The Sky Is Land: Climate Policy as the Recovery of Rent

"The equal right of all men to the use of land is as clear as their equal right to breathe the air."

Henry George, *Progress and Poverty*, Book VII, pg. 336 (1935)

1. Introduction

On April 1, 2025, Canada set the rate of its consumer carbon price to zero, ending the most carefully engineered climate pricing experiment any large country had attempted.[1] The federal fuel charge had reached eighty dollars per tonne of carbon dioxide, covered most fossil fuels sold in most provinces, and returned its proceeds to households through quarterly rebates calibrated so that the large majority of families received more than they paid.[2] It died anyway, abandoned by the party that built it, within seven years of its enactment. British Columbia, which had pioneered broad carbon taxation in North America in 2008, repealed its own tax the same week.[3] Six months later, as it has every autumn since 1982, the State of Alaska deposited a dividend drawn from oil rents into the bank account of nearly every resident. No serious Alaskan politician proposes ending the Permanent Fund Dividend. Careers have ended over merely trimming it.

The two policies rest on the same economic logic. Each collects the rent of a natural asset that no one produced and pays the proceeds to the public. Why one became untouchable while the other could not survive its first hostile election is the question I take up here. Henry George built his political economy on a distinction between what human effort produces and what nature provides, and on the claim that the value of the latter, its rent, belongs to the community as a whole. His framework was pushed to the margins of academic economics in the generations after

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[1] Department of Finance Canada (2025).

[2] Government of Canada (2018). On the official estimate that roughly eight in ten households received more in rebates than they paid in direct fuel charges, see Mildenberger et al. (2022).

[3] Government of British Columbia (2025).

his death.[4] I propose that it nonetheless explains the climate policy record of the past decade better than the consensus that replaced it.

My argument is that climate change is the oldest problem in political economy under a new name: the private appropriation of the rent of a commons. Three design rules for climate policy follow from George's premises. First, charge the rent of nature, never the improvement. Second, collect the whole rent, granting no one free title to the commons. Third, return the proceeds visibly to the owners of the commons, which is everyone. Sections 2 and 3 apply these rules to the atmosphere and to carbon pricing. Section 4 uses them to explain why some carbon prices survive and others die. Section 5 turns to a second margin, the city, where George's original program is itself climate policy. Section 6 extends the ledger to the subsoil and the forest, and Section 7 answers objections.

2. The Atmosphere as Land

George defined his central term with deliberate breadth. Land, as understood by George, embraces "all natural materials, forces, and opportunities."[5] The word reached past soil to the ocean, the rivers, the minerals beneath the surface, the sunlight, and the air: everything that exists prior to human effort and that human effort cannot enlarge. By this definition, the capacity of the atmosphere to absorb carbon dioxide without destabilizing the climate is land in George's sense of the word. Nobody made it, no investment can add a cubic meter to it, and within living memory it has become scarce.

Scarcity is the hinge, because rent is the price of scarcity. The classical law of rent, which George took from Ricardo and made the engine of *Progress and Poverty*, holds that a natural

[4] Gaffney and Harrison (1994).
[5] George (1935), bk. 1, ch. 2, pg. 38.

factor commands rent only when demand for it presses past the point at which equally good units remain freely available.[6] In Lockean terms, rent appears when there is no longer "enough and as good" left for others. For nearly all of human history the atmospheric sink was superabundant. A fire lit anywhere left the sky as useful to everyone else as before, and so its use was rightly free, just as George held that land at the margin, commanding no rent, could be freely taken. Industrialization closed that margin. The scientific consensus now expresses the sink as a finite remaining budget, a few hundred billion tonnes of carbon dioxide compatible with the temperature targets governments have adopted.[7] Every tonne emitted excludes some other use of the budget, whether a competitor's, a poorer country's, or a grandchild's. Frederick Jackson Turner announced the closing of the American land frontier in 1893.[8] The closing of the sky frontier arrived within the lifetimes of people now living, though no census bureau declared it.

