Franklin D. Roosevelt — "The Great Communicator"

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New York City, NY - National Democratic Club

At National Democratic Club, New York City, March 1, 1930
Old Age Relief—Judicial Reform—State Expenditures—Parole—Public Utilities Regulation—Home Rule

I shall never forget this particular room, this particular floor in the National Democratic Club and I shall never forget you, most of whom were here on the 15th of October, 1928, when we had in this very spot what is called a notification ceremony. It turned out to be a very happy ceremony, and since then much water has gone over the dam. Our President has spoken sometimes of a message to the people, and I noticed on the announcement card some reference to the fact that there are some 12,000,000 of the people in this particular State. I did not think there were quite as many as that, but I have been thinking there were a greater many million judging from the mail which comes to my desk every morning.

There is one very delightful thing about being the Governor of the State of New York—the people regard him as a personal friend. I am convinced of that by the size of my mail. And all sorts of amusing things happen. They are interesting even though the Governor can't do much about them.

Not long ago I received a letter at the Executive Mansion, and it started off something like this: "I am a Harvard man like you, and I am sending this to the Executive Mansion rather than to the Executive Chamber. Your secretary, who is a Cornell man, would probably never let you see it." And having started off that way he went on to say: "I want to lay a very serious matter before you. The constable in this town is a drunken idiot, and I want you to come down here, look him over, and remove him."

I have had letters from fond mothers, sent probably to me by mistake instead of to Dr. Copeland, asking me what to do for the teething child. I have had letters from young people who are very much in love with each other and do not know how to let each other know about it. I have letters asking for all sorts of little personal things; and believe me, the Club Houses of the organization in New York City have got nothing on the Executive Chamber in Albany.

We have one rather sad series of letters which have come especially in the last couple of months, an indication of the fact, I am sorry to say that everything is not quite as well with the country as it might be at the present time, because it is a fact that during these past couple of months we have received in the Executive Chamber more applications, more letters begging for some kind of employment, than we had received there during the whole of the year of 1929. We must recognize, because it is

a fact, that a great many of our fellow citizens, men and women, are out of work, not merely in the city of New York, but in all of the cities throughout the State of New York, large and small. We hope, of course, and we want to do everything possible to bring about some betterment of the unemployment situation. But frankly, I do not believe in trying to gloss over the fact that today there are many good American citizens in this State and elsewhere who have been out of work, and who are out of work, and we must do everything possible as citizens to find something for them to do.

Now, I haven't prepared any written message to the people. I haven't the time in Albany, with this mail of mine, and with the Legislature in session, to prepare anything much. I have to fire when the occasion offers. And so today I want to talk very briefly and informally about some of the things that have been occurring during the past fourteen months.

As you know, in the autumn of 1928, the Democratic party made certain pledges, adopted what is called a platform. And as you also know, platforms are very old things, and they have been a good deal laughed at all over the country as mere pieces of paper that nobody, not even the candidates, read and that they are forgotten the day after election. It has been a matter of deep pride to me that beginning with the famous year, 1918, when the Democratic Party elected Alfred E. Smith to the Governorship of New York for the first time, the Democratic Party in this State has written a platform that it intended to try to put through, and after election it has kept on trying to put it through.

We have honestly sought by legislative and administrative means, to live up to certain promises that were made to the people of the State, and I am very confident that the people of this State are happy and satisfied with the fact that the Democratic Party has tried to live up to its pre-election promises. We are trying to live up to them at the present time and we have taken already in these fourteen months many steps to carry out the promises which we made to the people in the last State campaign.

There are a number of measures which are either successfully accomplished, or which are, by way of being accomplished very shortly. For instance, take the social welfare legislation to which the party was pledged. I refer to one matter that affects indirectly or directly almost every family in the State—the matter of giving relief to the aged poor. It was the Democratic Party, after all, which initiated the idea of relief for the aged poor. That is a matter of simple historic fact. In 1928 it was made a

major campaign issue. I campaigned through the State using that as one of the three or four main questions which this party of ours would bring to the front, if successful. The result was, last year, the passage of the first bill to create a commission. This year that commission has reported, and while many of us are not in the least bit satisfied with the report of this commission, which was headed by my friend, Senator Mastick, we find certain very grave objections to the plan for the relief of old age want which he has brought in, nevertheless, we feel that it is a step in the right direction, and therefore, I am happy to say that the Democratic members of the Assembly and of the Senate in Albany are unanimously agreed that while we must do everything possible to ameliorate and improve the measure that has been introduced, nevertheless, we are going to be behind some form of relief at this session of the Legislature.

