

**LEONARD E. READ**  
**Philosopher of Freedom**

by  
**Mary Sennholz**

The Foundation for Economic Education, Inc.  
Irvington-on-Hudson, New York 10533

Published May 1993  
ISBN 0-910614-85-7  
Copyright © 1993 by  
The Foundation for Economic Education, Inc.

## TABLE OF CONTENTS

Preface	v
I                The Boy from Hubbardston	1
II               Leonard Goes to War	12
III              Looking Across the Country	26
IV              Time of Seasoning	33
V                With the Chamber of Commerce	43
VI              Against the Stream	66
VII             If It Takes My Whole Life	74
VIII            Faith and Conduct	97
IX              Mind in the Making	111
X                Anything Peaceful	125
XI              The Shadow of Politics	142
XII             Learning from History	156
XIII            The Gentleman	169
XIV            In Memoriam	185
Index	195
Books by Leonard E. Read	202



Leonard E. Read



## Preface

In 1946, when Leonard E. Read set out to launch the Foundation for Economic Education, the eyes of the economics profession were on the federal government. Members of Congress were discussing the Full Employment Act, and the International Monetary Fund and the International Bank for Reconstruction and Development were preparing to go into operation. Both developments greatly influenced the economic discussion. Officials of other government agencies were busily releasing their studies on economic issues. The Governors of the Federal Reserve System were leading the discussion on the relations of prices, wages, employment, housing, Social Security, and public works. U.S. Treasury authorities were holding forth on corporate income taxation, their colleagues in the Department of Agriculture on land use, and officials of several other agencies on spending and saving, wages and working conditions, etc.

A few private institutions joined the official discussion with research reports on business cycles, taxation, and transition problems. The staff of the Committee for Economic Development, which was the largest and most influential organization, made a strong case for full employment. The Twentieth Century Fund published a major study on international cartels, and the directors of the Brookings Institution released their findings on relief and Social Security. The officers of the National Bureau of Economic Research published a major volume on the measurements of business cycles and two volumes on income and wealth. The American Economic Association released a collection of articles on income distribution by several members. The academic world was barely audible in a few essays and articles.

To create an institution of learning that would confront this vast array of officialdom and its vocal allies was well-nigh inconceivable to everyone except Leonard E. Read. He appeared to be oblivious to the power and strength of official opinion and Mainstream economic thought. He was an entrepreneur par excellence, self-confident, ambitious, and courageous, who could have launched any enterprise to which he would have set his mind. He could have become a wealthy founder of corporations and a famous captain of industry. Why would he want to join the field of political economy with its army of officeholders and their partisans in private associations and institutions? For reasons no one will ever know, he chose to enter the world of

thought and ideas, of ideologies and philosophies, and create the Foundation for Economic Education. With the help of a few friends and kindred souls he built an institution which was to engage the statist establishment.

The Foundation filled an immediate need and was so eminently successful that it became the model for several other foundations here and abroad. Leonard E. Read, the offspring of New England pioneers, was to become the leader who, at a crucial moment in American history, rallied the demoralized and tired forces of individual freedom and the private property order. This book is dedicated to his memory, which will live as long as the Foundation for Economic Education or one of its offshoots carries his message to anyone willing to listen.

Mary Sennholz

## Chapter I

### The Boy from Hubbardston

On September 26, 1898, when Leonard Edward Read first saw the light of this world in Hubbardston, Michigan, the eyes of the world were on Paris, France. The Peace Commissioners of Spain and the United States were about to meet to seek an end to the Spanish-American War. The peace treaty, signed December 10, 1898, conformed to President McKinley's terms: the United States took possession of the Philippines, Guam, and Puerto Rico; Cuba became independent. For Spain the treaty meant the end of an era. In the words of Salvador de Madariaga: "Her eyes, which for centuries had wandered to the ends of the world, were at last turned on her own home estate." For the United States the war signaled an end to a long period of internal colonization and the beginning of a role as a world power. Within a few years the U.S. made the Caribbean an American lake, stretched across the Pacific and played an important part in the politics of the Far East, and was preparing, unbeknownst to itself, to play a crucial role in the affairs of Europe.

By 1898 the U.S. population barely exceeded 70,000,000. There was general prosperity with rapidly rising income and wealth. The lean years of the 1893-1897 depression, with their hesitations and fears, were past. Factories were again expanding, valuable minerals were mined in ever larger quantities, drilling rigs were searching for more oil, farmers produced more food, and an expanding system of railroads was opening the country for economic production and exchange. By 1894 the U.S. had become the leading manufacturing nation of the world. By 1913 American per capita income was to become the highest in the world.

For the Read family such news only meant that man must work, for all growth depends on activity. On the 80-acre farm just outside Hubbardston the young couple, Orville Baker Read and his beautiful bride, Ada Sturgis Read, labored from dawn to dusk to wrest a living from the bounty of nature. They had suffered badly from the depression, but the recovery that set in in 1897 gave new hope and rising incomes. In fact, farmers were about to enjoy one of the most prosperous periods ever recorded in the peacetime history of American

agriculture. Industry was growing rapidly, creating ever new demand for agricultural products, causing farm product prices to rise significantly. Industrial expansion was about three times the rate of agricultural growth in the period between 1895 and 1915, bringing technological improvements to farmers and lower costs of tools and implements. With rising product prices came growing land values, better homes, more conveniences, and more help on the farm. With cash in their pockets and savings in the bank many farmers became restless searching for more land and new opportunities—as had their fathers before them at the frontier. Orville Read visited lower Alberta where he bought 80 acres of wheat land. Although nothing came of the venture, it afforded him the occasion for a long trip, the biggest of his life.

While Orville was exploring the West, Ada was running the farm with the help of a field hand and a hired girl. Her family, the Sturgises, had come from Ohio to the Michigan frontier when the Indians were still roaming the woods. Except for a few clearings, probably made by the Indians, Michigan was covered with a heavy growth of trees. The forests were filled with oaks, hickory, walnut, ash, pine, and many other varieties of trees. Some magnificent specimens reached heights of 200 feet or more and were ten to fifteen feet in diameter. Clearing the land was a problem that confronted the early settlers.

Her grandfather was the first settler in Shiawassee County, not far from Lansing and Flint. Several years later, he moved to and built the first house in Gratiot County, a few miles to the northwest. He probably arrived soon after 1813, when American troops had recaptured Michigan from the British and the Indians. Michigan was still a "territory" with Detroit as the capital. Because of the ever-present dangers even after the war, only the most courageous settlers, like the Sturgises, ventured to move into the Michigan forest. Settlement was slow and did not accelerate until after the opening of the Erie Canal in 1825. The population of Michigan, which was only 4,762 in 1810 and 8,096 in 1820, increased to 31,639 in 1830. By then a daily boat line ran between Detroit and Buffalo, bringing in scores of eager settlers from the East. Many came directly from Europe. In 1834 a state census counted 82,273 Michigan residents, which was more than the number then required for admission to the Union (60,000). In 1837, Michigan was admitted as the 26th state.

Leonard's father probably was a passenger on one of those steamboats that arrived daily from Buffalo. He was born in Watertown, New York, where the Reads had settled early in the century. They descended from a long line of farmers who immigrated from England sometime in the early eighteenth century. Church records of Winsor, Massachusetts, mention them for the first time in 1724 when William Read, born in 1700, and Mary Casswell were joined in wedlock. We do not know whether George Read, the signer of the Declaration of Independence from North East, Maryland, was a descendant of this Massachusetts family. But we do know that Leonard's ancestors, Simon Read and his son, Joshua, saw action in the American Revolution as members of the Massachusetts militia. Generations later Leonard's grandfather, Edward C. Read, marched through Georgia with General William Tecumseh Sherman. His exploits and adventures in the Civil War, as a member of the New York volunteers, lived on in the vivid stories he later recalled for the benefit of his children and grandchildren. He could be persuaded, for instance, to describe in detail the Battle of Lookout Mountain, near Chattanooga, Tennessee, on November 24, 1863. The Confederate Army of Tennessee, under General Braxton Bragg, had taken up position on Missionary Ridge and Lookout Mountain, practically besieging the Union Army of the Mississippi. But General U.S. Grant, who had just become commander of all the Western forces, was eager to relieve his army and resume the offensive. On November 23, he ordered General Sherman to assault the Northern end of Missionary Ridge. And on November 24, General Joseph Hooker's men, one of whom was young Edward Read, struck the left flank of the Confederates on Lookout Mountain. They fought their way up through fog and mist and, in the "battle above the clouds," drove the Confederate force from the position. The battle was completely decisive, ranking in importance with Vicksburg and Gettysburg in the same year. It opened the way for Sherman's march to Atlanta and on to Savannah in the following year.

Leonard Read occasionally delighted in drawing the following conclusion from his grandfather's exploits. "When I am accused of being in Cloud Nine, the fact must not be overlooked that there is something to it. Had it not been for the clouds on Lookout Mountain, grandpappy would probably have been shot and, had this happened,

#### 4 / *Leonard E. Read: Philosopher of Freedom*

my pop would not have been born. It is reasonable to conclude from this evidence that LER would not exist. Ergo, a cloud is responsible for me."

On the farm in Hubbardston, the arrival of Leonard, their first-born, meant happiness built on love and hope with promise of a long and durable life. Fifteen months later he was joined by a sister, Rubye, who was to complete the Orville Read family. Both Leonard and Rubye added to the atmosphere of happiness in which all good affections grow. They sweetened the daily labors, but made misfortune more bitter. They increased the cares of life, but mitigated the severity of life and death. They needed to be kept busy, as children generally hate to be idle. There were always chores for everyone on the farm: in the house, garden, the barn, and the fields. From dawn to dusk every able hand labored diligently for the good of the family. Certainly the tasks set to the children were moderate. But the parents were convinced that the children should be made to fulfill all their tasks correctly and punctually, for this would train them for an exact and conscientious discharge of duties later in life.

Leonard was barely five years old when he followed his dad in the fields, running to keep up with him behind the plow. Or he would accompany his father to the barn where a dozen Holstein cows needed to be fed and milked. By watching and doing he soon learned to be a skillful cowhand. Many years later Leonard reflected on his lessons in the barn: "Consider the difference in the upbringing of two kids, one with his head against the side of a cow as he wrings milk from her, and the other with his head in a TV with its gunk pouring into him."

When Leonard, at the age of six, entered the Hubbardston School, the whole object of education was the "Three R's." It was a public school that had come into existence a generation earlier as part of the Michigan state education system. Attendance was compulsory and the costs were borne out of public funds. The state provided a general framework within which the local school organization operated. The state government did not participate in the day-to-day operation, which was left to the county Board of Education. The teacher, in most cases a woman with a few years of education at a private academy or public high school, fulfilled the school's functions.

It took Leonard and his sister Rubye almost an hour to walk to school in Hubbardston, which was a rigorous trip for small children. The building was a two-story brick structure that was heated on cold

days by a wood-burning potbellied stove. There were two rooms on the first floor—one for grades 1 through 4, the other for grades 5 through 8. High school students met on the second floor. One of the teachers was Miss Patience McGinn, who was laboring to make her pupils understand, speak, read, and write their mother tongue. She was no specialist, but a dedicated teacher whose aim was the development of a harmonious personality with a general ability for independent thinking and judgment. For her it was a labor of love in which she was happy. She left a lasting impression on young Leonard who revered and honored her throughout her life. She, in turn, was to become proud of her Hubbardston pupil who later shared his literary efforts and accomplishments with her.

Leonard was a happy boy at home and in school. He earned grades of 90 to 100 in all subjects, and received "good" and "very good" in conduct and diligence. In mathematics he excelled all others. He knew intuitively that the study of mathematics cultivates the power of reasoning, that it remedies and cures many defects in wit and faculty, and that it gives grasp and power to the mind. Therefore he was attracted to an old man in town, dressed in a frock coat and looking like Benjamin Franklin, who could easily multiply large numbers and give instant answers to difficult mathematical questions. Leonard often followed him around and sat at his feet, eagerly seeking his knowledge and secret.

Leonard was a restless child with an unquenchable thirst for knowledge. And his desire for knowledge increased with its acquisition. He would forever be asking where, what, when, why, who, and how. He did not dally with his time, but sought excitement in work or play. He would set traps for muskrats that were living in large numbers in swamps and around the lakes near Hubbardston, and would sell their furs for a quarter to waiting customers. Or, together with one of his friends, he would pop large quantities of popcorn and peddle it at public gatherings. He would try to cultivate mushrooms in a friend's cellar that hopefully was moist, dark, and constant in temperature. In whatever he did he applied himself with enthusiasm and zest that sprang from love of life. Many years later Leonard would explain it like this: "One way to check whether you ought to be doing this or that is to feel your zest pulse. If it's low, chances are you ought to be elsewhere, or doing something else. My zest pulse seems to be high in everything."

Hubbardston was a town with some 350 residents of whom most were Roman Catholic. They were descendants of the Irish immigrants who had left the old country after the 1846-47 potato blight, reaching Michigan via the Erie Canal and Buffalo-Detroit steamboat. In Hubbardston they erected a beautiful church building in which they worshipped and congregated at social meetings.

The Reads belonged to the only Protestant church in town, which was United Methodist. It was founded by an ordained circuit rider together with local preachers who took time off from their business pursuits to preach on Sunday and engage in other religious activities. The Hubbardston church was a result of feverish missionary effort by the Methodist Episcopal Church after the Civil War, celebrating the centennial of its activity in America. But the methodical habits and regular meetings for study, prayer, and meditation, which had earned these Protestants the derisive label "Methodist," never appealed to young Leonard for whom every moment of life meant adventure and innovation.

The ties of family were stronger than those of church. He loved his parents who in a quiet manner, sometimes with the persuasion of a willow switch, taught the love of goodness and the idea of creative activity, who awakened in him strength and discipline, and who sent him out prepared to engage in the struggle of life. Of course, children never know the love of parents until they become parents themselves. But Leonard was fortunate in being able to observe how his parents honored his grandfather, Consider Sturgis, who came to live with them on the farm before he passed away. And on holidays and birthdays the Orville Read family, in Sunday attire and a polished buggy, would pay a visit to the Read grandparents and Uncle John, who too had pulled up their stakes in Watertown and followed Orville to Hubbardston.

Occasionally the busy life of Hubbardston was interrupted by the arrival of an itinerant group of actors who would present a revue or vaudeville show. There were magicians, comedians, acrobats, dancers, and a small band of musicians with an outstanding soloist. Sometimes a minstrel show, an animal act, and on rare occasions, an operetta came to perform in the "Opera House." Once or twice a year the pupils of Hubbardston High presented a play, for which parents and relatives turned out in large numbers.

Suddenly, near the end of Leonard's fifth grade, a major family disaster ended his childhood abruptly and made him the man in the



family. His father unexpectedly died at the age of 40, having never been sick a day in his life. A small pimple in his face had become infected, and its premature puncturing probably permitted the infection to travel through the lymph vessels into the blood stream, causing septicemia, commonly called "blood poisoning."

The change in the life of the family was dramatic. Gone was the head of the family, their comfort, joy, and hope for the future. Gone was the early education which after all is principally derived from observation of the actions, words, voice, and looks of a father or mother. Leonard, barely eleven, was now the man of the family. His mother attempted to carry on for a while with a tenant farmer Scotsman. She even contracted to build a house for him and his family. But when the lease arrangement proved to be unsatisfactory she sold out and moved into town.

It has been said that difficulty is a nurse of greatness, that it rocks her children roughly, but guides them to strength and proportion. Young Leonard, grappling with great aims and wrestling with mighty impediments, either would succumb to the difficulties or grow by a certain necessity to the stature of greatness. He worked 16 hours a day, or 102 hours a week. His day began at 4 a.m. when he biked 1½ miles to Uncle John's farm to milk the cows and clean the stables. Then back to town to the village store where merchandise needed to be unloaded and stacked from 7 until 8:45 a.m. After school, he waited on customers from 7 to 9, selling dry goods, hardware items, produce and groceries. On Saturdays, he manned the store from 7 a.m. to 12 p.m., on Sundays from 7 a.m. to 11 a.m. But all such tasks were not onerous to Leonard, for he knew that they were only temporary and preparatory for greater things to come.

To perform what none in a thousand could accomplish and to do it cheerfully without making any fuss about it is a mark of greatness. In his recollections of these extraordinary years of growth Leonard merely dwells on his most interesting customer—Charlie, the town drunk. Every Monday morning, Charlie would moan and plead for a bottle of lemon extract. But when Leonard had to tell him that it was sold out, Charlie would purchase and promptly gulp down six ounces of camphor, a medical stimulant and diaphoretic.

The conscience and behavior of children are formed by the influences that surround them. Ada Read was teaching her two young children by example rather than rule. A descendant of a family of

pioneers to whom self-reliance and independence was as natural as life itself, she faced the adversities of widowhood with courage and dignity. In fact, in her way and her time she added a chapter to the Read history of entrepreneurship.

With the proceeds from the sale of the land, implements, and livestock she bought a large house which she converted to the first boarding house in town. When people needed a place to stay overnight Ada would rent the guest rooms, and there were times when a teacher lived in for months at a time. It meant hard work and careful organization, but she could always count on Leonard for the heavier chores and on Rubye for help with the cooking and cleaning.

Ada came to be known as the best chef in town. There were many people who were willing to pay to eat at her table. Buyers and salesmen, visitors and teachers, all were fed at the Read house. And when the troupe of actors came to town to perform at the local "Opera House" they ate at Ada's "restaurant." She was constantly baking bread, pies, and cakes, making "Dutch cheese" which resembled modern cottage cheese, roasting or frying meat, or boiling potatoes and vegetables. And to have vegetables and fruit on hand throughout the winter, late summer and early fall were devoted to canning, making apple butter, drying fruits, and filling the larder. There were racks of shelves in the cold cellar with jars of beans, peas, pickles, pickled beets, spiced peaches, applesauce, and cherries; there were bins for potatoes from Uncle John's farm and crates with carrots and turnips and parsnips. Several hams and slabs of bacon were hanging in the cellar and large crocks of homemade sauerkraut stood at the bottom of the steps. In the home of such a chef Leonard was destined to become a gourmet with a discriminating palate for fine food.

Mother's life in Hubbardston was not all cooking and baking. She loved her piano which she played as well as or better than anyone in town. She was the dependable pianist for the Eastern Star, and loved to have people around her to sing to her accompaniment.

Following the death of the father, Uncle John and Aunt Ruby took a great interest in the Read children and extended their special care and watchfulness over them. They were Orville's brother and sister, John, a bachelor, and Ruby, a divorcee, both living on the Read homestead which was now Uncle John's farm. Both children remember them as good friends, guardians, and advisers.

For some of his more ambitious business ventures Leonard persuaded Uncle John to furnish a horse and wagon, in exchange for which he gladly committed himself to work for his uncle from four to six in the morning. Then, after school, the young entrepreneur proudly rode about town, doing odd hauling jobs, mailing deliveries, or selling produce.

It is difficult to imagine how Leonard found the time to pursue and court the girls in town. And yet, he would always find the time to enhance his popularity with the opposite sex. To win regard of a beautiful girl he would treat her intellect with deferential respect and talk to her as a thinking person, which made him a popular boy in town. He always felt at ease with girls, and often preferred their company because he was convinced they had more good sense than boys, suffered from fewer pretensions, and judged objects and events more realistically and naturally.

He loved his sister, Rubye, although they occasionally fought like cats and dogs. She liked to play tennis and pursue other vigorous sports. She was always jumping over hedges and hurdles and, together with a girlfriend, occasionally went to the woods with her .22 caliber rifle to shoot mark. Leonard would observe such tomboy behavior with concern and alarm and openly voice his disapproval. But above all, he would passionately object to the boys who would call on Rubye and take her out. For Leonard, few boys in Hubbardston were good enough for his sister Rubye.

Leonard yearned to be a doctor, but for the time being he had to keep this ambitious plan to himself. He would dream about being a country doctor, a willing servant to the good of man. In those days, doctors, by reason of their extensive education and their daily opportunity to observe human needs, were nearly always community leaders. This was especially true of the family doctor in a small town. He served in various public offices, especially on boards of education, and in other service organizations. For a young man as eager to learn and work as was Leonard, nothing less than the highest and most respected position in the community was his goal. Besides, he could not dismiss the thought that had he been a great healer he could have saved the life of his father.

Despite his yearning to become a doctor, Leonard kept on laboring from dawn to dusk to support himself and contribute at home. His grades in school were good to excellent, but the school itself suffered

from the limitations of a rural public school that was training its pupils for manual pursuits as farmers, craftsmen, and the like. To seek admission to a college he needed more than English Grammar and Analysis, Practical Arithmetic, U.S. History, Civics, and Physical Geography from an unaccredited high school. He had to present three units of high school English (a unit meaning daily recitation for a full year), three units of Mathematics, two units of French, German or Latin, one unit of biology, one of physics, and one of chemistry.

The nearest accredited school that was well known for its excellence in college preparatory instruction was Ferris Institute in Big Rapids. Founded in 1884 it was a poor kid's private school with more than 1,200 pupils. A poor boy could work his way through carrying a heavy academic load. At Ferris Institute hard work and severe discipline were the rule. Any student failing in his academic subjects or violating the tough rules of conduct and behavior was expelled immediately, before the whole assembly.

In the summer of 1916 Leonard applied and was promptly admitted to Ferris Institute. His mother and sister hated to see him go but were happy about Leonard's opportunity. After all, there comes a time in every young person's life that he must venture out from the haven of home and face the tasks and challenges of life on his own. Surely, the painful departure can be delayed, but never avoided.

Leonard was a poor boy who had to work his way through school. For part of his year at Ferris Institute he worked for his principal, Woodbridge Nathan Ferris, who was on a leave of absence as Governor of Michigan. Leonard was full of admiration and awe for this great man who had founded the school in 1884 and made it one of the most prestigious institutions of learning in Michigan. Leonard, the budding entrepreneur, was attracted by the moral precepts and the noble example of this great entrepreneur-educator and politician. In 1877, at the age of 24, Woodbridge N. Ferris had founded the Dixon Business College and Academy in Dixon, Illinois. Seven years later he founded Ferris Institute at Big Rapids, Michigan. Under his presidency the Institute grew from a small beginning to a large school with a total enrollment of more than 2,000 students. It was privately owned and operated until 1931, that is, for three more years after his death, when it became a non-profit, non-stock educational corporation. In 1949, finally, its trustees offered the Institute to the State of Michigan which changed its name to Ferris State College.

When Leonard attended the Institute, Woodbridge Ferris was Governor in Lansing. He had been elected as Democratic candidate in 1912, and was re-elected twice. Although the Republicans controlled both branches of the legislature, Ferris worked harmoniously with them. He displayed great political courage during an ugly strike in the Upper Peninsula copper mines in 1913 when he mobilized the entire National Guard for the protection of life and property. The people of Michigan affectionately called him the "Good Gray Governor." From 1923 until his death in 1928 he served the people of Michigan as the first Democratic senator from Michigan since 1863. He was known throughout the country as an ardent Prohibitionist.

During his senior year at Ferris Institute Leonard worked at the Governor's home—firing the furnace at 5 a.m., carrying in wood and water, raking leaves, mowing lawns, shoveling snow, and so on. He was paid \$2 per week, which covered the expenses of twenty good meals in a local boarding house. And to earn the \$2 he needed for his room he worked as general handy man all over town.

His class work demanded concentrated effort and attention. In Hubbardston High he had breezed through school with little effort and spent most of his time on entrepreneurial activities. Now in Big Rapids, he was no longer ahead of his class and no longer could expect the personal interest and attention he had received from his teachers in the smaller Hubbardston school. A number of deficiencies had to be made up in order to meet all graduation requirements. In particular, he needed two years of Latin and had only one year in which to earn the credits.

Leonard did not retreat into his shell but charged the new difficulties with every ounce of his energy. He tackled his most uncongenial subjects and conquered them. He read and studied fervently and grew taller by six inches. Then, near the end of the school year, a national crisis overshadowed his struggle at Ferris Institute. On April 6, 1917, the U.S. entered the war against Germany.

Two days later, Leonard together with his roommate, John Harkness, hopped a freight train to Grand Rapids, 60 miles to the south, and rushed to the Navy Recruiting Office in order to enlist. Both were rejected on grounds of physical unfitness, John for reasons of flat feet and Leonard for an enlarged vein. Sad and distressed, they returned to Ferris Institute to finish the school year. On Saturday, June 2, 1917, they graduated and set out to find new tasks and adventures.

## Chapter II

### Leonard Goes to War

Youth is the period of growth in habits, wisdom, and faith. It is the opportunity to plant and sow for a happy life, to blossom into manhood, and to bear fruit later in life. Youth may also be the season of rashness and folly that are like drafts upon old age—payable with interest, throughout an unhappy life.

Leonard, at the age of 18, was determined to go to war. After all, it was a proud family tradition to answer the call to arms for his country. The world needed to be saved for democracy. Obviously this noble mission needed his help. With swift feet and little deliberation youth walks onward in its way. There is no time for contemplation, or for a journey into political philosophy—merely the duty to train and learn. To a young man of 18, a war may afford a welcome opportunity, at the beginning of his adult life, to test his courage and bravery under most adverse conditions, which, in his foolish judgment, is to reveal to himself and the world his gallant and noble heart. He hopes and prays that he may learn what he might be capable of doing with courage and dedication later in life.

Or, a youth of 18 may just seek adventure, which promises a temporary relief from the drudgeries of training and education or from the unpleasant prospects of having to earn a meager livelihood. Military service may afford an escape from the daily chores of productive work and offer adventure that may earn public applause, gratitude, and recompense. In October 1917, Leonard Read read a poster in front of the Recruiting Office in Lansing which read: "Join the Signal Corps and go to France at once." He promptly signed up with the Aviation Section, U.S. Signal Corps.

Leonard did not philosophize on the causes of the war. He knew intuitively that the cause was just and that he had to get involved. Many years later, as a philosopher and moralist, he reflected on war

as "the most brutal of man's activities," and came to some striking conclusions.<sup>1</sup>

The responsibility for the war, he concluded, rested with those doctrines and parties that dominated the course of politics before the war. Indicting the Austrian Council of Ministers or the general staffs of Russia, Austria-Hungary, and Germany or the German Kaiser, does not explain the hell that broke loose in 1914. Surely, they were incompetent bunglers who badly failed to measure up to the tasks of their high offices. But they could not possibly have ignited Europe if the European governments, in response to nationalistic and militaristic doctrines had not created ample incentives for war and conquest. For several decades they had conducted economic and foreign policies that made political and military confrontations unavoidable.

Throughout most of the nineteenth century some European nations had moved toward individual freedom and self-determination. Several autocratic governments had given way to constitutional democracies safeguarding the rights of man, and capitalism had brought an unprecedented rise in standards of living. And yet, despite the great expansion in economic activity, the old forces of repression nourished by doctrines of aggressive nationalism and militarism lived on and successfully resisted the tide of liberalism in such states as Austria-Hungary, Germany, and Russia. On the international scene, the ideological conflict was reflected in the general alignment of Great Britain, France, and Russia, as against Austria-Hungary and Germany.

In 1871, the unification of Germany under Prussian hegemony had inaugurated a new era in great-power confrontation. The successes of the Prussian army in the wars against Denmark (1864), Austria (1866), and France (1870-1871) had captured the German mind and given rise to dangerous bellicosity. With applause and adulation by most of its people the German government was steadily expanding its compulsion and coercion and subduing individual freedom and activity. The state became the central agent for economic regulation and redistribution, conducting policies of social conflict at home and national confrontation abroad. As the most powerful country in the heart of Europe, Imperial Germany overshadowed all others.

<sup>1</sup>For a more detailed analysis of peace cf. his *Conscience on the Battlefield*, FEE, 1951. See especially his chapter entitled "War and Peace" in *A wake for Freedom's Sake*, FEE, 1977.

For more than twenty years before the war, Europe had moved from crisis to crisis which nearly always had its focal point in the military might of Germany. Irreconcilable conflicts seemed to dominate international relations: the armament race between the powers, dynastic rivalries in Eastern Europe, the Anglo-German naval confrontation. When, in June 1914, the heir to the Austrian Hapsburg throne and his wife were murdered by Serbian conspirators, Austria-Hungary attacked Serbia to crush it as a separate state, Russia went to Serbia's help, Germany to that of Austria-Hungary, France to that of Russia, Great Britain to that of France. Before the end of the war nearly the whole world was involved, rushing to the defense of one side or the other.

The war was the climax of a deep crisis of culture and thought that made the nation-states hurl their masses at each other. It was the first large-scale war in which governments commanded the lives and fortunes of all their subjects. Without decisive battles, it was a war of attrition with millions locked in close and indecisive combat, so costly in human life and property that each side soon felt severe strains on its manpower, discipline and morale, not to mention financial and industrial resources. A new concept of total war emerged that accustomed the nations to unprecedented government activities and centralized power. In the end, it shattered the cohesion of the autocratic empires of Turkey, Austria-Hungary, Russia, and Germany, and brought political crises to the Western countries.

Entry of the United States in April 1917, which was followed within the year by the collapse and withdrawal of Russia, made the war more truly a struggle between the Western democratic powers and the autocracies of central Europe. President Woodrow Wilson led his nation into the war with a general ideological purpose: "It is a fearful thing," he wrote, "to lead this great peaceful people into the most terrible of all wars, civilization itself seeming to be in the balance. But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free." His Fourteen Points enunciated in 1918 were rooted in the doctrine of national self-determination and sovereignty, and reflected



the aims of the small insurgent nationalities that were set free by the collapse of the autocratic empires. His Points provided the general pattern of postwar Europe. But unfortunately, as the history of the twentieth century unfolded, they did not safeguard the peace nor make the world safe for democracy. Under the sway of statist doctrines even the democracies, large and small, engaged in economic nationalism, erected trade walls and migration barriers, imposed foreign exchange control, and expropriated foreign capital. They busily created new incentives for war and aggression.

Young Leonard was not nurturing his mind with such thoughts. He was bent on going to France and finding fulfillment in action. As the Navy had rejected him for reasons of an enlarged vein, and the Army undoubtedly would have done the same, he sought to join a service branch that required more technical expertise but made lower demands on his physical fitness. He finally found it in the Aviation Section of the Signal Corps of the American Expeditionary Forces (AEF).

He found it in Lansing, Michigan, where Leonard and his academy roommate, John Harkness, had moved soon after graduation. Leonard had obtained employment as a clerk in the Timekeeping Office of Reo Motor Car Company, and Jack became a fellow-worker in that office. The magnificent pay of \$13.50 per week for sixty hours of work failed to detract Leonard's dreams and thought of the adventures that were awaiting him in France. On November 9, 1917, the Signal Corps finally accepted the eager volunteer and made his dreams come true. He said goodbye to his family and his dear friend and departed for Kelly Field, San Antonio. Jack, who was rejected repeatedly on account of his flat feet, later joined the Canadian Infantry which was less demanding in physical requirements. After a few weeks of basic training he was sent to France. A bursting artillery shell injured him critically when he went "over the top" the first time. He succumbed to his many wounds months later in a Canadian hospital. Leonard lost a wonderful friend.

The Aviation Section of the Signal Corps of the Army, which Leonard joined, had 131 officers—practically all pilots or student pilots—and 1,087 enlisted men at the beginning of the war. It had fewer than 250 planes, none of which was ready for combat by European standards. The Armistice, some nineteen months later, saw 58,000 officers and men in the Air Service in France, 20,000 in training in

England, and some 120,000 in the States. During the war the U.S. built some 3,200 planes of which fewer than 200 were flown in combat. During their seven months of active duty in France, American pilots flew foreign planes most of the time, chiefly Spads, Sopworth Camels, and Nieuports.

When Leonard joined the Signal Corps he expected to be trained as a pilot. The Aviation Section consisted of brave men and their flying machines. In his youthful enthusiasm he failed to realize that it was the Corps' policy to train only college graduates as flying personnel. When Leonard became aware of this hard fact he took his disappointment to his commanding officer. He made such an eager and capable impression that the captain consented to recommend him for pilot training. But on the very day his transfer orders were received his Squadron was ordered to leave for Gerstner Field, Louisiana, and proceed to New York for embarkation. Leonard was so eager to go to France that he declined to stay behind for pilot training.

Pilots alone do not make an air force. On the ground, engineers and administrators and a host of other specialists were needed to keep the planes in the air. Schools for the various specialties were established at airfields or at educational institutions where thousands of young volunteers received a few weeks of instruction. The French and British allies then provided more *training* to those who were to fly and service their planes. Leonard was to become a "rigger," a mechanic responsible for the structural functioning of the plane, who assembles parts and instruments and maintains them through regular service and checkout. The planes delivered to the American fighting units in France arrived in numerous crates, boxes, and packages from the States, Great Britain, and France, and needed to be assembled correctly and efficiently. The pilot's life depended on the quality of his equipment and the dependability of the rigger who assembled and serviced his flying machine.

Thoughts lead on to purpose and action, and action shapes habits and character, which determine man's destiny. But there is also Fate, the servant of Providence or Divinity, that shapes man's ends. In the face of death Leonard was beginning to understand that his life and work were not his own design, but largely that of fate and destiny. Four times in his short career as a soldier did he confront a mortal

danger from which all his skills and abilities could not possibly have extricated him. Fate saved him for greater tasks of which he was still unaware.

The life of an aircraft mechanic usually is very safe and uneventful. Surely, there is some danger of enemy air attacks on the base, which probably is no greater than any civilian now faces near an industrial target. And there is the risk of an enemy breaking through the frontal defenses, which would necessitate a quick retreat. But despite such relatively small dangers to a mechanic's life and limb, Leonard again and again found himself in the face of sudden death, twice on the way to France, once during a test flight with a British pilot, and again during the sea voyage on his way home.

On January 24, 1918, 2,500 American soldiers boarded the *Tuscania*, a Cunard liner drafted into war service. They sailed with the evening tide from Hoboken on the Hudson River across from New York City. Among them was Leonard together with his comrades of the 158th Aero Squadron. Surely most of them had never been at sea before. Many trips across the northern Atlantic in the middle of winter bring adventure even without submarines stalking the sea. Northerly winds from Greenland and the Arctic Ocean are sweeping rain and snow across the deck, angry white-capped waves are pounding the ship, the sky is always dark and menacing, the days are short and the nights seem endless. The raging elements strike fear in the human soul. Only the low, steady hum of the ship's engines soothes the awe and sustains the reassurance that everything is proceeding according to man's plan.

At Halifax, Nova Scotia, the *Tuscania* was joined by another troopship, the *Baltic*, and ten freighters to form a convoy of twelve ships traveling together under the protection of two U.S. destroyers. Soon they set course for England and France. On February 2, some two hundred knots northwest of Ireland, they were met by eight British torpedo destroyers to escort them safely into British ports. After nine days at sea, without any calamity or disruption, and now under the protection of the Royal Navy, all felt safe and sound.

With German submarines in the seas all men aboard the ships were instructed carefully in emergency procedures. Practice drills were conducted daily when every man donned his life jacket and reported

to his assigned station on deck. For most men the tests were but annoying interruptions of a card game or a snooze in the bunk. But there were other emergencies for which no drilling could prepare.

On February 4, almost within sight of Ireland, Leonard decided to seek fresh air and a little exercise on deck. The sea was stormy and the deck was wet from a rain shower. The ship was pitching and rolling, and suddenly lurched, throwing Leonard off balance. He fell on his back and skidded several yards right over the edge of the ship. He grabbed the railing and held on with desperate strength. For several seconds, which felt like minutes, he was dangling over the water, glued to a railing which itself was moving with the swaying ship while angry waves jumped up to reach his legs. Several comrades finally came to his rescue and pulled him back to safety.

Later, in his bunk and surrounded by his teasing friends, they talked of life and death and speculated on the possibilities of rescue from being washed overboard. Surely no troop carrier with 2,500 soldiers aboard could be expected to risk all their lives by returning to the scene of an accident, halting its engines and launching a boat in search of a man in the sea. The ship would offer a welcome target for U-boats prowling and searching for prey. But even if the *Tuscania* were to return and circle the vicinity of the accident the victim could not be expected to survive more than a few minutes of exposure to the icy waters. Therefore, the big carrier would have to race on with its precious cargo while an officer would sadly record in the ship's log: "Leonard Read, private of the 158th Aero Squadron, was washed overboard. No rescue attempt could be made." However, this entry was never made, Leonard was safe in his bunk, uttering silent prayers of gratitude for his delivery.

The next day, their thirteenth day at sea, on February 5, the most terrible disaster struck the *Tuscania*: it was sunk. It had just entered the Irish Sea. The storm had turned to a gentle breeze and the waters were calmer than they had been for days. There was a general feeling of relief and expectation of a safe arrival. At 4 o'clock a boxing match was scheduled on deck which heightened the prevailing mood of relaxation. Everyone assembled to watch the entertainment, some climbing poles and sitting on high places to get a better view. When the fisticuffs were over everyone returned below deck to await the call for mess. Suddenly, at nearly 6 p.m., the ship's sirens sounded the alarm and the loudspeakers ordered all hands to get as close to the

deck as possible. Was this another drill, or was it a real emergency? They did not have long to wonder. A tremendous explosion suddenly ripped through the ship which seemed to leap out of the water. Then the quieting hum of the ship's engines ceased, and the terrifying silence of impending disaster settled over all.

The *Tuscania* was mortally wounded by a torpedo from a German submarine. When Leonard finally managed to scramble to lifeboat No. 10, amidships on the starboard side, there was no boat—only ropes dangling. Forty men stood numb and unbelieving. The torpedo explosion had blown it to a thousand pieces. What now? The officer in charge ordered his men to the port side to await further instructions. Here they waited and stood, as ordered, while unbeknownst to them, three British destroyers were pulling along the starboard side to rescue the survivors. Many jumped aboard the destroyers, but in the darkness that enveloped all, many missed the rolling and shifting target and fell into the icy sea. Others dove into the water in order to swim to safety. They all perished in minutes. On the port side, lifeboats were lowered and quickly moved away from the sinking ship. But for the crew of boat No. 10 there were no new orders. Some waited and waited as ordered, some now drifted away seeking rescue with other boats still being launched. In utter panic and desperation some dove into the choppy sea and were never seen again. In the end, only Leonard Read and a comrade, Stan Wellman, were left waiting, as ordered. Soon also Stan left the station to explore the situation on the starboard side of the ship. Just as he got to the other side the last of the destroyers was about to pull away. As there was no time to return for Leonard, he, too, jumped aboard. Now only Leonard was left. He was waiting, as ordered—waiting to die. Only he who has faced a similar situation can know the thoughts and feelings of a man who is about to die.

In the darkness of his despair Leonard suddenly felt a gentle tap on his shoulder. In a calm, soft voice a stranger told of a collapsible lifeboat which he had discovered on the poop deck, a partial deck above a ship's main afterdeck, that could carry the last souls left on board. Fifteen men quickly climbed into the boat, and the other fifteen, with Leonard among them, lowered it with block and tackle. But even this attempt failed at first as a rope snubbed half way down to the water. It took superhuman strength to pull the boat and its cargo back to deck for unsnubbing. A second attempt at lowering was finally successful. The men left aboard slid down the ropes and joined

the others. Leonard was last to leave the sinking ship. Minutes later and barely in safe distance, they saw flames rising through the smoke stacks and watched as the mighty ship was engulfed by the rushing sea.

For thirty brave men the mortal danger had passed, but immediately they faced another crisis. Their lifeboat was sinking fast. Everyone was bailing water frantically with shoes, caps, or just cupped hands—until it was discovered that the drainhole had been left open. A piece of cork from a life preserver was used to plug the hole, which saved the situation. The night was black and cold, the water very rough, everyone was wet and shivering, although all hands were rowing as hard as they could. Fortunately, the lone officer among them had brought along a tiny flashlight which he used to blink in all directions. By 2:00 a.m., finally, an Irish trawler was attracted by his signals, drew alongside the boat and rescued its survivors. One by one the Irish sailors lifted them to safety.

In the grey dawn of the morning the trawler landed at Larne, Ireland, and discharged some 200 survivors. In time, 300 more arrived in that Irish port where dozens of volunteer ladies were waiting to serve hot tea and corned beef and otherwise labored ardently to make them warm and comfortable. Many other survivors aboard the British destroyers were taken immediately to Liverpool. But 213 young lives who set out with hopes and dreams about a world they wanted to save never arrived—eighteen of them belonged to the 158th Aero Squadron.

In the days that followed the survivors were moved to a camp in Londonderry; three days later they were sent by train to Dublin, then by boat to a so-called Rest Camp in Winchester, England. Many had suffered severely from exposure and shock, and needed weeks to regain their health and courage. But Leonard recovered quickly. On the first morning in the Rest Camp when he strolled down the muddy streets, he came upon Stan Wellman. Each had thought the other dead. In fact, the news of Read's delivery didn't reach his family until several weeks later. There was no functioning telegraph system to inform the next of kin. He and all other survivors were assumed to be dead or "missing in action" until their own letters informed their families that they were safe and sound.

By the middle of May, finally, the 158th Aero Squadron was re-assembled and reinforced, ready to go into training. The Air Service, AEF, under Brig. Gen. Mason M. Patrick, was flying from sixteen

flying fields in France. Its composition was determined more by the aircraft attainable than by tactical or strategic considerations. As most American squadrons flew foreign aircraft in combat, and Americans had to take what the Allies could spare, building the Air Service was a slow and painful task. But by the end of the war it consisted of three wings—pursuit, observation, and bombardment, which in turn comprised two or three groups each with several squadrons.

The war brought tragedy and frustration. The U.S. started with nothing. But in just 19 months it succeeded in building a splendid Air Force, in creating a combat plane and placing it at the front, in building the best aeronautical engines, and in supplying vast quantities of war materiel to the U.S. Allies. The airplane, which at first was merely tolerated as "the eyes of artillery," became a full-grown instrument of war. Prewar planes had carried few aids to navigation, during the war they were equipped with an array of engine and navigation instruments, such as the compass, air speed indicator, altimeter, drift indicator, inclinometer, stall meter, tachometer, oil volume gauge, oil pressure gauge, fuel gauge, fuel flow meter, and engine thermometer. Whatever the Air Service requested American industry would quickly provide.

Leonard soon learned to enjoy his work as "rigger" and the responsibility it entailed. He labored hard, always aware that the pilot's life depended on his care and accuracy, his scrupulous attention to detail. Determined to become the best rigger in the Squadron, Leonard sought out his teachers in the evening, asking questions, eagerly learning the refinements of his craft. He bought books on aerodynamics which he avidly studied to learn the "why's" of plane construction. His reputation for knowledge and capability grew, and soon pilots and ground crew were pumping Leonard for information. He was proud of his work, which was visible even later when, in his recollections of war adventures, he emphasized that no flyer ever lost his life because of structural failure of the plane he, Leonard, had rigged.

This careful, meticulous work saved his own life one day. It was at Scampton Air Field in Lancashire, England, a depot where new airplanes were received, assembled, and serviced. Leonard had just completed his work on a two-seater Avro training plane. He was happy and proud of his work, and did not hesitate to boast a little to the British test pilot who was about to conduct the flight test. The

British captain in turn could not resist challenging the young rigger to back his boastful words with his deeds by accompanying him on the flight. And Leonard's pride and confidence in his own workmanship did not permit him to back off, although he had never flown in his life.

Leonard climbed into the front seat and scrambled to find and fasten the shoulder and seat belts. But the captain behind him, eager to take off and having fun with his passenger, urged him to leave them off because "you don't need them on this flight." Leonard relaxed and sat back with complete trust in the veteran pilot. They climbed to 2,000 feet when the captain suddenly leveled off, descended a little to gain speed, and then started some wild acrobatic maneuvers. At first a loop, in which the plane flies a vertical circle, and then an Immelmann turn in which the plane first completes half a loop and then half a roll in order to gain altitude and change direction in flight. And Leonard in the open observer seat without a fastened belt! He did not have time to be frightened more than he already was on this his first flight, he merely held on with both hands to the struts above him which he himself had strung and fastened to strengthen the airplane frame and hold the two wings together. He held on with superhuman strength while the plane was racing and turning half a mile above the ground, glued to his seat in upward movements but pulled out by the force of gravity during inverted flight. In the Immelmann turn this force away from the plane greatly exceeded his own weight.

Leonard did not yell or scream, but merely held on for dear life. But the British Captain in his cockpit behind him, observing Leonard's desperate plight, came to his senses after a turn and promptly returned to base. He apologized politely and joked a little about the plane and its rigger passing the flight test with flying colors. For Leonard it was much more than that, it was another encounter with sudden death which he would not forget throughout his life.

The 158th Squadron was moved from sector to sector wherever the Germans or the Allies chose to launch their offensives. Gen. Billy Mitchell, who was in command of the front line units, would concentrate all available air power in order to gain control of the air over the battlefield. The concentration entailed frequent moves to new airfields and temporary quarters, unexpected breakings of camp, building and folding of tents, and for an aircraft mechanic, riding a



bus or truck through the French countryside in search of another airfield. Leonard saw a great deal of French country life and occasionally of a town or city further back. He had joined the American Expeditionary Forces in order to go to France at once. Now he saw her in her naked reality, torn and spent, in agony and despair. Surely, an aircraft mechanic who usually lives in makeshift tent camps far behind the fighting lines rarely observes the hideousness and the demoniac woes of a battle when indescribable evils are stalking the field. But Leonard saw enough, from innumerable camps near the front lines, from Toul in the east to Villeneuve in the west. He learned to hate and despise war as a temporary repeal of all virtue, as the concentration of all human vices. For Leonard, the seeds of knowledge of war and peace were planted in France and cultivated in the years and decades thereafter.

In the summer of 1918 the tide was turning against the central powers. On July 15, the Germans launched a new offensive near Reims which was foiled by an elastic Allied defense. With their reserves practically depleted the German armies were thrown on the defensive. Thereafter, the Allies struck a series of rapid blows at different points, breaking them off as the initial impetus waned, and striking again close enough in time and space to react on one another. But before the Allied armies in France were to combine in a simultaneous offensive, events in other theaters of the war were to seal the fate of the Central Powers. One by one the German allies collapsed.

