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Prime Minister  
An excellent letter

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# LETTERS TO THE EDITOR

## State spending: matter of responsibility MP

From Professor P. T. Bauer, FBA

Sir, Politicians of all parties, not only Conservatives, should ponder the central message of your thoughtful, indeed penetrating, leader, "To move a mountain" (October 5).

As you rightly argue, the appropriate scope of the welfare state is primarily a moral issue. As it operates, the welfare state is a redistribution of responsibility between the agents of the state and private persons, not one of income between rich and poor, whatever the merits of the latter policy. State-financed old-age pensions, health care, education, housing, welfare and unemployment payments and other social services are not solely, or even primarily, transfers from rich to poor. As elsewhere in Western Europe, the working class and the poor are heavily taxed in Britain.

Old age, ill health, the bringing up of children, interruption of earnings, provision of housing for the family, these are contingencies of life to be paid for out of one's income. If the value of money is reasonably stable, responsible people, even if poor, can normally provide for the contingencies of life by saving and insurance.

State provision, all too often expensive, as well as inadequate, as it cannot be adjusted to the widely different circumstances of families and individuals, is necessarily financed by taxation. As a result

many people's post-tax income becomes like pocket money, not required for major necessities and hazards of life because these are paid for by taxes largely levied on themselves.

This policy treats adults as if they were children. Adults manage incomes; children receive pocket money. The redistribution of responsibility means the reduction of the status of adults to that of children. The policy also undermines the cohesion of the family.

There is a further related result of this large-scale redistribution of responsibilities. Heavy state spending on welfare in various ways promotes the erosion of the value of money, a risk against which many people cannot protect themselves, certainly not by saving and insurance. This leads them to expect or demand that tax-financed provision for these contingencies should be maintained or extended, even if they recognise it to be unsatisfactory.

It is disregard of these considerations which has enabled the supporters of the welfare state to claim for themselves a monopoly of compassion and to dismiss critics as insensitive or even inhuman.

Yours faithfully,

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