

## A Health Insurance Survey

Ten Per Cent of People Inspected Were Sick.—Poor Were Found to be Seriously Sick Three Times as often as the Well-to-do

By J. W. MACMILLAN.

A compulsory health insurance measure is to be submitted to the Wisconsin legislature at its next session, which will be held this spring. It is probable that the measure will become law.

With the desire of securing information as to the need of such a law, and what might be expected from its enforcement, the City Club of Milwaukee, on a day in last November, made a survey of sickness conditions in the city. The schools, the charities, and the public health department of the city co-operated in furnishing the staff of visitors. They did not attempt to call upon every one of the 90,000 families in the city, but adopted a sampling method. Thus scattered regions of the city were canvassed. These were selected in such a fashion as to touch each class of the population, whether rich or poor, native or foreign, sick or well.

The results of this survey are still being worked over by the statisticians employed by the City Club. Two bulletins have so far been published, setting forth an invaluable array of facts regarding the health of the people of the city. As a similar survey in any other city on the continent would disclose approximately the same conditions, a recital of the chief items set forth in these bulletins should interest us all.

The information sought in the survey taken was: the sex, age, and occupation of each member of each family canvassed, together with whether the wage-earners of the family earned more or less than \$1,200 during the twelve months preceding the census, and for every sick member of the family the nature of the sickness, its length, whether the patient is at work, at home or in an hospital, whether the patient is under a doctor's care, how long the patient was sick before the doctor was called, and the amount and source of the sick benefit where one is being received.

The results may be thus briefly summarized: Ten per cent of the people were sick; the annual wage loss caused by sickness was not less than \$3,000,000; less than half the sick were under a doctor's care; less than one fourth of the sick had prompt medical attendance; and the poor were found to be seriously sick three times as often as the well-to-do.

In the opinion of those in charge of the survey these conclusions are extremely conservative. Many cases of tuberculosis, venereal disease and other ailments were not reported, so that the totals of the calculation must be far too low.

Because of the economic interest of the survey the morbidity of wage-earners is of paramount importance. Thus it was found that of the 40,000 sick persons, 13,600, or about one-third, were wage-earners. Of these, again, 5,090, or 37 per cent, were at home from work. Since there are 187,000 wage-earners in Milwaukee, it is clear that 2.7 per cent of them were sick at home. If the day of the census was typical of the whole year, and there is no reason to suppose that it was not, this means that the average worker loses ten days each year through illness. This conclusion agrees pretty closely with estimates which have been made for the whole of the United States, that thirteen days are lost each year from this cause by the average person and nine days by the average wage-earner.

If \$600 be taken as an average wage the daily loss in earnings is \$10,000, or over \$3,000,000 a year.

One of the striking facts revealed was the amount of nervous disease. 1,700 persons were found to be so afflicted. The wage-earners were lightly touched by this class of disorders, which were three times as common among non-wage-earners as among wage-earners. The greatest sufferers were housewives, and women and girls were much more frequently afflicted than men and boys.

Again, in respect to medical attendance, it was found that wage-earners were under a doctor's care in a larger proportion of cases than non-wage-earners. The figures are: 49 per cent of the former class and 33 per cent of the latter. The reason doubtless lies in the necessity of protecting the family income. But, even so, one-fourth of the wage-earners sick at home were without a doctor's aid. This condition of things is specially mischievous because many of the more dangerous maladies begin in apparently trifling illnesses.

In comparing the health of rich and poor it appears that, in regard to the whole field of ill-health, residents in the poor districts suffered about 80 per cent more than those in the well-to-do districts. This is bad enough, but when the more serious diseases are taken by themselves, such as heart trouble,

pneumonia, diphtheria, insanity, etc., it was found there were three times the proportion of cases among the poor. To be precise, 7.7 persons per thousand in well-to-do districts were afflicted with these serious forms of sickness; in poor districts 22.2 persons per thousand were so afflicted.

An important factor in public health is, as intimated above, promptness of medical aid. The survey showed that less than half of the cases under medical care had called the doctor at the beginning of the illness. Joining to that the fact that less than half of those sick had a doctor at all we may calculate that less than one-fourth of the sick had immediate medical attendance.

It remains to inquire to what extent these conditions would be affected by a compulsory health insurance law. If the Wisconsin legislature follows the example of New York and Massachusetts it will draw the line between state-help and self-help at

the income line of \$1,200 a year. Thus all employees, and their families, receiving less than that sum will be entitled to free medical treatment. It was found that of the 40,000 sick in Milwaukee 26,700, or 64.7 per cent, would be so entitled. It was found, again, that of these about 800 were receiving sick benefits from employers, benefit societies, lodges or insurance companies. Besides, about ten thousand were privately employing some doctor. That leaves the large number of over fifteen thousand sick persons not receiving medical care, who would have been in a doctor's hands if such a health insurance law had been in force.

Such facts as these give point and force to the words of Hon. Samuel W. McCall, Governor of Massachusetts, in his inaugural address, where he recommends such a law. "I am strongly of the opinion that there is no form of social insurance that is more humane, sounder in principle, and that would confer a greater benefit on large groups of our population and upon the commonwealth as a whole than health insurance. System and the the wholesale scale on which the enterprise would be conducted would result in procuring medical care and attendance and the benefits of preventive medicine at far less cost and with far more effect than if the workmen were acting for himself alone."

