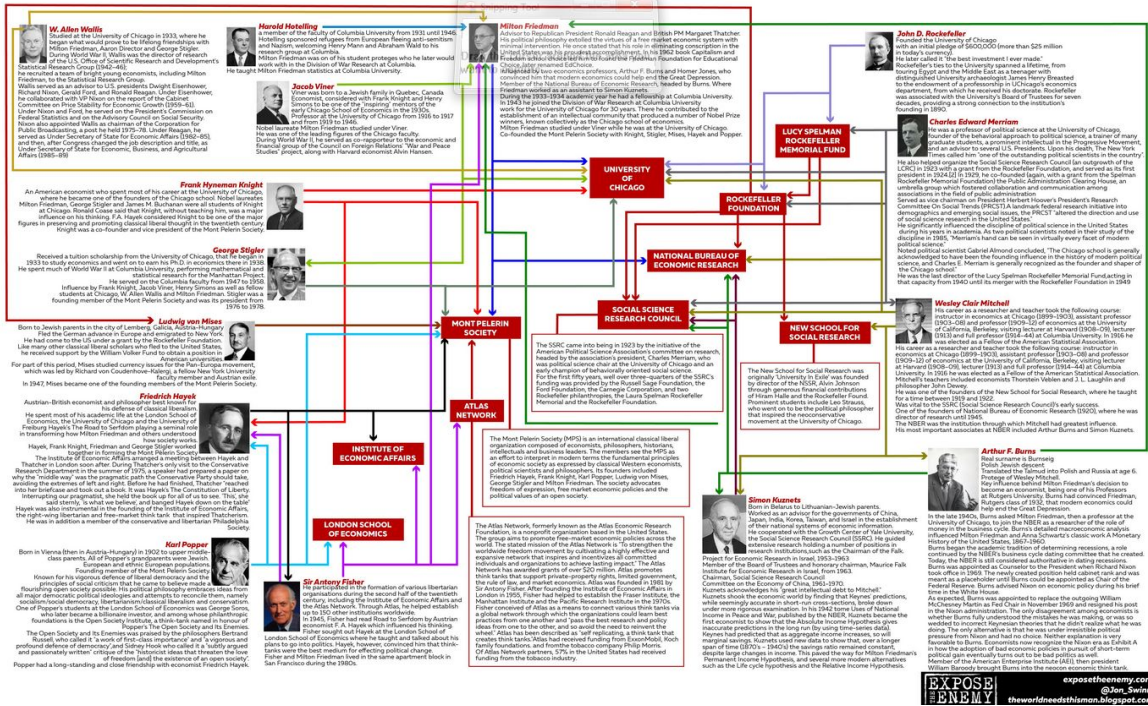


THE CHICAGO SCHOOL OF ECONOMICS

Classed as a neoclassical economic school, the Chicago School emerged as the go to people of the economic and social science world. Being backed by large Rockefeller financed foundations and links to the powerful and their think tanks, as well as institutions such as the Federal Reserve made them the greatest influence on political finance policy.

You can view the full infographic here

THE CHICAGO SCHOOL OF ECONOMICS



EXPOSE THE ENEMY
@Jon_Swain
theworldneedsjohnnizanski

ARTHUR F. BURNS

In the late 1940s, Burns asked Milton Friedman, then a professor at the University of Chicago, to join the NBER as a researcher of the role of money in the business cycle. Burns's detailed macroeconomic analysis influenced Milton Friedman and Anna Schwartz's classic work *A Monetary History of the United States, 1867–1960*.