A commons under pressure has drawn three canonical responses. Hardin prescribed mutual coercion: regulation, prohibition, command.[9] The property rights tradition descending from Coase prescribed assignment: give the commons to someone, anyone, and let bargaining move it toward its highest valued use.[10] Ostrom documented a third path, communal self-governance, and later argued that climate governance would necessarily be polycentric, assembled from overlapping efforts at every scale.[11] None of the three is wrong, and none is sufficient. Command is informationally poor and invites evasion. Coasean assignment answers the efficiency question while remaining silent, or worse than silent, on the distributive one, since

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[6] George (1935), bk. 3.
[7] IPCC (2023).
[8] Turner (1893).
[9] Hardin (1968).
[10] Coase (1960).
[11] Ostrom (1990); Ostrom (2010).

the initial allocation of the sky is a wealth transfer of historic size. Ostrom's commons governance works where communities can monitor boundaries, and a globally mixed gas has none.

George supplies the missing synthesis, because his remedy was built for this structure: an asset that must remain common in ownership even though its use is necessarily exclusive. His solution for land was to leave possession private, allocate use through the market, and collect the market's verdict, the rent, for the community.[12] Applied to the sky, the same structure reads: no one owns the atmosphere, anyone may use it, and everyone who uses it pays its rent to everyone. Use becomes private. Value remains common.

This framing also dissolves a confusion that has followed carbon pricing since its birth. Economists since Pigou have described emissions as an externality to be corrected by a tax equal to marginal damage, and the label "tax" has clung to the instrument ever since.[13] The Georgist description is older and, for design purposes, more instructive. Once a polity commits to a quantitative carbon budget grounded in the science, the price that rations that fixed budget among competing users is simply the scarcity rent of the budget. The Pigouvian tax and the Georgist rent become the same number seen from two directions. The relabeling still matters, because a tax is understood as an imposition the state may spend as it likes, while a rent is the yield of an asset, and an asset has owners. It matters equally for what is left untaxed. The steel, the harvest, and the journey are improvements, the fruits of labor and capital, which George's first principle exempts entirely. The emission alone is the consumption of an unproduced input.

[12] George (1935), bk. 8.
[13] Pigou (1920).

A carbon price, properly designed, taxes no one's industry. It charges tenants for the use of a common estate.

George would have recognized the current arrangement instantly, because he spent his life describing it. He treated private property in land as the fundamental monopoly, the appropriation of that which all must use. Free emission is a monopoly grant in kind. Incumbent emitters occupy the sink and exclude all later claimants, including the future itself, without payment. Whoever may emit without paying holds an estate in the sky, acquired by squatting.

3. Carbon Pricing as Rent Collection

The standard policy debate (in circles which accept that something must be done) asks whether to price carbon through a tax or through a cap-and-trade system, and the standard answer turns on uncertainty: when marginal damages are relatively flat and abatement costs are uncertain, price instruments dominate quantity instruments.[14] The Georgist criterion cuts across this debate at a right angle. Either instrument can ration the sink efficiently. What distinguishes designs is who receives the scarcity value that rationing creates.

Here the historical record is uncomfortable. The European Union's Emissions Trading System, launched in 2005 as the world's first great carbon market,[15] allocated the overwhelming share of its early allowances to incumbent emitters free of charge. Power producers, facing no obligation to buy what they had been given, nonetheless priced the opportunity cost of allowances into electricity and collected billions in windfall profits.[16] The American sulfur dioxide program, rightly celebrated for cutting acid rain at a fraction of projected cost, likewise

[14] Weitzman (1974). Hybrid designs, a cap with a price floor and a price ceiling, capture most of the advantages of both instruments.
[15] European Union (2003).
[16] Sijm, Neuhoff, and Chen (2006).

gave its allowances to incumbent utilities.[17] Grandfathering is tolerable, perhaps, when the rent at stake is modest. It is something else when the asset being allocated is the remaining absorptive capacity of the planetary carbon cycle. Free allocation is enclosure by another name. The commons passes, by government deed, to whoever happened to be occupying it most heavily at the moment scarcity arrived, which needlessly legitimizes that squatter's title which George spent his career opposing. Rule two forbids it: auction every permit, or levy the fee on every tonne, and let no incumbent take the sky as a gift.

