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## A Classic Reissued

THE SELF-SUPPORTING CITY,  
by Gilbert M. Tucker. Robert  
Schalkenbach Foundation, New  
York. 1958. 100 pages. \$1.

Reviewed by MARSHALL CRANE

Georgists will welcome the news that, in response to a very considerable and persistent demand, Gilbert M. Tucker has completely revised and rewritten *The Self-Supporting City*.

The first edition of this work appeared while we were still in the throes of war-time "prosperity," and it has been suggested that this was unfortunate. At the time few of us could recall the recent depression without a shudder, and while the book attracted attention, naturally not all the comment was favorable. But the author, thoroughly acquainted with what he was writing, had written it well. He presented a picture of conditions obtaining in numerous towns and cities, and none of his critics were able to produce anything resembling an adequate rebuttal.

Every articulate Georgist, while sowing the good seed, has encountered the objection that reform—specifically, the tax reform which he advocates—is not "practical." The objector, unless he happens to be a devoted Marxist, does not often disclose what system he thinks would be practical, but he is apparently quite sure that tax reform would not be. In fact, his principal article of faith seems to be that change of any sort is a perilous, unworkable business at best, and something to be avoided at all costs. To many of us this is a most annoying method of attack. Either in spite of its essential weakness or because of it, it seems to suggest no

effective line of defense, and we concede the battle with a sigh.

Henry George approached this problem from an entirely different angle. He never forgot basic theory and never permitted his reader to forget it. He was a social philosopher first and last, his system resting solidly upon essential truth and natural law. Nevertheless he was precipitated into the maelstrom of economic thought and controversy much less by metaphysical speculation than by his perception and conviction that something was vitally wrong with the way men in general managed the production, distribution and consumption of wealth. The system was not only unjust. It was utterly impractical as well.

In much the same way, it is our present system that Mr. Tucker works on, in both the original and the revised editions of *The Self-Supporting City*. Economic theory is kept before the reader at all times, but always with the methods of its application in mind. So what is studied is not only what is right, but also what actually can be done—what will save public money—and what will be of real advantage to taxpayers, both as a group and as individuals. The author offers no panacea or formula; for cities, no matter where they are, are as different from each other as the people who inhabit them. Nevertheless he does suggest a number of things which the observant and thoughtful citizen will recognize as practical expedients, all of which might be applied with profit in his own home town.

As might be expected, the subject of subsidies from central governments to local communities receives the at-

tion it well deserves. The author says—and it could hardly be said better:

"By whatever agency our taxes are levied, we ourselves must keep filled the pork barrel from which we would grab and, by and large, the taxpayers lose more from subsidies than they gain. All such schemes are open to another grave objection: he who pays the piper calls the tune, and trying to shoulder off onto state or nation obli-

gations which are ours means the loss of self-government and the destruction of our liberties. We clamor for subsidies for schools, roads, public improvements, housing, the relief of destitution, and for many a supposed benefit, and for this mess of pottage—and a mess it is!—we sell our freedom. Remember Franklin's warning: 'They who can give up essential liberty, to obtain a little temporary safety, deserve neither liberty nor safety.'"

### THE PRINCIPLES IN ACTION

In a report sent to the Henry George School conference by Gilbert M. Tucker, president of the Economic Education League, he stated that the next objective is to consider the employment of a full-time field worker to further the acceptance of tax principles supported by this group. He would work mostly in Bethlehem, Pennsylvania where during the past year, an excellent study was made dealing with the arrangement and financing of a land value tax program. "This is, we believe," wrote Mr. Tucker, "the first thorough and scholarly study of its kind made in America. It was made for us by the Institute of Research of Lehigh University and, although the League financed it, we left them rigidly alone with no attempt at interference, dictation or prejudice in findings. The study is most satisfactory and will be, we think, very valuable. It has been published and is available in paper binding for \$1, cloth binding for \$1.50."

Copies of the book reviewed above, as well as the recently published textbook *Common-Sense Economics* (special price, \$4.50 postpaid), may also be ordered through the Henry George News or from the Robert Schalkenbach Foundation at the same address, 50 East 69th Street, New York 21, N. Y.

On September 2nd friends everywhere are invited to come to Philadelphia to celebrate the 119th birthday of Henry George at his birthplace, 413 South 10th Street. The meeting will begin at 4 p.m. and there will be outstanding speakers, including Agnes deMille and Philadelphia civic leaders. Plan to come and stay through the evening.

to build up adequate gold backing without devaluation. To do so requires more than the tax increase and expenditure cut now contemplated. The Federal Reserve System will have to raise member bank reserve ratios, increase the rediscount rate and, most effective of all, sell off its government holdings gradually, without too much regard for the effects on bond prices (which would fall) and interest rates (which would rise). These are Draconian measures which would cause temporary unemployment and retard home building. Followed through, they would restore confidence in the dollar and bring gold into our treasury. Because this is an election year, it is possible that we may take this route. The alternatives may be dollars selling at a discount, repudiation of our commitment to give other nations gold for dollars, and world disorder in exchange rates.

