THE RESPONSIBILITY OF THE PUBLIC IN RELATION TO STATE MEDICAL INSTITUTIONS.*

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Ohio has been signally honored in having been chosen as the present meeting place of this national organization, and it therefore seems meet that we who labor in this commonwealth should frankly and truthfully lay before this association both the advantages and the difficulties under which we work. The purpose of this paper is to discuss the fiscal system of the state as it applies to state medical institutions, and to seek in a feeble way to arouse a greater degree of public interest in their welfare.

In Ohio we are wrestling with a taxation puzzle, which is the result of tangled legislation. On the one hand bitter complaint is made by tax-payers of the burden under which they are alleged to be staggering, and on the other hand all the administrative units, both local and state, are asking for more money. The blame for these conditions is commonly placed on the shoulders of distributors of public money, contemptuously styled "tax spenders," and popular indeed is the political writer who can most effectively inveigle against the alleged extravagances of public officials. Meanwhile, bonded indebtedness in local communities is piling up, and the tax rate must be steadily increased to take care of interest and sinking fund charges. There is, no doubt, much re-duplication of effort and much unnecessary expenditure of money in many of the state departments and bureaus, but this criticism is not generally made regarding the state institutions. In fact, I think it will be generally admitted that in these institutions every dollar is made to go as far as possible. The State Bureau of Inspection and Accounting has uniformly given them a clean bill in reference to expenditures of public money.

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The complaint that the burden of taxation is unequally distributed is undoubtedly well grounded. In Ohio the Constitution provides that real estate on the one hand, and all forms of personal property including money, stocks and bonds, as well as live stock, merchandise, household goods and personal belongings of every description on the other hand, shall be *uniformly* taxed at their true value in money. Note the word *uniformly*. In practice this provision is honored principally in the breach. It is conservatively estimated that the value of personal property represents rather more than half the wealth of the state, yet real estate which cannot be well concealed bears 60 per cent of the burden of taxation, while personal property, much of which can be readily concealed, bears but 40 per cent of the load.

An extended discussion of the general subject of taxation is perhaps out of place in a meeting such as this; yet, physicians have ever been leaders of thought, and this subject is the very cornerstone of the whole fabric of our civilization. For forty centuries before the time of the first Roman Emperor, when "there went out a decree from Cæsar Augustus that all the world should be taxed," this problem had vexed mankind. From the proceeds of taxation were builded the pyramids of Egypt, the hanging gardens of Babylon, the temples of Greece, and the coliseum at Rome. By taxation stable government was established in Europe in place of the chaos of the Dark Ages. Through taxation liberty was guaranteed our British forefathers in the Magna Charta. On a certain night in Boston harbor our own independent history began with a tea party, which grew out of the question of taxation. As we face the problems of to-day we are prone to think that they are new problems, yet many classics in ancient and modern literature deal most understandingly with the problems of taxation. The Mosaic law, given forth on Mt. Sinai more than 3000 years ago, proclaimed a system of taxation based upon justice and equity—an equalization of the burden of taxation according to the individual's ability to pay—a tithing system—the first income tax—which well might serve as part of the model for a taxing system for to-day. Plato discoursed learnedly on taxation based on justice to all. Lord Bacon and Sir Thomas More in their Utopian conceptions of an ideal state did likewise. In more modern times Alexander Hamil-

ton, Adam Smith, De Tocqueville and John Stuart Mill have laid down precepts and fundamental principles of taxation which might very profitably be studied by the harassed statesmen of the present time.

The psychology of the tax-payer is a peculiar thing. Men will squander their money without a thought in riotous living, or in the pursuit of pleasures which are fleeting. They will thoughtlessly purchase all manner of useless and undesirable merchandise. They will give freely to charity or contribute lavishly to some form of propaganda which profits them nothing. They will stoically lose large sums at a gaming table. They will pay their self-incurred debts without a thought of defrauding the creditor, but when confronted with a tax return blank they will practice every sort of evasion possible, including downright lying, in order to avoid contributing a just proportion of their wealth to the purchase of the most important commodity which money can buy, viz.: good government and the righteous discharge of the civic obligations which men owe to each other. From the very beginnings of human history, even from the remote age when the "herd instinct" first began to manifest itself a community of interest has demanded that men make certain personal sacrifices of service and of money for the common good. Money paid as taxes into the common treasury, if expended with even an approach to discretion and honesty, under a representative form of government, insures a degree of protection against fraud and violence and an opportunity for individual and civic development which is indispensable, and which transcends in value any other commodity or service or condition of living which money can procure.