George supplied his own audit instrument for proposals of this kind. In *Progress and Poverty* he tested the single tax against four canons: the best tax is one that "bear[s] as lightly as possible upon production"; that is easily and cheaply collected, falling as directly as may be upon its ultimate payers; that is certain, leaving the least opening for evasion and official discretion; and that bears equally, conferring advantage on no citizen over another.[18] A carbon fee passes this audit more cleanly than nearly any levy actually in use. It falls on an unproduced input and leaves production itself untouched, which satisfies the first canon. Collection can happen far upstream, at a few thousand wellheads, mine mouths, refineries, and import terminals, so the second canon is met cheaply. The schedule is published per tonne, which leaves less room for negotiation and favoritism than regulatory alternatives do. Equality, as George meant it, is built in, since each payer is charged in proportion to their use of the common estate. George wrote the canons for the taxation of ground rents; the carbon fee satisfies them without amendment.

The stakes are no longer hypothetical. As of the World Bank's most recent count, eighty carbon pricing instruments operate worldwide, covering about 28 percent of global greenhouse

[17] Schmalensee and Stavins (2013).
[18] George (1935), bk. 8, ch. 3, pg. 408.

gas emissions and raising over one hundred billion dollars for public budgets in 2024.[19] The average price, around nineteen dollars per tonne, is closer to a gesture than a rent, but coverage has more than doubled as a share of emissions within a decade. A large and growing flow of rent from the commons is coming into existence. The question of who owns it is being answered, jurisdiction by jurisdiction, mostly without anyone naming the question.

George's own answer was the citizen's dividend. The single tax proposed no confiscation of titles. It socialized land's annual value while leaving possession, improvement, and exchange entirely private.[20] Translated to the sky: hold the atmosphere in trust, sell the scarce right to emit into it, and distribute the proceeds to every person in equal shares. Peter Barnes proposed such an architecture under the name "Sky Trust."[21] A group of senior statesmen and economists later proposed a federal carbon dividend on the same logic,[22] and Boyce has worked out the distributional arithmetic in detail: because carbon footprints rise steeply with income, a uniform per-person dividend leaves most households in the lower and middle reaches of the distribution as net financial gainers even while the price does its work on behavior.[23] The carbon dividend is the citizen's dividend in modern dress, and it changes the legal character of the money: a levy becomes property income. Each person's equal, undivided share in the sky begins, for the first time, to yield.

The magnitudes involved are not trivial. Priced at fifty dollars per tonne, emissions on the scale of the United States, roughly five billion tonnes a year, would yield on the order of two hundred fifty billion dollars annually, an equal dividend of some seven hundred dollars per

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[19] World Bank (2025).
[20] George (1935), bk. 8.
[21] Barnes (2001).
[22] Baker et al. (2017).
[23] Boyce (2019).

person, or nearly three thousand dollars for a family of four, before a single further tonne is abated.[24]

The dividend is one honorable use of the rent; the tax swap is another. British Columbia's 2008 carbon tax, the first broad-based carbon tax in North America, was built revenue-neutral, with proceeds returned through cuts to income and corporate taxes. The best evidence suggests it reduced emissions by five to fifteen percent relative to the counterfactual, with negligible effect on aggregate economic performance.[25] A swap honors rule one twice over, charging the rent of nature while untaxing improvements, and it is what George himself proposed at the scale of the nation. Its vulnerability lies elsewhere, in a domain George also understood, to which we now turn.

4. Why Dividends Survive and Taxes Die

George grounded his economics in a psychological premise: people seek to satisfy their desires with the least exertion.[26] From that premise he derived a theory of political failure as well as a theory of exchange. Those who hold rent have concentrated stakes and permanent attention, while those who pay it have diffuse stakes and busy lives, so reform coalitions dissolve while rent-defending coalitions endure. He watched the mechanism operate on land reform in his own century. It operates identically on carbon pricing in ours, with one addition. A carbon price presents its costs immediately, at the pump and on the heating bill, while presenting its benefits as a statistical property of the climate of 2060. Unless the rent returns to citizens in a form as visible as the price they pay, repeal has a ready constituency and retention has none.

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[24] The figures are illustrative arithmetic rather than forecast, and successful abatement shrinks the base over time; Boyce (2019) develops the full calculation, including incidence across the income distribution.

[25] Murray and Rivers (2015).

[26] George (1898).

