

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

January 9, 1958

Mr. Leonard E. Read, President
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Irvington-on-Hudson
New York

Dear Leonard:

I am returning herewith as I promised the item listed below as I understand this is the only copy in your files.

"Roofs or Ceilings?" The Current Housing
Problem by Milton Friedman and George J.
Stigler.

I am awfully glad I had a chance to read this. I was particularly interested in the list of Directors and Staff at the date of this publication which was enclosed in the pamphlet and which is also returned herewith.

Now that I have this I think your editor's note was clearly justified. I hope my comments will raise perhaps further questions but I have forgotten what you yourself said about it at the time. I think probably by hindsight you had some thought or reservations concerning the method or means of accomplishing your comment. So regardless of what I say will you please let me have your recollection about that.

My own suggestion would have been that the writers of the article perhaps should have been given a chance to make a statement in their article clearing this point up themselves, or if they did not wish to do so that they should have thereupon had no objection that you put in your editorial comment.

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I feel personally that throughout the entire article they indicate a possibility that they were sidestepping a very basic question, either deliberately or because they actually would have been in favor of government controls but simply thought the method used in this case was impractical.

I have dictated a letter to Jasper Crane in reply to a letter he has written me about the Mont Pelerin meeting and have sent copies of it to Curtiss and Harper because they were mentioned as having a program approved by them in Jasper's letter. I think that actually Jasper may have been a little careless on this. If you see one of those letters I would like to have your comment on my letter. If Jasper pays any attention to my letter, and I do not see how as a matter of logic he and Hayek can avoid it, I will succeed in nailing down the problem that Friedman avoids, or at least there will be a chance to nail it down at the Mont Pelerin meeting in this country, if it is held.

Frankly, while it may have been nice to have the comment of these economists (Friedman, etc.) on the particular subject and it is rather convincing comment, it leaves me uninterested in them and suspicious of their thinking.

I do not believe I have ever met Stigler (What do you think of G. Stigler on a Mont Pelerin meeting on trade unions?), although, of course, as you know, I have met and talked with Friedman. He may by now have thought out some of these questions and see the thing differently and be committed to the basic necessity of a free society and realize that society by government is not a free society.

For instance, on the page next to your note--

"Heavy taxation, governmental economies, and control of the stock of money are the fundamental weapons to fight inflation."

It somehow occurs to me that in the first place there is a conflict between heavy taxation and governmental economies which they ought to have sense enough to realize exists, and second that in a truly free society you could not, it seems to me, normally have monetary inflation.

Why did not they, for instance, suggest the removal of existing governmental interferences which were perhaps importantly back of the thing that they would attempt to prevent by more government instead of less government?

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Do you get my point? If you remove the real cause then the weapons they suggest are of no importance. As I have said two of the three weapons seem to me clearly contradictory. If you do not remove the source of the trouble you are only going to ultimately attack the free society by the weapons they propose as being effective. Personally, they would have to prove to me also that they were effective if I were to admit that they were the real solution.

I find on Page 17 they again are making a decision of practicability in this paragraph--

"To be fair between owners and renters, however, OPA would have to be able to tell owners that they had excessive space and must either yield up a portion or shift to smaller quarters. One's ear need not be close to the ground to know that it is utterly impracticable from a political viewpoint to order an American family owning its home either to take in a strange family (for free choice would defeat the purpose of rationing) or to move out."

Again they are dealing with practicability a paragraph down--

"How long would it take an OPA board to answer these questions and to decide what tenants or owners must 'move over' to make room for those who, in the board's opinion, should have it?"

and also--

"We may conclude that rationing by a public agency is unlikely to be accepted on a thorough-going basis. Even if applied only to rented dwellings, it would raise stupendous administrative and ethical problems."

I would like to ask them if they really do not think that if they are for a good statist society, why not get rough enough to really do it. The only answer to it is the question of morality and justification of a free society which they are avoiding.

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Their statistics on Page 18 are interesting.

I do not follow them in the reasoning that seems to be involved in the following sentence on Page 21--

"Unless removal of rent ceilings would be a powerful new stimulus to inflation, therefore, there is no important defense for them."

Then again on Page 22 their use of the word "hurt" in two of the paragraphs and the word "windfall" in the last paragraph leaves me terribly unsettled about the reliability of their state of mind.

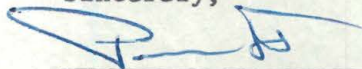
There seems to be rather urgently the desire that no one be hurt, whereas it seems to me the important thing is how somebody is hurt. If people are hurt by the result of their own action in a free society that is one thing; if they are hurt by improper force in a free society or by the governmental force in a non-free society it seems to me that that is maybe of different importance.

The second use of the word "hurt" seems to me to involve levelling.

Back to "windfall"--I am not sure what profits are really windfall and what profits are not and whether if they are windfall or not makes any difference in a free society. Let's call Henry George in on this one.

I am really very interested in this whole question. Enclosed is a copy of a letter which I am sending to Dick Cornuelle as I think it is opportune at this juncture.

Sincerely,



Pierre F. Goodrich

PFG:hs

Enc.

P. S. Please do explicitly differ with me where you do, and inform me where I have asked for information, and if you agree with me tell me where you do. In each case I would appreciate such reason as you feel you can give therefor.

P. F. G.

January 14, 1958

Mr. Pierre F. Goodrich
Goodrich, Campbell & Warren
Electric Building
Indianapolis, Indiana

Dear Pierre:

Thanks for your good letter of the 9th and for expressing your opinions about the footnote that we wrote into Friedman and Stigler's "Roofs or Ceilings?"

I never have thought the footnote to be wrong but I believe our method of introducing it could have been better. Certainly, we should have consulted Friedman and Stigler.

Friedman and Stigler, at the time this article was written, believed in free enterprise as a means of getting superior production, but they also held a belief very strange to me that that big production, once achieved, was to be redistributed by a progressive income tax. I didn't know it at the time, but I learned of it later from Dick Cornuelle, that this was a belief held in common by the so-called Austrian economists but Mises, I suspect, was the outstanding exception. When we formed the Mont Pelerin Society in 1947, Hayek held this view himself, but later completely reversed his position and is now a strong opponent of progressive taxation. While I am not certain, it may be true that Friedman and Stigler have also reversed their positions.

During our week at St. Moritz, Dean Russell and I had breakfast with Friedman and Stigler. The conversation that morning at least had the value of removing their soreness at me for the footnote in "Roofs or Ceilings?" However, I found myself displeased with their basic position. I really can't say this about Stigler, but Friedman explicitly stated that there was no basic principle by which the scope of government can be tested. As nearly as I could judge his beliefs, he held that government's scope should be determined by what works and what doesn't. So long as he holds to this notion, he and I can never see eye to eye, except in areas of detail.

I recall my first meeting with George Stigler. He called at FEE in 1946 before the publication of the piece. He told me that he was going to teach at the University of Manchester the following year. I told him that it would be a nice experience and would give him the opportunity to look into the work of

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John Bright and Richard Cobden and others who did quite a bit of their work through the Manchester Chamber of Commerce. Stigler replied that he knew all about that, that his reason for going to England was to see how well socialism worked when there were efficient bureaucrats to manage it, that England had more efficient bureaucrats than any other country. In short, Stigler didn't seem to believe that socialism never could work under any circumstance.

