State Aid to Science

I OBSERVE that both in your leading article and in the correspondence upon Mr. Wallace's letter, the soundness of his theory of taxation seems to be conceded, though you quarrel with his inference that Science ought not to receive Government aid. But will his theory hold water for a moment? The theory as I understand it is this: "No money raised by general taxation ought to be applied for any purpose which does not directly benefit everybody." In other words, "It is not fair to take A's money and use it for the benefit of B." Why not, if at the same time you take a proportionate amount of B's money and use it for the benefit of A? Suppose you tax people who don't want gratuitous education for themselves, and spend the money on primary schools. This is expenditure for the direct benefit of one class only; and indirect benefits, according to Mr. Wallace, are not to be taken into account. This, according to the theory, would be an unfair application of public money. But if at the same time you apply a proportionate amount of public money for the benefit of all those who reap no direct good from gratuitous schools, you exactly redress the injustice; and, so far as it goes, expenditure on Science is an expenditure of this character.

If Mr. Wallace's theory were sound, there is no conceivable application of public money which it would not condemn. There is no public expenditure which directly benefits all. Take the payment of dividends on Consols, which eats up a third of our revenue. How does an agricultural labourer benefit by this? Not directly, certainly, and I am not sure that he does even indirectly. The only indirect good is, that it maintains public credit, and enables the Government to borrow again and to go to war on the strength of it. What good does that do to the labourer? Perhaps it may be said it is the fulfilment of a moral obligation. But whose moral obligation? Not Hodge the ploughman's. Even the least exceptionable of all outlay, that on police, is of very doubtful benefit to those who have nothing to lose. And the theory, if sound, must go a step further than Mr. Wallace carries it. If all public expenditure ought to benefit all, it ought by the same reasoning to benefit each in exact proportion to his contribution, and no system of taxation and expenditure even pretends to approach this condition.

Obviously Mr. Wallace could not have meant what he said. He must have meant this: "Public expenditure as a whole ought to benefit taxpayers in proportion to what they pay." Put in this way it is a fair doctrine, to which our actual adjustment of taxation and expenditure ought to approximate as nearly as may be. But this is quite consistent with special expenditure for the benefit of special classes, provided it is fairly balanced by other special expenditure for all other classes. If, on the whole, men of science are getting more than their share of the good things going, by all means stop the supply; if they are getting less than their share, give them something more. This is surely fair, and it is an intelligible working principle. Mr. Wallace's principle has only this to recommend it, that it would be impossible to find any object which would justify the levying of a single sixpence from your humble servant or any other TAXPAYER.

P.S.—I hope that in discussing Mr. Wallace's argument on his own grounds, I shall not be supposed to agree with him that the direct and immediate benefit is the only thing to be looked to. If a man or a class gets a benefit, it does not lose its value by coming indirectly. And, as a matter of fact, expenditure on Science does, as you and others have sufficiently pointed out, confer indirect benefits on the non-scientific classes, incomparably beyond any little direct advantage to the scientific students whose work is promoted by it.