The Bulgarians, with their army split into two parts and tired of the war, sought an armistice, which was signed on September 29. The Bulgarian defeat opened the way to an advance on Austria's rear. A September offense against the main Turkish armies threatened a direct advance from Macedonia on Constantinople, which caused Turkey to capitulate on October 30. On the same day, Austria asked for an armistice, which was signed on November 3. These events together with the combined pressures of the Allied armies in France were loosening the willpower of the German government and people. The conviction of inevitable defeat spread like wildfire throughout political circles and caused the "home front" to crumble. On November 4, revolution broke out in Berlin and swept rapidly over the country. On November 9, the Kaiser and his government resigned, making way for a democratic republic. With revolution at home and the gathering

Allied strength on the frontier, the new German government had no option but to accept the drastic terms of the Armistice, which was signed in Marshal Foch's railway carriage at 5:00 a.m. on November 11. At 11 o'clock that morning the war came to an end.

In the days and weeks that followed, the Allied armies moved into Germany where they occupied the western bank of the Rhine. The American Expeditionary Forces became armies of occupation. For a few weeks the 158th Aero Squadron was stationed at Koblenz. Leonard did not see much of Germany although on an occasional leave he could visit such places as Mainz and Koblenz. His observation of the enemy, the German people in their native land, raised innumerable questions to which he had no answers. His inquisitive mind wanted to know why, in international affairs, nations and their governments act so differently from individuals who in their private affairs would not think of assaulting each other. Why are nations ever ready to assert their claims by aggression and war? Why does a soldier in uniform shoot down a fellow whom he would treat to a drink if he were to meet him in civilian clothing in a bar? Why does an air force pilot bomb a city with women and children whom he would love and cherish if he were to meet them on the ground?

The Peace Treaty with Germany was signed in Versailles on June 28, 1919. It was a foregone conclusion that sooner or later it would be signed because the Armistice of November 11, 1918, had practically disarmed Germany. Its armed forces had disbanded and the Allied armies had occupied Western Germany up to the Rhine River. Therefore, some American troops returned to the States even before the Treaty was concluded. On Friday, June 13, the 158th Aero Squadron boarded a freighter, the *Virginian*, in St. Nazaire, at the mouth of the Loire and southern coast of Brittany, to sail for Newport News, Virginia.

Once more Leonard would face a mortal danger which to him was another voice of fate. In such moments, life seems neither right nor wrong, but just too short. They waken in every heart the strong desire to pursue with new dedication the noble tasks that ought to be undertaken if only the danger will pass and offer another chance.

The *Virginian* pulled away from St. Nazaire loaded with 4,000 American soldiers. There was great joy and happiness aboard which no military discipline, not even the crowded quarters of a freighter loaded to the brim with human cargo, could intercept. After all, they

had survived the bloodiest of wars and were about to return home as veterans, to be applauded and acclaimed for a job well done. Most of them had seen the ravages of war, the wretched poverty and misery it had brought to the countries of Europe and, therefore, were all the more eager to return to America, the beautiful and bountiful. Most of them were draftees to whom military life and discipline were bothersome and irksome, like rough garments which they were most eager to shed. And all were longing to rejoin their families the ties of which were stronger than all others.

For six days and nights the voyage had been quite uneventful. The sea was calm and a gentle northwestern breeze was blowing over the deck. Suddenly, the alarm bell clanged its scary sound, the lights dimmed, went out, came on again as some auxiliary circuit took hold. Seconds later the public address system barked, "Fire in the baggage room. All hands on deck. All hands on deck."

Along with hundreds of other men, Leonard hurried to get to his station. The engine stopped and the ship slid to a halt. With the power gone the frightful silence, which Leonard remembered so well from the last moments of the *Tuscania*, settled over the ship. Dark smoke now poured from the baggage hold and everyone was waiting for the order "abandon ship."

They were waiting on deck, prepared to go overboard. Four thousand young men, with barely enough standing room for all of them on deck, were waiting to abandon ship. They waited for an hour, then two, which were like days suspended in time. But the dreaded order never came. The ship's firemen slowly brought the flames under control, and the emergency passed without turning into a major disaster. No one went overboard, no life was lost. The *Virginian* limped on and reached port two days later without another crisis.

Leonard's military life and career were soon to end. After two more days in a reception camp near Norfolk, Virginia, he received a railroad pass to Battle Creek, Michigan. With mixed emotions he said goodbye to his comrades and friends, and boarded the next train to Washington, Pittsburgh, Cleveland, and Battle Creek, where he received his discharge papers and final pay. It was July 7, 1919, a very hot and humid day. But it felt so good to be alive and home again.

## Chapter III

### Looking Across the Country

The end of the war raised the universal hope that peace would reign for generations to come. And yet, the joy of peace was mixed with a feeling of uneasiness and dissatisfaction about many effects of the war that no one had foreseen. Passionate national spirit, patriotism, and the strong desire for victory had subdued internal dissensions during the hostilities. But now, with peace at last, the ideological and political differences that beget dissent and contradiction in democratic societies sprang forth again with their old vigor and rancor.

Leonard returned to Hubbardston with the feeling of joy that comes from success and gives strength for future labor. He visited some friends and classmates who had stayed at home and for whom the war in France had been rather remote. His grandfather Ed, the veteran of the Civil War, was very eager to hear about Leonard's exploits with the Aviation Corps, which gave him fresh opportunities to dwell on his own adventures at Chattanooga and Atlanta. For Leonard, it came as a great surprise that, to most of his friends, the World War had a certain unreality that made it so remote and less interesting than the Civil War. It surprised him and left him bewildered and disconcerted that, despite their great patriotism, so many Americans were highly critical of the policies of the federal government.

The American public was especially embittered about the inflation that was reducing personal incomes and expectations. The purchasing power of the dollar was falling at frightening rates, depreciating personal savings and impoverishing millions of patriotic Americans. The economy was enmeshed in countless regulations and controls, giving rise to controversy and resentment. During the war the Wilson Administration, by means of war and emergency statutes, had turned the individual enterprise order into a command system. It had controlled the distribution of food, limited and rationed manufactured goods, and directed mining of coal and its shipment. The federal government had seized and directed the operation of railways and the telegraph and telephone services. The Shipping Board, the Emergency Fleet Corporation, the War Trade Board, and the War Finance Board

had directed foreign trade and commerce. And countless other federal agencies had tirelessly issued orders and regulations that affected the daily lives of millions. Feverish economic activity in some fields of economic endeavor was accompanied by stagnation and even chaos in others.

Leonard was surprised to learn that while his own life had been minutely regulated by Army orders and commands, his friends and relatives at home had labored under similar regulations and controls. Many Americans had been persuaded that the controls were essential for the war effort and, therefore, willingly cooperated with the federal agencies. But the controls were very unpopular with most Americans because they were so counterproductive of what they were supposed to achieve. They even created food shortages where there had been abundance before.

Uncle John and Aunt Ruby, Leonard's best friends and childhood guardians who lived on the family farm, were outspokenly critical of the Food Administration. After the Congress, in August 1917, had passed the Lever Act (the Food and Fuel Control Act), which gave the President broad regulatory powers, he had created the Food Administration with Herbert Hoover in charge. In just a few months this agency actually had managed to create food shortages in this country of plenty that set out to help feed the starving Allies. It had fixed a maximum and minimum price of \$2.20 for a bushel of wheat, which was considerably below the price wheat was bringing in the free market. It had been fighting "unwarranted speculative profits" through forced price reductions which caused wheat shortages and food crises. Of course, it blamed the war for the shortages and appealed to the citizenry to "make sacrifices" for the war effort. In the wartime issues of his local newspaper Leonard could read patriotic appeals like this:

Here is your schedule for eating for the next 4 weeks which must be rigidly observed, says S. C. Findley, County Food Administrator:

Monday: Wheatless every meal.

Tuesday: Meatless every meal.

Wednesday: Wheatless every meal.

Thursday: Breakfast, meatless, supper, wheatless.

Friday: Breakfast, meatless; supper, wheatless.

Saturday: Porkless every meal; meatless breakfast.

Sunday: Meatless breakfast, wheatless supper.

Sugar must be used very sparingly at all times. Do not put sugar in your coffee unless this is a long habit, and in that case use only one spoonful.

These rules apply to private homes, hotels, restaurants, and other eating places.

You are forbidden to buy hens at any time for killing purposes. You are not permitted to sell any laying hens from now until May 1 and produce-men are prohibited from buying hens of any kind from now until May. If you sell any hens at all, they must be sold to other poultry raisers. (G.C. Fite and J.E. Reese, *An Economic History of the United States*, Houghton Mifflin Co., Boston, 1959, p. 515).

It was difficult for a returnee to comprehend all the economic changes that had been made on behalf of the war effort. When Leonard signed up with the Signal Corps in November 1917, the railroads were privately owned and operated. When he returned, in July 1919, they were "nationalized," that is, controlled and operated by the federal government. In April 1917 the government had established a Railroad War Board, which was to be responsible for the movement of men and materiel from the interior to the Atlantic seaports. In conjunction with the Interstate Commerce Commission it instituted a system of freight car priorities. Under their combined controls the situation soon deteriorated until traffic came to a virtual standstill. The Eastern yards and tracks were jammed with loaded cars while the Western lines were stripped of rolling stock. In the west, the supplies could not be shipped for lack of transportation: in the east, they could not be unloaded in the chaos of congestion. The President then took the final step that logically follows such circumstances—he seized the railroads and continued to operate them as a bureaucratic department from December 1917 to March 1920.

Most railroads never fully recovered from the federal operation of their property, which deteriorated under government management. The compensation paid for the use of railroad stock did not cover the damage. The government itself lost nearly \$1 billion during the two

years of its operation of the railroad system. It granted substantial wage increases to the railway unions but failed to cover the rising costs by adequate rate increases. While it eliminated some duplicate services it eradicated all competition, which is the greatest efficiency incentive, and replaced it with bureaucratic regulation which magnifies all costs. The seizure of the railroads as an emergency measure was an unmitigated disaster that was felt for many years to come.

The shipping industry, which was called upon to transport two million American soldiers and vast supplies of war materiel to European theaters of war, labored under similar handicaps. American ships built or in the process of being built were taken over by the Federal Shipping Board. A major building program was begun, which reached its peak well after the war. By 1920, the American Merchant Marine had nearly doubled its tonnage to about 16.3 million tons. Unfortunately, most of the shipping did not become available during the war and, therefore, was either sold at huge losses or scrapped after the war.

From an economic point of view, the war record was very disappointing. Manufacturing output actually declined after the U.S. entered the war. The index fell from 259 in 1916, to 257 in 1917, 254 in 1918, and 222 in 1919 (1899=100). The population suffered a severe decline in living conditions as the U.S. government allocated to itself a bigger piece of the shrinking pie, which by itself consisted of a great deal of wasted effort. Of course, all indicators stated in monetary terms rose significantly, such as the indices of prices and bank deposits. Above all, federal expenditures rose from \$.73 billion in 1916 to \$2 billion in 1917, \$12.7 billion in 1918, and \$18.5 billion in 1919.

For only nineteen months the U.S. was an active participant in World War I. And yet, the total expenditures of the Wilson Administration were approximately ten times greater than the costs of the Civil War, which lasted four years. Before the war, annual peacetime expenditures were less than one billion dollars, the war raised federal expenditures twentyfold. From April 6, 1917, to October 31, 1919, they amounted to some \$35 billion.

Financing government expenditures of such magnitude presented a new problem. The U. S. Congress faced it in October 1917, six months after the United States entered the war, by passing a revenue bill that sought to finance a third of the war costs by taxation. It

doubled the normal personal income tax rate of two percent, and raised the maximum surtax rate applicable to incomes of \$5,000 and more, from 13 percent to 63 percent, which meant that the maximum personal income tax rate was increased from 15 to 67 percent. The corporate income tax rate was raised from 2 percent to 6 percent, and the estate tax which started at 2 percent to a new maximum of 25 percent. In addition, the law imposed a new excess profits tax ranging from 20 to 60 percent. Never before had taxation taken as much as two-thirds of a man's income.

The Revenue Act of 1918 imposed even higher taxes. It set a maximum of the combined normal and surtax rates of 77 percent on taxable incomes, raised the corporation tax to 12 percent, and made the excess profits tax range from 30 to 65 percent.

Two-thirds of the war expenditures were covered by Treasury borrowing. Countless posters and billboards portraying a young girl waving the flag were spurring the people on to "Fight or Buy Liberty Bonds." After the armistice they beat the drums for Victory Bonds. Many of Leonard's friends and relatives who could not be in France were proud to invest their savings in such bonds. Altogether the Treasury sold some \$26.6 billion in new obligations which future taxpayers were expected to repay.

Meanwhile, the Federal Reserve System, the new central bank, which was President Wilson's controversial achievement of his first administration, sought to reduce the pains of war financing by allowing the purchase of war bonds with its own newly created funds. It also rediscounted the certificates of indebtedness which the Treasury was selling to banks in anticipation of bond receipts. Consequently, bank loans increased from some \$17.9 billion in 1916 to \$25.1 billion in 1919, which reflected a large expansion in Federal Reserve funds. During the same period, Federal Reserve note circulation rose from \$150 million to some \$2.5 billion. In other words, the Federal Reserve engaged in inflating the currency. It was shifting the burden of war financing to savers and money holders through reductions in the purchasing power of the dollar. The index of wholesale prices which had stood at 117 in 1916 (1914=100) rose to 193 in 1920. As always in inflationary times, people with fixed incomes and fixed dollar investments suffered immediate reductions in income and wealth.

All in all, the war was financed to a considerable extent by progressive taxation and currency expansion. The Wilson Admin-



istration fought a bitter battle against war millionaires and profiteers through highly progressive taxation of all wealthy Americans. But its policy of rampant inflation created a new class of well-to-do through the depreciation of debt. The masses of voters who paid little in direct income taxes bore most of the burden through loss of their savings and through higher goods prices.

The war brought lasting changes to American economic and political thought. The use of economic regulations and controls provided a backlog of experience which, fifteen years later, the Roosevelt New Deal freely drew upon. Most of his planners and administrators had cut their teeth on governmental economic planning in 1917 and 1918. Even the Federal Reserve authorities had received a foretaste of their future financial task—to cover Great Depression deficits and support the economic activities of government.

For Leonard Read, the young veteran of the Aviation Corps, this information which appeared in an occasional newspaper article was rather arid and unexciting. After all, he was no economist or political scientist who might ascribe ominous significance to this information. Leonard merely observed some of the inevitable consequences such as taxation and inflation as they affected him, without pondering over the causes and effects of government finance. For the first time in his active life he faced the unappealing prospects of an income tax that was to cover some of the federal expenses.

As a soldier boy in France Leonard had drawn a pay of \$30 per month, which was tax free. Now he faced the obligation of sharing his income with a tax collector who would claim ever more the more Leonard earned. While he was rigging fighter planes in France, countless tax collectors had been installed at home extracting everyone's financial share in the war effort.

Some thirty years and two wars later Leonard published his own reflections on the meaning of war in a booklet entitled *Conscience on the Battlefield* (FEE, 1951). It accentuated his conclusion that war is liberty's greatest enemy, and the deadly foe of economic progress. War is great evil and, therefore, must be avoided. Man must search for a rationale, a mode of thinking and patterns for living that lead to peace.

The postulate of peace, according to Leonard Read, rests on man's awareness that "There is no new right brought into being by reason of you and another, or you and 150 million others, acting collectively.

Whatever is immoral for you as a person is immoral for a number of persons. Virtue is a quality solely of the individual. Multiplication of individuals does not change virtue's definition. As it is proper for you to protect your life against violence initiated by another, so it is proper for a number of you to protect yourselves against violence initiated against your number. But that is all. There is no extension of moral rights by reason of how numerous you are." (*ibid.*, p. 16)

## Chapter IV

### Time of Seasoning

Leonard was a stranger to these economic and political thoughts that were engendering such heated debates and discussions among his Hubbardston friends. His ambition to become a surgeon had grown throughout the war. More than ever he admired surgeons as men of mercy who, after the raging battle had brought its hideous woe to friend and foe alike, sought to soothe the pain and heal the wounds. To Leonard, they were the only heroes of virtue. In his stories about his war adventures he would dwell on their efforts rather than on his own exploits with the Aviation Corps.

Since his days in Ann Arbor, Leonard's eyes had been on the School of Medicine at the University of Michigan. As a training center for physicians and surgeons it was known to be one of the best in the country. Leonard was determined to make his way through college and then seek admission to this school. But for a poor veteran of twenty the road was long and arduous. There was no financial support on which he could lean, no veterans' benefits that would cover seven or eight years of expensive training. His \$750 severance pay would barely see him through the freshman year. Therefore, once again, he set out to work his way through school.

In August of 1919 Leonard moved to Ann Arbor and immediately went to work as a salesman for Worth and Company, a clothing store downtown. For \$15 a week, without commission, he sold men's clothing, work similar to that he had done in the general store in Hubbardston. He slept in a furnished room on the third floor above the store, to which he would retire after twelve to fourteen hours of labor.

Leonard did not mind the long hours of work or the finicky customers. But his pay of \$15 a week was not enough to launch his ambitious career as a college student. Without doubt, he would have managed at school with a weekly allowance of \$15, but there was no way of drawing such an income without giving time and strength in exchange. The realization of his dream to return to school just had to wait.

Life often presents choices and alternatives that are difficult to judge in the uncertainty of the moment, but may later prove to be of decisive importance. Leonard saw two choices. He could make his way to college and then medical school as a part-time worker and student, provided a few hours of daily work would cover his living and educational expenses. Or he could seek to earn much higher income now through long hours of work at higher rates of pay, which would permit him to save some money for his future career. With singular dedication Leonard decided to search for the higher income so that he could later pursue his college career on his savings.

He soon found employment as insurance collector and adjuster with the Western and Southern Insurance Company. The company put him to work in what is known as debit insurance, going around collecting 10¢ a week for small personal insurance policies. Leonard now earned \$30 per week collecting the premium from policyholders. He vacated the furnished room above the store and moved to a small rooming house nearby. Mrs. Frances Cobb, in order to supplement the family income, rented a few rooms and served meals in much the same way Ada Read was doing in Hubbardston. She was a genial, energetic lady with a great deal of wisdom of life. She liked this young man immediately, and they remained excellent friends for the rest of her 100 years. Once again good fortune was smiling on Leonard. He met the daughter of the house, the petite, vivacious Gladys Cobb, who was to become his truest and tenderest friend, his faithful companion through more than 50 years, his wife and the mother of his children. But Leonard could not see the future, he merely faced the nearest link of life's chain and struggled along in search of his dreams.

A few weeks later, in October 1919, he found employment as cashier with the Connor Ice Cream Company which was the biggest business of its type in that part of Michigan. The job paid \$150 per month, a few dollars more than that of insurance collector. Leonard hoped it would offer better opportunities for advancement and, above all, for learning the principles and techniques in establishing, maintaining, and analyzing the records of a business. By then he had his eyes on a business of his own that would quickly earn the profits he needed for his college education.

While he was posting the accounts receivable, which arise in the normal course of business dealings, and was analyzing the profitability

of various business activities, Leonard discovered that his company earned most of its profits in its butter and egg operations. Certainly he was very familiar with butter and eggs, their production and marketing, since his childhood days on the farm and in the general store in Hubbardston. Perhaps an opportunity was waiting here which could be exploited with force and persistence. If you want to succeed in the world, you must make quick use of an opportunity and make haste lest it pass you by.

The golden key to business success is to get into the right business at the right time. But who can say whether it is the right business or the right time? Many men approach the question as the perennial bachelor approaches marriage. They look endlessly for the perfect situation, never committing themselves to take the risk. They search for new inventions or techniques, trying to be the first in production. But when they finally find the "ideal" situation they may be easily discouraged by public lethargy or even resistance to innovation. Or some sharp promoter or corporate executive may usurp the new idea and utilize it without giving credit and reward to the inventor. Others, like Leonard, just choose a promising field, no matter how crowded it may be, jump in with courage and confidence, and eagerly slug it out. They do not wait for the ideal product or an ideal situation, but determinedly set out to render a better service to customers.

In the spring of 1920 Leonard Read, the 21-year-old veteran rigger of Spads and Sopworth Camels, set out to establish himself in the produce business. Indeed, there were many other companies marketing butter, eggs, cheese, poultry, fruit, and vegetables. But no competition could match Leonard's new company, the Ann Arbor Produce Company, in youthful enthusiasm and dogged determination. Through hard work and frugality he would succeed where others had failed.

His business capital consisted of his \$750 army severance pay of which he spent \$500 on a brand new Ford roadster delivery truck with a shiny enclosure box in the rear. The balance of his funds barely sufficed to purchase a truckload of merchandise. He would buy his supplies wherever he could get them, from farmers, dealers, dairies, manufacturers, and at produce auctions anywhere in Michigan. He would market them to retail stores, hotels and restaurants, student fraternities and sororities, or anyone willing to buy. His was a simple design. But its execution would require great ability, iron discipline, and tireless labor.

For more than five years Leonard struggled to build his Ann Arbor Produce Company. The beginning was extraordinarily difficult. As a stranger in town he did not know the market, and the people did not know him. He had to render a service that was manifestly better than that of his long-established competitors, and earn the trust of customers through dependability in service, honesty in dealings, and modesty in price. And when he was finally known among dealers and merchants, and his delivery truck had become a familiar sight, he had to earn their trust anew every day of the year.

For Leonard the day began at 2:00 a.m. with a two-hour drive to the Team Tracks in Detroit where railroad carloads of fruit and vegetables were sold every morning. The Team Tracks were the central market for southeastern Michigan with supplies arriving during the night from the rural areas of Michigan, Ohio, and Indiana, from Florida and California, or just from the docks of Detroit harbor. They were auctioned off by the carload to the highest bidder who in turn would ship them to his local market for resale to his customers. Or he would just turn around and sell them in smaller lots to eager buyers, like Leonard, who could not use a full load. Of course, the smaller lots that required more labor in weighing, counting, and handling, were selling at a premium over the carloads. But young Leonard soon attracted the attention of an old Detroit merchant who would bid at the auction and then sell Leonard any small quantity, even a few crates, at carload prices. Occasionally, Leonard would venture to bid on a full load and emerge as its owner. On a good day he would earn \$1,000 on a commodity in short supply. But he could also lose \$1,000 on the very next day. It was an exceedingly risky business as prices changed rapidly in ever-changing demand and supply situations.

By 7:00 a.m. Leonard was back in Ann Arbor peddling his truck load of fruit and vegetables to retail merchants, hotel and restaurant operators, or any other buyers. During most of the year the trip to Detroit and back to Ann Arbor, between 2:00 a.m. and 7:00 a.m., was just routine, a 74-mile round-trip that began during the dark of night and ended in the midst of early rush-hour traffic in Ann Arbor. But anyone who ever lived through one of the Michigan blizzards that may strike at any time during the winter months can imagine the hazards of travel and dangers to life and property which some of the trips entailed. On icy roads, in a blinding snowstorm at night, Leonard's truck would be crawling along to Detroit and then back to

Ann Arbor bringing in a load of fruit and vegetables. The housewife who served them to her family for dinner that night was probably unaware of the daring effort it took Leonard to deliver the food for a few pennies per pound.

In the early afternoon Leonard would be combing the countryside searching for suppliers of butter, eggs, and cheese. He would call on a few dairy farms for butter or cheese, on factories processing and curing various types of cheese, and on poultrymen for chicken and eggs. In the late afternoon, he would be back with the merchants in town, or visiting the numerous fraternity and sorority houses to market anything left on the truck. With the fraternities and sororities Leonard soon enjoyed a kind of monopoly as he was the only supplier who sought their business by catering to their tastes and peculiarities.

The student organizations were mainly responsible for his thriving chicken business. In many weeks they ordered more than 4,000 pounds of dressed chicken at 50¢ per pound which Leonard would produce especially for them. He would buy thousands of live chickens from farmers and, with the help of an uncle and three to four other men, would keep them and fatten them for two weeks. On Saturdays, they were slaughtered and processed for prompt delivery to the waiting fraternities and sororities.

Leonard's business grew continually. He was one of those businessmen who combine the functions of the entrepreneur with those of salesman, bookkeeper, and laborer. When one function failed him another would save him. Hopefully they all worked together to earn a net profit. He would buy 100 watermelons at 90¢ each, for instance, and hope to market them at \$1.10. The margin was to cover a few hours of labor and transportation expenses and leave a few dollars for him. Occasionally his search for buyers would be in vain, and a potential profit of a few dollars would turn instead to a loss of more than \$100. But his flair for salesmanship in most cases compensated for his entrepreneurial misjudgments of the market. One day, for example, when everyone had rejected his melons, Leonard dramatically demonstrated their quality by bursting one open on the ground in front of his favorite customer. Convinced by such evidence of quality and impressed by such fervor in salesmanship, the grocer bought the supply.

It was more difficult to convince the agents of government that Leonard was always serving his customers well. While visiting a

hatchery in Saugatuck, Leonard learned that it regularly sold its infertile eggs to bakeries at discount prices. Here was an opportunity, so Leonard thought, to buy eggs and store them until the following March when prices normally peak. For several months then he bought the supplies, employed two men to candle them and break them into large lard cans, until a thousand cans were stored in one of Detroit's large freezers. But soon Leonard was to learn an important lesson in government interference. A government inspector found a trace of mold in one can and the entire stock was condemned. When, many months later, he finally succeeded in getting the inspectors to examine every single can and release his property for resale, the month of March had long passed and egg prices had fallen. Instead of earning \$3,000, which he had hoped to make in this ingenious transaction, government inspectors managed to inflict on him a loss of more than this amount.

During the busy season, from May until December, five or six men were working for him full time, loading and unloading the merchandise, feeding, slaughtering and processing thousands of chickens, or making deliveries while Leonard sought new suppliers and customers. By July 15, 1920, he felt so productive and successful that he dared to combine his career with a family. He chose his wife, as she chose him, for qualities that would wear well for the rest of their lives.

Gladys Cobb—later affectionately called Aggie—and Leonard Read were married early one bright, sunny mid-summer morning, at a parsonage in Ann Arbor, with only a few family members present. After a sumptuous wedding breakfast prepared by "Frannie," the bride's mother and proud friend of the groom, the happy couple took off by train for a week of honeymoon with friends in Saugatuck. As Leonard remembers so well: "We had but a few dollars between us. I remember that it took a long time to pay the installments on the rings. Certainly, money has little to do with happiness for no couple could have been happier than we."

How well they chose can be understood in part by their 53 years of happy life together. Leonard's own reflections on marital happiness probably offer a cogent explanation: "There isn't any formula for marital happiness. Persons are too vastly varied for that, each differing every day of his or her existence. Perhaps the most that can be said is that happiness depends on a conscious effort on the part of each,



plus some ingenuity. It's something like sailing a ship on uncharted seas. Each one has to be a competent captain. How Ag has done it is the eighth wonder of the world. Blessed is he who comes upon an eighth wonder."

For young lovers starting out, the road of life does not always bring sweetness and light. Sometimes the rough spots of misunderstanding, frustration, and doubt begin to surface, and action seems to necessitate reaction. They later both amusingly recalled a time of disagreement over an issue long since forgotten when Aggie gathered up her belongings and moved home to mother. But mother Frannie sent her daughter right back to her husband because her place was forever with him. When Aggie returned with much fear and misgiving, Leonard greeted her with a forgiving "Hi," and the world was right side up again.

Leonard and Aggie believed in work, hard work, and long hours of work. And yet they could not labor on without some diversion and recreation. Once a week they would visit a movie theater to unwind their thoughts and for a few hours forget their daily cares. However, even in a darkened theater Leonard's mind was not idle; many a good thought came to him while watching a Hollywood movie. While he was easing his wearied body he was changing his occupation. In fact, on two occasions Leonard became convinced that he had come upon a great invention that would improve the power of man and the well-being of mankind.

Leonard may have been an early inventor of the modern clothes washer, which a generation later was to become an important appliance in nearly every household. Full of youthful hope and enthusiasm, he contacted a Washington patent attorney who was soliciting inventive thought in the *Popular Mechanics* magazine. He submitted detailed descriptions and blueprints of his special washing machine. But the attorney replied that the idea was impractical and useless and, therefore, not suited for submission to the U. S. Patent Office. Two years later Leonard was greatly surprised to see a model of his washer in a local hardware store. But the name it carried was not his.

He guarded his next invention more cautiously. A wartime movie of a sinking ship brought back memories of the *Tuscania* disaster which had brought him face to face with death. He remembered the frantic lowering of lifeboats and the mishaps and accidents so costly to human life. Leonard thereupon invented a fail-safe rig for lowering

lifeboats. This time, he vowed, no one would deprive him of the patent that would be his upon proper application with the Patent Office. A trusted local attorney recommended a well-known patent attorney in Boston. Leonard promptly took a fast train to Boston and personally submitted his great invention. The Boston attorney was severely honest: the invention came five years too late as lifeboats were now being lowered electrically. Leonard was quite disappointed, but he learned an important lesson: it was more sagacious and productive to confine his thoughts and efforts to his own field of expertise.

During their first year of marriage a sharp, severe depression complicated the situation and thoroughly tested the partnership. Agriculture especially was vulnerable to a sudden readjustment. With wartime profits farmers had bought more land and incurred more debt based on rising land values. Commodity prices reached their peak in May 1920. Within a year they declined by 44 percent and retail prices by a still greater proportion. As prices moved down many farmers and businessmen who had expanded aggressively during the preceeding boom found themselves overextended and financially embarrassed. Thousands failed, and their assets were sold at bargain prices.

Leonard often called on farmers who were desperately liquidating their livestock. Sometimes the sheriff was auctioning off the land and other belongings. In the wholesale produce business Leonard easily escaped the inventory losses that come from declining prices. His inventory rarely consisted of more than a day's leftover that was liquidated the following day. Nevertheless, the rapid fall in prices tended to depress his profit margins and frequently inflicted losses on him. During the depression of 1920-1921 he lost \$10,000. If his banks and suppliers who advanced the merchandise had called for their loans exceeding a total of \$100,000, he would have shown a deficit of \$10,000. But it never occurred to Leonard to quit and have his creditors suffer the losses. To him, honesty and persistence were the best policy, a policy that would succeed in the end. With the economic recovery that started in August of 1921 he slowly recouped his losses and began to earn some profits.

On December 11, 1921, "a little bundle of love and light" came to the Reads at Kings Hospital, Ann Arbor, with Dr. Runnels conducting a Caesarean section. Leonard was so excited about their first-born that he implored the surgeon for permission to witness the

operation. But permission was refused on grounds that the care of Aggie was enough for any one doctor to handle. When the time for the operation was at hand, a dentist's wife, too, was to deliver her baby by Caesarean. The dentist was granted permission to witness both operations provided Aggie's husband would agree. Leonard readily agreed provided he, too, could be present. During the operations it was Leonard who had to remove the fainting dentist halfway through the delivery. But he returned just in time to see his son born. They were so proud that they named him Leonard E. Read, Jr. Leonard was also present during the birth of their second son on August 20, 1924, whom they named James Baker Read. Both boys tempered the young couple's labors and added bright faces and loving hearts to the family.

By 1923, the Ann Arbor Produce Company was a thriving business with six employees and better than a quarter of a million dollars in gross sales. At the age of 25 Leonard Read was a well-known and highly respected businessman in Ann Arbor. With money in the bank, and more coming in every day, he bought an expensive automobile, a \$700 Franklin, and his first home on Crest Avenue. For Leonard and Aggie the two-story frame house in a prosperous neighborhood became their own resort of love, joy, peace, and plenty.

And yet, there is fate or destiny that shapes man's ends. Within two years Leonard's economic situation was to change so radically, due to no fault of his own, that he was to liquidate the Ann Arbor Produce Company, forever leave the produce business, and move to California for an entirely new career. The occasion that seemed to necessitate such a radical readjustment was the coming of chain stores to Ann Arbor.

Chain stores as they were developing during the 1920s represented the first successful application of large-scale integrated methods to retailing. They linked together a central planning and managing unit with special warehouse units and selling units, the retail stores. Under the capable management of the planning unit, a chain seeks to reduce operating costs and selling prices to improve retail practices, make extensive use of advertising, and experiment with new marketing methods. With better knowledge of consumer demand and market opportunities it usually can buy better, sell more per store, and operate with lower markups than other retailers.

By giving consumers better goods and services the corporate chain greatly upset traditional business arrangements and caused new relationships to be formed. Many independent retailers and wholesalers imitated the chain stores and developed similar forms of organization, such as the co-operative chain. Others at least modernized store appearance and layout in order to match corporate chain standards. Leonard Read and many others chose to yield the field and seek new opportunities in other economic endeavors.

The chain-store competition exerted great pressures among independent wholesalers. In Ann Arbor these pressures generated hostilities that even led to violence. When one of Leonard's friends in the wholesale produce business was slain gangland style, Leonard concluded that it was time to depart for other horizons.

In the fall of 1925 he liquidated the Ann Arbor Produce Company, sold the home on Crest Avenue, and auctioned off his big Franklin, his furniture, and every household item. When the last lamp and chair were sold there was just enough money to cover the debt on business and real estate and buy one-way train tickets to California. The lion's share went to the Ann Arbor Savings Bank which had advanced him \$75,000 on equipment and accounts receivable. Its vice-president, Mr. Shultz, who had trusted Leonard throughout the years of effort and endurance and had financed many of his ventures without collateral or other security, had made no mistake. Leonard was a man of his word.

What had begun as a step toward medical school had yielded valuable experience and many joys; it ended with a step forward into the next phase of his life.

## Chapter V

### With the Chamber of Commerce

A great talent is often lost for the want of a little courage. For Leonard it took a great deal of courage to give up his business and profession, a lovely home in his native state, and move 2,000 miles in order to find a new beginning. And yet, the stirring restlessness that had become more insistent in recent months, nourished by the growing doubts in the future of the Ann Arbor Produce Company, effected the difficult decision and took the Leonard Read family to California, the Golden State.

California was a magic word, full of hope, appeal, and promise. Its mild, even climate and its scenic beauty had made it the mecca of tourists. Many had come as tourists first and later returned for a new life in sunny California. But it was gold that had made California, long before the tourists appeared on the scene. By the treaty of Guadalupe Hidalgo in 1848, Mexico had ceded California to the United States. The discovery of gold at Sutter's Mill on the American River in the same year gave it great national importance.

The gold rush changed California economically, politically, and culturally. It is estimated that in 1849 alone some 80,000 men reached the coast as a result of the gold fever that spread throughout the world. Three-fourths of the newcomers were Americans, the others came from Central America or directly from Europe. During the 1860s, tens of thousands of Chinese came to work in the mines or for the Central Pacific Railroad that was hastening to link up with the Union Pacific. Upon completion of the intercontinental line, in 1869, some 15,000 Chinese were dismissed and subsequently flocked to San Francisco. This painful readjustment in labor markets together with that resulting from the decline in gold mining during the 1870s then created a great deal of economic discontent and racial conflict. It led to the exclusion of Chinese by national law. When, in the early years of the 20th century, many Japanese came to settle in the Golden State, acute anti-Japanese agitation led to the Webb Alien Land Act of 1913, which prevented Japanese from holding real estate in California, and to an agreement with the Japanese government to prevent further immigration of its citizens. The ethnic mix thereafter remained rather stable with some 92 percent of the population being white, 5.6 percent

black, 0.6 percent Chinese, 1 percent Japanese, 0.4 percent Filipino, and 0.2 percent American Indian.

It was neither the climate nor the ethnic mix that took the Reads to California. The frontier that had beckoned his ancestors was calling Leonard to California, the new frontier of economic opportunity. No other state was experiencing such high rates of economic development. In 1850, the year California entered the Union, its population was 92,597. In 1900, it reached 1,485,000, and in 1925, when the Reads arrived, it was exceeding 4.5 million. It was an important agricultural region that was about to surpass Iowa, Texas, and other farm states in productivity and income. Highly intensive cultivation of irrigated soil accounted for much of the output which was primarily horticultural: oranges, almonds, peaches, pears, plums, cherries, apricots, prunes, grapes, hops, lemons, walnuts, dates, and figs. By 1925, California produced more than a fourth of the fruit and almost a fourth of the vegetable crops grown in the country.

By 1919, manufacturing had surpassed agriculture as the state's leading industry and was growing in relative importance. The development of water supplies, electric power, natural gas, and oil provided important incentives to the development of manufacturing. With agriculture as its primary base, industrial production soon excelled in the manufacture of food and beverages, in drying, dehydrating or freezing agricultural products. Years later, transportation equipment, such as aircraft and aircraft parts, automotive manufacture and shipbuilding were to become the largest industry.

The Reads settled in Palo Alto, a little town of 8,000 people, 25 miles south of San Francisco. Leonard had read about this rapidly growing community on the San Francisco Bay. Located half way between two metropolitan areas, San Francisco and San José, it afforded great economic opportunities that abound in prosperous city markets. The chance to be and do is ever present not only for those who seek employment, but also for budding entrepreneurs who are ever ready for an opportunity when it comes. While Leonard would eagerly face the hustle and bustle of economic challenge and opportunity, his family would be enjoying the intimate atmosphere of a small suburban community. Here they settled, with new hope and great courage, carefully launching a new beginning.

Success in life is a matter of concentration and service. Step by step, little by little, bit by bit—that is the way to success. The successful man discerns the object toward which he directs his undivided powers. In California, Leonard Read resolved to own neither home nor furniture, nor anything that would hamper his concentration and mobility—until he was 40 years of age or had reached the peak of his profession. Arriving in Palo Alto with \$200 in his pocket he rented a small furnished apartment for \$40 a month and made a security deposit thereon of \$40. He found employment the same day and began to work for Hare, Brewer & Clark, a real estate firm, the next day.

For more than a year Leonard sold real estate, earning about \$250 a month. His company was in the business of developing, managing, and merchandising land and buildings. It specialized in handling three types of property—commercial buildings downtown, expensive homes and estates, and newly constructed houses on the outskirts of the town. As a rookie agent Leonard was assigned to market the latter, mostly five-room houses on 100 x 50 ft. lots, selling for \$3,250.

Although the competition was intense, Leonard proved to be a quite successful agent who frequently sold more than his assigned quota. His five years of experience in the Ann Arbor produce market served him in good stead in a wide open field that was not yet encumbered by real estate boards, licenses, and other restrictions. He did not mind the keen competition which to him was always challenging and refreshing. But he soon felt torn by an inner conflict between his own resolve not to be burdened by a home, or anything that would hamper his concentration and mobility, and his daily task of finding customers on whom to place this very burden. He began to dislike the real estate business, despite its promise of a prosperous future, and prepared for other opportunities.

Unbeknownst to himself, Leonard was about to enter a phase of his life that was to take him to the very summit of his profession. He would succeed above his fellows because he would continue to grow in strength, knowledge, and wisdom. He would seek more light, and find more the more he sought. Leonard Read was to become one of those rare individuals who take and give every moment of time.

For the next eighteen years of his life Leonard would focus on Chamber of Commerce work and direct his growing powers toward it. The chamber is a voluntary association of businessmen, exercising

little, if any, compulsion upon its members. In the United States it commenced along the lines of the British system that had come into existence during the second half of the eighteenth century. The first chamber was the New York Chamber of Commerce, established in 1768, incorporated by George III in 1770, and reincorporated by the State of New York in 1784. Its charter stated the object "to carry into execution, encourage and promote by just and lawful ways and means such measures as will tend to promote and extend just and lawful commerce." It formed the prototype of all American chambers of commerce and boards of trade. But despite this early beginning there were only about thirty chambers in the country by the middle of the nineteenth century. Rapid growth began after 1880.

The U.S. Chamber of Commerce is a federation of local chambers, trade associations, and similar organizations, with headquarters in Washington, D.C., and six regional offices throughout the country. It was formed in Washington, D.C., on April 23, 1912, at the request of President William Howard Taft, primarily to ascertain and make known the views of business on government economic policies. The policies of the national Chamber are determined either in annual meetings or by referendum conducted among its organization members and endeavor to represent the commercial interests of the United States as a whole.

At the national level the various departments of the U.S. Chamber of Commerce provide information and advice on all items of controversy between business and government, especially on regulatory measures, expenditures, tariffs, taxes, and labor-management relations. They issue research publications, committee reports, special bulletins, and an annual booklet recommending certain policies. Local chambers provide information regarding churches, schools, services, hospitals, and recreation and shopping facilities. In an effort to attract new business ventures they provide information regarding transportation, financial institutions, gas and electricity, railroads, highways, and airports. Any facility or cultural establishment unique to the community is especially pointed out. They supply information regarding local ordinances and regulations that affect business in town. Larger city chambers usually issue some type of magazine or newsletter to members, with discussions, recommendations and suggestions.



To represent the interests of business is certainly an important task. But the student of individual freedom and the private property order cannot ignore the fact that the U.S. Chamber came into existence during the age of growing government intervention in economic affairs and was created upon the request of President Taft. The need for representation of business interests by the Chamber of Commerce assumes the existence of other interests, such as those of industry, agriculture, labor, and the public, and a conflict of interests between them. Conflicting interests need to be represented by different organizations. But in a free society there is no such conflict; there is a universal harmony of interest in the protection of human life and private property. There is no need for a representation of the interests of business or any other group.

From its beginning the Chamber of Commerce and its numerous local affiliates were limited in their effectiveness by the limitations of the personnel that represented them. The quality of management differed widely—from the best that was comparable with the best in corporate management, to the worst that hurt the interests of business rather than promoted them. The Chamber's publications, committee reports, bulletins, and booklets necessarily reflect the ideological views and thoughts of the chamber spokesmen who may represent a wide range of economic and political ideologies. Their pronouncements may range from beautiful pronouncements on the principles of a free economy to noisy demands for government intervention and the policies of a command system. In our age of interventionism and socialism it should not surprise us that many of the Chamber pronouncements reflect the prevailing thoughts and prejudices.

It is difficult to imagine a less conspicuous beginning than that of Leonard Read as the Secretary of a defunct small-town Chamber of Commerce. In December of 1926, the Chairman of the Burlingame Chamber of Commerce, Henry Maier, invited Leonard to this position. He was authorized to offer a meager compensation of \$175 per month—provided the holder would raise the funds for his own salary. The organization was practically bankrupt with debts exceeding \$1,000, without assets or income. Even the members of the Board had failed to pay their dues to the Chamber.

Burlingame was a little town similar in size and makeup to Palo Alto, fifteen miles to the north, but still south of San Francisco. Unencumbered by a house and other belongings the Read family

moved to another furnished apartment in Burlingame where Leonard went to work on Chamber affairs. Within a few months he had collected the overdue membership dues, paid off the Chamber debt, and set about promoting the affairs of his Chamber.

The Burlingame Chamber of Commerce was coming back to life. Leonard organized weekly luncheons to which he invited the best speakers in their fields. They came from commerce, industry, and the universities, as business leaders, scientists, and scholars. At every luncheon attendance grew and many guests chose to become new members. In an effort to attract new business to town Leonard published a brochure depicting and enumerating the advantages of doing business in what he called the "Sunshine Suburbs." In ten months Leonard was earning \$350 per month, and the Chamber was doing well.

It cannot be surprising that this chamber revival did not remain unnoticed by other chambers in the neighborhood. After a year and a half in Burlingame Leonard was invited to return to Palo Alto and become the manager of its chamber. It was a going organization in need of new leadership. And once again the Read family gathered all its belongings and moved back to Palo Alto.

The year 1928 was an exciting one for Leonard and his Chamber. In November, Palo Alto's most famous resident, Herbert Hoover, was elected to the Presidency of the United States. The political campaign and the election overshadowed all other affairs and greatly affected Leonard Read's work and career. If you want to succeed in the world you must be vigilant in recognizing opportunity, daring in seizing it, and persistent in pressing it to its utmost achievement. For Leonard, Herbert Hoover's election was an opportunity that was to propel him to the ranks of national leadership and make him known to many others—but even more to himself.

As soon as it was official that Herbert Hoover had defeated Alfred E. Smith, Leonard Read set about organizing a trip of Californians to the inauguration in Washington. They came from all over the state, more than 700 Californians, to crowd into a sixteen-car train for a seven-day trip to the inauguration of their favorite son. And Leonard Read was the organizer, promoter, and director of it all.

Many years later Leonard was to look back at this event and comment about it in his *Journal* (3/4/72): "Forty-four years ago today I was in Washington, D.C., for Mr. Hoover's inauguration, having

organized a sixteen-car train of Californians for the affair. One car was my workshop where each day I wrote and mimeographed a bulletin entitled 'Good Morning.' We stopped in San Antonio where a dinner was given in our honor. General Frank Lahm, Commander of the 2nd Army Air Operations in WWI was there, and invited me for a guided tour in his private car. We became close friends. Lahm and Folouis were the first Army men ever to fly a plane. We also spent a day in Atlanta. After the Inaugural, all of us called on Mr. Hoover in the White House. It was my management of this whole affair that caught the eye of Dave Skinner, then Secretary of the U.S. C of C, and resulted in my appointment as Asst. Manager of the National Chamber's Western Division—one of the turning points of my life."

The appointment came in May 1929, at the very moment when economic activity was about to turn from feverish boom conditions to the greatest depression in American history. According to the *New York Times Analyst Index of Business Activity*, the American economy reached its peak of 108.8 in May of 1929 and receded thereafter in each succeeding month. The stock market reached its high on September 19 and then, under the pressure of early selling, began to decline. It began to break precipitously on October 24, which signaled the beginning of a major readjustment.

At that time the Read family had moved to Seattle and Leonard had set about promoting chamber work in Washington, Oregon, and Idaho. And again, as in Palo Alto and Burlingame, Leonard with Aggie and their two sons lived happily in rented furnished quarters since there was to be neither home nor furniture or other belongings until Leonard was 40 years old or had reached the peak of his profession. At this point he was only 30 and far from the top.

To Leonard, the new position was one of great challenge and opportunity for personal growth. He would be in the public eye constantly, giving speeches, writing memoranda and letters, and otherwise representing the interests of the U.S. Chamber. He would be one of the junior spokesmen of the commercial interests of the United States as a whole, ascertaining and espousing the views of business on government economic programs. His was an intellectual task that required a thorough understanding of the true interests of business, of the functions of government and the constitution of a free society. As business conditions deteriorated and commercial reports became

gloomier every month, as thousands of commercial organization members of the U.S. Chamber failed and closed their doors, the Chamber spokesmen needed to explain the economic disaster and offer solutions to its suffering members.

