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COST OF STATE GOVERNMENT—DEPARTMENTS OF CORRECTION AND
SOCIAL WELFARE

In these talks about State finances, I have tried to make two points clear. One is that reduction of expenditures—whether in a home, a business, or a government—today is the key to making both ends meet.

The other is that reduction of expenditures—at least any material reduction below the level already reached by means of drastic operating economies—forces the curtailment or elimination of public functions and services. In many cases, that requires changes of laws which specify what functions are to be undertaken and what services are to be performed.

Most of our citizens know from their own affairs what I mean by that. Suppose that two years ago you were living within a given income. Then came a moderate salary cut. You probably met it by skimping here and there. The State within the past 18 months has been economizing in the same manner. But in your case, a second and deeper salary cut meant a different kind of adjustment. It meant giving up something entirely, or reducing your accustomed standards in some respect or other. It could not be met by skimping. The State faces the same proposition. Any further appreciable cut of State expenditures cannot be made simply by skillful trimming. Something must be given up, or some standards must be lowered.

If we face the necessity of changing our governmental standards of living, I want the changes to be made as wisely as possible. I want them to interfere no more than necessary with vital public services, or services which the majority of citizens consider vital. Thus, I have two purposes in presenting these discussions of the services and costs of the State departments. By indicating the items which have increased during the past 10 years, I hope to focus public attention on possible changes of law which are practicable and which will assure the reduction of taxes that we all desire. By making the facts available, I hope we may achieve the economies now needed without resort to blind and indiscriminate destruction of useful public functions, and instead may make adjustments with a minimum of disturbances of necessary services.

Tonight we shall examine the Department of Corrections and the Department of Social Welfare. Perhaps no two State departments illustrate more pointedly than do these the fact that public services are created and enlarged from time to time in response to public opinion. At the same time, they also illustrate that alteration of the essential scheme and services of government can be made only when changing public opinion leads to changes in the laws which control the scope and cost of government.

Look at the Department of Correction. It operates seven State prisons, two reformatories, two hospitals for the criminal insane, two institutions for defective delinquents, and one school for juvenile delinquents. Last year this department spent \$8,500,000, 78 per cent more than 10 years ago. The number of inmates of these institutions now is about 13,000, 50 per cent more than in 1922. The prison population is growing.

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Here, then, is a department with a cost increase of some \$3,700,000 in 10 years. The factors of increase are easy to trace. If you are interested in the details for each institution and class of institutions, they are available in an exhaustive cost analysis just submitted to me by Dr. Walter N. Thayer, Jr., Commissioner of Correction. But let us look at the increase in its broader, more significant outlines.

The central fact that stands out is that the number of prisoners has increased. If, in 10 years, we had made no changes in the food, clothing, housing and treatment of prisoners, our penal institutions today would be costing \$1,325,000 more than they did in 1922. That is nearly half of the 10-year increase. It is the result of the Baumes laws and other amendments of the Criminal Code by which sentences were made more severe, time allowances for good behavior were reduced, and the granting of paroles was restricted. The trend is unchangeable so long as present laws covering the commitment and detention of prisoners are in force.

Thus, nearly half the increase of annual cost since 1922 came because we had more prisoners. The remaining came because we have provided better prison facilities. About \$1,100,000—over and above the increases resulting from increased prison population—is caused by laws increasing the compensation of prison employees. Prison officials and guards are paid better than they used to be. In some institutions, notably the hospitals and schools, we have more employees per 100 prisoners than we had in 1922.

The remaining \$1,325,000 of increase in the department's costs between 1922 and 1931 is due to better housing facilities, better food, etc., and an increase in the overhead cost of the department itself. That is to say, \$925,000 of the increase grows out of expenditures for permanent improvements to buildings, and purchases of furniture and equipment. Another \$200,000 represents increases caused by the serving of better food, the provision of better clothing and the granting of more liberal allowances to persons released from these institutions. The \$200,000 increase in overhead requires scant attention. It results from enlargement of the department's activities in response to changes in penal laws, and the expansion of work incident to the transportation of prisoners, the transfer of inmates from one institution to another, and the keeping of records of a larger number of prisoners.

