
Franklin D. Roosevelt — “The Great Communicator”

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Reorganization and Consolidation of Local Units and Functions of Government and Resulting Effect on Taxes

Why must the American people be inconsistent? In our business life and in our social contacts we are little controlled by the methods and practices employed by our forefathers. The farmer of today does not plant, cultivate, harvest and market as did his grandfather. Methods of manufacture and of distribution and of merchandising are entirely unlike those of a century ago. We have made great changes in the budgeting and administration of the Federal and State governments. Nevertheless, in almost every state in the union we seem content, in the main, to accept and continue to use the local machinery of government which was first devised generations or even centuries ago.

In the State of New York, for example, I am utterly unable to understand why we remain wedded to the local system of government devised two hundred and fifty years ago by His Royal Highness, the Duke of York.

It has been well said that, while in the larger units of American government, at Washington and at the state capitols, undoubted savings in administrative efficiency can still be made, yet the waste there is a mere drop in the bucket in comparison with the extravagance, the loss, the duplication—yes, the stupidity and, in some cases, the dishonesty—which exists in so many sections in the conduct of local government.

For Americans to be proud of their business efficiency, of their economic progress and of all the improvements which have come to us during the past generation is highly inconsistent with the attitude of the average citizen who, without objection, allows local government to continue in its time-worn groove of inefficiency.

I do not think that I am overstepping the bounds of truth, and I am fairly familiar with conditions in many states, when I assert that not one per cent of the towns and counties of the United States but could save great sums for the taxpayers, if they were reorganized along modern business lines.

It should be clearly understood, of course, that while this problem is nation-wide in its scope, yet its solution cannot be considered from the national standpoint but must be studied first from the state standpoint and, secondly, from the point of view of the dwellers in the counties and towns themselves. While the generalization in regard to the need of reorganization applies to all states, the details vary in each state and, indeed, even in the local units themselves.

That is why I take, merely as an example before this National Tax Conference, the situation which exists today in the State of New York. The lessons from New York may not apply in detail to the other states, but they do apply in principle.

Under the Duke of York's laws the county and the town were recognized as the two units of local government. With practically no exceptions the organization of our counties and towns remains the same today as two hundred and fifty years ago. We now have all the down officers, for example, which existed under the first State Constitution of 1777, with several more added. It is well to remember in dealing with this broad problem that the conditions of life have undergone a revolutionary change. These conditions have changed all of our relations in business, but they have not called for corresponding changes in our agencies of government. In the old days people of a community lived very much within that community with few, if any, outside contacts. Today modern transportation and modern communication have given to many things, which were originally of local concern and, therefore, functions of local government, a far broader aspect.

I recognize to the full the sentiment and home pride which clings jealously to county and town lines, especially in those parts of the country which have a long-standing historical background. As a matter of practical effort, therefore, revolutionary changes in local geographical units would seem to be out of the question for immediate relief. We do not put through great

reforms all at one time. We must seek what can be practically accomplished even though the process may be piecemeal.

The two main aspects of this problem are: First, what can be accomplished towards the consolidation and reorganization of local units of government and, secondly, if we leave local units of government as they now exist, how we can relieve them of functions which are not purely local?

In regard to the consolidation and reorganization of local units of government only one step has been so far taken in this State. I refer to the consolidation of many of the small school districts. I must frankly acknowledge that the process is a slow one, for in the State of New York there are over seven thousand one- and two-room schools still in existence. Nevertheless, the start has been made. I have great respect for the little red school house; I am inspired by its sentiment and traditions. However, in these days of the automobile and improved highways, the important thing is to provide adequate educational facilities and to do it in the way least burdensome to the taxpayers. If for geographical reasons it is necessary to maintain a school for \$1,200 to educate three pupils that, of course, should be done, but there are still thousands of districts in this State which, for economic reasons, will be consolidated with other districts in the days to come, and the per capita cost of giving children a modern education will be greatly reduced.