A large organization, such as the U. S . Chamber of Commerce, embodies nearly all philosophical and ideological strains of thought. A Chamber spokesman, therefore, must reflect them all, taking great care not to alienate too many members lest he jeopardize the peace and harmony that binds his organization. His views of the national spokesmen are designed to serve as guideposts to the many thousands of local representatives who are called upon to explain economic problems. Of course, there are always a few dissidents, the rare exceptions to the rule, who form their own views and freely express them regardless of the views of others.

In 1929, the prevailing economic ideology among American businessmen was similar to that of the Hoover Administration, which had come to power with the strong support of the business community. The economic decline that was to enmesh them all, came totally unexpectedly and caught them utterly unprepared. In desperation they favored the stand-by remedies from the old stock of Republican paraphernalia which not only failed dismally but even made matters worse.

With the support of most business organizations, the Hoover Administration was dead set against any business readjustment. Its spokesmen talked about a "new era" to which old economic principles were no longer applicable. Under the influence of fashionable economic doctrines proclaimed by Professors Gustav Cassel of Sweden and Irving Fisher of Yale, the Hoover Administration sought to maintain the given commodity price level. It embarked upon deficit spending in order to defend "the higher plateau" and bolster the sagging economy. The Farm Board, which Hoover had organized for this very objective, sought to uphold the prices of wheat, cotton, and other farm products. And in order to stifle foreign competition and promote American employment, the Congress, in June of 1930, passed the Hawley-Smoot Tariff Act, which practically closed American borders to foreign goods. Thereafter, economic conditions went from bad to worse as the world economy disintegrated, and average unemployment in the U.S. rose to 12.4 million in 1932. But this was not all. The Revenue Act of 1932

imposed the sharpest increase in federal tax burden in American history. It doubled the income tax and raised nearly all business levies, which shattered all hopes of recovery. Nevertheless, the President called the nation's industrial leaders to Washington to give economic advice. To them, he pledged to maintain wage rates and business costs and otherwise apply the "new economics."

The U.S. Chamber of Commerce meekly protested the new levies on business, but otherwise approved of the Hoover policies. After all, its members were swayed by the same economic thought that was then in vogue. They began to look to Washington for guidance and support, for money and credit, and other government intervention that would deliver them from the mysterious disaster.

The young assistant manager of the U.S. Western Division eagerly echoed the official Chamber line, naively believing that anything originating with the Chamber was "straight out of the horse's mouth." But while he was preparing his speeches and writing his memoranda he often felt uneasy about the eclectic explanations that conflicted with his sense of value and logic. As he was espousing the Chamber answers to a great variety of economic and political issues he was keenly aware of his lack of thorough knowledge. If only he had gone to college, he thought, it would be easier to understand the strange world of economic and political thought. In his anguish and anxiety he did not realize the great advantage he enjoyed over most college graduates whose young minds had been saturated with the new economics of Veblen, Cassel, and Fisher, and the new philosophy of John Dewey. Leonard had escaped the indoctrination that was giving birth to an age of economic redistribution and government regulation. His alma mater was the old school of American life which taught the principles of personal effort and reward, of individual freedom and self-reliance.

For Leonard the first step to knowledge was awareness of his ignorance. He had the courage to be ignorant in a great number of things and admit it before the world. But it takes knowledge and wisdom to perceive ignorance and, therefore, he who does perceive it is already on the way to great knowledge. Leonard developed a passion for reading great books which would stretch his faculties and give health and vigor to his mind. He resolved to take time out for

reading every day, which hopefully would make itself felt in the end. And he insisted upon reading the great books which mark man's great thought and events and depict human error and folly.

Leonard was reading not only books but also men whom he admired. He adopted "tutors" who would guide him in his studies and teach him to make wise deliberations and draw proper conclusions. He invited them to teach him accurately, thoroughly, and earnestly, and to induce him to think and distinguish in matters philosophical and moral.

One of his early tutors was James W. Spangler, then president of the First National Bank of Seattle. He was a wise old gentleman who suggested rather than dogmatized, and knew how to inspire Leonard with the wish to learn and teach himself. He was a banker of impeccable integrity who stood firm when others faltered. When other banks were failing by the scores his bank withstood the runs and panics without much strain and with ample reserves to spare. In him Leonard found an honest and fearless man, an ever dependable adviser and friend.

The President of the U.S. Chamber of Commerce, Silas Strawn, became one of Leonard's most important tutors and mentors. Like Leonard, Strawn had never gone beyond high school in his youth. But later in life he took a correspondence course and passed the bar examination. He became the head of the largest law firm in the United States. In a brilliant professional career he had become independently wealthy before he entered Chamber work and ascended to the presidency. On the golf courses from coast to coast he was well known not only as an avid amateur golfer, but also as a generous benefactor to his caddies. Many who showed singular intelligence and promise would receive a Strawn scholarship for college and law school. Later, many of Chicago's top lawyers were former caddies, protégés of Silas Strawn.

Throughout his long life Leonard would fondly remember how he met Mr. Strawn. He had just been appointed Assistant Manager of the Western Division when Silas Strawn came to Seattle to deliver an important speech. Leonard had heard of Strawn's prowess as a golfer and quickly organized a match between the Seattle Chamber and the U.S. Chamber. The teams were so evenly matched that the final outcome depended on Leonard's last shot at the 18th hole. If he should sink his ball with one stroke, the U.S. Chamber would win; if

he failed, Seattle would prevail. The ball was 30 feet off the green. Confidently Leonard then turned to Mr. Strawn: "Don't worry, I'll sink it." And he did! This was the beginning of a close and fruitful relationship between Read and Strawn.

There were many other great tutors on whom Leonard learned to rely. He frequently called on Paul Shoup, President of the Southern Pacific Railroad, on Frederick Koster, President of the California Barrel Company, and on Philip Fay, the shining light of the famous Fay family and vice president of the U.S. Chamber. They gave good counsel and set splendid examples, and thus helped Leonard to grow in knowledge and wisdom.

In 1932 the manager of the Western Division died, and Leonard, just 33 years old, became his successor. He was now earning \$500 per month and living in an attractively furnished two-bedroom apartment. But most of the time he was on the road in seven western states, expounding and explaining the position of the U.S. Chamber of Commerce. His was a most difficult task in the midst of the Great Depression that was bewildering its millions of victims. It was a period of great human suffering with more than twelve million Americans unemployed and many more millions in a state of shock and despair. Nearly everyone was suffering painful losses in income and wealth.

It was not surprising that, in the November 1932 election, the American people overwhelmingly voted for the Democratic candidate, Franklin Delano Roosevelt: 472 electoral votes were cast for Roosevelt and 59 for Hoover. In both houses of Congress the Democrats won substantial majorities. It was a crucial election that was to determine the course of social and economic policy for decades to come. The Roosevelt Administration could reverse the Hoover ship of economic intervention and deficit spending and return to the great harbor of individual freedom and the private property order. Or it could steam straight ahead and plow the stormy sea of a command system, through social and economic conflict to an unknown destiny. President Roosevelt chose the latter. His "New Deal" steamed straight ahead, under the full power of economic intervention and deficit spending. The Agricultural Adjustment Act of 1933 aimed at raising farm prices and increasing the proportion of the national income going to farmers. It provided for a "domestic allotment" scheme and subsidies to the growers of seven basic commodities (wheat, cotton, corn,

hogs, rice, tobacco, and milk and dairy products) in return for reducing production. The subsidies were paid from a processing tax on the commodities. The National Industrial Recovery Act (NIRA) presented a two-pronged program. It appropriated \$3.3 billion for public works. And it established and administered codes of "fair" practice within given industries. The codes were supposed to bolster production through measures that would hopefully dampen competition and thereby raise goods prices, and to stimulate consumer spending through higher labor costs. Labor received minimum guarantees on wages and hours, and the right to bargain collectively.

Other "revival" measures included President Roosevelt's experiments with "currency management," diminishing the gold content of the dollar and finally devaluing it by 41 percent. He tripled the price of silver through large purchases and inaugurated many other spending programs.

The business community generally welcomed the President's initiative and enthusiastically endorsed his spending programs. Businessmen were eager to restrict competition and production so that they could raise prices and boost income. They were eager to preserve the Hawley-Smoot tariff which had practically eliminated foreign competition. Both measures, protective tariffs and managed markets, would permit them to "adjust supply to demand" and hopefully bring about general industrial revival. But business enthusiasm for the National Recovery Administration (NRA) and other New Deal legislation was dampened soon when the demands of organized labor received a friendlier reception than those of business. The proposal for production restrictions and minimum prices was turned into a proposal for a shorter work week and minimum wages. While NRA boosted business costs significantly, it did not raise business income.

Businessmen and their trade associations from the National Association of Manufacturers to the U.S. Chamber of Commerce eagerly cooperated with the industrial committees negotiating the codes. And Leonard Read, the vocal Chamber spokesman of the Western Division, was faithfully defending the official Chamber position. He was always aware, however, that what he knew was very little in comparison to what he was ignorant of. Instead of boasting about his knowledge of economic matters he confessed his ignorance and was embarrassed about that which he did not understand. When he heard of the vocal criticism of NRA by the Executive Vice



President of Southern California Edison Co., W.C. Mullendore, Leonard set out to investigate. Their meeting in Mr. Mullendore's office in Los Angeles, in the fall of 1933, was to be a turning point in Leonard's life.

At the meeting Leonard at first expounded the advantages of NIRA to business while William Mullendore listened attentively. But then Bill spoke for an hour, analyzing and refuting, and patiently explaining individual liberty and the private property order. According to Leonard, it was the best explanation he had ever heard.

The "conversion" did not happen by chance. For many years Leonard had been making the best use of his time and energy, developing his intellect which is anterior to all action and construction. He was learning to use this intellect as his lamp in the ideological darkness around him. When intellect, industry, and character unite there are no limits to what man may accomplish. To Leonard all things were by fate although he was able to see but a small part of its design. His meeting with William C. Mullendore was ordered by fate, or divinity, that was shaping his destiny. He came to the meeting with the conventional veil that was beclouding his view. He left as a student of liberty with a new desire to search for its principles, and to gain a thorough insight into its meaning.

In the months and years that followed, Leonard Read grew in many varieties of knowledge all of which enriched his knowledge of the freedom philosophy. In time he became a vocal critic of schemes and policies that would limit the scope of individual freedom and enhance the powers of government. But he always adhered to the rule that he would never level his criticism at a person, only at ideas and policies. In fact, he would never criticize policies against which he had not warned before they were adopted. It eliminated a great many topics of conversation and public debate.

In 1934 and thereafter, Leonard did raise his voice against the great spending programs which President Roosevelt announced each year in his budget message. And he opposed in speeches and press releases the New Deal tax reform acts that year after year raised income tax rates in the higher brackets, boosted estate taxes and corporate taxes, in order to redistribute the productive wealth of the country. When in 1936, the Undistributed Profits Tax was to strike a heavy blow at reinvested corporate profits through tax rates of up to 74 percent of investment, the business community fought hard against

the bill and succeeded in reducing it. Two years later when gloom and apprehension had once again returned to the country and unemployment rose to 18.8 percent, the Congress even repealed the tax. The Chamber of Commerce and in particular its spokesman for the Western Division had fought a magnificent fight and was finally heard by the committees of Congress.

The Wagner Act of July 5, 1935, was a New Deal measure that revolutionized labor relations. It took labor out of the courts of law and placed it in a newly created federal agency, the National Labor Relations Board. The Board was packed with labor union sympathizers and became prosecutor, judge, and jury all in one. Henceforth, whatever an employer would do in self-defense would be "unfair labor practice" and be punishable by the Board. Even the freedom of speech in labor relations was to be denied to employers. The Chamber of Commerce and many other business organizations fought valiantly, but were defeated overwhelmingly by the alliance of organized labor and the New Deal forces. Three years later they suffered another painful defeat in 1938 when Congress passed the Wage and Hours Act or Fair Labor Standards Act. It imposed minimum wages and reduced the work week in stages to 44, 42, and 40 hours per week. It provided for time and one-half pay for all work over 40 hours per week, and otherwise greatly raised labor costs. This act together with the other New Deal acts was to keep the American economy in a state of depression until the day of Pearl Harbor.

There were many local issues on which the Chamber of Commerce was expected to take a position. The Great Depression, although less severe on the West Coast than in the South, created a great deal of social unrest. Migrant labor arriving mainly from the dust bowl area of the Southwest accentuated the difficulties and gave rise to various social welfare schemes. Upton Sinclair, the author of the "muckraking" school, was loudly denouncing business practices and the influence of big business in education, religion, and jurisdiction. He organized the EPIC (End Poverty in California) movement and was active in California politics. Although he suffered defeat as Democratic candidate for governor in 1934, he overshadowed the political and economic discussion and gave new life to the Democratic Party, long of minor importance in the state.

"Production for Use" was the most popular slogan. With the depression stalking the country, Culbert Olson, Governor of Cali-

fornia, wanted to put the unemployed back to work on the states' credit, producing goods for their own use. The workers of America were to take possession of their industrial plants with the help of a new Aladdin's lamp: the Federal Reserve System. It was to create a hundred billion dollars of new money, compensate the present owners of industries, and then replace the present boards of directors with new boards of workers' directors. Capitalists would be forbidden by law to buy anything but consumers' goods. That is, they could not increase their wealth. In fact, a steep inheritance tax would decimate their cash holdings and wipe out this horde of parasites in a generation or two.

Leonard Read, the young Chamber of Commerce spokesman, was aghast at this radical attack on the private property order. To him any syndicalist arrangement of property, handing over to the workers the means of production, was nothing but political plunder. The idea of a fantastic increase of income and wealth, which the workers could expect from such an arrangement, was illusory. It would not boost economic output nor achieve equality of income and property. On the contrary, it would consume productive capital, impoverish society, and create economic conflict between the workers themselves. In countless speeches and press releases Leonard called for a return to "reality."

In 1937 he published his answers to the reform schemes in his first book, *The Romance of Reality* (N.Y., Dodd Mead & Co.). He called it "a serious attempt at thinking through" the problems of wealth and poverty and the factors that give rise to prosperity and plenty. But above all, it revealed that Leonard Read, the farm boy from Hubbardston and veteran of the Great War, had become an economist in the great classical tradition and a budding philosopher in pursuit of the wisdom of life.

He observed that the American people were enjoying the highest standard of living on earth despite the temporary disruptions and difficulties of the Great Depression. There must be a feature in our system, he concluded, that is responsible for this national plenty. "What is the 'x' factor, this mystery factor?" According to Read, it is a combination of the following:

1. The ability to reduce costs,
2. The ability to organize labor, land and capital to produce additional goods and services,
3. The free play of forces that compel an exercise of those abilities." (p. 22)

In other words, Read looked upon entrepreneurship and competition as the decisive features of the American system. There must be no "subversion" by government overexpansion, misdirection, or inflation, no NRA that guarantees profits through higher prices and wages, no scheme to "share the wealth" or "work less and have more." Government must be "a servant of all the people. It takes no sides. It can have no 'teacher's pets.' It cannot be a government that divides the population into classes of business, labor, agriculture, bankers, veterans, the North, the South, etc., and then take the side of one group or the other, which at the moment appears to be the politically expedient thing. Insofar as a good government should have any economic interests, those interests should be directed to the people as consumers. *For the only common denominator in a population, economically speaking, is the consumer.*" (p. 102)

What then can actually be expected from a good government? According to Read, it must stand aside so that everyone will have to use "*economic means* to supply needs and to satisfy desires. There could be no other way, for the political means would be closed." (p. 110) A good government is a "neutral government" that does not intervene in the economic affairs of its citizens. It protects its people from the ravages of criminals and juvenile delinquents and thereby becomes a "mainspring" to progress.

Read's thoughts and observations on group activity are very revealing. What does the chamber of commerce manager say about the chamber of commerce, about labor organizations and farm federations? "These voluntary groups," according to Read, "are in a position to do a measurable good if their direction is correct—they can be equally harmful if their direction is wrong." (p. 129). And what is the right direction? "The fearless opposition to proposals of an unsound or uneconomic nature from whatever source they may arise." (p. 143) But unfortunately, Read observes, these groups often fail in their inherent task, acting as "organized exaggerations of the specialized interests they represent." (p. 130)

*The Romance of Reality* is a readable book of market economics for the layman. It is deeply rooted in the intellectual soil of classical liberalism and its private property order. It is buttressed with quotations from and references to the great writings of such men as Herbert Spencer, William Graham Sumner, T.N. Carver, Albert J. Nock, and José Ortega y Gasset. It became a bestseller and was widely acclaimed as a cogent answer to the many political schemes of economic redistribution that characterized the Roosevelt New Deal. Its emphasis on education rather than politics led to an invitation of its author to become General Manager of the Los Angeles Chamber of Commerce, the nation's largest. He was to take the leadership in California against the socialistic programs that were gaining so rapidly in popularity. For Leonard Read *The Romance of Reality* was his debut on the stage of intellectual leadership on which he was destined to play such an important role.

The man who strives to educate himself must use the whole of himself. He must endeavor to use all the faculties with which he is endowed. He makes a tool of every talent and applies it to practical purposes. For eleven years Leonard Read managed the Western School for Commercial Organization Secretaries, which was a one-week summer seminar for Chamber and trade association executives. By teaching others Leonard sought to learn for himself.

The Chamber school used the facilities of Stanford University and, under Leonard's management, attracted students from all over the country. It was a delightful task to pour fresh instruction over inquiring minds and awaken attention to knowledge, to inspire eager students with a desire to think, to distinguish, to find out things for themselves. As a manager he experienced the painstaking tasks and problems of a school principal who keeps everything in its time and place.

Leonard's favorite instructor whom he tried to engage again and again was Thomas Nixon Carver, Professor of Political Economy at Harvard for thirty-two years. But Professor Carver was in such great demand for summer sessions and seminars and his honorarium correspondingly high, that the Western School could rarely afford him. Professor Carver recommended his young disciple, Dr. V. Orval Watts, who was Associate Professor of Economics at Carleton College in Minnesota. Orval Watts proved to be so popular with his students, so direct and dynamic in his lectures, that he became the Western

School's favorite instructor. When Leonard became General Manager of the Los Angeles Chamber, Dr. Watts followed him as Economic Counsel and the first full-time economist employed by a chamber of commerce in the United States. They formed an outstanding team, instituting many free-market courses in Los Angeles and other cities in California. Read and Watts became close confederates in the cause of freedom, working together and comforting each other about the course of events.

Experience is an important school. Man may learn by the mistakes he makes and thus profit by his errors and follies. In 1937 Leonard experienced the tasks and problems of a principal fund-raiser for an important public cause. The Golden Gate International Exposition to be held in San Francisco in 1939 needed donations for organizational and promotional expenses and other incidental costs. Paul Shoup, Leonard's friend and tutor, who had moved to New York City, had agreed to head the New York fund-raising campaign. He called upon Leonard to join him in New York and take charge of the project. The U.S. Chamber granted him a six-week leave of absence, which was just the time he needed to write hundreds of letters, organize many meetings and luncheons, and altogether raise more money than had been expected. For Leonard and Aggie it was their first visit to this largest of all metropolises, which afforded new adventures in learning and knowledge.

On January 1, 1939, Leonard assumed his new position as General Manager of the Los Angeles Chamber of Commerce. He was now 40 years old and at the summit of his chosen profession. His starting salary was \$12,000 per year which soon was raised to \$18,000. In terms of purchasing power this was more than he had ever earned before, or was to earn thereafter. In Burlingame he had worked with one assistant, in Palo Alto with two, in Seattle with one, and now he was to direct a staff of 150 serving 18,000 members.

During their first year in Los Angeles the Reads, by sheer habit, wisely and skillfully formed in the past, rented a furnished home at the foot of the mountains in Hollywood. It belonged to a famous movie star, Shirley Booth, who for many years played "Hazel" in a television series by that name. But while they were enjoying the luxurious home of a celebrated actress Leonard was mindful of his earlier promise. As the General Manager of the largest chamber in the country with a commensurate salary it was time to settle in a home of

their own. His banker friend, Walter Braunschweiger, Executive Vice President of the Bank of America, called his attention to a beautifully furnished home in a mountainous area called Flintridge between Glendale and Pasadena. It was located on a one-acre lot with 35 California oak trees whose spreading crowns reached a height of 30 to 40 feet. It was a large home with four bedrooms and baths and was heated by five gas furnaces. It had cost \$70,000 to build in 1928 and was adorned with silken drapes that alone had cost \$10,000 and oriental rugs that covered the living area. The furniture was of graceful Mediterranean and Spanish style. For all, the widow-owner was asking only \$17,500.

Leonard readily succumbed to such temptations and thus became a proud homeowner. A savings and loan association lent him \$12,000, and the Bank of America granted a personal loan of \$6,000, which amply covered the purchase price and closing expenses.

A house where love abides and friendship is a regular guest is a home. To the Leonard Read family, the Flintridge house became a home, a place of happiness where love and well-being increased with the years, where the necessities of life were met without strain and where friends were regular guests. Leonard, Sr., Leonard, Jr., and Jimmy worked together for many evenings and weekends laying brick walks around the house and building an outdoor barbecue. When the boys did not entertain their friends and classmates, the mother would invite her friends from the women's club, a church circle or bridge party. Leonard joined the Wine and Food Society, an association of gourmets and cooks limited to 100 members. Those who were able gathered each month for delectable dinners.

When the outdoor barbecue had just been completed, Leonard invited the Society President, Phillip Townsend Hanna, to come and demonstrate the preparation of choice steaks for six couples—among them Bob and Betty Young of the movie colony. Leonard purchased the food as directed by Hanna and assisted him as he prepared the delicious dinner. The food brought such acclaim and praise that Leonard decided then and there that he, too, would become a gourmet cook. After all, he was merely emulating his mother who was well known for her culinary ability back home in Hubbardston. For the next two years he prepared exquisite outdoor meals for many guests who soon pronounced him a chef par excellence. Later he preferred to move indoors and prepare his special meals in a modern kitchen

where he could experiment conveniently with all tastes and flavors and develop his recipes.

At the office, the General Manager was playing his part and playing it well. To him the exactness in little duties was a great source of satisfaction. He had no taste for power or dominion, and did not think in terms of financial security or success. He was ever mindful of the fact that nothing impairs authority more than too frequent or indiscreet use of it. He readily delegated authority whenever his own time and energy were needed for other more important pursuits. And most of the time they were needed for his primary duty: the intellectual leadership against numerous socialistic programs rapidly gaining in popularity.

He fought EPIC (End Poverty in California), the "Production for Use" movement, a popular scheme of "Ham and Eggs," and many others. Occasionally, he raised his voice in national discussions when an especially harmful program was launched in Washington. In hundreds of speeches and pamphlets Leonard Read was in the forefront of the ideological struggle. He was eminently successful as he clearly discerned his object, and towards that object directed his powers. Every success was full of promise until he achieved it, and then it eluded him again as a new challenge confronted him.

Many years later he reflected on his many successes and, as his own critic, rejected them on grounds that they merely exploded fallacies. They did not emphasize the positive. "It is often hard to identify the chicken that lays such a socialistic egg. As a case in point, we had prepared a pamphlet entitled 'Production for Use,' *proving it was wrong*. It was sent to 10,000 people in the State: legislators, leaders in business, labor, education, and so on. One recipient was a professor of economics at a leading university. After reading the pamphlet he remarked to a friend, 'I cannot successfully refute any one of the points made by the Los Angeles Chamber.' That's the last we ever heard of 'Production for Use.' This professor had been the power behind the movement, the Governor a mere front man, not caring about either production or use!"

There were other campaigns in which he managed to defeat each scheme tackled. He merely proved that each was wrong. He was successful with his negative tactic, or so it seemed.

"After six years of these 'successes,'" he later wrote, "it became evident that if the intellectual soil from which these fallacies sprung



were rancid, new ones would spring up in their places. Only the labels would be different. What I had been doing was comparable to proving only that the earth isn't flat. Succeed in that and there remains the task of proving it isn't a cube, a cone, a cylinder, or any of countless shapes." And then the light: Someone discovered that the earth is a spheroid. The positive knowledge of what's right rid us of the whole caboodle of fallacies about the earth's shape.

"While it is necessary to understand and explain fallacies, that's less than half the problem. Finding the right is the key to salvation, for the wrong can be displaced only by the right. 'It is,' as Burke wrote, 'not only our duty to make the right known, but to make it prevalent.'" (*Notes from FEE*, September 1977, pp. 1-2)

Throughout the war Leonard's emphasis was on the "negative," the refutation of harmful economic policies. The Roosevelt Administration was using the war as a means of pushing further its redistribution program. Its first objective was "no war millionaires," which was a grotesque objective as federal and state income taxes were already taking more than \$800,000 out of million dollar incomes. And yet, in April of 1942, the President urged legislation that would seize all salaries in excess of \$25,000 a year. When the Congress refused to pass such legislation the President defiantly issued a limiting order. To the Congress, this was abuse of power and bad faith. It promptly attached a rider to a bill raising the national debt limit, which the President had to sign, repealing the President's order.

Leonard Read led the national discussion on this very issue. He interviewed a great number of prominent businessmen and visited President Herbert Hoover, living in retirement in New York City. Leonard's conclusions were published under the title *Why Not \$1,900?* In a few weeks this essay of four pages was circulating all over the country. The original mailing to 1,500 people on the Los Angeles Chamber's mailing list resulted in a million and a half reprints. And many more people read it in the *Congressional Record*.

The average income of Americans was \$1,900 at that time. "Is the average not good enough?" Leonard was asking. "Whose divine judgment was it that said \$25,000 after federal income taxes was the end of the opportunity road for Americans?" He then refuted, in 18 discerning points, the whole rationale of income limitation. It is class legislation striking "at a pitifully small minority." It is a "reduction" of income, not merely a limitation or stabilization. It consumes

productive capital and thus causes losses of production and jobs. It destroys an important element of venture capital and enterprise. It leads to business extravagance, decreased efficiency and lower standards of living. It is said to be temporary, but is likely to be permanent.

There were other federal policies that greatly disturbed the U.S. Chamber of Commerce and especially the General Manager in Los Angeles. The country conscripted eleven million of its young men, creating heavy pressures in labor markets, but the Administration was holding on to the Federal Works Progress Administration (WPA), which was keeping more than one million out of the labor market. It was holding on to the 40-hour work-week which not only raised production costs but also created artificial labor shortages. The Administration imposed stringent price controls, which severely hampered economic output, especially for civilian consumption. While it zealously administered the price controls it favored wage increases, which greatly increased the costs of business and further reduced economic production. It exerted powerful governmental pressure on labor to resort to collective bargaining and organizing labor unions. In short, throughout World War II the Roosevelt Administration scarcely ever lost sight of its other war—the war it was waging on business and the private property order.

For Leonard Read and other critics of the Roosevelt policies it was difficult to confront the New Dealers in their war on business and simultaneously support the U.S. Government in its war against foreign enemies. But, as the General Manager of the Los Angeles Chamber of Commerce, Leonard was not free to choose his duty—he had to speak out clearly and courageously. He raised his voice against any abuse of power and especially against injustice committed under the name of law. When the United States Government removed all Japanese and persons of Japanese descent from their homes and placed them in relocation centers, Leonard publicly protested and reproved the action as one motivated by ignorance and expediency and violating enduring principles. It was a flagrant denial of liberty, which is the right of every human being regardless of race, creed, or nationality, a right derived from the law of God and inviolable by human law.

On April 26, 1945, just eight days before V-E day, Leonard resigned his Chamber of Commerce position and was appointed Executive Vice President of the National Industrial Conference Board. He

had worked in Chambers of Commerce for 18 years and had grown from a young apprentice to a true statesman who was seeking to guide his country toward the enduring principles on which it was founded. Many friends and chamber members were sad to see him leave California, but they rejoiced about his resolve to create an intellectual center that hopefully would rekindle the sparks of liberty.

## Chapter VI

### Against the Stream

True wisdom in life is to learn what is best worth learning, and to do what is best worth doing. Leonard Read, the Chamber of Commerce manager from Los Angeles, had that wisdom. The spirit of liberty needed to be rekindled, virtuous liberty, which is the right of doing all the good in man's power, according to God's laws. To this end Leonard resolved to do his best.

The world was in turmoil and agony, and the future as read by the past pointed at more folly and sorrow. As a result of the war, the world was divided into two great political forces: Communism under the leadership of the Soviet Union, and the Western democracies under the protection of the United States. Germany and Japan had been eliminated as great powers. France, which was weaker after the war than before, was to cling wearily to her possessions until, a few years later, the colonial peoples rose to demand their independence. Italy, which had entered the war as a member of the Axis and, in September 1943, had joined the Allies, had lost all qualities of power. Great Britain, the homeland of Western democracies and nucleus of the world economy, had been weakened seriously in power and will, and was about to launch a long retreat to the British Isles. Two superpowers, the United States and U.S.S.R., were overshadowing an exhausted world that was unable to find genuine peace.

American industrial and military power had stemmed the high tide of Axis successes and brought final victory to the Allies. American industry, all privately owned and operated, had equipped not only the formidable U.S. forces, but large portions of allied forces as well. As "the arsenal of democracy" the United States had mobilized 12 million men and supplied more than \$350 billion worth of war materiel. As "the stronghold of capitalism" it had saved the world from German National Socialism and Japanese Imperialism. Most significantly, it had rescued the Soviet Union, the center of world Communism, which was exporting its potent ideology to all corners of the world. Moscow now was calling upon the workers of the world to organize and overthrow the capitalistic system. The decline of

Western Europe, together with the rising tide of Communism in the backward countries of Asia and Africa, was to give birth to a new world order.

The Western retreat was obscured by a network of dubious military alliances which the United States was to forge around the U.S.S.R. But while military alliances may be suited to contain the military forces of an adversary, they are utterly useless in the containment of alien philosophies and ideologies. These cross borders at will and conquer the hearts and minds of men anywhere, even in hostile countries and enemy armies. In fact, they may seriously weaken the will to resist as they confuse the minds and obscure the dangers. In the end, the military alliances may prove to be empty shells that offer little resistance to the ideologically superior power.

Through all channels of education and communication the United States was importing social and economic ideas that were hostile to its traditional democratic system and private property order. It is true, the soil for orthodox Marxism was not very fertile in America because the living conditions of the American workers were the best in the world and continued to improve. Wages rose rapidly and, before the age of inflation, consumer prices generally declined. Many a worker rose from rags to riches. This made it rather difficult for the socialist writers such as Lange and Sweezy, and the Socialist Party of Eugene V. Debs and Norman Thomas, to defend the Marxian doctrines of class struggle, exploitation, and the impoverishment of workers. And yet, they devised a very effective line of attack. In countless clever ways they blamed the capitalistic order for the ill effects of government intervention. The responsibility for poor housing, transportation, education, and the like, which are the primary objects of government concern and policy, was laid on the doorstep of the capitalistic order. Capitalism was blamed for instability and inflation and condemned for intolerable economic and social inequality.

Few American socialists professed to follow in the footsteps of Karl Marx. In the American academe it was more fashionable to cite British writers or applaud American reformers. And yet, the fundamental features of the Marxian structure—its dialectical materialism, the sociological doctrine of class conflict, its labor theory of value and labor exploitation, and the concentration doctrine, were swaying the minds of American intellectuals and thought leaders. They conquered under such labels as Institutional Economics or Fabian

Socialism. Or they advanced under the new and attractive name of "American liberalism" always pointing toward "economic planning" and the "planned economy."

Leonard Read was not discouraged. The greater the obstacle, he was convinced, the greater was the challenge in overcoming it. After all, he had encountered difficulties before and yet had achieved great measures of success. His was a great design, the restoration of an order of freedom and harmony, to which he was to dedicate his ability and strength.

On May 15, 1945, Leonard became Executive Vice President of the National Industrial Conference Board (NICB). The Board was an established educational institution that was founded in 1916 for the express purpose of imparting knowledge on the basic laws of economics and the operation of the American economy. It aimed "to bring trustworthy economic data directly to the classroom teacher." Its work was and continues to be supported by subscriptions for its publications and services from business associations and concerns, labor organizations, government agencies, educational and other public institutions, and individuals. (Cf. *Report on Progress*, NICB, 247 Park Avenue, New York 17, N.Y., 1949).

The man who was responsible for Leonard's call to New York was Virgil Jordan, the NICB president. Jordan was fighting in the forefront of the ideological battle and needed help. He had been NICB's chief economist and editor from 1920 to 1929 and its president since 1932. He was, or was to become, the author of such great books as *The World Crisis and American Business Management* (1940), *America in 1992* (1942), *Manifesto for the Atomic Age* (1946), *Peace and War* (1965). He had the vision to invite Leonard Read to achieve with NICB on a national scale what he had accomplished so admirably at the L.A. Chamber.

Virgil Jordan also had brought Garet Garrett, one of the outstanding pamphleteers of his time, to NICB. In *The Revolution Was* which appeared in 1944, Garrett propounded the thesis that the New Deal had brought a social revolution that deprived the individual of essential liberties while it aggrandized the State. Leonard admired this colorful old man of NICB for his great insight, the quality of his thinking, and his eloquent style, and was looking forward to a fruitful cooperation and association with him.

Leonard's first duty with NICB was to raise money for the great task he was about to undertake. To launch a nationwide educational program for the restoration of individual freedom and the market order requires many millions of dollars that must be pledged and contributed before the first tract can be published. Therefore, Leonard traveled about the country, calling on prospective donors and presenting his ambitious program. Their reaction was most favorable, and large sums of money began to pour into NICB.

As the Executive Vice President Leonard's time and energy were devoted to fund-raising. Most of the time he was "on the road." When he returned from an exhausting trip he had to catch up with the many chores of general management. In his eight months with NICB he was unable to write, nor was he able to promote the production of valuable material by other writers. But it was most disquieting to Leonard that NICB policy and tradition required him to organize public meetings at which "both sides" of an issue were presented. Every two months NICB would sponsor a luncheon for 1,500 businessmen at the Waldorf-Astoria at which the spokesmen for freedom would share the limelight with the representatives of political force. NICB gave equal time to the pros and cons of a subject matter.

To Leonard Read, this devotion to "both sides" of a public issue revealed some unfortunate misunderstanding. The "other side" was everywhere—in government, education, and communication. Even businessmen had come to rely on government for restrictions of competition, for government contracts and orders, easy money and credit, and other favors. Everyone was looking to government for the ultimate solution to his problems. How do you represent "both sides" when "one side" is all around you, preempting the public discussion, and the "other side" is barely audible in the deafening noise of the former? How do you state your case for individual freedom and the private property order when the other side is monopolizing the stage? For both sides to be heard you must speak with a clear voice, loudly and unequivocally. As the defense attorney eloquently pleads the case for the defendant so should the spokesman for freedom state his case in order for both sides to be heard.

Leonard could not understand why the defense attorney should yield equal time to the prosecutor who was not yielding a minute of his time, why he should spend his few dollars to present both sides while the opposition spent billions of dollars without a single

reference to a different view. To spend another dollar for the presentation of the statist ideology would merely compound the obvious imbalance and further prejudice the case for freedom. It could be argued that sponsoring the vocal opponents and engaging them in debate supposedly reminded them of the existence of freedom devotees. But Leonard was not about to issue mere reminders. With all his strength and ability he meant to promote the ideas and policies of freedom.

After eight frustrating months with NICB Leonard Read resigned his position. Since he had raised many thousands of dollars for a cause he was unable to promote he felt obliged to visit the donors and apologize for his failure. One of these men was David Goodrich, Chairman of B. F. Goodrich Company in New York City. When Leonard brought him the sad news of his failure Goodrich raised a simple question: "If you had an organization of your liking, what would it look like?" Leonard went home, dazed and puzzled, with renewed courage and hope. He went to his typewriter, and between 3 p.m. and midnight wrote a description of the organization he envisioned. On that day in January 1946, the idea of the Foundation for Economic Education was born. It would take a few more months to join all its pieces, but a great idea had come to the world and now was pressing for admission.

Early the next morning he returned to Mr. Goodrich with his memorandum. And again the great old industrialist posed a simple question: "When can we start?" There would be no financial problem, Goodrich assured Leonard. Many American capitalists and entrepreneurs would rally to support such a worthy cause. One of the most successful fundraisers in the country, Carl Byoir, would launch a campaign that would provide the needed funds for many years to come.

David Goodrich was promising according to his hopes, but the ideal fundraiser performed according to his ability. Because Byoir did not share the ideas of the freedom philosophy he was rather inept in presenting its case and securing funds from sympathetic sources. In fact, he never raised a cent for the new venture. But no man, with his heart in the right place, gets far on his way without some bitter disappointment. He who expects much will often be disappointed. Leonard was brave enough to push on without the famous fundraiser.



During this early campaign Leonard contacted a few great Americans who in his judgment were some of the clearest voices of the freedom philosophy. They were to join him as the founders and incorporators of the Foundation for Economic Education. On March 7, 1946, they met in the office of Dave Goodrich for the inaugural meeting. Velma Smith, the secretary, recorded the presence of the following founders:

Leonard Read

Donaldson Brown, Vice-Chairman  
General Motors Corporation  
New York City

Fred Rogers Fairchild  
Knox Professor of Economics  
Yale University

David M. Goodrich, Chairman  
B. F. Goodrich Company  
New York City

Henry Hazlitt, Editorial Staff  
*The New York Times*  
New York City

Claude Robinson, President  
Opinion Research Corporation  
Princeton, N.J.

Leo Wolman  
Professor of Economics  
Columbia University

On March 15 the Certificate of Incorporation was approved by Judge Julius Miller of the Supreme Court of the State of New York. On the following day, March 16, the Foundation for Economic Education was officially born when the certificate was duly filed in the office of the Secretary of State at Albany, New York. It was a

distinguished birth that brought hope to the cause of freedom and honor to the men who delivered the offspring.

An essential element in any organization is its location. The founders of FEE were convinced that New York City with its splendid educational and financial facilities provided the ideal setting for FEE. But the most diligent search for appropriate office space proved to be fruitless. After all, there was price, wage, and rent control which had generated shortages in every good and service under government control. In all of mid-Manhattan there was no office space to be found.

In those anxious moments of the fledgling, Thomas I. Parkison, president of Equitable Life Assurance Co., came to the rescue. He provided FEE with two rooms in the Equitable Building at 230 Park Avenue in Manhattan. On the 30th floor, with a magnificent view over the city, Leonard Read set about conducting the affairs of his new organization. With a few thousand dollars in the bank he launched a search for a staff of writers and secretaries who would join him as soon as the appropriate facilities had been found and purchased. It cannot be surprising that he found most of them in Los Angeles, among his colleagues and friends of the Chamber. He offered contracts to V. Orval Watts, the Chamber economist, to Herbert C. Cornuelle as his executive assistant, to A.D. Williams, Jr., as director of Public Relations, to Marge Lindley to develop the mailing list, and Irving Borders to manage the clerical staff. Professors W. M. Curtiss and F. A. Harper of Cornell University were to join him a few weeks later.

The feverish search for suitable office space, which rent control had made so scarce, led Leonard and his board to explore a rare opportunity that presented itself as a result of other government intervention. The confiscatory taxation of higher incomes and larger estates, together with rising levies on real estate, had made it prohibitive to own and occupy luxury homes and mansions. With the federal income tax at 91 percent of higher incomes, with estate taxes at 77 percent and real estate levies at five to six percent of market value, few individuals could afford to live in old suburban mansions. And even if an heir could yet afford to enjoy his parental home he would be hard pressed to find the necessary service personnel to manage and operate it. Millions of Americans who had rendered such services in the past were now living on public assistance or

unemployment compensation. For this reason countless beautiful estates and mansions were sold to the highest bidders at fractions of their original construction costs. They were eagerly sought by tax-exempt organizations or corporations that could expense the tax burden.

On a sunny day in May, a thoughtful real estate agent persuaded Leonard to visit some estates in Westchester County, a few miles up the Hudson River. In Irvington-on-Hudson, at 30 South Broadway, they found the mansion which was to become the permanent home of FEE. Its grounds were badly overgrown and the house showed evidence of neglect. The purchase price for 6.888 acres and four structures—the residence, the gardener's cottage, the carriage house, and a greenhouse—was \$40,000. The house had been built between 1887 and 1889 by a prominent New York physician, Dr. Carroll Dunham. His father had been a business associate and relative of a famous Fifth Avenue merchant, Charles Tiffany; his wife was an heiress to a railroad fortune. Upon the death of Dr. Dunham in 1923, the mansion had been sold to Gordon Harris, Vice President of U.S. Lines. The Harrises occupied "Hillside," as it was fondly called, until the days of World War II when the rising costs of maintenance and the shortage of reliable help led them to close it.

The Foundation for Economic Education moved into the property on July 5, 1946, sharing occupancy for the next six months with a crew of renovators. As if fate sought to tempt Leonard once more, the first telephone call in FEE's new home came from George Champion, the aide to Winthrop Aldrich, International Chamber of Commerce director and Chase Bank President, offering Leonard a large salary for assuming the Executive Vice Presidency of the International Chamber of Commerce in Paris, France. Leonard declined respectfully and promptly. He set out to complete his mission "to discover, gather and to fasten attention on the sound ideas that underlie the free market economy which, in turn, underlies the good society." (*Journal*, 7/31/64)

## Chapter VII

### If It Takes My Whole Life

Education commences at the mother's knee, and every word spoken within the hearing of children may form and affect their character. Economic education commences on the day the child confronts the most basic of all economic problems—scarcity. It builds on all other aspects of education. The passions must be restrained, the feelings be disciplined, the desire to be useful and productive be awakened, and honesty and dependability be inculcated.

The problem of all teaching is twofold: first to know, and then to utter. Leonard Read was eager to learn and tell the world about his discoveries. He set out to compete with the largest public school system on earth, the most expensive college buildings, the most extensive curriculum. But all this public education was so blind to its mainspring, so indifferent to human liberty that Leonard felt called by his inner voice to rekindle the spark of true education. The general purpose of FEE, as Leonard envisioned it, was to promote the understanding of liberty. Again and again he would reflect on this calling and write about it in his journal and books. In a 1951 office memorandum on "Procedural Policies for FEE" he expressed it eloquently:

"We all agree that the problem is one of influencing people. Influence divides itself into two parts—nonrational and rational. The danger of nonrational devices is that, observing their influence in the destructive area we conclude these devices will prove equally influential in advancing the understanding of liberty. But rational influence comprises the process of learning and requires (1) a person with the will to learn, and (2) a source from which knowledge can be drawn. The second must be present before the first can come into being. The source of knowledge will act as a magnet and draw people with the will to learn. Someone must develop enough knowledge on the subject to 'go out ahead' so that others may reach for what is offered. And so, probing and research are as necessary to the solution of the problem of liberty as to the solution of industrial problems. As was so wisely said by Goethe—'only to the apt, the pure, and the true does Nature resign herself and reveal her secrets.' This is one way of saying that all discovery is like revelation, and that it comes only to

those who have prepared themselves for it. If we at the Foundation, by inquiry, study and attitude, can set a pattern for the proper approach to the problem of liberty, we will have made an important contribution toward freedom in America. And if our members swell and the results of our contemplation and study are made available to others, much will have been done towards the understanding of liberty."

Leonard often reflected on economic knowledge which is so vital to the peace and harmony of society. An economic system like ours is based on a highly developed division of labor in which nearly everybody is working to produce goods and services for someone else. Our living standard, so often the envy of other peoples, depends on our peaceful cooperation. But there can be no peace and harmony if people are living in fear and distrust, envy and covetousness, or with notions of economic conflict. This is why they need some knowledge of our economic order, its division of labor and the basic economic principles that guide economic actions.

In a democracy like ours, the political process depends on the decision-making of millions of individuals. To shoulder their responsibilities as citizens they should have knowledge of the functioning of the economic order. They should know the inevitable consequences of political interference with economic decisions, of government intervention in the voluntary exchange process. Without this primary economic knowledge, the people or their political representatives may be tempted to invoke the power of government in economic affairs and rely on political coercion rather than economic principles.

In our lifetime the concern over economic ignorance has occupied the sharpest minds. Economic education has been a *cause célèbre* for several decades, and many millions of dollars have been spent in its behalf by business, labor and civic groups. But nearly all such efforts reflected the mainstream of popular notions and produced opinions reinforcing those notions. In our schools, we are told, some 90 percent of our children are finishing eighth grade and 65 percent complete four years of high school, 45 percent of the high school graduates go on to college, and 10 percent complete a four-year course. But only one-quarter of this group takes economics. All others receive their economic education through the channels of public communication, radio and television, newspapers and magazines, or

from their religious, civic or trade associations. It cannot be surprising that most experts conclude that we need more economic education.

Leonard Read summarily rejected such quantitative analyses of the educational process. He was guided by considerations of quality rather than quantity. "What kind of economics should be taught, and who should teach it?" were the questions to which he was searching for answers. After he had visited a number of colleges and talked to many students and professors he pondered about teachers and their calling. "We have, I think, lost almost completely, our educational bearings. I have, throughout these past years, confessed that I have not been aware of all the causes of our growing interventionism. While still unaware of all of them, I now see that this educational misdirection looms very large, much bigger than I have heretofore suspected.... A teacher is one who stands between Infinite Consciousness or God and another, that is to say, a teacher is one who is in one or another respect ahead of some person. Initially, the parents stand between God and their offspring. By reason of the gift of procreation, they are morally obligated to give of what they intellectually, morally, and spiritually possess to their children. This remains their responsibility until adulthood. While it is advantageous for the parents to call on some professional assistance to aid them in the discharge of their sacred responsibility, the responsibility cannot be relinquished in the sense that the right to steal can never be acquired. These are the fittings of Creation and are built in and are beyond human discretion.... The greatest fault in education is the failure to observe this concept of teaching in its nonprofessional sense. We are, as a consequence, witnessing a near teacherless society. Failing in this most important respect we turn to the professionals, to those who specialize in teaching. Many of them are not between God and their pupils. They haven't gone that far." (*Journal*, 5/10/60)

Again and again he would reflect on the errors of institutional education and emphasize the importance of self-improvement. "The best evidence that businessmen's educational methods to 'restore free enterprise' have been wrong is the fact that many of the businessmen who have used and financed them have themselves become less and less free enterprisers." (*Journal*, 9/19/58) "I insist that no one can upgrade another in wisdom or consciousness except by ingathering powers. Many who try to force their ideas into the minds of others do, by reason of their own attempt to understand, develop some

ingathering powers and, thus, to some extent, upgrade others. But they conclude that their good influence came as a result of their bad method because the two took place at the same time." (*Journal*, 4/10/61) "All knowledge and understanding must, of necessity, be self-discovered. I can make no discovery for another. What I can do is make my own discoveries easier for others to discover. This is the teaching process." (*Journal*, 9/1/59) "Teaching is the process of gaining understanding for self—that is, learning—and then learning how to speak and write the learning. If the learning is powerful and attractive enough, there will be a few who will hear or see and thus learn from it—that is they will come within the range of the learning. In short, teaching is learning attended by success." (*Journal*, 6/25/58)

Leonard was always seeking more light, and found more the more he sought. As one of those rare individuals who always took and gave knowledge at every point of time, he found happiness and contentment. He was never ashamed to ask for information and instruction from all descriptions of men. He surrounded himself with colleagues and friends who, like him, were seeking to learn and willing to transmit their knowledge to others.