That is the carrying out of a definite campaign pledge. Then, also, I am happy to say that while the bill failed last year, there is every prospect that within the next two or three weeks we are going to get approval by the Republican legislative leaders for the very important issue which I raised a year ago last autumn, the matter of a deep drastic study of the question of judicial reform. I had insisted a year ago that although a lawyer myself, I did not believe that lawyers were the only people who could be entrusted with the revision of our whole judicial system; that after all, nine people out of ten in all the courts of the State are laymen, nine out of ten of the people who are parties to civil actions, nine out of ten of those who are parties to criminal actions, are not lawyers. Therefore, it seems a matter of simple fairness and justice that lay people should be represented on any Commission to study the reform of the judicial procedure. That proposition, I am glad to say, is going to go through at this session of the Legislature.

Much has been said about the cost of government, as a whole. We might just as well state very simply the fact--What is the record? We are to spend this year some forty-five million dollars more than last year, and practically all of that increase in government is for social welfare. In fact, I think I can say that all of it is for social welfare, because only a small portion of the increase, some four or five million dollars, is for the building of additional highways and parks, and that may be regarded as coming within the broad term.

Who decides on the money that the State is going to spend? There is a very simple answer to that, and yet, most people will give the wrong answer. The Legislature of the State appropriates the money. There are no two ways about it. It is true that under the budget system in this State it is the Executive who recommends to the Legislature what shall be spent, but he can not spend one red cent until the Legislature has appropriated. Not merely the final problem, but the whole of the problem of making actual appropriations is in the Legislature of the State of New York.

We have heard something about how this budget of the Governor, running to a little over $300,000,000, was going to be cut by an economical set of Republican Legislative leaders. Since coming to New York the day before yesterday, I read in the papers that they have actually cut this budget about $1,500,000, which works out at a very interesting percentage. It means that my budget is adopted by the Legislature 99½ per cent. And by the same token it means that the Republican leaders disagree with me to the extent of ½ of 1 per cent. As a matter of fact, what are we spending the money for? In two or three very broad categories.

Out of a little over $300,000,000, we are spending over $100,000,000 on education alone. Over 33 per cent of all the money that the State is spending is going to education--directly for education. Secondly, we are spending about $52,000,000 on highways and parkways. We are spending the exact amount on highways and parkways that we are receiving from the motorists of the State as payment for the license tax and the gasoline tax. That is a sound method of taxation. Every penny that you pay to the State for your license tax, or for your gasoline tax will be spent by the State during that same year for the improvement of the highways of the State. Thirdly, we are spending nearly $30,000,000 on the building of institutions for the care of the wards of the State and we shall have to spend more on that line during the next two or three years before we have enough beds to take care of the wards of the State.

There is one point that I should like to make, not merely for the people in New York City, but for the people all over the State, a point that is not realized, a very simple little matter of business. The people who own real estate, who own buildings or land of any kind, pay no taxes to the State of New York on their buildings or their land. Whether it be the owner of an apartment house, or an office building, the owner of a little home in the suburbs, or the owner of a farm in the country, none of his taxes on that real estate go to Albany. All of his taxes are used for local govern-

ment purposes and the whole of the government at Albany is sustained by what may be well called indirect taxes; the tax on the sale and purchase of securities on the Stock Exchange, the State Income Tax, the State Inheritance Tax, the Corporation Tax and various other small taxes that bring in enough money to run the whole of the State government.

And on this same point, having made it clear that the State is taking nothing from the owners of real estate, we can also make it perfectly definite that the State does not want to, and ought not to increase any of the indirect taxes or any other kind of State taxes during the next few years. We shall have to come very close to it if my friends, the Republican leaders, do not accede to our simple policy of authorizing a bond issue to take care of these new institutions.

It is obvious to any business man or woman that when the State puts up, or when a private corporation puts up any kind of a building, built of steel and bricks and concrete and tile, so splendidly and strongly designed that it will last a life of 75 or 100 years, it is not fair to this generation to ask the payment for that building, which will last for three or four generations, out of the current revenues of one year or of two years. We know the historic and very simple slogan of the former Governor, when he was opposing the so-called Pay-as-you-go-theory, when he said: "You don't pay and you don't go." And we are merely carrying on a definite policy of the State in asking for the issue of bonds to be approved by the voters this fall to enable us to build sufficient structures for prisons and hospitals and other institutions to take care of the growing demand.