The state hospitals are, however, not directly interested in local taxing problems. Very few citizens have knowledge of the fact that none of the money raised by taxes levied on real estate and personal property is used by the state government for general governmental purposes, or for the support of the state institutions. All of such taxes are used for local purposes only—viz.: For defraying the expenses of villages, cities, townships and counties and for maintaining the public schools. In Ohio the state collects no local taxes, except that a certain percentage of the local levies for school and road purposes are collected by the

state and re-distributed to local school districts and road districts on the basis of their needs.

As a state Ohio has no public debt and is prohibited by the constitution from incurring any bonded indebtedness. All of her income, which amounts to more than \$25,000,000 per year, comes from special taxes, as follows:

	Per cent.
Taxes levied on capital and earnings of business corporations....	43
Liquor and cigarette taxes	12
Automobile registration fees	9
Interest, rents and permits, U. S. Government aid to roads and schools, sales of materials, state fair receipts, inheritance taxes and departmental service fees	21
From local taxing districts, to be re-distributed to needy school and road districts	15
This income is expended as follows:	
For schools and universities	30
(This is twice the amount received from local taxing districts for school purposes.)	
For road building and state aid to counties for roads.....	15
For agricultural purposes	5
For general state government purposes	17
For benevolent, correctional and penal institutions.....	33

One-third of the state's income is expended for the public institutions of the state and yet it is not enough. Our institutions have many urgent needs that cannot be supplied from the usual appropriations.

Someone has said that "because nations—that is men *en masse*—tend to stupidity mankind moves slowly, but because individuals have a capacity for better things it moves surely." Since neolithic times mankind has been moving slowly but surely forward, progress being due primarily to the presence in each generation of individuals who have this capacity for better things. We live in the present, but we draw our lessons from the past. Time was when the insane, the epileptic, the idiot and the feeble-minded criminal were outcasts; shunned of all men, either feared or despised as being possessed of devils. For centuries they were thrown into dungeons to die of starvation and neglect, or perhaps chained to the floor or wall in some dismal prison. Two generations ago it was sufficient if they were housed in reasonable comfort and given food and raiment. The requirements of a

later day included a modicum of medical attention, somewhat more individual liberty, and the beginnings of an understanding of the pathogenesis of disease. To-day all forward looking individuals insist upon comprehensive investigation of sociological and psychological undercurrents and tendencies and the application of modern methods in the study and treatment of mental disorders, mental deficiencies and perversions.

To secure these ends greater and still greater facilities in the way of workers and equipment are required and more and more public money must be made available. Since in the end the result will undoubtedly be favorable to the race the end should justify the means, and persistent efforts must be made to mould public opinion to this view. The public must be compelled to see its own interest and having seen it require its representatives in legislative halls to heed the call of those who know whereof they speak.

It is quite the fashion to place the blame for insufficient appropriation wholly upon legislative bodies. This is largely unjust for two reasons. In the first place the state, by reason of a constitutional provision prohibiting the issuance of bonds or the incurrence of debt in any form, must of necessity live within its income, and legislatures must therefore limit their appropriations to the sum total of the state revenues. In the second place, and this is the most important reason, legislators are only the representatives of their constituents. In the concrete, they represent the preponderance of the public sentiment of the commonwealth. Importuned on every hand for greater appropriations, hampered by the limitations to the income of the state, fearing, as the average man fears, to lay further burdens upon the public in order to produce more revenue, they take the path of least resistance and pursue the course that will offend the fewest people.

De Tocqueville, in his admirable analysis of American characteristics, speaks of what he calls "the doctrine of public interest rightly understood." Writing of Americans in contrast to the peoples of Western Europe, he says they "are fond of explaining almost all the actions of their lives by the principle of interest rightly understood: they show with complacency how an enlightened regard for themselves constantly prompts them to assist each other and inclines them willingly to sacrifice a portion of

their time and property to the welfare of the state." And again, "The American moralists do not profess that men ought to sacrifice themselves for their fellow creatures because it is noble to make such sacrifices; but they boldly aver that such sacrifices are as necessary to him who imposes them upon himself as to him for whose sake they are made." (P. 130, Vol. 2.)