From the day FEE opened its doors to the day of his death in 1973, Ludwig von Mises was associated with the Foundation. Read and Mises formed a team of discovery, united in the love of liberty and truth, succeeding in all they undertook, and whose successes were never won by the sacrifice of a single principle. Their association and friendship, which began for an end, continued to the end. Their joint efforts were to make the Foundation in Irvington-on-Hudson the intellectual center of the freedom movement, which at the time of Mises' death was to reach every phase of American social and economic thought.

Leonard sought to surround himself with men and women of excellence, seekers of knowledge and students of liberty. Throughout the years his senior staff consisted of students and scholars who combined in a common effort and with energy and industry sought to serve the common cause. Most of them spent a few years in Irvington and then moved on to other important pursuits in industry and education. Some were to become captains of industry, founders of enterprise, or famous educators. They all became wiser for their years of learning at FEE and their association with Leonard.

In more than 40 years of FEE's existence the senior staff included such members as Robert G. Anderson, Ivan R. Bierly, Irving Borders, Reid Buckley, Frank Chodorov, Russell J. Clinchy, Herbert C. Cornuelle, Richard Cornuelle, W. M. Curtiss, Elizabeth Eastburn, Bettina Bien Greaves, F. A. Harper, Beth H. Hoffman, A. Ranney Johnson, Mallory Cross Johnson, William Johnson, George Koether, Ellis Lamborn, Don Lipsett, E. Victor Milione, Gary North, Edmund A. Opitz, Paul L. Poirot, George C. Roche III, James M. Rogers, P. Dean Russell, Thomas J. Shelly, Andrew Springfield, Brian Summers, and V. Orval Watts.

A few stayed on and dedicated their productive lives to the noble tasks of the Foundation. Paul Poirot was to edit *The Freeman*, W. M. Curtiss to direct the business affairs, Bettina Bien Greaves to reach out to school children of all ages, and the Reverend Edmund A. Opitz was to explore the spiritual foundations of freedom. There was unassuming greatness in the team, not in its material resources or economic power, but in its dedication and will, its intelligence and faith, and moral force.

Throughout the years Leonard was ably supported and greatly encouraged by great men of finance, commerce, industry, and the professions. Some of the most famous Americans of our time joined his Board of Trustees, meeting regularly and taking such action as is necessary in the ordinary business activities of an educational foundation. They supervised the business activities, selected the Foundation president, and planned for the future development of the organization. As trustees they were free to exercise their independent judgment upon all matters presented to them.

Within a few years after FEE opened its doors in Irvington the number of trustees swelled from the original seven to 40. They included such business leaders as:

Mrs. O. A. Beech, Pres., Beech Aircraft Corp. 1958-1968  
William B. Bell, Pres., American Cyanamid Co. 1948-1951  
Henry T. Bodman, Pres., National Bank of Detroit 1958-1970  
Donaldson Brown, V.Chairman, General Motors Corp. 1946-1951  
Levin H. Campbell, Jr., Chrmn.,Automotive Safety Fdn.1953-1959  
George Champion, Sr. V.P., The Chase National Bank 1951-1957  
Norton Clapp, Pres., Weyerhaeuser Company 1962-1971



- J. Reuben Clark, Jr., Pres., The Church of Jesus Christ of Latter-Day Saints 1948-1959
- J. W. Clise, Pres., Vermiculite-Northwestern, Inc. 1955-1961
- William Coberly, Jr., Pres., Cal. Cotton Oil Corp. 1954-1975
- T. Jefferson Coolidge, Chrmn., United Fruit Co. 1949-1960
- Herbert C. Cornuelle, Pres., Hawaiian Pineapple Co. 1959-1968
- Jasper Crane, V.P., E.I. duPont de Nemours & Co. 1947-1970
- F. C. Crawford, Pres., Thompson Products, Inc. 1955-1974
- Lamar Fleming, Jr., Pres., Anderson, Clayton & Co. 1952-1957
- Robert M. Gaylord, Pres., Ingersoll Milling Machine Co. 1957-1972
- David M. Goodrich, Chrmn., B. F. Goodrich Co. 1946-1950
- Pierre F. Goodrich, Goodrich & Campbell 1952-1973
- Erle P. Halliburton, Pres., Erle P. Halliburton, Inc. 1947-1950
- B. E. Hutchinson, Chrmn., Finance Com., Chrysler Corp. 1947-1962
- Whipple Jacobs, Pres., Phelps Dodge Copper Products Corp. 1947-1952
- H. W. Luhnnow, Pres., William Volker & Co. 1947-1952
- A. C. Mattei, Pres., Honolulu Oil Corp. 1947-1959
- Hughston M. McBain, Pres., Marshall Field & Co. 1947-1974
- James A. McConnell, Gen. Mgr., Cooperative Grange League Federation Exchange, Inc. 1951-1955
- Glenn McHugh, V.P., Equitable Life Assurance Society 1957-1960
- Donald H. McLaughlin, Pres., Homestake Mining Co. 1960-1966
- Roger Milliken, Pres., Deering Milliken & Co., Inc. 1956-1967
- Ben Moreell, Pres. & Chrmn., Jones & Laughlin Steel Corp. 1951-1965
- Robert M. Morris, Pres., Wheeling Steel Corp. 1966-1969
- W. C. Mullendore, Pres., Southern Cal. Edison Co. 1947-1972
- Bernard L. Orell, V.P., Weyerhaeuser Co. 1971-1976
- Thomas I. Parkinson, Pres., Equitable Life Assurance Soc. 1948-1954
- J. Howard Pew, Pres. & Chrmn., Sun Oil Company 1950-1972
- Herbert H. Rogge, Pres., American Car & Foundry 1959-1960
- C. H. Shaver, Chrmn., U. S. Gypsum Co. 1961-1967
- J. Nelson Shepherd, Pres., Midwest-Beach Co. 1956-1960
- Charles B. Shuman, Pres., Amer. Farm Bureau Federation 1962-1974
- John Slezak, Chrmn., Kable Printing Co. 1955-1967
- Robert B. Snowden, President, Horseshoe Plantation 1952-1962
- Willard A. Speakman, Jr., Pres., Speakman Co. 1967-1976
- John P. Weyerhaeuser, Jr., Pres., Weyerhaeuser Timber Co. 1954-1957

80 / Leonard E. Read: *Philosopher of Freedom*

Charles M. White, Pres., Republic Steel Corp. 1947-1952

Ben E. Young, Dir., National Bank of Detroit 1954-1958

Freedom education aims to develop a sense of right, duty, and self-reliance. It needs writers and teachers who can reveal to others the beauty of freedom, who impart knowledge to youth and teach by example. From its inception the Board of FEE always included a number of well-known writers and educators who were actively promoting the cause of freedom. This group consisted of men such as:

Paul L. Adams, Dean, Roberts Wesleyan College 1967-1972

Isaiah Bowman, Pres., Johns Hopkins University 1947-1949

Karl Brandt, Dir., Food Research Institute, Stanford U. 1962-1972

Yale Brozen, Prof. of Econ., University of Chicago 1969-1976

Herrell De Graff, Prof. of Econ., Cornell Univ. 1955-1960

U. G. Dubach, Prof. of Pol. Science, Lewis & Clark College  
1954-1962

Fred Rogers Fairchild, Prof. of Econ., Yale Univ. 1946-1966

Laurence M. Gould, Pres., Carleton College 1951-1955

Paul E. Holden, Prof. of Ind. Mgmt., Stanford Univ. 1957-1962

J. Hugh Jackson, Dean of Grad. School of Bus. Ad., Stanford  
University 1947-1957

Russell Kirk, Editor, *Modern Age* 1959-1962

Vincent W. Lanfear, Dean, School of Bus. Ad., Univ. of Pittsburgh  
1947-1960

James H. Lorie, Assoc. Dean, Graduate School of Bus., Univ. of  
Chicago 1960-1969

Henry G. Manne, Prof. of Law and Pol. Sci., Univ. of Rochester  
1970-1977

William Mathews, Publisher, *The Arizona Daily Star* 1947-1955

James E. McCarthy, Dean, College of Commerce, Univ. of Notre  
Dame 1950-1957

Robert A. Millikan, Chrmn., Exec. Council, California Institute of  
Technology 1948-1954

W. A. Paton, Prof. of Econ., University of Michigan 1947-1974

Clarence E. Philbrook, Prof. of Econ., Univ. of North Carolina  
1967-1970

Eugene C. Pulliam, Pub., *Phoenix Republic & Gazette* 1955-1967

John T. Rettaliata, Pres., Illinois Institute of Tech. 1957-1958

Donald Richberg, Author, Charlottesville, Va. 1954-1959  
Claude Robinson, Pres., Opinion Research Corp. 1946-1962  
Benjamin Rogge, Prof. of Econ., Wabash College 1958-1980  
Hans F. Sennholz, Prof. of Econ., Grove City College 1969-  
Franklin Bliss Snyder, Pres., Northwestern University 1949-1956  
Celestin J. Steiner, S.J., Pres., Univ. of Detroit 1955-1967  
W. Allen Wallis, Dean, School of Bus., Univ. of Chicago 1958-1959  
Ernest L. Wilkinson, Pres., Brigham Young Univ. 1962-1971  
John Dana Wise, V. P., Richmond Newspapers 1949-1951  
Leo Wolman, Prof. of Econ., Columbia University 1946-1962  
David McCord Wright, Prof., McGill University 1961-1964  
Henry M. Wriston, Pres., Brown University 1947-1951

Of the members of the Board serving at the time of Leonard Read's death in 1983 the only member of the original board still living was Henry Hazlitt. All others were invited to associate later when its membership was enlarged or vacancies occurred because of death or resignation. In the order of their seniority they are listed as follows:

Henry Hazlitt, *New York Times*, *Newsweek*, 1946  
Lawrence Fertig, Lawrence Fertig & Co. 1954  
Lovett C. Peters, Fin. V. P., Continental Oil Co. 1955  
H. F. Langenberg, Smith, Moore & Co. 1956  
Robert W. Stoddard, Chrmn., Wyman-Gordon Co. 1959  
P. W. Gifford, Pres., Gifford-Hill & Co., Inc. 1959  
E. W. Dykes, Lawrence & Dykes 1960  
Perry E. Gresham, Pres., Bethany College 1960  
H. Frederick Hagemann, Jr., Chrmn., State St. Bank & Trust 1960  
Wayne J. Holman, Jr., Dir., Johnson & Johnson 1961  
Gottfried Dietze, Prof. of Pol. Sc., Johns Hopkins Univ. 1962  
Samuel H. Husbands, Dean Witter & Co. 1965  
Gregg C. MacDonald, Marsh & McLennan-D.K. MacDonald & Co.  
1965  
William L. Law, Pres., Cudahy Tanning Co. 1967  
John C. Sparks, V.P., The General Fireproofing Co. 1967  
Thomas C. Stevens, Pres., Mahler Associates, Inc. 1967  
Donald R. McLennan, Jr., Chrmn., Marsh & McLennan, Inc. 1968  
Hans F. Sennholz, Prof. of Econ., Grove City College 1969

82 / *Leonard E. Read: Philosopher of Freedom*

Wesley H. Hillendahl, V. P., Bank of Hawaii 1969  
William D. Laurie, Jr., Exec. V.P., J. Walter Thompson Co. 1970  
A. R. Huckins, Medical Doctor 1970  
George C. Roche, Pres., Hillsdale College 1972  
Bertel M. Sparks, Prof. of Law, Duke University 1972  
Miller Upton, Pres., Beloit College 1972  
Clayton R. Gaylord, Chrmn, Fin. Com., Ingersoll Milling Machine Co.  
1972  
Israel M. Kirzner, Prof. of Econ., New York University 1972  
Ridgway K. Foley, Partner, Schwabe, Williamson, Wyatt, Moore &  
Roberts 1974  
Ezra Taft Benson, Pres., Council of the Twelve, The Church of Jesus  
Christ of Latter-Day Saints 1974  
Arthur W. Stewart, Pres., Gary Aircraft Corp. 1974  
David H. Padden, Pres., Padden & Co. Inc. 1975  
Joseph E. Coberly, Jr., Pres., J. E. Coberly, Inc., 1976  
Don L. Foote, Heritage Mark Foundation 1976  
Willard A. Speakman, III, Pres., Speakman Co. 1977  
Philip M. Spicer, Pres., One Jefferson Street, Inc. 1979  
Bruce M. Evans, Pres., College of the Southwest 1980  
J.P. Humphreys, E.L. Craig Foundation 1980  
Martin J. Moore, The Moore Foundation 1981  
John S. Autry, V.P., Sperry Corporation 1982  
Thomas C. Taylor, Jr., Prof. of Pol. Sc., Wake Forest Univ. 1982

What an impressive array of talent! These leaders in business and education had the authority to name the President. Having done so, the Trustees left to him the management, merely serving as colleagues and consultants. Throughout the years they gave Leonard the management, never dictating what should or should not be done. They did not view their role as supervisory or administrative. They joined the Board as a gesture of endorsement of a great task and noble endeavor to which they gladly contributed some of their own efforts and resources. Philosophically and ideologically, they were and continue to be in full agreement with the general purpose of FEE, promoting the understanding of liberty. This common bond, which also served as criterion of election, brought them to Irvington twice a year to hear reports on FEE activity and deliberate on the proper education on which the security and destiny of every society chiefly depend.

Their annual meetings in May, which continue to commence with a lecture and dinner at the Tarrytown Hilton the evening before, to which also numerous friends and sponsors of FEE are invited, constitute virtual summit meetings of the freedom movement in America. There they meet to greet old friends or make new acquaintances, and reassure themselves that they are not alone in their struggle for freedom. Drawn together by the love of liberty, professors mingle with industrialists, writers with clergymen, seasoned professionals with young aspirants.

The operations of FEE depend entirely on the financial support of such people and many thousands of ideological friends the world over. There is no "angel" or "tycoon" among them who could dictate or even influence the intellectual position taken by FEE. Of course, some contributors tried to induce Leonard to retreat from his unbending "purist" position and yield to their special interests. The issue of free trade versus government protection, for instance, on which FEE consistently defended freedom despite the loud critique by some industrialists, may have cost FEE millions of dollars in potential contributions! In his *Journal*, Leonard reported on a blustering phone call: "He admitted to me that he had no interest in debating the merits or demerits of free trade. He wished to deal with the problem only politically. He admitted he was being retained by protective tariff adherents and being paid to do a job. Nothing wrong with that but a fact important to establish. He further said he was going to release a barrage against all free trade proponents, that he expected to stop a National Association of Manufacturers move in that direction. I told him I believed free trade to be consistent with the free market, an institution it was our purpose to explain, that we had released 'The Tariff Idea' with our eyes open, that we had lost money and probably would lose some more, that if he wanted to go after us that was his business, that, however, I had never seen a lemon out of which lemonade could not be made. The fight by him will be directed not at all on the issue but along retaliatory lines, principally by causing disaffections among our financial supporters. We will lose some without question. My problem is to see how we can gain new ones. There ought to be some reward for consistency on behalf of free enterprise." (*Journal*, 10/23/53)

Who is supporting FEE? In Leonard's own words: "Coercively, everybody, voluntarily, only libertarians! We believe that no person

should support FEE who does not positively want to do so. And the thought that anyone should be compelled to finance this operation is revolting. Yet every citizen of the U.S.A.—socialist, libertarian, or whomever—is forced, by reason of a monopolistic situation, to subsidize this Foundation. How? Most of the items we mail—tens of thousands each month—bear a below-cost postage and, therefore, are subsidized by everyone, a form of support we oppose rather than support."

"Voluntarily, only libertarians support FEE. It is utterly impossible for FEE to 'raise' money. If our efforts help to raise libertarians, there will be about as much money as our work warrants." (January 1955 *Notes from FEE*)

Who are these "libertarians" who are supporting the efforts of FEE? Leonard's answer: "They are few but everywhere: engineers in an aircraft factory, students, clergy, teachers, farmers, workers, even government employees. Now and then there is one among capitalists and business leaders who believes in the free market, private property, limited government. Many capitalists and business leaders are as socialistic as the socialistic labor leaders they condemn. The distinction between the two is trivial. They dress alike, drive the same cars, have equally elegant offices, dine in the same exclusive restaurants. Both being socialists, they see their interests as opposed and thus align themselves on opposite sides of their mutual misunderstanding. Which one wins is, to me, a matter of utter indifference. The socialists do not support the Foundation. Neither do tens of thousands of libertarians, but for reasons other than those here discussed." (*Journal*, 10/23/54)

Leonard never embarked upon a high-pressure fund-raising campaign, nor publicly appealed for financial support. Others would spend their time and energy asking for money, thereby ignoring the projected task and raising little money. Leonard was eager to spend his time on the pursuit and dissemination of freedom thought, which causes others to offer their financial support. Many friends of FEE report the following conversation with Leonard on FEE support:

"How are you doing financially?"

"Perfectly"

"Perfectly? What do you mean by that?"

"Well, so far as I know everyone is contributing all he wants to."

At times he seemed to thrive on lean operations and tight budgets. According to Leonard, "I believe that FEE would lose its usefulness if we were to be relieved of all money problems. We would go soft. The getting of money stimulates me to greater thought about our subject, while the prospect may deject someone else." (*Journal*, 1/27/53)

When dark clouds obscured the road ahead Leonard was defiant: "We close the books today for the month, \$23,000 more expenditures than revenue, one of the dullest FEE has had. The lethargy, so far as our objective is concerned, is almost stifling. The resolution long ago to 'stay with it', even if left alone, stands me in good stead psychologically." (*Journal*, 9/29/67)

Wouldn't it be wonderful if someone would endow FEE with \$10 million and thus end all financial problems? Leonard summarily rejected such daydreaming and immediately pointed at some disadvantages of such a windfall:

1. FEE personnel would suffer an irresistible relaxation;
2. More than 12,000 contributors would lose a valuable asset—personal participation.

"No, thank you! Having to do the kind of work that inspires thousands of voluntary contributions is the way it should be—for FEE, for you, for freedom." (*Journal*, 10/5/65)

Many of these contributors discovered the FEE message either at one of the FEE Seminars or from FEE literature such as *Notes from FEE*, *Essays on Liberty* or *The Freeman*. The Foundation for Economic Education in Irvington-on-Hudson is "home" to them and the "capital" of the freedom movement where Leonard Read and his devoted colleagues have held forth at headquarters. There have been several other organizations since 1946 which joined the ideological battle on the side of FEE. Some imitated the design and procedure of FEE, a few even availed themselves of its readership list. Many

sought to present Foundation thought and material to special groups and markets in the U.S. and abroad. Others ventured into the political arena in order to influence the body politic. And yet, no matter what their special interest or inclination may be, they all are reaping some benefit of the great educational work of FEE and the shining example Leonard has set.

In 1946, when Leonard set out to create the Foundation, not a single publisher would print freedom material. The New Deal held sway in education and communication. No journal or magazine would dare print an essay or article on the benefits of individual freedom. The private property order was universally condemned for having caused the Great Depression, and government was hailed as the guarantor of order and prosperity. To all phases of economic life the New Deal had brought greatly expanded government activity and federal control.

At the center of scholarly discussion that was going on at the end of World War II stood a new theory that embodied some of the oldest errors in the history of economic thought. Lord Keynes' doctrines and theories offered a new justification for economic policies that were popular rather than suitable. But above all, they elevated deficit spending to a political virtue and popularized an ancient economic fallacy, inflationism, as the appropriate means for economic prosperity. His doctrines were in great vogue with contemporary governments and political parties in power.

Leonard Read and the Foundation helped to revive, generate, guide or influence the intellectual opposition. Surely, there was a remnant of sceptics who questioned government power and control. There were a few writers, such as John Chamberlain, William Henry Chamberlin, Frank Chodorov, John Davenport, John T. Flynn, Garet Garrett, Albert Jay Nock, and Leonard's good friend, Henry Hazlitt. In the academic world there were a few eminent scholars, such as B. M. Anderson, H. J. Davenport, F. R. Fairchild, F. H. Knight, and W. A. Paton who refused to be fashionable. Instead, they stood for what they believed to be right. All rejoiced about the new foundation which Leonard Read was building in Irvington.

One of the first things they could observe was Leonard's enthusiasm, which some men like to call "excitement" or "animation." His power to learn and teach came from enthusiasm, excitement, and animation. He believed in himself and, above all, in the power of his



cause and the mission of FEE. His enthusiasm was based on knowledge and preparation. He knew his "product" and the words he was going to use in describing it. With enthusiasm he imparted knowledge which in turn made him more excited. He created an atmosphere of success which does not complicate matters when the simple truth is so easy to understand.

Leonard did not see himself as "manager," "director" or "boss" of his organization. From the very beginning he delegated the legal authority entrusted to him by the Board of Trustees to FEE's senior staff and limited himself to a "protective" role. In his *Journal* he contemplated on this function: "No living man can run FEE but FEE will not run without a living man. I have not run FEE but, rather, have protected the operation against bad organization, collectivistic ideas, offensive behavior, and the like. The man who succeeds me must understand that he is only agency for something higher than himself. He must seek Truth and have some success at it, and he must freely give of that which is revealed to him. To the extent that he succeeds as agency, to that extent is he attractingly magnetic. Aids in the way of ideas and finances will come from the strangest places, that is, particles responsive to his magnetism will 'come from out of the blue.' Interestingly enough, he must have an abiding faith that this will happen. In short, he must fasten his attention on his own emergence and beyond that, do little else than to ward off destructive forces. These things I have learned, but they are so contrary to common practice that hardly anyone will believe 'the secret' though I explain it in detail." (*Journal*, 8/31/64)

In time *The Freeman* was to become the flagship publication of The Foundation. When, in 1954, it was in need of support and reinforcement it sought association with FEE. Under the editorship of John Chamberlain, Henry Hazlitt, Suzanne LaFollette, and others it had been a biweekly magazine that espoused the principles of individual freedom and private enterprise. In its operation between October 2, 1950, and May 31, 1954, it had incurred a loss of \$358,000, which was more than its willing owners and sponsors could bear indefinitely. In order to save *The Freeman* from an ignominious demise, several of its trustees, who were also trustees of FEE—Henry Hazlitt, Leo Wolman, Claude Robinson, and Lawrence Fertig, brought Leonard Read into the picture. With his usual enthusiasm and self-assurance he joined the rescue action and, with the unanimous

support of his Board of Trustees, offered to purchase the magazine. For that purpose he formed a new corporation, Irvington Press, a subsidiary wholly owned by the Foundation for Economic Education, which bought *The Freeman* assets and assumed its substantial subscription liabilities.

The following letter of May 24, 1954, by Leonard to *The Freeman* stockholders states the contract conditions:

Dear Sirs:

The undersigned, Irvington Press, Inc., in consideration of the sum of One Hundred (\$100.00) dollars to be paid to you, and of assuming all liabilities to subscribers for the publication of *The Freeman* magazine to and including the expiration date thereof as hereinafter set forth, does hereby offer to purchase the following:

- (a) *The Freeman*, the magazine owned and published by the corporation, together with any and all rights in and to the same, including but not limited to literary rights and copyrights, the name *The Freeman* and any and all rights in and to said name and the use henceforth by Irvington Press, Inc. of the same for magazine and publication purposes.
- (b) The list of subscribers and all subscriptions to *The Freeman*, said magazine now published by The Freeman Magazine, Inc. together with all liabilities to the subscribers for the publication to and including the expiration date of such subscriptions.
- (c) A part of and certain of your office furniture and office equipment located at your office as set forth in schedule annexed.

IRVINGTON PRESS, Inc.  
By /s/ Leonard Read  
President

For a year and a half *The Freeman* appeared monthly in its old format (8" x 11"). Its editor was 67-year-old Frank Chodorov who had been working with Frank Hanighen writing and editing *Human Events* in Washington, D.C. Mr. Chodorov made *The Freeman* a journal of opinion that provided both first-rate entertainment and good

instruction. For him, instruction could always be improved when offered as entertainment. He never belabored his principles in either his writing or speaking. He preferred a good parable to formal argument, and liked to draw on the Old Testament to make an important point. His essay on "Joseph, Secretary of Agriculture," contains a classic Chodorovian refutation of all the agricultural programs from Herbert Hoover to the present. Under Frank Chodorov's editorship *The Freeman* circulation rose from 14,000 to 24,000 in its first year of Irvington operation. Its greatest difficulty, according to Chodorov, was its dearth of timely and well-written articles.

The Irvington Press *Freeman*, unfortunately, was financially unsuccessful and made demands upon the resources of The Foundation for Economic Education, Inc. that were beyond those that had been expected and could be endured for long. The massive administrative and clerical work that is needed for the smooth functioning of a growing periodical threatened to overwhelm the tiny Foundation that sought to devote its efforts to a study of freedom and individuality within society. Therefore, when William F. Buckley Jr., publisher of *National Review*, offered to take over *The Freeman* and its subscription liabilities, a sale seemed to be a ready solution. But the Board of Irvington Press, Inc., and the Executive Committee of The Foundation for Economic Education, Inc., meeting jointly in New York, refused the offer. Similarly, the Board of FEE expressed no interest in accepting a tentative purchase offer by R. C. Hoiles, publisher in Santa Ana, California.

At a special meeting of the Board of Trustees, on Nov. 11-12, 1955, at Arden House, Harriman, N.Y., *The Freeman* was recast in its present form. FEE assumed direct ownership from Irvington Press, merged *The Freeman* with its own *Ideas on Liberty*, combined *The Freeman* subscription list with the FEE mailing list, and henceforth published *The Freeman* as a monthly magazine in the same general format as *Ideas on Liberty*. The latter had made its first appearance in 1955 as an occasional journal taking the place of *FEE Clippings*, booklets, and other releases. The first digest-size 64-page issue of *The Freeman: Ideas on Liberty* saw the light of day in January 1956. It has come out with admirable regularity and punctuality ever since. It is offered to all FEE donors and anyone who wants it, in the expectation that most of them will want to help cover its expenses

with donations to FEE. Efforts to supply issues to thousands of teachers, students, and clergymen who find it difficult to cover the costs are financed out of the larger contributions by other individuals.

*The Freeman* is the oldest and most widely circulating periodical with private-property orientation. Over the years well-known spokesmen for individual freedom and the market order have contributed to its pages. Messrs. Mises, Hazlitt, Hayek, Friedman, Petro, Peterson, Rothbard, Greaves, Sennholz, and many others have published essays of detailed scholarship as well as informal articles that elucidate the freedom philosophy. Its managing editor until 1986, Paul Poirot, was one of those rare writers who is faithful and natural. From 1956 until his retirement it was his demanding task and personal achievement to release only essays and articles of highest professional quality. Dozens of unsolicited compositions by hopeful writers came to his desk for every issue, requiring his careful attention and handling. Always on the alert for a good idea or novel approach he rejoiced about each piece with such qualities, and spent many hours on their linguistic perfection. To him, the art of writing one simple, beautiful sentence required concentrated effort which many contributors neglect to apply. But for the sake of an idea that enhances the understanding of freedom, Paul Poirot lent his great talent to every promising piece that came to his attention. Dedicated to an important task he thus lent encouragement to would-be writers and bolstered the reputation of many well-known authors. For his selfless service to a noble cause, for his acumen of scholarship and artistic eloquence, Grove City College, in 1974, conferred on him the honorary degree of Doctor of Letters.

Many thousands of *Freeman* readers the world over may glean knowledge from its pages and find something new and something to enjoy. In the dreary world of political strife *The Freeman* brings new hope to the weary mind and instills new strength. But many readers who learn the general principles from FEE literature thirst for more than the written word. They need the detail, the color, the tone, and the life of an idea from those in whom it already lives. This is why Leonard Read considered speaking and lecturing an important function of FEE and its seminars a most important activity.

Leonard Read was a "salesman" par excellence. His ability to market his products and services, which had served him so well throughout his youth in Michigan, continued to serve him in all his

undertakings. As the new publisher of *The Freeman* he immediately embarked upon selling advertising space in its pages. It helped to defray some of the costs of publishing. With a rapidly growing readership the world over, the *Freeman* was especially attractive to advertisers because of the quality of its clientele: influential, independent-minded readers who seek information and understanding. Moreover, the advertisers themselves shared Leonard's aspirations and, therefore, sought to assist him with advertisement dollars. Among them were top executives of some of the best known corporations such as Jones & Laughlin Steel Corporation, Goodyear Tire & Rubber Company, Chrysler Corporation, Railway Express Company, The Devin-Adair Publishing Company, the United States Ceramic Tile Company, and the Coast Federal Savings and Loan Association. The latter under the able management of Leonard's old friend, Joe Crail, continued to advertise faithfully and regularly until 1968 when Leonard called a halt to selling space in the *Freeman*. With a Foundation net worth of more than \$800,000.00, he no longer needed this kind of revenue and, therefore, chose to advertise FEE's own products and services which hopefully would boost revenue through increased FEE sales.

In the early days of FEE Leonard himself responded to all requests for lectures and speeches explaining the freedom philosophy. His friends and members of the Board of Trustees would invite him to speak to their service clubs or any other group needing a speaker. Sometimes they would arrange a luncheon of businessmen, professional men, teachers, etc., giving Leonard an opportunity to tell them about the principles of freedom. During the question and answer period that followed he would describe the work of FEE and invite requests for Foundation literature. As the request for lectures and speeches continued to grow, the senior staff, too, was called upon to explain the work of the Foundation. The growing popularity of the FEE speakers, finally, pointed to the need for short courses or "seminars" of one or two days duration.

Beginning in the early 1950s Leonard and his colleagues travelled millions of miles, from Maine to Hawaii, Manitoba to Miami, in order to explain the benefits of freedom. In teams of three or four they went where they were called, at any time and anywhere, lecturing to groups and classes of twenty to a hundred members. On a typical weekend they may have lectured in Bangor, Maine, or Boise, Idaho, with

Leonard giving the opening lecture on Friday night, followed by staff lectures and discussion sessions all day Saturday, and a final lecture by Leonard on Sunday. During the year they conducted seminars at the Foundation in Irvington, attended by eager students of liberty from many parts of the country. For that purpose a lecture hall was constructed in 1962, seating some 45 people. The rooms on the third floor of the building were modernized to serve as a dormitory, and the second floor of the carriage house was converted to living quarters. There is added life and activity at the Foundation when a seminar is in session and dozens of eager seminarians are swarming about.

In their eagerness to impart freedom knowledge some staff members, in the late 1950s even united their efforts to "formalize" FEE education by giving graduate credits to teachers and other graduates. American education, like so many other industries, is a guild-like industry under the watchful eyes of the federal and state governments, conferring its degrees under carefully regimented conditions. The degrees then act as licenses that open or close the doors to all professions and most occupations. In the teaching profession they are often the only criterion for employment and working conditions. An educational foundation that is concerned with all issues of human liberty cannot overlook the growing barriers to freedom that are erected by the education guild. Toward that end FEE meant to breach the barriers by conferring its own graduate degrees. But after a lengthy battle with the New York State Education Department that was very demanding on FEE time and money, it became evident to all that membership in the guild meant submission to its regulations, supervision and ultimate control, a condition so contrary to the very purpose of FEE that the plan was promptly abandoned.

As was to be expected, the New York State Education Department could neither subdue nor obstruct Leonard. He created his own "credits" by offering a number of week-long summer courses to individuals seeking further understanding of the freedom philosophy. The first of these was offered in 1959 under the able direction of Dr. P. Dean Russell, who was followed by Dr. George Roche and, when he was elected president of Hillsdale College, by Professor Robert G. Anderson. Teachers, businessmen, and professional people, students and housewives are now flocking to Irvington from all parts of the country in order to partake of FEE instruction. For the occasion, the

FEE staff is complemented by distinguished visiting scholars and lecturers who share their thoughts with the seminarians. The summer instruction by the regular FEE staff together with the eminent guest lecturers surpasses in quality that of any guild university.

A countless number of college and high school students also depend on FEE for guidance and source material in their school debate programs. Debate as a formal, spoken discussion of the pros and cons of a subject has been used to influence legislation since the early days of the Roman Senate and since the first parliament met in England in the thirteenth century. In higher education, it always has been an important part of the curriculum. During the eighteenth century the debating societies of Harvard and Yale set the stage on which hundreds of college teams have been playing ever since. They are usually debating in teams of three speakers for the affirmative and three for the negative side of a question. The debate is opened by one speaker for the affirmative, who is followed by one on the negative side, and he in turn by the other debaters alternatively one from each side. In the rebuttal the order of speakers may be reversed. The outcome is judged on the merits of the arguments and the excellence of presentation.

In 1951, when Bettina Bien Greaves joined the Foundation staff, she assumed the responsibility of responding to all student requests for debate assistance. They needed help urgently since the national debate topics that were chosen for a given year invariably dealt with interventionistic government programs under consideration by Congress. The positive side was made to argue for more redistribution and control, for higher taxation and greater inflation, while the negative side was limited to all forms of negation. Ofttimes the topics were stated in such a fashion that "both sides" were made to argue different shades of the same government program. The voice of freedom was rarely heard in the debates.

To meet the requests from debate coaches and students, Bettina assembled for every topic a debate packet made up of a dozen or more article-reprints that explain the freedom position. Before the start of a school year she invited high school debate coaches throughout the country to avail themselves of this material. More than one thousand coaches from different secondary schools, public and private, usually responded and promptly received the debate packets. Smaller "student packets" were mailed to hundreds of students.

It is difficult to appraise the educational impact of this FEE effort. But it is clear that year after year the Foundation has presented the freedom alternative that otherwise would be overlooked. A countless number of debaters, since 1951, learned to argue in favor of individual freedom and independence, or at least were exposed to such arguments. Thanks to keen FEE efforts, a new generation of Americans has grown up that knowingly face the choice between the alternatives.

Unfortunately, the teachers themselves often do not understand the political, social and economic implications of the issues which their students are supposed to debate. After all, they are not economists or political scientists who professionally deal with such matters. Under the influence of fashionable thought they often misinterpret economic events and put their trust in political action rather than business activity. Moving directly from academic training into the teaching profession many lack an opportunity for firsthand, on-the-job experience in the services business renders. Businessmen, on the other hand, are often preoccupied with the pressing affairs of business and, therefore, avoid educational problems. Both groups tend to associate exclusively with their own, which leaves an economic and social schism few bother to bridge. A feeling of distrust may develop that is certain to destroy any rapport between these important classes. As the teachers influence the hearts and minds of our youth, they tend to impart their distrust to the coming generation—the policy-makers of tomorrow.

Since his days with the Chamber of Commerce Leonard Read recognized the importance of an association and cooperation between business and education. As head of FEE, in 1947, he introduced a college-business exchange program that was designed to encourage an exchange of information between teachers and businessmen. With the help of several members of the Board, especially Jasper E. Crane of du Pont and Fred Fairchild of Yale, he organized a program that afforded teachers an opportunity to study a business firm for six to eight weeks during their summer vacations. Fellowships were offered to teachers with the objective of giving them a fairly complete, overall picture of the operations of business firms. They were invited to interview executives and supervisors and study such problems as product pricing, cost analysis, incentive and retirement systems, business research, finance, and industrial relations.



At its inception the program was managed by A. D. Williams. In 1948 W. M. Curtiss began to guide and develop it into a significant FEE activity with great promise of improving the relationship between the two worlds of business and academia. During the twenty-four years of its existence the program provided more than 1,600 fellowships granted by 102 different firms to teachers from 189 colleges and universities.

And yet, FEE alone could not stem the tide of growing academic unrest during the 1960s. The political and social radicalism on campuses, which found loud expression in student riots and rebellion against business and the "establishment," caused many a corporation to reconsider its participation in the FEE college-business exchange program. When the number of corporate fellowships fell below twenty while that of academic applicants exceeded 400—an obvious disproportion creating disappointment and ill-will—Leonard had no choice but to suspend the program. Instead, he pushed on to another phase of activity, to another stage of the journey.

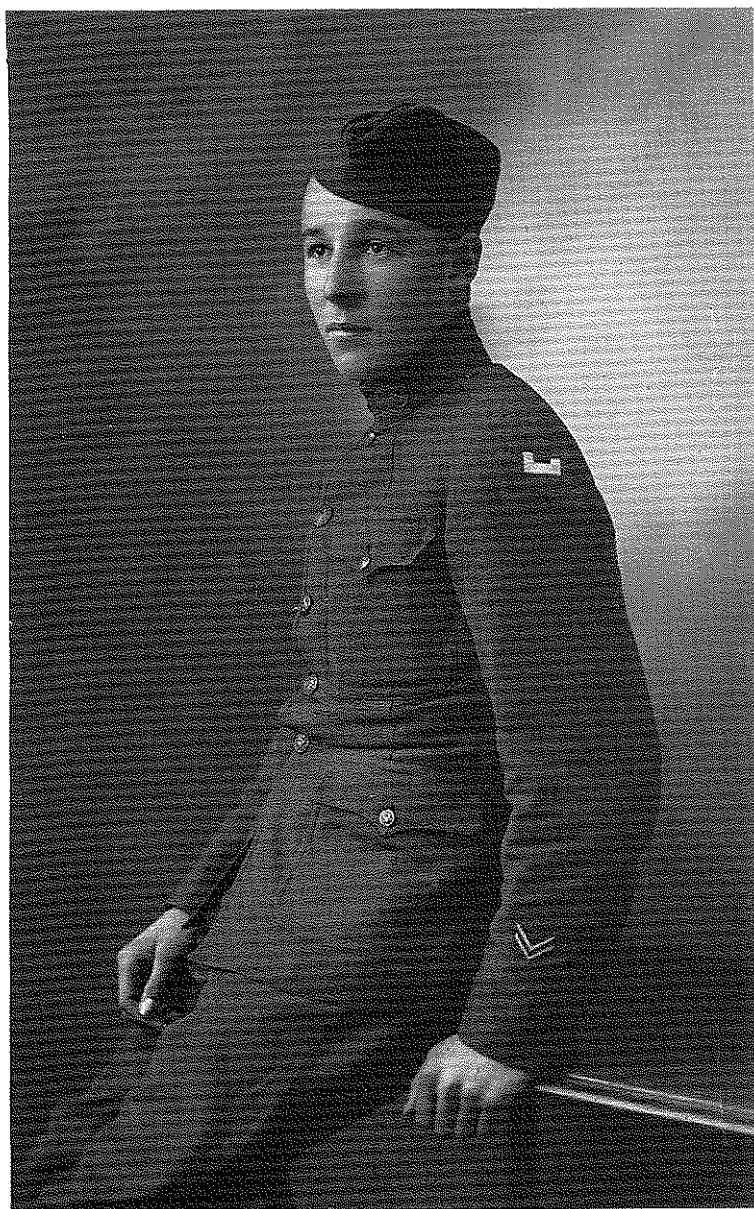
Leonard had always been aware of the ethical and religious dimensions of the problem of human liberty. American institutions and the American way of life, he believed, are intimately related to the basic dogmas of the Judeo-Christian religion. It is from this source that we derive our convictions as to the meaning of life, the nature of man, the moral order, and the rights and responsibilities of individuals. The American system, as it was originally conceived, is a projection of this religious heritage, and the American dream has a built-in religious content. But in recent decades the growing forces of humanism have succeeded in leaching out the religious factors and making man the center of his social order.

The rehabilitation of the Judeo-Christian foundation was Leonard's major concern. In 1955, he invited Edmund Opitz, a Congregational minister who was working with "Spiritual Mobilization" managing a ministerial conference program, to join the staff of FEE and address himself to the task of rehabilitation. To Opitz, God is the object of our desires, the end of our actions, the principle of our affections, and the governing power of the human race. Man is worthy of honor because he is capable of contemplating something higher than his reason, more illustrious than himself. God is spirit, infinite and unchangeable, from which all truth proceeds.

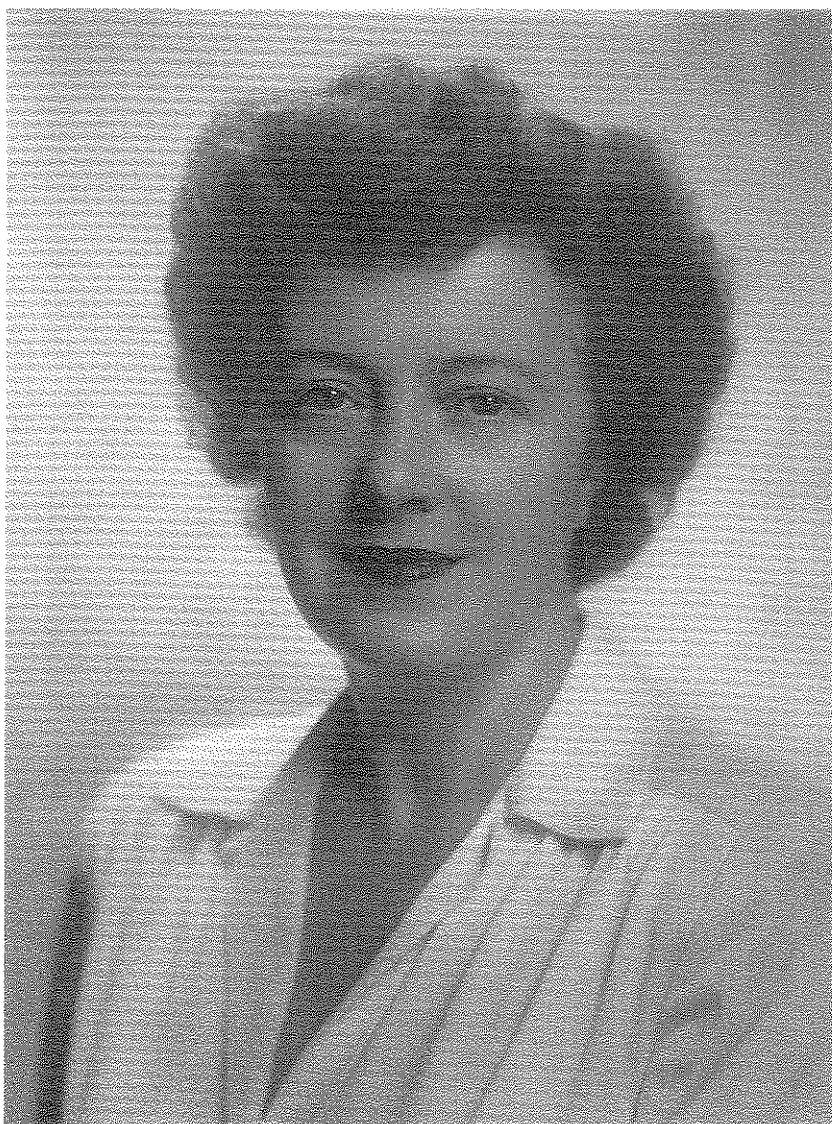
In 1957, Edmund Opitz organized a clerical fellowship of some 400 parish ministers, seminary deans and professors, college presidents, editors of religious journals, and interested laymen. Members of the fellowship do not subscribe to any political platform or take part in any action program. But they agree uncompromisingly that God is the author of liberty, not man, nor his state nor his political party. They all seek better ways of bringing this conviction to bear upon the economic and social problems of contemporary society. Recognizing that their beliefs have only a minority acceptance today they call themselves a congregation of "The Remnant."

It has no president, no vice-president, no treasurer, only an unpaid secretary in the person of the Reverend Opitz. For financial help with the costs of an occasional conference he sought foundation grants. The meetings were by invitation only, they were private, off the record, and exploratory. No resolutions were passed, no action taken to commit the group. They met to reflect on the blessings God has bestowed on their country, how He governs the world, how man must do his duty, and leave the outcome to Him.

The Foundation which Leonard Read created was and continues to be committed to the principles it propounds. It is a voluntary society of independent individuals seeking to understand and explore the eternal inexorable laws that govern human action and social relations and to share their findings with kindred souls. Individual responsibility and voluntary cooperation are about its only policy of operation. Its mailing list, its donations, its every phase of operation, are built on the free will and choice of the participants. It is a consistent negation of force and authority.



Leonard Read served proudly with the 158th Aero Squadron, U.S. Army, 1917-1919. He was a skilled and exacting aircraft mechanic who recounted that no flyer ever lost his life because of structural failure of the plane he had rigged.



Gladys Emily Cobb—later affectionately known as Aggie—and Leonard Read were married on July 15, 1920, in Ann Arbor, Michigan.



Leonard and sons Leonard, Jr. (left) and James Baker. Both boys were flight instructors during World War II.



From left to right: Lawrence Fertig, Ludwig von Mises, Leonard Read, and Henry Hazlitt in a photo taken at FEE.

## Chapter VIII

### Faith and Conduct

Faith is the knowledge of the righteousness and benevolence of God toward man. It is a gift of God which cannot be taken away by promises of reward or menaces of retribution.

For Leonard Read there was a simple answer to the question of faith: God governs the world, man must merely do his duty, and leave the issue to Him. God is the poet of the world, leading it by His vision and design. "Starting with the premise of an Infinite Consciousness," Leonard wrote in his *Journal* (11/21/63) "and recognizing that consciousness is *the Reality*, one must conclude that man's purpose is, during his earthly moments, to see how near he can expand his own consciousness into a harmony with Infinite Consciousness. Now, when we admit Infinity into our calculations, we see that this earthly existence is but the beginning, the training territory, so to speak. The individual continues after 'death' to exist as a conscious entity, that is, such consciousness as he continues to exist. Further, he continues to develop consciousness after earthly passing. The process is infinite or else the concept of Infinite Consciousness would have to be abandoned."

"Stewart Edward White referred to those across the unknown as 'Invisibles.' In any event, they are individual Conscious Entities. Again, their purpose, like ours should be, is to continue emerging in consciousness. It is certain that these Conscious Entities have a wisdom and understanding superior to what they had when earthlings. Why? Because they are relieved of all earthly pressures like hunger, sex, and a thousand and one diversionary influences. They never think short-term, only eternally, a practice most difficult for earthlings, and seldom achieved."