That brings us back to another social question in the State: the general question of what the scientists call penology, and you and I call crime.

I believe that the State will take, in the next two or three weeks, the greatest step in regard to the handling of crime that has been taken since the days of Charles Dickens. I refer to the acceptance of the Republican legislative leaders of the substance of the report which was made by the Special Parole Commission which I appointed, the report advocating the creation of a permanent full-time Parole Board. That has been the greatest weakness in the handling of those who are the prisoners of the State. We have forgotten as a people that out of every one hundred men or women who got to prison for one reason or another ninety-four of them sooner or later come back into our

midst, come back as our neighbors living in the same block, or within a few blocks, are the occupants of the same town, the same city, or the same village that we live in. And of these 94 out of 100 who come back into our midst, a very large, and a very seriously large proportion sooner or later return to prison. That is not as it should be, either from the point of view of humanity, or from the point of view of dollars and cents.

I believe that 50 years from now we will look back on this year of 1930 as one of the days belonging to the dark ages for in the handling of crime and criminals we have made, let us be frank about it, very little progress in the past hundred years. When you think that the prisoners of this State, a large proportion of them, are sent to institutions where they live in steel cells,—think of the dimensions, six feet long, about ten inches below the end of their toes, about six feet ten inches high, about ten inches over the tops of their heads when they are standing up, and three feet wide —one yard wide—Think of the fact that we give industrial occupation in the prisons to less than a third of all the prisoners who go there. Think of the fact that the sanitary conditions in two or three of the State institutions are just as bad and worse than the worst tenement house in New York City.

And yet that is where our fellow citizens, who for one reason or another commit a crime, are sent for punishment. Yes, they get punishment all **right.** Don't worry about that. But what sort of people are they when 94 out of 100 come back into our midst? I believe that the Legislature will establish this year a permanent crime commission in the form of a Parole Board to study what happens to prisoners when they come to prison, the causes of crime; secondly what happens to prisoners when they are in prison; and thirdly what happens to prisoners when they leave prison. I believe we can get three citizens of this State, one of them to be a woman, if I have anything to say about it, to serve on this Parole Commission in such a way that the State of New York in the course of a few years will be recognized as taking the definite leadership in the working out of the crime problem in America.

I have been somewhat interested of late, and so have you, in telephones, electric lights, and things of that kind. We know that the telephone case has excited the popular imagination. But how many of us have gone back to analyze the conditions which brought about the telephone case? How many of us during the past 30 years have been sufficiently interested to note as the years went by, a very extraordinary set of

occurrences? Thirty years ago there was a fairly clear line of demarcation in regard to the regulation of what they call utilities. Thirty years ago there was still in the mind of the average man and woman a clear line of reasoning, based on the history of several hundred years, the reasoning being this: that any number of persons could go into business, and engage in private business, and not be limited in any shape, manner or form by the government, as to how they should conduct their business, as long as they conducted it honestly, or as to what profits they should make. And in regard to private businesses, that was 100% a sound doctrine, and one which has been largely responsible for the splendid economic growth of America. But on the other side there were some necessities of life which for years had had a kind of public character because of the very simple fact that they were monopolistic in their nature, because of the fact that unless the government stepped in opportunity would be given to greedy private people to make exorbitant profits out of the average citizen.

In this State one of the simplest examples that prove the historic side of this matter is the case of the ferry across the Hudson River at Newburgh. That ferry is still being operated by the Ramsdell family, decendants, I think, of a certain famous Mary Powell, who in turn was the descendant of some previous Powell, to whom Queen Anne gave a franchise somewhere around the year 1705 to run a ferry across the Hudson River at that point. And Queen Anne, in giving to this ancestral Powell this franchise for a ferry, said to him "You will have an exclusive franchise. Nobody else can run a ferry at this important crossing point", and remember that it was the point at which Washington's army and Rochambeau's army and all the other armies at the time of the Revolution crossed back and forth between the New England states and the south, an historic crossing point. It was a franchise of very great value. But when Queen Anne gave that franchise to old man Powell she said "You can have the exclusive right, but on two conditions: first, you have to give good service. You have got to have a boat there, a big enough boat, and enough boats to take people and teams and horses and oxen across when they want to cross. Secondly, you have got to charge them a reasonable rate. And what is a reasonable rate, Mr. Powell? Why, a reasonable rate is a fair return for your labor and no more."