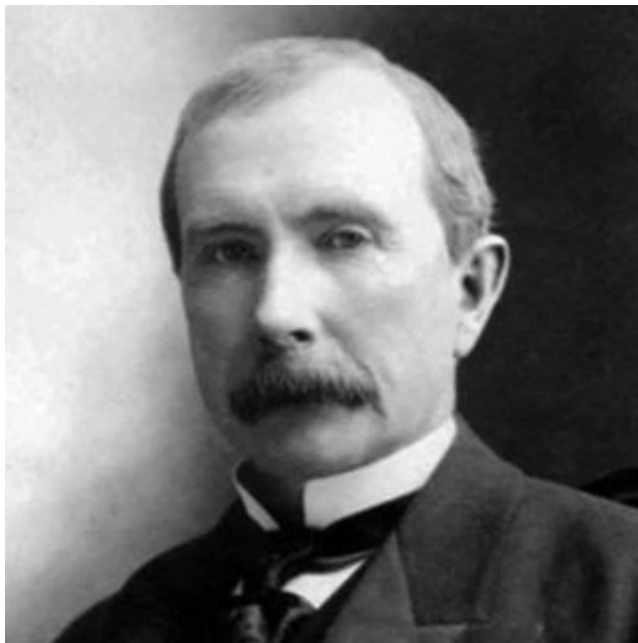
Burns began the academic tradition of determining recessions, a role continued by the NBER's business cycle dating committee that he created. Today, the NBER is still considered authoritative in dating recessions. Burns was appointed as Counselor to the President when Richard Nixon took office in 1969. The newly created position held cabinet rank and was meant as a placeholder until Burns could be appointed as Chair of the Federal Reserve. Burns advised Nixon on economic policy during his brief time in the White House. As expected, Burns was appointed to replace the outgoing William McChesney Martin as Fed Chair in November 1969 and resigned his post in the Nixon administration. The only disagreement among economists is whether Burns fully understood the mistakes he was making, or was so wedded to incorrect Keynesian theories that he didn't realize what he was doing. The only alternative is that he was under irresistible political pressure from Nixon and had no choice. Neither explanation is very favorable to Burns. Economists now recognize the Nixon era as Exhibit A in how the adoption of bad economic policies in pursuit of short-term political gain eventually turns out to be bad politics as well.

Member of the American Enterprise Institute (AEI), then president William Baroody brought Burns into the neocon economic think tank.

Key influence behind Milton Friedman's decision to become an economist, being one of his Professors at Rutgers University. Burns had convinced Friedman, Rutgers class of 1932, that modern economics could help end the Great Depression. Translated the Talmud into Polish and Russia at age 6.

Protege of Wesley Mitchell.

Real surname is Burnseig Polish Jewish descent



JOHN D. ROCKEFELLER

Founded the University of Chicago
with an initial pledge of \$600,000 (more than \$25 million
in today's currency).

He later called it "the best investment I ever made."

Rockefeller's ties to the University spanned a lifetime, from touring Egypt and the Middle East as a teenager with distinguished University archaeologist James Henry Breasted to the endowment of a professorship in UChicago's economics department, from which he received his doctorate. Rockefeller was associated with the University's Board of Trustees for seven decades, providing a strong connection to the institution's founding in 1890.



CHARLES EDWARD MERRIAM

- He was a professor of political science at the University of Chicago, founder of the behavioral approach to political science, a trainer of many graduate students, a prominent intellectual in the Progressive Movement, and an advisor to several U.S. Presidents. Upon his death, The New York Times called him "one of the outstanding political scientists in the country". He also helped organize the Social Science Research Council (an outgrowth of the LCRC) in 1923 with a grant from the Rockefeller Foundation, and served as its first president in 1924. In 1929, he co-founded (again, with a grant from the Spelman Rockefeller Memorial Foundation) the Public Administration Clearing House, an umbrella group which fostered collaboration and communication among associations in the field of public administration.
- Served as vice chairman on President Herbert Hoover's President's Research
- Committee On Social Trends (PRCST). A landmark federal research initiative into

- demographics and emerging social issues, the PRCST "altered the direction and use of social science research in the United States."
- He significantly influenced the discipline of political science in the United States during his years in academia. As two political scientists noted in their study of the discipline in 1985, "Merriam's hand can be seen in virtually every facet of modern political science."
- Noted political scientist Gabriel Almond concluded, "The Chicago school is generally acknowledged to have been the founding influence in the history of modern political science, and Charles E. Merriam is generally recognized as the founder and shaper of the Chicago school."
- He was the last director of the Lucy Spelman Rockefeller Memorial Fund, acting in that capacity from 1940 until its merger with the Rockefeller Foundation in 1949.