I believe the minds of these two have changed a great deal during the last 12 years but they're not around to your or my position, as yet, as indeed very few are.

In answer to your question, I think that Stigler could do a good job on trade unions. Both he and Friedman are extremely clever.

I have talked to Curtiss, and he and Harper appear to be in complete agreement with your letter to Jasper, first that there should be someone on the Mont Pelerin program who will discuss, basically, the problem of freedom and, second, that Mises should be included in the program. I agree with these two points. Incidentally, Jasper phoned me yesterday afternoon telling me about your letter and stating that he agreed with these two points and would do what he could to realize them.

I repeat what I told you over the phone a week or ten days ago, namely, the program as it is now set up is far better than I ever expected. You have to keep in mind that Hayek's approach is considerably different than yours and mine, as relating to the conduct of the Mont Pelerin Society, even though his personal views are apparently quite similar to yours and mine. I gave up a long time ago arguing my point of view with Hayek. I held that the Society should be only for the purpose of developing a better understanding of the libertarian philosophy; that the other side of the argument shouldn't be introduced into the program at all; that the other philosophy had plenty of platform all over the world. On several occasions I was tempted to resign from the Society, but I noted an increased trend toward libertarian thinking year after year and decided that the Society was probably worthwhile. I wasn't present at the Berlin meeting but the meeting at St. Moritz reversed the trend I had earlier observed. In short, if it were to go that way, I would get out.

My best to you!

Cordially,

Leonard E. Read

*Curley's
from friends. Still
pretty stiff stuff*

In 1951 Dr. Van Sickle invited me, through Drs. Munold and Hayek, to the Beauvallon meeting of the Mont Pelerin Society.

This unexpected invitation started me on a pilgrimage which led to the later meetings at Seelisberg, Berlin, St. Moritz, and now Princeton; and to the writings of Von Mises, Hayek, Ropke, Jewkes, Rappard, and others. All this has become the basis for some interesting and good discussions in and out of these meetings.

Now in questioning the desirability of procedure and priorities of thinking it is with the earnest wish that the thoughts of all of us should be further benefited by real and full exploration of badly neglected prior questions, basic reasons for freedom--if any exist, and the nature thereof.

Many of the discussions over the years were bound to be unsatisfactory because prior decisions and background for such discussions were not first debated.

I understand that some do not believe that moral principles can be used for answering questions in economics; that there is no basic principle by which to test the propriety of using or not using force by one man over another or not giving one or a few more power or force over many men; that the test is solely current and practical considerations for what seems to work or not work; that any ideal concept based on an observed and/or a presumed nature of man or of the universe, including man and his destiny, is useless.

Such position deals with parts of a whole while ignoring the whole, or at least the individual who takes this position seems unwilling to face the whole even as a theoretical premise.

It seems to me that such prior thinking is needed not only in economics but in other allegedly scientific discussions concerning human beings, and especially is needed in matters involving government.

We may not be assured that an ideal selected is perfect, nevertheless the nearer it approaches perfection--the nearer an infinity that will hold together in its reasoned parts--the more likely it will serve as an effective guide for testing day to day decisions.

Even though an ideal may be unattainable in a complete sense in all matters it does not prove it can not serve as a satisfactory means of testing current decisions.

Each person's decisions will always be imperfect.

But if he proceeds without basic determination and reasoning to guide him his decisions will most certainly be more remote from perfection than with such a guide. Furthermore, whether intending to do so or not he will become a party to creating the god-state.

It will certainly help to consider man as we know him.

Man--who has some imperfect capacity for reason and for communicating his ideas, past and present, by means of words;

who learns through this word communication even with his imperfect reasoning;

who learns through his senses, and through a conception we hardly know how to describe except through the term mysticism.

Man--who has an attachment to things real and unreal.

Man--who acts in response to love and compassion and fortitude.

Man--who acts in response also to envy, hate and jealousy.

Man--who sometimes wills his conduct in accordance with reason and sometimes with anger;

man--whose reason and will are never perfectly objective or necessarily sound.

Man--with these conflicts which seem to be a part of the whole imperfect human being.

Why should he be free and at liberty?

Then why should he be given power over other people's liberty?

Is he a part of an order of the universe?
Is there an order of the universe or is there no order of the universe?

Why is it not logical to discuss man, his nature and possible destiny, and some of the questions above raised and others hereafter raised?

Why should a wise society attempt to implement and departmentalize man before they have seriously wrestled with man as a whole?

Is economics an end, or is liberty an end, or is there some other end?

Now I give you a few ideas for your examination. The first has to do with power. I quote:

"And Power, as the biographies of so many statesmen reveal (for example, that of Sir Thomas More), heightens sensitiveness, stimulates the imagination of purposes and expedients, generates invention, develops compassion when it places men where they confront the sorrows which government exists to assuage and the trials which must be visited on some in order that others may have a more abundant life; and power develops humility and fortitude. These are precious qualities in the service of mankind, and inseverable from power."

True or false -- and how do you decide this question?

Do some of the propositions concerning man I have herein stated have any bearing on the validity of this statement?

Again I quote:

"Power tends to corrupt and absolute power corrupts absolutely."

True or False?

Do any of the statements herein have any bearing on the validity of your thinking about this?

If absolute power corrupts absolutely what is the nature of that corruption and does that have any bearing on economic thinking and its ever related thinking to a society existing under a government intervening therein ultimately with force?

Lets examine further

Some men are infallible and should be set up to govern other men and power should be placed in their hands to see that men live their present such as to assure their hereafter. True or false?

Some men at least are able to ascertain their entire nature, their possible destiny, the entire order of the universe, and their part in that order. Such men should be given power over many men in order to achieve greater perfection. True or false?

Man is a fallible individual and no one of him or no collective group of him is perfect; no one of him or any such group is objective; nor is he or any number of him able to conceive the entire order of the universe, if there is an order. True or false?

Another question--Man should make laws and rules to govern other men in order that those men may be punished for violating the laws of their infinite creator. True or false?

Could not such questions if discussed as an important part of these proceedings suggest an ideal which would guide discussion and thinking which would be more rewarding? that

Essays written by some members of this society have been helpful but it seems to me that the time is long past due where more discussion would be helpful with those who are willing to think about these problems.

Inclosing I will attempt a proposition, not with the idea that I have a solution but with the idea that it needs discussion by those willing to face a whole.

There are three realities which to me alone inescapably establish the necessity of free individuals.

1. All individuals are imperfect.

As a part of such imperfection all individuals have an imperfect knowledge of man, his origin and his destiny, and the universe in which he exists.

If this is true then the very test by which we decide the extent of any man's imperfection is itself apt to be imperfect.

2. Assuming that some men are more perfect than other men, when we place in their hands the direct power of government or even the limited power supported indirectly by law and government intervention it increases their imperfection. Thus,

3. It is not necessary to base the propositions herein on an acceptance of an infinite Creator and the established laws of such a Creator (although much of our free civilization has been developed as a part thereof).