That is an example which has been followed through from 1705 all the way down until these last few years, when we have forgotten what a franchise is. From whom

does it come? The Sovereign! In 1705 it was Queen Anne, through the Royal Governor of the Province of New York. Since 1776 the franchises have been granted by the sovereignty of the State of New York, the people of the State acting and speaking through their elected representatives, the Legislature of the State of New York. And as civilization became more complicated the Legislature of the State of New York gave up the writing of the charges and the rates. They decided it was too complicated a question. In the days of Governor Hughes the Legislature created, to speak for the sovereignty of the people of New York State, the Public Service Commission. And, mind you, here is a distinction which also has been forgotten. In these latter days, and in the past few weeks, you have read much about whether the Public Service Commission of this State is a quasi-judicial body. Well, it is not quasi-judicial, or any other kind of judicial. And my friend, my esteemed friend, who stepped out of the chairmanship of the Public Service Commission yesterday, in a speech in Albany the other day, said that it was the function of the Public Service Commission to sit upon a bench and hand out justice on the one side to the people of the State, and on the other side to the utilities; in other words, a sort of arbiter between two contesting forces.

Historically, practically, legally and in every other way, Mr. Prendergast was dead wrong. The Public Service Commission is not a quasi-judicial body. The Public Service Commission is the representative of the Legislature, and, back of the Legislature, of the people. It is not dealing between two contestants. It is representing one side, the people of State, definitely and clearly. And it has one function, not a function to choose between the people and the public utilities, but the sole function, as the representative of the people of this State, to see to it that the utilities do two things---first, give service, and secondly, charge a reasonable rate.

That's the "law and the prophets" on Public Service regulation in the State of New York. I am perfectly sure it is the law, personally, and I am willing to guess that the prophet's part of it is true, too.

I am very happy in the thought that out of this Legislature we are to get something. We are to get some teeth in the Public Service Commission law for one thing, and we are going to try to get a second thing which is this: the writing down in simple language that lay people as well as utility companies can understand, of what is known as the rate base. The rate base sounds like a rather intangible thing, and it has been made so in the past few years by the Supreme Court of the United States

and other bodies.

Rate base is really a very simple matter. Rate base is the amount of money or actual capital that a public utility like a gas company, or an electric light company, or a telephone company, is allowed to earn a reasonable profit on. And the rates are made to give that reasonable profit. Now, it seems to me a perfectly practical thing for us to go back into history 30 years and more ago, possibly to the days of good Queen Anne, and write down the same kind of a rate base that would have been written down in earlier history of our civilization.

If we do that, it will mean to a large extent the elimination of proceedings in the Federal Courts, which in the Telephone Case, lasted for seven whole years before they got a determination. And by the same token, I hope that the Congress of the United States will heed the resolution which was passed by the Legislature, at my request, asking them to take utilities cases out of the lower Federal Courts and let us handle them in our own courts.

We are going to have a new slogan--we are going to have a new slogan all over this State and all over the United States. And because unfortunately something like it, something that was based on a principle, too, received another name some 75 years ago, we can not call this new slogan "States' rights," because if we use the words "States' rights," somebody will say we are trying to fight the Civil War all over again. Well, we are not. This particular slogan has to do with the year 1930. And I think the simplest term to use, one that will be well understood by the people of the City of New York, one that will be understood by the people in the up-State cities, one that will be understood by the people in the counties of this State--the very simple, old-fashioned term, Home Rule.

And I think that in these coming years we shall hear much of Home Rule, for, after all, if we in this city have been pleading for many years for an extension of home rule powers to this city, when year after year we wonder why it is that Senator Knight up in Albany, tells us that we can't have our transit bills, even though the people of this city want them. If we have been going after home rule in this city, we can understand the necessity of applying exactly the same principle one step further up the ladder. The relationship between this city and the State Government in Albany is not so very different from the relationship between the State Government in Albany and the Federal Government down in Washington. And I believe in getting back to Home Rule.

During these next years we shall see that principle established, if I am not wrong, and I believe, too, that it will solve a great many other of our larger Federal problems. I am very confident that the extension of the principle of home rule is going to be the salvation of the American form of government.

