

Dixwell: Animadversions of an Admiring Adversary

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In the decade that followed the appearance of Henry George's *Progress and Poverty*, the range of economic thinking in this country perceptibly broadened. It was a time when proponents of competing theories and advocates of alternative policy proposals successfully challenged the traditional boundaries of American economic thought and exercised a powerful influence on the direction as well as on the scope of economic inquiry. On issues typical of that day—free trade and protectionism, economic crises and unemployment, restrictive monopolistic practices, monetary instability, inequitable distribution of income and wealth, individual and social welfare—radical remedies competed freely with moderately heterodox ones for popular acceptance; then in turn, both radical and heterodox proposals had to contend with the more firmly entrenched orthodox prescriptions. This was a time of ferment, of economic unrest and uncertainty that could be discerned not only by the number and diversity of theories that vied for attention but also in the wide-ranging and also diverse policy proposals that circulated in quest of political support. In the midst of this turbulent time, George Basil Dixwell (1815–1885) chose to set down his views on political economy.

In 1875, at the age of sixty, Dixwell decided to abandon a lifelong career in international commerce and diplomacy to try his hand at something that for him was entirely new and different. At an age in life when most persons are expected to slow down and give increasing thought to retirement and leisure, Dixwell, in contrary fashion and with astonishing energy, turned his full attention to the pursuit of scholarly research and writing. His contributions to economics were produced in an impressively short period of time. All of his published works appeared during the decade 1875–1885.¹ He devoted the last

seven years of his life exclusively to studying and writing on topics in political economy.

Most of Dixwell's adult life was spent outside the United States. He lived for many years in China, where he held various commercial and diplomatic positions, including service as consul-general for Russia at Hong Kong and chief municipal officer at the foreign concession at Shanghai.² He was a member of a prominent, wealthy New England family. A generous inheritance provided him with financial independence and relieved him of the necessity for continuing his business career. He returned to the United States in 1875 to devote his full time to research and scholarly writing.

Dixwell's views on political economy are probably best described as heterodox.³ While he readily accepted the orthodox position regarding private enterprise, private property, and the market system, he did not accept the orthodox position on free trade, the orthodox position on the impossibility of general overproduction. He was a staunch advocate of tariffs and protectionism. Dixwell not only recognized the possibility of general overproduction, but he also set out to identify what he regarded as the significant causal factors involved. His position on protective tariffs, like that of other influential protectionists of his day, was not unrelated to concern about general overproduction and the causes of economic crisis.⁴ He expressed his views on political economy through a series of journal articles and pamphlets. Dixwell did not publish in book form, although he did make available in a single bound volume some of his previously published articles and he also included in this collection a critique of the economics of Henry George titled "Progress and Poverty." A Review of the Doctrines of Henry George." This review, initially published as a forty-six-page monograph in 1882, contains as complete a statement of Dixwell's economics as can be found anywhere, besides being a noteworthy contemporaneous critique of *Progress and Poverty*.

Although Dixwell's economic views differ markedly from George's, and therefore the temptation for derisive statement was understandably present, he nevertheless used restraint in his critical comments, paying scrupulous attention to the phrasing of his remarks to ensure that they not have the slightest taint of irony or contain even a hint

of sarcasm. He in fact begins the review with a gracious statement of praise. "In *Progress and Poverty* Mr. Henry George has given to the world a brilliant work, admirably written, full of eloquence, radiant with the noble aspiration of diminishing human suffering. . . ." ⁵ Then at the conclusion of his critique he again is generous with high praise: "it is a brilliant book glowing with noble philanthropy, courage, and self-devotion. All that we have read in fable, or history, or the records of science, is brought again to mind in admirable sentences, and there is much of most interesting and suggestive thought and speculation." ⁶ What is written in the space between those beginning and concluding expressions of the high esteem in which he held Henry George and his work, however, is the product of what Dixwell terms "the disagreeable task of picking flaws in *Progress and Poverty*." This task, though perhaps reluctantly assumed, is carried out in systematic fashion. His critical remarks are directed seriatim to (1) George's Position on Free Trade, (2) George's View of the American Problem, (3) George on the Malthusian Doctrine, (4) George on Wages, Rent, and Capital, and (5) George on the Remedy and the Meaning of Justice.