It is sufficient to observe that man's apparent imperfections cause a choice of imperfections and the more hopeful choice of imperfections is a free society in all its inseparable parts:

A free competitive market in goods and labor, a free competitive church, a free competitive education--within the framework of the limited government herein defined which really limits the imperfect man's power to use force over other men.

It seems reasonable to say that such government is beneficial only to the extent necessary to relieve men from being judges in their own cause as against other men and to safeguard men as against other men (including governors with intended uplift or tyranny) in order that men may be free of each other's force.

It is necessary to recognize that even necessary power of government is inherently itself dangerous (Use of force on an intelligent being is the most imperfect means of accomplishing an end) and that any power given other men through force of government or intervention of government should be itself limited and decentralized by adequate checks and balances to the bare needs of the proper purpose of the power--consistent therewith.

If the above propositions are not sufficient alone it also seems to me that there is some evidence of order in the universe. I deny that anyone ~~absolutely~~ can prove it or prove the contrary but it is the more hopeful choice when you look at man as a whole.

absolutely

Therefore, I will reason further from this position.

*there can be hope,
is that*

If there is order, of course man is a part of the order, and the only way in which an infallible man who does not know the whole of the order (I contend that all are such) can be helpful and that thus man or any group of men in order that no imperfect man may be put over many variously imperfect men.

be free of force by other men

The real hope is that some men may achieve great progress in the origin and nature of man and move closer to his destiny than others. Such in turn would help all men. It is essential to note here that everything we know about the history of men would indicate that we can not identify such men prior to their achievement. Did you know that the celebrated Verdi was refused admission and application for a scholarship at the Conservatory in Milan as lacking aptitude in music. He stayed in Milan, studied privately and was supported by a grant from a charitable institution in his native district and developed his aptitude without benefit of the conservatory.

In the light of some of these things a few questions might be answered.

It seems illogical to me for human beings to say that an infinite creator has imposed a law against murder and assume that the creator has not provided the consequence for the murder, and then to assume that the imperfect human being must punish the murderer on the theory that the infinite creator has not provided a consequence.

This does not seem logical to me, neither is it necessary to permit murder.

If you reason on a choice of order -- however you believe that order occurred -- then it is necessary to deny any imperfect man the right of force over any other man.

To me the prevention of this seems to be the sole justifiable use of the state.

I am not concerned with man's desire to accept the consequences of being free but with the necessity of his being free and being left alone (at least so far as the intervention of government is concerned) with the consequences of his freedom from force of other men singly or by government.

It hardly seems necessary to point out that in all use of force it is implemented by men who it seem clear are imperfect.

Surely no one would assume that the state is anything better than the human beings who hold the power of the state.

If you accept the Acton principle, as I do, that "Power tends to corrupt and absolute power corrupts absolutely" and that the essential nature of that power is man's deification of his ends and his tendency to justify ~~any~~ means for those ends where he holds that power, then actually whether that power be taken by force of arms or by a proclamation having a gold seal affixed to it you have set the stage not for a more perfect imperfect man but for a less perfect man and, in fact, a dangerous man, thus ~~put~~ put over other men to interfere with their proper destinies.

A closing point. If you choose an ideal by the best reason you can and are convinced of it, the more that is a true ideal then the more it is an infinity.

Such an ideal is, nevertheless, under all of these circumstances, a bearing by which current decisions may be tested or rejected.

Thus the choices of imperfections may be less imperfectly chosen by imperfect man.

Whether these choices are being made by economists, or whether they be Mont Pelerin or philosopher kings, they all come to the same end and the imperfection increases with the power and the length of it.

The mere fact that that power can be shifted or the holder picked by a majority or by some other means does not change the essential result which you finally have.

Surely no one would assume that the state is anything better than the human beings who hold the power of the state. Is not a perfect state inconceivable unless one assumes perfection within mankind? If power tends to corrupt then the power of the state inevitably increases and implements man's imperfections.

That power which appears to be for the good of the many or for an ultimate high good especially if such power is bestowed by action of the many the more dangerous it is apt to be.

I sincerely hope before we leave this gathering some of us will have the chance to test out with each other and improve our understanding of these things and that this Mont Pelerin meeting will not adjourn itself without, at least in some parts of it, serious formal and informal discussion and testing of particular propositions and parts, not by their expediency but by the ideas that are suggested here.

I am concerned about the assumption that men should be free without having a good reason for the assumption. I am convinced that if there is no ideal by which the course of decisions in economics and state can be guided and if we are unwilling to face the discomfiture of a free society as compared to the discomfiture of a statist or interventionist society all of our decisions sooner or later will collectively force us into a statist society--in fact that is what we are ~~not~~ doing.

nmw

8-7-58

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

April 11, 1958

Mr. Leonard E. Read
The Foundation for Economic Education, Inc.
Irvington-on-Hudson
New York

Dear Leonard:

I received your memorandum entitled "The Police Power." I appreciated reading it. You invited comments. I read this ten days ago and then could not get to dictating it. I am afraid my comments will be a little cold but I will try it.

On the first page, paragraph 3, the idea is most interesting and provocative. Analogies are bad but as life gets allegedly higher it seems to get more complicated. Then there is the question of individual responsibility and resourcefulness. I have a feeling that your statements in these couple of paragraphs would be less true in the country than in the city. I will be in the country this weekend and I will see what I can find out about it.

On page 2 you used an analogy. I am always uneasy about analogies. I do not believe they prove anything logically. Somehow it seems to me that you can make this idea stick by logic, and, if so, it might be better. You, however, are much more informed than I am on how to make people understand things.

Your statements on page 3 are excellent. It is amazing how many responsible people agree but seem unwilling to do anything about it. In my limited experience I find the more important officers of large corporations, especially where they have no important corporate ownership in the business, trying desperately to avoid facing some of these facts, and, in fact, being angrily opposed to any disturbance of them.

I feel the same way about your interesting page 4. It is excellent.

Mr. Leonard E. Read - 2

April 11, 1958

The fellows you are talking about at the top of page 5-- I suppose my statement is more provocative than it is helpful--I am inclined to refer to such individuals as "gold seal supermen."

I also would like to point out, what I think Mill also pointed out, that a collection of private citizens, even without governmental police, can be a very serious force.

Bottom 9 p. 5 || It somewhat depends on the individual's capacity to get away from a community so dominated so that it seems to me that in the comment in the bottom paragraph I would be inclined to give more weight to it than you indicate.

Your footnotes on page 6 are excellent. I do not believe I have ever seen that expressed the way you do it and I think it is good.

I particularly note the paragraphs on page 7.

It seems to me that page 8 pretty well negatives the sphere of government and you have turned an often stated phrase against itself.

Murphy > On page 9, for some reason or other, you made me think of the Chinese philosopher whose life commenced towards the close of that of Confucius. I am quoting from memory and I can produce the actual quotation if it interests you. The question he posed was to the effect: Why is it wrong for one man to take the property of another man and right for the great state to take the property of a lesser state? Why is it wrong for one man to kill another man and right for the king to kill many men?"

? || If you have time, give me your citation from the Gita. I would like to check into it in my copy.

Of course, we have to have a point of reference. The nearer our ideal puts us in infinity the more likely it is to be a good point of reference or a point by which you would steer.