These observations were made three-quarters of a century ago. To the enthusiastic Frenchman accustomed to the sordid selfishness of European peoples the buoyant idealism of the young republic made a strong appeal, and he gave our people credit for a greater degree of public spirit than they perhaps deserved. To us who are in daily contact with the difficult situations which arise from the public's failure to recognize the facts which pertain to its best interest, his philosophy appears unduly optimistic.

As regards the inner conscience of the American people his conclusions are still doubtless correct. The war has conclusively shown the extent to which the American citizen is willing, when sufficiently aroused, to place himself and his goods upon the altar of his country. The problem now is to show this same patriotic citizen that the welfare of the state in times of peace demands sacrifices also, not so spectacular, but none the less insistent. In the war against Germany we freely gave millions of dollars to stay the hand of death on the battlefields. In the conflict with tuberculosis, with cancer, with venereal diseases, with mental disorders, with epilepsy and feeble-mindedness and with crime, we are lacking as a people in a realization of the tenfold more deadly nature of the enemy, the greater number of the victims, and the greater menace to our civilization.

Our public hospitals are the result of the partial recognition by the public of its obligations. This recognition is only partial; non-existent in some communities, vaguely apparent in most states and communities and frankly admitted in very few.

Native Americans are prone to boast of their common heritage of political and religious freedom and of equal opportunity in the race of life. If we accept the principle of Mendelian inheritance, we must also accept the doctrine that the characteristics of our forefathers which led them to brave the perils of an unknown sea, and establish colonies on a savage continent, in which new principles of government should obtain, have been transmitted to

their offspring. At the time of the American Revolution there were approximately 3,000,000 inhabitants in the British colonies which rebelled. With little exception they were of the same mind, dominated by the same ideas of government. Otherwise, how could they within a period of 13 years—1776 to 1789—have carried to a successful issue a war with Great Britain, and have established without prolonged internal strife a constitutional government which in a century and a quarter has grown to be the dominant power of the world? There was present in the germ plasm of these people something that had not hitherto been present in the germ plasm of such a mass of people at one time. Their descendents now number more than 30 times 3,000,000 people, but they have the same impulses and are dominated by the same ideas as their forefathers. Can we doubt that these characteristics have been preserved in any way except by their transmission through the germ plasm of the race?

Claiming therefore full credit for our inheritance of the virtues of our forefathers, must we not also assume equal responsibility for their faults? These also have been transmitted through the germ plasm of the race. Must we not willingly assume the burdens that have come to us from these same forefathers because of their rôle as unwitting hosts of the spirochete, the gonococcus, and the germs of tuberculosis and cancer; as misguided sponsors for alcohol and all its ravages; as ignorant upholders of the right of men to make unholy and unsuitable marriages and beget myriads of weakling children? These also are the common heritage of the race. Whether or not it can be authentically traced, the lineage of a very large majority of the people of America goes back to founders of this republic. Their blood is our blood; their virtues are our virtues, and for their vices we must make amends.

We hear a great deal in these days concerning charitable enterprises—private charity—civic and state charity. The sentiment is misnamed. Justice is the word. There is no charity, public or private. He who gives of his time or substance to better the lot of his fellow creatures is merely fulfilling the demands of simple justice; merely doing his bit to correct the faults of his forefathers; merely pruning in the garden of humanity that the future crop may be better men.

In Ohio institutions we lack many means for the production of this better crop of men. We lack means for the employment of sufficient physicians, research and laboratory workers and dentists. We lack means for the employment of teachers in the fields of industrial and recreational therapy. We lack means for the employment of social workers in the after care of patients and in conducting out-patient clinics. We lack means for the purchase of sufficient medical and surgical and laboratory equipment and supplies. We lack the means of employing high class nurses and attendants in our wards. We lack the means for constructing sufficient buildings of suitable character for the various purposes of institution care. We lack the full cooperation of the courts in dealing with the problem of mental disorder, feeble-mindedness and crime. But above all and underlying all these handicaps, we lack the public appreciation of the menacing nature of these problems and its intelligent support in solving them.

