

Poverty in 1970

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HOWEVER vigorously and rightly we may tackle the problem of primary poverty in this country, it will remain with us into the foreseeable future. People have based their finances on the assumption that the Welfare State will continue in some form or another, but some will still fail to make adequate provision for their future needs on their own initiative. How do we square all this with the patent fact that the Welfare State represents, to most people, a process by which the State takes with one hand and gives with the other—while a great deal of money is swallowed by administrative costs?

The Institute of Economic Affairs

Research Monograph No. 20, *Policy for Poverty* (I.E.A., 15s.) is a serious attempt to offer a solution to this problem. It argues strongly in favour of a so-called "Reverse Income Tax" (RIT) for those whose incomes fall below a certain level. Several possible systems of RIT are examined, and conclusions drawn.

The proposals which ultimately emerge from the I.E.A., study seem to have many of the disadvantages of the old "Speenhamland" system, and, were the proposals adopted, it appears unlikely that the poorest paid workers would see any point in working at all. All the same, this document is a start at dealing with the real problem. Its value lies not

so much in the actual proposals made as in the courage and freshness with which it faces up to problems that most politicians prefer to ignore. The practical difficulties involved in passing from a society where the great decisions are taken by the State to one in which the citizen is able to exercise his own choice are immense, and this Monograph indicates some of them. Like so many of the I.E.A. publications, it rightly demands attention from all who are concerned with social and economic problems. We may dissent from its conclusions, but we should acknowledge that the authors are carrying out valuable investigations and are intent on finding solutions to problems with which we ourselves are very much concerned.

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