I can not help but remark that in the last sentence on page 9 you say there is not much excuse for behaving worse collectively than individually. I can not help but make the statement that we will, nevertheless.

I suppose that the idea that somehow there is increased virtue in the majority stems from the political use of the majority as a means of some check and balance. The trouble is we make the mistake of deifying it.

Mr. Leonard E. Read - 3

April 11, 1958

On what you are into on page 10 I recollect a seminar one time where one of the members took the position that the truth was what the majority thought to be true. Dr. Trueblood, who was presiding, asked the individual if in part of the world at one time the majority thought it was flat. The individual admitted that was so. Dr. Trueblood then asked him if the majority now admitted it was round or about so. The individual admitted that was so. Dr. Trueblood then asked him what happened--Did it just turn down at little bit at that point? That seemed to end that argument.

Of course, for those who profess to believe in an infinite and just Creator it seems a bit illogical and presumptuous ~~on my~~ *as I see* ~~it~~ part for the same individual to feel it is necessary to enforce the laws of the Creator by his decision and action as to the violation thereof and enforcement thereof. Besides being illogical, I think it is plain dangerous unless he thinks that the Grand Inquisitor would be a good solution to the problem.

On the last paragraph on page 11 would you be willing to state the "activities of individuals" rather than the "activities of the people."

I am sorry I am not being better but if I were not doing this as I am you might not hear from me for another week and perhaps that would be less satisfactory.

Sincerely,



Pierre F. Goodrich

PFG:hs

THE POLICE POWER

Millions of Americans are concerned lest our present creeping inflation turn into hyper inflation. ("Creeping" may not be lusty enough to describe a dollar that has lost 51% of its purchasing power since 1939.) This concern is warranted, for the consequences of hyper inflation here would be unbelievably awful -- much worse for the citizens of the U.S.A. than for those in other countries or at other times who are being or have been victimized and shorn of the fruits of their own labor. Why is the danger greater here than elsewhere?

Ours is the most advanced division-of-labor society that has ever existed. This is but another way of saying that we as individuals are further removed from self-subsistence than the people of any other country, present or past. We were born into this type of economy; it is in our life.

In a highly specialized society such as ours, nearly all persons are utterly dependent on the free, uninhibited exchange of their respective specializations. There is a marked and dangerous unawareness of the extent of this dependency.

Goods and services in a highly specialized society cannot be adequately exchanged by barter. A farmer in Utah, for instance, does not exchange one of his lambs for the labor of a worker in an Akron tire factory. Exchange in an economy such as ours relies on a circulatory system, one that conveys our tens of thousands of specializations among us. The circulatory system that performs this amazingly complex function is the medium of exchange -- our money.

The economic circulatory system, in many respects, can be likened to the circulatory system of the body. The bloodstream carries oxygen from the lungs and ingested food to trillions of cells and carries off waste matters. Here, again, is a performance so amazingly complex that the mind of man can comprehend it only in a general way.

But, look! One's bloodstream could be thinned or diluted to the point where it would cease entirely to perform this function on which life depends. The patient would die.

Similarly, the economic bloodstream -- the medium of exchange -- can be thinned or diluted to the point where it will no longer distribute our millions of specialties. This would be far more disastrous to us than to the peoples of other countries because we are far more specialized; because each of us is so far removed from self-subsistence.

Inflation is a thinning or diluting process. It comes about by increasing the volume of money. It is a form of coin clipping. Coins could have been clipped to the point where nothing remained in the hands of coin owners. The medium of exchange can be increased in such volume that it becomes worthless. (We have increased our own money supply by about 700% since 1932.)

Example: Two German brothers, during 1919, inherited 500,000 marks each from their father. One was frugal and never spent a mark. The other spent the whole of his share on champagne parties. The inflation in Germany progressed so far by 1923 that 30 million marks would not buy a loaf of bread. At this point the frugal lad had nothing. The other was able to exchange his empty champagne bottles for a dinner. The exchange system was reduced to barter! This condition would be more disastrous in America than in any other country.

Observe the history of all hyper inflations. In every instance they were preceded by "creeping" inflations.

The question is: Are we headed for hyper inflation? The answer comes clear if we recognize the nature and cause of inflation. Inflation is a form of taxation, a manner of obtaining revenue by government. When the activities of government become so expensive that it is no longer politically expedient to obtain the needed revenue by direct taxation, inflation will be invoked. The whole historical record confirms this conclusion. Inflation inheres in over-extended government and there is no remedy whatever except to shrink the activities and, thus, the expenses of government.

To answer the question -- are we headed for hyper inflation? -- only requires that we answer the question -- are we headed toward the extension or the shrinking of governmental activities? The answer is clear: We are, as of now, politically committed to the further extension of governmental activities. All proposals from Washington confirm this. Unless the political design is reversed, we are hopelessly bound for hyper inflation.

Now, there isn't a single American who favors hyper inflation except one bent on the destruction of our economy. Many will advocate the increase of governmental activities but they will not favor the inflation which the increased activities make inevitable. As they view the inflationary aftermath of their work they will all wail, "But, I didn't mean this."

Those who would keep America from the disaster of hyper inflation have but one course to recommend: The outright abandonment of excessive governmental activities.

Here, however, is the rub. Hardly anyone is willing to get specific and name the things that ought to be abandoned. Who, I ask, will publicly proclaim that TVA, compulsory social security, government housing, subsidies to farmers and to thousands of other groups and undertakings should be repealed -- as of right now? Few, indeed!

Why this almost unanimous reluctance to be specific, to turn the spotlight on the only areas of political activity that will do any good? The reason is becoming increasingly apparent to me. Once government takes over the responsibility for any activity -- the delivery of the mails, for example -- it becomes an untouchable, a sacred cow, so to speak. Why this sacredness? Because it is an officially proclaimed commitment. And, what honorable man isn't reluctant to recommend the breaking of a commitment?

We need to take a new look at these commitments. What if they are evil? Suppose, for instance, that we had traditionally condoned cooks and housemaids stealing from the home larder as a manner of compensation? Would we hesitate to recommend that the practice be stopped? On the contrary, we would probably attack the practice with some fervor.

Here is my point: Until more of us understand better than now what is and is not the proper function of government; until we know that government, too, can do evil; until we can identify and explain what specifically is evil, and why; until then will we hesitate to do anything worthwhile toward keeping our country from hyper inflation and disaster. Let's take a fresh look at government in that light.

What distinguishes an individual as a private citizen from the same person as an agent of government? Is it other than this: An agent of government

is formally, officially and, quite properly, in league with the police power. Let the police force backing be removed from any public servant -- an agent of government -- and he is, presto chango, a private citizen again.

Private citizens Hoover and Truman differ from President Hoover and President Truman by virtue of their altered relationship with society's police force. The same can be said of the difference between Mayor Bowron and Mr. Bowron or Congressman Buffet and Mr. Buffet. Once they were associated with the police force; now they are not.

Consider the significance of this altered relationship. When men organize a collective to accomplish certain aims, and succeed in getting the police force behind their collective, they bring into existence the social structure we call "government." Their resolutions become decrees. When they resolve that you and I shall be hung for murder or go to jail for stealing or fined for speeding or pay the deficits of TVA or build public bath tubs for camel-riding Egyptians or guarantee the income of farmers, we obediently respond. Or else reckon with the police force! Government, properly so called, can never be reduced below two elements: a collective affixed to a police force.