Henry George on Free Trade

The free trade versus tariff protection debate was in full swing in this country during the 1870s and 1880s. On this issue Dixwell sided with those of his contemporaries who favored protection and who disputed the orthodox free-trade arguments. ⁷ To Dixwell protectionism was a necessary step in order to counteract the economy's tendency toward overproduction with its accompanying unemployment and general crisis conditions. Evidently because of his own intense interest in the free trade-protectionism controversy and possibly because it was an issue with current popular appeal, he chose to defer discussion of the fundamental problem to which *Progress and Poverty* addresses itself, and, in its stead, seized the opportunity to engage first in a discussion of the free-trade question.

A year earlier, in 1881, there had appeared a review article of the English-language version of Frédéric Bastiat's book *Sophisms of Protectionism*, in which Dixwell defends the protectionist position against

the criticisms of the recognized exponent of free trade, Bastiat. His comments on Henry George's arguments for free trade seem a continuation of what he wrote in that earlier review.⁸ For example, he quotes a passage on free trade not taken from *Progress and Poverty* but from an article written by Henry George for the *Popular Science Monthly*, and his response to this argument is similar to, though less succinct than, that given earlier in his review of Bastiat's book. In the quotation referred to, Henry George writes:

The effect of a tariff is to increase the cost of bringing goods from abroad. Now if this benefits a country, then all difficulties, dangers, and impediments which increase the cost of bringing goods from abroad are likewise beneficial. If this theory be correct, then the city which is the hardest to get at has the most advantageous situation; pirates and shipwrecks contribute to national prosperity by raising the price of freight and insurance; and improvements in navigation, in railroads and steamships, are injurious. Manifestly this is absurd.⁹

In citing this quotation Dixwell intends to alert the reader to the "absurdity in Mr. George's reasoning" and to warn that this is representative of the bad logic that occurs throughout *Progress and Poverty*. Dixwell proceeds to correct for George's "absurd reasoning" by substituting what he claims is the true (logical) statement.

One of the effects of a tariff is to increase the cost of bringing *certain kinds* of goods from abroad. Nevertheless a tariff is said to be beneficial. If so, then everything which increases the cost of bringing from abroad not only those certain goods, but all goods, must likewise be beneficial. The obstacles he mentions not only raise the price of a particular kind or kinds of goods, but of all goods, and that of passage also, and they diminish the value of all exports. The railroad and the steamship facilitate every sort of exchange, but this does not prove that every sort of exchange is beneficial. Rum, opium, small-pox, and leprosy do not become desirable because distributed by rail and steamer! A tariff does not stop all exchanges, but only some.¹⁰

By stopping some exchanges through tariffs Dixwell visualizes a beneficial effect on the home country in the guise of increased employment, incomes, and overall demand. Elsewhere he wrote, "But restrictive laws [tariffs] have for their object to produce abundance, and they effect their object: if they raise the price, they increase in a much greater degree the effective demand—the ability to pay the

price.”¹¹ As to George’s expressed concern for what happens to the consumer in all of this (“the robbery involved in the protective tariff, which for every twenty-five cents it puts in the treasury takes a dollar and it may be four or five out of the pocket of the consumer. . . .”),¹² his reply is that “Production is the condition precedent of consumption” and that “*poor consumers* are consumers only in consequence of their being able to produce.”¹³ In other words, protective tariffs create jobs, which create incomes, which, in turn, make possible greater consumption. Prices do rise, but the ability to purchase increases at an even faster rate because of the new jobs created and the greater income flow. Dixwell’s argument, of course, is premised on the assumption that the exporting countries do not engage in retaliatory tariffs. If they did, this could mean a diminution in exports, and, depending upon the significance of foreign sales to the economy of the home country, conceivably the result could be a net increase in unemployment as exports fall off. George Dixwell evidently ignores the possibility of retaliatory-tariff behavior in his efforts to link greater consumption to greater production by way of protective tariffs. On the issue of the need to sustain domestic employment, opponents of protectionism could just as convincingly argue the alternative free-trade case. Conceivably effective demand and real income could be increased just as readily as a consequence of the lower prices from the removal of all levies on imported goods. Lower prices on imported goods would mean, in effect, a greater amount of household income available for spending on all goods, domestic and foreign. One might expect, therefore, that the rise in expenditures resulting from the overall increase in effective demand, induced by lower prices, would lead to an expansion in employment. Dixwell makes no mention of this theoretical possibility in his discourse on free trade and protectionism.