I am told I have but three minutes more, and I have a great many other Albany matters to talk to you about. I can only tell you this: that this session of the Legislature is a very happy one for me. Last year we got into all sorts of difficulties about a matter that nobody understands, either the Legislature or the Governor or anybody else -- the question of the budget. It was highly technical, and the Court of Appeals approved the stand that was taken--I won't say by the Governor, because I am not much of a lawyer--the stand was taken by the legal advisers of the Governor. This year we have not that serious problem before us. It was a matter of very deep basic principle. And this year the Legislature has given definite intimation, as in the case of the proposed water power bill, that they are going to go along with the majority of the principles that were enunciated in the platform on which I ran, the platform to which I subscribed on the 15th day of October, in this very room, at this very desk, in 1928.

And so we are going ahead with the government in Albany. And I believe that we are getting somewhere with it. Coming right back to what I said first, the people of this State do realize, and will realize as the days and the years go on, that the administration of the government in Albany is sincerely, and not for political reasons, sincerely and from the bottom of its heart anxious to do the best that it can for the average man and woman and child throughout the length and breadth of this State; that we have a government which in the best sense of the word wants to be a popular government; a government that thinks of the common good; a government that is going ahead for social welfare; a government that is looking to the days to come, to the children who are coming after us; a government that is simple, a government that puts on no airs; a government that asks and believes that it is entitled to the support of the people of this State.

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Old Age Relief—Judicial Reform—State Expenditures—Parole—Public Utilities Regulation—Home Rule

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There is one point that I should like to make, not merely for the people in New York City, but for the people all over the State, a point that is not realized, a very simple little matter of business. The people who own real estate, who own buildings or land of any kind, pay no taxes to the State of New York on their buildings or their land. Whether it be the owner of an apartment house, or an office building, the owner of a little home in the suburbs, or the owner of a farm in the country, none of his taxes on that real estate go to Albany. All of his taxes are used for local government purposes and the whole of the government at Albany is sustained by what may be well called indirect taxes; the tax on the sale and purchase of securities on the Stock Exchange, the State Income Tax, the State Inheritance Tax, the Corporation Tax and various other small taxes that bring in enough money to run the whole of the State government.

And on this same point, having made it clear that the State is taking nothing from the owners of real estate, we can also make it perfectly definite that the State does not want to, and ought not to increase any of the indirect taxes or any other kind of State taxes during the next few years. We shall have to come very close to it if my friends, the Republican leaders, do not accede to our simple policy of authorizing a bond issue to take care of these new institutions.

It is obvious to any business man or woman that when the State puts up, or when a private corporation puts up any kind of a building, built of steel and bricks and concrete and tile, so splendidly and strongly designed that it will last a life of 75 or 100 years, it is not fair to this generation to ask the payment for that building, which will last for three or four generations, out of the current revenues of one year or of two years. We know the historic and very simple slogan of the former Governor, when he was opposing the so-called Pay-as-you-go-theory, when he said: "You don't pay and you don't go." And we are merely carrying on a definite policy of the State in asking for the issue of bonds to be approved by the voters this fall to enable us to build sufficient structures for prisons and hospitals and other institutions to take care of the growing demand.

That brings us back to another social question in the State: the general question of what the scientists call penology, and you and I call crime.

I believe that the State will take, in the next two or three weeks, the greatest step in regard to the handling of crime that has been taken since the days of Charles Dickens. I refer to the acceptance of the Republican legislative leaders of the substance of the report which was made by the Special Parole Commission which I appointed, the report advocating the creation of a permanent full-time Parole Board. That has been the greatest weakness in the handling of those who are the prisoners of the State. We have forgotten as a people that out of every one hundred men or women who got to prison for one reason or another ninety-four of them sooner or later come back into our midst, come back as our neighbors living in the same block, or within a few blocks, are the occupants of the same town, the same

city, or the same village that we live in. And of these 94 out of 100 who come back into our midst, a very large, and a very seriously large proportion sooner or later return to prison. That is not as it should be, either from the point of view of humanity, or from the point of view of dollars and cents.

