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John Maynard Keynes v. Friedrich

August Hayek - II

Lead: The work of Friedrich August Hayek represented an acute, powerful intellectual rebellion against the growing power of state involvement in the lives of citizens and commerce, but he was no classical liberal.

Intro.: *A Moment in Time* with Dan Roberts.

Content: Adherents to the Austrian approach to economics and its champion, Ludwig von Mises, rose to intellectually challenge the rise of the state, particularly the two great

experiments in state dominance over individual life and the marketplace, Communism and Nazism. Von Mises's most influential acolyte was Nobel Memorial Laureate Friedrich August Hayek. His premier insight in political economy was that as the involvement of the state grew, the reach of individual freedom was circumscribed and the productive, creative contribution of the marketplace to the general prosperity of society as a whole was compromised.

Hayek was born to into a minor aristocratic family in Austria in 1899, was decorated as an artillery spotter in World War I, and attained doctorates in law and political science at the University of Vienna in the early

1920s. The family dropped the aristocratic “von” when noble titles were banned in 1919. At first attracted to democratic socialism, he soon shifted radically rightward and became associated with the Austrian School. His intellectual range was a wide one, achieving acclaim in the early 1930s for his seminal work on the microeconomic effect of prices in the actions of those engaged in business.

These insights secured for him much later in 1974 with Swedish socialist economist, Gunnar Myrdal, the Nobel Memorial Prize in Economics. He taught at the London School of Economics and in the 1950s at the University of Chicago, finishing his career at Freiburg, UCLA, and

**Salzburg. Next time: Keynes v. Hayek,
surprising agreement. Research
assistance by Patrick English.**

**In Richmond, Virginia, this is Dan
Roberts.**

Resources

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