WESLEY CLAIR MITCHELL

His career as a researcher and teacher took the following course: instructor in economics at Chicago (1899–1903), assistant professor (1903–08) and professor (1909–12) of economics at the University of California, Berkeley, visiting lecturer at Harvard (1908–09), lecturer (1913) and full professor (1914–44) at Columbia University. In 1916 he was elected as a Fellow of the American Statistical Association.

His career as a researcher and teacher took the following course: instructor in economics at Chicago (1899–1903), assistant professor (1903–08) and professor (1909–12) of economics at the University of California, Berkeley, visiting lecturer at Harvard (1908–09), lecturer (1913) and full professor (1914–44) at Columbia University.

In 1916 he was elected as a Fellow of the American Statistical Association. Mitchell's teachers included economists Thorstein Veblen and J. L. Laughlin and

philosopher John Dewey.

He was one of the founders of the New School for Social Research, where he taught for a time between 1919 and 1922.

Was vital to the SSRC (Social Science Research Council)'s early success. One of the founders of National Bureau of Economic Research (1920), where he was director of research until 1945.

The NBER was the institution through which Mitchell had greatest influence. His most important associates at NBER included Arthur Burns and Simon Kuznets.



SIMON KUZNETS

Born in Belarus to Lithuanian-Jewish parents.

Worked as an advisor for the governments of China, Japan, India, Korea, Taiwan, and Israel in the establishment of their national systems of economic information.

He cooperated with the Growth Center of Yale University, the Social Science Research Council (SSRC). He guided extensive research holding a number of positions in research institutions, such as the Chairman of the Falk.

Project for Economic Research in Israel, 1953–1963

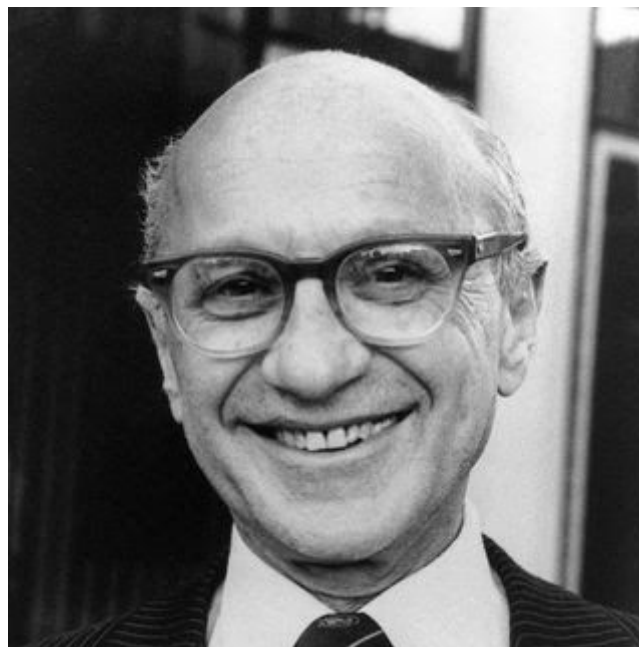
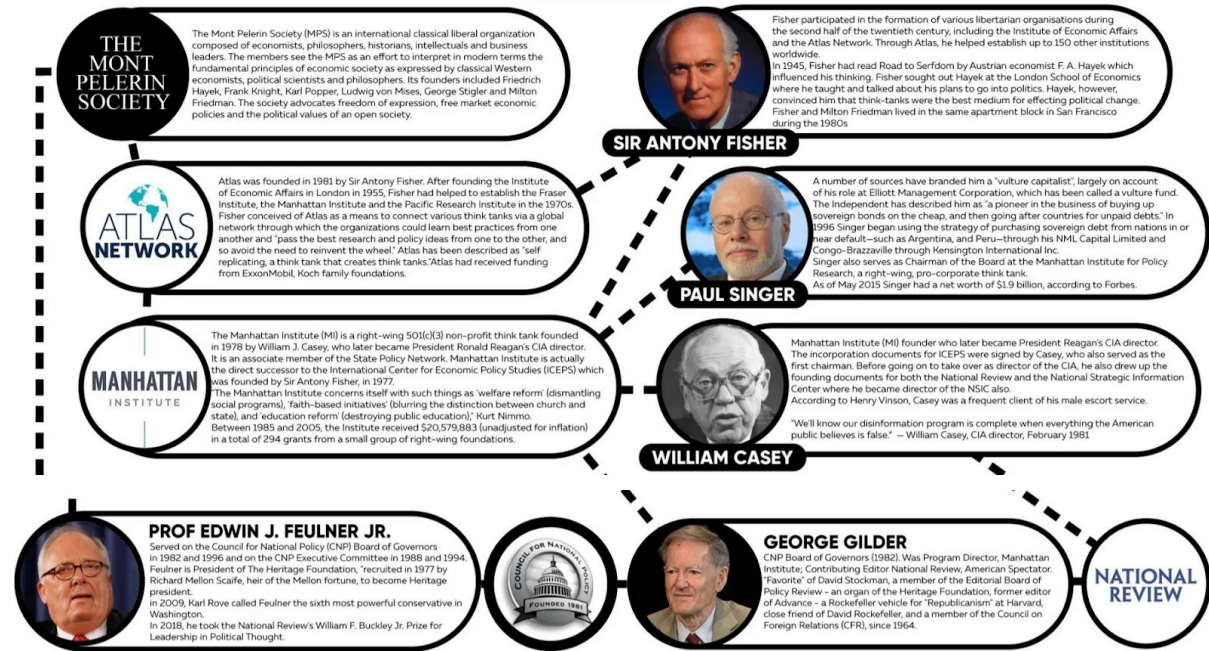
Member of the Board of Trustees and honorary chairman, Maurice Falk Institute for Economic Research in Israel, from 1963.

