

The

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Hazlitt as National Teacher

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During the academic year that encompassed the fall term of 1964 and the spring term of 1965, I was a freshman in college. I was also in my first year of intercollegiate debate, after four years of interscholastic debate in high school. I'm sure debate has evolved in many ways in the last half-century, and I don't really know what it's like to be a debater these days, but back then, being a debater meant spending most of your weekends all school year long at debate tournaments, which were held at other schools. They typically began on Friday afternoon and ended around midday on Sunday.

If you went to a school with a highly developed debate program, you probably spent every weekend from October 1 through May 1 at such tournaments. Being a debater back then meant that all your best friends were either other debaters at your own school or debaters from other schools whom you saw every weekend at tournaments. You hardly had time to get to know anybody else. Outside of the time you spent in classes, debate was your life.

Being a debater back then meant debating a single proposition or "debate question" all year long. But most tournaments also offered what they called "individual events," that is, public speaking contests you could enter as an individual. Debating was done by teams, teams of two. You always entered one of the debate divisions at a debate tournament with a "partner," your debate colleague. But you could enter "Extemporaneous Speaking" or "Impromptu Speaking" or "Original Oratory" all by yourself, as an individual. Most debaters also entered Extemporaneous Speaking. You drew a slip of paper out of a bowl. On it was a topic drawn from the world of recent news events and current controversies. You had 30 minutes to put together a ten-minute speech on whatever that topic turned out to be.

The way to be prepared for whatever you might draw out of the bowl was to read the newspapers every day. But you had to read three magazines as well: *Time*, *Newsweek*, and *U.S. News & World Report*. So I read *Time*, *Newsweek*, and *U.S. News & World Report* every week all through high school and college, and, out of long-ingrained habit, for many years thereafter. In the end, I broke myself of this habit, but that's another story.



Back then, I read *Time*, *Newsweek*, and *U.S. News and World Report* every week. And part of the experience of reading *Newsweek* in the early 1960s was a weekly column called “Business Tides.” The title makes it sound as though it was a column about business news, but in fact it offered wide-ranging and insightful commentary on just about anything that had anything to do with the economy or with economics. It was written by a man named Henry Hazlitt, who, I had learned, was also the author of a short book called *Economics in One Lesson*, which had been published originally in 1946, a few months before I was born. I read *Economics in One Lesson* during academic year 1964–65—my freshman year in college—when we were debating the proposition “that the federal government should establish a national program of public works for the unemployed.”

In debate back then, if you showed up at a tournament, you were expected to be prepared either to present a case for the proposition of the year—this was called taking the “affirmative” side in the debate—or to argue against whatever case the opposing team presented on behalf of the proposition—this was called taking the “negative” side in the debate. To get through a tournament, you would be required, at minimum, to take the affirmative side in at least two debates and to take the negative side in at least two other debates.

Now, most debaters, like most people, are not very imaginative. And they tend to be what Ayn Rand used to call

“concrete-bound”: stuck in mundane details while failing to see the bigger, more abstract, picture—in the old cliché, failing to see the forest by paying too much attention to the individual trees. Thus, most debate teams in academic year 1964–65 argued in favor of federal public works programs for the unemployed by describing the lamentable state of the nation’s unemployed workers, talking briefly about how a free economy will always have a small percentage of unwillingly unemployed people in it, and asserting that the wonderful experience of the Works Projects Administration and related programs under the New Deal had shown how successful public-works projects could be at ameliorating this problem.

I was unwilling to take such a case into a debate round against a competent opponent. It was too easy to shoot down. At bottom, it simply wasn’t true. I knew that unemployed Americans in the mid-1960s were perhaps the most affluent poor people in human history up to that time. I knew from reading Henry Hazlitt’s *Economics in One Lesson* at the beginning of the fall term that there is no involuntary unemployment in a free-market economy other than that caused by government. And I knew that the public works programs of the New Deal era had been far from a brilliant success, almost irrespective of which standard one chose to judge them by.

So what would my debate colleague and I do when we had to take the affirmative on this question? I decided we’d rely on the surprise factor. We’d

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argue, not that unemployment right now was particularly bad, or that “structural unemployment” was inescapable in a free-market economy, but rather that a business cycle was inescapable in a free-market economy and that our wonderful experience during the New Deal made it clear that government could ameliorate the worst consequences of this business cycle by ramping up public works programs during slumps and shrinking them back down during boom times.

I knew from reading Henry Hazlitt that this wasn’t true either. But what could I do? In truth there weren’t any good, defensible reasons to support national public-works programs for the unemployed. Yet the rules of debate required that you support them, at least part of the time, if you wanted to win—or even do respectably well in—any tournaments that academic year. At least, with a business-cycle case, you’d have the benefit of surprise. Few teams, even among the best, would come into the round prepared to argue about the business cycle. They’d flounder around helplessly and cluelessly, particularly because, as I say, most of them, even the best of them, were rather unimaginative and concrete-bound and unused to thinking about things in terms of broad theories like the business cycle in the market economy. So you’d win the round despite the weakness of your case.

