

Transcription, January 2015:

*Daily News* (London) No. 18885 (26 Sept. 1906): 5b.

[p. 5b]

‘How to Buy the Railways. Criticisms and Suggestions.’

Sir,—Dr. Alfred Russel Wallace in his interesting article raises the important question of the best method of compensation of existing holders of property, when such property becomes nationalised. The reasons he adduces for the treatment of holders of railway stock would apply with equal force to the holders of any property proposed to be acquired by the State. He himself sees one of the main objections to this.

Schemes of compensation should be uniform in operation, and should not penalise one set of capitalists and favour another.

How, then, may this be secured? I suggest only by giving to existing holders the full market value of their securities in cash or in Government securities; by raising Government loans, terminable in from 30 to 100 years, according to the nature of the property acquired; and by obtaining the extra expenditure necessary for interest and sinking fund on such loans from the taxation of the country.

But it may naturally be urged that the long-suffering taxpayer already groans under the burden of his taxation. How may a heavier burden be imposed without seriously affecting the commercial stability of the country? It is evident there must be some confiscation or restitution. The problem is how it may be most equitably adjusted. A graduated income tax and differential death duties, as already partly outlined in your pages by Mr. L. G. Chiozza Money, M.P., should supply the necessary means, and at the same time secure equity between the various capitalists. It might be possible to earmark a certain portion of such tax as “Railway Nationalisation Interest and Redemption Fund Account,” just as the Education Committees of municipal authorities make a separate precept for their needs.

If railway nationalisation is to be one of the next questions for solution, the burden of the operation would thus be spread over the whole of the propertied classes, and railway stockholders would not be the only contributors to their own extinction.—Yours, etc.,

Charles E. Smith.

Cobden-chambers, Birmingham.

[\[Return\]](#)

*The Alfred Russel Wallace Page*, Charles H. Smith, 2015.