Chairman, Social Science Research Council
Committee on the Economy of China, 1961–1970.

Kuznets acknowledges his "great intellectual debt to Mitchell."

Kuznets shook the economic world by finding that Keynes' predictions, while seemingly accurate in short-run cross-sections, broke down under more rigorous examination. In his 1942 tome *Uses of National Income in Peace and War*, published by the NBER, Kuznets became the first economist to show that the Absolute Income Hypothesis gives inaccurate predictions in the long run (by using time-series data).

Keynes had predicted that as aggregate income increases, so will marginal savings. Kuznets used new data to show that, over a longer span of time (1870's – 1940's) the savings ratio remained constant, despite large changes in income. This paved the way for Milton Friedman's Permanent Income Hypothesis, and several more modern alternatives such as the Life cycle hypothesis and the Relative Income Hypothesis.



MILTON FRIEDMAN

Advisor to Republican President Ronald Reagan and British PM Margaret Thatcher. His political philosophy extolled the virtues of a free market economic system with minimal intervention. He once stated that his role in eliminating conscription in the

United States was his proudest accomplishment. In his 1962 book *Capitalism and Freedom* school choice led him to found the Friedman Foundation for Educational Choice, later renamed EdChoice.

Influenced by two economics professors, Arthur F. Burns and Homer Jones, who convinced him that modern economics could help end the Great Depression.

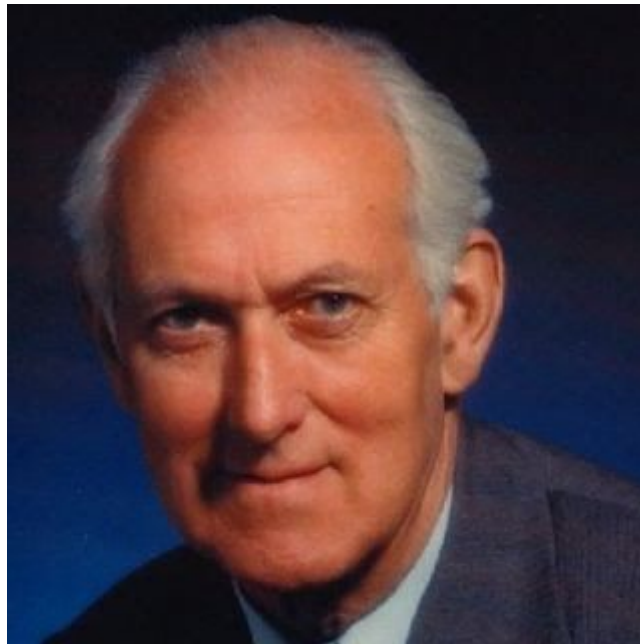
Member of the National Bureau of Economic Research, headed by Burns. Where Friedman worked as an assistant to Simon Kuznets.