I believe that 50 years from now we will look back on this year of 1930 as one of the days belonging to the dark ages for in the handling of crime and criminals we have made, let us be frank about it, very little progress in the past hundred years. When you think that the prisoners of this State, a large proportion of them, are sent to institutions where they live in steel cells,—think of the dimensions, six feet long, about ten inches below the end of their toes, about six feet ten inches high, about ten inches over the tops of their heads when they are standing up, and three feet wide—one yard wide —Think of the fact that we give industrial occupation in the prisons to less than a third of all the prisoners who go there. Think of the fact that the sanitary conditions in two or three of the State institutions are just as bad and worse than the worst tenement house in New York City.

And yet that is where our fellow citizens, who for one reason or another commit a crime, are sent for punishment. Yes, they get punishment all right. Don't worry about that. But what sort of people are they when 94 out of 100 come back into our midst? I believe that the Legislature will establish this year a permanent crime commission in the form of a Parole Board to study what happens to prisoners when they come to prison, the causes of crime; secondly what happens to prisoners when they are in prison; and thirdly what happens to prisoners when they leave prison. I believe we can get three citizens of this State, one of them to be a woman, if I have anything to say about it, to serve on this Parole Commission in such a way that the State of New York in the course of a few years will be recognized as taking the definite leadership in the working out of the crime problem in America.

I have been somewhat interested of late, and so have you, in telephones, electric lights, and things of that kind. We know that the telephone case has excited the popular imagination. But how many of us have gone back to analyze the conditions which brought about the telephone case? How many of us during the past 30 years have been sufficiently interested to note as the years went by, a very extraordinary set of occurrences? Thirty years ago there was a fairly clear line of demarcation in regard to the regulation of what they call utilities. Thirty years ago there was still in the mind of the average man and woman a clear line of reasoning, based on the history of several hundred years, the reasoning being this: that any number of persons could go into business, and engage in private business, and not be limited in any shape, manner or form by the government, as to how they should conduct their business, as long as they conducted it honestly, or as to what profits they should make. And in regard to private businesses, that was 100% a sound doctrine, and one which has been largely responsible for the splendid economic growth of America. But on the other side there were some necessities of life which for years had had a kind of public character because of the very simple fact that they were monopolistic in their nature, because of the fact that unless the government stepped in(opportunity would be given to greedy private people to make exorbitant profits out of the average citizen.

In this State one of the simplest examples that prove the historic side of this matter is the case of the ferry across the Hudson River at Newburgh. That ferry is still being operated by the Ramsdell family, decendants, I think, of a certain famous Mary Powell, who in turn was the descendant of some previous Powell, to whom Queen Anne gave a franchise somewhere around the year 1705 to run a ferry across the Hudson River at that point. And Queen Anne, in giving to this ancestral Powell this franchise for a ferry, said to him "You will have an exclusive franchise. Nobody else can run a ferry at this important crossing point", and remember that it was the point at which Washington's army and Rochambeau's army and all the other armies at the time of the Revolution crossed back and forth between the

New England states and the south, an historic crossing point. It was a franchise of very great value. But when Queen Anne gave that franchise to old man Powell she said "You can have the exclusive right, but on two conditions: first, you have to give good service. You have got to have a boat there, a big enough boat, and enough boats to take people and teams and horses and oxen across when they want to cross. Secondly, you have got to charge them a reasonable rate. And what is a reasonable rate, Mr. Powell? Why, a reasonable rate is a fair return for your labor and no more."

That is an example which has been followed through from 1705 all the way down until these last few years, when we have forgotten what a franchise is. From whom does it come? The Sovereign! In 1705 it was Queen Anne, through the Royal Governor of the Province of New York. Since 1776 the franchises have been granted by the sovereignty of the State of New York, the people of the State acting and speaking through their elected representatives, the Legislature of the State of New York. And as civilization became more complicated the Legislature of the State of New York gave up the writing of the charges and the rates. They decided it was too complicated a question. In the days of Governor Hughes the Legislature created, to speak for the sovereignty of the people of New York State, the Public Service Commission. And, mind you, here is a distinction which also has been forgotten. In these latter days, and in the past few weeks, you have read much about whether the Public Service Commission of this State is a quasi-judicial body. Well, it is not quasi-judicial, or any other kind of judicial. And my friend, my esteemed friend, who stepped out of the chairmanship of the Public Service Commission yesterday, in a speech in Albany the other day, said that it was the function of the Public Service Commission to sit upon a bench and hand out justice on the one side to the people of the State, and on the other side to the utilities; in other words, a sort of arbiter between two contesting forces.

