

# Remembering Henry Hazlitt

by Bettina Bien Greaves

**H**enry Hazlitt was one of a very special breed, an economic journalist who not only reported on economic and political events in clear and understandable language, but also made contributions to economics.

When I arrived at FEE in 1951, I was just a neophyte in the freedom philosophy. Hazlitt was a trustee, author of the best-selling *Economics in One Lesson*, and for several years an editor of the fortnightly free-market-oriented news-commentary magazine, *The Freeman*, predecessor of FEE's *The Freeman: Ideas on Liberty*.

But he was easy to approach; his manner was pleasant, not aloof or overbearing. He was of average height. His features were regular, and he wore a mustache. He dressed appropriately for a journalist working in midtown Manhattan in his day—in suit and tie. He was modest, always thoughtful of others, and one of the kindest and most gracious men I have known. His friends called him Harry, and in time I too came to call him Harry. I was proud to have him as a friend.

Hazlitt was born on November 28, 1894; his father died when he was a baby. He attended a private school established for poor fatherless boys in Philadelphia. When

his mother remarried, the family moved to Brooklyn, where he went to the public schools. After high school, he enrolled at New York City's free-tuition City College. But his stepfather died, and he had to drop out of college after a few months to work and support his widowed mother. Yet, as Hazlitt wrote later, his short time at college "had a greater influence than may at first sight be supposed, not as much from the knowledge gained there, as from the increased consciousness of the knowledge which I still had to gain and the consequent ambition to attain it."<sup>1</sup> He became determined to learn.

Books became Hazlitt's university. He embarked on a self-imposed home-study course, reading and writing prodigiously. He read college texts, browsed in libraries, and studied shorthand and typing. He got a job with the fledgling *Wall Street Journal*, then a rather obscure publication reporting only news of Wall Street. In World War I he joined the Army Air Service and was sent to Texas. At war's end he returned to New York and continued to write for various newspapers—as financial editor, literary editor, editorial writer, editor, and then as a member of the editorial staff of the *New York Times*, where he wrote most of its economic editorials. He acquired his real education on the job.

Hazlitt was modest; he always attributed his success to good luck—in having read great books and having known great men.

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Contributing editor Bettina Bien Greaves ([bbgreaves@aol.com](mailto:bbgreaves@aol.com)) came to know Henry Hazlitt during her many years as a FEE staff member, resident scholar, and trustee.

He used to say that the three biggest influences on his economic thinking were: (1) the British clergyman/economist Philip Wicksteed (1844–1927), whose book *The Common Sense of Political Economy* he encountered early in his career while browsing in a library; this book, based on the subjective marginal-utility theory of value, gave him a sound foundation in economics; (2) Chase National Bank economist Benjamin M. Anderson (1886–1949), a fellow New Yorker whom he saw frequently; and (3) the noted Austrian economist Ludwig von Mises (1881–1973).

Hazlitt lived an active life as a newspaperman. He belonged to several literary societies, attended their luncheons, and met the leading authors and intellectuals of his day. He admired, he once said “almost idolized,” H. L. Mencken, whom he briefly succeeded as editor of *The American Mercury*. Hazlitt frequently debated prominent politicians on the radio: Vice President Henry Wallace, Secretary of State Dean Acheson, and U.S. Senators Paul Douglas and Hubert H. Humphrey. He came to know practically all the conservatives and libertarians of his day, not only Mises and Anderson, but also, among others, FEE founder Leonard E. Read, Isabel Paterson, Rose Wilder Lane, John Chamberlain, William F. Buckley Jr., Lawrence Fertig, Sylvester Petro, F. A. Hayek, and Ayn Rand.

In 1938 Hazlitt reviewed for the *New York Times* the English translation of Mises’s *Socialism*, describing the book as “the most devastating analysis of socialism yet penned.” Mises was then in Switzerland, but the two men corresponded briefly. Then in 1940 Hazlitt received a telephone call from Mises, newly arrived in New York. Hazlitt was dumbfounded: “It was as if John Stuart Mill had risen from the dead!”

Mises, a refugee from war-torn Europe, had been forced to leave his home in Vienna, Austria, a comfortable position in Geneva, Switzerland, and the academic world of Europe where he was well known. He and Hazlitt soon became the best of friends, and “Lu,” short for Ludwig, found a special place in Hazlitt’s heart and mind.



*Henry Hazlitt in World War I*

## Hazlitt’s Helping Hand

When Mises phoned Hazlitt, Mises was trying to start a new life in the United States. Hazlitt was always willing to help his friends. Through contacts in the State Department, he helped Mrs. Mises’s daughter to escape Nazi-occupied Paris (this was before the Japanese attack on Pearl Harbor, when the United States was not yet at war). He asked his friend Benjamin Anderson, who had associates at Harvard University, to help Mises find a teaching position. Harvard wasn’t interested. Hazlitt arranged a dinner for Mises with Alvin Johnson, director of the New School of Social Research, where many European victims of Nazism had received positions. But when Johnson told Hazlitt that Mises was “too extreme,” Hazlitt realized that Johnson only hired socialists.

By Hazlitt’s arrangement, Mises wrote several editorials for the *New York Times*. The Rockefeller Foundation gave Mises a grant for several years, enabling him to write



Ludwig von Mises, Bettina Bien Greaves, and Henry Hazlitt at the final dinner-meeting of the Mises NYU seminar for the spring of 1958.

*Omnipotent Government* and *Bureaucracy*. Mises soon obtained a position as visiting professor with the New York University Graduate School of Business Administration. Then Hazlitt brought him to FEE, and Leonard Read hired him as economic adviser.

