
I, Pencil

My Family Tree as Told to
Leonard E. Read

Introduction by
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Afterword by
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Leonard E. Read
(1898–1983)
established the
Foundation for
Economic Education
in 1946.

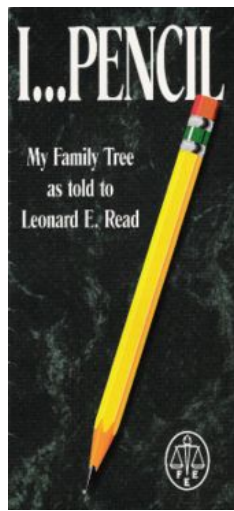
For the next 37 years Mr. Read served as FEE's president and labored tirelessly to promote and advance liberty.

He was a natural leader who, at a crucial moment in American history, roused the forces defending individual freedom and private property.

His life is a testament to the power of ideas. As President Ronald Reagan wrote: "Our nation and her people have been vastly enriched by his devotion to the cause of freedom, and generations to come will look to Leonard Read for inspiration."

Read was the author of 29 books and hundreds of essays. "I, Pencil," his most famous essay, was first published in 1958. Although a few of the manufacturing details and place names have changed, the principles endure.

This new edition of "I, Pencil" was made possible by the generosity of John A. Kasch, M.D.



In "I, Pencil" Leonard Read conveys the miracle of the market by telling the family history of an ordinary, everyday object – an old-fashioned writing instrument.

Entrepreneurs created the miracle. Each of the million cooperating entities that make possible the Pencil and countless other products we take for granted was once a visionary's vision.

CFI, the nation's leading seed stage advocate, helps bring entrepreneurs' dreams to fruition...

"to take on their causes as our own and stand beside them in good times and bad."

The full text of "I, Pencil" is available at
www.fee.org.

Afterword

BY MILTON FRIEDMAN
Nobel Laureate, 1976

Leonard Read's delightful story, "I, Pencil," has become a classic, and deservedly so. I know of no other piece of literature that so succinctly, persuasively, and effectively illustrates the meaning of both Adam Smith's invisible hand—the possibility of cooperation without coercion – and Friedrich Hayek's emphasis on the importance of dispersed knowledge and the role of the price system in communicating information that "will make the individuals do the desirable things without anyone having to tell them what to do."

We used Leonard's story in our television show, "Free to Choose," and in the accompanying book to illustrate "the power of the market" (the title of both the first segment of the TV show and of chapter one of the book). We summarized the story and then went on to say:

"None of the thousands of persons involved in producing the pencil performed his task because he wanted a pencil. Some among them never saw a pencil and would not know what it is for. Each saw his work as a way to get the goods and services he wanted – goods and services we produced in order to get the pencil we wanted. Every time we go to the store and buy a pencil, we are exchanging a little bit of our services for the infinitesimal amount of services that each of the thousands contributed toward producing the pencil.

"It is even more astounding that the pencil was ever produced. No one sitting in a central office gave orders to these thousands of people. No military police enforced the orders that were not given. These people live in many lands, speak different languages, practice different religions, may even hate one another – yet none of these differences prevented them from cooperating to produce a pencil. How did it happen? Adam Smith gave us the answer two hundred years ago."

"I, Pencil" is a typical Leonard Read product: imaginative, simple yet subtle, breathing the love of freedom that imbued everything Leonard wrote or did. As in the rest of his work, he was not trying to tell people what to do or how to conduct themselves. He was simply trying to enhance individuals' understanding of themselves and of the system they live in.

That was his basic credo and one that he stuck to consistently during his long period of service to the public—not public service in the sense of government service. Whatever the pressure, he stuck to his guns, refusing to compromise his principles. That was why he was so effective in keeping alive, in the early days, and then spreading the basic idea that human freedom required private property, free competition, and severely limited government.

I, Pencil

BY LEONARD E. READ

I am a lead pencil—the ordinary wooden pencil familiar to all boys and girls and adults who can read and write. Writing is both my vocation and my avocation; that's all I do.

You may wonder why I should write a genealogy. Well, to begin with, my story is interesting. And, next, I am a mystery —more so than a tree or a sunset or even a flash of lightning. But, sadly, I am taken for granted by those who use me, as if I were a mere incident and without background. This supercilious attitude relegates me to the level of the commonplace. This is a species of the grievous error in which mankind cannot too long persist without peril. For, the wise G. K. Chesterton observed, "We are perishing for want of wonder, not for want of wonders."

I, Pencil, simple though I appear to be, merit your wonder and awe, a claim I shall attempt to prove. In fact, if you can understand me—no, that's too much to ask of anyone—if you can become aware of the miraculousness which I symbolize, you can help save the freedom mankind is so unhappily losing. I have a profound lesson to teach. And I can teach this lesson better than can an automobile or an airplane or a mechanical dishwasher because—well, because I am seemingly so simple.

Simple? Yet, *not a single person on the face of this earth knows how to make me.* This sounds fantastic, doesn't it? Especially when it is realized that there are about one and one-half billion of my kind produced in the U.S.A. each year.

Pick me up and look me over. What do you see? Not much meets the eye —there's some wood, lacquer, the printed labeling, graphite lead, a bit of metal, an eraser.

Innumerable Antecedents

Just as you cannot trace your family tree back very far, so is it impossible for me to name and explain all my antecedents. But I would like to suggest enough of them to impress upon you the richness and complexity of my background. My family tree begins with what in fact is a tree, a cedar of straight grain that grows in Northern California and Oregon. Now contemplate all the saws and trucks and rope and countless other gear used in harvesting and carting the cedar logs to the railroad siding. Think of all the persons and the numberless skills that went into their fabrication: the mining of ore, the making of steel and its refinement into saws, axes, motors; the growing of hemp and bringing it through all the stages to heavy and strong rope; the logging camps with their beds and mess halls, the cookery and the raising of all the foods. Why, untold thousands of persons had a hand in every cup of coffee the loggers drink!

The logs are shipped to a mill in San Leandro, California. Can you imagine the individuals who make flat cars and rails and railroad engines and who construct and install the communication systems incidental thereto? These legions are among my antecedents.

Consider the millwork in San Leandro. The cedar logs are cut into small, pencil-length slats less than one-fourth of an inch in thickness. These are kiln dried and then tinted for the same reason women put rouge on their faces. People prefer that I look pretty, not a pallid white. The slats are waxed and kiln dried again. How many skills went into the making of the tint and the kilns, into supplying the heat, the light and power, the belts, motors, and all the other things a mill requires?

Sweepers in the mill among my ancestors? Yes, and included are the men who poured the concrete for the dam of a Pacific Gas & Electric Company hydroplant which supplies the mill's power! Don't overlook the ancestors present and distant who have a hand in transporting sixty carloads of slats across the nation. Once in the pencil factory – \$4,000,000 in machinery and building, all capital accumulated by thrifty and saving parents of mine – each slat is given eight grooves by a complex machine, after which another machine lays leads in every other slat, applies glue, and places another slat atop – a lead sandwich, so to speak. Seven brothers and I are mechanically carved from this "wood-clinched" sandwich.

[link to full text of this excerpt](#)