The past decade has run this experiment several times at national scale, with a control case in Alaska, and the results are unusually clean.

France ran the design with no compensation at all. The carbon component of French fuel taxes was scheduled to rise steeply after 2017, with proceeds absorbed into the general budget. The yellow vest uprising of 2018 forced its indefinite freeze. Careful survey work afterward found that French households overwhelmingly overestimated their own net losses from the tax, and that these pessimistic beliefs, more than the actual incidence, drove rejection; even offers to rebate the proceeds uniformly failed to win majorities, because respondents did not believe the rebate would reach them.[27] Australia ran the design with compensation folded quietly into the tax and welfare system. Its carbon price took effect in July 2012 and was repealed in July 2014, the first outright abolition of a national carbon price.[28]

Canada ran the strongest design of all, and its failure is therefore the most instructive. The Greenhouse Gas Pollution Pricing Act attached a household rebate to the fuel charge from the beginning, sized so that most households would come out ahead of their direct fuel costs.[29] On the fiscal ledger the policy was progressive; on paper it was a small Alaska. But the rebate was delivered first as a line item inside annual tax returns, and later as a quarterly bank deposit tagged with an opaque code. Survey evidence gathered while the program operated found that large shares of Canadians either did not know they received a rebate at all or underestimated its size by wide margins, and that receiving the money produced no measurable increase in support for the policy.[30] Ottawa renamed the payment the Canada Carbon Rebate in 2024, a late

[27] Douenne and Fabre (2022).
[28] Parliament of Australia (2014).
[29] Government of Canada (2018).
[30] Mildenberger, Lachapelle, Harrison, and Stadelmann-Steffen (2022).

scramble for salience. Within a year, a new prime minister from the same party that created the program set the fuel charge to zero, effective April 1, 2025, and the final rebates went out that spring.[31] British Columbia's legislature repealed the continent's pioneering carbon tax the same week.[32] Canada built a rebate without ever building a sense of ownership, and a rent share that nobody knows they own defends nobody when the repeal bill is tabled.

Alaska is the control. The state constitutionalized its Permanent Fund in 1976, directing a share of oil royalties, the purest form of resource rent, into a diversified public trust.[33] Since 1982 the fund has paid an annual dividend to every eligible resident: a named check, arriving each fall, its amount announced as statewide news, universal across party, region, and class. The dividend itself is statutory, and legislatures have trimmed it during fiscal crises since 2016; its protection is political, which is the finding that matters. Four decades of visible, universal, personal payments built a constituency that no coalition has been able to overcome, and the fights are over the dividend's size, never its existence. Table 1 records the series: the dividend has ranged from a few hundred dollars in lean investment years to more than three thousand dollars in 2022, an Alaskan who has received every payment since 1982 has collected $52,831 in all, and the program has disbursed more than thirty-one billion dollars since its first check.[34]

[31] Department of Finance Canada (2025).
[32] Government of British Columbia (2025).
[33] Alaska Constitution (1976), art. IX, § 15.
[34] Alaska Department of Revenue (2026). The 2022 and 2024 amounts include one-time energy relief payments added by the legislature.

Table 1. Alaska Permanent Fund Dividend (nominal), selected years.

Year	**Dividend**	**Year**	**Dividend**
1982	$1,000.00	2015	$2,072.00
1984	$331.29	2016	$1,022.00
1990	$952.63	2019	$1,606.00
1995	$990.30	2020	$992.00
2000	$1,963.86	2022	$3,284.00
2005	$845.76	2024	$1,702.00
2010	$1,281.00	2025	$1,000.00

Source: Alaska Department of Revenue, Permanent Fund Dividend Division.

Norway shows a second durable architecture: petroleum rents flow through rent-based taxation into a sovereign fund that finances the state across generations.[35] The Norwegian model is institutionally rather than individually salient, and it trades some popular ownership for administrative depth, but both models share the feature the failures lack. In both, the rent is conspicuously kept and conspicuously common; it does not dissolve into the general fog of the budget.

One disanalogy should be faced honestly before the lesson is drawn. Alaska's rent is paid by oil buyers the world over, while a carbon dividend recycles money its recipients paid in at the pump, so the Alaskan bargain is easier to love. The evidence suggests the disanalogy matters less than it seems. Most Canadian households came out ahead on the fiscal ledger and turned against the policy anyway, and French respondents rejected uniform rebates they expected never to see.[36] What failed in each case was popular belief.

