

Transcription (from hardcopy), January 2015:

*The Democrat* (London) 6(7) (1 Jul. 1890): 148 (anon.).

[p. 148]

‘Taxation *v.* Compensation.’

To the undisguised dismay of many of his friends, Professor A. R. Wallace devoted a large part of his annual address to the Land Nationalisation Society to an attack upon the policy of the English Land Restoration League. That he should have chosen to do this within a few minutes after the adoption of a new programme, in which the L. N. S. commits itself to the advocacy (*inter alia*) of “the taxation of land values,” must have appeared singular to many of his hearers. That he should have commended the buying out of landlords as more “practical” than the League’s proposals is more remarkable still, when we remember the universal reprobation with which the Land Purchase Bill has been received and the prominence given to the taxation of land values in the Liberal programme. Professor Wallace dismissed the appeal to economic authority, on the ground that Adam Smith, Mill, and others who have argued that the tax on land values cannot be shifted, never imagined that the proceeds of the tax would be applied to the remission of taxation upon labour. He maintains that the landlords would get all the benefit of the remitted taxation in the shape of increased rent. The Professor’s own proposal was that, if land values be taxed, the money thus obtained should be applied to the purpose of buying up land and not in substitution for the indirect taxes now levied. We have not yet seen the printed text of Dr. Wallace’s address and therefore content ourselves with setting out a few questions which we respectfully suggest he would have done well to answer:— (1) Does the Professor really think, as he seemed to assume, that the programme of the Land Restorers goes no farther than a “four shillings land tax” on the current value of land? (2) Even supposing his arguments to be valid as against a four shillings tax, does he think that they apply to the real programme of the League, which is “to increase taxation on land until the *whole annual value* is taken for the public benefit, and finally to make the English people themselves the landlords of England? (3) Why, in professing to answer the recent article in the *Democrat*, did he ignore the whole of the argument relating to the taxation of *vacant* land—an argument which our friends of the L. N. S. always fight shy of? (4) If the proceeds of taxing land values be applied to the buying up of land, will not the effect be, as with all other schemes of land purchase, to inflate the price of land; and, as in the Compensation to Publicans Bill, to give a brand new legal sanction to an unjust monopoly? The more the matter is considered, the more clearly does it appear that in these days the man who advocates compensation to landlords, or who weakens in his opposition to it, is, consciously or unconsciously, strengthening the hands of the landlords against the people.

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