The very size of townships is in this State an illustration of the out of date method of their formation. I am reminded of one town whose size was determined, back in the seventeenth century, by the amount of territory that a man could ride a bull around between sunrise and sunset. Some towns are compact, homogeneous units, while others with scanty populations sprawl over wide areas. We have instances of two adjoining towns, both using the same community center, and if the law were changed, wholly capable of being joined into one political unit, thus eliminating 50 per cent of the combined totals of the two sets of town officials.

In this same connection, it is worth while noting that a differentiation must be made between counties which are mainly agricultural and other counties which are almost wholly suburban. For instance, in Nassau county, on Long Island, the greater part of the area of the county lies within the limit of incorporated villages. Yet in addition to the officials of these villages there exist complete sets of town officers who have jurisdiction over the fringes of land outside the incorporated villages. This brings up the serious question as to the necessity for town government in the suburban counties. Why have many complete sets of officials whose jurisdiction and duties overlap?

It is time for the recognition of the new phenomenon of the widely growing suburban areas which are constantly increasing in size, in wealth, and at the same time in the demands for all kinds of public improvements, sewers, lighting, water supply, concrete roads, special policing and the like. Why should they be governed under a system devised for a sparsely settled agricultural community?

It is this lack of study and reorganization of the suburban areas which has led to the terrible abuses of the last few years. In Monroe county in this State a suburban town has recently given the example of advertising for bids for a system of sidewalks which had been actually laid and completed two years before by a contractor who was in league with a real estate developer and the town officials. In another town in the same county various so-called improvements have, in the past few years been put in with such a lavish hand that the per capita debt of the inhabitants of that town is over \$1,000 apiece. By the same token this system has so grown without restriction or planning that, after the last session of the New York Legislature, I was compelled to veto many local bills, especially those affecting towns and villages in Westchester county, on the general ground that these bills were establishing new officials, boards and commissions, without regard to uniformity, or were enabling officials, boards and commissions to spend the taxpayers dollars in the millions without any approval on the part of the taxpayers themselves and without recourse.

The other side of the picture relates to the relief of local units of government through functions which are no longer purely local, even though the geography of the local units may remain the same. Let me cite some examples.

During the early history of the country roads, for instance, were used almost exclusively by the people living within a given community, and it was proper that they should be required to maintain these roads. Now, however, almost no road is a local road and this function of government, originally a purely local town function, has now become one of county and state concern.

I know of no business reason, and can think of none, why the town as a unit of administration of highway expenditure should longer exist. I shall propose to the next Legislature that the citizens of any county in this State may in their discretion substitute a county highway organization for the present large number of town highway organizations, one in each town, which now exist. If an enabling act of this kind is passed, and if the counties of this State shall avail themselves of the act, it will result in the substitution of fifty-seven county highway organizations in the place of the nine hundred and thirty-three existing town highway departments. Were this purely a business proposition, the decision would be immediately and promptly made. It would result in building more and better town highways for the same amount of money. More than that, it would result in the opening up of vast areas of the State of New York which today, because they are off a concrete state road, have shown no increase in value and have shown steadily decreasing populations.

Another example: Except for the fact that larger health districts are permissible, the town is still the unit for health administration in rural communities. With modern means of transportation no good reason exists in most cases for that form of administration. Disease germs are no respecters of political boundary lines. They will fit from one town to another without the slightest thrill when they pass over town lines. There is no doubt that administrative health units larger than the town are imperative in these modern times.

Still another example: Every two years in this State we elect in each town a collector of taxes—over 930 of them in all. In the old days when a horse and buggy furnished the most rapid means of communication, a town collector's existence was justified. The town collector today is paid by the fee system and there is a definite premium for his own pocketbook if he lets a collection of taxes slide and later gets a higher fee for the delay. It would be right, of course, in some towns to provide, as a matter of convenience, some central point and some one individual—say the town clerk—who might receive the payment of bills voluntarily brought in. But, in the main, the principal tax collecting agency might well be the office of the county treasurer.