In his criticism of George’s position on the subject, Dixwell notes that the great folly of free trade is the dependency status of the importing country, which makes it vulnerable to monopolistic behavior by the exporting country. Because of its dependency status the home country must accept terms of trade much to its disadvantage and perhaps at the cost of indebtedness and capital outflow. Dixwell throughout the review questions the validity of George’s logic and

his penchant for “droll syllogism.” But here surely one must question the logic of Dixwell when he assumes the presence of monopolistic elements in a free-trade paradigm. Proponents of free trade meant exactly that, free trade. To cite the presence of restrictive monopolistic elements as an argument against free trade is little different from arguing against free trade because of the existence of tariffs! Henry George was talking about free trade. He opposed obstacles to free trade, whether in the form of protective tariffs or in the form of other monopoly practices.

It seems somewhat puzzling in a review of *Progress and Poverty* that Dixwell would give so much attention to the question of free trade. Henry George’s views on the subject are better represented in his other writings.¹⁴ There is not that much on free trade in *Progress and Poverty* to warrant so much comment, and what little there is makes clear that it is of secondary importance to the central problem being dealt with by the book. Free trade, according to George, cannot in itself solve the basic problem confronting the economy. He notes, for example, that “free trade has enormously increased the wealth of Great Britain without lessening pauperism. It has simply increased rent.”¹⁵ As George saw it, free trade, without also the elimination of the private receipt of ground rents, could do little to eradicate the fundamental problem of inequitable distribution of income and wealth. Dixwell, for reasons of his own, chose to discuss George’s views on free trade and protectionism independently of what George saw as the fundamental problem.

Henry George’s View of the American Problem

Perhaps one reason Dixwell decided not to discuss the fundamental problem first is that he flatly denies that it even exists. By use of empirical data and by offering his own version of what the “real” American problem is, he tries to show that the one with which *Progress and Poverty* is concerned—deepening poverty accompanying society’s material advance—is not in accord with the facts. In other words, George’s proffered solution is for a problem that really does not exist: Like a vaccine prepared for a nonexistent disease, *Progress and Poverty* provides a remedy for a nonexistent societal illness. The

statistical evidence adduced by Dixwell, however, provides flimsy support for his contention. He uses product per capita by ten-year intervals in an attempt to prove Henry George wrong. Dixwell's figures show that per capita product would have allowed each individual in the United States \$61 in 1840, \$69 in 1850, \$83 in 1860, \$110 in 1870, and \$140 in 1880. These data show that product per capita rose in each of the ten-year periods, actually more than doubling between 1840 and 1880. Dixwell therefore infers from these statistics: "Wages, fees, salaries, emoluments of every kind, have risen every ten years . . . At each period there was more to divide and every portion of the community obtained a larger dividend—every portion, that is, in which no exceptional or temporary causes overcame the general swing of financial events."¹⁶ This also prompts him to the conclusion: "The problem, then, for the solution of which Mr. George wrote his eloquent book seems not to exist."¹⁷ Dixwell's conclusion is not warranted by the data he cites as evidence.