Imagine, for example, all government personnel -- federal, state and local; legislative, executive and judicial -- organized exactly as they now are but without any police force backing whatever. Their pronouncements would be reduced to those of private citizens; merely advisory, not compulsive. Without the police force their resolutions would be on a par with those issuing from a chamber of commerce or from the League of Women Voters. They might resolve that all of us should donate to the prosperity of farmers and their resolution would have no more compulsive weight than an advertisement urging us to buy a certain brand of beans. It is the absence of the police force

backing which explains why Mr. Truman's current deliverances, for instance, are taken so much less seriously than were President Truman's pontifications.

In sum, it is only when a police force is affixed to a collective that government exists.* Therefore, it is the police force element which is the essential, distinctive feature of government. To determine what government ought to do, then, would seem to require nothing more than a reasonable determination of what the police force ought or ought not to do.

But, first, what in essence is a police force? When correctly defined, is it anything more or less than the striking power in each of us organized into a collective striking power? Striking power can be symbolized in its most rudimentary form by the clenched fist. More advanced symbols would be billy clubs, knives, guns, submarines, fighter planes, atom bombs.

Examining striking power in its simplest form, what can the clenched fist accomplish? It can hurt or punish; it can penalize, restrain, inhibit, destroy. What, in good conscience, ought to be punished, inhibited, destroyed? Violence would appear to qualify. So would fraud, thievery, misrepresentation.

What can the clenched fist not accomplish? It cannot discover, invent, produce, create. Nor can its striking power cause others to discover, invent, produce, create.** It is, by its very nature, a repellent or defensive, not

* Corporations and trade associations are collectives. However, they are voluntary collectives if all police power elements are absent. In this case they are not governments. Labor unions are also collectives. If they obtain the backing of a police force, be it the official constabulary gained through laws or be it their own mob in violent action, they are, in fact, governments.

** This striking power does not produce a TVA or a housing project, for instance. It merely gives the appearance of producing something. Looking through the "magic," one sees a transfer of "choosing power." Your and my freedom to choose what is to be done with the fruits of our own labor is taken from us and the say-so bestowed on others. These others may choose a TVA or a housing project or whatever.

an attractive or creative force.

Consider man's energies. They manifest themselves either destructively or creatively. What defensible code will deny that any individual has a moral right to inhibit the destructive actions of another or others? And, what defensible code will assert that any individual has a moral right to use his striking power against the productive or creative actions of another or others. Isn't it plain that a repellent force cannot be made to create, that it has only a frustrating quality?

A police force, it would seem, is nothing but organized striking power employed by a collective. It has no features to distinguish it from the striking power of the individual beyond size, power and organization. It is merely the clenched fist multiplied, mechanized, organized and embellished with titles, uniforms and other trappings. Its proper boundaries of action are derived from and prescribed by precisely the same principles that pertain to the individuals who compose and organize it. The individual has the moral right to inhibit the destructive actions of another or others. Morally, his striking power is limited to this right. This right is in no sense widened by two or any other number of individuals combining and organizing. Or, so it seems to me.

Those who argue to the contrary -- who contend that the collective striking force is morally warranted in extending itself beyond the area consonant with individual rights -- must, if their contentions aren't to be groundless, point out the source from which any extra rights derive. If not from the individual, then, from whom or what? Surely, not from God as the divine-right-of-kings theory had it! Are not rights, such as the right to life and the right to sustain life, exclusively vested in the individual? No

right, any more than immortality, is to be ascribed to an abstraction, organization being no more than this.

We often hear that government -- a collective linked to a police force -- has the function of doing for individuals that which they cannot do for themselves. This is correct in a sense, but is open to easy misconstruction. The individual cannot protect himself against pirates or mobs or organized thievery or countless other forms of destructive actions.* Government should do for all of us that which we have a right to do, but cannot do, for ourselves. However, we have no right as individuals to use striking power against the productive or creative actions of others for the purpose of feathering our own or anyone else's nest. By the same token, we have no rights collectively to use striking power for these purposes. To use a not too far-fetched example: At this juncture in our development we probably would not freely donate enough funds to build a missile that would photograph the other side of the moon. There are among us some persons who want this done. They lack the resources to do it themselves. Therefore, they call on the constabulary to forcibly take the fruits of the labor of others in order to gratify their wish. All subsidies and all federal grants-in-aid, whether to farmers or businesses or to communities or to foreign countries, fall into this category -- a misconstruction of the idea that government should do for us that which we are unable or unwilling to do for ourselves.

Police-ism -- police power run riot, the uneconomic and the immoral use of striking power -- is man attempting to usurp the role of the Creator on the

* See my Government: An Ideal Concept (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1954, pp. 33-40).

grand scale. Police-ism -- government out-of-bounds -- known popularly as state interventionism, communism, socialism, nazism, fascism, Fabianism, the welfare state, the planned economy, the new deal, the fair deal and so on, features the private gain of some at the expense of others. Its advocates are in all walks of life, ranging from seekers after office or after welfare or after prosperity to clergymen who have lost their faith in brotherly love. It is, in my view, the most glaring sin of our age and it accounts, more than anything else, for the social disintegration now so easily observable in every "civilized" country.* Further, these uneconomic and immoral uses of striking powers within nations account for the insane employment of striking powers between nations -- wars!

Let's assume that we agree on what is the proper use of striking power: only for defense against destructive force; never for interference with productive or creative actions, individually or collectively, with the fist or with the police force. Would this agreement on principles resolve all of our social problems? Of course not! Our judgments vary greatly. It would be difficult in many instances to agree on whether certain actions were destructive or creative. Yet, having an ideal, general principle as a common point of reference would help to direct our energies and our thoughts toward the ideal. We would more likely demand the same moral rectitude of our collective actions as we insist is proper for our individual actions. We can hardly expect to behave better collectively than individually. Yet, there isn't much excuse for behaving worse.

* "Sin is not the violation of a law or a convention but the central source of all finiteness: ignorance -- that assertion of the independence of the ego which seeks its own private gain at the expense of others." From The Bhagavadgita, S. Radhakrishnan's translation.

Double standards of morality? Imagine American farmers personally robbing everyone from the widow Doakes to Mr. Gotrocks, justifying the robberies on the grounds of being reimbursed for raising less food than they could. It is unthinkable. Yet, there is hardly a respectable segment of the population that is not urging the police force -- the collective striking power -- to do this same unthinkable thing for them. Thus, by failing to apprehend a principle we descend deeper and deeper into police-ism, the final stage of which is dictatorship. "Dictatorship," according to Lenin, "if scientifically considered, means neither more nor less than unlimited power resting directly on the police, not limited by anything; not restrained by any laws, nor by any constitutional limitations of any kind."

Most of us realize, deep down in our hearts, that error brings its own retribution. Nor does ignorance absolve us in any measure. One who is unaware of gravitation and jumps off the Empire State Building hits the pavement no less resoundingly than does one who jumps and knows.