This 1963 entry in his *Journal* depicts probably better than any other passage or article Leonard Read's system of belief. His faith affirms many things about which the senses are silent, but nothing which they deny. Leonard was far from being anti-rationalistic in his general outlook. On the contrary, in the daily affairs of the world he cultivated reason rather than feelings, for reason reconciled him to the



things of existence while his feelings made him yearn for the unseen. He reached for metaphysics which promised to give knowledge of a supra-sensible world.

There are three issues in Leonard's passage of confession which are of fundamental concern to him: *the existence of God, man's freedom of will and choice, and the immortality of the soul*. All three are capable of justification on intellectual grounds. But even if they could not be justified intellectually, they nevertheless are necessary for moral purposes. Moral man, whether conscious of the issues or not, copes with them and searches for answers.

As to *the existence of God*, Leonard sought to establish (1) that Infinite Consciousness is a Being of unlimited power and intelligence, (2) that man is unable to arrive at happiness and fulfillment by his own strength, which are nowhere within reach as long as they are sought among the things of this world, (3) that only as man approaches Him and does His work can he be happy, (4) that man must labor to convince himself, not by more proofs of God's existence, but by disciplining his passions and wayward emotions. He must have faith, even though he know not the way. He must learn of those who were before him and showed him the way. He must follow the road by which they began.

The order of nature reveals certain qualities that are characteristic of such things as are made by an intelligent mind for a purpose. Therefore, the things that are beyond the power of man to make, although they resemble the works of man in all but power, must have been made by intelligence armed with a power infinitely greater than human. In Leonard Read's own words: "There is the Mind of the Universe—God—from which all energy flows. Individuals are receiving sets of this Infinite and Divine Intelligence." (*Journal*, 10/21/53)

Leonard Read used what he knew about nature as evidence for what he believed about God. John Stuart Mill, in his *Three Essays on Religion*, had argued similarly in favor of a natural theology. But while Mill's appeal to reason, based on what man knows about nature, was made in support of belief in a finite or limited God, Read concluded that He is a Being of unlimited power and intelligence. To Leonard, the Ultimate Consciousness is an eternal and infinite being, the creator of all things, who rules the universe by His almighty power and is the only object of our worship.



Leonard warned against the "anthropomorphic" idea of God. "Down through the ages has come the concept that God is a dimensioned character and exists in space as does a person—the anthropomorphic idea. All of this is emphasized when viewing beautiful works of art. If, however, God is thought of as an Infinite Consciousness or Intelligence or Principle—which is my view—then God is no more dimensional or an embodiment than is any principle—the principle of integrity or freedom of exchange, for instance. Thus, God exists as does consciousness or intelligence or perception and in this sense is personal and, above all, immanent. Man in his conceit and/or ignorance has seldom been able to conceive of consciousness or intelligence except in his identical form.

"Many persons think of God and Angels as persons, as up and far away. But, in reality, how up and how far? Just as up and far away as an idea that is or is not perceived. God and Angels aren't to be thought of in terms of time and space but only in terms of awareness or seeing: in one extreme unfathomable, impractical, dark, ghostly; in the other knowable, intimate as light." (*Journal*, 6/10/62)

To Leonard Read nothing could be more foolish than to think that the marvelous universe could come by mere chance, when all the skill of art is not able to make a simple oyster, or for any one individual to produce a lead pencil. How empty it is to see rare effects, and no cause; motion without a mover; time without eternity. And how presumptuous it is for the created to deny its creator. To Leonard, atheism is the evil fruit of ignorance and pride, of strong emotion and feeble reason. In his 1967 volume *Deeper Than You Think* he reasoned with the atheists who would pull God from His throne and elevate chance in His stead.

"Holbach (1723-89), one of the Encyclopedists and an opponent of Christianity, had written a book advocating atheism. The book fell into the hands of Frederick the Great who asked Voltaire for his views. 'The book has eloquence but no proof,' Voltaire declared, 'and contains matter pernicious to Prince and the people alike.' His letter closed with these words: 'If God did not exist, it would be necessary to invent Him. But all Nature cries aloud that He does exist, that there is a Supreme Intelligence, an Immense Power, an Admirable Order, and everything teaches us our own dependence on it.'

"Voltaire's statement falls into two distinct parts: (1) If God did not exist, it would be necessary to invent him, and (2) He does exist.

I shall comment on the latter first, and only casually, because it is the former—the necessity of God—that I wish to examine in order to give my answer to 'What seek ye first?'

"As to the existence of a Supreme Intelligence, there are atheists on the one side of the question, and theists on the other—with deists, agnostics, and other shades in between. Apparently, The Existence is as unthinkable to the atheist as his tenets of ultimate meaninglessness are baffling to me.

"I can only suggest that possibly his life thus far may be barren of certain perceptions or spiritual experiences that fall into the noncommunicable category—the kind that no one else's word can be taken for. The mind barely outruns experience. Or else the would-be atheist is rebelling against a notion of the deity he should have outgrown in boyhood. ('Any effort to visualize God reveals a surprising childishness. We can no more conceive Him than we can conceive an electron. Yet many people do not believe in God simply because they cannot visualize Him.' Lecomte du Nouy, *Human Destiny*, A Mentor Book, 1947, p. 133).

"Let's pause for a look at ourselves as related to the Infinite Master. How difficult it is to appreciate the littleness of our private wisdom, awareness, perception, consciousness! The tendency is to compare one's self with one's fellows which, more often than not, leads to the conclusion, 'What a bright boy am I!'

"Infinite time, space, consciousness, or whatever, cannot be fractionalized. However, to help with my point, assume The Infinite to be The Whole—all-there-is. Based on the incontrovertible fact that the more one knows the more is one exposed to the unknown, it would be an exaggeration for me to claim awareness of one-trillionth of all-there-is. Now, for the sake of speculation, assume that you are fifty times as richly endowed as I. You would still possess only fifty trillionths of all-there-is!

"I am merely suggesting that no person is any more than an intellectual mite, a spiritual speck in the Cosmic Scheme. The political officeholder who recently intimated that he and his bureaucratic staff now had the will and the power to maintain an ever-expanding economy may be less a speck than you or I, for he doesn't even know how little he knows. The oft-heard statement, 'We have doubled our knowledge in the past decade,' means no more to me than a leap from one-trillionth to two-trillionths! Why, it is easily demonstrable that no

living person knows anything, really, about himself; a few superficial observations are all that any person can rightfully claim.

"Parenthetically, being an intellectual and spiritual speck does not spell insignificance. The atom is significant!

"Three other facts about human beings that are relevant to this analysis: First, while each person is no more than a tiny speck, each is unique; there are no carbon copies; the variation is all-pervasive; no two souls are alike in any respect.

"Second, we are extremely active specks, each being, to some extent, a self-steering entity. In a word, we have some control over what phases of our personalities will be active and, also, what directions the activities will take.

"And, third, each of us has the potentiality for growth in awareness, perception, consciousness.

"To summarize the above sketchy view of the situation, there are on this earth some three billion comparative know-nothings, not an exception! Each has the potentiality to grow in awareness; each sees but a fragment, but what is seen by any one is not seen precisely the same by any other; each possesses energy, but no two exert or direct it identically.

"Contemplate this host of energetic entities, differing in every respect, and then assume that not one of them is aware of a Creation over and beyond his infinitesimally small mentality. In short, reflect on a world of active, militant atheists, each one completely egocentric, which is to say, believing in his own omniscience—egotism in the saddle! Only I am right, all who do not agree precisely with me are off-course; in a word, three billion abysmally ignorant individuals, each preoccupied with his own righteousness.

"We must bear in mind that these three billion energetic entities constitute an enormous force. But a force to what purpose? Unless a Supreme Intelligence, an Infinite Consciousness, a First Principle be conceded, there is no integrative attracting center. These varied entities are propelled by their energies every which way, a societal situation at sixes and sevens; in a word, chaos!

"Man has no affinity for social chaos; as a matter of fact, he will pay about any price for social order, and order there will be. But how? All history attests to the answer: the cleverest and most energetic know-nothing will take over, not on a mutual-consent basis, because there is no mutuality of minds; the take-over will be achieved by the

use of coercion. Some one know-nothing will forcibly impose his own concept of rightness on all the others. There can be no more freedom in this arrangement than in godless Russia, and for the same reason.

"Man with his built-in variations and lively energies cannot achieve his earthly destiny—his potentiality to grow in awareness, perception, consciousness—where all human energy exerts itself in helter-skelter fashion. Conceded, deviant forces are tolerable—there can be both passive and active atheists—but *it is an absolute requirement that there be an integrative force—belief in God—more powerful than the deviant forces.* Voltaire could have had no reason, other than this, for repeating the old saying: 'If God did not exist, it would be necessary to invent Him!' Put another way, it is necessary that there be men, sufficient to establish a prevailing tendency, who are drawn to an Infinite Ideal. Lecomte du Nouy phrased it this way, 'To really participate in the divine task, man must place his ideal as high as possible, out of reach if necessary.' God—Infinite Consciousness—is assuredly out of reach."

"In what manner does the recognition of an Infinite Consciousness serve as an integrative force? First, it puts us, the creatures, in proper perspective. It is easily demonstrable that the individual consciousness is potentially expansible. But, regardless of progress, there is no end to achievement, for this Ideal, being infinite, is always and forever out of reach. Thus, humility is induced, the sense of know-it-allness demolished. It is axiomatic that the know-it-all cannot grow in knowing; only when one is emptied of such egotism can the individual grow in the direction of his potential uniqueness. The acceptance of God draws the individual toward the highest conceivable Ideal, this attraction being toward a harmony with Being or Natural Law." (pp. 17-22)

And yet, Leonard Read emphasized again and again that man possesses *the freedom of will and choice*. Freedom enables him to engage in sinning, i.e., departing from God or from seeking conformity unto the law of God. Leonard had an abiding belief in freedom—spiritual, mental, political, social, and economical.

The freedom of will and choice is fundamental. Man may choose, but he cannot choose this choice—it is ultimately given. He may love, but if he does not love he cannot create love in himself. He must trust himself, but cannot depend on this trust. It is God who bestows freedom to man, permitting him to choose and act even against God

himself. He sets man free and offers His grace and mercy in case man chooses to act against Him.

Man is God's creation in his freedom to seek the good and aspire to find the light. According to Leonard: "Man, in addition to being gifted with powers of self-determination, is also gifted with instinct or intuitive qualities and among them is the natural inclination to emulate, to pattern after, that which is superior. This is the manner of all up-lifting, of all intellectual leveling-up. No other person pushes me up. I am drawn up as by a magnet. Magnetism of the kind I have in mind results from a person drawing on Divine Energy, either directly or indirectly through others who have some of it to offer, and implemented by his own God-given gifts: will and intuition." (*Journal*, 9/11/52)

Man's freedom is granted freedom, it is not his own. It would be sheer arrogance for him to claim credit that properly belongs to God. Man must be humble and grateful in his freedom that springs from God. He must keep his eyes on God and reach for His light. According to Leonard, "In all instances, familiar to me, the ones who have appeared as my teachers are those who themselves are seeking teachers. In short, all persons in this upgrading process have their eyes turned toward the Light. Interestingly enough, there is no human hierarchy. It is all of Divine origin. Man, as he gains light in the first instance, does so by what is known as revelation—through a development of intuitive powers." (*Journal*, 3/26/60)

Man must always guard against pride and self-contentedness. In order to choose and act wisely he must be able to make the proper choice. But when he has this knowledge or awareness he faces the temptations of smugness and pride. Without knowledge man cannot be good, but with knowledge he cannot be pure. The awareness of humility is no longer humility, but turns to pride. It is only through God's help and mercy that man can be good without being prideful, that he can be free in God's gift of freedom and reach for the Creator Himself.

In Leonard's words: "In spite of the vast areas of action which are subject to one's will and choice, they are infinitesimal when compared to our whole life, its infinity of processes wholly beyond our understanding, the involuntary responses controlled by the autonomic nervous system. Man is hardly yet at the inception of being man. This leads me to reflect on how little of us is reason, how much

is faith and, therefore, how dependent we are for our evolution, our progress, on the release of the human spirit. What enemies this release has! Not only is there the pulling backward of biological tradition, the attraction toward the evolutionary stages from some primeval slime to the point where thought and consciousness emerged, the tug of animal nostalgia, but, worse yet, the fools among us who would play God. As these and similar thoughts grow upon me, I find comfort in fewer and fewer of my fellow men, only those who are truly willing to let God be God. And they are few, indeed. Perhaps man can render no greater service to God than effectively to argue among men that man is ill-suited to usurp the role of God. When one declaims any such intentions, which I do when I say in my speeches, 'I actually believe you can control your life better than I can control your life,' it is next to amusing to witness the obvious incredulity of most members of most audiences. The idea is simple, it seems right and, stated in this manner, flawless—yet, it is so utterly contrary to what they are willing to say themselves, so revolutionary, that they know not what to make of it. This, though, is the central theme of all I espouse." (*Journal*, 12/10/52)

To be humble when you are down is no great achievement; but it is a rare attainment to be humble when you have achieved a measure of success. Again and again Leonard made this simple point: "The exceptionally bright persons (relative to those around them) are often blinded by their own brightness. Relative brightness to them represents success and the idea of 'having arrived' (completion) sets the stage for atrophy, decay." (*Journal*, 8/14/60)

"Those who become impressed with their own superiority aren't actually superior at all, and are not superior by reason of this fact alone. The stage of high satisfaction with self is impossible, more than momentarily, for the person who thinks in terms of the infinite. To him, a new perception, a fresh bit of knowledge, has an effect on the spirit as does an elevator during acceleration. But, except when experiencing cognition, he feels no more exultant today than in the past. Little bits of evolution along the road of the infinite are leveling-up steps not at all discernible. Any feeling of superiority derives from comparisons with other mortals, comparisons which the intelligent person does not apply to himself." (*Journal*, 12/14/52)

Sometimes man may learn more from his errors and those of others than from his own success. According to Leonard, "One's aim

should be the pursuit of Truth or Excellence. But, if one has any success, the temptation is to display one's own powers as did the great Michelangelo. Then comes the fall. We are all sinners, that is, we all err. This fallibility is a necessary ingredient of emergence. The greatest truths have been penned by the greatest sinners. It was their sins and their ability to assess them as such which brought out the truth. Of course, had they not had the ability no virtue would have been born of their errors." (*Journal*, 9/25/63)

In the setting of the philosophical conflict of our time, the temptations of smugness and pride are gnawing at the roots of our order. According to Leonard, they give rise to a "caste system," which in turn gives comfort and support to world communism: "The caste system is far from dead although few persons will acknowledge that they are practitioners. The 'untouchables' of India are only the extreme of what countless millions are—human beings that others do not treat as such. If a kind word is spoken, it is in a condescending manner. A little success, or a little rank, or a bit of wealth gives most people a false superiority they are unable to cope with. Few recognize how thin is their veneer of 'culture.' It is this foolish and untenable pride that lays the ground for the communists and others who would take over. Little is required but to fan the flames of hate, greed, envy, covetousness. Almost impossible under these conditions is the teaching of real culture—love, the desire to learn, self-reliance and control, getting ahead on merit. When persons who are 'ahead' treat others with disdain, they give proof positive that there is no way but force. The real teaching most needed in the world is with the 'affluent.' Let them behave with humility befitting just another item in the stream of humanity and the communists will talk to deaf ears. Indeed, there wouldn't be many communists to talk." (*Journal*, 6/6/53)

In all his writings Leonard Read dwelt on the virtues of humility, which is the only road to God. An eloquent passage in Leonard's *Journal* points at the road: "If I cannot elevate myself to the point where I crave anonymity, I must, at least, be content with it, for anything less will assuredly lead to my corruption. Creative quietness has as a prerequisite no glory except before God." (*Journal*, 9/30/63)

In his important philosophical writings Leonard Read reflected a deep concern with three questions: God, freedom, and immortality. Can the existence and presence of God be demonstrated and His nature be described? Does a human being have genuine free will and

choice? Does he, in any way or form, survive the death of his body? Leonard answers this last question with a joyful "yes." This belief in the immortality of the soul was an important ingredient of his philosophy.

Man's concern about immortality of the soul is much more than a craving for continued existence. Even the loudest skeptic derives some satisfaction from the thought that his germ plasm lives on in his descendants, or that forever he will be an unerasable part of world history, or that his life has effects which in turn have other effects and thus forever influence the course of future events. If personal achievements are conspicuous or considerable there is the hope of being remembered for a little while by acquaintances and relatives. But survival in any of these senses merely explains why the belief in survival of death is natural and easy, and why it has been accepted in one form or another by most people. It does not constitute any evidence that a future life is a fact.

The skeptics of the immortality of the soul altogether ignore the considerable amount of evidence of apparition gathered over many years and carefully checked and verified by scientific organizations. There are numerous well-authenticated cases of apparition of dead persons who reveal specific secret facts to living persons. There are countless cases of apparition in which mothers have seen their sons die on faraway battlefields, visualizing precisely the fatal wounds at the very moment of tragedy. There are other cases of communications from the dead that cannot be rejected summarily as fraud or malobservation, made through persons commonly called sensitives or mediums. All such cases should cause us to revise our ordinary ideas of what is and is not possible in nature.

Skeptics are convinced that states of consciousness depend entirely on bodily processes and, therefore, cannot continue when the body ceases to exist. To be real, they believe, is to be material. For the purpose of investigating the material world this assumption is useful and appropriate. But it automatically ignores all the facts of mind which only introspection can reveal. It offers no proof whatever for the conception of reality that proposes to define the real as the material while it ignores the facts of mind which we know to exist.

To Leonard Read the material world was just one among other objects of our consciousness. In his book *Deeper Than You Think* and in numerous passages of his *Journal* he acknowledged his central



presupposition: the immortality of the individual spirit or consciousness. In his own words: "Reduced to its essence, this earthly moment is only the beginning; consciousness, *the reality*, is eternal, retaining its growth potential. Once this is accepted and lived by, the individual seeks approval of the Eternal Ideal; his prime objective cannot be fame before men. Daily actions have a higher guide than momentary expediency; whatever one does is premised on his highest concept of rightness and righteousness." (p. 22)

Leonard's favorite author on the world of mind was the distinguished Swiss psychiatrist, Dr. Carl Gustav Jung, whose book *The Undiscovered Self* (New York: New American Library, A Mentor Book, 1958) brilliantly confirmed what Leonard was believing for a long time. An entry in his *Journal* and countless references in his books point at Jung for opening the door.

"Jung, in his autobiography, when writing about 'confrontations with the unconscious,' claims that all that he thinks is not his own, that spirits get into his act. This is something I have been aware of for several years. But he warns that their messages must be checked with his conscious self, for all of them are not good or helpful. This I have known also. All of this is information that must be discussed with care, for friends to whom this is alien will write one off as nuts.... Many of the sensitive ones do, in fact, go nuts—Nietzsche, for instance. But how much more exciting are these little-trod territories than a first-time visit to Paris or Hong Kong! This is more truly an adventure than a trek into the wilds of Africa or to the North Pole. The latter is no more than an inspection of the physical areas from whence man emerged; the former is a peek into the spiritual destiny of man." (*Journal*, 6/23/63)

To Leonard Read, spirit was much more than just a fashionable expression, such as, acting with spirit or speaking with spirit. It was the unknown force that affected his destiny. According to Leonard, "There are unknown forces who (I use who on purpose) have a far greater control over one's destiny than does one's self. They try to get their messages through to one. These forces are like people in that they are enormously varied. These are bad as well as good ones. But I swear those who are looking over or sitting on my shoulder are of a superior lot and friendly to me. The proofs have been given me over and over and in so many ways. These forces are in possession of an *intelligence* and foresight about which I know nothing. It is clear that

I should trust this higher intelligence as I would a faithful friend, except even more. However, this is not to suggest that I am to ride the coattails, but to earn the counsel I must increasingly apply every faculty I possess and, also, always be worthy of what is being conferred upon me. The divulgence seems to come along a bit at a time, probably as rapidly as I am able to apprehend." (*Journal*, 1/20/63)

Leonard was not tempted by material wealth or worldly security. Wealth is nothing in itself; in fact, it may engender insecurity. "Be ever mindful of your immortal soul" was his motto and advice. "If all the billions who have inhabited this globe and who have turned to dust could talk on earthly security, they could give some instructive lessons. Just as they thought they had it made—fame, fortune, pomp, ceremony—along came a fall in a bathtub, cancer, the ticker stopped, a head-on crash, and that was all. Out like a light! Security of the type they sought was only a foolish illusion. Consciousness! How we wished we had worked at expanding it, attention to our own souls, to our immortal beings. Security of any other type only goes for making more insecurity." (*Journal*, 6/19/61)

At another place Leonard describes the immortality of the soul as "an eternal relay race" in which man on earth is carrying the baton: "Suppose that consciousness is the one unique reality of the Universe, not too difficult for me to accept as a working hypothesis. Take the second step: Assume that consciousness is alone in having individuality, again a reasonable concept. Now, think of consciousness as an individual continuum in a perpetual process of incarnation, of growing up, maturing, through one human manifestation after another—something like an eternal relay race, the baton of each entity of consciousness being passed on forever. Streams of consciousness in infinite number and variation!

So—I am, in my brief span of earth-life, the custodian of a particular individual consciousness wending its way eternally. For the moment I have the baton. Its manifest destiny is emergence, advancement. The consciousness I have been handed to advance is in a different state or stage of progress than anyone else's. My mission, then, is to live and act in harmony with that entity of consciousness peculiarly mine. My responsibility is to carry on with that which I have in charge—to keep the faith and the pace. I must not sleep by the roadside or retire or become distracted into false byways or in any

manner do damage to the work of those before me or to those who later will be handed the baton. I must never covet another higher consciousness but, instead, should seek to be lifted by it. Nor must I ever despise or look down upon a stream of consciousness in a lower state of advancement but, instead, should give freely of my own that it may be elevated.

"Thinking of myself and others as being momentary carriers of batons in endless streams of consciousness, all in different stages and vastly varied, causes ever so many of my precepts, principles, and beliefs to fall into logical, reasonable, and consistent pattern and perspective. These thoughts help me to account for what have been mysteries and better to perceive the instructions which in happenings and events are daily meant for me. And, how easy, with these thoughts as a premise, are evil and virtue to deduce!" (*Journal*, 4/2/59)

There are more things in heaven and earth than man can dream of. In the dim haze of human ignorance some individuals are eager to reflect on divine mysteries, ever keeping their hearts humble and their thoughts reverent. They are suspect to others who do not care to reflect on the mysteries of the unknown. According to Leonard, "The mystic, that is, the student of matters metaphysical, all too often is suspect. Yet, the mystic only probes the unknown and the unknown characterizes the physical or sensual world as well as the spiritual. Those who hold the mystic as suspect are those who are smug in their know-it-allness." (*Journal*, 10/9/60)

Millions of devout Catholics desire and believe in a life after death. How else could they worship and petition their patron saints? Leonard Read readily accepted this Catholic doctrine of faith although he resisted its autocratical interpretation and application: "Each person should aim for adoption by a Patron Saint. This is a blessing not too easy to come by. The Catholics have it too automatically and neatly figured out for my judgment. The Papal Hierarchy adjudges certain persons to have been saintly. Let's concede the unlikely prospect that they never erred. Yet, I suspect that the most saintly of all were never heard of by the Papal Hierarchy. Some, I venture to suggest, may even have been Protestants or, more far-fetched, not even aware of any religious category. I have a Patron Saint, but I haven't the slightest notion who he is. It's a safe bet he's not among those on whom a religious committee has painted a halo. Some day, providing my

experiences continue and grow in intimacy, I shall write a report entitled 'Adventures with my Patron Saint.' But it will be when I don't give a good damn whether or not anyone thinks I'm insane. Perhaps that shouldn't concern me now." (*Journal*, 7/13/58)

## Chapter IX

### Mind in the Making

Although Leonard Read published numerous tracts on political economy, his chief contributions to economic thought lie in what he added to the philosophical, ethical, and psychological basis of human action. He was essentially a social philosopher who was more interested in moral and psychological principles than in economics proper. John Chamberlain once spoke of him as "a curious mixture of American go-getter, Tolstoyan Christian, Herbert Spencer libertarian, and dedicated medieval monk."

Like Tolstoy nearly a century earlier, Read was always in search of the ways and means of righteous living. He, too, went through a spiritual crisis that led him to embrace Christianity free from dogma and ritual. But while Tolstoy's faith led him to repudiate the institutions of both church and state, Read accepted them readily as potentially beneficial to mankind. And while Tolstoy, the Russian aristocrat and gentleman farmer, came to advance radical causes, questioning the value of science and industry, and idealizing a life of voluntary poverty and manual labor, Read, the son of Michigan pioneers, came to advance the cause of individual liberty as the mainspring of human progress. Both writers would concur again in their strong ethical preoccupation that dominates most of their works. In his last novel, *The Living Corpse* (also known as *Redemption*), published posthumously, Tolstoy exposed the tragic incompetence of the State in dealing with human relations and thereby reached conclusions which Leonard Read could freely accept.

There cannot be any doubt that Leonard Read was also a "go-getter," a bold and original leader whose influence is felt throughout the freedom movement. From a most unlikely background he came to his main theater of operation almost by chance. Luck and fortune played a role in his life and helped to determine his great career. Of course, there always were many opportunities open to aggressive and intelligent men such as Leonard. But the significant thing is their reaction to those opportunities. Leonard did not use his Chamber of Commerce position to launch a conspicuous business career, create a giant corporation with a successful line of modern products, or develop a new conglomerate form of enterprise. Instead, he chose to

embark upon a most tedious and unrewarding task, always swimming against the stream of public opinion, to revive the spirit of liberty and the principles of morality. He was an exceptional individual who rejected the rich material fruits of his entrepreneurial ability so that he could seek a creative life in the world of thought and understanding.

In his philosophical outlook, Leonard Read followed in the footsteps of the nineteenth century English philosopher Herbert Spencer. Both wrote a great many volumes dealing with psychology, sociology, and social philosophy. Read, like Spencer, conceived of an ideal society wherein man has peaceably adjusted to his surroundings and reached the highest stage of social evolution, the industrial society. The state, which many regard as a necessary evil, must not interfere with man's activities that should be allowed free play. Religion, education, industry, and commerce must not be state controlled.

To a "medieval monk" such an imperative was as basic to his natural order as his withdrawal from the world. But how could Leonard Read, the founder of FEE and world-renowned champion of freedom, be portrayed as a "medieval monk"? The visitor to the Foundation could not overlook certain similarities that come to mind on the occasion of such a visit. The medieval monastery played a most beneficent role in the preservation of the light of civilization in the midst of deep darkness. It afforded a home to the scholar and saint, means of succor for the poor, an oasis of peace and order in a strife-torn and lawless world. It gave refuge to the peaceful, the gentle, and the feeble.

The Foundation for Economic Education has played, and continues to play, an important role in the rekindling of the light. It affords an ideological home and refuge for the remnants of liberty where they may rebuild their strength and whence they emerge again with new courage and knowledge. During the 47 years of its existence the Foundation has functioned as the training ground for numerous students of freedom. Like the medieval cloister the Foundation in Irvington has been the place of business and conversation, the workshop, study, and parlor of all. The object of the monastic rule is that of self-improvement that is to set a living example to society so that it may be saved. What the abbot was to the monastic community, Leonard Read was to the Foundation. Next in rank came the cellarer who managed the domestic affairs of the house and often acted as the

treasurer. For many years this Foundation position was held by W.M. Curtiss and, upon his retirement, was held by Robert G. Anderson. The sacristan had charge of the sacred vessels and relics, and kept the keys to the chapel. At FEE, the Reverend Edmund Opitz has been the guardian of the spiritual keys that are to keep open the religious gates. The scribe was an important functionary who presided in the scriptorium and whose duty included the safekeeping of books and parchments and their duplication through artistic penmanship and illuminatory art. At the Foundation, Paul Poirot could be likened to the medieval scribe editing *The Freeman* and coordinating the literary efforts of the staff. Bettina Bien Greaves, the only woman on the senior staff, could be portrayed as a magistra. She brings the message to high school and college students and guides them in their debates with heretics.

Many of the medieval cloisters were very beautiful, their arches opening to lawns and gardens. The Foundation is a beautiful secluded mansion with lawns and gardens. In the refectory the monks shared the common meals; in the Foundation dining rooms the members of the staff met for luncheons and coffee breaks and a discussion of daily business. When distinguished visitors came to the monastery they were invited to address the brethren in the chapter house. At FEE, distinguished visitors were invited at least once a year to address an assembly of brethren and trustees.

There is more than form and structure to the comparison between the Foundation and a medieval monastery. Monasticism was based on withdrawal from the world. In a certain sense, Leonard Read and his followers withdrew from the world. Certainly they went out and brought the message of salvation through righteous living to all who were eager to receive it. But they did not directly act upon the world through political action or mass appeals through the communication media. Leonard was chary of large crowds of listeners, shunned public debate, and avoided radio and television shows. But he was always at home with a few students of liberty eager to seek new insights and live the creative life.

Leonard was a philosopher as much as a psychologist. For him, psychology was a branch of philosophy that never ceased being concerned with such questions as the ultimate nature of the soul and the relation of body and mind. It never broke away from its philosophical moorings to become an independent science

"measuring" the behavior of organisms. Leonard never sought to measure sensations or formulate psychological laws, or to analyze mental pathology such as hysteria, obsession, dissociated personality, and psychasthenia. He neither engaged in psychological experiments, nor practiced psychoanalysis as originated by Sigmund Freud, nor pursued different schools or movements such as existentialism, functionalism, and Gestalt psychology. But he held to the view adopted by many present-day psychologists that mind and body are different aspects of one world of reality. Leonard was a psychologist in the footsteps of seventeenth and eighteenth century thinkers such as Descartes, Locke, Spinoza, and Leibnitz.

A major concern of these psychologists has always been the central process of learning. For Leonard it was the key to happiness and fulfillment. He who seeks more light the more he finds, and finds more the more he seeks, has found the sum of human intelligence. In a *Faith and Freedom* article called "Tidings from the Lord" (October 1955), Leonard described the learning process as man's effort of ascent to Infinite Intelligence and Consciousness:

"Imagine a stairway with an infinite number of steps. Next, imagine such a stairway for every subject known and unknown to man—an infinity of stairways. With these infinities in mind, I contemplate my own several stairways of knowledge, particularly the one that is my favorite—the understanding of liberty.

"I assess my position on this stairway, the one which more than any other I wish to ascend. The exact step, following five years of effort, appears impossible to designate but, realistically, it isn't far up—shall we say not more than a dozen steps from the bottom. Looking above, I observe quite a number of persons, but below me I see untold millions. It seems to me that most of them have failed to take even the initial step.

"Two influences try to overwhelm me, each with some success. The first encourages an exaltation by reason of the 'advanced' position in which I find myself. The second urges an intolerance toward those many millions and an almost irrepressible desire to set them straight once and for all. Unchecked, these influences would make a reformer of me.

"But something does check them. Now, anyone who believes as I do that the Creator is the Source of Truth believes that we can sometimes glimpse fragments of Truth in the form of ideas. No one



can be certain that his ideas are in fact Truth. The nearest approach to certainty is an idea which we believe right. And the nearest approach to right is that which we believe the Source of Truth would commend. Therefore, we might expect the Creator to commend those ideas which we think to be right:

‘I have tidings for you. Your actions more often respond to primordial instincts than to dictates of human reason. For one thing, every single person among all of those millions has climbed further up some stairway than you. Indeed, many of them have climbed far up numerous stairways that you do not know exist.

‘Know this, too. I did not assign you the task of setting these folks straight. I have reserved that task for my own management. Those millions must account to me, not to you.

‘You were given the assignment of perfecting yourself. The opportunities are without limit, so this is a larger chore than you can ever complete. If you wastefully exhort and cajole those folks you think below you, you won’t have time to make yourself a worthy example.

‘Turn your thoughts upward, not downward. See if you can take your next step up the stairway of your chosen understanding ....

‘A few more thoughts about the ones you think of as being below you. Stand ever ready to communicate, to announce, what you discover as you advance. You will not rise higher if you take the approach of ‘setting them straight.’ As you cannot give without receiving, neither can you receive without giving...‘In any event, aside from your powers of attraction, leave these others and their understanding to me and to them. Help me by moving yourself in the direction of Infinite Intelligence and Consciousness. If you would improve others, you can take only this course. I have not given you the power to cast others in *your* image. Attending to your next step is *your* means of reflecting yourself in *my* image.’”

For Leonard Read the end of learning was to know God and with that knowledge to imitate Him. Learning gives us a better understanding of our ignorance and the imperfections of our nature. It disposes us to modesty and guards against vanity. For what we know is but very little in comparison with what we do not know. In his *Journal* (7/14/64) Leonard made this very point in some cursory remarks about the theories of Freud and Jung: “Reading Freud and Jung and about them, of Freud’s id, ego and super-ego and the

conflict between them, bringing on psychosomatic illness and finding some of their conclusions at odds with my own experiences, I ask why? Much of the illness, I suspect, originates in those who think they can get along without drawing and relying on the creation which brought them into being. That man individually can omit this power seems absurd to me. He will suffer as he would were he to be deprived of other important ingredients of life. Man will readily admit that he cannot live without food or drink or red blood cells or a brain. Yet, he will try to go along on that residual power which he thinks of as exclusively his, having no longer any need for the power which created him. And man, in his egotism, thinks he can have a good society just from his own drafting boards. I am convinced he can do nothing but harm in such a minus state."

The subject matter of psychology—the behavior of people—blends with, harmonizes, and enriches the one kind of knowledge to which Leonard was attracted irresistibly: the Infinite Consciousness. It is wise to get knowledge and learning from every source—from a scholar or a fool, a dog or a lead pencil. He was never ashamed to ask for information and seek counsel from all descriptions of men on topics that reflect their own peculiar pursuits and interests. And once he had acquired some knowledge his memory became an ever-ready reservoir that supplied others with knowledge. It was a fine memory that reflected his considerable interest in and attention to so many matters.

The central process of learning and remembering is a major concern of most psychologists. But while most modern experts claim to base their views upon experiments, Leonard arrived at his knowledge through introspection and deduction. It is not at all surprising that Leonard's conclusions frequently concurred with those of the Gestalt psychologists who hold that all experience consists of unanalyzable wholes, or Gestalten, that possess their own structure and cannot be broken down into separate sensations, reflexes or feelings. In short, analysis of parts, however thorough, cannot provide an understanding of the whole. It is necessary to analyze from the meaning and structure of the whole to the characteristics of its constituent parts.

An exclusive sign of thorough knowledge is the power of teaching. For Leonard Read, learning and teaching were different aspects of personal growth and evolution. The best teacher is the one who seeks to learn more than to teach, who suggests rather than dogmatizes and

inspires his listener with the desire to teach himself. To waken interest through personal example is the only way to teach easily and successfully.

For the founder of The Foundation for Economic Education the method of teaching was of crucial concern that occupied him from FEE's beginning. Even during his latter days of lecturing he liked to conclude a seminar with an inspiring presentation on "methodology." Because of its central position in the Read system, the lecture as it appears in his *The Coming Aristocracy* (FEE, 1969, pp. 128-135) is cited verbatim:

"Libertarianism is a nonprescriptive philosophy—it is the ideology of freedom.

"If freedom—individual liberty, the free market, and related institutions—is a way of life that works, the first demonstration of its workability should be in its own propagation. For, if libertarian methods cannot successfully extend an understanding and belief in freedom, then it is not a viable philosophy.

"My thesis is that no one can take an effective stand for liberty and its propagation whose stance is not libertarian. In a word, any methods other than libertarian will work against liberty, not for it. The method must fit the objective for, as Emerson points out, the end pre-exists in the means.

"Many of those who avow their devotion to liberty follow practices that would deny my position on methodology. While they will not resort to the pure authoritarian method of 'believe our way, or else,' they indulge in argument and persuasion; name-calling is often used; they attempt the intrusive method of high-pressure selling. Believe-as-I-do, while not backed by force, is, nonetheless, a nonlibertarian attitude. This method is prescriptive and a prescriptive means cannot bring about the libertarian objective—freedom to act creatively as each may choose.

"At the outset, let us acknowledge that few people even so much as take a look at freedom ideas and, of those who do, most are impervious to them.

"Impervious to freedom ideas! But what's so strange about that? There are scientists, for example, who have an obsessive interest in algae and oceanic scum, in bumblebees, in continental drifts, in human uniqueness, in polar bear meanderings, in organic farming, and so on. They are deeply devoted to these subjects; I am not. But, some may

counter, these are rare specializations, having little bearing on people's lives; whereas, freedom, whether one appreciates the fact or not, is important to everyone. Well, the threat of cancer should be of interest to everyone, yet note how few are devoted to its cure.

"Why are so few devoted to the cure of cancer? Not because of its insignificance! I have just read an article reporting that certain leukemic cells die in the absence of an amino acid known as L-Asparagine. This is a first-rate discovery. However, such ventures in biochemistry are well over my head. Interested? Yes, in an off-hand sort of way. But deeply devoted? Not even close! These investigations seem not to lure me; I am impervious to them.

"And so it is with my specialization, the philosophy of freedom. Only now and then is there an individual who becomes a real student of the subject, that is, who acquires a deep and abiding interest in freedom's significance to himself and others. Further, until a person becomes such a student, he is just as impervious to freedom—has no more insights into it—than I have into leukemia and amino acids or a thousand and one other specializations.

"Based on what appears to be a national and world-wide trend toward all-out statism, we must suspect that the few of us who are devotees of freedom aren't equal to the challenge: the currents of contrary thought are too powerful for us. Thus, we must hope that some others will join us, not because ours is a numbers problem—it is not!—but because among the newcomers there may be some who will far excel the present devotees in depth of understanding and clarity of exposition.

"In view of the need for better men than we, the first question that comes to mind is, how do we go about influencing them? Particularly, what should be our approach to persons who are our intellectual superiors? Selling our ideas to such individuals, or to anyone, for that matter, is no more possible than minnows capturing whales. Are we, then, left helpless? Is there nothing we can do? To the contrary, there is a way if we can master it.

"The distinguished Swiss psychiatrist Dr. Carl Gustav Jung, gives us the key:

'What does lie within our reach... is the change in individuals who have, or create, an opportunity to influence others of like mind in their circle of acquaintance. I do not mean by persuading or preaching—I am thinking, rather, of the

well-known fact that anyone who has insight into his own action, and has thus found access to the unconscious, involuntarily exercises an influence on his environment. The deepening and broadening of his consciousness produce the kind of effect which the primitives call 'mana.' It is an unintentional influence on the unconscious of others, a sort of unconscious prestige, and its effect lasts only so long as it is not disturbed by conscious intention.'

"Dr. Jung gives us the key but it is not as simple as a metal key. His is a mental key, and will unlock nothing for us unless we understand his words and what he intends to convey by them. So, let us reflect upon the ideas behind the words:

*What does lie within our reach*—There is a power that lies within your reach and mine, one he is about to reveal.

*... the change in individuals who have, or create*—We may already possess this power; but, if not, it is possible to create it and, thus, bring about a change in ourselves. He refers to my changing me, not you.

*... an opportunity to influence others*—Obviously, he has some secondary effect in mind, as a consequence of the change in self.

*... of like mind*—The secondary effect will be most fruitful on those who have a passing and favorable interest in the enlightenment in question, in our instance: freedom.

*... circle of acquaintance*—Each of us has his own orbit—no two alike—beyond which this power cannot extend.

*I do not mean by persuading and preaching*—Away with argument, exhortation, polemics, ideological pushing, attempts at intrusion, forcing in. These devices are the opposite of what Jung has in mind.

*... the well-known fact*—Doubtless, the fact that follows was well known to Jung and some other pros, certainly to a few of the ancients and, as he suggests, it is sensed now and then by primitives. Today, however, it is nearly a secret.

*... insight into his own actions*—Know thyself!

*... access to the unconscious*—Insight into one's own actions, when deep enough, plumbs what Jung calls the unconscious, the undiscovered self. Here lies the source of ideas, intuition, creativity—the aforementioned power that lies within our reach.

*... involuntarily exercises an influence on his environment*—This power radiates from the excellent individual without any awareness on

his part that he is radiating. We—the ones who constitute the environment—occasionally experience being drawn to such persons; we ascribe a magnetic quality to them.

*The deepening and broadening of ... consciousness*—The power to which Jung alludes stems from our own thoughtful concentration and understanding, awareness, perception.

*... produce the kind of effect the primitives call 'mana'—'Mana'* is a Polynesian term and was regarded as a spiritual power manifesting itself in certain individuals. Is not insight into one's own actions a spiritual power?

*It is an unintentional influence on the unconscious of others*—Yes, it is an unconscious prestige. The moment one becomes conscious of this power, it ceases; it is turned off. Observe those who are probing ever deeper. The more they discover the phenomena of self, the more are they aware of how little they know; thus, they are not conscious of possessing any superior knowledge. But let them cease their probing, spend their effort instead proclaiming their superiority, and we are no longer drawn to them. A surge of self-esteem short-circuits this system of power.

*... its effect lasts only so long as it is not disturbed by conscious intention*—To appreciate the truth of this, we need only take note of who it is we turn to for light. Instinctively, we turn away from those who are bent on reforming us or making us over in their images. Whether we look to our contemporaries or to those who have gone before, we seek out those who pursue truth for truth's sake and who, obviously, have no thought of its effect on you or me or any other particular individual. Their intentions are honorable and the effect is enlightenment, until and unless they are disturbed by consciously trying to intrude their ideas into the consciousness of others; in that event, off goes the power!

"We may deduce from Dr. Jung's analysis that you or I cannot sell anyone on freedom. *The individual sells himself!* His doing so, however, presupposes that an unconscious magnetism exists, that an unintentional lure is within his reach.

"Both fact and theory seem to suggest that Dr. Jung is correct in his analysis. As to fact, civilizations on the rise have always been studded with stars. This would stand out in crystal clarity were we able to 'replay' the original Constitutional Convention for comparison with a current political convention.

"As to theory, it stands to reason that the generative process in society can be nothing more than the generative process going on in individuals. Improvement is impossible except at these discreet points.

"Intentionally working on others takes the effort away from self. It has no effect on others, unless adversely; and the unevolving self is always the devolving self. The net result is social decadence—and has to be.

"The corrective for this popular pastime is to rid ourselves of the notion that Joe Doakes must stand helpless unless he be made the object of our attention. Joe will do all right—and the same can be said for you and me if we'll just mind our own business, the biggest and most important project any human being can ever undertake!"

Leonard Read was at home in psychology as well as praxeology and economics and freely moved from one to the other. The subject matter of psychology is the psychic forces and processes that lead or may lead to certain action. The subject matter of praxeology deals with human action that springs from emotions, motives, judgments of value and volition guiding man in the conduct of daily affairs. Psychologists try to "understand" why people have engaged and may again engage in certain actions. Praxeologists try to comprehend the inescapable regularity of phenomena to which man must adjust his actions if he wants to succeed. He studies the laws of human action and social cooperation as the physicist studies the laws of nature.

The specific understanding of human motives and emotions is no mental process that is limited to psychologists. It is applied by everybody in the conduct of his affairs with others. We apply it in all our interhuman relations. The businessman needs information about other people's plans and valuations. The teacher should understand the psychological problems of his pupils.

Psychology has no special relationship to praxeology and economics. Certainly every concrete choice of acting is the result of valuing. But praxeology is not concerned with the psychological aspects of valuation. Its subject is not the process that produces a definite decision, but its result: action. It is neutral with regard to the motives that induce a man to aim at certain ends.

When Leonard wore his psychological hat he was not neutral with regard to his environment. He sought to learn all he could know about ultimate ends and judgments of value. But when he wore the hat of an economist he deliberated on the means that need to be applied to

achieve the desired ends. All that mattered to him, the economist, was the suitability of means. And yet, he never lost sight of the end when he deliberated on the means. Again and again he warned his readers about "unenlightened ends." In his *Journal* (12/30/62) he disavowed personal wealth and affluence: "If people were to make material affluence an end in itself, I wouldn't object to the teaching of sound economics that they might attain this unenlightened end, but I would not put a cent of my money into such education nor would I be interested in having a FEE." At another place (*Journal*, 12/14/52), he reminded materialists of "life's higher purposes." "I wonder about materialists—those who think only in terms of creature comforts such as mink coats, gilt houses, 'keeping up with the Joneses,' security for old age; in short, wealth. Much is written decrying this situation—the philosophers whom I think sound argue that this is the ill of our times; so many folks having wealth as the end in life rather than as the means to a higher end. It occurs to me that the materialist is what he is because he is unaware of any higher end. The person who is aware can hardly be confused. Thus, it is useless to scold the materialist for being what he is. Indeed, is there anything one can do beyond demonstrating life's higher purposes?"

Leonard viewed personal wealth with great suspicion as it may blind the owner to higher ends and constitute a serious handicap to personal emergence: "Only a people who struggle for what they obtain will highly prize it or, perhaps, a people with culture enough to live in an affluent state. What is theirs will be lightly parted with if it is acquired without effort. Being born with a silver spoon or into a highly efficient economy is a far greater handicap to one's emergence than being born poor. Today, millions of Americans are wealthy who have done nothing toward the acquisition of their wealth. It wouldn't be quite so bad if they only knew this." (*Journal*, 11/16/64).

Leonard returned to economics when he deliberated on the suitability of political means to achieve economic ends: "The more I reflect on the matter, the more it seems to me that the economic, social, and political issue revolves around freedom of choice. Too many persons are dissatisfied with what their own efforts provide so they devise ways to widen their own choices by narrowing others' choices. Thievery is one way but it is inefficient and frowned upon. The political route is efficient and approved, even by the clergy. The



market route is the only honest one. Money avarice is more easily controlled than power avarice." (*Journal*, 2/3/58). And once again he thought like a psychologist when he deliberated on the psychic forces and processes that lead to certain choices: "Williams' book, *Subconscious Mind*, has one great lesson to teach: The subconscious, while the creative part of the mind, has no capacity to make choices. Only the conscious mind can choose. Therefore, the subconscious acts on only what is fed it by the conscious. Feed it junk—funnies, TV trash, radio goop, novel slush, bad thoughts of any kind—and that is what it goes to work on. The reverse holds true as well. Committing an evil act is not all that is evil. Thinking evil is evil too." (*Journal*, 6/2/53).

