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[Henry Hazlitt \(1894-1993\) A Modern-Day Bastiat “But... in Making of Modern Economics: The Lives and Ideas of Great Thinkers](#)

Summary Article: **Hazlitt, Henry (1894–1993)**

From *Encyclopedia of Libertarianism*

Henry Hazlitt, a journalist, writer, and economist, was born in Philadelphia. His father died soon after his birth, and he attended a school for poor, fatherless boys. His mother remarried, and the family moved to Brooklyn, New York. When he graduated from high school, Hazlitt’s ambition was to go to Harvard and write books on philosophy. But his stepfather died, and he started attending the no-tuition College of the City of New York. However, he soon left school to support himself and his mother. In those years, it was not hard for a young man to get a job. With no government-imposed obstacles to hiring or firing, no minimum wage laws, no workday or workweek restrictions, and no unemployment or social security taxes, employer and potential employee needed only to agree on the terms of employment. If things did not work out, the employee could quit or be fired. Hazlitt’s first jobs lasted only a few days each.

When Hazlitt realized that with shorthand and typing skills he could earn two or three times the \$5 per week he was being paid as an unskilled office boy, he studied stenography. Determined to become a writer, he looked for a newspaper job and soon took a job with the *Wall Street Journal*, then a small limited-circulation publication. Its executives dictated editorials to him, and reporters phoned in their stories. At first he knew nothing about Wall Street. On one assignment, Hazlitt was informed that a company had *passed* its dividend. Hazlitt thought this meant the company had approved it. But in stock market terminology, *passing* a dividend meant skipping it. Fortunately, in reporting the story, Hazlitt used the company’s original verb. He was learning about the market.

Having missed out on college, Hazlitt determined to study on his own. He started reading college economics texts, but was not misled by their anticapitalist flavor. Experience had taught him that businessmen did not always earn profits; they sometimes suffered losses. Hazlitt’s uncle had been forced to close his Coney Island enterprise when it rained heavily over a Fourth of July holiday and customers stayed away in droves. Hazlitt’s stepfather lost his business making children’s hats when this custom went out of fashion.

Hazlitt’s real economic education began with his study of Philip H. Wicksteed’s *The Common Sense of Political Economy*, which introduced him to the subjective theory of value, only recently developed by Austrian economists Carl Menger and Eugen von Böhm-Bawerk. Hazlitt continued his self-study program and persisted in his ambition to write. His first book, *Thinking as a Science*, appeared in 1916 before his 22nd birthday.

In 1916, Hazlitt left the *Wall Street Journal* for the *New York Evening Post*. He was forced to leave during World War I, serving in the Army Air Corps in Texas. However, when the war ended, the *Post* wired Hazlitt that he could have his job back if he was in the office in 5 days. He entrained immediately, went directly to the newspaper, and worked that day in uniform.

From the *Post*, Hazlitt went on to become either financial or literary editor of various New York papers. From 1934 to 1946, Hazlitt was an editorial writer for *The New York Times*. Hazlitt and the *Times*

parted company over the Bretton Woods Agreement, against which Hazlitt had been editorializing. The *Times* supported the agreement, which had been endorsed by 43 nations, but Hazlitt claimed it would only lead to monetary expansion and refused to support it. Hazlitt secured a position with *Newsweek* and left the *Times*. From 1946 to 1966, he wrote *Newsweek's* Business Tides column.

An analysis of Hazlitt's libertarian sympathies must mention his association with Ludwig von Mises, the leading exponent of the Austrian School of Economics. Hazlitt first heard of Mises through Benjamin M. Anderson's *The Value of Money*, published in 1917. Anderson criticized many writers on monetary theory, but said he found in Mises's works "very noteworthy clarity and power. His *Theorie des Geldes und der Umlaufsmittel* [later translated into English as *The Theory of Money and Credit*] is an exceptionally excellent book." Although Mises had been widely respected in Europe, he was little known in this country when he arrived as a wartime refugee in 1940. When Mises's *Socialism* appeared in English in 1937, Hazlitt remembered Anderson's remark about Mises and reviewed *Socialism* in the *Times*, describing it as "the most devastating analysis of socialism yet penned. . . an economic classic in our time." He sent his review to Mises in Switzerland and, 2 years later, when Mises came to this country, he phoned Hazlitt. Hazlitt recalled Mises's call as if coming from an economic ghost of centuries past. Hazlitt and Mises soon met and became close friends. Hazlitt's contacts helped establish Mises on this side of the Atlantic, enabling him to continue his free-market teaching, writing and lecturing. Hazlitt was instrumental in persuading Yale University to publish Mises's *Omnipotent Government* and *Bureaucracy* in 1944 and then his major opus, *Human Action*, in 1949. As a founding trustee of the FEE, Hazlitt also was responsible for Mises's appointment as economic advisor to that Foundation.

In 1946, Hazlitt wrote and published his most popular book, *Economics in One Lesson*. It became a best-seller, was translated into 10 languages, and still sells thousands of copies each year. Its theme—that economists should consider not only the seen but also the unseen consequences of any government action or policy—was adopted from 19th-century free-market economist Frédéric Bastiat. Thanks to *Economics in One Lesson's*, short chapters and clear, lucid style, countless readers were able to grasp its thesis that government intervention fails to attain its hoped-for objectives.

While still at *Newsweek*, Hazlitt edited the libertarian biweekly, *The Freeman*—as coeditor from 1950 to 1952 and as editor-in-chief from 1952 to 1953. When the left-liberal *Washington Post* bought *Newsweek*, Hazlitt became a columnist from 1966 to 1969 for the international *Los Angeles Times* syndicate.

At least two of Hazlitt's books made original contributions to libertarianism. *The Failure of the "New Economics"* contributed to a much more sophisticated understanding of the economics of the modern world. Chapter by chapter, he criticized John Maynard Keynes's *The General Theory of Employment, Interest and Money*, which explained why Keynes's politically popular inflationary recommendations would fail to solve unemployment, work against the revival trade, and even exacerbate the economic slump.

Hazlitt's second major contribution to libertarianism, *The Foundations of Morality*, elaborated on Mises's statement that "Everything that serves to preserve the social order is moral; everything that is detrimental to it is immoral." Hazlitt wrote, "Morality is older than any living religion and probably older than all religion." He noted a common denominator in law, ethics, and manners: They all rest on the same principles: sympathy, kindness, and consideration of others. The moral philosophy Hazlitt presents is

“utilitarian . . . [i]n the sense that all rules of conduct must be judged by their tendency to lead to desirable rather than undesirable social results.”

By the age of 70, Hazlitt had estimated he had written some 10,000 editorials, articles, and columns, plus a dozen books—six more followed later. Hazlitt’s literary works were not mere potboilers. Each book on a special theme— government intervention, foreign aid, welfare, poverty, morality, and inflation —was based on sound libertarian principles. Each short piece analyzed some current event from a free-market perspective. Mises credited Hazlitt’s repeated warnings of the dangers of inflation in *Newsweek* for possibly giving the government’s monetary authorities a “guilty conscience” and dampening their political inclination to inflate.

Some dismiss Hazlitt as “just an economic journalist.” But he was no ordinary economic journalist, no “secondhand dealer in ideas” in the sense used by economist F A. Hayek. He was an original thinker who contributed to an understanding of economics and libertarian principles and to their dissemination among millions. He died on July 9, 1993.

See also

Hayek, Friedrich A.; Mises, Ludwig von; Money and Banking

Further Readings

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Bettina Bien Greaves

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