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**Franklin D. Roosevelt — “The Great Communicator”**

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**Series 1: Franklin D. Roosevelt’s Political Ascension**

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**St. Paul, MN - Jefferson Day Dinner Address**

Foundation principles of Jefferson and their relation to the social  
and political structure of the Republic, at Jeffersonian Day  
Dinner, St. Paul, Minnesota, April 18, 1932

p. 577  
#473

What is the real reason that Jefferson Day dinners are being given throughout the length and breadth of the land, a century and a quarter after Thomas Jefferson was at the height of his career? No doubt it is in part because Democrats use the opportunity of the anniversary to assemble in furtherance of party plans and for the advancement of candidacies. But in a larger sense they are held to give renewed allegiance to the foundation principles of which Jefferson was the chief builder and on which still rests the social and political structure of the Republic.

It is not necessary for us in any way to discredit the great financial genius of an Alexander Hamilton or the school of thought of the early Federalists to point out that they were frank in their belief that certain sections of the Nation and certain individuals within those sections were more fitted than others to conduct government.

Federalism, as Woodrow Wilson so wisely put it, was a group "possessed of unity and informed by a conscious solidarity of interest." It was the purpose of Jefferson to teach the country that the solidarity of Federalism

was only a partial one, that it represented only a minority of the people and that to build a great nation the interests of all groups in every part must be considered. That only in a large, national unity could real security be found. The whole life and all of the methods of Jefferson were an exemplification of this fundamental. He has been called a politician because he devoted years to the building of a political party. But this labor was in itself a definite and practical act aimed at the unification of all parts of the country in support of common principles. When people carelessly or snobbishly deride political parties, they overlook the fact that the party system of government is one of the greatest methods of unification and of teaching people to think in common terms of our civilization.

We have had in our own history three men who chiefly stand out for the universality of their interest and of their knowledge—Benjamin Franklin, Thomas Jefferson and Theodore Roosevelt. All three knew at first hand every cross-current of national and of international life. All three were possessed of a profound culture in the best sense of the word, and yet all three understood the yearnings and the lack of opportunity—the hopes and fears of millions of their fellow beings. All true culture finally comes down to an appreciation of just that.

And of the three Jefferson was in many ways the deepest student—the one with the most inquiring and diversified intellect and, above all, the one who at all times looked the farthest into the future, examining the ultimate effects on humanity of the actions of the present.

Jefferson's methods were wholly illustrative of this purpose of government based on a universality of interest. I can picture the weeks on horseback when he was traveling into the different states of the Union, slowly and laboriously accumulating an understanding of the people of his country. He had done the same thing throughout the Provinces of France in the critical days before the Revolution, and he was not only drinking in the needs of the people in every walk of life, but he was also giving to them an understanding of the essential principles of self government. He was one of the first to recognize the community of interest between the shipowner in New York and the boatman on the upper reaches of the Ohio. He was one of the first to try to reconcile the problems of the South with those of the North. He was one of the first to preach the interdependence of town and country and he was one of the first to bring to the crusty conservatism of leaders of the Eastern seaboard the hopes and aspirations of the pioneer. He was willing to stake his fortunes on the stroke of a pen which purchased an imperial domain which trebled the size of the Nation over night. He was no local American! He was no little American! Jefferson was so big in mind and in spirit that he knew the average man would understand when he said "I shall often go wrong through defective judgment. And when right, I shall often be thought wrong by those whose positions will not command a view of the whole ground. I ask your support against the errors of others who may condemn what they would not, if seen in all its parts." His, after all, was the essential point of view that has been held by our truly great leaders in every generation.

Andrew Jackson had it. I like his blunt statement that "the spirit of equity requires that the great interests of agriculture, commerce, and manufactures should be equally favored."

Abraham Lincoln had it. We could say today, as he said in 1861, "physically speaking we cannot separate. We cannot remove our respective sections from each other nor build an impassable wall between them. A husband and wife may be divorced, and go out of the presence and beyond the reach of each other, but the different parts of our country cannot do this. They cannot but remain face to face, and intercourse must continue between them."

Theodore Roosevelt brought home to us once more the fundamental point of view when he said:

The kind of business prosperity that blunts the standard of honor, that puts an inordinate value on mere wealth, that makes a man

ruthless and conscienceless in trade, and weak and cowardly in citizenship, is not a good thing at all, but a very bad thing for the Nation. This government stands for manhood first and for business only as an adjunct of manhood.

