



Fachbereich VWL / Department of Economics

EconNewsletter

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JULY 10 – JULY 14, 2023

NEWSLETTER 2023-18

SEMINAR CALENDAR

PhD Seminar

[Yannick Mangold, Hamburg University:](#)

What is the Value of Land? Insights from the 1931 British Land Value Tax 12:15–13:00

Thursday July 6

R. 0079 (VMP 5)

ABSTRACTS

PhD Seminar

Yannick Mangold, Hamburg University

What is the Value of Land? Insights from the 1931 British Land Value Tax

Abstract:

British politics were confronted with many challenges during the turbulent interwar period. Two interesting topics of public and political interest coincided in the debates surrounding the budget introduced by the then labour chancellor of the exchequer, Philip Snowden (1864–1937). The question of land value taxes and the question of rural preservation. Henry George's widely read *Progress and Poverty* (1879) popularised the idea of taxing land values, which had been part of the labour and liberal party programmes ever since. The first attempt to finally introduce such a tax in 1909-1910 failed and following conservative governments were, given the close ties to landed interests, not keen on the idea. When Labour came back to power in 1929 the discussion of a land value tax was resumed. The 1920s also saw a growing British population which spread more evenly across the country due to improved roads, motor transportation, electrical power supply and decentralisation of industry. These rapid developments were not institutionally controlled and fears of a destruction of rural amenities grew. The British rural preservation movement was born and institutionalised when Patrick Abercrombie (1879-1957) founded the still famous Council for the Preservation of Rural England (CPRE) in 1926. As the discussions surrounding the Snowden Budget show, both themes, the proposal of a land value tax and the question of rural preservation, were closely connected. Many eminent economists and politicians

discussed the land value tax proposal. However, some, like John Maynard Keynes (1883-1946), saw the relation to the question of rural preservation. He saw the danger to the natural beauty of rural England, which an unthoughtfully drafted land value tax bill would bring about. Further, he met privately with members of the CPRE and corresponded widely to lobby for the urgent need of a scheme which would ensure rural preservation. This paper analyses the arguments for and against a land value tax, as well as the arguments for a delicate refinement of the bill as proposed by Keynes and others. The analysis shows the “semi-economic” character, to use Keynes’ words, of the question of “what is the value of land?” and how the overall approach to economics affects the arguments involved. Within this context some light is shed on the role of aesthetics and (state) planning in economics. On this basis the paper finally argues that socially relevant economic policy is only possible when meta-physical elements, such as the appreciation of “natural beauty spots” and the multidimensionality of “land” enter the economic approach.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- Prof. Benjamin Chen, Ph.D. (University of Hongkong) will visit our department until mid of July (host: Gerd Muehlheusser). He is an expert in the quantitative analysis of legal text, and he also teaches a doctoral course on text analysis. Whoever wants to meet with Ben can contact him directly (benched@hku.hk) or drop by his office (VMP 5, R. 2059).

The next EconNewsletter will be published on Monday, October 16, 2023.

Editorial deadline: Friday, October 13, 2023.

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