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

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**Albany, NY - Radio Address:  
The Rising Cost of Local Government**

Radio Address on "The Rising Cost of Local Government,"  
Albany, Monday, February 8, 1932

*Citizens of the State of New York:*

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As I have done on a number of other occasions since I became Governor of the State, I have sought this opportunity to talk to you by radio on a subject I think of vital importance to you. All of you within reach of my voice share in some manner the burden of maintaining government, just as you all share in the benefits which government brings to you in the form of preserving order, protecting life and property, caring for the unfortunate,

providing education, building and maintaining roads, promoting and regulating trade and commerce, and so on. All of you are interested in seeing that you get good service from your government and seeing too that you get dollar for dollar in service rendered for the money you pay out in taxes.

It is that matter of getting your money's worth for your tax dollar that I wish to speak to you about tonight. I have arranged for this opportunity to speak to you because what I have to say needs to be said now. There is a situation before us that needs your attention and needs it without delay. It is a matter for the attention of the final authority in the affairs of the State—the voting citizens, and I take this means of getting as large an audience as possible consistent with my remaining here on duty at the Capitol of the State while the Legislature is in session.

Just now attention is being concentrated on the Legislature and the Governor in connection with the budget for the next year's expenditures of the State government. This intensity of interest in public finances is of intermittent occurrence. Hard times and falling revenues with the prospect of new forms of taxation stir it to life. This is a silver lining to the cloud.

I welcome this attention. I wish only that it were more regularly sustained and that it would direct itself in a more intelligent and better-informed way to the roots of the problem.

The mounting expense of government and the correspondingly increasing load of taxation present a problem that is not merely serious; it is menacing. I am here not to minimize that problem but to emphasize it. The executive budget for State expenses, because it consolidates and organizes into one formidable sum a part of the cost of government in the State, affords a shining target to shoot at. But it is only a small portion of the whole story of governmental expense in the State. You have a right to be concerned over the State budget but you have an even greater duty and responsibility over the great mass of local expenditures that represent the major portion of your tax bill. Over this mass of local expenditures the State Legislature and I as Governor of the State have no direct control and only such influence as we may exert through you citizens and taxpayers by helping you to examine your problems.

The whole tax bill of the people of the State of New York for State and local purposes has been more than a thousand million dollars for each of the last few years. The State budget this year is in the neighborhood of three hundred millions, but a hundred millions of that will go back to localities in the form of school and highway aid, so that the share of the State government for carrying on its State-wide services will be less than two hundred millions—less than a fifth, in other words, of the whole State and local tax bill.

The real property tax—the tax on land—is the base of our tax structure and the main source of revenue for local purposes. Is it clear in all of your minds that not one penny of the tax on real property, whether on farms or on city lots, goes to the State or is used for any State purposes?

Apparently, it is not clear even to some local officials, for only yesterday I learned of a farmer who had made complaint that his tax bill was too high and was told by a supervisor that this was because both the State and county levies were high this year. I hope none of you listening tonight are so ill-informed as to accept any such falsehood. Let me repeat that there is not one penny of State tax on your property tax bill and hasn't been since 1928.

Let me give you a simple picture of the cost of real property taxes outside of New York City over a period of years. The general property tax levy in the other 57 counties in the State rose from seventy-four millions in 1913 to one hundred forty-six millions in 1920, and to two hundred eighty-eight millions in 1928. That means that your real estate taxes doubled in the first seven years, and then doubled again in the next eight years. On an average, they are nearly four times as high as they were less than a generation ago.

That was the situation that faced us at the beginning of the year 1929. Nobody seemed greatly alarmed. Those were accounted prosperous times. We wanted better roads; we wanted to improve our schools; we wanted to take better measures to protect our health and we forgot that all these things would cost money.

But it was realized by some of us that this accumulating load of public expenditure was bearing with cruel and unjust force on one portion of our population. It was driving farmers from their homesteads; it was robbing others of a decent living.

