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Public Money for Public Purposes Only, No State Aid to Private Institutions: Message of Percival P. Baxter, Governor of Maine, to the Eighty-first Legislature, February 7, 1923

Percival P. Baxter

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Maine. Governor 1921 - (Percival P. Baxter)

Public Money for Public Purposes Only

No State Aid to Private Institutions

MESSAGE

of

PERCIVAL P. BAXTER

Governor of Maine

to

The Eighty-first Legislature

February 7, 1923



The Eighty-first Legislature has an unusual opportunity to stand for a great principle that is one of the foundation stones of this Republic. That principle is, that public money shall be used only for public purposes; in other words, that money taken from the people as taxes shall not be used for private purposes, no matter how worthy they may be.

In my Inaugural Address of January 4th I called attention to the rapid growth of the practice of granting "State Aid" to private schools, private hospitals and other institutions under private management. At that time I placed this question squarely before the Legislature and the people of Maine. The discussion that has ensued has assumed State wide proportions. This is well, for a vital principle needs to be discussed in every home and shop so that the truth that underlies it, if truth there be, may be brought to light.

Opposition has been aroused, misinformation has been spread abroad, and prejudices have been appealed to. The more the grain is beaten the sooner will the chaff be threshed out and blown away. There is no issue before our people of greater importance than this. Economy, water powers, roads and all other questions will take subordinate positions once the State Aid issue is thoroughly understood.

ECONOMY IS NOT THE ISSUE

The money expenditure incurred by granting State Aid to private institutions is entirely distinct and apart from the great principle that is at stake. In fact the financial side of this question is really of so little moment that it is not worth considering in this connection. It is immaterial that a considerable saving would be made by abolishing State Aid, and my program of economy is in no way involved in the present discussion. Principle is not measured by dollars and cents.

An institution or a charity, either should be public or private; it never should attempt to be both at one and the same time. The individual may give to whomsoever or whatsoever he will; he may contribute to the advancement of any particular political, religious, medical or educational object or school. The State, however, using the money taken from all the people should spend that money only for what are understood to be public purposes, and should do this only through those channels that are under the direct control of State authorities.

MAINE'S STATE INSTITUTIONS

In Maine the State supports two Insane Hospitals, a Feeble Minded Home, three Sanatoriums for the Tubercular, a Prison, a Reformatory for Men and one for Women, a Correctional School for Boys and one for Girls, and a Soldiers' and Sailors' Orphan Home. The State also helps Needy Mothers and provides for Dependent and Neglected Children. All this is done by public money and the work is administered by public officials. Race, politics, religion and social status are not considered in the care of the State's wards.

PRINCIPLE NOT DOLLARS

It very properly can be advanced that the several State institutions above mentioned can use and really need more money than the State is able to furnish them, and that new construction is required at most of them if the State is to take proper care of its dependents and defectives. Apart from all these arguments I place this question upon higher ground. If we were able to provide for all the needs of our State institutions and even if we had a large surplus of money that could be diverted to other purposes, the principle of no State Aid to private institutions would be just as important and just as binding upon us as it is today. If all our State institutions were completely equipped and were upon a comfortable financial basis, I still should advocate the adoption of a constitutional amendment prohibiting the giving of the people's money to private undertakings.

It may be advanced that certain private institutions can do some educational and relief work more economically than such work can be done in our State institutions. As I have stated, this is not a question of dollars and cents but one of principle, and it is immaterial whether such work costs more or less in private institutions than in those of the State. The people of Maine will not sacrifice a deep-rooted principle even if by doing so they can make a saving in their taxes.

FEDERAL AID AND STATE AID

The granting of Federal Aid to States in some ways is similar to the granting of State Aid to private institutions. There exists a difference of opinion as to the wisdom of Federal Aid, but the ill effects, if any, resulting from it are less harmful than those that flow from State Aid. The Federal Government never would consider appropriating Federal money for anything

but for public purposes, and it gives its money to the several states to be used by them for such purposes. State Aid, however, selects certain private institutions as the State's beneficiaries, passing by others equally entitled to assistance from the public treasury, but whose managers prefer to do without it rather than sacrifice their independence and perpetuate a practice that is bound to lead to disastrous results.

OUR PUBLIC SCHOOLS

State Aid, which is public money, has been and now is granted to certain private educational institutions which do excellent work, but in my opinion public money spent for educational purposes should be used only to support our public schools. I am a firm believer in our public school system, which from the early days of this Republic has been recognized as one of the corner stones of our liberties. I believe the people of Maine stand squarely behind this system and once this issue is placed before them, in my opinion, they will decree that no public money shall be given to any schools that are not exclusively under the management of State and municipal, public authorities. The children of the well-to-do and the poor, of the native born and the foreigner meet in the public schools, exchange views and soon learn that in this country all are equal before the law, and that all should be given equal opportunities for development. The days of class distinctions or religious prejudices never will return as long as our public school system is maintained. I myself was educated in our public schools, and often have seen un-American and un-democratic tendencies developed and encouraged in those who did not attend them. I unhesitatingly take a stand in favor of the system that has done so much to make this country what it is.