I shall ask the next Legislature for enabling legislation which would allow the citizens of a county, if they so wished it, to place the duty of collecting taxes in the office of the county treasurer, providing at the same time for the sending out of uniform tax bills, with definite notation thereon telling each taxpayer what his money was going to be used for; how much was to go to the State; how much to the county; how much for roads; how much for schools and other purposes. It has been estimated that the consolidation of tax collecting under a county official would save the taxpayers of this State over a half a million dollars a year by the elimination of unnecessary existing town officials.

Finally, it is right that we should give serious consideration to the office of Justice of the Peace. These town officials are in most cases paid by fees. Their duties are threefold, to hold and commit violators of the law, to try, minor violations of the law, sitting as magistrates, and to hear and try small civil actions happening within their town. In most cases Justices of the Peace have had no legal training, and, while many of them are conscientious in the exercise of their functions, the great majority of the Justices of the Peace courts in this State give unsatisfactory and, in many cases, costly justice. Simplified and less costly justice for the average citizen is a crying need of the whole nation. One of the first steps will be to reorganize the whole system of Justices' Courts, retaining possibly some individual in every township, who shall have the jurisdiction of a committing magistrate but placing the trial of both criminal and civil cases in the hands of qualified and trained judges. By this means we shall gain much,

both for a larger measure of justice and for the saving of the taxpayer's pocketbooks.

It is worthy of note that on February 1, 1923, a committee of the New York Legislature rendered a report in which it was said:

"There is no point at which larger or more immediate governmental improvements can be made at the present time in the State of New York than in county, town and village government. In this report we are able to point to an annual saving of some \$2,620,000, which can be made by the adoption of the specific minor recommendations we have to make. It is not possible to estimate the savings which would result from the adoption of the major suggestions, but they would total many millions of dollars. Our recommendations have not been confined to economy. We have given equal attention to the matter of better government and in some cases our suggestions would require increased appropriations. On the whole, however, the plans we are outlining would result in a substantial reduction in the tax burden, as well as in better service."

This report was rendered to the Legislature more than six years ago. Since that time no definite steps have been taken by the Legislature to make effective these specific recommendations. No steps have been taken which would have saved the taxpayers of this State \$15,000,000 in the past six years, nor the major suggestions which the committee reported would save many more millions of dollars. My predecessor has called this to the attention of many Legislatures. It is time for action.

Let me say that I consider this one of the major outstanding problems confronting the people of the State of New York. I consider that it is the major outstanding problem in almost every other state. I hope that next year New York will have the courage, the common sense, and the will, through its Legislature, to start this definite reform. I want to see this State save millions in taxes for the benefit of the present generation, but even more I want to see our generation reorganize and improve an outworn system for the sake of those sons and daughters who will come after us.

ADDRESS BY

HONORABLE FRANKLIN D. ROOSEVELT

GOVERNOR OF THE STATE OF NEW YORK

"THE REORGANIZATION AND CONSOLIDATION OF LOCAL UNITS
AND FUNCTIONS OF GOVERNMENT AND THE RESULTING EFFECT
ON TAXES",

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The thing which impresses me most, when I consider this subject, is the inconsistency of the American people and their reluctance to make changes in their governmental organizations. In our business life and in our social contacts, we are wholly uncontrolled by the methods, practices and customs employed by our forefathers. The farmer of today does not plant and cultivate and harvest as did his grandfather. He uses modern machinery in place of the hoe, the scythe and the cradle. Methods of manufacture and of distribution and of merchandising are entirely unlike those of a century ago. Nevertheless we seem content in the main to accept and continue to use the local machinery of government, devised and installed by the Duke of York. Just why we should be so loyal to the Duke's plan, I am utterly unable to understand.

It was under the Duke of York's Laws enacted in 1676 that the town was reconized as the unit of local government. By 1700 the structure of town government had been worked out and

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since that time substantially no change has been made in either the name or number of town offices. The only important change introduced into town government in this State in all this time is the authorization to form special districts.

It was also under the Duke of York's Laws that the county was recognized as a unit of local government. With one exception, that of the office of justice of the peace, which has been transferred from the county to the town plan, we now have all the county offices which existed in 1777, with several more added. When we embarked upon this plan of local government the population of the State was eighteen thousand; now it is more than eleven million.