In his book *Deeper Than You Think* (FEE, 1967, pp. 108-110) Leonard Read drew a sharp distinction between psychic gains and economic profits. Both, according to Leonard, can be achieved best in a social order of individual freedom and voluntary exchanges: "The advocate of freedom may not command others to share his enthusiasm. But he should do everything in his power to correct the widespread illusion that the willing exchange of the free market is limited to materialistic considerations and neglects the 'higher things of life.'

"There was no science of economics nineteen hundred years ago—and it would take eighteen of the intervening centuries for someone to discover and describe the marginal utility or subjective theory of value. Yet, we know that at least one individual at that time had a sense of values seldom matched today: 'For what shall it profit a man, if he shall gain the whole world, and lose his own soul?' Mark 8:36

"The reference here is to two distinct kinds of value. To 'gain the whole world' relates to economic gain or profit (entrepreneurial, monetary, material); to 'lose his own soul' has to do with a spiritual or psychic loss.

"So there are in life two categories of satisfactions: material and mental. It is reasonable to want a comfortable house, health-giving food, adequate clothing, an automobile, and what are called the amenities. And most of us today are in no danger of ignoring this part of life. It is our mental and spiritual growth that we tend to

neglect as we busy ourselves making a living and keeping up with the Joneses. Preoccupation with economic profit often deflects our attention from what might be termed psychic profit.

"Incredible as it may seem to some people, not all values are economic. But suppose my whole experience were devoid of any economic gain, that I am starving. Then, more than likely, the all-out pursuit of economic gain would take precedence. The choices a man makes for his own life are personal; they are based on his scale of values—his attempt to put first things first. Such a value judgment, of course, is subjective; only I—no one else—can determine what is or isn't a gain for me. There is no objective standard by which individual value of choices can be mathematically or statistically reckoned.

"It should be obvious that human action may be motivated by the urge for either economic or psychic satisfactions, or by both. And even though an acting individual may not always be able to fully explain his psychic motivations to the satisfaction of others, he may nonetheless be more powerfully motivated by them than by the cold logic of economic gain. And the final entry in the calculus of the market registers simply how he acts—not why. The *why* is a matter of his own choice."

For Leonard Read there was no standard of greater or lesser satisfaction other than individual judgments of value, which differ from person to person and for the same person at various times. Some people labor only to improve their own conditions, others are concerned about the misery and suffering of their fellowmen. There are some people who strive for food, drink, fine housing, and other material things. Others strive toward "higher" and "ideal" goals. Leonard was one of those rare individuals whose ultimate goal of his earthly pilgrimage was to move unflaggingly in the direction of Infinite Intelligence. This spirit is what we call God.

## Chapter X

### Anything Peaceful

Many economists favor the private property order because it is the only efficient order. It assures high levels of economic productivity and high standards of living. The market order is the only rational order, they believe, permitting people to cooperate in peace and harmony and allowing their choices and preferences to guide economic life. The only alternative to the private property system is the political command system. It rejects the free choices that guide the former and replaces valuation and pricing with government discretion and command.

Leonard Read, the economist, argues in a similar fashion, but immediately points at the ultimate destiny of man to emerge or evolve. He seeks freedom including economic freedom, in order to facilitate man's evolution. Leonard's 1965 book, *The Free Market and Its Enemy* (pp. 1-2), points the way:

"My premise is that the destiny of man is to emerge or evolve toward an advancing potential and that individual liberty is essential to such progress....

"The reflections which follow are not aimed at swerving anyone from whatever life purpose he may have set for himself. That's his affair not mine. Instead these brevities are offered to those whose ideological and spiritual premise approximates my own: that man's earthly purpose is to expand one's own consciousness as nearly as humanly possible into a harmony with Infinite Consciousness or, in lay terms, to realize, as best one can, those creative potentialities uniquely his own. The lyrics to the music I hear have a clear refrain: the supreme purpose of life is 'to hatch,' to emerge, to evolve.

"It seems hardly necessary to belabor the point that liberty is an essential prerequisite to individual emergence. That ground is already well covered. Nor is it necessary, among serious students of liberty, to explain why economic freedom is a basic requirement. We are acutely aware that freedom of speech, of the press, of assembly, of religion—all of these—rise or fall as the market is freed or restricted. Our wishes cannot affect this truth, it has to be this way.

For anyone who accepts the above assumptions—all categorically expressed but easily demonstrable—it follows that his own *evolving*

*life depends on the fate of the free market.* The market is not just a materialistic device, as many seem to believe. Spiritual expression is implicit in the free market, and the spiritual development of man is contorted by an interference with the market."

For most economists, economics is the study of the allocation of scarce resources among unlimited and competing uses. It is the social science that explores the ways in which man seeks to satisfy his material needs and desires. It does not examine what people *ought* to want, merely what they *do* want. Economists usually relegate the first question to the realm of ethics, aesthetics, or religion. Where they make assumptions, explicit or implicit, about the proper goals of economic activity, they are said to enter economic philosophy or "normative economics." The study of the application of means is called "positive economics."

Leonard Read always had his eyes on normative economics. To him, economics was not about things and material objects. It was about acting man who seeks to apply appropriate means to achieve his chosen ends. Economics was not "the study of the allocation of scarce resources among unlimited and competing uses," nor the study of "the ways in which man seeks to satisfy his material needs and desires." It does not deal with "economic man," a creature essentially different from real man. Economics, according to Leonard Read, comprises much more than the observation of a businessman who usually is depicted as a perfect egoist, buying at the lowest possible price and selling at the highest possible price, always intent upon accumulating more wealth. It studies the economic consequences of the actions of all participants in the market process whether they are acting "egotistically" or "altruistically." Whether man acts to enrich himself or to make a gift to a charitable institution, his actions have consequences on the determination of goods prices, the income of producers, and the allocation of resources.

The classical economists had elevated the "economic man" to the center stage of their concern because they failed to come to grips with the problem of value. As they failed to trace the market process back to the consumers who attach their values to consumers' goods, they placed the businessman at the beginning of their economic reasoning. Nothing was said about the valuation process by which all participants initiate economic production and distribution and issue their orders to the businessman. Nor did they see that all participants rationally or

irrationally, selfishly or altruistically, with knowledge or in ignorance, determine the real course of human events. It was left to the neo-classical economists to lay this new foundation for economic thought. In particular, modern marginal utility economics built on the choices and actions of not just "economic man," but all men.

In his book *Anything That's Peaceful* (1964) Leonard Read built his theories on this new foundation. "How much economics does one have to know," he asks, "to settle, in one's own mind, how and by whom economic justice shall be rendered? He has to know and fully comprehend only this: Let the payment for each individual's *contribution* be determined by what *others* will offer in willing exchange. That's enough of economics for those who know they know not.

"This simple theory of value, the greatest discovery in economic science—never formalized until the year 1870—is known as the marginal utility theory of value. It also goes by two other names: 'the subjective theory of value' and 'the free market theory of value.' Testimony to its simplicity was given by Eugen von Böhm-Bawerk, perhaps its greatest theoretician:

"And so the intellectual labor that people have to perform in estimating subjective value is not so astounding as may appear...incidentally, even if it were a considerably greater task than it actually is, one could still confidently entrust it to 'John Doe and Richard Roe....' For centuries, long before science set up the doctrine of marginal utility, the common man was accustomed to seek things and abandon things. . . he practiced the doctrine of marginal utility before economic theory discovered it." (pp. 154-155)

For Leonard, economics was not the science of business transactions. Economists need not be businessmen nor need businessmen be economists. Certainly there were successful businessmen, such as David Ricardo, who made great contributions to economic knowledge. And there were outstanding economists who were eminently successful in their business ventures. But they were the exception rather than the rule. The businessman in his capacity is no practitioner of economics nor is the economist a theorist of business. Economists deal with all market phenomena not just with business activity. They need no business experience, merely the ability to think logically. On the other hand, many businessmen have little economic knowledge although they manage their assets rather well.

Even entrepreneurs who find new ways of doing business need not have economic knowledge. The inventor of a new machine or method of production may be highly successful as a businessman because he succeeds in reducing his costs of production. The builder of a new automobile that revolutionizes transportation may be a great businessman as may be the builder of office buildings, department stores, apartment houses, and so on. But with all their profits earned by rendering valuable economic services they may yet be ignorant of basic economic principles. Only those successful entrepreneurs who specialize in changes in the market process may have an understanding of economic principles e. g., the investors who correctly anticipate the future effects of present government policies. Similarly, the successful speculators in foreign exchange who consistently earn entrepreneurial profits presumably know the causes and effects of inflation and the working of currency markets. And yet, such knowledgeable individuals may or may not defend the economic order that permits unhampered markets to function.

Leonard Read emphasized again and again that the defenders of individual freedom and the market order must not expect businessmen to come to their support. In his 1972 book *To Free or Freeze, That is the Question*, he warned his readers against false expectations:

"The free market, private ownership, limited government way of life—sometimes referred to as capitalism—is wasting away because so few understand its philosophical underpinnings and the prerequisites for its survival. Those interested in reversing this sorry trend are well advised to align themselves with the realities of the situation so as not to waste energy in futile endeavors but rather to concentrate on the possible. Away with the fruitless that the fruitful may be pursued!

"Ask a hundred persons what capitalism is and get a hundred different answers strikingly diverse if not contradictory, ranging all the way from entrenched privilege and monopoly to an ideal concept of capitalism featured by freedom in transactions, free entry, competition, cooperation, voluntarism, to each his own—in a word, a fair field and no favor. To proclaim oneself in favor of capitalism in today's babble of tongues is to evoke approval from a few and disfavor from the vast majority, so slight is the understanding of the issues involved.

"An outstanding reason for this is the assumption that businessmen should be the key spokesmen for capitalism because presumably they are true exemplars and beneficiaries. The fact is that

businessmen generally possess moral, ethical, intellectual, and ideological traits as varied as those to be found among students, teachers, politicians, football players, or any other occupational category. To fix upon businessmen as exemplars of freedom would be no more accurate than to classify them as socialists, or fiddlers, or gastronomes. They are a mix of every fault and virtue known to man.

"If a businessman is a capitalist in the sense that he upholds the ideal of a market economy, it is not because he is a businessman but, rather, that he is a student who sees through the fallacies of socialism and grasps the efficacy of freedom. Indeed, in the absence of a principled stand for capitalism, those of high energy with a strong desire to achieve and get ahead—entrepreneurs—are forever tempted to use their high positions in a political way to exploit the masses, that is, to become anticapitalists. The exceptions, the entrepreneurs who maintain a principled capitalistic position, are men who have 'worked against the grain'—an admirable moral and intellectual achievement. These are men who stand for freedom in spite of being businessmen." (pp. 176-177)

In his 1976 book *Comes the Dawn* Leonard raises the question "Where then should we look for our emancipators?" He concluded that the solution rests with seekers of wisdom, thinkers of extraordinary caliber.

"To understand the nature of our problem consider the severe and relentless attacks upon business from every conceivable source, including some businessmen themselves. On the other hand, many businessmen around the nation are frantically attempting to defend business enterprise against these ruthless blows. Are we to expect thinkers of the required quality to emerge from among these distraught persons? Yes, one now and then; but expect no more real thinkers from the ranks of businessmen than from other walks of life—physicians, clergymen, importers, printers, carpenters, cobblers, or whatever profession. No more now than was the case two hundred years ago.

"A fact rarely suspected, let alone understood, is that businessmen are by no means the chief beneficiaries of the free market, private ownership, limited government way of life. Many business ventures fail entirely. Who then are the beneficiaries? *The masses!*

"Politicians, bureaucrats, editors, news commentators, 'economists' 'teachers,' and other word artists who denounce private

enterprise and praise socialism are their own worst enemies. By attacking and maligning those who try to out-compete others in order to make as much of a fortune as possible, these attackers are *unwittingly* destroying the sources of their own livelihood. They kill the geese that lay the golden eggs—and don't know it!

"Nor do businessmen, except in rare instances, have the welfare of the masses at heart. They labor to make money but in doing so they *unwittingly* serve others!" (pp. 110-111)

Businessmen, like many individuals untrained in economic thinking, tend to hypostatize, i.e., they ascribe substance and real existence to mental concepts. They think in terms of collectives such as "social classes," "countries," "nations," "society," "business," "labor," etc., and arrive at a higher reality and moral dignity for their constructs. To them "business" represents the best economic interests of the "nation"; all other collectives are of lower rank.

Leonard was ever mindful that such collective terms describe neither a substance nor acting individuals. They reveal not only an epistemological fallacy that hampers economic analysis, but also a bias for political aspirations that are harmful to individuals. In his own words:

"Only the individual has combined powers of reason and self-control by which to refrain from doing to others that which he would not have another do unto him. Such personal attention to responsibility tends to be lost when individuals are absorbed into special interest groups; these collectives have no perceptual powers, none whatsoever!

"How did we stray so disastrously off course and wander into this special interest, collectivistic situation in the first place? Quite simple! Individuals—millions of them—failed *constantly to correct* their moral and ethical positions as they ventured toward expanding horizons. By taking their eyes off one of the most important guidelines they surrendered their individuality and lost themselves in the numerous collectives. A collective can no more practice the Golden Rule than it can think, and the same is true of persons who allow themselves to become collectivized.

"There are other guidelines on the societal instrument panel which must be scrupulously heeded if we would stay on course. Among them are the Ten Commandments. I shall choose one at random, sufficient to make my point.



"Take 'Thou shalt not steal' and note how easy it is to stray off course unless one is constantly correcting. How many among us will personally rob another? Perhaps one in ten thousand! The vast majority of us would starve before snatching another's purse. Personal observance of this Commandment is so much a part of our heritage that honest behavior is little more than doing what comes naturally, and who will contend that it should be otherwise? Such a person can hardly be found; nearly everyone believes that this is a good guideline.

"But observe what has happened to these 'honest' millions, the ones in the United States. The vast majority who would not snatch a purse to gain a few dollars will now advocate schemes taking not less than \$150 billion annually. They will take a substantial part of each other's income and capital and do so without the slightest qualm. Most of them, as they feather their own nests at the expense of others, will think of these actions as righteous rather than sinful. Why so far off course?

"First, is the depersonalization of the action; the taking is not done on anyone's personal responsibility but in the name of some so-called social good or group. Second, this taking has been legalized which, to nonthinkers, makes the action seem all right. And, third, these people apparently have had no instructor who said, 'I am not checking as to whether you are on course or off but only to make absolutely certain that you are constantly correcting.' They have taken their eyes off the instrument panel—off this guideline—and are now so far into 'the wild, blue yonder' that they regard taking each other's sustenance as benevolence. Petty thievery they reject; coercive taking from each other on the grand scale they accept. 'Thou shalt not steal' has become a mere Biblical tag line instead of a hazard-avoiding guideline." (*To Free or Freeze*, pp. 151-153)

In his economic analyses Leonard Read was a methodological individualist. By studying the actions of individuals, he ascertained the virtues and shortcomings of man, his capabilities and his limitations. Leonard did not deny that social entities have real existence. He did not contest that nations, states, political parties, religious groups, are real factors that affect the course of history. In fact, he considered it an important intellectual task to analyze their influence. He was always mindful that man is a social being who engages in social cooperation and division of labor, belonging to different groups at the

same time—to nation, state, and church. But Leonard consistently refused to perceive the collective without perceiving its members.

As economist he summarily rejected the macroeconomic approach to economic analysis, which looks upon the national economy as if it were an integrated unit, and proceeds as if economic life is the outcome of the operations of one macroeconomic unit upon another. It creates the image of a holistic system that is tabulated and managed from above, and offers a convenient tool to central planners who would manage the economic lives of their subjects. For Leonard, all macroeconomic concepts were empty and yet dangerous, lending themselves to political manipulation and demagoguery. In his own words: "Macro: meaning large, comprising the universe, as distinguished from the individual components. Macroeconomics, for instance, refers to the economy as a whole without relation to the individual components. The term recently has come into popular use for what might otherwise be called the economics of collectivism, the centrally planned economy, the welfare state, with emphasis on national income, social progress, full employment, and the like, instead of private property, freedom of choice, self-responsibility, and other aspects of individualistic 'microeconomics.' In earlier times, macroeconomics had its equivalent in tribal custom, feudalism, mercantilism, and other variants of collectivism. Today, its top practitioners are to be found in Russia, Red China, Uruguay, Cuba." (*Let Freedom Reign*, p. 39)

The American macroeconomist blithely accepts and tabulates market prices that are the outcome of countless individual valuations and choices. Although these value judgments determine the course of all production activities, the macroeconomist projects the image of a holistic system with life and production of its own. He then proposes a "more equitable distribution" of the collective product through the political process.

To Leonard Read, such macroeconomic concepts were mere political slogans devoid of any scientific value. They make government an autonomous sector of national production and income and the central distributor of the national product. As such they are spurious, misleading, and even harmful. A rise in government spending, for instance, invariably raises national income although every penny of government spending is extracted from taxpayers or inflation victims. A hundred million dollar boost in spending financed through currency

creation raises national income by this very amount, although the spending impoverishes most people immediately. It boosts prices and inflicts losses on all savers and money holders. It is even conceivable that government spending, in a frenzy of hyperinflation, may reduce individual incomes and standards of living to starvation levels while national income soars to incalculable heights.

Macroeconomic analysis, according to Leonard, is the favorite method of those economists who aim at a greater equality of individual incomes through political redistribution. At first, they establish the "gross national product" devoid of all the choices and efforts by millions of individuals who produce it, and then they propose to manage its distribution. In *Deeper Than You Think* Leonard eloquently explodes the GNP analysis:

"The argument is between those who pose society, the nation, the over-all economy as the prime unit and the small minority who insist that all meaningful comparisons in progress must be made in terms of the individual.

"First, let us ask, how would a bureaucracy, with its numerous interventions in the market place, go about measuring economic progress? The task is greatly hampered by the fact that economic calculation, which is founded on market data automatically supplied in a system of free competitive pricing, is denied in socialism; it is impossible. Leading communist 'economists' concede the point. Yet, the interventionists are faced with decision-making. And in the absence of economic calculation, they have but one recourse: statistics! Statistics are, in a crucial sense, critical to *all* interventionist and socialistic activities of government.... Only by statistics can the Federal government make even a fitful *attempt* to plan, regulate, control, or reform various industries—or impose central planning and socialization on the entire economic system.

"When an economy is controlled by government, prices are not established by competitive forces but by bureaucratic edict. Edicts are written, modified, repealed in accord with bureaucratic judgments. Thus it is that they are compelled to form judgments from their readings of the statistical data they compile. While the ups and downs in employment, standard of living, and many other data are contrived for their use, the usual statistic for measuring economic growth or progress is gross national product (GNP).

"The GNP idea is subject to several obvious flaws:

1. If I divorce my wife and hire her as a cook at \$50 a week, the GNP will increase by \$2,600 annually. How, pray tell, is there any economic growth or progress in that maneuver?

2. If the Defense Department spends \$50 billion instead of \$1 billion on war and its hardware, the GNP will rise by \$49 billion. The larger expenditure may or may not increase our security but, assuredly, it represents no economic progress for you or me. We have a lower, not a higher, freedom of choice by reason of such outlays. To what economic use can a citizen put a battleship, or a nuclear warhead, or a dead 'enemy'?

3. Were we to spend \$40 billion to tear down New York City, the GNP would rise by that amount, the same as if we were to spend \$40 billion to build a new city.

4. The dollars we pay farmers not to grow wheat, or peanuts or whatever, boost the GNP just as do the dollars paid farmers for things produced.

5. GNP—expressed in the monetary unit—enlarges whenever the medium of exchange is diluted, that is, it gets bigger in an inflationary period. Contemplate what Germany's GNP would have been in 1923 when 30 million marks wouldn't buy a loaf of bread.

"What an inaccurate device is GNP, the so-called measuring rod of economic progress employed by intervening governments and so heartily endorsed by many economists!

"Why, then, is GNP used at all? Probably, there is no better statistical guide available to an intervening bureaucracy, that is, none more consistent with their gross-economy—as distinguished from individualistic—assumptions. Further, they have come to believe that spending, rather than productive effort, is the key to growth or progress. Were this true, then Germany achieved its peak of growth immediately prior to complete economic collapse. Were this true, we could experience enormous progress by the simple expedient of repealing all laws against counterfeiting! The fact is, exploding expenditures no more measure economic growth than does exploding population!

"I repeat, GNP is purely an invention and a device of an intervening government and/or its intellectual supporters. In an ideal free market society, with government limited to invoking a common

justice and keeping the peace, GNP is inconceivable." (*Deeper Than You Think*, 1967, pp. 70-74)

There is no gross national product in Leonard's system of economics, only a gross individual product. The value of a national economy is no more than the worth of its countless components which are the achievements of individuals. Nations do not advance their economies; but here and there, entrepreneurs stand up and introduce new ideas that benefit mankind. Every industrious man, in every productive calling, is helping to improve our lot. Through mutual cooperation and voluntary exchange individuals are laboring to improve economic conditions.

No master mind ever devised this mutual cooperation among individuals, no genius statesman or philosopher invented the rules of the market order. It came into existence, step by step, as a result of spontaneous actions of individuals aiming merely at improving their own conditions. Through their initiative and industry they undermined the coercive status system that was keeping the Western World in darkness, and gave us the private-property, market-exchange order. It came in peace through a series of gradual changes. There was no violence—no revolution.

And yet, the terminology of the coercive system lives on in the utterly misleading term, industrial revolution. Most historians use it to describe the great technological changes that began with the mechanical inventions, the factory system and industrial organizations in England in the eighteenth century and in the U.S. in the middle of the nineteenth century. For Leonard Read, the philosopher-economist, the term had an entirely different meaning: "What was the main outcropping of the Industrial Revolution which brought in its train the greatest and most beneficial economic changes in the world's history? It was freedom, the freedom of anyone to be his creative self; the freedom to exchange with whomever he pleased; the freedom to seek his own gain so long as he did it peacefully.

The very individuals, who in Adam Smith's time would have been serfs, were free to go as far as their aspirations and talents would take them. Once these so-called commoners were unshackled, their blindfolds removed—unmasked—their hidden potentialities literally burst forth. From these heretofore lowly folk emerged scientists, inventors, entrepreneurs, philosophers, educators, poets, and literary figures. Such names as Marconi and Einstein; Whitney, Edison, Bell

and McCormick; Leland Stanford, Carnegie, Ford, Sloan, and the Wright brothers; Bastiat, Booker T. Washington, Andrew Dixon White, Alfred North Whitehead, T. S. Eliot—and countless thousands of others, many born in poverty and rising to the top. The freeing of the human spirit! In a word, the free and unfettered market—at least its nearest approximation in all time." (*Castles in the Air*, 1975, p. 114)

In *Talking to Myself* (FEE, 1970, pp. 93-95) Leonard likened the "industrial revolution" to the opening of a road to economic wealth: "About 200 years ago, a remarkable political and economic enlightenment substantially removed the barriers—temporarily at least—that had closed the road to wealth. The baby was born: the open road to wealth! And it has been named the Industrial Revolution. Goods and services henceforth would be produced for the masses and not solely for the political elite.

"While the order of the successive steps in this enlightenment might be debated, it is my view that the first step was and had to be a recognition of human dignity. This is to say that each individual is as much a human being as any other; the son of a cobbler is entitled to opportunity no less than is the Prince; everyone equal before the law as before God—each his own man with a fair field and no favor. Any person, regardless of ancestry, free to rise to any height his energies and talents might take him. The road open!

"Implicit in this enlightened recognition is that each and every person has full and exclusive right to the fruits of his own labor. In a word, the acceptance of a moral principle—justice—led logically and positively to the economic tenet on which the open road to wealth is founded: *private ownership*. Not that private ownership displaced political ownership and special privilege entirely—far from it! But the barricades were broken; there was not only the prospect but, far more than ever before, the reality of the open road.

"Specialization, as might be expected, became the next step. Individuals, as they were freed from the bondage which abject poverty imposes, began to engage in an infinite variety of activities, each according to his unique talents and abilities.

"Then came the next flash of enlightenment: freedom in transactions. If a particular good or service is really mine and some other good or service is really yours, there follows logically from this private ownership the right to exchange with whomever one pleases.

It simply is nobody else's business. Freedom in transactions tended to become the rule rather than the exception.

"Assuredly, the next most important enlightenment came about 1870 when some economists discovered how ordinary people behave when free from controls. In other words, they discovered or came to understand the subjective theory of value. Until this time the value of a good or service had been reckoned by cost of production, that is, by the amount of exertion expended. This false measure of value had been a real hindrance to private ownership, specialization, and freedom in transactions. Following the discovery of the subjective theory, the value of any good or service, instead of being determined by cost of production or dictated by some cartel, was whatever could be obtained in willing exchange. It is that simple. The market value of my pen? Whatever you or some other customer will give for it. If there are no willing buyers, its value is zero; if the top bidder offers two dollars, that's its value."

On Leonard's open road to wealth the consumers were the ultimate sovereigns of the production process. The more energetic and talented people who are pressing ahead are forced to serve the interests of everyone in order to reach their own goals. Competition forces producers to seek daily approval for their production activities from the masses of consumers who buy or reject the products. The consumers render some enterprises profitable and others unprofitable, and thereby shift productive wealth from businessmen who bungle their operations to those who serve more efficiently. Personal wealth is the fruit of service to others and of thrift, i.e., abstention from consuming this wealth. It is both the effect and the cause of public well-being. Describing American standards of living Leonard pointed at the cause: "In all the world's history there has never been a situation that even comes close to the American phenomenon: millions upon millions rising to material success, affluence on an unprecedented scale, individuals in our 'lower income brackets' having more conveniences and gadgetry, better food, clothing, housing, transportation than lords of the manor ever had. America is populated with affluent individuals, and here's the point: affluence in ever so many instances is no longer associated with struggle. So productive are specialization and free exchange that success has come almost as if by magic—not something-for-nothing but a great deal for almost nothing. This is not to suggest that the present affluence is unearned

but only to state a fact: much of it has been easily earned. Millions of individuals are behaving as if the struggle were over: do next to nothing and still live in luxury!" (*Then Truth Will Out*, 1971, p. 87)

Leonard frequently went beyond a simple description of consumer sovereignty in the market system. In the long run, economic affluence, according to Leonard, is the fruit of ethical and righteous action: "Reflect on the millions of Americans living today in affluence beyond the dreams of any other people at any other time. But note how few there are who have the slightest awareness of source. They seem to think that all of this is their due, automatically, for merely being alive. The hard and sobering fact? All of this array of gadgetry—dishwashers, autos, telephones, air transportation, electric lighting and heating—is beyond their ken. There is not one among those countless items that any living person knows how to make. Yet, most Americans are thinking, if not saying, what man long ago was warned against, 'My power and the might of mine hand hath gotten me this wealth.' They have lost sight of the fact that all of 'these things' have resulted from the knowledge and practice of difficult human virtues. These things are but dividends—reactions—in response to righteous action." (*Who's Listening?*, 1973, p. 72)

In his *Journal*, which he kept faithfully for over 10,000 days, Leonard emitted light for himself. He reflected on the wisdom of God's creation and the follies of man. In these pages Leonard had no design but to speak to himself and therefore, said a great deal in a few words about the market order.

"We live by exchange. While this is not much understood, the fact is so instinctively ingrained that trade can suffer enormously destructive forces and still go on. Labor union assaults and inflation, to mention only two, do not stop trade—not until the destruction is complete." (2/14/68)

"When we say 'Leave it to the market,' everyone, or nearly everyone, thinks we are commending impersonal forces to look after welfare. Actually, the market is what's personal, intimately so and in detail, whereas the alternative, government overseeing, is what's impersonal." (11/26/70)

"The market with its free pricing automatically and speedily computes literally billions of factors which no man or set of men, regardless of how brilliant, could ever assemble let alone know about. The most fantastic electronic computer imaginable could not hold a



candle to the market for giving the data by which we live." (9/8/63)

"The free market performs a seemingly impossible function *for free*. Man's variable energies are configured automatically and with no more cost to man than molecular configuration in nature. Socialism, on the other hand, rejects this free service and installs the costly man-directed configuration system. No man can do it so bureaus are set up, costly statistical apparatuses are put into action. Frustration meets this system at every turn and its costs grow and grow. It is not subject to correction. Abolish it and get the job done for free." (4/4/61)

"Assuming a more or less common sentiment as to the kind of a society we have in mind as the ideal, our aim would be well served if we could settle on a common term which would express what we have in mind. The term should be more fundamental than any of the others and should be the least subject to misconstruction, I am convinced that the term is 'the willing exchange economy.' I have used this quite often but am unaware of anyone else who does." (3/4/65)

Leonard Read, the economist, was searching for his own road, carrying his own lamp. In all his pursuits he impressed us with the richness of his interests and the wisdom of his observations. His great faculties converged into his own identity that separates him from every other economist. We may attempt to classify him as a scholar, but any classification, no matter how carefully delineated, is bound to be controversial.

Many hold that Leonard Read was one of the most notable economists of our time. His claim to originality in developing "the economics of willing exchange" cannot be disputed, and his name will ever be associated with the rebirth of the freedom philosophy. His calm, clear analysis of all aspects of economic freedom is bearing rich fruit throughout the world of thought.

It is interesting to speculate on some of the influences that helped stimulate and mold the thinking of this great mind. His theories reveal considerable similarities with those of Frederic Bastiat, the French journalist and political philosopher, to whom he refers in many of his writings. Read, like Bastiat one hundred years earlier, was a strong believer in a beneficent order of things; the natural law, if let alone, would bring the economic world into harmonious order. Man has an inalienable right to his life and the fruits of his labors. Bastiat is

usually classified as a member of the Classical School of economics; Leonard Read, while shunning allegiance to any school, walked in the footsteps of that great tradition.

Leonard's first book, *The Romance of Reality*, reveals Read's great debt to William Graham Sumner and T. N. Carver. As the manager of the Chamber of Commerce Western School for Commercial Organization, Read tried in vain to engage Thomas Nixon Carver, Professor of Political Economy at Harvard for 32 years. Read, himself, referred occasionally to the influence which Carver's writings had on his thought, in particular, Carver's *Distribution of Wealth* (1904), *Essays in Social Justice* (1915), and *Principles of National Economy* (1921). On Carver's recommendation Leonard learned to rely on his young disciple, Dr. V. Orval Watts, as the School's favorite instructor. When Leonard became General Manager of the Los Angeles Chamber, Dr. Watts followed him as Economic Counsel and full-time economist. Read and Watts became close associates in the cause of sound economics.

William Graham Sumner, Professor of Political and Social Science at Yale for 38 years, greatly influenced Leonard Read's thought on money and banking. As a young Chamber of Commerce manager, Read became familiar with Sumner's classics *A History of American Currency* (1874) and *A History of Banking in the U.S.* (1896). His *What Social Classes Owe to Each Other* (1882) made a lasting impression on Leonard Read as it introduced him to the great issues and important economic questions of our time. It is no coincidence that Read's early mentor, William C. Mullendore, wrote the introduction to the 1952 edition by the Caxton Printers.

Undoubtedly there were others who, through their writings, exercised some influence on the general philosophy of Read, as well as on his economic opinions. To mention just a few names: Professors J.B. Clark, C. J. Bullock, and F. W. Taussig. But from the day FEE opened its doors in 1946, Henry Hazlitt, one of the seven founder-trustees, and Ludwig von Mises, the economic adviser to FEE, exerted their "Austrian" influence, added their energy, and created new thought.

Influence never dies. The thought of great men is the beginning of so long a chain of consequences that no one can tell what the end will be. Read, the student of economics, had many teachers who kindled his fertile mind. Leonard Read, the teacher of economics, has

inspired millions of pupils with a desire to teach themselves. The public wakening of interest in sound economics and the growing enthusiasm about "the willing-exchange economy" constitute an enduring monument to Leonard Read's energy and talent.

## Chapter XI

### The Shadow of Politics

In political affairs Leonard Read pondered about the major issues of the day. He was modern and yet classical in his search for knowledge. In classical fashion he pursued aggregations of interests in social philosophy. His subject matters were collections of loosely related topics that reflect the social and political philosophy of his age. But he was very modern when he reached beyond the study of political matters and searched for knowledge of the sources of power and decision-making.

No concept of classical political science has a longer history than that of the "state." Most writers point at Machiavelli as the first user of the term, replacing earlier concepts, such as kingdom, dominion, empire, principality, and commonwealth. To Leonard Read, this tradition of the state as a central political concept testifies more to the persistence of political power and practical politics than to an understanding of political life. Therefore, Leonard denuded the term of most of its political overtones and reduced it simply to a neutral and empty concept merely identifying the actors on the national and international scene.

Leonard Read identified the subject matter of political science as an activity, behavior, or, in a certain sense, function. The "functional" approach permitted him to generalize and theorize, going beyond the variable historical structures and institutions. He discussed political activities, whether they were in highly centralized states or democratic organizations, in tribal systems or diffused international organizations, in socialism, mercantilism, feudalism, or whatever. As thought finds its way into action and, in the end, rules the world, he dwelled on political thought that absorbs and explains the action.

Leonard observed two polar opposites in political theory: "Absolutism: There is, on the one hand, the philosophy that starts with the premise that the individual in himself is nothing but a unit in the structure of the society or the state, realizing himself only as the state assigns him a field of accomplishment. There are some imposing names in this tradition—Plato, Hegel, Fichte, F. H. Bradley, Bosanquet.

"Liberalism: on the other hand, there is the philosophy whose initial premise rests on the concept of the supreme worth of persons.

According to this philosophy, individuals have a priori right to life, with the corollary rights to defend and sustain that life. Society is simply the name given to the human relationships within which individual persons further the ends of life, and government is simply an agency, instituted by contract, to protect individuals in their God-given rights. There are imposing names in this tradition: Locke, Adam Smith, Jefferson, Bastiat, Mill, Spencer, Mises.

"Is there a Middle Ground? Most of us do not care to embrace either extreme, choosing rather to place ourselves somewhere in the middle. Is there a middle ground which is philosophically tenable? If so, where is it? A Higher Law? Is there a moral order, not subject to human revision or repeal, to which the human order ought to conform, by which the social order is judged? If so, which political theory is most nearly harmonious with it?" (*Journal*, 5/13/52)

In search of an answer to this central question Leonard blazed a new pathway by analyzing the meaning and significance of political power in relationship to inexorable principles and virtues. In *Anything That's Peaceful* Leonard built on man's moral right to self-defense: "As the individual has the moral right to defend his life and property—a right common to all individuals, a universal right—he is within his rights to delegate this right of defense to a societal organization. We have here the logical prescription for government's limitation. It performs morally when it carries out the individual moral right of defense.

"As the individual has no moral right to use aggressive force against another or others—a moral limitation common to all individuals—it follows that he cannot delegate that which he does not possess. Thus, his societal organization—government—has no moral right to aggress against another or others. To do so would be to employ strife or violence.

"To repeat a point in the previous chapter, it is necessary to recognize that man's energies manifest themselves either destructively or creatively, peacefully or violently. It is the function of government to inhibit and to penalize the destructive or violent manifestations of human energy. It is a malfunction to inhibit, to penalize, to interfere in any way whatsoever with the peaceful or creative or productive manifestations of human energy. To do so is clearly to aggress, that is, to take violent action." (p. 34) Leonard spent considerable time and effort describing and defining power

relationships between individuals and various groups of individuals, and judging them in the light of "awareness": "let's examine the millions who lord it over others—parents over children and vice versa, husbands over wives and vice versa, employees over employers and vice versa, politicians over citizens and vice versa. How are we to account for those afflicted with the authoritarian syndrome? What lies at the root of this egomania? From whence comes this dictatorial penchant?

"Some insist that it is a natural, instinctive trait of the human being, others say it is rooted in fear. To Hobbes, men were brutes so life degenerated into a perpetual condition of 'war against every other' in a struggle not just to survive but to dominate his fellows. President Wilson pressed for self-determination as a right of all people, on the assumption that they wanted to rule themselves. According to Hobbes, they want to rule each other. Even the distinguished moral philosopher, Adam Smith, suggests that this lust for power may be the principal motive for slavery: Said he, 'The pride of man makes him love to domineer...'

"I am convinced that what we call a lust for power does not stem from any of these 'causes' but, basically, from unawareness. It is a weakness more than a lust; men resort to force for a very simple and an easily observable reason: *they do not know any better!* With notable exceptions, men are:

"*unaware* of how little they know. Without an awareness of minuscule knowledge, they can envision a better world only as others are carbon copies of themselves. Their remedy? Cast others in their image by force, if necessary.

"*unaware* that were everyone identical, all would perish!

"*unaware* that our infinite variation in talents and virtues merits approval rather than censure, for variation is implicit in the Cosmic Order.

"*unaware* of an inability to mold the life of another beneficially. Each individual has but the dimmest notion of his own miraculous being; about others he knows substantially nothing. Man is not the Creator!

"*unaware* that consciousness has its origin in the voice of the mind. This is composed of the voice within—reason, insights, and the like—plus those enlightened voices of others which one may perceive

and embrace. Together, they make up and circumscribe one's consciousness.

"As you see, I am insisting that the domineering trait has its origin in unawareness or, to put it bluntly, in sheer ignorance—whether evidenced by you or me or any others. To call it a natural instinct is to insult Nature! Or to argue that God does not know what he is up to!

"Socrates was aware. He exclaimed, 'I know nothing.'

"Montaigne was aware. He inscribed on his coat of arms, 'Que sais-je?'—What do I know?

"And the late Ludwig von Mises was aware, as he demonstrated during an evening at my Los Angeles home in 1941, shortly after his arrival in the U.S.A. Present were a dozen of the best friends of freedom in Southern California—Dr. Thomas Nixon Carver, Dr. Benjamin Anderson, Bill Mullendore, and the like. We listened to the great teacher for several hours. Finally, the President of the Chamber of Commerce said 'All of us will agree with you that we are headed for troubled times but, Dr. Mises, let's assume that you were the dictator of these United States and could impose any changes you think appropriate. What would you do?' Quick as a flash, Mises replied, 'I would abdicate.'" (*Castles in the Air*, 1975, pp. 14-16)

Throughout his voluminous writings Leonard Read dealt again and again with the problems of government intervention in economic life. He brilliantly refuted the doctrines and theories that would make politicians and their appointees the guardians of morality and the directors of economic life. But he readily admitted that man needs a government that is ready to repel aggression against human life and property. Peaceful human cooperation, which is the prerequisite of prosperity and civilization, cannot endure without a social apparatus of defense. There are evil men who would rob and murder, states that would conquer and plunder. Such evils can be prevented only by an organization that is prepared to repel violence through similar violence. This organization is government. It is a means that copes with man's inherent imperfections and innate impulse to violence. It is no "necessary evil," but a necessary means for the attainment of a beneficial end.

Leonard did not search for a perfect system of government. Any such search, he believed, would be fallacious and self-contradictory. Government can never be perfect because it owes its existence to

man's imperfection and must resort to coercion in order to subdue the imperfection. That is, government uses the very method it is called upon to prevent.

To entrust some individuals with the authority to use force is to lead them into irresistible temptations. As opportunity often makes the thief, so does the authority to coerce turn the defenders to the most dangerous aggressors. They tend to misuse their power to oppress those they were supposed to defend from oppression. To prevent this tendency of government from turning into tyranny is the main political problem that has occupied the champions of freedom since the beginning of time.

In many of his writings Leonard returned to this basic problem of social organization. In *Let Freedom Reign* he described how things get out of hand: "Everything human is subject to corruption; situations get out of hand.

"It's easy enough for the citizenry to delegate the policing or disciplinary task to the formal agency of society, but it's quite another matter for the citizenry to keep the agency itself within bounds. For, short of anything yet accomplished in history, the agency will, sooner or later, declare out of bounds not only destructive actions but various creative and productive actions as well. Two among countless examples: It is out of bounds to raise as much wheat as you please on your own land and, in New York City, at least, to mutually agree with your tenant what rental he shall pay. In a word, government, having a monopoly of the police force, will tend to act indiscriminately in its out-of-bounds edicts. And, it has always been thus: '...the greatest political problem facing the world today is... how to curb the oppressive power of government, how to keep it within reasonable bounds. This is a problem that has engaged some of the greatest minds of the eighteenth and nineteenth centuries—Adam Smith, von Humboldt, Tocqueville, John Stuart Mill, Herbert Spencer. They addressed themselves to this particular issue: What are the proper limits of government? And how can we hold government within those limits?' (*What's Past is Prologue*, 1968, p. 14)

"The dilemma seems to be that government is something we can't get along without and something we can't get along with.

"Considering the great men who have attempted to resolve this dilemma, it seems unlikely that any one of us will hit upon a final



solution. But we can and should entertain the hope of shedding a bit more light on the matter. My effort is no more pretentious than this." (pp. 58, 59).

In *Government—An Ideal Concept* (1954) Leonard reasoned: "We must recognize the nature of society's political apparatus. It has, ideally, the single, distinguishing virtue of being able to inhibit, repel, restrain, penalize. All personnel of the apparatus can do everything else better outside the apparatus than in it. What should be inhibited, restrained, penalized? Those actions of man which are characterized by aggressive force, namely, those actions which themselves inhibit, restrain, destroy, or penalize creative effort. Defensive force may be used to neutralize aggressive force, and such a use of force serves a social end. This use of defensive force should be the guiding principle of the political agency.

"It is society that should organize the political apparatus—the state, the government, the agency of common defense. It is not proper that anything less than society should organize to impose restrictions which relate to all members of society equally. By the same token, it is not proper to organize society for creative effort, for creative aptitudes have their locus only in individuals. For example, it is absurd to organize society into an agency of aggressive force, as has been done in Russia, to make automobiles, to produce penicillin, or to run a chick hatchery. Interests and aptitudes for these creative specializations—governed by the principle of variability implicit in any and all progressive, evolving societies—are rarities and not generalizations. The rarities for creative effort find cooperation possible only by people voluntarily organizing themselves." (pp. 41-42)

The fight for liberty, according to Leonard Read, is essentially the fight against the encroachments of the officeholders. A society that is not prepared to wage this fight is at the mercy of its most ruthless members seeking office and opportunity to oppress. A few social philosophers, the anarchists, therefore, draw the conclusion that this perpetual struggle could be avoided by a stateless organization of society. They either ignore the simple fact that some men have criminal inclinations, or they put their trust in "market organizations of defense." To Leonard Read, anarchism was "an escape from reality."

"Anarchism—no societal agency at all—contends that there are no actions appropriate for government to take, that the advocacy of

organized force to protect life and property cannot stop there but will continue to grow and undermine all life and property, admitting the propriety of any government sets the stage for all-out statism. Abandon the idea of government altogether, say the anarchists, or else expect it to become all-pervasive!

"Anarchy—no government, each a law unto himself—must result in chaos. The strong will first subordinate the weak and then contend among themselves for territorial mastery. If socialism is planned chaos, then this is unplanned chaos! Neither socialism nor anarchism is tenable, and to settle on one or the other is to run away from the societal problem—an escape from reality!" (*To Free or Freeze*, 1972, p. 52)

In *The Love of Liberty* (1975), Leonard answered some of his friends who are philosophical anarchists, "What prods them to this extreme? In every case known to me, it is a revolt against the idea and practice of socialism. They observe that never has there been a nation but whose government eventually has gone wild, gotten out of bounds, become dictatorial. Their cure for this politico-economic madness? Be rid of government and law—all of it! A parallel tactic would be to remedy the ills of overeating by getting rid of food—all of it!

"Why refer to anarchy as 'unplanned chaos?' What is a plan? It is 'a scheme for making, doing, or arranging something; project, programs, schedule.' The anarchists will agree with me that there is nothing whatsoever schematic about their proposed way of life. Its very virtue to them is its unplanned nature. Chaos? It is 'any great confusion or disorder.' Let me now suggest why anarchy cannot be other than chaotic.

"Anarchists, for the most part, do believe in the right of each man to use force in protecting his life, livelihood, property. Their prescription? Let each person buy protection in the market as he buys insurance. Each would, to the extent of his adjudged needs, employ his own bodyguard, gendarme, protector; or perhaps some with kindred interests would band together to buy protection. In short, no social agency—government—and no law applicable to all alike. Instead, there would be individuals, labor unions, corporations, neighborhoods, and countless other entities, each a law unto itself! One can only imagine the resulting chaos, for history reveals no examples of this sort of thing in practice except here and there vigilante committees—utterly chaotic. The practice of anarchy cannot help but

be unplanned chaos, the opposite extreme of socialism—planned chaos. To me, chaos is to be avoided, be it planned or unplanned." (pp. 13-14)

Leonard sought peace in all human relations. Therefore, he advocated institutions, political, social, and economic, that make for peaceful cooperation of all citizens within the country as well as in the world. Representative or parliamentary government designated by the majority of the people tends to safeguard peaceful cooperation, provided the majority endorses policies that preserve the peace. For the same reason Leonard favored the private property order and market economy. When people exchange commodities and services they are engaged in peaceful economic cooperation.

Most people fail to perceive the characteristic features of the market economy and of private ownership of the means of production. They look upon capitalists and entrepreneurs as intolerant autocrats managing economic affairs for their own benefit without regard for the needs and concerns of other people. Business profits are unfair gains derived from the "exploitation" of their employees and the "gouging" of their customers. For Leonard Read, the political scientist seeking peace, these notions and doctrines unfortunately rule the world of politics. The men of action, after all, are merely applying the doctrines and theories of the men of thought.

The U.S. government is a government by political parties under the guiding influence of public opinion. If public opinion favors the redistribution of income and wealth by political force, the parties and their spokesmen will vie for voter support by noisily clamoring for redistribution. Two kinds of men generally succeed best in this kind of politics: men of no principle, but with a talent for demagoguery, and men without talent but of one principle—that of obedience to their superiors. Both tend to create a "kakistocracy," which, in the words of James Russell Lowell, is "a government for the benefit of knaves at the cost of fools."

In his book, *Awake for Freedom's Sake* (1977) Leonard devoted a whole chapter to government by the worst of men. "Kakistocracy is a word so seldom used that one might assume the designated condition never existed. Its definition is included in only a few of the larger dictionaries. 'A government by the worst of men.' One of them

adds: '... opposed to aristocracy.' And that calls to mind Jefferson's view: 'There is a natural aristocracy among men, the grounds of this are virtues and talents.'

