

Foundation preaches free market

By MARGE LEAHY
Staff Writer

For more than 30 years, unnoticed by its Irvington neighbors, a different kind of school has been quietly thriving—teaching an economic philosophy its relatively few adherents may travel thousands of miles to hear.

Set on five acres of a former Hudson River estate, the Foundation for Economic Education (FEE) teaches its beliefs in limited government, the free market, private property — all integrated with moral and spiritual values.

From Manitoba, Canada, the British West Indies, Michigan, Virginia and a half-dozen other states, about 50 people converged last weekend at the gray clapboard and red brick mansion for one of about 23 seminars FEE conducts annually. They came as believers.

And they went away with an exhortation to spread the word as more skilled and eloquent explainers of the teaching. During the three days of discussions and lectures, the group talked about the causes of inflation, the growing opportunities for the entrepreneur, the role of capital, energy policies, and their fears of encroaching socialism, antithetic to all their beliefs.

It also focused on the belief that freedom in the marketplace is a prerequisite to freedom everywhere else. And economics, in turn, involves ethical and religious values.

The comparatively few adherents to this "freedom philosophy" as they term it, does not bother FEE's founder, Leonard E. Read. "Ours is not a numbers problem. Ours is not a selling, but a learning problem," said the 70-year-old writer of numerous articles and more than 25 books.

"Every good movement in the world has been led by an infinitesimal minority. Go back 2,000 years. Jesus had only 12 followers — and one of them was a bum."

If FEE is now thriving — its staff of 30 publishes a free monthly magazine and other publications, prepares research papers, and lectures world-wide in addition to conducting seminars — this was not always the case.

Consistent with its belief of individual responsibility, FEE "doesn't ask anyone for a nickel," explained Read. "People give what they want to on their own initiative." Now, about 25 per cent of the 55,000 subscribers to *The Freeman*, its free monthly, become contributors.

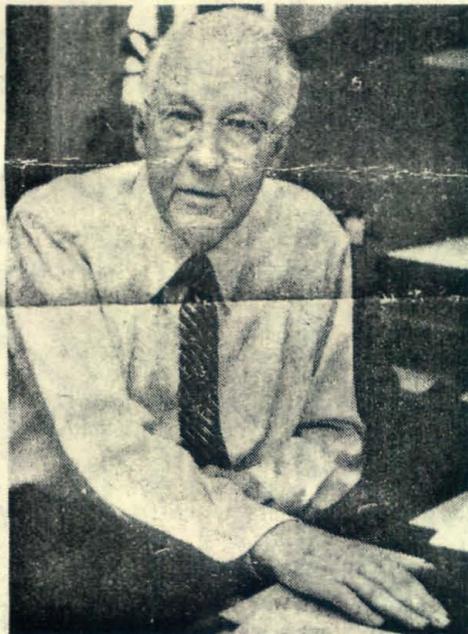
Shortly after Read started FEE in 1946, the foundation owed a \$100,000 mortgage, had \$25,000 in monthly operating expenses, \$75,000 in unpaid bills and "not one cent." Read hit the road to explain what the FEE concept was and succeeded in becoming solvent 30 months later.

Support came from executives of Montgomery Ward, U. S. Steel and David Goodrich of the tire company. Support also came from surprising sources. One \$5 contributor from Texas bequeathed all he had to FEE — three-quarters of a

million dollars. Their portfolio is now around \$2.25 million.

Read, born on a farm in Michigan, served in World War I was manager of the National Chamber of Commerce's Western Division for 10 years and became, in 1939, general manager of the Los Angeles Chamber, the largest in the country. In 1946, he left the executive vice-presidency of the National Industrial Conference Board to become president of FEE.

Central to their "freedom philosophy" is the necessity for consistency of all a person's beliefs. Just as it is now recognized that the physical and emotional makeup of a person are interrelated and cannot be separated, so must one's intellectual, political, economical and ethical beliefs be integrated.



"It is impossible to be consistent unless you are doing your thinking logically and deductively from a sound basic premise," he said.

For Read, this premise derives from Immanuel Kant's principle that any premise must be such that it can be universally applied. "Leonard Reed has a right to his life, his liberty, his livelihood. You can only call it a good premise if you can concede that right to every person on the face of the earth. Can you? I can. Ergo, it is good."

He believes that now the world is at a low point. "I wrote in one of my books that there is something bad and good in everything if you can figure out what it is. Then there must be something good about this mess."

"I have finally concluded it is an absolute cosmic necessity. Suppose you were sitting on top of the world and you had on your hands the job of bringing on a higher grade of humanity. Would you pap feed the population or would you give them obstacles to overcome? I think the latter. The art of becoming is that of overcoming."

With humorous anecdotes and a convincing humility, Read enraptured the varied group. High school seniors, a college-educated waitress from Queens, a former state legislator from New Hampshire who has been at eight FEE seminars, retired people and business people listened carefully to the tall, slightly stooped man.

In FEE's view, it is a wrong to take away the initiative of a person through welfare or unemployment insurance which makes it more profitable for able-bodied persons not to work. They also believe it is just as wrong to reward a company like Chrysler for not being able to produce a product that will sell in the marketplace.

Government should be limited to ensuring justice, life, liberty and property. Government is not a creative activity, they say. Creativity lies in individuals who will be responsible for themselves and who will be willing to succeed or fail because of their own knowledge, courage and ability to abide by the "wisdom of the marketplace."

One lecturer, Hans Sennholz, an economic professor from Grove City College in Pennsylvania, noted a sanitation man may earn many times what a professor of Old English with many Ph.D.'s may earn. "That's only right," he says. The priorities in the society are such that a sanitation man is worth more than such a professor who is probably putting his students to sleep, Sennholz says.

He recalled his being honored by a metals company. Curious as to the reason, he learned they had followed his advice in an article on gold prices and profited \$5 million. He received \$50 for the article. "I had only knowledge. They had my knowledge and the courage to act," he said, believing that courage is essential for those who wish to seize the many opportunities he sees presenting themselves now and in the immediate future.

However, he was pessimistic about the affect of inflation. This he attributes directly to the government which prints more money in order to cover its own deficit spending. According to Sennholz, it is the continual pumping of more money by the government that creates inflation. However, to stop such pumping and balance the federal budget is likely to cause a recession or depression. This would cause political pressure he feels no president could withstand, Sennholz stated.

Free enterprise, FEE believes, did not fail in 1929. The failure there was due to government monetary policy. And sweat shops occurred because government did not fulfill its role. Instead it supported the abusers in business. FEE also believes that, with a strong capital base, those who are unable to support themselves will be provided for in a private welfare system.

If the perfect working of this philosophy sounds Utopian, another lecturer, Robert Anderson, an economist from Briarcliff Manor, agrees. It is an ideal that should be reached for.

Read says, "We're going to win," although he concedes that a turnabout "will be a miracle." He quotes, "A miracle is the darling child of faith," believing pessimism will never succeed.

"If what we are doing is right, we'll succeed. If what we are doing is wrong, we will fail." Read said.

Staff photos by Robert Deutsch

Leonard Read at his desk and exterior view of the Foundation