In the past the most direful among the influences which have brought about the downfall of republics has ever been the growth of the class spirit, the growth of the spirit which tends to make a man subordinate the welfare of the public as a whole to the welfare of the particular class to which he belongs, the substitution of loyalty to a class for loyalty to the Nation. This inevitably brings about a tendency to treat each man not on his merits as an individual, but on his position as belonging to a certain class in the community.

It is the man's moral quality, his attitude toward the great questions which concern all humanity, his cleanliness of life, his power to do his duty toward himself and toward others, which really count; and if we substitute for the standard of personal judgment which treats each man according to his merits, another standard in accordance with which all men of one class are favored and all men of another class discriminated against, we shall do irreparable damage to the body politic. This government is not and never shall be government by a plutocracy. This government is not and never shall be government by a mob.

It is to this national community of interest that we should dedicate ourselves tonight.

The great size of the country, enlarged by Jefferson's Louisiana Purchase, offers vast advantages for those who live in it. But it imposes grave problems upon those who are vested with its direction and control. In normal times it is likely to live in the isolation of sectionalism. It becomes a loose association of communities, with little common thought and little realization of mutual interdependence.

This reminds me of what Chesterton keenly remarked concerning the members of the British Empire. They are, he says like the passengers in an omnibus. They get to know each other only in case of an accident.

It is only in a crisis that we look back to our common concerns.

The stress of a vast emergency rudely wakes us all from our local concerns and turns us to wider concerns. Then for the first time we look to a larger measure of co-operation, a more exact measuring of our resources, and what is most important, a more imaginative and purposeful planning.

Two weeks ago I said that we were facing an emergency today more grave than that of war. This I repeat tonight.

That a great fear has swept the country few can doubt. Normal times lull us into complacency. We become lazy and contented. Then with the coming of economic stress we feel the disturbing hand of fear. This fear spreads to the entire country and with more or less unity we turn to our common government at Washington.

In meeting this appeal, what has the present Republican administration done and what is the policy and spirit that has guided it?

Let us see first what this policy has been. Mr. Eugene Meyer, Governor of the Federal Reserve Board, in speaking for the creation of a Reconstruction Finance Corporation in December, said: "I believe the main result . . . would be through the removal of fear. The present situation is peculiar in that, instead of the weak being afraid of the strong, the strong are afraid of the weak and the main object aimed at is the removal of that fear from the strong institutions, so that they may go ahead and conduct business in a normal way."

This, I submit, is spoken in the true Hamiltonian tradition—that while manifestly no one can claim a monopoly of fear, that the allaying of it must proceed from the strong to the weak.

And what has the administration provided to meet the situation?

First, an appeal to charity. Second, the moratorium declared after a hesitation and delay of months and without calling the Congress into session.

Third, the creation of the Emergency Finance Corporation, the spirit of which, I submit, is well embodied in Governor Meyer's words just quoted. Finally, unscientific, belated—almost frantic economy in government.

Compare this panic-stricken policy of delay and improvisation with that devised to meet the emergency of war 15 years ago.

We met specific situations with considered, relevant measures of constructive value. There were the War Industries Board, the Food and Fuel Administration, the War Trade Board, the Shipping Board and many others.

I am not speaking of an economic life completely planned and regimented. I am speaking of the necessity, however, in those imperative interferences with the economic life of the Nation that there be a real community of interest. Not only among the sections of this great country, but among its economic units and the various groups in these units; that there be common participation in the work of remedial figures, planned on the basis of a shared common life, the low as well as the high. In much of our present plans there is too much disposition to mistake the part for the whole, the head for the body, the captain for the company, the general for the army. I plead not for a class control but for a true concert of interests.

The plans we may make for this emergency, if we plan wisely and rest our structure upon a base sufficiently broad, may show the way to a more permanent safeguarding of our social and economic life to the end that we may in a large number avoid the terrible cycle of prosperity crumbling into depression. In this sense I favor economic planning, not for this period alone but for our needs for a long time to come.

Let me cite a practical example of the control of the use of government as an agency to oppression of the general average of the population by any individual or small groups of individuals—the historic and fundamental control over certain industries which by their very nature are monopolistic. Many generations before our American independence it was a fundamental of the British constitution that such services as toll roads and ferries should be regulated by the government for the good of the public. This was recognized throughout the 13 colonies; and later this control was extended to other similar services, such as canals and railroads and gas and electricity and telephones. It is not stretching the imagination to declare that this principle of regulation has been for centuries a component part of the common law; and that concentrated in its simplest terms this control has involved two very simple mandates: First, that the service itself should be adequate to the needs of the public; and secondly that the price charged should be reasonable to the extent that it provided a reasonable return for the labor expended and for the actual cash which had been wisely and necessarily invested in the property.