"I like Lowell's definition of kakistocracy. What it boils down to is a government by the worst of men, for the benefit of rogues, paid for by simpletons! Is our once-upon-a-time Republic falling into this nonsense? My purpose is to highlight our kakistocratic tendencies and to offer a few thoughts as to how they can be halted and reversed.

"A communist society, to my way of thinking, qualifies as a kakistocracy. Its coercive theme, 'from each according to his ability, to each according to his need,' strikingly parallels a form of government in which knavery exploits ignorance. This observation requires a bit of explanation.

"Regardless of the descriptive term—communism, socialism, the welfare state, or the planned economy—the redistributionist philosophy in practice presupposes the existence of three classifications of individuals, the typical specimens being: (1) the person with ability, that is, the one from whom honestly earned property is taken, (2) the person with 'need,' that is, the one to whom someone else's property is given, and (3) the person in command of the instruments of coercion, that is, the authoritarian.

"*The first typical specimen:* Those whose property is coercively taken evince neither knavery nor foolishness unless they are 'taken in' and thus become a party to coercive statism. Those who are 'taken in' appear to be on the increase, behold the well-to-do and business 'leaders' who petition government for countless special privileges. In these instances, we witness our 'best educated' citizens exhibiting both knavery and foolishness.

"An important aside as related to the above and the two following categories: Let us never refer to any individual as a knave or fool. This is inferiority showing through in ourselves. Everyone errs, more or less. Hang labels only on notions which appear to be knavish or foolish.

"*The second typical specimen:* Perhaps it is foolishness more than knavery that prompts the innocents to accept something for nothing. As they permit government to assume the responsibility for their security and welfare, they relieve themselves of self-responsibility, the removal of which depersonalizes the individual and thus destroys him. Coercion is destructive, never creative!

*"The third typical specimen:* The coercionist who forcibly takes from some and gives to others. Such a dictocrat exemplifies both knavery and foolishness. That he sees some benefit to himself in this action is self-evident for, if he saw no benefit, he would not act in this manner. Nor need the benefit he foolishly sees be entirely material; he can be and often is motivated by the thirst for power or popular acclaim or a mixed-up sense of social justice. To feather one's own nest, that is, to gain self-satisfaction at the expense of others, regardless of the motivation, is knavery, pure and simple.

"Foolishness shows forth in the coercionist in that he *unintelligently* interprets his own interest. He fails to see that he cannot develop, emerge, improve himself while he is riding herd over others. The coercionist who has you on your back, holding you down, is just as permanently fastened on top of you as you are under him. In that sense, the slave owner is enslaved, as is the slave.

"It is not necessary to outline in detail how far down the Marxist road we Americans have descended. A reading of the ten points of the Communist Manifesto should convince anyone that we are headed into a kakistocracy." (pp. 40-42)

Leonard contrasted such a system of social organization to that established by the Founding Fathers. They put their trust in God and sought after liberty. They followed the maxim that government is only a necessary evil, like a crutch used as an aid in walking. It is to invoke a common justice and to keep the peace, and thereby serves a social necessity. It is "to codify the taboos—injustices—and punish any trespass on individual rights.... Ideally, it is our protector. *But to expect that coercive force so delegated will be or even can be self-limiting is utterly absurd.* Yet that is the common view. Our hoped-for protector turned plunderer." (*Comes the Dawn*, 1976, p. 21)

The Founding Fathers sought after "the law of liberty." They authored the Declaration of Independence, the Constitution, and the Bill of Rights. "In what respect were these political documents unique? First, they unseated government as the endower of men's rights and placed the Creator in that role. Second, they more severely limited government than ever before—for the first time in history, hardly any organized coercion standing against the release of creative energy. Result? The greatest outburst of creative energy ever known, simply because the millions were free to act creatively as they pleased.

Political power diminished and dispersed beyond the ready grasp of authoritarians who would run our lives. That was the American miracle!" (*Ibid.*, p. 17)

To Leonard Read, America was synonymous with opportunity. It was a revolutionary concept that is spiritual, political, and economic. The American Revolution, according to Leonard, "was not the armed conflict with King George III. It was, instead, a revolutionary idea and ideal. It was set forth in the Declaration of Independence, holding that man is endowed by his Creator with certain unalienable rights, among them the right to life and liberty.

"This revolutionary concept—the very essence of Americanism—was at once spiritual, political, and economic. It was spiritual in that it proclaimed the Creator as sovereign and thus the endower of men's rights, it was political in that it implicitly denied the state as sovereign and held that it was designed only to secure men's rights, and it was economic in this sense: if an individual has a right to life, it logically follows that he has a right to sustain his life—the sustenance of life consisting of the fruits of his own labor and the right to control them.

"Omitting the sequence of beneficial events that flowed from such a wise and righteous concept, we can say in summary that it relegated the state to the role of securing life, liberty, and property. Legally inhibiting men's destructive actions and invoking a common justice were to be its functions. With the state thus limited, each citizen was left free to act creatively and productively as he chose, within the limits of his ability, ambition, and conscience. His liberties had not been granted by the state, and therefore the state had no right to revoke them at its pleasure. So went the thinking that shaped the earlier American design." (*Talking to Myself*, 1970, pp. 113-114)

Leonard's discussion of the U.S. Constitution reflects profound wisdom as he rejected the superficial knowledge that prevails among contemporaries and returned to first principles. He warned us against what he called "organizational gadgetry," that is, the writing of new constitutions, amending the present one, or by adding laws upon laws. A good society and good organization, according to Leonard, are offspring of the same root: righteousness. In his own words: "The American Constitution was no more than a written record of what the preponderant leadership at the time believed. It was a recording of the thoughts, sentiments, and principles that existed in their minds and

that they were capable of practicing. This document merely put their high thoughts into writing. The Constitution did not produce their qualities; it was the other way round; their qualities produced the Constitution. And that's all a Constitution can ever be; it's an effect, not a cause. Instead of paying obeisance to our Constitution, we ought to be probing and admiring the thoughts of those who wrote it.

"Seen in this light, it becomes clear why other nations gained nothing by copying our Constitution. Copying is useless unless the thinking be up to such a standard. And when our thinking falls below that of our Founding Fathers, our Constitution, like the copies of it in other lands, becomes but a scrap of paper. To expect anything more is like expecting a rogue to change his ways by pinning on him a 'good conduct' medal." (*The Coming Aristocracy*, 1969, pp. 77-78).

In his *Journal*, Leonard frequently reflected on the systems of organization and made startling suggestions that deserve to be quoted. On freedom and knowledge: "It is obvious to me that any society, even of primitive people, would be at its best if they could erect an agency of force and law that would confine itself to the inhibition of all destructive action, letting the people act creatively as they please. But such an agency is impossible of formation by any people who do not understand why they should organize in such a manner. Nor could a dictator confine himself to such negative actions. No man who accepts force is wise enough to limit his use of it. And he cannot be wisely limited by an unwise people. So—people who do not understand cannot be free. Slavery is the lot of the ignorant." (10/30/58)

On democracy: "It is democratic to reject class status and to leave opportunity open equally to any citizen. In this sense America has been highly democratic. Sovereignty residing in the people rather than in government is democratic and we had, but do not have this. But in these two ways most other countries fail to qualify. If 'democracy' means a rise of the masses, the proletariat, labor organized into powerful groups, socialist movements, public ownership of the means of production, libertarians should never use the term in a favorable sense, and because antagonisms are created by using it unfavorably it is better not to use it at all.

"I believe it can be demonstrated that there is no such thing as public ownership. It can be shown to be as false as the terms public

privacy or collective individualism or controlled freedom." (*Journal*, 5/6/52)

On government rule: "I do not believe in *rule*, whether its sanction derives from a majority or rests upon the whims of a despot. I do not believe in the Divine right of majorities any more than in the Divine right of kings. Government, regardless of how constituted, has no right of control that does not pre-exist as a natural right in the individuals whose agency government is." (*Journal*, 9/30/63)

On taxation: "Got to thinking about taxes, that is, how my guard, if limited to guarding should be financed. I do believe in taxes as a method of paying him, for he guards many of us. The guard must reflect the law. Before the law, all should be equal. The law to be just must not be discriminatory. It must look upon a person as a person, seeing nothing else. Now, what is it, were we to leave money out of the picture, that the law would require of us, as a means of paying for the law's administration? From some it would want work, from others potatoes, etc. In a market economy, it would have a means of measuring one hour's labor as against one bushel of potatoes, namely, money. If the law is to look at us only as persons, then it makes no more difference about our distinctiveness in production than our distinctiveness in beauty, or muscle, or brains. The dollars impersonalize the matter and that's all there is to it. This brings me to a head tax as the only equitable manner of taxing. I didn't think my thinking would bring me to such a conclusion. I must later reckon how this would work. Offhand, 100 million adults, putting up \$10 each would produce \$1,000,000,000. If government were limited to guard duty, the cost of all government, except in war, could not exceed \$10 million, a head tax of \$100 for all adults. If government were thus limited the people would be so affluent that such an item would be of little consequence. (*Journal*, 5/8/53)

On contemporary politics: "It was thought that the two-party system in this country would assure a continuum of moral as well as political rectitude. It was thought that competition would rid public offices of charlatans and that only statesmen would hold down government jobs. However, in practice this has not been the case, and over and over again one hears a voter say 'Well, the only choice I had was to vote for the lesser of two evils.' This is a moral tragedy fostered by a political fallacy—that if one tells the truth he will not be voted into office. It should be noted that people in the free market



rarely bear false witness; integrity is the rule. The morning milk, phone calls, planes the airlines buy, autos by the millions—no one could list the instances—are as represented. We have daily, eloquent, enormous testimony that the Ten Commandments can be and are observed by fallible human beings. Contemporary politics is the most glaring of all exceptions. Responsible citizenship demands, first of all, a personal attention to and a constant re-examination of one's own ideas, sentiments, customs. Such scrutiny may reveal that voting for candidates who bear false witness is not required of the good citizen." (*Journal*, 11/5/62)

On holding political office: "Holding political office seems always to rob a person of essential skepticism. For this reason alone, one interested in promoting soundness is justified in never accepting political office. Actually, more can be done by one in the role of a private citizen than in the role of political participant. Office robs men of integrity because they get to thinking that their being in office is more important than their integrity. There isn't anything in life superior to integrity. It is the rock of character on which all else is erected. Lose this and gain a powerful voice in a nation's affairs and it would be better if one has no voice at all." (*Journal*, 2/21/54)

In politics as in every other pursuit, integrity is the first step to true greatness. Men love to praise it, but are slow to practice it. To Leonard Read the political scientist, integrity was nothing but morality and religion in action.

## Chapter XII

### Learning From History

Leonard Read was no ordinary historian who confines himself to the investigation of particular areas or periods of time. Such investigations failed to satisfy his demand for intellectually and morally acceptable conceptions of the course of history as a whole. Instead, he offered accounts of the human past that exhibit certain principles of universal validity applying to all nations and races. At the same time, these universally valid principles enabled him to make certain predictions concerning the future development of society.

As a "philosopher of history" Leonard attempted to provide an interpretation of the entire historical process. He raised such questions as: "What is the meaning of history?" or "Is history governed by fundamental laws?" and "What are these laws?" The answers to such questions led him to discover underlying themes or lessons that give meaning and intelligence to an apparently arbitrary sequence of events. Ultimately, history is meaningful and intelligible to the seekers for the themes.

He argued against the popular belief that historical knowledge can be derived directly from the sources. The facts need to be selected, reconstituted and interpreted by means of concepts. We must make use of the category of causality in order to explain the facts. To understand history we must have recourse to causal explanations that have been developed and tested by scientific thought, that is, we must be careful to apply valid "theories" from all the other sciences.

Most contemporary historians use uncritical, popular doctrines that contradict the present state of scientific knowledge. They are like the old Chinese historians who traced economic calamities to moral shortcomings of the emperor, or like medieval historians who traced natural disasters to the practice of witchcraft. Historians need to have some knowledge of all other sciences that touch their objects of inquiry. When they describe unfavorable weather conditions and crop failures they should use modern meteorological knowledge together with some agricultural know-how. When they report about natural disasters, such as earthquakes, volcanic eruptions, floods, hurricanes, or tornadoes, they should be familiar with the geological sciences concerned with the origin, structure, and physical phenomena of the

earth. When they deal with diseases they should acquire some medical knowledge. And when they dwell on economic phenomena they should apply the best economic knowledge available. But unfortunately, while they readily admit the need of the natural sciences, they often reject economics as an infringement on their own domain.

In his discussion of the history of trade and commerce, social or political problems, of inflation and its many consequences, of wars and depressions, Leonard Read built on universally valid propositions of economics. He did not seek to emancipate himself from economic theory or other scientific theories that corroborate his findings, nor did he content himself with newspaper knowledge or some popular notions about causal relations. He rejected popular misconceptions and eclectic, contradictory explanations that must remain unproductive despite all the diligent work performed by many scholars.

Leonard Read, the historian, relied on theory. In all his investigations he theorized employing the most precise logic. Shunning popularity he either subjected popular notions to sharp, critical analyses, or accepted such analyses that have been developed in a scientific way by others. With the help of theory he made predictions that are startling in perception and insight. He knew, in advance, for instance, what effect an increase in the quantity of money has on its purchasing power and what price controls will do to the supply of goods and services. He foresaw the effects of the inflations conducted during most of this century. To be sure, his knowledge was not quantitative, he could not know in advance how great a reduction in purchasing power would follow a definite expansion in the quantity of money, or by how much economic output would decline as a result of given price controls. Economic history affords quantitative knowledge only *post factum*.

Although Leonard was a capable mathematician he did not make use of the reasoning and terminology of mathematics. He did not present his ideas in mathematical form because there are no constant relationships in economics or economic history. A doubling in the quantity of money, for instance, does not necessarily lead to a fifty-percent depreciation of its purchasing power. Depending on the reaction of money holders, which in turn depends on their knowledge

and many psychological factors, the purchasing power may decline just a little or fall precipitously. Leonard, therefore, shunned statistical investigations and quantitative conclusions that would be applicable to future relationships.

Leonard also abstained from the formulation of historical laws, i.e., laws of historical changes, which so many historians set out to formulate. Stages of historical development are arranged in a series which are said to delineate the progression. Societies are assumed to move from one stage to the next, and thence to the next, and so on, always moving on a given path that is prescribed by the operation of certain economic, social, or political forces. Leonard rejected such conclusions because we do not know what man will choose under given natural, social, and intellectual conditions. We cannot deduce from a known regularity formulated as a law or principle, for instance, the law of the division of labor, that man will always choose to improve this division. It may stagnate or deteriorate in a world of conflict in which it is safer for life and property to revert to self-sufficiency or national autarky. The decline of ancient civilizations presents a vivid example of this possibility.

While it is impossible to formulate exact laws of progress, it is possible nevertheless to be confident of man's progress. The optimists among the classical economists built their beliefs in an ever improving world on the assumption that, in the end, reason and morality will prevail over irrationality and immorality. Leonard Read, the philosopher of history, rested his optimism on this very belief.

He was optimistic about the future of Western civilization. Some two dozen civilizations have risen and perished in the past to our knowledge. Is Western civilization now at the point of death, or is it still alive in us? Or is it, as in the case of all others, moving toward its ultimate destiny which is barbarism? History affords a convincing answer. It teaches, according to Leonard, that the rise of civilized societies is the result of freedom, and freedom is a state of affairs that is discovered inadvertently when man has exhausted his rational designs. Civilization, which is the upward struggle of mankind, advances or regresses with the light of freedom. And this light cannot be expected to shine for long—if it is not based on great principles of morality.

Leonard was convinced that the explanations given by countless other historians have generally been false. Ascent and decline are

attributed to organizational gadgetry rather than to the state of freedom. Declines are usually ascribed to some organizational error rather than to decay. To avert a decline and fall, Leonard concluded, requires rational analysis and an understanding of what it is about freedom that accounts not only for ascendancy but for the maintenance of the ascendant position. "Be rational," he admonishes us, "or look for the cycles of history to repeat themselves!"

All great civilizations of the past, as, for instance, in Athens, Sumer, Carthage, Rome, Venice, Florence, and Kiev, did not prosper by a rationally designed scheme for social felicity, but rather rose from a state of freedom come upon unwittingly, inadvertently, accidentally. Most historians reveal little understanding of this reason for the remarkable release of creative energy—even after freedom existed for a while. "If there is no understanding of the wonders wrought by freedom after the fact," Leonard asked, "how, possibly, could there have been any anticipation of its wonders before the fact?" (*Let Freedom Reign*, 1969, pp. 9-11)

Looking at "the American dream," Leonard saw our forefathers choosing freedom, not with a prognosis of better things to come, but as a means by which each individual could be his own man, determine his own actions and live his own life. Each individual could, regardless of the station in which he was born, rise in accord with his own abilities. There were no restraints against the creative energies of others so that they could best grow in self-responsibility and develop their faculties most fully. When the individual is thus free, the best within him emerges—not just in a material sense, but his moral, spiritual, intellectual, and charitable potentialities find their highest expression. "It is in freedom that man can more and more share in Creation, this being consonant with his destiny." (*Ibid.*, p. 147)

Was the American miracle premeditated, a rationally designed structure of society? Leonard denied this possibility. The millions of immigrants who flocked to our shores were fleeing from old world tyranny. They were eager to discard their shackles. Therefore, they limited government more severely than governments had theretofore been limited. They wrote 46 prohibitions against governmental action in the Constitution and the Bill of Rights, which made them freer than man had ever been before. "They chose freedom for freedom's sake alone, hang the economic or other consequences." (*Ibid.*, p. 12) Until 1776 men had been quarreling with each other about the age-old

question of which of the several forms of authoritarianism should preside as sovereign over man. In 1776, the Founding Fathers, in a fraction of one sentence written into the Declaration of Independence, stated the real American revolution: "that all men . . . are endowed by their Creator with certain unalienable Rights; that among these are Life, Liberty and the pursuit of Happiness."

To Leonard Read, the revolutionary idea was at once a spiritual, a political, and an economic concept. It was spiritual in that the writers of the Declaration recognized and publicly proclaimed that the Creator was the endower of man's rights, and thus, it follows, that the Creator is sovereign. It was political in that it implicitly denied that the state is the endower of man's rights, thus holding to the tenet that the state is not sovereign. Finally, the revolutionary concept was economic in the sense that the individual's right to his life embodies the right to sustain his life with the fruits of his labor.

As the Constitution and the Bill of Rights limited government more severely than ever before, it brought forth certain unexpected consequences that were to characterize American society throughout most of its history. Because government was so limited and had so little on hand to dispense, individuals did not turn to government for welfare and prosperity. Because government lacked the power to take from some citizens and give to others, people turned to themselves. As a result of this attitude necessitated by limitations of state power, there developed, on an unprecedented scale, a character quality of self-reliance for which the American people gained a world-wide reputation. Moreover, the government that is limited to the preservation of peace, minimizing such unlawful actions as fraud, violence, predation, misrepresentation, etc., prevents the growth of organized forces that would impede the peaceful, productive, creative actions of its citizens. As a consequence, creative energy is released on an unprecedented scale. (Cf. *Anything That's Peaceful*, pp. 13-15)

Unfortunately, the situation in America is quite different today. During the twentieth century it was discovered that the very same force that can be used to protect against predation, i.e., government, can be used predatorily. Government gradually departed from the original design of inhibiting the unpeaceful and destructive actions, and invaded the peaceful, productive, creative areas. It assumed the responsibility for the welfare and prosperity of the citizenry, and embarked upon economic redistribution on a massive scale. Some 125

years ago, the average citizen was enjoying between 95 and 98 percent freedom of choice with each income dollar. That is to say, the tax take of government—federal, state, and local—was between 2 and 5 percent of the people's earned income. But in recent decades, as the role of government shifted from its original design, the percentage of the take has risen significantly. It grew to approximately 36 percent in 1964 and 46 percent in 1979. This loss in freedom of choice, according to Leonard Read, illustrates the loss of individual freedom and the rise in authoritarian power.

The last two generations of Americans gradually abandoned the ideal of peace and harmony and drifted into the practice of strife and coercion as a way of life. They did not even suspect that their mores and policies were founded on social and economic strife which are taken for granted. Socialistic practices, according to Leonard, have been "Americanized," and are rarely suspected of any evil taint. Certainly most Americans do not think of TVA as founded on strife and violence, nor Social Security, federal urban renewal, public housing, foreign aid, farm and other subsidies, the Post Office, rent control, other wage and price controls, all space projects other than for strictly defensive purposes, compulsory unionism, production controls, tariffs, and other governmental restrictions of competition. The fact that all these policies came into existence without many Americans being aware of conflict and strife is all the more reason to sound alarm.

In *Anything That's Peaceful* Leonard demonstrated the violent nature of Social Security, citing the example of an Amish farmer who, because of religious convictions, refused to pay Social Security taxes. After numerous threats to induce the farmer to pay the levy, the Internal Revenue Service resorted to seizure and sale of personal property. It seized and sold three horses at public auction. "Had our Amish friend, Valentine Y. Byler, not acquiesced at the point he did," Leonard concluded, "but had gone all the way in his determination, he would have employed physical force against the officers who seized his three horses. In this event he would now be known as 'the late Valentine Y. Byler.' He would have established beyond a shadow of doubt that the Social Security program, as well as all other socialistic practices, is founded on strife and violence." (*Ibid.*, pp. 39-41. See also his *Students of Liberty*, 1950, pp. 7-8.)

In recent decades the federal government has gone beyond the historical 20 to 25 percent tax level that can be extracted from the people without resorting to inflation. We are now in the inflation stage, Leonard observed, in which constitutional and institutional limits on the taxing power have been abandoned. Government has found a way to take ever more of our earned income and consume our monetary savings by resorting to the numerous "tricks of inflation."

Before paper money became popular as money substitutes the sovereigns of old would "call in" the coins of the realm, clip the edges, retain the clippings, and return the balance to the owners. This skulduggery continued until the coins became too small to return.

During the French Revolution the government issued irredeemable paper money, known as "assignats" secured by confiscated church property. During the American Revolution the Continental Congress issued wagonloads of Continental dollars in order to cover the expenses of the revolutionary forces. In both cases the issue caused goods prices to soar until the currency became utterly worthless. Even today the American people still use the term "not worth a Continental" as a metaphor for sheer worthlessness.

In more recent decades inflation has become the fiscal concomitant of redistribution and socialism. The overextended state, according to Leonard, is always beyond the point at which it is possible to finance government expenditures by direct tax levies. Therefore, he who opposes inflation can do nothing about it except fight this overextension.

As an example of inflation in recent history Leonard pointed to the Argentinian experience. On several visits to Argentina he had the opportunity to observe rampant inflation. During the first Juan Perón regime (1946-1955) costly schemes to industrialize the country at record speed and to finance popular social programs caused living costs to rise sharply. They continued to soar at record rates during the years of his exile, his return to power in 1973, his widow's assumption of the presidency in 1974, and her replacement by a military junta in 1976. Year after year, the Argentine peso depreciated at double- or even triple-digit rates as the political powers turned to the printing presses for revenue they were unable to collect from taxpayers.

Leonard liked to embellish his history of the French inflation in this century with his personal experience during several visits to Paris. During World War I, when he served his country as an aircraft



mechanic, he bought a good meal for 5 francs, the equivalent of a 1918 dollar. On his next visit to Paris in 1947 he paid 1,700 francs for a good luncheon. Two years later, the same luncheon cost him 2,050 French francs. On a 1964 visit it was 3,000 francs. And if he had returned in 1979 with greatly depreciated U.S. dollars converted into equally depreciated new French francs, the luncheon would have cost him the equivalent of more than 10,000 old francs. (*Anything That's Peaceful*, pp. 21-22)

The Russians, according to Leonard, have the "most honest system of dishonesty." Government forces its people to purchase government bonds, which are cancelled thereafter. In the U.S. the scheme is so complex that hardly anyone can understand it. The government "monetizes" its debt, that is, it uses its debt to increase currency in circulation. Basically, the Federal Reserve System purchases Treasury IOU's, thus releasing Federal Reserve notes into circulation. If the U.S. Government were to resort to the Russian method of deficit financing, Leonard contended, many Americans would understand the skulduggery.

In a highly specialized economy, economic exchanges depend on a circulating medium possessing integrity. Dilution of the medium—inflation—destroys this integrity. But throughout the history of economic exchanges there have been individuals and groups of individuals that preferred dishonesty over honesty, knavery over integrity. During the past six or seven decades the American people have fallen under their influence. Having learned little from history, they are returning to an "old-world mythology, a politico-economic medievalism."

Under the title "Denying our Heritage" Leonard described the Nixon imposition of price controls in 1971. "The freeze of August 15, and the subsequent 'phases,' with unbelievable applause and approval, is an up-to-date, clear-cut motion picture of the condition into which we are lapsing. To stop inflation is the excuse. However sincerely this fallacy is believed, the freezing of prices can only add to the woes inflation inflicts. Otherwise, price freezing is unrelated to inflation." (*To Free or Freeze*, 1972, p. 35). Throughout his economic writings Leonard cited numerous historical examples of the dismal failure and consequences of price controls. As a resident of Westchester County bordering on New York City he witnessed and reported on the destructive effects of rent controls in the city.

The Federal Government imposed its controls in November 1943. The state assumed their administration in May 1950, and in May 1962 the city became the administrator. To keep down the costs of housing, political committees fixed rents at levels that inflict losses on more and more owners. Many are tempted to abandon their properties. Through abandonment and ultimate destruction the City of New York is now losing more than 30,000 units annually, and real estate tax delinquencies are estimated at a quarter of a billion dollars per year. The controls pit tenants against landlords, and fan the flames of social tension and class warfare in a city that used to be the nation's melting pot. (Cf. *Castles in the Air*, 1975, pp. 95-97; also *Government An Ideal Concept*, 1954, p. 108)

Leonard was convinced that "the course we are on must lead inevitably to rationing." Unfortunately Americans are little disturbed by this threat because they have had little experience with this type of repression. Previous attempts at rationing during World War I and much more during World War II under OPA have rarely been obeyed or enforced. Experiencing little pain they either ignored the rationing or resorted to mass "underground" movement, i.e., black market activity. Good citizens by the millions became law breakers, schemers, liars, and looked upon their departures from truth and virtue with approval and humor. (*To Free or Freeze*, p. 8)

As a writer on recent history Leonard used knowledge and theory taken from all the other sciences. Whenever he undertook to discuss the history of government interference with peaceful economic pursuits he took recourse not only to economic analysis that demonstrates the futility of such interference, but also to philosophical and psychological deliberations that seek to shed light on the motive powers leading to political intervention. To him, history was a voice forever sounding across the centuries the laws of right and wrong.

*Ignorance*, according to Leonard Read, lies at the bottom of a great deal of government intervention. In the world of economic policy, ignorance of the inexorable laws of human action is as much to be deplored as willful disobedience of these laws. Incapacity and folly meet the same punishment as crime because the laws of economics grind on regardless of motivation. In Leonard's own words: "There is an abysmal lack of understanding of free market, private ownership, limited government concepts, imperatives, potentialities—not only among politicians but among leaders in business, the

professions, and all walks of life. As actors we can recite the lines and the lyrics with ease, many repeat the words of freedom without the slightest inkling of their meaning. Mimics! .... There is but one cure for ignorance: enlightenment! Lesser treatments, such as 'selling the masses,' political activism, and the like, are an utter waste of time; as well try to bring daylight by cursing the darkness!" (*To Free or Freeze*, p. 18)

Again and again Leonard made the point that enlightenment has precisely the same effect on ignorance as light has on darkness. To find out how to dispel darkness is to have a clue as to how the world may overcome ignorance. Darkness and ignorance are terms that are used interchangeably in the English language. So are light and enlightenment.

At his seminars, Leonard would demonstrate that ours is a learning rather than a selling problem. The lecture room was reduced to inky darkness. In his hand was an electric candle controlled by a rheostat. The light was turned down to a mere speck and every eye in the room would turn toward the speck. Then came his challenge: Increase the light in the room by selling, marketing, or distributing this speck of light. It cannot be done. What purpose then can this wee light possibly serve? It is sufficient for one nearby to find and light his own candle, in which case the light in the room would be increased 100 percent. If everyone should find and light his own candle, there would be enough light by which to read a book, even to write one. In short, he sought to demonstrate that darkness has no resistance whatsoever to light, it leaves the room as light is increased. As the candle's light is gradually increased until it is its brightest, every face in the lecture room can be clearly seen—the darkness has vanished. Similarly, ignorance gives way to enlightenment as darkness vanishes in the presence of light. (*To Free or Freeze*, pp. 18-19; cf. also *Castles in the Air*, 1975, pp. 14-15, 152, 158; also *The Love of Liberty*, 1975, p. 140, *The Coming Aristocracy*, 1969, p. 86.)

And yet, many contemporaries refuse to see the light and listen to reason. There is intellectual numbness, according to Leonard, a dreadful lethargy, an all-pervasive tendency that is not merely nationwide but worldwide. Its ultimate destination is mass mindlessness coupled with an egomania on the part of a few—the sightless leading the mindless.

All history stands witness to the calamity that springs from mass mindlessness. We need not go back to Charlemagne or to Genghis Khan, Leonard admonished us. Modern history offers numerous examples of societal breakdown. It happened in France during the Reign of Terror (1793-1795) when shopkeepers were executed for the high prices caused not by them but by the politicians' inflation, and ending in dictatorship: Napoleon! More recently we observed precisely this same mass mindlessness with its indiscriminate executions in Russia and Hitler's Germany, countries also distinguished by men of genius.

Many people in France, Russia, Germany, in their pre-revolutionary days, were exclaiming with assurance, "It can't happen here." As Americans do today, they thought themselves superior enough to be above such calamities. But they failed to note the lapse in thinking and the rejection in practice of difficult human virtues. The easy satisfaction of success, comfort, affluence displaced serious thought and hard work. There was mindlessness instead of mindful behavior.

Leonard was hopeful that a growing number of Americans were beginning to suspect that this same type of debacle can, indeed, happen here. After all, many of us are from the same stock as those who have suffered the "reigns of terror." Many are reading the signs: a rapidly growing restraint against the release of creative energy—a shift away from individual liberty to a political manipulation of human endeavor. When that political power rises to a certain pitch, accompanied by the mindlessness which made it possible, then the worst will get on top because only those who have no respect for human life can "make socialism work." (*To Free or Freeze*, pp. 187-188)

In his 1978 book *Vision* Leonard raised a nagging question that concerns the future of Western civilization: Is there time enough to avoid political, social, and economic disaster? His answer is as enlightened as it is inspiring: "Freedom is light—it cannot be extinguished."

Reviewing the history and timing of elevating movements, Leonard pointed at Christianity which did not exert its lasting influence on Western Civilization prior to Christ's crucifixion—and not, indeed, for many years thereafter. His exemplarity bore its wonderful fruit long after that shameful event. If He had held the idea

that there wasn't time enough for purity of thought and simple righteousness to result in the conversion of great numbers, and if He had resorted to the wholesale reformation of others during His earthly moments, there would have been no Perfect Exemplar and no Christianity today or ever!

As a nineteenth century exemplar Leonard pointed at Frederic Bastiat whom we should try our best to emulate. Did his wisdom cause a turnabout in his native France during his lifetime? On the contrary, the ideological and political conditions deteriorated during that period.

Bastiat, however, counselled two Englishmen—Richard Cobden and John Bright—who, in turn, were largely responsible for the removal of ancient governmental protection giving way to free trade and an unprecedented increase of goods and services to the masses. Furthermore, at least a million Americans have read one or more of his works during the past 25 years—a contribution to our restoration of freedom more than a century after his death. Bastiat did not live to witness the fruits of his politico-economic enlightenment. Instead, he labored on his own improvement in his own time and, in the process, left intellectual guidelines for others to follow.

Assessing the works of our Founding Fathers, writers of the Declaration of Independence, the Constitution and the Bill of Rights, these men were inner-directed, seeking an improvement in their own thinking and in their time. They did not live to witness the remarkable fruits of their joint intellectual, moral, and spiritual labors. Had that been their consuming zeal—had they paused to lament that "there's not time enough"—there would have been no American miracle. Those early exemplars did not halt to reform the vast majority who do no politico-economic thinking for themselves. Instead, they sought and discovered a social formula that encouraged and made it possible for the non-thinkers to cooperate to the best interests of themselves and all concerned.

There are numerous examples comparable to the above. And, assuredly, there have been ever so many instances of self-improvement resulting in monumental advances that have never been fully recognized and recorded. Countless valuable social and political gains have been fathered by individuals who were unaware of their

contributions. The fruition of their exemplary behavior and thinking blessed mankind long after their mortal moment—often decades or even centuries later.

Let us not set our eyes upon saving or bettering humanity in our time, Leonard admonished us. If such a result crowns our efforts, well and good, but our aim should be to strive for truth and righteousness all the time. To the extent that we succeed in self-improvement, to that extent will we contribute to the improvement of mankind.

No one knows what will happen in the next minute any more than he knows what will happen a century from now. It may very well be that an enlightenment of the past will have its fulfillment right now, that is, in our time. And, by the same token, anyone's self-improvement of today may achieve fruition in the far-off future. We must have faith that a restoration of freedom is in the offing. This faith, however, can be justified only to the extent that there are individuals who pursue the path of self-improvement. Adherence to what is right—exemplarity—will in the end result in a significant abandonment of the wrong ways.

Leonard Read, the philosopher-historian, shared with Saint Matthew a faith and a promise that should sustain all devotees of freedom: "There is nothing covered that shall not be revealed, and hid that shall not be known."

The truth of freedom shall be revealed and known. There is not enough darkness in the whole world to put out the light of one small candle. "Freedom is light—enlightenment—and cannot be extinguished." (*Vision*, p. 126)

## Chapter XIII

### The Gentleman

There are many men of courage in this world, men of common sense and great learning; but a true gentleman is difficult to find. He comes forth neither in birth, wealth, knowledge, nor manners—but from the mind. He is guided by a high sense of honor, truth and righteousness; his lack of vanity makes him humble and his honesty affords him sympathy from the great and small, the rich and poor. To be a gentleman is dignity of itself, commanding homage of every generous mind. This is why the lovers of freedom who will not bow to titular rank, do homage to Leonard Read, the gentleman.

On the occasion of Leonard Read's seventieth birthday some 498 guests from thirty-five states and seven foreign countries gathered at the Starlight Roof of the Waldorf-Astoria in New York City, to pay a personal tribute to this great man. They honored him because he had kept a flicker of the freedom philosophy alive during the hours of darkness. When pessimism was rife and freedom was engulfed by hostile forces, he built The Foundation for Economic Education on a solid foundation and made it the training ground for a new generation of leaders and scholars. He established an educational organization that withstood the test of time and faces the future with confidence. But above all, in more than four decades he sustained the philosophy of freedom through his prolific writing, through seminars for students, businessmen, and professional people, and through contacts with schools and colleges that sought his guidance.

At that testimonial meeting on October 4, 1968, Henry Hazlitt, a founding trustee of FEE, recalled with admiration how Leonard's unflagging faith and resourcefulness pulled FEE through its early years. He remembered a Board meeting in October 1947, when the Foundation was deep in debt, with a heavy monthly commitment for taxes and payroll, and not a penny in the bank. But within eighteen months thereafter Leonard raised enough money to pay off all debts and provide a cash reserve of \$54,000. Hazlitt ascribed Leonard's successes to "his personal charm, his interest in people, his candor about himself, and his tactfulness with others, his sense of fun, good spirits, sense of humor, and love of life." (*What's Past is Prologue*,

1968, p. 11) But his most admirable quality, according to Hazlitt, was his lack of anger no matter what the situation should be. "I never remember seeing Leonard angry. He won't even argue with you. I've never been able to get him to argue. His attitude is summed up in the titles of two of his pieces—*Anything That's Peaceful*, and *I Like You, Too*. And yet, he is a very stubborn man. He never pretends to agree with you when he doesn't. Emerson says somewhere that a man should maintain his principles with 'good-humored inflexibility.' I don't know of any phrase that describes Leonard's attitude better." (*Ibid.*, p. 12)

Leonard Read created a "home" for the friends of freedom everywhere. The visitor to FEE senses that he is among kindred souls, with ideals and feelings in common. Its spirit is reassuring and contagious. It inspired the creation of numerous similar organizations at home and abroad. F. A. Harper left FEE, after 10 years on Leonard's senior staff, to found the Institute for Humane Studies in Menlo Park, California. Ken Ryker created the "Freedom Center" in Fort Worth, Texas, and Ralph Smeed The Center for Market Alternatives in Boise, Idaho. In other countries, Antony Fisher and his friends founded the Institute for Economic Affairs in London; Alberto Benegas Lynch established the Centro de Estudios sobre la Libertad in Buenos Aires; Manuel F. Ayau built a new university, Universidad Francisco Marroquín in Guatemala City; Gustavo Velasco and Agustín Navarro created the Instituto de Investigaciones Sociales y Económicas in Mexico City, and Nicomedes Zuloaga forged the Instituto Venezolano de Analisis Económico y Social, in Caracas, Venezuela. To all of them, FEE's dedication to the ideals of liberty has been an inspiration that breathes new hope for the future and instills them with courage and confidence.

At the birthday celebration, Friedrich von Hayek, who was to receive a Nobel Prize in 1974, suggested that The Foundation for Economic Education, with Leonard Read at its head, was committed to nothing more nor less than *the defense of our civilization against intellectual error*. Our present political trends threaten not just economic prosperity, our comforts, or the rate of economic growth. Much more is involved. Modern man is engaged in the destruction of values by scientific error. With unrelenting criticism he is purging everything that seems not "rational" to him and thereby denying the conditions for the social order in which civilization has grown. He



disparages and rejects especially those values that are not guided by clear designs and rational construction. But above all, he resents and rejects the conclusion that "our civilization is indeed largely an unforeseen and unintended outcome of our submitting to moral and legal rules which were never 'invented' with such a result in mind, but which grew because those societies which developed them piecemeal prevailed at every step over other groups which followed different rules, less conducive to the growth of civilization." (*Ibid.*, p. 39)

It is an intellectual error, Hayek insisted, to believe that man deliberately made his civilization. It is an honest error made by serious thinkers whose ultimate ideals are not so different from those held by us, but who often differ radically on the effective means of achieving the ideals. We differ because, in final analysis, we have failed to convince them with our arguments or neglected to reveal the foundations on which our conclusions rest. We often express our findings in a manner that is intelligible only to our friends, thereby failing to reach our adversaries in a language that is meaningful to them. If Leonard Read's position is unique today, F. A. Hayek concluded, "it is precisely because he possesses both capacities." (*Ibid.*, p. 41). He is "a profound and original thinker who disguises the profundity of his conclusions by putting them into homely everyday language." (p. 42)

Benjamin A. Rogge, a close colleague and friend of Leonard's, confirmed this Hayek appraisal. He informed us that Leonard was ever on guard against himself precisely when the world poured honor and praise on him. Every man is now and forever imperfect and, therefore, must beware of listening to those who praise him. Overassessment of self is corrupting and thus dangerous to self, if not to others. Adulation, flattery, and applause make it difficult to make balanced judgments and to act effectively in the world. To maintain his effectiveness and to remain ever faithful to his particular philosophy, Leonard was ever on guard against the temptations of the world. All his strength and ability were devoted to the fundamental propositions of his freedom philosophy. To be true to self is to be faithful and consistent. The choice of one's means is always implicit in one's philosophy. When man has chosen a philosophy or a set of ends, he is not then free to choose whatever means he wishes to apply to attain those ends. He must be consistent. This consistency, Ben Rogge thought, imparted greatness to Leonard Read. (*Ibid.*, p. 46)

"He is always humble and pleasant in his dealings with others." Both Henry Hazlitt and William F. Buckley Jr. considered this his most important character trait. In their acclaims at the Waldorf they placed emphasis on the fact that they had never seen him angry. "He does not argue with anyone, nor pretends to agree when he differs. He maintains his principles with good-humored inflexibility." In Read's books, Bill Buckley observed, there is not to be found an angry word. And yet, that resolution does not make him bland or indecisive. He reserves for himself the freedom to write and speak as he thinks and consistently defends this right for others. (*Ibid.*, pp. 11, 19)

In a congratulatory letter to Leonard Read, Vermont Royster, editor and Vice President of *The Wall Street Journal*, paid tribute to Leonard's literary skills and talents: "I am grateful to you for bringing common sense to a lot of economic questions which others tend to confuse in a lot of esoteric metaphysics. In your own writing you have the knack, which I envy, of using the simple language and the illuminating analogy to get to the heart of the matter. Besides this, those of us who are libertarian in our views owe you a debt for starting the Foundation for Economic Education and keeping it alive all these years. It has been a great contribution to the cause of freedom." (*Journal*, 9/23/68).

Earl Laursen of Wisconsin commented upon his esteem for Leonard's labors in biblical language: "As I read and reread your books and articles, it appears to me that you must be a great student of St. Paul. There are so many virtues possessed by Paul that seem to be repeated in your life. Paul had a vision and the courage to face that vision and see it through even under the most trying circumstances. Paul seemed never to lose his sense of direction and his attitude of optimism. Paul talked to small groups seeing in them the force that would carry his message on. Paul gave to every man the freedom of choice to accept or reject—no coercion. And in you, Leonard, I observe all of these traits and more. I suspect you have done more than any other man in the modern era to forward the cause of individual freedom and the free market." (Letter, 9/18/68)

To Leonard, the test of a free society was its tolerance of all its members. Once we realize that everyone is a child of Creation, that each is different from another, we lose any and all inclination to mastermind others. Those individuals who differ with us are no longer condemned but, instead, "inspected for what light they may shed. If

no light, let them pass; if some light, use it to grow by. To rule or to try to reform others is not to play God, it is to work against God. The Creator does not forcibly impose the Kingdom on anyone. Why, then, should I take unto myself a role that the Creator has spurned?" (*Deeper Than You Think*, p. 23)

For most people such a charity toward others is founded upon the uncertainty of truth. For Leonard it was founded on the certainty of truth. He did not compromise in matters of principle no matter how the world censured him for his strict and unyielding position, "for seeing things only in blacks and whites while practical life is lived in shades of grays." His answer was uncompromising: "Principle does not lend itself to bending or to compromising. It stands impregnable. I must either abide by it, or in all fairness, I must on this point regard myself as an inconsistent, unprincipled person rather than a rational, reasonable, logical one." (*Having My Way*, 1974, pp. 56, 57). As an example he pointed at the moral injunction: "Thou shalt not steal." If all the rest of mankind were to pass a law that would deprive a single individual of his property honestly acquired, even if it were for the so-called social good, he could not adjust himself to the demand of the millions. In fact, he warned us against "the penalty of surrender," citing the words of Charles Sumner, the American political leader and member of the U.S. Senate during the Civil War years: "It is by compromise that human rights have been abandoned. The country ... deserves repose. And repose can only be found in everlasting principles." (*Ibid.*, p 54)

Leonard kept a journal of his labors and principles, never missing a day of entry since he began on October 16, 1951. He later explained why heretofore he had argued against keeping a journal, except for special occasions, like a trip abroad or something of unusual import. To spend as much time reporting as living and doing, he thought, cuts experience in half. But he discovered that such reasoning is badly flawed. It overlooks the most important experience of all, namely, concentration, which writing of almost any sort imposes. It is only in concentration that man is in communion with truth, unraveling the miraculous, in touch with the Verities, or God. The capacity for this communion—consciousness—is the most important of man's faculties and its employment the most important aspect of life. (*Journal*, 10/21/51) Moreover, a journal tends to become a severe taskmaster and supervisor of our daily actions. It imposes discipline and

self-restraint, and tends to inhibit its writer from doing anything he would not write into his journal—even if no other person were ever to see it. It is difficult to report on behavior and actions of which one is ashamed. Leonard recommended, therefore, that his readers keep journals. "Recording what one does and thinks each day is more of a discipline than one would at first suspect. Not that it isn't possible to do or think what one does not record. But there is a forceful tendency to act only in ways that are recordable." (*Journal*, 9/5/54) As to his own journal, on the 22nd anniversary of his first entry, he reminisced like an old friend and admirer: "I have kept you faithfully for all of these years, never missing a day. In a word, you are a joy to me or this would never have been accomplished."

The wise man endeavors to shine within himself, the fool to outshine others. Leonard's wisdom continues to shine throughout the many volumes of his journal. It shines especially when he dwells on individual behavior toward others. He urged us to be as considerate of a person we see only for a moment as to one's best friend or customer or supporter. We should be as pleasant to an elevator operator in Hong Kong, as to eminent personalities such as W.C. Mullendore, John Lynn or J. Howard Pew. Being considerate, kind, thoughtful, is a way of life, a pattern of behavior. Man is not capable of turning it on and off at will. So the right way has to be practiced, lived, all the time in order to be natural any of the time. Moreover, the person met momentarily and casually is as much a part of Creation as a friend or self. In short, "developing the quality I have in mind is a part of self-training; it is living the life of the spirit." (*Journal*, 11/13/62)

Leonard urged us to live by one of the wise maxims of the ages: "Do not do unto others that which you would not have them do unto you." But he went much further in its application as he urged us not to do unto others that which we would not do to ourselves. When another person says or does something we don't like, we scold and criticize. Most of us would be less severe with ourselves had we done precisely the same thing. Living the life of the spirit, "we should be less severe with others than with self, for in the case of self I am responsible." (*Journal*, 3/19/69)

No one should ever be "too little" to be eligible for our personal attention. We must not pass judgment on who is or isn't important to freedom. No one knows where genius is about to sprout. Leonard reminded us of the story of the man who set forth on a journey to Jerusalem to see Jesus. Along the way numerous persons asked for assistance, but to each he replied, "Sorry, I have no time for you; I'm on my way to Jerusalem to see the Savior." In Jerusalem, he learned that one of those by the wayside was the Savior. Therefore, Leonard concludes, "treat each person, regardless of race, creed, color, fame or fortune, as if he were the Lord so as not to pass by the one who may be most important of all. When a man's job is so big he can't follow this rule, then it's bigger than he can handle." (*Journal*, 4/23/69)

Let us be ever willing and ready to learn from others. But let us be mindful that a person becomes a teacher only when he is held in esteem on the subject he is discussing. Leonard would listen to Arnie Palmer on golf, but probably not on philosophy or political economy. But how does an esteemed teacher impart knowledge to a pupil who is seeking his knowledge? If he argues with the pupil and makes him look foolish he'll resent the teacher and cling to his position. However, if the teacher keeps quiet, giving him no more than a look, the pupil will feel contrite and probably will come to his teacher later full of questions or, at least, in a questioning attitude. "Indeed, if he gets into this attitude, he'll probably find the right answers himself—the real way to learning." (*Journal*, 4/23/68) And if no one is seeking to learn from you, don't engage in idle chatter. "Turn around and seek from someone who can help you. And, if no one helpful is in view, seek an author, that is, a book." (*Journal*, 6/5/61)

Logic and justice should always guide our thinking lest it be of a low order, which can scarcely bear the name. With this in mind, an individual may not help himself at the expense of others. This is justice. Moreover, no good can come from the employment of bad means. This is logic. Certainly, man is not expected to be so erudite, it is just common sense that a person cannot help himself by in any way injuring others. His fellowmen are important to him and his existence, at times making greater contributions to him than he does to himself. Many could make more of a contribution to him than they

do. He can attend to their progress in two ways: First, refrain from impeding their progress; second, progress to the point where they want to emulate him. (*Journal*, 11/9/51)

Am I my brother's keeper? Many clergymen who interpret the question in a material sense are answering it in the affirmative. To carry out the will of God, they endorse the legalization of theft. But legalized theft cannot redound to the benefit of its sponsors, for they have made no personal sacrifices—have given nothing of themselves. And the "beneficiaries" are being robbed of their greatest right or inheritance—namely, the responsibility of looking after themselves. No one can look after me but me; I am the only one who is competent for that. The question of the brothers' keeper, Leonard concluded, "relates only to keeping the moral and spiritual code, keeping society clean and decent and honest and intelligent. It means to keep the virtues. It is absurd to think that we are charged with any simpler task than this." (*Journal*, 4/16/61)

There is a transcendent power in example. We reform others unconsciously when we live the life of the spirit. Inversely, examples of scornful behavior, practiced in our own circles, corrupt readily and deeply. Under the title "The Coin That is Life," a *Journal* entry warns us against common acts of thoughtlessness and their implications.