As I say, I knew from reading Henry Hazlitt’s column in *Newsweek* for a few years and from reading his *Economics in One Lesson* at the beginning of the term that the business-cycle case was weak. But I also knew I had to cover my own ass. If I had thought of this argument for the proposition, other people would think of it, too. I was smart, but not so smart others wouldn’t see the possibilities I had seen in Keynesian business cycle theory—the possibilities for catching a negative team with their pants down by presenting a nonstandard argument in favor of the proposition. Therefore, I had to be prepared to

destroy the business-cycle argument, in case I ended up on the negative against it. I went to the library to look for intellectual ammunition. I found an extraordinary book called *The Failure of the “New Economics”*: An Analysis of the Keynesian Fallacies—by none other than Henry Hazlitt. It utterly demolished my business-cycle argument, and it made me wonder: just who was this Henry Hazlitt, anyway?

I didn’t find out the full answer to that question for some years. This was the pre-Internet era, remember, when information was harder to come by, and it often required an afternoon or two in a good library to find out what you can find out today in less than 30 minutes without leaving home. But what I eventually found out was this:

Henry Hazlitt was born 116 years ago this month, on November 28, 1894, in Philadelphia. His father died when he was still a baby, and he and his mother had rather a rough time of it for the next nine years, until she remarried and moved with her son and his new stepfather to Brooklyn. It was in Brooklyn that Henry Hazlitt grew up and it was in the Brooklyn public schools that he got his first taste of education. By the time his stepfather died, he was in his second year at City College in Manhattan, but his stepfather’s death plunged the family back into poverty, and Hazlitt had to quit City College and find employment to support his widowed mother. After a few months in office jobs, he decided to try his hand at newspaper work. He liked writing and, in his spare time, had nearly finished the manuscript of his first book. “I decided I wanted to be a newspaperman,” he told an interviewer many years later, “because it was the only way I could see to get into writing.”

And so it was that in the year 1915, at the age of 20, Henry Hazlitt went to work for the *Wall Street Journal*. At first his job was basically taking dictation and typing. Reporters phoned in their stories, either dictating them from

their notes or reading them aloud from already written—not infrequently handwritten—copy; Hazlitt typed them up in fit form to be submitted to the copy desk.

The problem was that Hazlitt could already write better than any of the *Journal* reporters for whom he was acting as a stenographer—a fact that was evident to anybody who took a look at his precocious first book, which he finished just before joining the *Journal*. It was published in the fall of 1915, shortly before Hazlitt's 21st birthday, at around the same time he was promoted from stenographer to reporter—*Thinking as a Science* it was called, a set of observations on the methodology of mentally digesting what one reads or otherwise learns about the world, written in a voice that was astonishingly mature, confident, and measured, certainly not that of a mere boy hardly out of his teens.

Hazlitt's thinking about thinking was a natural outgrowth of his voracious reading program, with which he was attempting to make up for the college education he felt he'd been denied when he had to drop out of school to support his mother. His learning wasn't entirely a product of reading, however; it was also based on observing people and talking with them. Hazlitt learned a great deal about how the economy worked, for example, while reporting on business for the *Wall Street Journal* and, a little later, for the *New York Evening Mail*—both from observing businessmen in their element and from interviewing them in depth. Of course, the information he obtained in these ways was inconclusive in itself. To know how to make sense of it all—what he read, what he observed, what he gleaned from conversation—he needed a comprehensive theory. To come up with one, or to judge one proposed by somebody else, would require thinking on his part. And that entailed learning how to think. It entailed learning something

about what went into thinking, what made thinking effective or ineffective, useful or useless. And so Henry Hazlitt found the subject of his first book.

Meanwhile, he was building a career as a journalist. From the *Wall Street Journal* he moved on to the *New York Evening Post*, from there to the *New York Evening Mail*, and from there to the *New York Sun*. He worked as an editorial writer, as a financial editor, as a book reviewer, as a composer of essays for Sunday editions on contemporary ideas and controversies. Then came a few years running the “back of the book”—the book review pages—of *The Nation*, followed by a brief time as editor of *The American Mercury*, where he was H.L. Mencken's handpicked successor. In announcing the change of editors, Mencken called Hazlitt the “only competent critic of the arts that I have heard of who was at the same time a competent economist,” as well as “one of the few economists in human history who could really write.”

From *The American Mercury*, Hazlitt moved on to the *New York Times*, where he spent the late '30s and the war years writing editorials on economic issues and reviewing books on economic topics for the weekly Sunday book review section. Then, in 1946, he published *Economics in One Lesson* and left the *Times* for *Newsweek*. During all these years, Hazlitt continued the quest he had embarked upon in his late teens when he had dropped out of City College—his pursuit of the college education he felt he'd missed out on, and, with specific respect to what he had learned from reading, observation, and conversation about the proper relation of the individual to society, his search for a comprehensive theory that would enable him to make sense of it all.