Data based solely on the statistical abstraction of per capita product (income) cannot constitute evidence in refutation of Henry George's contention of growing poverty amidst plenty. Income or product per person tells absolutely nothing about the *actual* distribution of income and product and, of course, inequitable distribution was the crucial point of Henry George's argument. Dixwell's statistics obviously show "progress," that is, growing material output—output increasing at a rate faster than population growth—and that is not inconsistent with George's view of the problem. What these data fail to reveal is how the fruits of this "progress" are actually divided up among persons, families, and income classes. Dixwell seems not to have considered the possibility that a more equal distribution of actual income (product) in 1840, when statistical per capita income was only \$61, might conceivably mean less poverty than a more unequal distribution of a statistical per capita income twice that amount, such as in 1880 when it was \$140.

Other statistical evidence Dixwell offers includes an estimate of the amount of gross product that annually goes into profits and rents. He claims that out of a gross annual product of \$7,000,000,000 in 1880, only \$2,400,000,000 (calculated by allowing a 6 percent return on an estimated total property value of \$40,000,000,000) went to profits

and rents.¹⁸ He maintains that practically the total sum goes to create jobs by the consumption and investment activities of the recipients. To determine the portion going to ground rents alone, Dixwell makes what he considers appropriate adjustments in his estimate and concludes that the sum is so little as to be of no significance. "The reader will then see that ground rent from the abolition of which Mr. George expects the return of the golden age is altogether too minute to produce any perceptible harm."¹⁹ If, as according to Dixwell, the amount going to ground rents is so insignificant, then what possible harm could be done by society's appropriating so "minute" a sum? George does not regard the portion of product going to ground rents as insignificant by any standard. But the size of rent is really not the issue. The nature of ground rent does not change with changes in its size. Whether large or small, rent represents an unearned increment to personal income—a surplus element that makes income greater than that warranted by the productivity of the recipient.

Dixwell exhibits a benign regard for the private receipt of rent and he is certainly not disposed to treat it as an unearned increment. He views it rather as a functionally necessary return. However, he seems confused about how to interpret George's rent concept, for he implies that it also includes the return to improvements. He claims that practically all the value of land in the United States is, in fact, the product of capital amassed by self-denial. Then, by way of illustration, he cites the case of a farmer and his wife enduring lifelong sacrifices to make their farm essentially

their bank, in which many years of labor might under the laws of their country, be safely deposited. They looked forward to an independent old age and something with which to give their children a start in life. Even now, in their declining years, their farm has no rent which can be distinguished from the rent for improvements. Then says Mr. George, let the rent of all be taken. And this in the name of justice!²⁰

If, in his illustration, what he says is true, that there is no ground rent, then nothing could or would be taken. Dixwell evidently overlooked Henry George's statement in *Progress and Poverty* that "the complete recognition of common rights to land need in no way interfere with

the complete recognition of individual right to improvements or produce."²¹ Almost as if George anticipates Dixwell's rhetorical illustration, he states,

It is not necessary to say to a man, "this land is yours" in order to induce him to cultivate or improve it. It is only necessary to say to him, "whatever your labor or capital produces on this land shall be yours." . . . Give a man security that he may reap, and he will sow, assure him of the possession of the house he wants to build, and he will build it. These are natural rewards of labor. . . . The ownership of land has nothing to do with it.²²

Dixwell's belief in the functional role of rent in the economy is not unrelated to his version of what constitutes the "real" American problem; his version differs considerably from George's. The difficulty, as he sees it, derives from the fact that progress is not continuous but rather comes about in waves, and, although each wave runs higher than the previous one, "during the reflux, there has been distress enough to wring the heart of anyone who observed it at its focus in the poorer quarters of a great city."²³ According to Dixwell, the "real" problem is to determine why, when society moves from one level of opulence to another, this movement is accompanied by periods of depression. He offers an explanation for this phenomenon, noting that "at the bottom of the whole trouble lie the imperfect information and consequent imperfect judgment of individuals."²⁴ Depression is ushered in by an episode of overproduction, a condition brought on by the formation of capital, in response to the desire to save, at a rate faster than population and effective demand can accommodate. Despite the fact that he defends the private receipt of rent because it provides a ready source of saving for capital accumulation and the fact that he acknowledges the greater desire to save as a major factor in the tendency toward overproduction, Dixwell nevertheless maintains that rent is in no way a contributing cause. Quite the contrary, he warns that "to lay all taxes upon real estate would give government enormous revenues during periods of excitement, when to use them would be prejudicial and leave it without a large portion of its necessary revenue during periods of depression when expenditures would be beneficial."²⁵ As Dixwell sees it, when