To open doors and not to close them is to put the chore on others!

To drop things on the floor and not pick them up is to make others stoop to remove one's own squalor;

To borrow money and not repay it is to burden others with one's livelihood;

To accept praise for something done by others is to rob them of their compensation;

To gratify one's compassion for the plight of some with funds forcibly taken from others is not charitable but parasitical;

To seek one's own gain at the expense of others, legal or otherwise, is to destroy the competence of others and the integrity of self. (5/22/58)

A 1968 *Journal* entry (November 7) reflects on the "law" that gives meaning and direction to our labors. The moral law, valid and independent of shifting opinions, satisfies human purpose and completes man's destiny. Individuals in whom the moral law is alive are self-controlling, freedom is their way of life. They are building the

Kingdom in its earthly version.

Moral law is the standard and guardian of our liberty. Its numerous prohibitions circumscribe and defend it. Leonard cited twelve such prohibitions that, in his judgment, form the foundation of a free society:

It is against the law to murder, that is, to destroy another human being.

It is against the law to feather one's own nest at the expense of others by stealing—even if government does the looting for one.

It is against the law to destroy one's own life by suicide, or by inattention to mental and physical health, or to perish in an act of aggression.

It is against the law to bear false witness.

It is against the law to covet the possessions of others.

It is against the law to control the lives of others, or to try to do so, or even to wish one could.

It is against the law to resign the responsibility for self to a governor, an employer, or any other person, or to fail to resist if others try to assume one's responsibility.

It is against the law to affirm any position contrary to the dictates of one's conscience.

It is against the law to fail to nourish, refine, think through, and bring to the fullest possible development every idea or insight gained.

It is against the law to neglect to complete a transaction:

if a door is opened, close it; if something is dropped, pick it up; if a promise is made, keep it; if money is borrowed, pay it back; if a contract is made, honor it.

It is against the law to withhold from those who seek it such light as one may possess.

It is against the law to accept any compulsive or authoritarian arrangement as the final solution to any human endeavor; that is, the law requires that one forever explore the ways of freedom."

To Leonard Read, moral law is inspired and vitalized by religion, man's law is the embodiment of the moral sentiment of the people. Morality without religion has no roots. It becomes a matter of convenience, changeable and optional. The Bible is the anchor of the law. It contains true sublimity and pure morality, teaching us the best way of living, the noblest way of suffering, and the most comfortable

way of dying. Leonard sometimes quoted Plato in his studies, but his heart quoted the Bible, and drew strength from its inspiration. He felt he owed the essential part of his education to his early knowledge of the Bible and especially to the Book of Psalms, every line of which is sown with the seeds of thanksgiving. Pleading the cause both of God and man, it urges gratitude that makes man religious and sociable, and teaches him to give thanks for mercies received and sought. Many of Leonard Read's writings read like the Psalms of David. Again and again he acknowledged his countless blessings and opportunities to serve what seemed to him to be high purposes. Most of his December 31 entries in his *Journal* are beautiful commentaries on gratitude. At the end of 1968, for instance, Leonard recorded this observation:

"I know not how long this trend can continue, but 1968 is my best year in what Rogge calls 'the significant things of life.' Wrote *Accent on the Right* and *The Coming Aristocracy* (gone to press), travel slightly slackened by choice; financially, FEE has had its best year.

"These successes, however, are not all the occasion for exultation, but rather for a conscious, rational humility. It stands to reason that events can go the other way just as easily, for what goes on in my little orbit finds its origin in forces I do not control and do not know much about. When it comes to these blessings, count and appreciate them, but forever bear in mind that they require at the very minimum a doubling of 'deservability.' The inclination is to rest on your laurels, a deadly instinct. 'Nothing fails like success,' said Dean Inge, and the reason is laurel-resting. The Universal Design calls for precisely the opposite: the more blessings the more conscientious effort and prayerful dedication! Man has no insurance against upending except this. Walking a rail is easy enough when it's lying on the ties. But raise it 20 feet from the ground and see how difficult it is to keep one's balance. The higher the harder—and that's the way it should be, and the way I like it."

At the close of 1976 Leonard evoked the past in preparation for the future: "The last day of each year should be the occasion for reflection on how am I doing in order next year to do better. The better one has done, the better are the chances of doing better .... I have been greatly blest by my Heavenly and Earthly Angels to top my



countless blessings. My work, my associates, my friends around the world are among them. But perhaps I must rate very high my faith in what's good and righteous."

Trouble and anxiety may have driven Leonard to prayer, and prayer then drove away the trouble and anxiety. His *Journal* (11/5/76) notes a beautiful prayer by Lucille R. Rushton:

"Not what others ought to be  
But only what I need to see  
Dear God, reveal to me.

Not what others ought to do  
But only how I can be true  
Dear God, reveal to me.

Not what others ought to say  
But only how I ought to pray  
Dear God, reveal to me.

Not what others ought to know  
But only how I need to grow  
Dear God, reveal to me."

Leonard did not allow his ties of family to circumscribe his heart and mind. He did not let them become exclusive and engrossing so as to shut out the claims of creativity. He dearly loved his two boys who were to achieve in World War II what he, the country boy from Hubbardston, failed to accomplish in World War I; they both became army pilots and even flight instructors. He loved his seven grandchildren who, in time, attended colleges and universities which had been beyond his reach as salesman and insurance collector. He felt especially proud of Hank, son of Leonard, Jr., who studied economics under a FEE trustee, Professor Hans Sennholz at Grove City College. At the time of Leonard's death in 1983, the seven grandchildren had procreated three great grandchildren and were to add numerous more to come. The boast of Leonard's family, the glory of his achievements, and all that he accomplished shone especially bright because they were set in humility.

True humility, according to Leonard, is not an abject self-despising spirit, but an objective estimate of ourselves as God would see us. It is so easy to look down on others, and yet so difficult to look down on ourselves. In his book *Having My Way* (1974) Leonard devoted a whole section to "Humility: The Way of Freedom." What is humility in its highest sense? It is an awareness that the individual is not the originator of intelligence, but merely its receiver. Man only *intercepts* truth and wisdom that flow from "something" higher than himself.

Even when the world applauded Leonard and showered him with praise and honor, he took prudent care to remain humble. On June 6, 1964, Grove City College conferred on him the title of Doctor of Literature *Honoris Causa*, and on July 10, 1976, The Universidad Francisco Marroquín in Guatemala City the title of Doctor en Ciencias Sociales. Leonard Read, the boy from Hubbardston, accepted such honors and countless others of the world with deep gratitude and humility.

When Leonard reviewed his past achievements he rejoiced about his performance and accomplishments in his favorite sports: golfing and curling. He learned to play golf as a young Chamber of Commerce executive in Seattle and played when time and weather permitted the rest of his life. Like so many avid golfers he was convinced that golf requires the necessary physical exertion that is needed to develop or maintain fitness and health. His excellent health as an octogenarian lent support to this conviction.

"What was your score?" his colleagues liked to ask when he returned from St. Andrews Club in nearby Hastings. "Seventy-two," he may have answered proudly. "Seventy-two? That's fair." And someone may have added in jest: "Let's hope that you do better tomorrow at the second hole." Actually, he was an excellent golfer with the enviable record of five "holes in one," to which mounted and framed scorecards attested. Admiring the cards his friends may have been tempted to ask: "Why do you play golf so often?" "It keeps me fit" he may have answered. "What for?" "To play golf, of course."

All experiences have lessons to teach if we can but deduce them. Reflecting on his golf game of yesterday, Leonard drew this conclusion: "All my opponents had flubbed and I could easily have made a winning score. But I didn't! What is the lesson? Don't depend on

winning by the opposition's errors—it's fatal. We should never have a sense of exultation by reason of the liberal's goofs. We can never win save by our own perfection." (*Journal*, 6/10/62)

The most important lesson which golf may teach its devotees, according to Leonard, is the "magic of believing." In belief lies the secret of all valuable exertion and success. Leonard offered many demonstrations on the green, making a big pronouncement, and sure enough "the spirit of Sir Isaac Newton grabs the ball and pulls it into the cup!" (cf. *Journal*, 8/11/59 and 8/16/59)

In his later years in Irvington, Leonard enjoyed the companionship of Mike Krenza, FEE's groundskeeper and chauffeur, who would drive him to St. Andrew's and play a round of golf with him. As faithful friend and companion Mike always sought to please at the Foundation as well as on the greens. When Leonard made a hole in one, Mike would be full of admiration. But when Leonard waxed eloquent on his remarkable concentration, Mike might interrupt with a wry, "Next time, Leonard, you've got to make the shot with your eyes open." Returning home to FEE Mike might give this report about the match: "You've seldom seen such beautiful golf. Leonard's drives were breathtaking, his approaches superb, and he never missed a putt." If someone should ask Mike "By how much did he beat you?" Mike had a ready answer: "Why, I won."

Beginning in 1949, Leonard faithfully engaged in curling, a Scottish game played on ice, in which two four-man teams slide heavy, oblate stones toward a fixed mark in the center of a circle at either end. It gave Leonard the physical exercise he sought and, occasionally, added joy and pleasure that accompany success. His *Journal* (1/21/68) recalls such a moment when his team won the prize: "Curling against Campbell and team. At conclusion of 10th it was 6-6. I had last rock in the 11th. Campbell was shot and well guarded. Mine had to be right broom, perfect to the broom, perfect weight, and an angle. Not a chance in a hundred of it coming off. But it did, and I came to lie 1½" better than he. A big behind-the-glass crowd. We four were cheered, photographed, and given the Arndt Medal. In my 19 years of curling, this shot was among the 2 or 3 'sensationals.'"

It should not surprise us that a man who got so much fun and pleasure out of life on the golf course and the curling rink, as did Leonard, displayed a great deal of interest in the practices of the "good life," or *la bonne vie* as the French call it. Perhaps it was his

occasional exposure to the excellence of French cookery when he was a soldier boy in France, or his early memories of his mother preparing delicious meals for their guests and boarders, that generated his creative interest and instinct as a gourmet of fine food and wine. He took his saucepans and pantry seriously and believed that dinner tables should be ever pleasant places in an otherwise arid world.

He remembered the days when there were no modern ovens, no microwaves, electricity or gas, no year-round refrigeration. There were smokehouses and cool springs that permitted some storage and preservation of food which, in those days was plain and filling. But as the American economy grew by leaps and bounds, raising wage rates and standards of living to unprecedented levels, offering ever more products from distant markets, and introducing intricate labor-saving kitchen appliances, the number of recipes and dishes quickly multiplied.

With his love of innovation and experimentation Leonard transformed the Read cuisine into a gourmet's laboratory, ever searching for exclusive culinary delights for the benefit of soul and body. His kitchen became a modern lab without the division of labor one would normally expect. Because Aggie, an excellent cook in her own right, didn't care to be called upon to pare the potatoes and chop the vegetables while he put on the finishing touches, they made it a rule that each one would prepare his dishes from beginning to end. For many years, Leonard's mother usually contributed the dessert.

Leonard was proud of the fact that Crosby Gaige's famous cookbook, *Dining With My Friends* (Crown Publishers, 1949, pp. 199-201) published one of his favorite recipes—Bouillabaisse—under "A Dinner Fare of Fun." One of his most widely enjoyed creations was his "Chicken Livers Leonardo" which he prepared and served at the mid-week receptions in honor of the seminarians attending the FEE summer schools.

Leonard's table served nutritious meals that revealed his great knowledge of nutrition and the effects of food on man's health and well-being. He hoarded his health like a treasure so that he could be more fruitful and productive. He took plenty of exercise, was always cheerful, and took all the sleep he needed. He even applied his *savoir faire* to his habits which, to some, constituted addiction and vice. Since his days in the Ann Arbor produce business he was a regular cigarette smoker. Every morning he filled his silver case with a daily

ration of fifteen cigarettes. No matter how his smoking friends might tempt him, he never smoked any more.

Since his days as a Chamber executive he had been a social drinker. In a *Journal* entry of January 21, 1953, he reflected on this habit: "Drinking quantities of grapefruit juice, I am inspired to dissertate on the subject of alcohol. It has an almost infinite variety of psychological and physiological effects, depending on the constitutions of persons and on the quantity and rapidity of consumption. Mostly its effects are bad but, in my opinion, can be good if handled with skill. One of its marked characteristics is its tendency to destroy inhibitions, the bad ones as well as the good ones. An unaccomplished tippler will, without notice or consciousness, lose his civilizing disciplines—revert to the animal, so to speak. It is the numerous episodes under this heading that give alcohol its bad name. But in the hands of the artful, it can be not only the stimulator of good conversation but it can actually enliven cerebration. While alcohol does slow the reactions, it does, by the removal of inhibitions, release mental reactions otherwise locked behind the inhibitions. I have on many occasions experienced this, particularly when doing some writing during the cocktail hour."

Leonard always took care of his health. But he was not like a miser who never has spirit enough to enjoy the pleasures of life. No one has the right to neglect his health, he believed, lest he become a burden to himself and perhaps to others. This is especially true in our declining years when the circle of our pains enlarges and that of our pleasures contracts. A healthy body and mind will resist the frailties of old age and permit us to grow old gracefully and happily.

A wise man does not wish to be younger. He passes his remaining years with honor and dignity and remembers that he has once been young. Keeping a youthful heart, he never grows old. Leonard liked to cite a bit of prose by Samuel Ullman on *How To Stay Young*:

Youth is not a time of life. It is a state of mind.  
Nobody grows old by merely living a number of years.  
People grow old only by deserting their ideals.  
Years wrinkle the skin, but to give up enthusiasm  
wrinkles the soul. Worry, doubt, self-distrust, fear  
and despair—these are the long, long years that  
bow the head and turn the growing spirit back to dust.

Whether seventy or sixteen, there is in every being's heart the love of wonder, the sweet amazement at the stars and the starlike things and thoughts, the undaunted challenge of events, the unfailing childlike appetite for what next, and the joy and the game of life. You are as young as your faith, as old as your doubt; as young as your self-confidence, as old as your fear, as young as your hope, as old as your despair.

Upon the passing of his beloved Aggie, Janette Brown acted as the FEE hostess. To Leonard, she was the most agreeable of all companions, not just as personal secretary for more than twenty-five years, attending to his business affairs, but also as an attractive woman. Without any high pretensions of personal ambitions, Janette, who loves life, and understands the use of it, was always attentive and, above all, of a golden temper, and steadfast as an anchor. For her, Leonard would gladly forgo the company of a host of admirers or colleagues.

With Janette's secretarial and editorial help Leonard, the octogenarian, continued to produce a steady stream of admirable books. She guarded him from the world and watched over him as he carried his inborn feelings of childhood into the power and wisdom of old age. Until his death at the age of 84, he continued to combine a youthful sense of wonder and curiosity with the profundity and erudition that are the fruits of many years of experience and labor. To his countless friends and admirers, this rare combination, which is the very character and privilege of greatness, was the mark of Leonard Read, the gentleman and philosopher of freedom.

## Chapter XIV

### In Memoriam

In the early hours of May 14, 1983, Leonard E. Read died peacefully in his sleep. He had spent the day before at his desk, preparing for the annual meeting of the FEE board of Trustees scheduled for the following week. Death was short and merciful. He remained active to the last day, was happy in what he saw around him, yet was ripe and ready for leaving that very hour. At the age of eighty-four, he left his grand creation, the Foundation for Economic Education, in sound condition intellectually and financially. He left his family as he left the Foundation, well ordered and well instructed.

The Board meeting was held as scheduled. Dr. Perry E. Gresham, who was to become Leonard's immediate successor, opened the session with a eulogy. The Reverend Edmund A. Opitz of the FEE staff read a memorial resolution which was recorded in the minutes of the meeting. Dr. Ezra Taft Benson, a senior trustee, expressed his grief about the loss of a good friend but rejoiced about the "lengthened shadow of his philosophy," the Foundation for Economic Education." Dr. Hans F. Sennholz, Chairman of the Board, delivered his eulogy in a memorial service held at the Irvington Presbyterian Church, following the meeting of the Board.

These testimonials follow in the order in which they were given.

Perry E. Gresham:

Softly in the night, like the chiming of a distant Cathedral bell, came the death of Leonard Edward Read. Near eighty-five years of rich meaning were concluded as his sleep became final and his spirit and his truth were set free in the world. His friends and colleagues have gathered to learn the truth of liberty; this has been the major interest of this wise and good man since he first dreamed of a center for the study of economic freedom. The Foundation for Economic Education is his actualized dream. Nineteen forty-six was the year of its charter, and its development is his lengthened shadow.

There is a destiny in each human pilgrimage difficult to fathom and impossible to fully comprehend. Leonard Read began preparing for this cause of liberty from the time of his birth at Hubbardston,

Michigan, in 1898. He was wise enough to select the right parents and grandparents to provide him with the genes for a clear and discerning mind in a strong and durable body. When he was old enough he began to manage his own life in such responsible fashion that he could excel in academics and sports alike. High school at Hubbardston and Ferris Institute at Big Rapids provided the necessary resources for an education which far surpassed those at many more prestigious centers of learning. Leonard Read learned what his schools had to offer and rose to take his place among the great heroes of economic education.

At not quite twenty years old he volunteered for service in the A.E.F. He was on the *Tuscania* when that ill-fated ship was torpedoed. Young Read not only survived but emerged from the war to become president of his own Ann Arbor Produce Company. For six years he provided fruit and vegetables for the students and faculty of The University of Michigan as well as for many of the townspeople of Ann Arbor. Then he was tapped by the U.S. Chamber of Commerce and placed in charge of their Burlingame office. Palo Alto hired him away from its nearby rival city, but even Palo Alto could not hold him. He moved to the western regional office, first as assistant manager, and then as manager. The city of Los Angeles, aspiring to be foremost in the nation, persuaded Read to leave the western office and become chief executive for the Los Angeles Chamber. Here he served with distinction for six years. Now he was 47 years old and ready to risk everything for education in liberty. In 1946 he acquired the property and started the Foundation for Economic Education.

For 37 years Leonard Read has been not only the President of FEE, but he has been FEE exemplified. There was never any doubt about who was in charge. He had no more regard for egalitarian democracy than had Plato. Plato said, "If you were in treacherous waters would you select your pilot by popular vote? If you were seriously ill would you choose a physician by ballot?" Leonard Read ran the Foundation as an enlightened and benign dictator, but as a leader who had consideration and respect for his colleagues and friends. He could be arbitrary, but not without considering other viewpoints.



He was a genius at attracting people of quality and ability to his cause. The staff of FEE is ample evidence. Some strong leaders attract only subservient colleagues, but Read chose only persons who had talent and ability as well as independent judgment and initiative. Read could work with these highly capable individuals without dominating them or losing them. They were loyal colleagues who were subject to the power and persuasion of his mind and personality. In like manner, the Trustees and constituents of FEE are an eminent lot. Each one is a strong individual, and a forceful leader in his own right, yet each has been responsive to the leadership of Leonard Read. No ordinary executive could have won, held, and led such an assembly of prima donnas from the worlds of business, journalism, and academia as are the Trustees of FEE. Such they have been since the beginning. Occasionally someone differed sharply with Read, but if it turned out to be a matter of principle in Read's opinion, they parted company with mutual respect and good will. Read was never compared to Henry Clay, who was called the Great Compromiser.

Tonight we remember him, not only as a notable organizer and manager, but an eloquent lecturer and renowned author. He conducted seminars all over the world, and he wrote enough books to fill a library shelf. Such volumes as *The Free Market and Its Enemy*, *Anything That's Peaceful*, and *The Coming Aristocracy* have been translated and read all over the world. Leaders from many nations have found their way to this Foundation to consult with and to learn from Leonard Read. He taught those who wished to learn and brushed aside as trivial no sincere concern of a student, but he had no patience with those who merely wished to dispute, and he had only contempt for the arrogant ideologue.

Leonard Read was a man of profound religious faith, even though the clichés of usual religious practices and beliefs left him cold. He felt an almost awesome sense of the presence and power of God the Author of Liberty. His rejection of deceit and violence in any form was grounded in religion. His love for humanity derived from his faith in the God of Love. When one of his anti-religious trustees urged him to disavow any religious references in the literature of FEE, the two parted company with mutual good will and respect. Read found a new trustee.

Read was a true friend who was able to attract friends from every walk of life. Celebrities of the musical and theatrical worlds became

his admirers, along with the economic writers and other literary great. He enjoyed an easy companionship with highly placed officials of governments, as well as with menial laborers from any land. Nobel Prize winners, such as Hayek, Friedman, and Stigler were among his closest friends. Ludwig von Mises, great exponent of Austrian economics, owed much of his American recognition to Leonard Read. Read was a factor of influence in the White House, on Capitol Hill, on Wall Street, on Main Street, and in the halls of Academe. The world is more lonely without his wisdom and his wit.

Leonard Read did a great deal for his staff and for his associates. The people around him, in turn, did a great deal for him. His life would have enjoyed less luster without the capable and dedicated staff who enlarged his capabilities and helped him to stay alive through difficulties of health and personal loss. When his considerable powers began to diminish his loyal colleagues stood by him and thereby paid quiet tribute to his greatness.

Leonard Read is not so much dead as transformed into a legend. He joins the company of immortals such as Adam Smith, Frederic Bastiat, John Stuart Mill, Frank Knight, Joseph Schumpeter, Ludwig von Mises, and Benjamin Rogge, who exercise a benign influence over the oncoming generations. Even death cannot silence his witness to liberty and individual initiative. His lecture on "The Miracle of the Market," and his little treatise, "I, Pencil" are a part of the ages. He is included in what George Eliot called "The Choir Invisible of those immortal dead who live again in lives made better by their presence."

Someone asked G. K. Chesterton why in all of England there were no statues to the Romans. Rome, to be sure, was an important and persistent factor in British history. Chesterton answered: "Are we not all statues to the Romans?" We, indeed, are all statues to Leonard Read. He will live on as long as we remember him and practice the liberty he taught and exemplified. His influence will go on, for ideas have consequences and Read had ideas. This school of liberty will continue and extend the fellowship of the free.

On a more personal note, I feel impelled to say, he lived his life well. He thought truth, lived love, and trusted God. We shall miss him in our deliberations. We shall miss him on the golf course or the curling rink. He concluded his fourscore years and five with the same

courage and faith with which he lived. He had no time for despair. He held high hope for the future, even when events seemed grim. He was, as Browning wrote:

One who never turned his back but marched  
breast forward,  
Never doubting clouds would break,  
Never dreamed, though right were worsted,  
wrong would triumph.

Ezra Taft Benson:

I was deeply saddened to learn of the passing of my good friend Leonard E. Read.

He will be greatly missed, but gratefully the philosophy he so eloquently espoused will live on in the lives of thousands who came under his gentle tutelage.

In one sense, humanity can be divided among those few who foster freedom for others, those who oppress the freedom of others, and the masses who aimlessly follow the tide of opinion. Leonard was among those few who articulated the cause of freedom and fortified his expressions by a life of personal integrity to the truth in which he so ardently believed.

The Foundation for Economic Education was but the lengthened shadow of his philosophy. It was not politically oriented, because Leonard knew that politics is the art of compromise—and one cannot compromise principle. Nor was it an organization to lobby particular causes, regardless of merit, for that would place it in a constant arena of contemporary controversy. Like the man himself, the Foundation was dedicated to the timeless principles that undergird our freedom.

Leonard believed that so many who benefit economically and spiritually from a free society remain naive to the principles which cause that freedom to thrive. He therefore concluded that education in the freedom philosophy was the most effective way to enlighten others.

Leonard was as well read in the philosophy and principles of the free market as any man I have known. The library of the Foundation constitutes, in my opinion, the best library one could have on the philosophy of the free market, private property, and human liberty.

When the message came to me of the passing of Leonard, I was reading a letter written by Thomas Jefferson to John Adams in 1821, which in part reads:

"I will not believe our labors are lost. I shall not die without a hope that light and liberty are on a steady advance . . . And even should the cloud of barbarism and despotism again obscure the science and libraries of Europe, this country remains to preserve and restore light and liberty to them. In short, the flames kindled on the fourth of July, 1776, have spread over too much of the globe to be extinguished by the feeble engines of despotism; on the contrary, they will ~~consume~~ these engines and all who work them."

How applicable are those words to Leonard's lifetime work. How many thousands are indebted to Leonard Read as their kindly mentor!

He was a champion of liberty. Here indeed was a man of principle.

Leonard Read lives on, not only in his great writings but in the eternal testimony of prophets of God in Holy Writ. The Resurrection is a reality. I hope some day to embrace again my friend Leonard in a continuation of the sweet association we enjoyed in mortal life.

Freedom, in which he believed and to which I testify, is a God-given eternal principle.

Edmund A. Opitz:

It is with deepest regret that we are compelled to note the passing of our founder and President, Leonard Read.

Leonard was born in rural Michigan just before the turn of the century. Farm chores plus clerking in the local store schooled him early in the work ethic.

Later, he earned his way through Ferris Institute, but interrupted his education to enlist in the army. The troopship *Tuscania*, carrying him to Europe, was sunk off the Irish coast but Leonard made it to shore and served in England as a rigger with the air corps. After the war's end he was with the army of occupation in Germany before returning to Michigan.

Back in Ann Arbor he started a wholesale produce business. Despite long hours and hard work the business proved unprofitable. Staring at the accumulated debts, Leonard figured that the market was trying to tell him something. As he decoded the message, the market

was telling him to go to California, which he did in 1925, with his wife and two young sons. After a stint in the real estate business he became Secretary of the Burlingame Chamber of Commerce where he discovered that he had a knack for organization. Within a few years he had become the Manager of the Western Division, U.S. Chamber of Commerce.

By this time the nation was experiencing the early years of the New Deal, which had the Chamber's support, as well as the support of many businessmen—as well as such spokesmen as young Read.

A dramatic turn in Leonard's life took place at this time. A prominent Los Angeles businessman was openly critical of the New Deal and of the Chamber for supporting it, so Read decided to set him straight. Instead, Bill Mullendore set Leonard straight, and the two men became lifetime friends.

Leonard expounded his freedom philosophy in a book entitled *Romance of Reality*, published in 1937. It was this book that persuaded the Los Angeles Chamber of Commerce, the nation's largest, to oppose the collectivist drift by intellectual methods, and that Leonard was the man they needed as General Manager. Leonard became a nationally prominent figure during his six years in Los Angeles, gaining the confidence of leaders in business and public life.

Read came to New York in 1945 as the Executive Vice-President of the National Industrial Conference Board, but continued to nourish a dream born a few years earlier—of an independent organization which would stand uncompromisingly for freedom and publish literature in the modern idiom. The Foundation for Economic Education was the result, and the rest is history.

Leonard has preached the gospel of freedom all over the world, travelling two and one half million miles by air and scores of thousands of miles by other means. He has written twenty-nine books and numerous articles. But FEE is the enduring witness to Leonard's life.

Leonard's philosophy is, basically, that of the Declaration of Independence, to which he added a dash of mysticism, some hard-nosed free market economics, spiced by a dash of native American go-getter spirit. Leonard has always shunned argument and debate, preferring instead to win over his readers by striking illustrations, parables, and stories. His life-long devotion to human freedom amounted to an obsession. He sought a better understanding of freedom and worked

to expound it with ever greater clarity and persuasiveness. The methodology he stressed was based on self-improvement—let each person work on himself and present society with one improved unit.

The Foundation for Economic Education was born out of Leonard's original vision. It attests to the integrity and passion with which he served that vision; it is the monument by which he will be remembered—and that's the way he would want it. Leonard stood tall, and FEE is his lengthened shadow.

Hans F. Sennholz:

A wise man may at times be angry with the world, or may be grieving for it. But he does not retreat from it in despair, nor does he condemn it. He observes and studies the world, he may explore it and use it, mindful of man's noblest task, to make it better.

Leonard Read performed his duties in this world. The spirit of liberty needed to be rekindled, virtuous liberty, which is the right of doing all the good in man's power, according to God's laws. To this end Leonard devoted his life.

To Leonard Read, death opened the gate of fame and immortality, and closed the gate of fallibility and vexation. It untied the chains of duty and put his tasks in other hands.

Leonard belonged to a rare breed of men—a born entrepreneur who could have amassed riches and fortunes, but chose to devote his life to the expansion of consciousness. Life, to him, was a journey, not a home; a road by which he could press on to join his Creator.

For Leonard Read the material world was just one among other objects of man's consciousness. In his book *Deeper Than You Think* and in numerous passages of his *Journal* he acknowledged his central presupposition: the immortality of the individual spirit or consciousness. In his own words: "Reduced to its essence, this earthly moment is only the beginning; consciousness, *the Reality*, is eternal, retaining its growth potential. Once this is accepted and lived by, the individual seeks approval of the Eternal Ideal; his prime objective cannot be fame before men. Daily actions have a higher guide than momentary expediency; whatever one does is premised on his highest concept of rightness and righteousness."

"What is man's earthly purpose?" he asked in *Anything That's Peaceful*, which probably is the greatest of his 29 books. "It is to

expand one's own consciousness into as near a harmony with Infinite Consciousness as it is within the power of each, or, in more lay terms, to see how nearly one can come to a realization of those creative potentialities peculiar to one's own person, each of us being different in this respect."

Surely Leonard Read's own consciousness approached the perfect harmony he sought. He achieved the complete realization of his creative potentialities.

Leonard Read created a "home" for the friends of freedom everywhere. When pessimism was rife and freedom was engulfed by hostile forces, he built The Foundation for Economic Education on a solid foundation and made it the training ground for a new generation of teachers and scholars. He established an educational organization that withstood the test of time and faces the future with confidence. But above all, in more than three decades he sustained the philosophy of freedom through his prolific writing, through seminars for students, businessmen and professional people, and through contacts with schools and colleges that sought his guidance.

The visitor to FEE senses the presence of Leonard and other kindred souls, with common ideals and feelings. The FEE spirit is reassuring and contagious. It inspired the creation of numerous similar organizations at home and abroad. F. A. Harper left FEE, after ten years on Leonard's senior staff, to found the Institute for Humane Studies in Menlo Park, California. Disciples created "freedom centers" and "institutes" throughout the country. In other countries FEE alumni and friends modeled their work after that of the Foundation in Irvington. Manuel F. Ayau built a new university in Guatemala City. To all of them, FEE's dedication to the ideals of liberty has been an inspiration that breathes new hope for the future and instills them with courage and confidence.

Leonard was a pathfinder for freedom who carried his spirit into daily action. He was the dean of freedom scholars with a passionate love of excellence everywhere and in everything. He loved it in himself, in his own alert mind, in his own spirit, and in others.

There were two lives in Leonard Read, the life of his actions that now has ended, and the life of his thought that lives on in the hearts and minds of man everywhere.

In his last book, *The Path of Duty*, written and published in 1982, when the curtain of life was descending slowly, Leonard returned once

more to his ultimate guide to duty: the Ten Commandments. And in the last chapter of this book he once more reminded us of the transcendent power of doctrine by example. He was truly convinced that example has more followers than logic and reason. He would call it the "power of attraction." "Become so proficient in understanding and explaining freedom that others will seek your tutorship." He would say to us: "Ours is a learning problem and not a selling problem."

Leonard laid down his pen citing the words of the American poet William Cullen Bryant: "Greatness lies, not in being strong, but in the right using of strength.... He is the greatest whose strength carries up the most hearts by the attraction of his own."

Indeed, Leonard Read was one of the greatest. He cast a gleam of light on all of us, and lifted our hearts.



## INDEX

### A

Absolutism, 142  
 Ada's restaurant, 8  
 Aero Squadron, 158th, 17,  
 20, 34  
 Aggie, 38, 184  
 Agricultural Adjustment Act  
     of 1933, 53  
 Alberta, 2  
 American Expeditionary  
     Forces (AEF), 15  
 Anarchists, 148  
 Anderson, Robert G., 78, 92,  
 113  
 Anderson, B.M., 86  
 Ann Arbor Produce  
     Company, 35, 41, 42  
 Argentina, 162  
 Armament race, 14  
 Armistice, 24  
 Atheists, 100  
 Austria-Hungary, 13, 23  
 Aviation Section, U.S. Signal  
 Corps, 12, 15  
 Ayau, Manuel F., 170

### B

Bastiat, Frederic, 139, 143  
 Battle Creek, MI, 25  
 Benegas Lynch, Alberto, 170

Benson, Ezra Taft, 185, 189-  
 190  
 Berlin, 23  
 Bible, 177  
 Bierly, Ivan R., 78  
 Big Rapids, MI, 10, 11  
 Bill of Rights, 15, 159, 160  
 Blood poisoning, 7  
 Böhm-Bawerk, Eugen von,  
 127  
 Booth, Shirley, 60  
 Borders, Irving, 72  
 Brown, Donaldson, 71  
 Brown, Janette, 184  
 Buckley, William F., 89, 172  
 Buckley, Reid, 78  
 Buffalo, NY, 2  
 Bulgaria, 23  
 Bullock, C.J., 140  
 Burlingame, CA, 47

### C

Caesarean section, 40  
 California, 43  
 Canadian infantry, 15  
 Carver, T.N., 59, 140  
 Cashier, 34  
 Cassel, Gustav, 50, 51  
 Casswell, Mary, 3  
 Chain stores, 41  
 Chamber of Commerce, 43-  
 65

Chamberlain, John, 86, 87,  
111  
Chamberlin, William Henry,  
86  
Chinese, 43  
Chodorov, Frank, 78, 86, 88,  
89  
Civil War, 3  
Clark, John Bates, 140  
Clinchy, Russell J., 78  
Cobb, Gladys, 34, 38  
Cobb, Frances, 34  
Communism, 66, 67  
Communist Manifesto, 151  
Competition, 29, 42, 58, 137  
Connor Ice Cream Co., 34  
Consciousness, 76  
Constitution, 151, 153, 159,  
160  
Continental dollar, 162  
Cornuelle, Herbert, 72, 78  
Crane, Jasper, 94  
Cuba, 1  
Cunard liner, 17  
Curtiss, W.M., 72, 78, 95,  
113

## D

Davenport, John, 86  
Debs, Eugene V., 67  
Declaration of Independence,  
151, 160  
Democracy, 153  
Democratic Party, 56  
Depression, 40, 56, 57

Descartes, René  
Detroit, 2, 36  
Dewey, John, 51  
Dunham, Carroll, 73

## E

Eastburn, Elizabeth, 78  
Eastern Europe, 14  
Economic education, 75  
Economic nationalism, 15  
Economics, 122, 125-141  
Emergency Fleet Corporation,  
26  
England, 3  
Entrepreneurship, 58  
EPIC, 62  
Equitable Building, 72  
Erie Canal, 2, 6

## F

Fabian Socialism, 68  
Fairchild, Fred Rogers, 71, 86  
Faith, 97  
Farm Board, 50  
Fate, 16  
Federal Reserve System, 30,  
31, 57, 163  
Federal Shipping Board, 29  
Ferris Institute, 10  
Ferris, Woodbridge Nathan,  
10, 11  
Fertig, Lawrence, 87  
Filipino, 44  
Fisher, Antony, 170

Fisher, Irving, 50, 51  
Flint, 2  
Flintridge, 61  
Foch, Marshal, 24  
Food Administration, 27  
Founding Fathers, 151, 167  
France, 13, 66, 166  
Fraternities, 37  
French Revolution, 162  
Freud, Sigmund, 114  
Friedman, Milton, 90

## G

Gaige, Crosby, 182  
Garrett, Garet, 68, 86  
Germany, 11, 13, 66, 166  
God, 97-110  
Gold mining, 43  
Golden Rule, 130  
Goodrich, David, 70, 71  
Government inspectors, 38  
Grand Rapids, 11  
Grant, Ulysses Simpson, 3  
Gratiot County, 2  
Great Britain, 13, 66  
Great Depression, 86  
Greaves, Percy L., 90  
Greaves, Bettina Bien, 78, 93  
Gresham, Perry E., 185  
Grove City College, 90  
Guam, 1

## H

Halifax, Nova Scotia, 17

Hanighen, Frank, 88  
Hare, Brewer Clark, 45  
Harkness, John, 11, 15  
Harper, F.A., 72, 78, 170  
Harris, Gordon, 73  
Hawley-Smoot Tariff Act, 50  
Hayek, F. A., 90, 170, 171  
Hazlitt, Henry, 71, 86, 87, 90, 140, 169  
Hillside, 73  
History, 156-168  
Hoboken, NJ, 17  
Hoffman, Beth H., 78  
Hoiles, R.C., 89  
Hoover Administration, 50  
Hoover, Herbert, 27, 48  
Hubbardston, MI, 1  
Hubbardston School, 4, 11  
Humboldt, Alexander, 146  
Humility, 180

## I

*Ideas on Liberty*, 89  
Ignorance, 164, 165  
Industrial Revolution, 136  
Infinite Consciousness, 97-110, 124, 125  
Inflation, 26, 30, 162-164  
Interstate Commerce  
    Commission, 28  
Inventor, 39  
Irish immigrants, 6  
Irvington Press, 88, 89

## J

Japan, 66  
 Japanese, 43  
 Jefferson, Thomas, 143  
 Johnson, A. Ranney, 78  
 Johnson, Mallory Cross, 78  
 Johnson, William, 78  
 Jordan, Virgil, 68  
 Jung, Carl Gustav, 107, 118

## K

Kaiser, 23  
 Kakistocracy, 149  
 Kelly Field, San Antonio, TX, 15  
 Keynes, John Maynard, 86  
 Knight, F.H., 86  
 Koblenz, 24  
 Koether, George, 78  
 Krenza, Mike, 181

## L

L.E. Read *Journal*, 138  
 LaFollette, Suzanne, 87  
 Lamborn, Ellis, 78  
 Lansing, 2, 15  
 Larne, Ireland, 20  
 Laursen, Earl, 172  
 Leibnitz, Gottfried W., 114  
 Lever Act, 27  
 Liberalism, 140  
 Libertarians, 84  
 Liberty bonds, 30

Lindley, Marge, 72  
 Lipsett, Don, 78  
 Locke, John, 114  
 Lookout Mountain, Battle of, 3  
 Los Angeles, 59  
 Lowell, James Russell, 149  
 Lynn, John, 174

## M

Macroeconomics, 132-134  
 Madariaga, Salvador de, 1  
 Mainz, 24  
 Marxism, 67  
 McGinn, Patience, 5  
 McKinley, William, President, 1  
 Medical School, 33  
 Michigan, 2  
 Microeconomics, 132  
 Milione, E. Victor, 78  
 Militarism, 13  
 Mill, John Stuart, 98, 143, 146  
 Mises, Ludwig von, 90, 92, 140, 143, 145  
 Mitchell, Billy, 22  
 Mullendore, W.C., 55, 140, 174

## N

National Industrial  
 Conference Board, 64, 68

National Industrial  
Recovery Act, 54  
National Labor Relations  
Board, 56  
National Review, 89  
Nationalism, 13  
Navarro, Agustin, 170  
Navy Recruiting Office, 11  
New Deal, 31, 53, 59, 86  
Newport News, 24  
Nieupoorts, 16  
Nock, Albert J., 59, 86  
North, Gary, 78

## **O**

Opera House, 6, 8  
Opitz, Edmund A., 78, 95,  
96, 113, 185, 190-192  
Ortega y Gasset, José, 59

## **P**

Palo Alto, CA, 44, 48  
Parkison, Thomas J., 72  
Patent Office, 40  
Paton, W.A., 86  
Patrick, Mason M., 20  
Patron Saint, 109, 110  
Pearl Harbor, 56  
Perón, Juan, 162  
Peterson, William H., 90  
Petro, Sylvester, 90  
Pew, J. Howard, 174  
Philippines, 1  
Poirot, Paul L., 78, 90, 113

Politics, 154, 155  
Praxeology, 121  
Psychology, 121  
Puerto Rico, 1

## **R**

Railroad War Board, 24  
Read, Ada Sturgis, 1, 7  
Read, Edward C., 3, 26  
Read, George, 3  
Read, Hank, 179  
Read, James Baker, 41  
Read, John, 6, 8, 9, 27  
Read, Joshua, 3  
Read, Orville Baker, 1, 2  
Read, Ruby, 8, 27  
Read, Rubye, 4, 9  
Read, Simon, 3  
Read, William, 3  
Real Estate, 45  
Remnant, The, 96  
Reo Motor Car Co., 15  
Revenue Act of 1932, 50  
Revenue Act of 1918, 30  
Revolution, 23  
Ricardo, David, 127  
Rigger, 16, 21  
Robinson, Claude, 71, 87  
Roche, George C., 78, 92  
Rogers, James M., 78  
Rogge, Benjamin A., 171,  
172  
Roosevelt, Franklin Delano,  
53, 55  
Rothbard, Murray, 90

Royster, Vermont, 172  
Rushton, Lucille R., 179  
Russell, Dean, 78, 92,  
Russia, 13, 163, 166  
Ryker, Ken, 170

## S

Saugatuck, 38  
Seattle, 49  
Self-defense, 32  
Sennholz, Hans F., 90, 179,  
185, 192-194  
Severance pay, 35  
Shelly, Thomas J., 78  
Sherman, William T., 3  
Shiawassee County, 2  
Shipping Board, 26  
Shipping industry, 29  
Shortages, 27  
Sinclair, Upton, 56  
Smeed, Ralph, 170  
Smith, Adam, 143, 146  
Social Security, 161  
Sopworth Camels, 16  
Spads, 16  
Spain, 1  
Spangler, James W., 54  
Spanish-American War, 1  
Spencer, Herbert, 59, 112,  
143, 146  
Spinoza, Baruch, 114  
Spiritual mobilization, 95  
Springfield, Andrew, 7  
St. Andrews Club, 180, 181  
Stanford University, 59

Stock market crash, 49  
Strawn, Silas, 52  
Sturgis family, 2  
Submarines, 17  
Summers, Brian, 78  
Sumner, Charles, 173  
Sumner, William Graham, 59,  
140  
Surgeon, 33

## T

Taussig, F.W., 140  
Tax collectors, 31  
Taxation, 30, 154  
Teaching, 77  
Team Tracks, 36  
*The Freeman*, 87-90  
Thomas, Norman, 67  
Tocqueville, Alexis de, 146  
Tolstoy, Leo, 111  
Total war, 14  
Turkey, 14, 23  
*Tuscania*, 17-20

## U

U.S.S.R., 66  
Ullman, Samuel, 183  
Undistributed Profit Tax, 55  
United Methodist Church, 6

## V

Veblen, Thorstein, 51  
Velasco, Gustavo, 170

Versailles Treaty, 24  
*Virginian*, 24  
Voltaire, Francois M.A., 99

## **W-Z**

Wagner Act, 56  
Waldorf-Astoria Hotel, 169  
War Finance Board, 26  
War Trade Board, 26  
War, 12, 23  
Watertown, NY, 3  
Watts, V. Orval, 59, 60, 72,  
78, 140  
Webb Alien Land Act, 43  
Wellman, Stan, 19, 20  
Western School of  
    Commercial Organization  
    Secretaries, 59  
Western and Southern  
    Insurance Co., 34  
Williams, Jr., A.D., 72, 95  
Wilson, Woodrow, 14  
Wilson Administration, 26,  
29, 30  
Winsor, MA, 3  
Wolman, Leo, 71, 87  
Works Progress  
    Administration, 64  
Youth, 12  
Zuloaga, Nicomedes, 170

## BOOKS BY LEONARD E. READ

- Romance of Reality* (1937)  
*Pattern for Revolt* (1948)  
*Outlook for Freedom* (1951)  
*Government: An Ideal Concept* (1954)  
*Why Not Try Freedom?* (1958)  
*Elements of Libertarian Leadership* (1962)  
*Anything that's Peaceful* (1964)  
*The Free Market and Its Enemy* (1965)  
*Deeper Than You Think* (1967)  
*Accent on the Right* (1968)  
*The Coming Aristocracy* (1969)  
*Let Freedom Reign* (1969)  
*Talking to Myself* (1970)  
*Then Truth Will Out* (1971)  
*To Free or Freeze* (1972)  
*Instead of Violence* (1973)  
*Who's Listening?* (1973)  
*Having My Way* (1974)  
*Castles in the Air* (1975)  
*The Love of Liberty* (1975)  
*Comes the Dawn* (1976)  
*Awake for Freedom's Sake* (1977)  
*Vision* (1978)  
*Liberty: Legacy of Truth* (1978)  
*The Freedom Freeway* (1980)  
*Thoughts Rule the World* (1981)  
*The Path of Duty* (1982)