Hazlitt seems to have first read Herbert Spencer around the time he left City College, and for some years, it was Spencer's theory of human society that served as his guide. On the whole, it served him well, though

it left a number of economic questions without any really satisfactory answers. Then, in 1938, Hazlitt read a book called *Socialism: An Economic and Sociological Analysis*, a recent English translation, published a couple of years earlier in London, of a book first published in Germany in 1922 by someone Hazlitt had heard of but had never read before, an Austrian economist named Ludwig von Mises. Mises explained that subjective preference was the root of economic value, that it was the marginal value of any particular good or service to the purchasing public that determined its price, and that prices conveyed information to entrepreneurs about specifically where the purchasing public would most like to see productive investment in the economy. Mises blew Hazlitt away.

Hazlitt was 44 years old and had been writing professionally about economic matters for more than 20 years. But he was by no means too old a dog to learn any new tricks. From that moment on, if you asked him, Hazlitt would tell you that the major intellectual influence on his thinking about human society was Ludwig von Mises. He wrote a piece for the *New York Times* about Mises's *Socialism* and exchanged a few letters with Mises himself, who was in Geneva at the time. Then one day, two years later, he picked up the ringing telephone in his apartment on New York's Washington Square and heard a voice say, "This is Mises speaking." Hazlitt was flabbergasted. "As I've told many of my friends since," he explained to an interviewer in 1983, "it was as if someone had called and said, 'This is John Stuart Mill speaking.'"

Mises was in New York now, it turned out, a refugee from a Europe largely overrun by Nazis, and in need of work. Hazlitt did what he could, and it proved to be quite a bit. He arranged for Mises to write several short articles for the *New York Times*, to help bring his name to the attention of the American intellectual world.

He helped Mises obtain a grant from the Rockefeller Foundation that made it possible for him to write two of his shorter books, *Omnipotent Government* and *Bureaucracy*. He persuaded Yale University Press to publish those two shorter books in 1944, as well as a much longer one called *Human Action* a few years later, in 1949. Hazlitt edited all three manuscripts, as he told a 1983 interviewer, "at the publisher's request, for English idiom."

Hazlitt helped Mises obtain a position as a visiting professor with the New York University Graduate School of Business Administration. He helped organize the committee of wealthy donors who put up the money to pay Mises's salary at NYU, since the university only grudgingly agreed to take the greatest economist and social theorist of the twentieth century under its wing at all and was determined not to actually spend any of its own money paying him for his time. Finally, Hazlitt introduced Mises to Leonard Read at the Foundation for Economic Education, which brought him further employment as a lecturer and adviser on economic issues.

When he wrote *Economics in One Lesson* in 1945, Hazlitt was thoroughly under the sway of Mises's ideas. *Economics in One Lesson* is the best short introduction to Misesian—which is to say, Austrian—economics.

While he was making introductions, Hazlitt introduced Mises to a hotheaded young writer he had recently met, a Russian immigrant in her mid-30s who called herself Ayn Rand. At this point, Rand had published one unsuccessful novel about the crushing of individualism in the Soviet Union, *We the Living*, and had seen a play, *The Night of January 16th*, through a moderately successful run on Broadway. She had not yet written the classic individualist novel, *The Fountainhead*, or the classic libertarian novel, *Atlas Shrugged*—the books that would make her name, her reputation, and her fortune. She was

a young writer on her way up, at a time in her career when a bit of assistance from an older, more established writer—an introduction, for example, to an important older intellectual who was promoting ideas very similar to her own—would come in handy.

As he had been for Ludwig von Mises, Henry Hazlitt was there for Ayn Rand.

Shortly after Barry Goldwater's dramatic loss to Lyndon Johnson in the presidential election of 1964, in the fall term of the academic year in which I was debating public works programs for the unemployed, a gathering was held to celebrate Henry Hazlitt's 70th birthday. Many—perhaps all—of the libertarians present had thought of Goldwater as a candidate who genuinely wanted to move American public policies in a more libertarian direction; they regarded his defeat as a disaster for the cause of individual liberty. Still, when Ludwig von Mises, then 82 years old, rose to address the attendees, his remarks were, at least in part, hopeful. "Every friend of freedom may today, in this post-election month, be rather pessimistic about the future," he said. "But let us not forget that there is rising a new generation of defenders of freedom."

Then, addressing Hazlitt, whom he called his "distinguished friend," directly, Mises declared that if that

new generation of defenders of freedom were to find success in their efforts, "this will be to a great extent your merit, the fruit of the work that you have done in the first 70 years of your life." For in this age of the great struggle in favor of freedom and the social system in which men can live as free men, you are our leader. You have indefatigably fought against the step-by-step advance of the powers anxious to destroy everything that human civilization has created over a long period of centuries. . . . You are the economic conscience of our country and of our nation.

As a member of that generation of libertarians that was rising at the time of Mises's remarks, I may perhaps be permitted to crow a bit about the success we have enjoyed. In the nearly half century that has gone by since Mises spoke, with the assistance of our elders and, increasingly, of our juniors in the movement, we have managed to grow the libertarian movement into something much, much larger, better integrated, and more intellectually and institutionally powerful than it has ever been before. We have found success in our efforts. And Henry Hazlitt is unquestionably among those to whom we owe a debt of gratitude for laying the groundwork and paving the way ahead of us. ■ FM

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