Historically, practically, legally and in every other way, Mr. Prendergast was dead wrong. The Public Service Commission is not a quasi-judicial body. The Public Service Commission is the representative of the Legislature, and, back of the Legislature, of the people. It is not dealing between two contestants. It is representing one side, the people of State, definitely and clearly. And it has one function, not a function to choose between the people and the public utilities, but the sole function, as the representative of the people of this State, to see to it that the utilities do two things—first, give service, and secondly, charge a reasonable rate.

That's the "law and the prophets" on Public Service regulation in the State of New York. I am perfectly sure it is the law, personally, and I am willing to guess that the prophet's part of it is true, too.

I am very happy in the thought that out of this Legislature we are to get something. We are to get some teeth in the Public Service Commission law for one thing, and we are going to try to get a second thing which is this: the writing down in simple language that lay people as well as utility companies can understand, of what is known as the rate base. The rate base sounds like a rather intangible thing, and it has been made so in the past few years by the Supreme Court of the United States and other bodies.

Rate base is really a very simple matter. Rate base is the amount of money or actual capital that a public utility like a gas company, or an electric light company, or a telephone company, is allowed to earn a reasonable profit on. And the rates are made to give that reasonable profit. Now, it seems to me a perfectly practical thing for us to go back into history 30 years and more ago, possibly to the days of good Queen Anne, and write down the same kind of a rate base that would have been written down in earlier history of our civilization.

If we do that, it will mean to a large extent the elimination of proceedings in the Federal Courts, which in the Telephone Case, lasted for seven whole years before they got a determination. And by the same token, I hope that the Congress of the United States will heed the resolution which was passed by the Legislature, at my request, asking them to take utilities cases out of the lower Federal Courts and let us handle them in our own courts.

We are going to have a new slogan—we are going to have a new slogan all over this State and all over the United States. And because unfortunately something like it, something that was based on a principle, too, received another name some 75 years ago, we can not call this new slogan "States' rights," because if we use the words "States' rights," somebody will say we are trying to fight the Civil War all over again. Well, we are not. This particular slogan has to do with the year 1930. And I think the simplest term to use, one that will be well understood by the people of the City of New York, one that will be understood by the people in the up-State cities, one that will be understood by the people in the counties of this State—the very simple, old-fashioned term, Home Rule.

And I think that in these coming years we shall hear much of Home Rule, for, after all, if we in this city have been pleading for many years for an extension of home rule powers to this city, when year after year we wonder why it is that Senator Knight up in Albany, tells us that we can't have our transit bills, even though the people of this city want them. If we have been going after home rule in this city, we can understand the necessity of applying exactly the same principle one step further up the ladder. The relationship between this city and the State Government in Albany is not so very different from the relationship between the State Government in Albany and the Federal Government down in Washington. And I believe in getting back to Home Rule.

During these next years we shall see that principle established, if I am not wrong, and I believe, too, that it will solve a great many other of our larger Federal problems. I am very confident that the extension of the principle of home rule is going to be the salvation of the American form of government.

I am told I have but three minutes more, and I have a great many other Albany matters to talk to you about. I can only tell you this: that this session of the Legislature is a very happy one for me. Last year we got into all sorts of difficulties about a matter that nobody understands, either the Legislature or the Governor or anybody else—the question of the budget. It was highly technical, and the Court of Appeals approved the stand that was taken—I won't say by the Governor, because I am not much of a lawyer—the stand was taken by the legal advisers of the Governor. This year we have not that serious problem before us. It was a matter of very deep basic principle. And this year the Legislature has given definite intimation, as in the case of the proposed water power bill, that they are going to go along with the majority of the principles that were enunciated in the platform on which I ran, the platform to which I subscribed on the 15th day of October, in this very room, at this very desk, in 1928.

And so we are going ahead with the government in Albany. And I believe that we are getting somewhere with it. Coming right back to what I said first, the people of this State do realize, and will realize as the days and the years go on, that the administration of the government in Albany is sincerely, and not for political reasons, sincerely and from the bottom of its heart anxious to do the best that it can for the average man and woman and child throughout the length and breadth of this State; that we have a government which in the best sense of the word wants to be a popular government; a government that thinks of the common good; a government that is going ahead for social welfare; a government that is looking to the days to come, to the children who are coming after us; a government that is simple, a government that puts on no airs; a government that asks and believes that it is entitled to the support of the people of this State.