[35] Lund (2009).

[36] Mildenberger et al. (2022); Douenne and Fabre (2022).

The comparison yields the third design rule in engineering form. Canada and Alaska ran the same economics; both collected resource rent and returned it progressively to households. They differed in ownership psychology. Canada mailed refunds. Alaska distributed property. A climate rent dividend that hopes to outlive its first hostile election should be named, universal, periodic, delivered as an unmistakable payment rather than a tax adjustment, announced publicly each year, and entrenched as deeply as the constitutional order allows. George's justice claim, that the rent of nature belongs equally to all, turns out to double as survival engineering. People will only fight to defend that in which they have ownership.

5. The City: Land Value Taxation as Climate Policy

The second margin is urban, and it is where George's original program, unmodified, already functions as climate policy. The physical fact is by now well measured: household carbon emissions vary widely with urban form. Residents of dense central cities drive less, occupy smaller dwellings, and emit substantially less from transportation and home energy than residents of the suburban fringe of the same metropolitan area, and the differences across metropolitan areas are larger still.[37] The cheapest tonne of carbon ever abated is the one never emitted because the trip was a walk and the wall was shared. The city is the most effective decarbonization machine yet devised. The question is why the fiscal system is aimed against it.

It is aimed against it because the conventional property tax is a compound: a defensible tax on land value bundled with a destructive tax on buildings. Erect an apartment building beside a transit station and the assessment multiplies; hold the same parcel as a surface parking lot and the bill barely stirs. That is a tax on improvements, rule one inverted, applied where density would do the most climatic good. The Georgist remedy, shifting the levy off buildings and onto

[37] Glaeser and Kahn (2010).

land, removes the penalty without losing the revenue. The natural experiment is Pittsburgh, which after 1979 taxed land at more than five times the rate on structures. Building activity in the city rose sharply during the following decade while comparable Rust Belt cities declined, and the careful conclusion of the standard study is that the land tax enabled the city to avoid raising taxes on structures, and at minimum did no harm while plausibly underwriting the boom.[38] (Pittsburgh gave the split rate up in 2001, after a botched countywide reassessment soured the politics of its property tax generally; the episode is a caution about assessment quality, and I doubt it is more than that.) The idea is circulating again; Detroit has proposed becoming the first large American city to shift its property tax onto land value.[39]

George's theory of speculation completes the mechanism. His diagnosis of industrial depressions was that speculation carries land prices beyond present use value, forcing even productive labor and capital outward to inferior land.[40] The urban translation of that sentence is sprawl. Land banked at the core, held for appreciation rather than use, flings growth to the periphery, where it is poured into a built form of cul-de-sacs and arterials that locks in automobile dependence for a century. A land value tax makes idle holding costly in proportion to the opportunity being wasted, and pulls the margin of development back inward. The regulatory margin compounds the fiscal one. The American metropolitan areas with the mildest climates and the lowest per-household emissions are, on the whole, the ones that restrict new housing most tightly, deflecting population growth toward regions where the marginal resident emits far more.[41] The same restrictions carry a large economic cost as well; one prominent estimate

[38] Oates and Schwab (1997).
[39] *Economist* (2023).
[40] George (1935), bk. 5.
[41] Glaeser and Kahn (2010).

attributes to them the loss of about a third of potential aggregate American growth between 1964 and 2009.[42] A full carbon accounting of exclusionary land use would rank it among the largest unpriced emission subsidies in the developed world.

Land value also shows how to pay for the green build-out. The Henry George Theorem, formalized a century after its namesake wrote, shows that under standard conditions the aggregate land rents of a city equal its expenditure on the public goods that make the city valuable, so that efficient public investment can in principle finance itself from the land value it creates.[43] Practice has caught up with the theorem in at least one place: Hong Kong's railway corporation builds and operates one of the world's finest transit systems largely from the development value of the land above and around its stations.[44] Transit lines, grid reinforcement, and flood defenses all capitalize into the value of the locations they serve. Land value capture charges the beneficiaries of decarbonization, and spares wages and enterprise.

