

GOODRICH, CAMPBELL AND WARREN
ELECTRIC BUILDING
INDIANAPOLIS

January 9, 1958

Mr. Richard Cornuelle
c/o Budge
152 Elm Avenue
Burlingame, California

Dear Dick:

I remember several years ago you and I and Milton Friedman were talking at Wabash College and Friedman expressed a beef concerning Leonard Read's comment on Friedman's comment published by Leonard in the earlier days of the Foundation for Economic Education entitled "Roofs or Ceilings?"

I was a little bit confused at the time by Friedman and just enough concerned so I have finally gotten around to getting a copy of that article with its editor's note and reading it. Have you ever read it? I believe if you have not you should do so, and frankly, if you have, I would like to get the benefit of your ideas.

I will tell you briefly that I think the editor's note was justified. I think that perhaps Leonard himself did see that by hindsight rather than to have the misunderstanding it would have been better to have told Friedman he was going to put such a note in, just in case Friedman would have wished to correct the impression in his article.

Having now read the article I doubt very much if at that moment, at least, Friedman would have been willing to have settled that question or have made the correction because it goes to a basic problem that the article indicates to me Friedman may not have thought out at that time.

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It also seems to me to raise a question you and I talked about once at Princeton, I believe, of the desirability of discussing basic concepts of freedom which you would then use as a guide before you attempted to analyze solutions.

Friedman's attack on rent controls, of course, is excellent except that he discloses, it seems to me, in his article these other blind spots. For instance, he quite unequivocally gives as a solution to the problem of inflation as an alternate to rent control--

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

Taxation and governmental economies seem to me to be contradictions. It occurs to me he paid no attention to the possibility that there were prior and important governmental interferences which provoked the desire for the remedy he proposes. In other words, if you get down really to fundamentals the remedy may go someplace in elimination of government rather than to propose additional government as a remedy.

I hope with all of your moving around you have time to take a look at this someday and give me the benefit of your thoughts.

I would like to say that it is the things that you and I heard at Princeton the time we were together there, it is the things I have heard at every other place we have been, and the discussions which took place which caused me to say what I have just said here, and more importantly, have caused me to write Jasper Crane urgently urging him to put as the first thing on his agenda the exploration of these basic problems even if it starts the meeting off with a whiz-ding of a disagreement.

If there can be some exploration of it we may do two things: We may accomplish a better discussion for the rest of the meeting, and a better reference to the test by which you apply various economic means; and it will be at least more logically intelligent in its approach.

Because Jasper Crane says he has already submitted the program I have received to you and that you have approved it,

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I am sending you a copy of my letter to Jasper Crane. I urgently, before it is too late, ask that it be considered seriously.

I called the other day trying to find you and I gathered from the report that I got on the telephone that you were locating a residence in San Francisco. (Shades of Friedman's article I have just mentioned).

I know that you are busy right now with all of these problems but I will appreciate hearing when you can conveniently do so.

Sincerely,

Pierre F. Goodrich

PFG:hs

Enc.

P. S. Since the above dictation I have talked with you but perhaps you will still find most of this worthwhile.

P. F. G.