## Inflated Wages do not Indicate Prosperity

Problems connected with currency inflation are discussed by Frank Morris in a recent issue of "The Bankers' Magazine." His conclusions are that "every effort must be made to prove . . . that inflated wages do not connote prosperity for the wage-earners, that if conditions are unchanged exports will decline and imports will increase, the comparison here being with reference to the pre-war figures. That means an unfavorable foreign exchange, and it is abundantly clear that England's present methods of regulating exchanges cannot be indefinitely continued."

"The world position of the British Empire depends upon the successful handling of the problem, which is at once both political and financial, and it is scarcely too much to say that 'labor' holds the key to the solution. But if 'labor' is obdurate and insists upon a 'paper' scale of wages unobtainable permanently, and at best but dead-sea fruit, we may all have a rude awakening."

### Inflation Defined.

Accepting the definition of inflation as "any increase in the volume of purchasing power, unaccompanied by a corresponding increase in the goods it goes to buy," Mr. Morris proceeds to illustration. "When the borrower is the government and the lender the banks and not the public," he says, "we have a direct case of inflation, and it is common knowledge that this procedure has been adopted (in England) on a large scale during the progress of the war. If the new credit is employed directly in the purchase and destruction of commodities, e. g., military stores, inflation supervenes."

"But if, as it is to some extent the case, the credit is expended in the payment of salaries, it is conceivable that the recipients might employ the proceeds productively, and to that extent inflation would not take place. This possibility serves to illustrate the difficulty of arriving at any quantitative estimate of the extent to which our currency has been inflated, and there is a further factor equally elusive, viz., the extent to which the (British) public has voluntarily, or by compulsion, reduced its purchases."

"In considering the effect of inflation, care must be taken to discriminate between the immediate result to the community and the gradual results, bearing in mind Great Britain's relations with foreign countries. The internal result is a general tax upon the nation, very unfair and ill-regulated in its incidence. From the point of view of the foreign position, the consequences of inflation will depend upon the relative financial position. If inflation has taken place externally, to that extent the effects are mitigated."

"In a note by Professor Loria, the eminent Italian economist, contributed to a recent publication, 'Labour, Finance and the War,' Great Britain's currency is described as based upon a 'non-exportable gold basis.' This is an illuminating phrase, which is worth pondering on. The reluctance of other countries to the continuous influx of gold is another serious factor, and suggests the possibility, in the distant future when peace reigns supreme, of the adoption of Professor Fisher's universal artificial gold exchange standard, in which the sovereign would no longer correspond to the gold of which it is made, but to some idea of purchasing power."

"Deflation is, at one and the same time, the simplest and most difficult problem which will confront

our statesmen. It is the psychological element which complicates the issue. There are two schools of deflation experts, and probably a wise statesmanship will take something from each. The one school aims at retracting our steps, i. e., reversing the credit operations, which have brought about the disease; the other school aims at rendering the body politic immune to the malady by methods of stimulating production.

"If we decide to retrace our steps, this can be accomplished by the gradual sale of bankers' securities, or, in the alternative, by the issue of a Government conversion loan, with the object of transferring to the public the said securities. Either process will, of course, set free for productive purposes the at present unprofitably employed (from a public point of view) bankers' credit."

"Deflation by stimulating production seems to offer, upon the whole, the most hopeful solution."

The writer then draws attention to what he describes as "the menacing and retrograde proposals" of the Parliamentary Committee of the Trades Union Congress:

- (1) No reduction in present wages or increase in working hours.
- (2) State unemployment pay for men and women out of work.
- (3) A compulsory minimum wage for all adult workers.

"These claims, taken individually, with exception of the first, are not necessarily inimical to deflation, though the practical application of the second and third offers the strongest ground for criticism."

"Non-reduction of present wages and working hours will be fatal to effective action."

"The view that wages must rise through any increase in the cost of living finds no support in economic theory. One is afraid the answer will be, so much the worse for the theory, a reply very fashionable nowadays. It is true that currency inflation is the one ground which justifies some increase in wages, as a method of equalizing the burden of the tax, but it is needless to say that the present rise in wages is out of all proportion to the cause. Therefore it is difficult to appreciate the grounds upon which labor claims immunity from the ordinary laws of supply and demand, and the general financial sacrifices and reduced purchasing power which a state of war must entail upon every member of the community. Not only, apparently, does labor claim this immunity, but makes the further claim that, after the war, the war bonuses or at least the higher wages, must continue even when the assumed justification for the increase has ceased to operate."

"The compulsory minimum wage doctrine, a variant of the 'living wage' claim, can also find theoretical justification on the ground that underpaid labor, underfed labor, is non-productive and militates against the effective working of the labor machine. Unfortunately the tendency is to make the present inflated wages the basis of the minimum wages upon which a further superstructure of claims will be raised. Another group of economists put forward 'profit sharing,' which might conceivably keep wages at a reasonable level, as a scheme favorable to deflation. In such case the share of the profits, being partly dependent upon production, will operate as a beneficial factor."

"To achieve deflation, wages must come down, or production must be increased, or both."