One further application belongs to this section, because warming is already repricing land itself. As fire, flood, and heat reorganize the map of habitability, safety becomes the scarce attribute of location, and the rent of safety rises.[45] Under private appropriation of land rent, that rising value accrues as windfalls to incumbent owners of high ground while the public bears the cost of the levees and defenses that create it. Under land value taxation, the community that funds the levee collects the levee's land value, and holding hazard-exposed land idle loses its fiscal shelter. Rule one, applied without modification, already contains an adaptation finance program.

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[42] Hsieh and Moretti (2019).

[43] Arnott and Stiglitz (1979). The theorem holds for a city of optimal size financing pure local public goods; the practical reading is that efficient public investment creates a land-value base sufficient, in principle, to pay for itself.

[44] Cervero and Murakami (2009).

[45] IPCC (2023).

6. The Subsoil and the Forest: Completing the Ledger

The third margin runs beneath the surface and through the biosphere, and here the Georgist principle is already half conceded. Nonrenewable resources yield a scarcity rent over and above the cost of extraction,[46] and fiscal instruments designed on the rent rather than on gross output can collect it with minimal distortion.[47] Most jurisdictions accept the premise in practice. Royalties and severance taxes on oil, gas, and minerals embody the intuition that the subsoil is a common inheritance whose value belongs, at least in part, to the public. Norway carried the logic to its conclusion, taxing petroleum rents at rates unthinkable for ordinary profits and accumulating the proceeds in one of the largest pools of common savings ever assembled, and its oil industry invests still. The combustion of the fuel consumes a second natural asset, the sink, just as surely as extraction consumes the first. A carbon fee levied at the wellhead or the mine mouth is a severance tax on the sky. States that would never dream of giving away their oil give away the atmosphere every day.

The forest presents the mirror image. A standing forest supplies sequestration, a productive service rendered to the commons; where that service goes unpriced, the chainsaw pays and stewardship does not. Payment for ecosystem services programs correct the sign. Costa Rica has for decades paid landholders for maintaining and restoring forest, financed in part by fuel taxes, which is to say that the users of the sink compensate those who enlarge it.[48] The Georgist ledger thus closes on both sides. Draw down the commons and owe rent; add to its capacity and earn payment. Land value taxes, carbon fees, severance taxes, and sequestration

[46] Hotelling (1931).
[47] Lund (2009).
[48] Pagiola (2008).

payments are entries in a single account, debits and credits against nature's estate, with improvements always exempt and rent always common.

The energy transition itself is opening a new frontier of rents, and rule two is due to be tested there. Prime wind corridors, high-insolation basins, transmission rights of way, lithium brines, and the orbital slots of the satellites that monitor it all are each land in George's definition: natural opportunities, fixed in supply, valuable because demanded. Whether their scarcity value is auctioned and collected for the public, or granted to first movers as the sky was granted to the smokestacks, is being decided in leasing rules and royalty schedules right now, while the frontier is still open. The nineteenth century's land rushes are the precedent, and they can be read as warning or as instruction.

7. Objections

I have selected five major objections to address here. The first is the vanishing base. A dividend funded from carbon rent is self-liquidating; if the policy succeeds, emissions fall and the rent shrinks. This is true, and it is the point. Along the path, the arithmetic is friendlier than it sounds: as the permitted budget tightens, the price per tonne rises while volume falls, so revenue follows a long plateau before it declines. The terminal state is the program's completion. Sky rent is the bridge; the permanent Georgist bases, urban land above all, grow in step with decarbonization itself, because dense, electrified, prosperous settlement capitalizes into location value. The dividend's source migrates from the sky back to the ground, which is where George began.

Regressivity comes next. The carbon price alone is regressive, since fuel absorbs a larger share of small budgets. The price joined to an equal per-person dividend is progressive, because

carbon consumption rises steeply with income while the dividend does not.[49] Canada's program was progressive on the fiscal ledger and died anyway; its failure was perceptual rather than distributional,[50] and Section 4 has already drawn that lesson.