This was the first problem that faced the Agricultural Advisory Commission which I appointed soon after my election in 1928. This non-salaried body is made up without partisan distinction of practical farmers, educators, heads of State departments and members of the Legislature.

The Advisory Commission recommended some remedial legislation to lighten the tax burden of the farmer. As a result of their recommendations, which I promptly transmitted to the Legislature, important new tax legislation was enacted in 1929 and 1930. The object of this legislation was to relieve counties and towns, and through them the rural taxpayer, of heavy burdens of expenditure they had hitherto borne and to transfer these burdens to the State budget, where they would be met by forms of taxation other than property taxes.

I do not say that the effect was to reduce substantially local taxation and farm taxation. It should have done that, but it has done it only in some localities.

Let us now delve into some figures which will show us the actual workings of these laws and their effects on local taxation. Consider tax levies of the years 1928 and 1930, leaving out of the reckoning the five counties which constitute the city of New York.

The first item is that the State in 1929, for the first time in 12 years, abolished the direct property levy for State purposes. It has not been employed since then. The counties outside New York City were thus relieved of a burden of \$4,763,314.

The second item is that counties were freed of the obligation to pay 25 per cent of the cost of construction of county highways and bridges. This in 1930 decreased county expenditure outside New York City by \$6,914,800.

The third item is that towns and villages were relieved of annual charges for State highway maintenance which in 1930 amounted to \$596,873.

The fourth item is that the cost to the counties of grade-crossing elimination was reduced for the year 1930 by \$731,583.

The fifth item is of increased aid to rural schools. Under chapters 357 and 358 of the Laws of 1929 special additional assistance was given to the small rural schools of one to four teachers. The additional aid so granted amounted in 1930 to \$2,927,973.

The sixth item is that an increase was effected in the amount of State aid for the construction and improvement of town highways. The amount so granted which should have operated to reduce town highway levies of 1930 was \$772,178. That aid, by the way, was so distributed as to be of special help to the poorer towns.

The seventh item consisted of a direct contribution of funds to the localities for highway purposes from the proceeds of the two-cent gasoline tax, adopted on recommendation of the Advisory Commission. The amount thus shared to counties outside New York City in 1930 was \$4,396,212.

The sum of these seven items of expenditures taken off the books of the counties and localities by the State in 1930 above and beyond the State contributions to them in 1928 was \$21,102,933. These were all results of the new legislation in 1929 and 1930. But there were in addition other gains by the counties in 1930 as compared to 1928 which should have been expressed in reduction of local taxation. The State shares with the localities personal income taxes, business corporation taxes, motor vehicle registration fees and mortgage taxes, and in 1930 the revenue to the localities,

outside New York City, from these sources increased over 1928 by \$4,108,404. And one more item: State aid for schools and highways, under old laws, increased in the year 1930 over 1928 by \$6,593,347.

Here is a total in these nine items representing gains to counties and localities outside New York City in 1930 as compared to 1928 of \$31,804,684. Every penny of this could have been passed on in the form of savings to the property-owners who pay taxes for the support of local government. That is the real point I want you to understand.

But what actually did happen? Were taxes in the 57 counties outside New York City actually reduced by something like this amount? No; they weren't reduced in this amount nor in any amount. The fact is that they were actually increased. The net amount of the increase for the 57 counties was \$13,000,000, instead of a decrease of \$31,000,000.

Mark what this means: The State assumed in 1930 burdens of expense to the amount of thirty-one millions that the counties had borne in 1928, but the counties in 1930 spent not less, but thirteen millions more than they had spent in 1928, so that in effect the cost of local government in these 57 counties increased forty-four millions over its cost in 1928. That is the appalling fact.

There are, it is true, some brighter spots in the picture. Of the 932 towns represented in these counties, 535 show small decreases in the general property tax levies of 1930 as compared to 1928, and 18 counties out of the 57 show decreases which amount in the aggregate to \$13,326,688. But the other 39 counties all increased their levies and the aggregate amount of their increases is \$26,426,453.