During the 1933–1934 academic year he had a fellowship at Columbia University.

In 1943 he joined the Division of War Research at Columbia University work for the University of Chicago for 30 years. There he contributed to the establishment of an intellectual community that produced a number of Nobel Prize winners, known collectively as the Chicago school of economics.

Milton Friedman studied under Viner while he was at the University of Chicago.

Co-founded the Mont Pelerin Society with Knight, Stigler, Mises, Hayek and Popper.



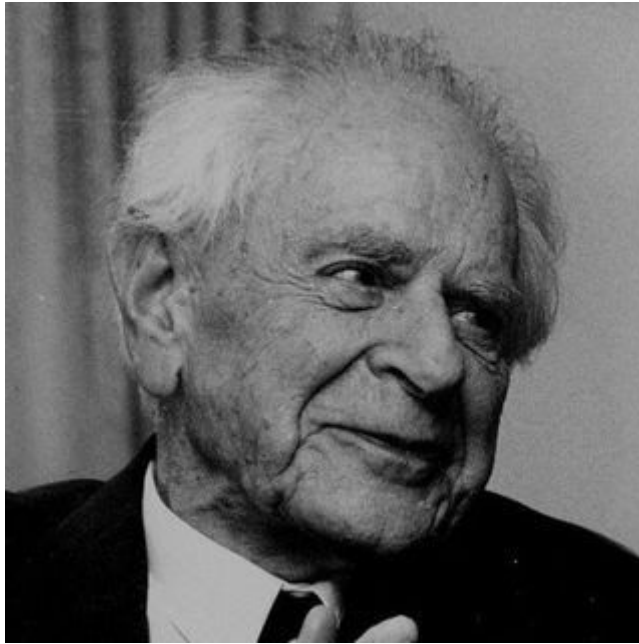
SIR ANTONY FISHER

He participated in the formation of various libertarian organisations during the second half of the twentieth century, including the Institute of Economic Affairs and the Atlas Network. Through Atlas, he helped establish up to 150 other institutions worldwide.

In 1945, Fisher had read *Road to Serfdom* by Austrian economist F. A. Hayek which influenced his thinking.

Fisher sought out Hayek at the London School of Economics where he taught and talked about his plans to go into politics. Hayek, however, convinced him that think-tanks were the best medium for effecting political change.

Fisher and Milton Friedman lived in the same apartment block in San Francisco during the 1980s.



KARL POPPER

Born in Vienna (then in Austria-Hungary) in 1902 to upper middle-class parents. All of Popper's grandparents were Jewish. European and ethnic European populations.

Founding member of the Mont Pelerin Society.

Known for his vigorous defence of liberal democracy and the principles of social criticism that he came to believe made a flourishing open society possible. His political philosophy embraces ideas from all major democratic political ideologies and attempts to reconcile them, namely socialism/social democracy, libertarianism/classical liberalism and conservatism.

One of Popper's students at the London School of Economics was George Soros, who later became a billionaire investor, and among whose philanthropic foundations is the Open Society Institute, a think-tank named in honour of Popper's *The Open Society and Its Enemies*.

The Open Society and Its Enemies was praised by the philosophers Bertrand Russell, who called it "a work of first-class importance" and "a vigorous and profound defence of democracy", and Sidney Hook who called it a "subtly argued and passionately written" critique of the "historicist ideas that threaten the love of freedom [and] the existence of an open society".

Popper had a long-standing and close friendship with economist Friedrich Hayek.



FRIEDRICH HAYEK

Austrian-British economist and philosopher best known for his defense of classical liberalism.

He spent most of his academic life at the London School of Economics, the University of Chicago and the University of Freiburg Hayek's *The Road to Serfdom* playing a seminal role in transforming how Milton Friedman and others understood how society works.