Leakage and free riding are the third objection, and the hardest. A jurisdiction that collects the sky's rent alone incentivizes production to migrate to jurisdictions that do not. The remedy is to price at the border. Stable climate coalitions require linking the carbon price to trade,[51] and the European Union's carbon border adjustment mechanism, in transition since 2023 and definitive from 2026, is the first working instance.[52] With a border charge, we have the collection of the commons' rent at the frontier, on behalf of the commons, where the exporting jurisdiction has declined to collect it at home.

A fourth objection points to the path actually taken: why not subsidize the improvements instead of charging for the commons? Subsidy-led climate policy inverts every rule at once. It is financed by taxes on labor and capital, so its revenue side violates rule one even when its spending is wise. It pays the owners of improvements rather than charging the users of the sink, which obliges the state to pick the improvements that deserve payment, a judgment that pricing delegates to the market. Its benefits, meanwhile, capitalize into asset and land values instead of arriving visibly in citizens' accounts, and so build industry constituencies where a dividend builds popular ones. Its durability record is accordingly no better than the carbon taxes it replaced. The United States enacted the largest climate subsidy package in its history in 2022 and terminated or accelerated the phase-out of most of its consumer and clean electricity credits

[49] Boyce (2019).
[50] Mildenberger et al. (2022).
[51] Nordhaus (2015).
[52] European Union (2023).

within three years.[53] Payments for genuine additions to the commons, such as the sequestration programs of Section 6, survive Georgist scrutiny because they are the credit side of the rent ledger. Payments to the owners of private improvements do not.

The last objection concerns fidelity. Is any of this Georgism, or is it a modern agenda hiding in a nineteenth-century coat? The single tax was a remedy fitted to the dominant rent of 1879, when land rent dwarfed every other flow a government might tap. The philosophy beneath the remedy concerns rent as such, and George settled the scope question himself when he defined land as all natural materials, forces, and opportunities.[54] His principle divides the world in two: the products of labor, which belong absolutely to their producers, and the provision of nature, which belongs equally to all. Had the sky commanded rent in his day, he would have counted it. It commands rent now.

8. Conclusion

Ask of any climate policy three questions. Does it charge the rent of nature, or does it tax the improvement? Does it collect the whole rent, or does it deed part of the commons to incumbents? Do the owners of the commons see their money? The cases examined above fall into place at once; Table 2 collects the results. Grandfathered permits fail the second question, and the windfalls of the early European market were the predictable price of failing it. Fuel taxes without visible dividends fail the third, and the yellow vests, the Australian repeal, and the Canadian collapse are the serial verdicts. British Columbia's swap passed the first two questions and failed the third for want of visibility. Alaska passes all three for oil, and has been rewarded

[53] United States Congress (2022); United States Congress (2025).
[54] George (1935), bk. 1, ch. 2.

with something political scientists study as a curiosity: a resource levy with a devoted mass constituency. This scorecard is George's philosophy, operationalized for the present day.

Table 2. The Georgist scorecard applied.

Policy	**Charges rent, spares improvements**	**No free title to incumbents**	**Rent visibly returned**	**Outcome**
EU ETS, early phases	Yes	No	No	Windfall profits; auctioning from 2013
U.S. Acid Rain Program	Yes	No	No	Effective abatement; rents gifted
France, fuel carbon tax	Yes	Yes	No	Frozen after 2018 protests
Australia, 2012 carbon price	Yes	Partly	No	Repealed 2014
Canada, federal fuel charge	Yes	Yes	On paper only	Repealed 2025
British Columbia, 2008 tax	Yes	Yes	Invisibly, via tax cuts	Repealed 2025
Alaska, Permanent Fund Dividend	Yes	Yes	Yes	Enduring since 1982
Carbon fee and dividend, proposed	Yes	Yes	Yes	Untried at full national scale

Progress and Poverty proposed a remedy of famous brevity: "We must make land common property."[55] He meant that rent should become common income while possession stayed private, exchange stayed free, and the fruits of effort stayed untaxed, and he chose as his emblem of self-evidence the one commons no one had yet thought to enclose, writing that the equal right to the use of the earth is as clear as the equal right to breathe the air. A century and a half later, the two rights have converged into one. The sky was land all along. The task of climate policy is to collect its rent, spare every improvement, and pay the proceeds, visibly and perpetually, to its owners, who are everyone.

[55] George (1935), bk. 6, ch. 2, pg. 328.

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