
Franklin D. Roosevelt — “The Great Communicator”

The Master Speech Files, 1898, 1910-1945

Series 1: Franklin D. Roosevelt’s Political Ascension

File No. 319

1929 March 27

Radio Address re Bond Issue for Hospitals, etc.

Radio Address, Albany, N. Y.

[March 27, 1929]

This is the first year that the finances of our state have been put under the operation of the executive budget under the constitutional amendment approved by the people in 1927. This is the culmination of fourteen years of constant effort on the part of public-spirited and practical men like Elihu Root, Charles E. Hughes, George W. Wickersham and Alfred E. Smith, who began the movement at the time of the Constitutional Convention in 1915.

There have been, as you know, a number of controversies between me and the Republican legislative leaders during the past two months as to the practical working out of this Executive budget. I have consistently tried to keep this budget out of politics and to preserve the main purpose of it by giving a clear picture of the financial situation of the state and by asking for the preservation of responsible government, which can only be obtained by making the heads of the executive departments and the Governor responsible to the people for the expenditure of the appropriations made by the legislature.

The legislative leaders, on the other hand, have been and are still trying to insist that they should have a hand in the actual expenditure of the money, and quite aside from any constitutional question involved, it is fair to say that if they are given this authority the responsibility will be divided and the situation will be almost as bad as it was in the old days before the reorganization and consolidation of the state government.

I shall expect to have a good deal more to say at some future date in regard to the practical and business-like administration of the affairs of our state, but tonight I want to confine myself to a matter which has not yet become the foot-ball of party politics and which I hope will remain clear of it.

As a result of legislative appropriations at this session, it seems clear that at the end of the next fiscal year, that is to say, on June 30, 1930 our state will have

a surplus of only about five million dollars instead of the surplus of about thirty-nine million dollars which we expect to have on June thirtieth this year. X

The chief reason for this is very simple: Out of this coming year's income from taxes of all kinds, the state will expend about twenty million dollars for the erection of ~~all kinds~~ of state institutions and buildings such as hospitals, prisons, normal schools, agricultural colleges and so forth and so on. *This is by far the largest ~~amount~~ ^{expense} since*

In other words the surplus will be greatly reduced because we shall be drawing on the previous surplus and during the following year we shall not have a big balance to draw on.

That means that we shall be at least twenty million dollars short *for the year beginning in 1920* ~~during the following year~~ and it is only fair and right that we should look ahead and discuss ways and means ~~for the following year~~. X

Of course, it would be possible but extremely unwise a year from now to stop building hospitals as I shall explain in a few minutes. If the State could curtail its expenditures we should be all right. Probably the actual running of the state departments will not go up but under a mandatory law we have to spend next year about eight million dollars more on education than this year and also we have to finish a good many tasks already undertaken. The only possible way of saving money next year is by cutting out all appropriations for buildings to house the wards of the state.

I have a very distinct and definite idea that the people of this state are wholly unwilling to fall down in their care of these unfortunate people - mental defectives, for whom the state has always cared. Since 1846 in part and fully since 1889, the State of New York has taken care of these ~~unfortunates~~. *patients* X

What is the situation today?

In the state hospitals there are at the present time 10,000 more patients than the hospitals were designed for. Here are some simple figures:

The Hospital on Ward's Island is 45 per cent. overcrowded

The St. Lawrence State Hospital	" 40 "	" "
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Rochester State Hospital	" 43-1/2%	" "
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Hudson River State Hospital at Poughkeepsie	" 20%	" "
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Binghamton State Hospital	13%	" "
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Gowanda State Hospital	48%	" "
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Middletown State Hospital	15-1/2%	" "
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Buffalo State Hospital	24 %	" "
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Utica State Hospital	33 %	" "
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What does this overcrowding mean? First, in some of the hospitals it means that the space is so limited that beds are actually touching each other, side by side; that patients in order to get into bed have to crawl over the foot; that proper standards for air space and floor space must be ignored; that toilet facilities and service of meals in the dining rooms are overtaxed.

It means that in some instances patients must sleep on mattresses placed on the floor for lack of space in which to place beds. It means that this overcrowding increases the chances of accidents and injuries to the patients.

It means that the individual patient cannot have the individual attention and active treatment that he or she is entitled to, and it means that the physicians and nurses cannot produce the best results under such adverse conditions.

Dr. Parsons, the head of the Department of Mental Hygiene, well says:

"Unquestionably, overcrowding reacts in the direction of a lowered discharge rate and an increased death rate."

The State is rendering a splendid service to these mentally defective people. Even with the present overcrowding we are curing about twenty per cent. of them and if we had better conditions for treating them this percentage would increase.

It is an interesting fact that the economic loss to the state - the dollars and cents loss - by reason of mental disorders, is four times the cost of caring for one patient. This means that every cure of a patient, every restoration of one of the patients to a normal field of useful activity, pays the cost to the state for taking care of himself and three other patients.

The result is that whether we look at this problem from the broad ground of humanity and sympathetic interest, or whether we look at it from the dollars and cents point of view of economic value, the result is the same. The state must and will care for those who are properly its wards.