SPECIAL AID TO ACADEMIES

In this discussion about State Aid to academies and private educational institutions I refer only to the so-called "special aid" and am not concerned with the contributions made by the State to aid academies that are doing high school work, for this money is paid them under the provisions of our general laws. In addition to this it occasionally may be necessary for the local authorities in a community that has no high school, to make temporary arrangements with private educational institutions to give certain scholars a high school training, but this should be purely a local business agreement. The following figures are interesting. Special aid to private academies was granted as follows:

1901	\$1,240.00
1911	740.00
1922	54,675.00

The number of academies aided in 1901 was 4; in 1911, 4; in 1922, 33; and in the latter year there were 23 academies in the State that did not receive this special aid.

AMEND THE CONSTITUTION

The time has arrived for the people of Maine to squarely meet this situation. Unless our State Constitution is amended so as to stop the immediate extension of State Aid, and finally put an end to it altogether, the day is not far distant when privately managed institutions will no longer request aid as a gift or gratuity but will demand their share of the public money as a matter of right. Should this happen, our public schools will have lost their hold upon the people and our communities will be divided into contending camps, each faction struggling jealously to extend its influence over the rising generation. This is inevitable if the present tendencies continue, and already I see evidences of a movement that justifies me in making this statement.

Through a well-intentioned but misguided generosity our legislatures of the past have contributed to private schools and charities; at first to a few, now to many. These contributions have weakened the sense of individual and community responsibility, and often have had a paralyzing effect upon private charitable and educational initiative. The day for a return to fundamentals has come, and if you will lay the foundations for abolishing State Aid, such action will constitute your greatest achievement, and the Eighty-first Legislature always will be remembered in the history of this State as a Legislature that acted courageously and built wisely.

I believe there are but few people in Maine who will not admit the soundness of the principle involved in this discussion, but many seem bewildered by the details incident to its adoption.

“NO STATE AID”

In my Inaugural I purposely made the principle of “No State Aid” stand out in bold relief, and deliberately declined to hedge it about with compromises and exceptions. I, however, did refer to the University of Maine directly, and to two other institutions indirectly, as requiring special consideration. This situation, however, can be met without sacrificing the basic principle, that only public institutions shall be supported at the public expense.

UNIVERSITY OF MAINE

The University of Maine held, somewhat technically, by the Supreme Court to be a private institution is in many respects a State undertaking. Its land and buildings are owned by the State and its buildings are insured by the State. Its Trustees are appointed by the State, and it could not operate without State Aid. No one wants to close this excellent school, and it would be obliged to close did it not receive State Aid. The University should be either public or private. Some argue it is one thing, some the other; it cannot be both.

The solution of the University of Maine problem is either *first*, make this school a State institution outright; or *second*, make it a private institution giving it State Aid for ten years, or more if need be, so that it will be self-sustaining at the end of the period, with the State controlling its board of trustees while it receives State Aid; or *third*, make it a private institution and insert a clause excepting the University from the constitutional amendment, with the further provision that the school shall be exclusively under the control of the trustees appointed by the State. If the second course is adopted State Aid would be given for a certain definite period, at the end of which the school would be in the same class as our three colleges, Bates, Bowdoin and Colby. Neither the second nor the third plans would interfere with the adoption by the Legislature of the general principle herein advocated.

CHILDREN'S HOSPITAL

The Children's Hospital in Portland is a private hospital but it received from the State in 1922, \$45,000, or 90 per cent of its total income. It costs the State about \$1000 a year for each child treated there. This Hospital can be cared for in any one of the three methods suggested for the University of Maine, provided they are modified to meet the requirements of a hospital. If the third plan is adopted for this Hospital the constitutional exception should provide that hospitals treating the crippled and deformed exclusively, in the discretion of the Legislature, may be given State Aid. In any case as long as the State contributes to its support the State should control its Board of Managers, as in the University plan above referred to.

SCHOOL FOR BLIND

The School for the Blind can be handled in a way similar to the Children's Hospital, the exception in the constitutional amendment being suitably framed to cover this institution. This School already is managed in part by Directors appointed by the State.