We believe it to be immoral to advance our own private gain by thieving from others. We would expect penalties in some form -- social, like being put in jail or personal, like a loss of self respect. Now, legalizing the process in no way alters its morality nor the certainty of retribution. Yet, after years of legalized plunder, few of us discern any penalties for our political waywardness. The popular chant, "We have never had it so good" seems only to say, "At last, we know how to do wrong and to get away with it."

It is naive, however, to assume that retribution for wrong appears only in forms that are obvious. If Cowper was right in saying that "God moves in a mysterious way his wonders to perform," it is equally valid to assume that

he moves in a mysterious way his penalties to inflict. It is absurd to acknowledge the former without any expectation of the latter.

Excessive governmental activities may for years give outward appearances of making us healthy, wealthy and wise. However, those actions which have really been wrong must be building up quite an account on the retributive side of our economic, moral and social ledger. The fact that most of us haven't taken the pains to look for this page in the ledger doesn't mean that it isn't recording the data for later reference, for balancing the accounts. As I look at this page, I see retribution taking the form of a thinner and thinner circulatory medium -- a progressive economic anemia!

The only cure for this dreaded disease is to return the responsibility and authority for productive and creative activities to the people. The first step is for responsible citizens to identify activities of this sort which government has arrogated to itself and to explain attractively and persuasively why they should be returned to private enterprise. This takes a lot of doing.

Leonard E. Read
March 27, 1958

PIERRE F. GOODRICH
ALBERT M. CAMPBELL
CLAUDE M. WARREN

ATTORNEYS AT LAW
MELROSE 2-2506

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

April 11, 1958

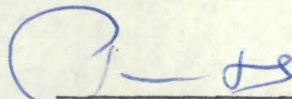
Mr. Leonard E. Read
The Foundation for Economic Education, Inc.
Irvington-on-Hudson
New York

Dear Leonard:

I acknowledge your letter of April 7. I will be glad to be picked up at the Park Avenue entrance to the Waldorf Astoria at 10:00 A.M. on the morning of May 20.

I look forward to being there and seeing you at that time and during that day.

Sincerely,



Pierre F. Goodrich

PFG:hs

LANCASTER BOND
100% COTTON FIBRE
MADE IN U.S.A.

April 18, 1958

Mr. Pierre F. Goodrich
Goodrich, Campbell & Warren
711 Electric Building
Indianapolis, Indiana

Dear Mr. Goodrich:

Thanks so much for your letter of the 11th.

Count on it, we'll have someone to meet you
at the Park Avenue entrance to the Waldorf at
10:00 A.M. on May 20th.

Sincerely,

(Miss) Janette Brown
Secretary to Mr. Read

April 17, 1958

Mr. Pierre F. Goodrich
Goodrich, Campbell & Warren
711 Electric Building
Indianapolis, Indiana

Dear Mr. Goodrich:

This is to acknowledge and thank you for your letter of the 11th and your comments on Mr. Read's "The Police Power."

Mr. Read is now in Buenos Aires delivering a series of lectures. He returns here on the 25th, at which time your letter will be brought to his attention.

Sincerely,

(Miss) Janette Brown
Secretary to Mr. Read

April 28, 1958

Mr. Pierre F. Goodrich
Goodrich, Campbell & Warren
711 Electric Building
Indianapolis, Indiana

Dear Pierre:

The South American tour was most interesting and instruction,
and I'll be reporting further on it as soon as I clear my desk
a bit.

Thanks so much for your comments of April 11th on "The Police
Power" piece. I find that Paul and crew have the article in page
proof ready for printing, so I can't do as much as I'd like in
the way of incorporating all your suggestions. But, at least
I'll be able, through your help, to improve upon my future pre-
sentation of these ideas.

The reference to the Gita now reads:

It is said in Radhakrishnan's translation of
The Bhagavadgita that sin is not the violation
of a law or a convention but the central source
of all finiteness: ignorance -- that assertion
of the independence of the ego which seeks its own
private gain at the expense of others.

This is paraphrased from the passage on page 224 of the Harper
and Brothers edition.

Thanks again for your help.

Cordially,

Leonard E. Read

May 28, 1958

Dear Pierre:

Thanks for returning your memo as to the dates you can and cannot attend our Board Meeting.

Yes, I do have a meeting in Indianapolis on the 17th and 18th of October, but if that date turned out to be the only one when most of our Trustees could be at our Board Meeting, I would switch the Indianapolis date. Mr. Moore offered me two dates and the switch at this time I'm sure would have been possible. However, practically everyone crosses off October 17 and 18, so that's no longer a question. I don't know how this is going to turn out, but right now the date that looks the best for the Board Meeting is October 31 and November 1, which I see you have crossed off. It's difficult to find any real good date for such busy men.

All my best.

Cordially,

Mr. Pierre F. Goodrich
Goodrich-Campbell & Warren
Electric Building
Indianapolis, Indiana

PIERRE F. GOODRICH
ALBERT M. CAMPBELL
CLAUDE M. WARREN

ATTORNEYS AT LAW
MELROSE 2-2506

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

May 26, 1958

Mr. Leonard E. Read, President
The Foundation for Economic Education, Inc.
Irvington-on-Hudson
New York

Dear Leonard:

I received your circular on the fall meeting
which I am answering in the manner called for in the
circular.

I wanted immediately, however, to call your
attention to the fact that I had understood from you that
you were planning to be in Indiana on October 16 and 17.
You have October 17 and 18 named in your suggested weekends.

Sincerely,



Pierre F. Goodrich

PFG:hs

Enc.

In 1951 Dr. Van Sickle invited me, through Drs. Hunold and Hayek, to the Beauvallon meeting of the Mont Pelerin Society.

This unexpected invitation started me on a pilgrimage which led to the later meetings at Seelisberg, Berlin, St. Moritz, and now Princeton; and to the writings of Von Mises, Hayek, Roepke, Jewkes, Rappard, and others. All this has become the basis for some interesting and good discussions in and out of these meetings.

The discussions at our meetings and other conferences elsewhere convince me that the thinking of all of us would be clarified by a real and full exploration of basic and, it seems to me, badly neglected questions.

For instance, should man be free? What is his nature? What is the nature of freedom and of attempts to improve society by force of government?

Can our discussion be really satisfactory until we have debated these and other basic issues fully?

I understand some deny that moral principles can be used to answer economic questions or that there are any basic principles by which to test the propriety of the use or nonuse of force by one man over another or of giving one or a few men force over many men.

Those who take this position claim that the only test is current and practical consideration for what seems to work or not work, in brief, expediency. They dismiss as useless any ideal concept based on the observed or the presumed nature of man and of the universe, including man and his destiny.

This position usually deals with parts of a whole while ignoring the whole. At the very least it implies an unwillingness to face the whole even as a theoretical premise.

It seems to me prior thought on these matters is needed not only in economics but in almost any allegedly scientific discussion of human behavior. Above all, it seems needed in matters involving government.

No ideal formulated by man may be perfect. However, the nearer an ideal approaches perfection, that is, the nearer it is to an infinity that will hold together in its reasoned parts, the more reliable it becomes as an effective guide for testing day to day decisions.

That an ideal is unattainable in a complete sense and in all matters does not prove that it can not serve as a satisfactory means of testing current decisions.