If there is any reason nowadays to think of reducing taxes, there is the same reason for all of us—whether administrative officials charged with the enforcement of prison laws, or citizens who are protected by that law enforcement—to take stock of our situation. Reducing prison costs is a question of administration in only negligible degree. It is in the largest sense a question of social and public policy.

That is to say, this is the largest question encountered in the affairs of the Department of Correction: How much imprisonment of men and women convicted of crime do you wish to buy? How much are you willing to pay for?

Operating prisons is a matter of carrying out laws. If laws are drastic—as we recently have made them—the average sentence becomes longer. It becomes more difficult for the institutions to release men on parole, even though 85 per cent of men paroled are not convicted of a second crime. The prison population increases. New buildings become necessary, not as replacements, but as additions. Whenever we build new prisons, the cost is from \$3,000 to \$4,000 per inmate. The average convict stays more years in prison at a maintenance cost of \$450 a year. Under drastic laws, costs go up, just like a thermometer when a sun glass is focused on the mercury bulb.

Under more lenient laws, the reverse is the case. Sentences are shorter. More men may be paroled. Time allowances for good behavior permit earlier release of prisoners. Buildings become less crowded. New construction becomes less necessary. Costs go down.

Where do we stand? Comparatively speaking, our prison laws now are drastic, rather than lenient. In some instances they are more drastic than our most experienced penal administrators believe they should be. For example, the Commissioner of Correction tells me that if fixed minimum

sentences did not stand in the way, it would be possible to consider for parole from 25 per cent to 40 per cent of the prisoners now in State institutions. Four thousand prisoners at \$450 apiece is \$1,800,000 a year, to say nothing of the future construction which can be averted through a decrease in the number of prisoners. Think that over. That is the financial stake involved when you discuss abstractly whether prison laws should be more or less lenient.

That is the principal question here: Should the State, in order to save \$1,800,000 a year, liberalize its commitment, sentence, and parole laws so that our prison population again would be returned to approximately the 1922 level?

As to the other cost increases: Should the State, in order to save \$1,100,000 a year, return the compensation of prison employees to the 1922 level? Likewise, should it save \$200,000 by doing away with the improvements in the food, clothing and housing of inmates effected since 1922?

If those questions should be answered affirmatively, we would have little cause to examine the \$200,000 increase in the department itself. With less work to do, it automatically would drift back to the cost level of 10 years ago.

If public opinion has had a part in influencing trends of prison costs, it has had an even more unmistakable effect on the costs of the Department of Social Welfare. The appropriation for this department was \$290,000 in 1922. It remained at about that level for years. But this year it shot up perpendicularly to \$9,100,000, almost solely on account of old age security legislation which placed new responsibilities on the State. This could be explained at considerable length, but the question growing out of it is clear, direct and simple. Does the State wish to save more than \$8,000,000 a year by repealing the provision for its contribution to old-age pensions, turning the full responsibility for care of the aged poor back to cities and counties, and returning to the standards of 1922 in this field?

Other costs in this department also have increased, but not by such significant amounts. For instance, this year, we are spending \$540,000 to equip and operate the Warwick training school for delinquent boys under the age of 16. Should part of this be saved by abandoning this institution, and returning these youthful delinquents to association with older and more vicious types in other institutions? Likewise, should this department save \$260,000 a year by returning to 1922 standards in the care of the poor, Indian wards of the State, and the care and treatment of the blind?

These services and costs of the State interest me intensely. What do you think about them? It would help me greatly if you would talk these matters over with your friends and neighbors, in your community organizations, and in your various social and civic groups, and then give us the benefit of your judgment before we compile the 1933 budget, this fall. Copies of the cost reports just submitted to me by Dr. Thayer of the Department of Correction, and by Dr. Charles H. Johnson, head of the Department of Social Welfare, are available for your use if you desire to examine in detail the subjects I have discussed. Likewise, copies of this talk, as well as of the earlier talks in the series, may be obtained by writing to Station WGY or to me in Albany.