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Dreadful results of Treasury's blue

By TIMOTHY HALL

FEW AFFAIRS have been so ineptly handled by the Whitlam Government as the fiasco over the funds for medical research. Originating in a bureaucratic mistake it was overlooked by Health Minister Dr Doug Everingham and then compounded by the intransigence of Treasurer Bill Hayden. For the institutions dependent on these funds for their survival, the danger is very far from over.

Treasury forgot that the National Health and Medical Research Council, which allocates Federal research funds, works to a calendar year and not the financial year of other departments. It therefore allocated a paltry \$2.3 million to the NHMRC for the first six months of 1976 believing that in fact it was for the last six months of 1975 which had been partly provided for in the previous budget; and \$4 million for the whole financial year. Even without inflation it was a drop of a million dollars on the first half of 1975.

The effect was that at least 200 research workers were faced with almost certain dismissal; and two out of every three research projects would have to be abandoned. Teams that had worked together for years would be broken up with no possibility of the trend being reversed if things improved towards the end of the triennium for which research funds are allocated.

Hayden was overseas and the Treasury public servants whom Everingham lambasted publicly as "men more concerned with macro-economics than with the needs of medical research" refused even to discuss the matter. When Hayden returned he was approached by at least three ministers — Everingham,

Health Minister Everingham: the government has taken a huge bite out of the research funds



The poverty of a guaranteed income scheme

THE TRENDY magic-wand Guaranteed Income solution for poverty in Australia is gaining more attention in Canberra. The latest argument in favor of some such scheme came from a recently tabled report of the Priorities Review Staff.

In summary, a Guaranteed Income Scheme would involve the Australian Government in making a payment to all those whose income was beneath the defined poverty level to bring their income up to that figure.

The inspiration for the proposal comes from the United States. What its supporters in their enthusiasm for a tidy solution to welfare payments overlook are the very different conditions existing in Australia compared with the U.S. For a start, the USA has never known anything like our basic and minimum wage structure. American unions have never been strong enough to look after lower income workers. Secondly, there is massive long continuing regional and urban unemployment, particularly among Negroes. Thirdly, the scale of single-parent deserted mother families is totally out of proportion to the Australian experience.

Again, the Guaranteed Income Scheme supporters speak of cutting down the cost of what they call "welfare administration." In the USA it might have had some relevance because of the way welfare payments were supervised by a bureaucracy determined to morally improve the recipients. There is no contrast with the neutral administration of Social Services in Australia.

Indeed, the recent survey by the Social Welfare Commission showed that the cost of administering our national social welfare benefits was running at 0.2 of a cent in the dollar. To implement a Guaranteed Income Scheme in Australia covering unemployment and particularly youth unemployment would be the rankest defeatism. It would encourage acceptance of a situation where massive

youth unemployment became commonplace with all the social problems to be seen on the streets of London-derry and Chicago.

The Guaranteed Minimum Income, its proponents argue, would enable money to be saved on welfare housing, and what they specify very vaguely as "health services."

Such a suggestion is simply out of touch with social reality. If you put more money into the pockets of blacks in Redfern and give them no assistance with housing, you will simply create a situation where rents are put up by landlords. You will be transferring resources alright — but not to the poor.

Likewise, the random distribution of money into an Aboriginal reserve, or into a community of poor white subsistence farmers, does nothing to break the culture of poverty.

The whole Guaranteed Income Scheme is stimulated in a desire for tidiness, a tidiness which can never be achieved in any social welfare scheme. Cases call for different solutions. The problem of the genteel spinster in Chatswood living on diminishing dividends from some trust, is not to be compared with the problem of somebody being on an Aboriginal reserve in Arnhem Land.

Of course, the Guaranteed Income Scheme, apart from appealing to those who are bemused by anything that comes from overseas, has a particular attraction to the market economists and their Ayn Randian counterpart on the far right.

They believe that the distribution of money would solve everything. Oddly enough, they form an alliance with some radicals who are intellectually infatuated with the word "redistribution" and unwilling to put any hard work in social analysis.

Without going into detailed arguments about a Guaranteed Income Scheme the final point against the advocacy of such a scheme in Australia is that it would be political madness. Its advocacy would set back welfare policy just as much as Senator McGovern's proposals for a similar scheme during the 1972 Presidential campaign did in the U.S.

It is all very well for a president of the Young Liberals to support some such scheme, but can one imagine how Bjelke-Petersen and Doug Anthony would present it to their constituents — "A Socialist, private-enterprise-hating Labor Government in Canberra is gonna pay people for doing nothing etc . . ." It would be a gift to those hardliners who have never really believed in social services.