misery and poverty are not the result of “vice, crime, ignorance, and brutality”—note that the cause-and-effect relationship here is directly opposite from that held by George—it is a transient condition, the result of cyclical fluctuations in economic activity. All that is necessary to overcome misery and poverty, then, is for society to avoid recurring episodes of overproduction, and the problem evidently will disappear automatically. George does not share this cyclical view of the problem. For him the cause of poverty is far more deeply rooted in the structure of the economy—the inevitable consequence of an institutional arrangement that permits the private appropriation of socially created rents.

George on the Malthusian Doctrine

Citations of recurring economic crises (gluts) as the problem, of the efficacy of protective tariffs as a remedy, and of the treatment of landowner spending behavior as a mitigating factor—all have a familiar ring. Each points to the unmistakable influence of Thomas Malthus on the thinking of Dixwell. When he discusses the issue of population growth, it is not surprising, therefore, that he should look to the same source of support. George, of course, felt that the Malthusian theory of population growth was at the basis of the erroneous wages-fund doctrine. He also felt that it incorrectly suggests that the cause of misery and poverty, being the inevitable consequence of natural instinct, was outside the influence of social control. In *Progress and Poverty*, George attempts, by appeal to facts, to disprove the Malthusian population doctrine. Dixwell, not unexpectedly, defends the population doctrine against George’s criticisms. For this, he finds it convenient to focus on George’s rejection of John Stuart Mill’s adaptation of the doctrine. George quotes John Stuart Mill:

A greater number of people cannot, in any given state of civilization, be collectively as well provided for as a smaller. The niggardliness of nature, not the injustice of society is the cause of the penalty attached to overpopulation. An unjust distribution of wealth does not aggravate the evil, but, at most, causes it to be somewhat earlier felt. It is in vain to say that all mouths which the increase of mankind call into existence bring with them hands. The new mouths require as much food as the old ones, and the hands do not produce as much.²⁶

Then George proceeds to deny all this, claiming the opposite to be true: "I assert that the very reverse of these propositions is true. I assert that in any given state of civilization a greater number of people can collectively be better provided for than a smaller. I assert that the injustice of society, not the niggardliness of nature, is the cause of the want and misery which the current theory attributes to overpopulation."²⁷ His resort to facts leads to the conclusion "that wealth is the greatest where population is densest."²⁸ Dixwell maintains that George's appeal to facts appears to contradict Mill only at first blush. On closer inspection, he argues, the facts as presented are not inconsistent with Mill's position, for Mill had acknowledged that an increase in population could result in a more than proportionate increase in wealth in areas that were "underpeopled" relative to the land available. Where he differs with George is in the attempt to extend this to the generalization that wealth would uninterruptedly continue to increase at a rate faster than the growth in population. Mill thought great increases in population, unaccompanied by significant improvements in the arts of production, would, because of the operation of diminishing returns, result in output's increasing at a rate slower than that of population growth, bringing with it human misery and privation. The facts cited by George draw heavily on the experience of the previous four decades when, asserts Dixwell, conditions were atypical. It was a period of time characterized by great advances in the arts of production, which propelled the rate of increase in output to exceed the rate of increase in population. He is quick to point out that the unusual experience of the previous forty years, therefore, was a transitory, temporary phenomenon, and clearly one anticipated by Mill in his statement on the consequences of overpopulation. The events of the immediate past, according to Dixwell, do not provide George with sufficient proof to establish what he intends—the universal fact that the power to produce wealth increases faster than the increase of population. In the words of Dixwell, what George's facts actually show is: "wealth has increased in consequence of these improvements—not in consequence of the greater population. The greater wealth and the greater population are joint effects; or rather the improvements brought greater wealth and this brought greater density of population."²⁹ Then in response to the second point of