In the list of counties which have increased their tax levies in spite of the millions of additional State help given to them, a handful stand out as major offenders. They are Westchester, with an increase of more than nine millions; Nassau, with an increase of more than five millions; Albany, with an increase of more than two millions; Suffolk, with a million and three-quarters increase; Onondaga, with more than a million and a half; Broome, with more than a million, and Oneida with nearly three-quarters of a million.

The other counties on this roll of shame are Allegany, Cayuga, Chautauqua, Chemung, Clinton, Cortland, Dutchess (my own county, so you see I am playing no favorites), Franklin, Fulton, Hamilton, Lewis, Montgomery, Niagara, Ontario, Orange, Oswego, Otsego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Sullivan, Tioga, Ulster, Warren, Washington and Yates.

It is true that some of these counties increased their levies only in relatively small amounts—Hamilton County, for instance, by only \$4,600; but Hamilton County got \$120,000 of additional help from the State in 1930 as compared to 1928 and should have reduced taxes instead of increasing them. And that is true of every one of this list of 39 counties I have read to you. Every one received large sums in additional aid from the State in 1930 as compared to 1928 and every one of them withheld every penny of that aid and piled on added burdens of taxation besides.

But the record is not all black. There are 18 counties in the State which did not increase their tax levies in 1930 over those of 1928 and in this number there are three and only three, which reduced their levies by as much more than equal to the whole sum of the additional State aid given to them. These three counties, which deserve a place on a special honor roll of the counties of the State, are Erie, Genesee and Wayne. Erie county made a cut of eleven and a half millions in the tax levy and after allowance is made for two millions of additional State aid is still nine and a half millions on the right side. Genesee cut the tax levy more than \$200,000 and is \$13,500 to the good after the State help is deducted, while Wayne County made a cut of \$276,000 and created a surplus benefit of \$7,900 for her taxpayers.

Fifteen other counties of the State passed back a part of the savings granted by the State, but only a part. They showed some little appreciation

of what had been done for them but not full appreciation. The other 39 counties whose names have been read to you paid no attention at all to their obligation to give the taxpayers the benefit of the extra State assistance. By additional spending in 1930 they absorbed all the State aid and billed the taxpayers of their counties for still another twenty-six millions of dollars. I submit that the record of these 39 counties is a disgrace to the administration of public affairs in this State.

Note the position in which this puts the farmers and rural taxpayers of the State. They asked me and asked the Legislature for measures of relief from heavy property taxation. We counseled with them and worked out a plan to give it to them. Some it reached in the full amount, but very few of them. A few others got a part of it, but not all, while most of them got none of it. The great bulk of the relief stuck in the hands of the messengers to whom we entrusted its delivery, faithless boards of supervisors or faithless town boards.

Now, until we get a more trustworthy delivery service I, for one, am not going to send any more valuables that way. The risk is too great and the loss is too heavy.

To speak in plainer language, I don't propose to give to local spending authorities any more and further opportunity to waste State funds until they show that they know how to deal fairly with the taxpayer in the use of the State funds that are now being given them. There is a demand from a certain type of politician that further amounts of cash be sent from Albany to be expended in the localities by local officials. I am resolutely opposed to any such policy. The officials in 39 counties of the State have shown that they are not to be trusted and I am absolutely against the State's acting as a collection agency for them until they have demonstrated a new attitude and a new conception of their duty.

You have asked and you are continuing to ask for further relief from excessive taxation. I think you are right in that demand and I support it. I believe, and I think you will agree with me, that the 20 cents of the tax dollar that is being spent by the State for State purposes is being spent efficiently.

Your demand for relief should be concentrated on the 80 cents that is obviously being spent very inefficiently, whether you own property or pay taxes in the form of rent. Your heaviest burden is property taxation, all of which is locally collected for local purposes and of which the State gets not one penny. We have tried a method by which the State sought to relieve your burden of local taxation by giving aid to the localities. It hasn't worked well enough under our present organization of local government to justify our pushing the experiment further.