NO IMMEDIATE WITHDRAWAL

I would not immediately withdraw State Aid from the numerous hospitals, academies and other charitable institutions now receiving it. Such action might embarrass some of them, although it is doubtful if any would close their doors on account of it. Their respective budgets have been built around State Aid, and time should be allowed them to readjust their financial affairs and make themselves self-sustaining. There is a proposal before you to allow a considerable period for this readjustment, and such a plan seems reasonable.

MUNICIPAL RESPONSIBILITY FOR HOSPITAL TREATMENT

Every municipality should assume responsibility for its sick and afflicted; every town and city should be willing and should be required to furnish hospital relief to needy citizens requiring it. If there are persons in Portland, Augusta or in other municipalities who need medical or surgical treatment and cannot pay for it, those communities should assume that burden. Many of the larger hospitals have endowment funds and a portion of their resources was given them to be used in the care of needy patients. This is especially so in the larger cities and towns. One of the functions of hospitals is to furnish a certain amount of free treatment, and many of them do not ask or expect to receive compensation for it. A hospital that receives from the State payment for non-paying patients, is not doing real charity work. Where hospitals have funds or endowments for free work it is not necessary for the municipalities to pay for it. If a town has no hospital it can send its afflicted citizens to one that has one, and should pay for the treatment furnished.

ABUSES CHECKED

The municipal authorities are better informed as to the needs of their fellow citizens than State officials can be; in fact State officials seeking information are accustomed to go to the town authorities to get it. Hospitals often are imposed upon by those who really can afford to pay, but who receive gratuitous treatment when not entitled to it. If the responsibility of paying for free patients rested on municipal authorities, they would exercise care in authorizing it. Today it is very easy to shift this burden upon the broad shoulders of the State. On the other hand if there are sick people with no municipal residence, the State of course would pay for their hospital care from a fund provided for the purpose, and certain hospitals would be designated to furnish it.

STATE AID TO HOSPITALS AND OTHER CHARITABLE INSTITUTIONS

In 1901 State Aid to hospitals and other charitable institutions was granted to the extent of \$64,750; in 1911, \$92,100 and in 1922, \$191,000. The number of hospitals aided at the present time is 23 and there are 46 hospitals that do not receive State Aid.

NO PAUPERISM

It may be urged that the plan outlined herein would make paupers of the sick who receive treatment at public expense. It need not be so. Today more than 500 Mothers with Dependent Children are receiving State and Municipal Aid, and 1500 children are being cared for at the State's expense without any of them being pauperized. A similar plan could be adopted for the sick and there need be no stigma attached in such cases.

My experience, beginning 20 years ago, has convinced me that State Aid should be abolished. Other states where conditions have been much more complicated and difficult than those in Maine, have abandoned it. A constitutional amendment is needed to correct this situation.

LOG-ROLLING

Today in this Legislature the friends of one institution or another are working earnestly to save their appropriations which amount to a few thousand dollars each. These friends are not animated by selfish motives, for they receive none of the money but they are fearful lest their home institutions suffer. It is but natural for one group of Legislators to unite with other groups similarly interested in securing appropriations and, regardless of the actual merits of the particular charities or schools all seek to save their State gratuities.

Once this principle is brought home to them I believe the very men, who now are advocating State Aid for their several hospitals or schools, will take a broad, statesmanlike and fearless position. I doubt if there is a man or woman here who is not actuated by good motives, and I believe that almost every one of you at heart will agree that the principle involved in this discussion is sound.

GOVERNOR'S POSITION

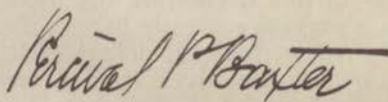
As for myself, I have given you my views, based upon serious reflection and long experience. I am acting without fear of consequences or hope of favor. While it would be unbecoming of me as Governor to use the power of my office to

attempt to influence any man against his will, it is proper for me to urge this great principle upon you in a dignified, earnest manner. I shall abstain from confusing this important issue with any other; it is big enough to stand alone. I shall bring no pressure to bear on any one, but am deeply interested to have this issue settled on its merits. I shall at all times be glad to discuss the question with any of you.

LET THE PEOPLE DECIDE

The practice of granting State Aid cannot continue forever and sometime it must be stopped. The Eighty-first Legislature has an unusual opportunity to erect a bulwark that will protect the future liberties and independence of the people of this State. If you choose to do this, your path is well defined and you will refer this question to the people at home for their decision. Of course it cannot be referred unless you have the courage and foresight to take positive, constructive action. In my opinion the people of Maine will be eager to decide in favor of the great principle, that public money never shall be used for private purposes or for private institutions.

Respectfully submitted,

A handwritten signature in cursive script, reading "Charles P. Baxter". The signature is written in dark ink and is positioned above the printed name of the Governor.

Governor of Maine.