Hayek, Frank Knight, Friedman and George Stigler worked together in forming the Mont Pèlerin Society

The Institute of Economic Affairs arranged a meeting between Hayek and Thatcher in London soon after. During Thatcher's only visit to the Conservative Research Department in the summer of 1975, a speaker had prepared a paper on why the "middle way" was the pragmatic path the Conservative Party should take, avoiding the extremes of left and right. Before he had finished, Thatcher "reached into her briefcase and took out a book. It was Hayek's *The Constitution of Liberty*. Interrupting our pragmatist, she held the book up for all of us to see. 'This', she said sternly, 'is what we believe', and banged Hayek down on the table"

Hayek was also instrumental in the founding of the Institute of Economic Affairs, the right-wing libertarian and free-market think tank that inspired Thatcherism. He was in addition a member of the conservative and libertarian Philadelphia Society.



LUDWIG VON MISES

Fled the German advance in Europe and emigrated to New York. He had come to the US under a grant by the Rockefeller Foundation. Like many other classical liberal scholars who fled to the United States, he received support by the William Volker Fund to obtain a position in American universities. For part of this period, Mises studied currency issues for the Pan-Europa movement, which was led by Richard von Coudenhove-Kalergi, a fellow New York University faculty member and Austrian exile.

In 1947, Mises became one of the founding members of the Mont Pelerin Society.



GEORGE STIGLER

Received a tuition scholarship from the University of Chicago, that he began in 1933 to study economics and went on to earn his Ph.D. in economics there in 1938. He spent much of World War II at Columbia University, performing mathematical and statistical research for the Manhattan Project.

He served on the Columbia faculty from 1947 to 1958.

For part of this period, Mises studied currency issues for the Pan-Europa movement, which was led by Richard von Coudenhove-Kalergi, a fellow New York University faculty member and Austrian exile.

In 1947, Mises became one of the founding members of the Mont Pelerin Society.



FRANK HYNEMAN KNIGHT

An American economist who spent most of his career at the University of Chicago, where he became one of the founders of the Chicago school. Nobel laureates Milton Friedman, George Stigler and James M. Buchanan were all students of Knight at Chicago. Ronald Coase said that Knight, without teaching him, was a major influence on his thinking. F.A. Hayek considered Knight to be one of the major figures in preserving and promoting classical liberal thought in the twentieth century.

Knight was a co-founder and vice president of the Mont Pelerin Society.



W. ALLEN WALLIS

Studied at the University of Chicago in 1933, where he began what would prove to be lifelong friendships with Milton Friedman, Aaron Director and George Stigler.

During World War II, Wallis was the director of research of the U.S. Office of Scientific Research and Development's Statistical Research Group (1942–46); he recruited a team of bright young economists, including Milton Friedman, to the Statistical Research Group.

Wallis served as an advisor to U.S. presidents Dwight Eisenhower, Richard Nixon, Gerald Ford, and Ronald Reagan. Under Eisenhower, he collaborated with VP Nixon on the report of the Cabinet Committee on Price Stability for Economic Growth (1959–61). Under Nixon and Ford, he served on the President's Commission on Federal Statistics and on the Advisory Council on Social Security. Nixon also appointed Wallis as chairman of the Corporation for Public Broadcasting, a post he held 1975–78. Under Reagan, he served as Under Secretary of State for Economic Affairs (1982–85), and then, after Congress changed the job description and title, as Under Secretary of State for Economic, Business, and Agricultural Affairs (1985–89)



HAROLD HOTELLING

A member of the faculty of Columbia University from 1931 until 1946. Hotelling sponsored refugees from Europe fleeing anti-semitism and Nazism, welcoming Henry Mann and Abraham Wald to his research group at Columbia. Milton Friedman was one of his student proteges who he later would work with in the Division of War Research at Columbia.



JACOB VINER

Viner was born to a Jewish family in Quebec, Canada Economist, considered with Frank Knight and Henry Simons to be one of the "inspiring" mentors of the early Chicago School of Economics in the 1930s.

Professor at the University of Chicago from 1916 to 1917 and from 1919 to 1946.

Nobel laureate Milton Friedman studied under Viner.

He was one of the leading figures of the Chicago faculty.

During World War II, he served as co-rapporteur to the economic and financial group of the Council on Foreign Relations' "War and Peace Studies" project, along with Harvard economist Alvin Hansen.