We need to give our local governments more attention than we have been giving them. At the least we need a housecleaning. Maybe we need a rebuilding.

I have enough faith in democracy and enough faith in you as citizens to believe that we can do better when we once put our minds to the problem and put our hearts into the fight.

As a final word, let me add that I have had a table prepared showing the amount of the additional State aid to counties in 1930, the increases and decreases in the tax levies and the amount of increased cost of local government by counties. I shall be happy to send a copy of this table to any citizen who writes to me for it.

## RISING COST OF LOCAL GOVERNMENT

	Additional help rendered by State 1930 over 1928	Increase or decrease in general property tax 1930 over 1928	Actual rise in cost of local government
Albany .....	\$684,600	\$2,182,900	\$2,797,500
Allegany .....	480,400	88,400	578,800
Broomes .....	633,200	1,106,600	1,739,800
Cattaraugus .....	703,500	117,900*	821,400
Cayuga .....	352,800	158,000	690,800
Chautauque .....	862,100	44,900	907,000
Chemung .....	285,200	16,500	301,700
Chemung .....	337,000	-17,800*	319,200
Clinton .....	487,900	110,700	598,600
Columbia .....	366,900	-26,700*	341,200
Covland .....	246,500	105,400	401,900
Delaware .....	397,200	-61,100*	336,100
Dutchess .....	380,400	205,500	585,900
Erie .....	2,010,500	-11,365,400*	-9,354,900*
Essex .....	342,000	-53,300*	288,700
Franklin .....	410,300	121,900	532,200
Fulton .....	222,900	115,600	338,500
Genesee .....	209,100	-222,600*	-13,500*
Greene .....	281,700	-28,600*	253,100
Hamilton .....	120,600	4,600	125,200
Herkimer .....	402,200	-141,500*	260,700
Lewis .....	598,200	-16,000*	582,200
Jefferson .....	419,800	121,500	541,400
Livingston .....	326,200	-37,100*	289,100
Madison .....	292,200	-201,400*	90,800
Monroe .....	1,649,900	-88,600*	1,561,300
Montgomery .....	393,000	77,500	470,500
Nassau .....	1,838,400	5,382,700	7,221,100
Niagara .....	812,900	280,000	1,092,900
Oneida .....	684,900	735,700	1,420,600
Onondaga .....	1,199,100	1,597,600	2,796,700
Ontario .....	330,100	22,600	352,700
Orange .....	558,300	60,000	618,300
Orleans .....	213,000	-63,200*	149,800
Oswego .....	474,700	187,700	662,400
Otsego .....	530,100	66,700	602,800
Putnam .....	158,200	112,300	270,500
Rensselaer .....	626,700	246,200	872,900
Rockland .....	253,000	415,100	668,100
St. Lawrence .....	908,100	108,800	1,016,900
Saratoga .....	358,300	358,200	716,500
Schenectady .....	683,400	123,200	806,600
Schoharie .....	311,800	47,000	358,800
Schuyler .....	138,000	28,100	166,100
Seneca .....	112,100	37,500	149,600
Stearns .....	630,000	-128,500*	491,500
Suffolk .....	780,600	1,765,300	2,545,900
Sullivan .....	399,200	237,800	637,000
Tioga .....	341,800	10,300	352,100
Tompkins .....	418,700	-82,500*	336,200
Ulster .....	518,000	281,600	799,600
Warren .....	447,900	174,600	622,500
Washington .....	411,500	15,000	426,500
Wayne .....	208,300	-276,200*	-7,900*
Westchester .....	2,129,900	9,364,900	11,494,800
Windsor .....	323,600	-153,200*	170,400
Worming .....	321,800	28,100	349,900
Yates .....			
Total .....	\$31,804,700	\$13,099,800	\$44,904,500

First column includes State aid, locally shared State taxes, and State assumed functions of local government. Figures compiled from N. Y. S. Tax Reports and records of various State departments.

\* Items preceded by — and followed by asterisk are decreases.

Note:—See statement correcting figures for Erie County and changing columns total, page 465.