I DID NOT CALL HIM “FRITZ”:
Personal Recollections of Professor F. A. v. Hayek

James M. Buchanan*

I did not call him “Fritz.” To me he remained always “Professor Hayek,” despite his own graciousness in treating me as a peer. I shall not attempt to evaluate Professor Hayek’s monumental contribution to our understanding of the events of this turbulent century, to the influence of his ideas on these events themselves or even to the development of economic theory in a strictly scientific sense. My remarks here are limited to a personal account of the man whom I knew over the course of more than four decades.

I first saw Professor Hayek in late 1946, when as a graduate student at the University of Chicago, I attended a seminar that he presented during a visit from the London School of Economics. At the time, I knew Hayek only from the notoriety that had surrounded The Road to Serfdom (1944). I do not recall the subject of the seminar itself, but I remember the discussion afterward, in which Hayek surprised some of us by supporting the American loan to Britain, but with the plea that the United States should hold off agreeing to make the loan until reform measures were more or less forced on the Labor government.

My next encounter with Professor Hayek was more extended. For a period of several years during the 1950s, the William Volker Fund financed a series of Volker Fund conferences at academic locations under several local sponsors (Clarence Philbrook at Chapel Hill, Art Kemp at Claremont, Neil McCleod at Appleton, Benn Rogge at Wabash). These conferences were ten-day affairs, and each conference normally featured three main lecturers or seminar leaders, each one of whom participated for the whole period of the conference, with responsibility for several lectures. The “students” were a group of some twenty-five young academic economists, who were judged to be potential classical liberals. Hayek, Bertil Ohlin and John Jewkes were the “stars” for a 1955 Volker Fund Conference at Wabash College.

* Advisory General Director and Harris University Professor, Center for Study of Public Choice, George Mason University, Fairfax, Virginia; Nobel Laureate in Economic Sciences, 1986.
Hayek gave a series of several lectures at the conference during which he sketched out most of the ideas that were later to appear in his treatise *The Constitution of Liberty* (1960). He must have already had a quasi-finished draft of this book in hand, since, as I recall, the arguments were well developed. Most of the ideas were, as expected, quite congenial to me, but I recall thinking that Hayek was analytically wrong in his discussion of equal pay for equal work, and that, normatively, I rejected his argument in support of proportional rather than progressive income taxation. On the latter point, the influence of Henry Simons was still too fresh for me to appreciate the political implications of progression, which Hayek may have sensed although they did not appear directly in his discussion. At the time, I was only beginning to escape from the orthodox mindset and to begin to look at politics realistically. In retrospect, what seems most interesting to me about the Wabash lectures is that we judged Professor Hayek as a senior scholar who was presenting to us the well-reasoned product of a life’s work. Little did we dream that there were major new and quite different Hayek contributions ahead, and that Hayek would develop ideas that he surely did not sense at all at the time.

I was invited to become a member of the Mt. Pelerin Society in 1957, and I vividly recall my first participation in a general meeting, at the Suvretta House in St. Moritz, the most luxurious hotel I had ever seen. I recall the feet cushions in the lobby and the Spanish princess who got so many of us a bit excited by her mere presence. (No connection with the society.) I do not know who nominated me for membership, perhaps it was Frank Knight, but I do know that everyone acknowledged that the society was really Hayek’s and that any new member must have been approved by Hayek himself. By 1957, the membership had grown somewhat from its small beginnings a decade earlier, but there was still a club-like aspect to the meeting and with an underlying tension between the central European and American members (the latter mostly with Chicago connections). To those of us who had libertarian-populist blood in our veins, there was too much deference accorded to Hayek, and especially to Ludwig von Mises, who seemed to demand sycophancy.

The tension was kept within bounds, and the Society continued to prosper and expand. Professor Hayek dominated the group, and he was, quite properly, treated with respect that approached awe. But his direct contributions to the discussions were invariably profound as well as relevant, so much so that Hayek seemed to transcend the pedestrian