What we fail to take into consideration, at least so it seems to me, is that the same conditions which have so materially changed all of our relations in business and in society, have called for corresponding changes in our agencies of government. The time was when the people within a community lived very much within that community, with few, if any, outside contacts. But with the steamboat, the steam railway, the electric surface line, the automobile and the airplane, the telegraph, the telephone and radio, the result is that many things which were originally of local concern

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and, therefore, functions of local government, now have a broader sphere and are, in fact, even though they may not be so recognized, functions of the State and the Federal Governments.

The two main aspects of this problem are (1) that of the consolidation and reorganization of local units of government and (2) that of leaving local units of government as they now exist but relieving them of those functions which are no longer purely local.

As regard the first of these, I am mindful of the prejudice which exists in the minds of many and of the sentiment which prompts them to resent the consolidation of their school district or their town or their county, with some other school district or town or county. Nevertheless, we should face the fact squarely. Outside of the City of New York, we have counties ranging in size from 183 square miles to 2700 square miles; in population from less than five thousand to more than seven hundred thousand, and in taxable wealth from eighteen million to one billion eight hundred million. Obviously, if Rockland County with its area of 183 square miles is the proper size for the economic administration of a county government, St. Lawrence with its 2700 miles is too large and should be

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divided into several small counties. If on the other hand, the size of St. Lawrence renders it an efficient and economical administrative unit, Rockland and many of the other counties are too small and should be consolidated. The situation with respect to towns is even more aggravated. We have several towns containing less than 200 people and at least one with a population of more than 120,000. They vary in size and taxable wealth as greatly as do the counties. I am reminded of one town whose size was determined by the amount of territory that a man could ride a bull around, back in the 17th century. Of course, in those days we had none of the modern means of transportation, and I am wondering if that town were laid out today whether its size would be determined in the way it was or by the amount of territory that could be covered in one day with an automobile or perhaps an airplane.

The county of Wayne, in which the City of Detroit is situated, originally embraced all of the south peninsula of Michigan and a considerable part of the states of Ohio, Illinois and Wisconsin, including the present sites of the cities of Milwaukee and Chicago. That county, due to incoming population and other factors, was gradually reduced until it is now a rather normal size county surrounding

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Detroit. The point I make is this - that if changing conditions impel the reduction of Wayne county to its present size, change conditions may make necessary the enlargement of counties; in other words, the rule is one that can work both ways.

In this State, we have in round numbers, ten thousand school districts, each of which levies taxes for the maintenance of their respective schools. Many districts have less than five pupils. Clearly, the per capita cost of education in such a school district is bound to be disproportionately high. I have every respect for the little red schoolhouse; I am inspired by its sentiment and traditions. However, in these days of the automobile and improved highways, the important thing is to provide adequate ^{educational} facilities and to do it in the way least burdensome to the taxpayers. If it is necessary to maintain a school for twelve hundred dollars to educate three pupils, that of course, should be done, but the facts need to be analysed and ways and means devised, if possible, to give those three children an education for less than four hundred dollars per year each.

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Among the factors entering into this situation is that of the shift population in this State and in many others. There is a decided drift of the people from the rural community to urban centers. The result is that taxable wealth is increasing rapidly in the larger centers of population while in the rural communities it is increasing but little and in some instances, actually declining in value. The increase in aggregate taxes is, however, general throughout the State, while aggregate taxes in the densely populated communities have increased rapidly, but The true tax burden has not increased correspondingly because of the appreciation in taxable valuations. In the rural community aggregate taxes have likewise increased but with no corresponding increase in taxable assets. A vicious circle results. The burden of maintaining rural roads and schools has not decreased as has the number of local people using them. Fewer people remain within these communities to support the local government. As the tax burden rises more people are forced to abandon their farms and as more people leave, the tax burden rises still further.

The other aspect of this problem is that of reorganizing and consolidating functions of government. During the early history of the country, roads for instance, were used almost

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exclusively by the people living within a given community and it was proper that they should be required to maintain them. Now, however, almost no road is a local road and this function of government, originally a purely local town function has now become one of county, state and federal concern.

