Hayek was at the University of Chicago from 1950 to 1962 and worked as part of the Committee on Social Thought. Despite his 12-year tenure at Chicago and his eventual influence on the trajectory of post-war economics in the United States, the historical record indicates that Hayek had little influence on the rise of post-war Chicago School during his time there. Most of the seminal figures of the post-war Chicago School – Milton Friedman, Allen Wallis, and Aaron Director – had all been hired in 1946, four years before Hayek arrived at Chicago. When Hayek came, because he joined the Committee on Social Thought, he did not work in the Economics Department, the Law School, or the Business School – the three pillars of the post-war Chicago School. Moreover, Hayek principally focused on political philosophy, not economics, while he served as part of the Committee.

The archival record – that is, the Director Papers, the Friedman Papers, and the Hayek Papers – confirms that Hayek had a negligible impact on the rise of the post-war Chicago School during his time at Chicago. There was relatively little correspondence between Hayek and the central figures of the post-war Chicago School, and there is little evidence that Hayek was highly active in the Economics Department, the Business School, or the Law School. However, it would be remiss to conclude that Hayek never influenced the post-war Chicago School. Ironically, he substantially influenced the rise of the Chicago School for the five years from 1945 until just prior to his arrival in Chicago in 1950. This chapter explores the influence of Hayek on the rise of the post-war Chicago School by focusing on his role in creating institutions important for its rise and his relationship with two Chicago economists, Henry Simons and Aaron Director.
Section 1 explores Hayek’s role in forming key institutions that shaped the rise of the post-war Chicago School as well as his relationship with Henry Simons and Aaron Director. Section 2 further addresses Hayek’s institution-building role and describes Hayek’s instrumental role in bringing Director to Chicago. The concluding section briefly explains how Hayek influenced the initial intellectual trajectory of the post-war Chicago School, and explores the irony of Hayek’s academic position at the University of Chicago.

Comrades in arms

In April 1945, as part of his campaign to warn the western world of the imminent threat of totalitarianism, Hayek sailed to the United States from Britain, and for five weeks toured the States to promote *The Road to Serfdom*. Hayek received a more ebullient welcome than he had expected. Max Eastman, at that time a roving editor for *Reader's Digest*, published a condensation of *Road*, which many hundreds of thousands of Americans read. Hayek had planned to give academic lectures at universities; instead, he went on a commercial book tour. When Hayek later returned to England, Hayek wrote his long-time colleague and fellow liberal, Wilhelm Roepke:

I have recently returned from my tour through the United States where I found myself...unexpectedly a notorious figure, constantly addressing mass meetings!

Ironically, when Hayek had attempted to secure his exit permit from the British authorities in order to go to the United States, he had encountered difficulties. To obtain the exit permit, Hayek had had to assure the authorities that his visit ‘was of an academic character’, not ‘a commercial lecture tour’.

As part of his tour of the Midwest, Hayek gave a lecture at the Economic Club in Detroit. He proposed,

I think there is a great educational task to be fulfilled. We must make the masses of people learn and understand the problem that is before us, make them capable of discriminating between methods which will achieve the end and methods which are empty promises.

Hayek conveyed the urgency of this educational task to ensure that the United States chose what in his view was the correct path, the path toward freedom; he stated,