In the 1950s Mises's NYU graduate seminar in economic theory was held in Gallatin House diagonally across Washington Square from the apartment where Hazlitt lived with his wife, Frances. Hazlitt felt sorry for Mises having to speak every Thursday evening to a small group of students who were tired after working all day at their regular jobs. So to buck Mises up, Hazlitt began attending the seminar. The topics varied from year to year—epistemology, history, Marxism, capitalism, monopoly, interventionism, monetary theory, and socialism. Mises frequently cited historical illustrations and amusing examples. “Interestingly,” Hazlitt said later, “what I found was, no matter how many times I would go, no matter how often I heard in effect the same lectures, there would always be some sentence, some incidental phrase or illustration that threw more light on the subject.”<sup>2</sup> On one occasion,

laughter broke out. Mises: “The Soviets censor *bad* books.” And then proudly with a twinkle in his eye: “My books!”<sup>3</sup>

Hazlitt considered himself especially lucky in counting Mises and his fellow noted Austrian economist F. A. Hayek (1899–1992) among his friends. Hazlitt had, of course, known both for many years through their writings, but it was only after he reviewed their books that they met and became friends. When F. A. Hayek's *The Road to Serfdom* came out in 1944, Hazlitt reviewed it for the *Times*, calling it “one of the most important books of our generation.” The book became a bestseller. Hazlitt's review attracted Hayek's attention, and in 1947 he invited Hazlitt to attend the important first meeting of the free-market-oriented society he was organizing, later internationally known as the Mont Pelerin Society. (See Hazlitt's recollections on page 37.)

Hazlitt wrote 15 books in all—his first published when he was only 21. His first book on economics, *Economics in One Lesson*, was published in 1946 when he was still with the *Times*. Once I told Hazlitt that he hadn't written *Economics in One Lesson* but rather *One Lesson in Economics*. He

agreed. “But it wouldn’t have sold so many copies,” he said. He was undoubtedly right. *Economics in One Lesson* made economics easy to understand, and it became an immediate bestseller. (See page 26 for an appreciation of *Economics in One Lesson*.)

By this time, Hazlitt had a thorough understanding of economic principles, and all his work reflected his free-market interpretation of events. As a matter of fact, he left his position on the editorial staff of the *New York Times* on that account.

After World War II, the Allies held an international conference on money, which was dominated by the then-popular ideas of British economist John Maynard Keynes. (For Hazlitt’s analysis of Keynes, see page 15.) While the conference was going on in Bretton Woods, New Hampshire, Hazlitt was editorializing against it in New York City. He considered its proposals for an International Monetary Fund and a World Bank inflationary and was convinced they would end badly. However, when the IMF and World Bank were endorsed by 43 nations, *Times* publisher Arthur O. Sulzberger told Hazlitt the newspaper could no longer editorialize against them. Hazlitt agreed not to mention them in future editorials. But he also went out and found himself a new job.

## Lands Job at Newsweek

In 1946 Hazlitt became the “Business Tides” columnist for *Newsweek*. Week in and week out for twenty years Hazlitt analyzed world events and government programs from the free-market point of view. He argued for capitalism and sound money, and against inflation, government intervention, and socialism. (For Hazlitt’s views on money see page 34.) His column gained a wide and influential readership. Mises even believed that Hazlitt’s columns gave Federal Reserve officials a guilty conscience and kept them from expanding credit as much as they would have liked. But Hazlitt lost his position on ideological grounds. When the left-oriented *Washington Post* took over *Newsweek*, it decided to replace Hazlitt with

three more “mainstream” college professors—free-market monetarist Milton Friedman of the University of Chicago, middle-of-the-roader Henry Wallich of Yale, and Keynesian Paul A. Samuelson of M.I.T.

Hazlitt must have been amused but somewhat chagrined when Samuelson, ardent Keynesian and author of the then-most-widely used college textbook, wrote Hazlitt that “one of the reasons [he] decided to go into economics” was because he had been impressed by a Hazlitt column assigned him when a college undergraduate.<sup>4</sup> Hazlitt graciously thanked Samuelson for his letter. But he was too honest to let Samuelson believe he approved of his economics: “As you know, I venture to differ with you on some propositions in economics, and in my book, *The Failure of the ‘New Economics,’* I may have expressed my differences with less than complete politeness. Nevertheless, I am enormously flattered to learn that something I wrote long ago influenced you and particularly that my article was one of the reasons that you decided to go into economics.”<sup>5</sup>

Throughout his life, Hazlitt was always reading and writing. On his 70th birthday, he reflected on his career. He had been writing for most of 50 years, “practically every weekday: news items, editorials, columns, articles . . . in total some 10,000 editorials, articles, and columns; some 10,000,000 words! And in print! The verbal equivalent of 150 average-length books.”<sup>6</sup> He earned renown in at least three areas: as a popularizer of sound economic thinking, as a critic of John Maynard Keynes, and as a contributor to ethical moral philosophy. Not bad for a poor fatherless boy and college dropout.

Henry Hazlitt continued to fight the good fight until July 9, 1993, when he died at the age of 98. □

1. Quoted from Hazlitt’s annual summary, as a young man, of his intellectual development, 1912; copy on file at FEE.

2. From my interview of Hazlitt, March 27, 1977.

3. From my unpublished Mises seminar notes, December 17, 1959.

4. Samuelson letter to Hazlitt, September 15, 1966; copy in FEE’s files.

5. Hazlitt letter to Samuelson, December 15, 1966; copy in FEE’s files.

6. Hazlitt’s remarks, November 29, 1964, reprinted in *The Wisdom of Henry Hazlitt* (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1993), pp. 45–46.