As a means to their solution it should be emphasized that haphazard methods of making appropriations should be forsaken and a settled policy for providing funds for our state institutions should be devised. The public needs more information concerning their requirements than is given it in the press notices of proposed appropriations by a finance committee of the legislature. Ample provision for their needs is a fundamental duty of the state—as fundamental in fact as the duty of providing every normal boy and girl with an education that will fit them for a useful life. In both these fundamental obligations of the public there is lamentable failure to provide the necessary funds. Money for the support of schools is raised by setting aside a definite proportion of local tax levies. School buildings are provided for by the issuance of bonds which must be authorized by a vote of the people of the school district. None of the school districts of the state have sufficient revenue. Teachers are underpaid and bonded indebtedness is rapidly piling up. The remedy lies in changes in the constitution which will abolish the nefarious so-called uniform rule, fix a definite limit to the extent to which real estate may be taxed, permit of classification of all other property for taxation purposes according to its ability to earn income, and remove exemptions from taxation now granted certain forms of securities, which are usually producers of good

incomes. In the words of Ohio's very capable state auditor such a change in the constitution "would make an income tax certain of enactment, easy of enforcement and just in operation. An equitable income tax is the best and fairest system of taxation that has ever been devised. *The normal source of taxation is income.*"

I have reverted to the question of local taxation, which as before stated does not directly concern us, for the reason that its just solution along the lines suggested also makes easy the solution of the problem of revenues for our state institutions. If the local taxing problems can be rationally solved by compelling hidden income producing property to pay its just share of revenue, the local school districts will have ample funds for all legitimate purposes and the state will be released from the obligation of giving state aid to the common schools. There need be no school districts in Ohio which require state aid if hidden personal property can be compelled to bear its just share of local taxation.

The state in 1920 will distribute to the local school districts more than \$2,800,000. Of this sum less than half a million dollars will be collected by the state from local districts to be re-distributed to needy schools. The balance of over \$2,300,000 will be taken from the general revenue fund of the state. Consider how well the state institutions could use this \$2,300,000 or any considerable part thereof to supplement their present appropriations. Their utmost requirements in the way of more and better paid physicians, teachers, social workers, nurses and attendants, and their utmost requirements in the way of medical equipment and supplies of every kind could be supplied for less than half that sum.

This \$2,800,000 is distributed to all the school districts of the state on the basis of two dollars per year for every child of school age. In 1919 there were upwards of 1,400,000 such children in Ohio.

Does any one suppose that if the owners of personal property in these school districts were paying their just proportion of the local school taxes, the sum realized would not be many times the sum of two dollars for each child enrolled in these school districts?

The revenues of the state government come from sources from which there is no complaint. For general government purposes, including the support of the state institutions, the revenues come from franchise and excise taxes on corporations, the interest on state money deposited in banks and from the inheritance tax. For the support of the state agricultural department and the building of state roads, money is available from rents and permits, sales of material, state fair receipts, automobile license fees and from the United States Government. The various bureaus and commissions get their support from fees and receipts from the furnishing of required licenses and permits. For the support of state colleges, universities and normal schools there are available endowment funds accumulated from the sale of public lands, and a state tax levy which would be amply sufficient if personal property throughout the state paid its just proportion of local taxes. Revenues from these various sources are not kept separate, but with some exceptions are all passed into the general revenue fund of the state, where they are subject to draft by the legislature. These are all legitimate sources of state revenue and are ample for legitimate state purposes. The excise tax on liquor has been abolished by national prohibition, but this loss is perhaps a distinct gain, and will be largely compensated by increased automobile license fees. There is no occasion for disturbing the legislation under which the revenues of the state are raised. All that is necessary for the proper adjustment of all our public financial troubles is the serious appreciation by local tax payers of their civic obligations, in order that the state government may be relieved of the necessity of vicariously atoning for their sins.

Concretely stated, this means the public approval of changes in the constitution which will relieve the excessive burden of taxation borne by real estate, and will permit of the enactment of legislation which will uncover the great mass of credits and income producing personal property which now escapes taxation.

Our government is a government of the people, by the people, for the people, and its ultimate destiny will be determined by the fidelity with which its people adhere to the principles of this famous aphorism of Lincoln.