Man's decisions will always be imperfect. But they will be still more imperfect if he proceeds without basic determination and reasoning to guide him. Furthermore, whether intending to do so or not, he will more likely become a party to creating the god-state.

Any discussion of these basic issues must start from a consideration of man as we know him.

Man--who has some imperfect capacity for reason and for communicating his ideas, past and present, by means of words;

Who learns through this word communication even with his imperfect reasoning;

Who learns through his senses, and through a conception we hardly know how to describe except through the term mysticism.

Man--who has attachment.

Man--who acts in response also to envy, hate and jealousy.

Man--who sometimes wills his conduct in accordance with reason, or in accordance with anger, fear, lust or greed.

Man--whose reason and will are never perfectly objective or necessarily sound.

Man--who has a general inclination for power and more power to protect and add to the power last acquired.--Perhaps at that time such power becomes a necessity.

Man--with these conflicts which seem to be a part of the whole imperfect human being.

Why should such a creature be free and at liberty?

If we say that man should be free and at liberty then why should he be given power over other people?

Can a society deal wisely with anything less than man as a whole? Must not our discussion be concerned also with his destiny as well as with his nature?

Is he a part of an order of the universe? Is there an order of the universe or is there no order of the universe?

Is economics an end, or is liberty an end,
or is there some other end?

Now I give you a few ideas for your examination.
The first has to do with power. I quote:

"And Power, as the biographies of
so many statesmen reveal (for example, that of
Sir Thomas More), heightens sensitiveness,
stimulates the imagination of purposes and
expedients, generates invention, develops
compassion when it places men where they confront
the sorrows which government exists to assuage
and the trials which must be visited on some
in order that others may have a more abundant
life; and power develops humility and fortitude.
These are precious qualities in the service of
mankind, and inseverable from power."

True or false -- and how do you decide
this question?

Do not our views on the nature of man
and his destiny necessarily have a bearing on the
validity of this statement?

Again I quote:

"Power tends to corrupt and absolute
power corrupts absolutely."

True or False? Again, must you not have a
view of the nature of man to answer this question?

If absolute power corrupts absolutely, what
is the nature of that corruption, and does it have
any bearing on our thinking about the role in society
of government and of the role of force which is the
essence of government?

Here are more questions for you to consider:

Some men are infallible and should be set up to govern other men. Power should be placed in their hands to see that men so live their present as to assure their hereafter. True or false?

Some men, at least, are able to ascertain their entire nature, their possible destiny, the entire order of the universe, and their part in that order. Such men should be given power over many men in order to achieve greater perfection. True or false?

Man is a fallible creature. No one of him or no collective group of him is perfect; no one of him or any such group is objective; nor is he or any number of him able to conceive the entire order of the universe, if there is an order. True or false?

And here is another proposition: Man should make laws and rules to govern other men in order that those men may be punished for violating the laws of their infinite creator. True or false?

Would not a fuller consideration of such questions as these suggest an ideal which would be most rewarding in our discussions of all contemporary problems, especially economic and political problems?

Essays by some members of this society have been helpful but it seems to me that the time is long past for more discussion of these basic issues by those among us who are willing to think about these problems.

Not with any idea that I have a solution but with the hope of provoking discussion I venture to set forth in proposition form two realities which seem to me sufficient in themselves to establish the necessity for freedom and also a third proposition which, if accepted and considered with the foregoing, freedom, seems to me to establish freedom so essential as to control all other questions.

1. All individuals are imperfect.

As a part of such imperfection all individuals have an imperfect knowledge of man, his origin and his destiny, and the universe in which he exists.

If this is true then the very test by which we decide the extent of any man's imperfection is itself apt to be imperfect.

2. Some men seem more perfect than others but we increase the imperfections of these more perfect beings when we place in their hands directly or indirectly the power of government.

By way of digression let me say here that it is not necessary to base these two propositions on an acceptance of an infinite Creator and the established laws of such a Creator (although our own free civilization has been developed around this concept). A sufficient basis is provided by the recognition that man's imperfections force us to choose among imperfections and the most helpful choice of imperfections is a free society which man must maintain in all its inseparable parts:

The inseparable freedom, responsibility for and hazards of a decentralized free and competitive market economy (both in things and labor), a decentralized free and competitive educational society, a decentralized free and competitive church and religious society, and a decentralized free, competitive and representative political society limited to preventing or discouraging force by man over man.

It seems reasonable to say that such government is beneficial only to the extent it relieves men of being judges in their own causes as against other men, and as it safeguards them from other men (be they philosopher-kings or tyrants) in order that they may be free of each other's force.

Even when so limited, the power of government is inherently dangerous. First, because it delegates to imperfect individuals force over other individuals; and second, because the use of power or force on an intelligent being is the most imperfect means of accomplishing an end. It follows that this delegation of power should be regarded as the most imperfect of choices and should be limited to the bare needs of the purpose herein described; should be decentralized and surrounded by adequate checks and balances.

3. There is order in the universe. Man is necessarily a part of the order but imperfect man does not know the whole of that order.

This third proposition can not be proved; nor can it be disproved. It is an assumption for which there is considerable evidence. It is more hopeful. If this is true then the only way in which there can be hope and that a man can be helpful is that he be free of force by other men or by any group of men. In this manner some men, less fallible than others, may move closer to man's ultimate destiny than other men, and in so doing help all men.

Anything we know of man's history would indicate that such men can not be identified prior to their achievement. Verdi was refused admission and application for a scholarship at the Conservatory in Milan as lacking aptitude in music. He stayed in Milan and studied privately. Verdi developed his aptitude without benefit of the conservatory.

These propositions, if correct, clarify a number of issues.

Even the why or reason by which you give government force over men becomes important. Take the problem of murder. Is it not illogical for imperfect human beings to assume that an infinite Creator has established a law against murder without providing consequences for the murder? Having made this illogical assumption, what about the logic of imperfect man's promulgating a law about murder for the purpose of enforcing the Creator's law?

This does not mean, of course, that we must permit murder. Our assumption of an ordered universe justifies our denying to any imperfect man the right of force over other men--and murder is force par excellence. Consequently we are logical in invoking the limited power of the State to prevent or discourage this abuse of power.

If the first proposition is logical then the Grand Inquisitor may take over. If the second proposition is logical there is no place for him. Many of our attempts to use the force of the State for good purposes fail to make this distinction.

I am not concerned with man's desire to be free. I am concerned with man's necessity to be free, to be left alone with and abide by the consequences of his freedom from coercion by his fellows, acting singly or through government.

If man is to remain free he must bear the hardships and insecurity of his freedom alone, except as he can persuade others voluntarily to share his burden.

In no such imperfect society will there be security. The insecurity of the free society can be relieved only by ultimate loss of the essential liberty and freedom herein described if security is sought by governmental intervention.

Thus, the greater imperfection would be chosen.

Coercion, in the last analysis--force, is always exercised by men who are themselves imperfect and is a great imperfection.

Surely no one would assume that the state is anything better than the human beings who hold the power of the state.

Is not a perfect state inconceivable unless one assumes perfection within mankind? If power tends to corrupt then the power of the state inevitably increases and implements man's imperfections.

