on to work wholeheartedly for the carrying out of the proposed policy and the plan which, I am confident, will result therefrom. This is not the time for us to pay heed to carping objections to detail; to monkey wrenches which some people may try to throw into the machinery; to the magnifying of difficulties which can be surmounted if we have the will to surmount them. I am confident that the great majority of citizens of the State want to see something done, believe me, if it is practicable to work out a State agency method of development of our great natural electrical resources in such a way that the control of these resources will never pass from the ownership of the State itself.