George's wherein he draws a comparison with countries that have a low density of population, Dixwell proceeds along lines that suggest a vague recognition of George's confounding of returns to scale and diminishing returns: "it is quite true that greater wealth would ensue from greater population up to a certain not very well defined point. More capital can be used to advantage as population increases."³⁰ Where he thinks George goes astray is in "concluding that what is true to a certain point is true indefinitely." But if George fails to establish the "universal fact" that the power to produce wealth does not decrease with increases in population, Dixwell does little better in his attempt to establish the universal truth of the population doctrine of Malthus and Mill. He sees little possibility, anywhere in the world, of technological advances proceeding at a rate faster than population for very long. In forecasting the future of the United States he concludes: "It seems probable, then, that in the course of another century, or half a century, population with us will press upon the means of subsistence."³¹

George on Wages, Rent, and Capital

Since Dixwell rejects the argument that with increases in population the combined output of labor and capital increases at a faster rate, he also denies the corollary that workers are robbed when in densely populated areas the wages paid them are less than in areas where land is more freely available. His rejection is based on acceptance of the Malthusian population doctrine and the principle of diminishing returns, which comes into play because of the relative scarcity of land as population increases. As indicated above, he holds little hope that technological advance will proceed at a rate fast enough to be other than a temporary offset to the inevitable consequences of diminishing returns. From this perspective, coupled with his concern about general overproduction, he is prompted to view wages, rent, and capital differently from George.

While he, like George, rejects the wages-fund doctrine—that wages are determined by the ratio between capital and the number of workers—he finds George's proposition that capital does not employ

labor but that labor employs capital equally unacceptable. In a modern monetary-exchange economy, the real wages of labor, which include food, clothing, and shelter, among other things, on which wages are spent, according to Dixwell, are produced before they are used. Labor that produces certain capital is not necessarily supported by that same capital. In response to George's claim "that since labor is the producer of capital, therefore, labor cannot be dependent for support upon capital," Dixwell maintains that capital produced by labor in one time period is available to use by labor of another time period. Crops of a previous year may be used as food for labor of a subsequent year. Though the wages-fund doctrine is not a valid explanation, nevertheless the capitalist, in this sense, does make an advance to labor, asserts Dixwell.

Consistent with his general overproduction viewpoint, Dixwell sees industry not limited by capital, but instead both industry and capital limited by the *field of employment*, which means that even in a country with enormous underdeveloped resources, at each stage in the development of the industrial community the rate of progress is limited by effective demand. When the normal limit to the *field of employment* has been exceeded, the desire to save forms capital faster than the population and its effective demand increases.³² The situation is one of excess employment that, in turn, creates an excess production of commodities. Unlike George, the problem as Dixwell sees it is not related to the distribution of wages, profits, and rents. Returns to labor, capital, and land divide up the gross annual product, so that wages, profits, and rents all increase when gross product increases and all decrease when gross product decreases. In contrast to George, he claims that the proportion of gross product that actually goes to labor, capital, and landowners is determined by supply and demand. That factor that is relatively scarce receives a larger percentage of gross product and that factor that is relatively abundant receives a smaller percentage of gross product. For these reasons, Dixwell thinks George's algebraic formula— $\text{Produce} = \text{Rent} + \text{Wages} + \text{Interest}$, therefore, $\text{Produce} - \text{Rent} = \text{Wages} + \text{Interest}$ —is meaningless. "As long as men and capital, taking the whole country together, are scarcer than land, they must be paid first, and rent must take what

they leave. When, in the far future, men and capital are the more plenty, and land the less, then, and then only, will his interpretation of the formula be true."³³

Dixwell sees the limit to the *field of employment* determined by the effective demand of the population, and he observes that if too much is saved and not enough spent on consumption, general overproduction is the result. He argues the beneficial effect of rent receivers on the economy through their purchases of convenience and luxury goods, which help sustain effective demand, and through their savings, which help make capital available. Though he admits that overproduction is caused by capital formations taking place at too rapid a rate relative to effective demand, he makes no causal connection between this and the spending-and-saving patterns encouraged by the private receipt of rents. In terms of his own theory, he does not see the possibility of redistribution of income and wealth, via public appropriation of rents, as having a remedial effect on periodic oversaving and underconsumption. Moreover, while extolling the spending-and-saving virtues of landowners, he again overlooks George's major point that rent is a socially created, unearned increment to income. The manner of its disposition by the recipient can in no way alter that fact.

