

At the turn of the last century, Henry George and the "Single Tax" movement he inspired were household names. George's 1879 book *Progress and Poverty* captured the imagination of millions in the United States and elsewhere, who found in his ideas a blueprint for an economic system that would retain capitalism's productive dynamism and distribute its fruits more fairly.

To summarize George's political-economy: George began from the premise that the land, along with all other natural resources, is the common inheritance of all. No persons or firms should own land; they should only be able to rent it. Furthermore, that rent should be paid to the public, as the rightful collective owner of all land.

Individuals and firms should own entirely whatever results from their efforts to make the land productive, however, whether by farming it or building a factory on it. They should also own entirely whatever profit they can create through the investment of accumulated capital. (In other words, George was not a socialist.)

The single-tax program was George's plan for implementing this view. The "single tax" was to be a property tax, on land but not on improvements, at a rate high enough to provide adequate revenue to the government. These tax payments would represent the "rent" those who use the land owe to the public. At the same time, taxes on labor income and on capital earnings would be eliminated.

George argued that the single-tax program would boost the economy. A sound economic system encourages both work and capital investment, so governments should avoid taxing labor income or returns on capital. At the same time, a productive system discourages rentier behavior—holding onto resources like land, living off of rents or waiting for speculation to raise land prices. With a high property tax, he believed, land will tend to end up in the hands of those who can make it most productive.

Echoes of George's ideas can be found in many strains of progressive economic thought today. For example, activists have proposed creating a so-called Sky Trust that would collect fees from firms that emit carbon dioxide. These firms are using up our common inheritance of a low-CO₂ atmosphere, Sky Trust proponents argue, so they owe the public a "rent" that would serve as both an incentive to clean up their emissions and a source of funds for environmental protection efforts or "dividend" payments to the public.