I know of no reason and can think of none, why the town as a unit of administration of highway expenditures, should longer exist. The county should, in my judgment, be the smallest unit of administration in highway matters. If the county is made the unit, we will, in this State, immediately substitute fifty-seven county highway organizations for more than nine hundred and thirty town highway departments. Were this a purely business proposition the decision would be immediately and promptly made. It would result in building more and better highways for the same amount of money or maintaining the present highway standard with fewer tax dollars.

Except that larger health districts are permissible, the town is still the unit for health administration in rural communities. However, with modern means of transportation no good reason exists for that form of administration. Contagious disease germs are no respecter of political boundary lines. They will flit from one town to another without

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the slightest thrill when they fly over town lines. This, then is another instance where an administrative unit, larger than the town is imperative in these modern times.

I have already discussed the school situation. Some progress is being made in the consolidation of school districts, but I wish I might say something here tonight which would given added impetus to that movement. We found last winter that school tax rates in one teacher, one room school districts, ranged from less than one dollar to more than twenty-four dollars and that the high rates obtained in the ^{were} intensely rural school districts. We undertook to extend a very substantial measure of relief to those school districts, but so long as the superfluous school districts are maintained, the taxpayers of the State must collectively support them. We merely transferred this burden from the poor local district to the shoulders of the state. The constructive thing to do is to consolidate districts, whenever and wherever practicable in such a way as to furnish public education at a low unit cost.

Returning for a moment to the county situation, we may well ask ourselves these questions - why should the county be the unit of administration in charity. ^{The} Larger ^{populous} counties can afford well equipped alms houses

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and hospitals for the care of their unfortunates and at a reasonable per capita cost, but how about the poor county, the one with a population of less than twenty thousand people. It must either curtail its service and take but indifferent care of its indigent poor or it must maintain them at ^{un/} a reasonably high per capita rate.

Why for instance, should we continue to have boards of supervisors as the administrative heads of our county governments? Is it because the Duke of York so decreed back in the 17th century? Are these boards best designed to direct and control the affairs of our county governments in the most efficient and economical way? Do you know of any business of corresponding size that is so managed? I do not. We talk a lot about applying business principles to government. Why do we not then apply some of it to our county governments?

Why for instance, is it necessary to have a sheriff in each county? If one sheriff can handle the affairs of his office in a county having a population of seven hundred thousand, do we need such an official in a county having less than five thousand? Even though no counties are consolidated, may we not make the unit of administration of the sheriff's affairs larger than obtains at present?

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It is not a sufficient answer, at least not to me, that under the Duke of York's Laws, it was decreed that each county should have a sheriff. Modern means of transportation and communication have entirely changed the picture.

I might continue along this line and discuss the county clerk, the county judiciary and many other county functions but I think I have said enough to indicate to you how my mind works.

Please do not understand me as saying that I believe that we are, with the information now before us, prepared to immediately revise our forms of local government. I do intend to say that I believe known facts demonstrate the need for a reorganization and consolidation of local units and functions of government and that we should immediately proceed to study the facts and then face them and take such action as they seem to require. In this State a committee of the Legislature rendered a report to the Legislature on February 1, 1923, in which it was said in the letter of transmittal -

"There is no point at which larger or more immediate governmental improvements can be made at the present time in the State of New York, than in county, town and village government. In this report, we are able to point to an annual saving of some \$2,620,000, which can be made by the adoption of the specific minor recommendations we have to make. It is not possible to estimate the savings which would result from the adoption of the major

suggestions but they would total many millions of dollars. Our recommendations have not been confined to economizing. We have given equal attention to the matter of better government and in some cases our suggestions would require increased appropriations. On the whole, however, the plans we outline would result in a substantial reduction in the tax burden as well as in better service."

This report was rendered to our Legislature more than six years ago. Yet no definite steps have been taken by the Legislature to make effective the specific recommendations which would have saved fifteen million dollars in the past six years, nor the major suggestions which the committee said would save many millions of dollars.

In conclusion, let me say that I consider this the major outstanding problem confronting the people in all American states and I wish I might arouse them to the seriousness of the situation.