George on the Remedy and the Meaning of Justice

Dixwell's reaction to George's remedy and sense of justice is predictable, for he refuses to assume that the value of land is the product of society. He evidently believes that practically the whole of the value of land is the result of improvements brought forth by labor, capital, and thrift. "But for this antecedent labor and thrift no piece of ground would command any rent. The whole value then would seem to belong of right to those who are here."³⁴ Nowhere, however, does he offer an explanation for the spectacular rises in the value of *unimproved* urban and rural lands. On the contrary, he seems to assume that all landowners are concerned capitalists, who, if they are not setting society's standards for convenience and luxury goods by their habits of consumption, are providing, by their abstinence, the savings used for capital improvements. In either instance Dixwell finds

landowners (rent recipients) beneficial to society. In his defense of landowners against George's remedy, he overlooks the fact that public appropriation of ground rents would not leave labor and capital uncompensated for their productivity. The return for the productive landowner's provision of labor and capital should ensure sufficient funds to him to maintain both his capital and his standard of living.

Dixwell notes two possible exceptions to the beneficial behavior of landowners, where, in fact, rent of land and "the rent of capital" may become oppressive and the source of poverty. One case is when the owners are absentee landlords, a situation toward which George directed attention, and the other, which George did not do much with, is when the landowners do not buy at home but purchase their luxuries and conveniences abroad. He cites the landlords of Ireland, and offers this solution for Irish misery and poverty: "Native landlords living on their estates and using Irish products would speedily change the whole aspect of that island. The abolition of landlords will indefinitely postpone her resurrection."³⁵ Again he points to the protective tariff as a necessary device to encourage consumption of domestic commodities and to discourage landlords from purchasing foreign-made, luxury items. It is doubtful that the very high income groups could so easily be dissuaded, by tax-induced higher prices, from purchasing what they view as desirable foreign-made convenience goods.

Dixwell has a very high regard for private ownership and he treats the subject at times as though George advocates its total elimination. This is his reaction to what he interprets as George's notion of justice:

It appeals at once to our natural and laudable compassion for the poor, and to our natural but not laudable envy of the rich. To pillage the latter and pass the plunder over to the former, gratifies at once two strong passions. But how if, in thus gratifying our blind inclinations, we should miss our aim, and prevent that development of society to which alone the puny infant can look for a chance of unfolding its faculties and rising in the world? How if, in robbing the rich, we rob a thousand times as many deserving persons who cannot afford to be robbed?³⁶

Henry George most certainly would not agree that his remedy in any way qualifies as an act of robbery. Since he does not see rent as an

unearned addition to income, Dixwell assumes that society would be taking something that rightfully belongs to the landowner. George, on the other hand, sees the matter differently—that appropriation of economic rents would be an act by society of merely receiving what it itself had created, and therefore not one of taking something that an individual could lay claim to as a reward for productivity. If some are harmed through implementation of the remedy, then George's quest for justice and equitable treatment suggests the proper rule to apply: "It is the greater that swallow up the less not the less that swallow up the greater."³⁷

It is apparent that Dixwell looks upon *Progress and Poverty* as a stimulating, and at times a disturbing, challenge to his own outlook on political economy. From the outset, his view of the basic American problem as a cyclical one, his protectionist notions, his acceptance of the Malthusian population doctrine, and the beneficent functional role he ascribed to landowners precluded any possibility of reconciliation of his position with George's. It is obvious that he admires Henry George in every way except, ironically, for his views on political economy. He in fact said as much: "If political economy could all be strained out, there would remain a volume which every critic would applaud and which the general reader would turn to again and again as a source of improvement and pleasure."³⁸