Several other courses have been advocated. We have exerted much pressure on certain countries to establish what might be called an international reserve system which would issue "special drawing rights." It would simply be a device for deficit nations to postpone the day of reckoning. So far the others have resisted our pressure, but there is a likelihood that such an international organization will be established on a modified basis. If that comes about it can be stretched only so far and will bring another crisis. Many responsible people have recommended devaluation. Some look upon that course with horror because it would give large windfall profits to the Soviet Union which is supposed to own much gold, to France which increased its gold holdings and reduced its dollar holdings, and to South Africa which is the principal free-world gold-mining country. It would reward all the gold speculators and hurt all the friendly nations that held our dollars at our request. But most of the principal nations

would devalue in the same proportion, thus maintaining the same relative positions in foreign exchange. Some are beginning to say that the consequences of devaluation are not so bad—the disturbance would soon be overcome.

Little emphasis is given to the fact that devaluation is reorganization in bankruptcy—settlement at a fraction of the debt. But worse, it does not affect the underlying practice, "monetizing government debt." This is government counterfeiting brought about in part by new economic theories that play right into the hands of ambitious political leaders. It opens the way, as it has elsewhere, to successive devaluations.

Some have suggested that if the tie between the dollar and gold were completely severed the token dollar would float in a vacuum. The prophecy that gold would then sell at \$6 an ounce would seem to have been contradicted by the recent market action, though the tie to gold has not yet been completely broken.

It is true that with or without gold reserves, government may change the rules whenever Congress can be persuaded to do so. With mandatory gold reserves it is more difficult to go through the public process of devaluation. Without reserves no special legislation is needed—the process is invisible until the token money supply is again stretched to the breaking point.

Gold has served remarkably well over long periods of time. Even though its production bears absolutely no relation to population or commerce, its scarcity and costs of production have been such as to cause only minor price level adjustments. It has the remarkable virtues, as stated by President de Gaulle, of "immutability, impartiality and universality." Shall we rely upon the discipline of gold or the discipline of politicians?

Despite vigorous assertions that austere measures will be taken, I am afraid I must conclude that because

there is no informed protest of sufficient force to dampen our profligacy, successive devaluations will take place. Savers are confronted with an insoluble problem—that of hedging against continuous deterioration of the purchasing

## Gilbert M. Tucker

GILBERT M. TUCKER, who was for many years, in his writings and lectures, a concise and well informed patron of Henry George, slipped away in his sleep on February 26th in Carmel, California. He was the author of *The Path to Prosperity, For the Good of All, Common Sense Economics, Your Money and What to Do with It* and numerous booklets. His best remembered book is probably *The Self-Supporting City*, which was revised in 1958. It is still in use, quoted, and circulated. Marshall Crane reviewed it for HGN in August, 1958, quoting this paragraph as characteristic of the author's prophetic views:

"By whatever agency our taxes are levied, we ourselves must keep filled the pork barrel from which we would grab, and by and large, the taxpayers lose more from subsidies than they gain. All such schemes are open to another grave objection: he who pays the piper calls the tune, and trying to shoulder off onto state or nation obligations which are ours means the loss of self-government and the destruction of our liberties. We clamor for subsidies for schools, roads, public improvements, housing, the relief of destitution, and for many a supposed benefit, and for this mess of pottage—and a mess it is!—we sell our freedom. Remember Franklin's warning: 'They who can give up essential liberty, to obtain a little temporary safety, deserve neither liberty nor safety.'"

Mr. Tucker inherited *The Country Gentleman*, a magazine of renown published by his father. His lifetime roots

power of the dollar. Lenin may have been right when he said capitalism would destroy itself by debauching its currency, and if our government refuses to live within its means we will go the way of the Roman Empire.

were in Albany, and he and Mrs. Tucker reluctantly closed their home there only a little more than a year ago, when they sought a warmer climate in California. There he lived as he always had, true to his inheritance, a gentleman in manner and appearance.

Few of those who stepped aboard the sumptuous Titanic on its ill-fated voyage with a socially prominent passenger list, survived the tragedy. Mr. Tucker did. Rescued on a lifeboat, he lived to tell the story, though he seldom mentioned it. What engaged his conversation much more was his strong belief in and clear understanding of tax reform.

He was associated with the HGS from the beginning and was a member of Oscar Geiger's committee of founders. Active as an officer in the Henry George Foundation, he later financed the Economic Education League and remained for years a contributor to the Pennsylvania efforts to establish a test LVT city. It was hoped for a time that Erie would choose that honor.

He provided generously for the Albany Academy for boys, which he attended before graduating from Cornell University. It will endure as a fitting and affectionate memorial. He will be sadly missed by his wife, Mildred, whom he adored, and affectionately remembered by many whom he befriended. He was gentle and considerate, and he loved his country. "I am certainly among those who will miss him," wrote Rhoda Hellman on hearing of his death. There are many who would say the same.

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