I have stated the principle and the purpose of the principle which underlie government regulation of public utilities. Every court has recognized the principle and it is only in the application of the principle that we have gone astray. The great problem today is how we shall return to a simple, clearcut carrying out of the purpose of the common law.

Let me illustrate by telling you simply and briefly the story of the long fight which I have had in the State of New York for making available for the use of the public of the State a million and one-quarter horsepower provided by nature and capable of development at an exceedingly low price on the St. Lawrence River.

There is no doubt that because the people of the State have always owned the bed of the St. Lawrence River out to the international boundary, the people of the State and no private corporations have the definite right to build the necessary dam or dams to develop the power. Twenty-five years ago, when the people of the State were little aware of their great heritage, a Legislature attempted to alienate this great possession to the Aluminum Company of America. This was happily frustrated and then began a 20-year struggle to prevent a new alienation of this great possession under the guise of a lease running for 50 years or more. In this contest, my distinguished predecessor, Governor Smith, was happily able to prevent the control from passing out of the hands of the State. When I took office, I undertook at

once a definite plan for the development of this great power and I laid down a very definite application of the principle to which I have alluded. In order to be absolutely certain that the actual possession of the power itself should never be alienated from the people, I insisted that the actual dam or dams and the actual power houses should be constructed by a public authority and always remain in the physical possession of that public authority. Then came the question of how and under what terms this power should be distributed to the actual consuming public. I laid down the principle that this task of transmission and of distribution should be offered in the first instance to private capital and private management, but under very definite terms. These terms were intended to carry out the purpose of getting the electricity into the homes of the people at the lowest reasonable price. This price would be made up of the following items: First, a payment to the State at the power house of an amount necessary to pay the interest and amortization on the cost of the plant; secondly, an item representing the actual cost of transmission and a reasonable return on the actual money wisely and necessarily invested in transmission lines, and third, the cost of distribution plus a reasonable return on the amount wisely and necessarily invested in the properties engaged in distribution. The sum of these three items would represent the actual cost of electricity to the home owner, and we have believed that this cost would be far below the average price now charged to the home owners in the State. The very definite plan has been to invite private capital to contract with the State to do this transmitting and distribution on these entirely proper and reasonable terms. But at that point it became necessary to provide an alternative in the event that private capital was unwilling to undertake transmission and distribution on terms involving only a reasonable profit to that private capital. I said in my message to the Legislature at that time: "Are the business men of this State willing to transmit and distribute this latent water power on a fair return on their investment? If they are satisfied, here is their opportunity. If not, then the State may have to go into the transmission business itself." That is the obvious development of any sound government control over private utilities—that government itself should not engage in the utility business if it can find private initiative and private capital willing to undertake the business for a reasonable and fair return on the capital which it is necessary and wise to invest in the project—and on the other hand, if government is not able to find private individuals or corporations willing to do this, then government must step in and do it itself.

If, during this past generation, these fundamentals had been observed by our courts, by all of our Public Service Commissions, by our Legislatures, there would be no problem of the control of utilities today. It is an unfortunate fact, which is not denied by the leading bankers or the leading utility men themselves, that largely through the building up of a series of great mergers and a series of great holding companies, the capital structure, especially in the case of the electric utilities, has been allowed to expand to an extent far beyond the actual wise and necessary cash investment. It is a simple fact that in thousands of cases throughout the United States electric utility companies have sought to and in many instances have succeeded in obtaining permission to charge rates which will bring a fair return, not on this cash investment, but on a definite inflation of capital. I am putting this case very calmly and conservatively. It could be put much more forcibly and it would be easy to make accusations against many of the great utility companies now operating in this country. Recrimination, however, is not particularly useful—it is more useful to state the principles that go back for centuries in such a way that the people of this country will understand those principles and will understand how, in losing sight of them, we have made ourselves the victims. The net result of our blindness, of our failure to regulate, and of our failure to say that if private capital will not operate for a reasonable profit government will have to operate itself—is that in most places in the United States the householders and the farmer and the small business man are paying vastly more for that very necessary part of our modern life—electricity—than they have any right to be paying. It is

neither radical, nor a violation of any principle of sound business, for me to state in definite terms that public servants with a proper regard for the interests of the people themselves must exert every effort to restore the fundamentals of public control. And this applies not only in every state capitol, but also in the control by the national government over those great sources of power which fall under the jurisdiction of the national government.