Notes

1. A number of his articles were published in the *Bulletin of the National Association of Wool Manufacturers*. Six of his articles appeared in the *Bulletin* over a three-year period between 1881 and 1883. Three of his works appeared in a single volume (vol. 12) in 1881. From 1875 until his death in 1885 his contributions appeared in a number of other journals, including the *American*, published in Washington, the *Protectionist and Issue*, published in New York, and the *Journal*, published in Boston.

2. Biographical data are provided in "Obituary," *Bulletin of the National Association of Wool Manufacturers* 15 (1885):96–99.

3. Joseph Dorfman, in *The Economic Mind in American Civilizations, 1865–1918* (New York: Augustus M. Kelley, 1969), 3:123–36, associates Dixwell's views with a group of nonacademic American contemporaries whose outlook he describes as "heterodox" because of their questioning of the classical economic notion of the impossibility of general overproduction.

In this group Dorfman includes: Carroll D. Wright, Uriel H. Crocker, Frederick William Henshaw, Frederick B. Hawley, and David A. Wells.

4. The most notable are Frederick William Henshaw and Frederick B. Hawley.

5. George Basil Dixwell, "*Progress and Poverty*." *A Review of the Doctrines of Henry George* (Cambridge: John Wilson and Son. University Press, 1882), p. 1. Hereinafter referred to as *A Review*.

6. *Ibid.*, p. 46.

7. The names of some of the more prominent spokesmen for protectionism include Henry C. Carey, David A. Wells, Frederick William Henshaw, and Frederick B. Hawley.

8. Dixwell, "Review of Bastiat's Sophisms of Protection," *Bulletin of the National Association of Wool Manufacturers* II (1881):233–57. Hereinafter referred to as "Bastiat."

9. Dixwell, *A Review*, p. 1. This quotation is taken from Henry George, "The Study of Political Economy," *Popular Science Monthly* (March 1880), p. 606.

10. Dixwell, *A Review*, p. 4.

11. Dixwell, "Bastiat," p. 236.

12. Henry George, *Progress and Poverty*, 75th anniversary ed. (New York: Robert Schalkenbach Foundation, 1954), p. 300.

13. Dixwell, "Bastiat," p. 237.

14. Dixwell's *Review of the Doctrines of Henry George* appeared before the publication of Henry George's *Protection or Free Trade* (1885). Besides the *Popular Science Monthly* article cited by Dixwell, other sources of Henry George's views on free trade include his speeches, parts of his book *Social Problems* (1883), and sections of his book *The Science of Political Economy* (1898). Excellent information on the subject is scattered throughout Henry George, Jr., *The Life of Henry George* (1900; reprint ed. New York: Robert Schalkenbach Foundation, 1960).

15. George, *Progress and Poverty*, p. 254.

16. Dixwell, *A Review*, p. 12.

17. *Ibid.*

18. *Ibid.*, p. 9.

19. *Ibid.*, p. 11.

20. *Ibid.*, pp. 42–43.

21. George, *Progress and Poverty*, p. 399.

22. *Ibid.*, p. 398.

23. Dixwell, *A Review*, p. 13.

24. *Ibid.*

25. *Ibid.*, p. 18.

26. George, *Progress and Poverty*, bk. 2, chap. 4. The quotation is taken from John Stuart Mill, *Principles of Political Economy*, bk. 1, chap. 13, sec. 2.

27. George, *Progress and Poverty*, p. 141.
28. Ibid., p. 144.
29. Dixwell, *A Review*, p. 24.
30. Ibid.
31. Ibid., p. 31.
32. Ibid., p. 18.
33. Ibid., p. 35.
34. Ibid., p. 41.
35. Ibid., p. 10.
36. Ibid., p. 42.
37. George, *Progress and Poverty*, p. 343.
38. Dixwell, *A Review*, p. 46.