If you accept the Acton principle, as I do, that "Power tends to corrupt and absolute power corrupts absolutely", then it seems to me that you must conclude that the essential nature of that corruption is that imperfect man tends to deify his ends to justify the use of any power he may possess to accomplish his ends. He becomes the superman beyond good and evil.

If this be true, it follows that power, however obtained, be it by force of arms or by a proclamation with a gold seal affixed to it, transforms the holder of that power not into a less but into a more imperfect man, in fact a dangerous man--he has force over the destinies of other men.

A closing point. The closer an ideal is to perfection the surer bearing it offers us in testing our current decisions. That it can not be realized in its totality is no reason for rejecting it. It is sufficient that thereby the choices of imperfect men may be less imperfect. Whether these choices are made by economists, or members of the Mont Pelerin Society, or by philosopher kings, they will still be imperfect and the imperfection will increase with the degree and the duration of the power.

That the power can be shifted or that its holder was picked by a majority or by some other means does not change the essential result. That the force is to be used for good ends makes it more dangerous. This is especially true when the power is bestowed by or purports to represent the action of the many for the assumed highest good.

Discussions of current economic and political problems in which the presentations rest on nothing more substantial than different views as to what is expedient (politically expedient for example) and what will work more efficiently without reference to a reasoned belief in the paramount necessity of a free society seem futile. There is no middle of the road between freedom and statism.

It seems to me we are piling improvisation on improvisation, more intervention added to avoid conditions resulting from prior interventions, expediency on expediency, compromise on compromises, and that these decisions, compromises, vague middle-nesses and middle of the roadness (muddle-ness, I say) have moved us far towards a society handicapped by lack of freedom taking us firmly into a statist society--straight down the middle of that road.

So, I close with the hope that meetings of the Mont Pelerin Society will be devoted to building more firmly the foundations, clear convictions and literature on which to rest a logical and committed case for freedom.

FFG:hs
8-25-58

January 13, 1959

Mr. Pierre F. Goodrich
Goodrich, Campbell & Warren
711 Electric Building
Indianapolis, Indiana

Dear Pierre:

Your letter of December 22 was forwarded to me on the West Coast. I don't want you to think that I am overlooking your suggestion that you, Rogers and I get together.

I have a complicating factor right now that must leave such decisions in abeyance for two or three weeks anyway. In addition to my heavy travel schedule, my wife is in bed and may have to go to the hospital. Until her problem is resolved, I'll just have to remain indecisive. I know you will understand and forgive me. Be assured that I'll be in touch with you as soon as I can offer something constructive.

All my best!

Cordially,

Leonard E. Read

cc: James M. Rogers

PIERRE F. GOODRICH
ALBERT M. CAMPBELL
CLAUDE M. WARREN
GILBERT E. SNIDER

ATTORNEYS AT LAW
MELROSE 2-2506

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

December 22, 1958

Mr. Leonard E. Read, President
The Foundation for Economic Education, Inc.
Irvington-on-Hudson
New York

Dear Leonard:

Thanks for your schedule. For your information enclosed herewith is my schedule as best as I now know it.

Your schedule stops on February 8. It occurs to me at the moment if there was a chance to get together in Chicago it could very well be sometime around the 26th or 27th of February. *Boston*

On the other hand, I notice you will talk at Milwaukee on the 29th of January and are not due any place until Tuesday, the 3rd of February, when you are due in Long Island. You may have set this up so you could be home that weekend but I am going to put it down on my calendar just in case something happens.

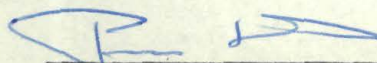
I notice you are going to be in Columbus, Ohio the 7th and 8th. A lot would depend on where you go after that but I am going to kill off the 9th and 10th just in case something should come up. *Okay on calendar*

Since I do not know what your schedule is after the 8th of February I think that I should also say that I will be in Chicago on the 24th and 25th of February. I am going to kill off the 23rd of February just in case it would be desirable to be in Chicago a day early for the purpose of being with you and Rogers. I doubt, however, if you would want to return to Chicago that soon unless you were near there anyway.

I am not trying to make any of these dates but hope this comment is a move in that direction. I will know a lot more what is going to happen to me right after the first of the year.

I see you are going to be with your son over Christmas. I hope you folks all have a good Christmas.

Sincerely,


Pierre F. Goodrich

PFG:hs

cc: Mr. James Rogers
Enc.

Pierre F. Goodrich - Schedule

January 1 - 4 Indianapolis (Office and home)
5 All-day conference in Indianapolis
6 - 7 Indianapolis (Office)
8 - 11 Meetings in Winchester, Indiana
12 All-day conference in Indianapolis
13 Meetings in Indianapolis
14 Indianapolis (Office)
15 Meeting in Indianapolis
16 - 18 Indianapolis (Office and home)
19 - 22 Meetings in Indianapolis
23 - 26 Indianapolis (Office and home)
27 - 28 Meetings in Indianapolis
29 - 31 Indianapolis (Office and home)

February 1- 11 Indianapolis (Office and home)
12 Meetings in Indianapolis
13-14 Meetings in Winchester, Indiana
15-16 Indianapolis (Office and home)
17 Meetings in Indianapolis
18 Indianapolis (Office)
19 Meeting in Indianapolis
20 Meeting in Winchester, Indiana
21-23 Indianapolis (Office and home)
24-25 Meetings in Chicago
26-28 Indianapolis (Office)

$$X + 2X + 3X = 78$$

$$= 78$$

13
26
39

~~$$X + 2X + 3X = 78$$~~

$$X = 13$$

$$2X = 26$$

$$3X = 39$$

$$X + 2X + 3X = 78$$

$$6X = 78$$

$$X = 13$$

$$2X = 26$$

$$3X = 39$$

PIERRE F. GOODRICH
ALBERT M. CAMPBELL
CLAUDE M. WARREN
GILBERT E. SNIDER

ATTORNEYS AT LAW
MELROSE 2-2506

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

January 15, 1959

Mr. Leonard E. Read, President
The Foundation for Economic Education, Inc.
Irvington-on-Hudson, New York

Dear Leonard:


I have your letter of January 13. I am sorry you are having an additional weight to your schedule and hope your wife is soon well.

Please do not worry about it. I look forward to hearing good news about your wife and when it is time for us to make another attempt you let me know.

Last night your friend Lipsett held a meeting at which Dean Rogge talked. They had a rather interesting discussion. It is clear that they have a good bit to do yet. I suggested to him that he check into your Canton group.

It looks like they are starting out with some intention of having a group of fellows slightly on the younger side carry on about once each month.

Sincerely,



Pierre F. Goodrich

PEF:hs

cc: Mr. James M. Rogers

PIERRE F. GOODRICH
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GILBERT E. SNIDER

ATTORNEYS AT LAW
MELROSE 2-2506

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

January 20, 1959

Mr. Leonard E. Read
Foundation for Economic Education, Inc.
Irvington-on-Hudson
New York

Dear Leonard:

We checked Mr. Temple's reference at the time and
it does not click.

Treat this as confidential but use it in any way you
think fit except do not get involved with the foundation
indicated. I will explain to you when I see you. (NFEA)

Sincerely,



Pierre F. Goodrich

PFG:hs

Enc.