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Now, what is the situation, present and future? First of all, we are actually building hospitals which when finished will have a capacity of 7,000 beds. When these hospitals are finished we shall only be three thousand beds short, if we figure on the same number of patients we are caring for today.

But, unfortunately, the total number of patients is increasing at the rate of nearly 2500 a year. This is due in most part to the simple fact that the population of the state is itself increasing at a fast pace. If somebody could invent a way to limit the population of the state of New York we should not have to put up any new hospitals. That, of course, is an absurd proposition and we must prepare now for the future because of the very simple fact that we cannot build a hospital in a month or a year.

At the present rate of increase, counting the beds for the necessary nurses, attendants and employees, we shall be nearly twenty thousand beds short of the required number by 1938.

The situation was bad enough in this state in 1923 when the last bond issue for hospitals was approved by the people of the state. All of that money has been either expended or is now being expended on actual construction but the situation will be worse than it was before unless we take immediate steps to prevent an even more serious condition a few years from now.

That is why I have been giving this subject a great deal of study during the past month. I have taken the matter up with the legislative leaders during these past few weeks and the problem resolves itself into two possible solutions:

First of all, it is very clear that if we continue to build these hospitals next year out of current tax receipts, the legislature will have to pass a law next year putting a new tax on the backs of the people or else increasing one of the old taxes. That is what is known as the pay-as-you-go plan, which was threshed out and killed a number of years ago by the intelligent opinion of the people of this state.

In other words, it was made perfectly clear to the people that the buildings now being erected for the care of the wards of the state will last as useful structures as hospitals for at least seventy-five or a hundred years. If a private business corporation were putting up these permanent structures that corporation would certainly not try to pay for them out of current earnings. They would pay for

them by issuing bonds running, say, for thirty years, a percentage of these bonds being paid off each year. Good business methods prove this to be the right plan.

Why then should the state try to pay for permanent buildings wholly out of its current income? It seems obvious to me that what is good in private business as a principle is also good in state business. There is no reason why the state cannot properly pay for these new hospitals out of a bond issue, the bonds to be paid off over a period of perhaps thirty years.

If we do not issue bonds there will be no escape from a new tax or an addition to an old tax. Personally, I am just as much opposed to raising current taxes as are most of my hearers. Obviously the state has to balance its budget each year and cannot spend money which it has not got. Therefore, next year if we are to continue with the erection of hospitals out of current tax revenues, we have got to make those revenues larger and impose additional taxes.

On the other hand a bond issue will, I think, make the imposition of new taxes next year unnecessary. Even if the people approve this autumn on election day of the bond issue of fifty million dollars which I am proposing the bonded indebtedness of the state of New York will be very low compared with that of most of our sister states. The state has a low debt and can well afford to issue fifty million dollars worth of bonds. Incidentally, I might add that the credit of the state of New York is of the highest and our bonds sell in the market on a very low yield basis,-- in many cases less than four per cent. That means that the bankers and the public have a very high regard for the stability and the credit of the state of New York.

That is why I have asked the Legislature to approve of submitting the question of a fifty million dollar bond issue for state institutions to the voters this autumn. I hope much that the Republican leaders will in this one particular case, which is certainly not involved in politics and ought not to be, approve of this recommendation. Unless this legislature takes action before it adjourns, it will be too late as the question could not be submitted until a year from next autumn. In that event you and I, as citizens of the state, must look forward to an increase in our taxes next year.

I have used every possible means of keeping this question out of politics. If it is thrown into politics by the Republican legislative leaders, the responsibility must fall wholly upon their shoulders. It means going back to the same old fight which was waged a number of years ago, and it was clearly demonstrated at that time that the people of the state approve, first, of taking care of the wards of the state in the best possible way and, secondly, of paying for permanent improvements by issuing bonds instead of by raising taxes out of sight.

The State of New York has a proud record in the care of its wards. We are the model of many other states of the Union. We do not want the present overcrowding to continue nor do we want a repetition in this state of the terrible tragedy which recently occurred in a nearby state when 200 inmates were burned to death. I am very confident that the people of our state will approve the continuation of our sound financial policy and of the progressive, modern care which we give in our hospitals. That is why I want your support for the proposal to submit the question of issuing bonds to the voters at the coming election.

Radio Address, Albany, N. Y., March 27, 1929

Governor Roosevelt Outlines Advantages of Bond Issue Over Pay-as-you-go Policy for Hospitals and Institutions and Urges Further Proposal of \$50,000,000.

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As a result of legislative appropriations at this session it seems clear that at the end of the next fiscal year, that is to say, on June 30, 1930, our State

will have a surplus of only about \$5,000,000 instead of the surplus of \$39,000,000 which we expect to have on June 30th this year.

The chief reason for this is very simple. Out of this coming year's income from taxes of all kinds the State will expend about twenty million dollars for the erection of all kinds of State institutions and buildings such as hospitals, prisons, normal schools, agricultural colleges and so forth and so on.

In other words, the surplus will be greatly reduced, because we shall be drawing on the previous surplus and during the following year we shall not have a big balance upon which to draw.

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