One final point goes with this. A very deep study over many years makes it clearer to me with every passing day that where a public service like the transmission of electricity passes beyond state lines and becomes interstate in its actual operation, in such a case the control cannot effectively be maintained by states alone, or through agreements between neighboring states. That problem is national in its scope and can be solved only by the firm establishment of national control.

It is a great unifying interest doing more to make us a united nation than any other material factor. To control it for the common good requires national thinking by a national party.

The same broad national view must direct our dealing with the tariff. The Republican Administration has greatly intensified the depression by its tariff policy. The Hawley-Smoot Tariff Law of 1930 was a drastic revision of the tariff upward. The existing tariff levels were already high enough to protect American industries which needed protection. The increases which the Hawley-Smoot Bill made were not based on any scientific analysis of tariffs. The increases were political favors—in large measure to contributors to the Republican campaign fund. The consequences of the Hawley-Smoot Bill have been tremendous, both directly and indirectly. Directly, American foreign trade has been steadily dwindling. Indirectly, the high schedules of the Hawley-Smoot Bill caused European nations to raise their own tariff walls, and those walls were raised not only against us but against each other. The result has been that the value of goods exchanged internationally in the last year or so has been less than 50 per cent of what it was three or four years ago. When the Hawley-Smoot Bill was passed, European states were endeavoring to negotiate reciprocal arrangements which might have caused the lowering of European tariff walls. Our action prevented such an arrangement, and since 1930 when Congress acted and the President signed the law, European tariff barriers have gone higher and higher. This means a lower standard of living in many quarters because prosperity exists only when goods are exchanged internationally.

Just before the Hawley-Smoot Bill was presented to President Hoover for his signature, a thousand American economists told President Hoover that he should not sign the law. I am told that never before in history have so many economists been able to agree upon anything. But the faults of this bill were so open and palpable that they found easy agreement. With really prophetic insight they warned him in detail of what would happen, and the detail that they gave him is the detail of what has happened. No benefit to the farmers; injury to American export trade; weakening of the security of American investments abroad; increase of unemployment; and encouragement of a world-wide tariff war. President Hoover ignored this warning. Would he have ignored a warning by a thousand engineers that a bridge which the national government was building was unsafe?

To my mind a proper tariff policy must be a complete reversal of the methods of the present administration. The scientific determination of economic facts and the scientific determination of probable results of proposed changes are all for the good and should, of course, be used. But this action in itself does nothing to bring about the actual reciprocal exchange of goods so necessary to us and to all nations. That is the only realistic method of making goods move. The task of statesmanship is to determine what these products are, to bring about the bi-lateral or group international agreements to effectuate their exchange. The world is looking for that type of statesmanship—for such a plan that goes far beyond mere scale reductions—that fills in the gaps in the mere advocating of "export" tariff boards

and, above all, that provides a real beginning of that international resumption of business that everyone favors and expects.

If Jefferson would return to the councils of the party, he would find that while economic changes of a century have changed the necessary methods of government action, the principles of that action are still wholly his own. As the great Virginian sat at Monticello in the twilight of his life he saw the rise of manufacturing and the growth of the cities and he still held fast to the first principles that a truly national economy is many sided. A great disciple of Jefferson said, "Jefferson's principles are sources of light because they are not made up of pure reason, but spring out of aspiration, impulse, vision, sympathy. They burn with the fervor of the heart; they wear the light of the interpretation he sought, the authentic terms of honest, human ambition. And the law in his mind was the guardian of all legitimate ambition. It was the great umpire standing by to see that the game was honorably and fairly played in the spirit of generous rivalry and to open the field free to every sportsmanlike contestant."

That was spoken in 1912 by Woodrow Wilson. It was the voice that the people of the country recognized as the authentic and clear spokesman of the Jeffersonian heritage.

There will be many in this Nation during the coming months who will implore you not to swap horses crossing a stream; there will be others who will laughingly tell you that the appeal should have been worded—"Do not swap toboggans while you are sliding downhill." But it seems to me that the more truthful, the more accurate plea to the people of the Nation should be this: "If the old car in spite of frequent emergency repairs has been bumping along downhill on only two cylinders for three long years, it is time to get another car that will start uphill on all four."

Jefferson labored for a widespread concert of thought, capable of concert of action, based on a fair and just concert of interests. Jefferson labored to bring the scattered farmers, the workers, the business men into a participation in national affairs. This was his purpose and this is the principle upon which the party he founded was based. It should now present itself as an agency of national unity.

I say with Lincoln "having thus chosen our course, without guile and with pure purpose, let us renew our trust in God and go forward without fear and with manly hearts."

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