

- 7
- Galley proofs, dated 25 June 1976, with manuscript corrections in MvM's hands. [B1]

Should my name be put
under the preface?

subbed? Page 12

Page 12
When I write about the Institute - it means
our abbreviation for "Institute of Psychological Studies."

It may and it has to be
written

Capital

Showing

Gall

21 Hellen ordered,

Page 27:

Keckstein

Page 35, first \$

are then

in many volumes?

Annals of Finance?

(23)

54 authors of **SSCP**
The high school students that?

2 60
1 71
line 2
4 miss

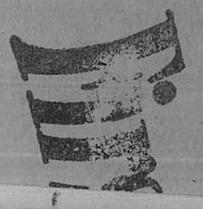
ARLINGTON HOUSE • PUBLISHERS
165 HUGUENOT STREET • NEW ROCHELLE, N.Y. 10801

TO: Mrs. Ludwig von Mises
General Delivery
Snowville, New Hampshire 03877

RETURN POSTAGE GUARANTEED

EDUCATIONAL MATERIALS — Books
Postmaster: THIS MAIL IS OPENED FOR POSTAL INSPECTION IF NECESSARY.

64 - 283



Ms. 3 gallery
M. V. M.
July

First Press
76

0005
0006
0007
0008
0009
0010
0011
0012
0013
0014
0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032

My Years with Ludwig von Mises

My Years with Ludwig von Mises

Margit von Mises*

* Pronounced "von Meeses."
Copyright © 1976 by Margit von Mises

All rights reserved. No portion of this book may be reproduced without written permission from the publisher except by a reviewer who may quote brief passages in connection with a review.

Manufactured in the United States of America

Contents

0033	Preface.....	0
0034	Chapter I MY YOUTH 0	
0035	Chapter II HOW WE MET.....	0
0036	Chapter III LIFE IN GENEVA.....	00
0037	Chapter IV ESCAPE FROM EUROPE.....	00
0038	Chapter V OUR NEW COUNTRY.....	00
0039	Chapter VI TWO MONTHS IN MEXICO.....	00
0040	Chapter VII LIFE IN NEW YORK.....	00
0041	Chapter VIII THE STORY OF HUMAN ACTION 00	
0042	Chapter IX LU'S FAMOUS SEMINAR.....	00
0043	Chapter X HIS WORK AND INFLUENCE.....	000
0044	Chapter XI OUR LAST YEARS TOGETHER.....	000
0045	Appendix One TRIBUTE TO HAYEK BY MISES.....	000
0046	Appendix Two TRIBUTE TO MISES BY HAYEK.....	000
0047		
0048	Illustrations.....	00
0049		
0050		

*revising
acknowledgments*

[Handwritten initials]

Preface

0053

0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086

THIS BOOK will hardly answer any questions about economics. It is not a book of scholarly wisdom. But it will answer many personal questions about my husband, Ludwig von Mises.

When Ludwig von Mises died on October 10, 1973, newspapers and magazines all over the world published articles, memoirs, quotations, evaluations and reviews of his work and life. But no journalist, no economist wrote about him as a man, as a human being. Many people drew my attention to this. They could not understand the reason.

The explanation is simple. My husband was a very reserved person. While he was kind and friendly to all, he was extremely self-restrained and uncommunicative about his own life and affairs. He never talked about himself or his family. His work, his writings belonged to the world. His feelings belonged to me. I have reason to believe that I am the only person who really knew him.

That is why I have written this book. The desire to bring him closer to his admirers and to the many students who loved him and stood in awe of his genius, eventually grew so strong within me that it became almost an obsession. By telling the story of our life together, I shall try to reveal Ludwig von Mises as he really was: a great thinker, a great scholar, a great teacher—but still a lonely man with a great need for love and affection.

Acknowledgments

I want to thank the many friends who helped me—in however small a way—to get the information I needed for writing this book, as well as those close friends and members of my family who lived through the writing with me. I only wish I could have mentioned all those who, in the course of the years, have been part of our lives, but I know they will understand that it was not possible. First I want to thank Friedrich von Hayek, the most illustrious

1ST PROOF 06-25-76

0087
0088
0089
0090
0091
0092
0093
0094
0095
0096
0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115

2 —A/H—VON MISES—PC2836

among my husband's many distinguished students, for his permission to print here a hitherto unpublished speech he gave in 1956 in my husband's honor.

My special gratitude goes to our very, very dear friends Berthy and Larry Fertig, who advised, helped, and comforted me throughout these last difficult years. My warmest thanks to Bettina Bien-Greaves, who generously provided me with any information I asked for, although she was herself busy on a book about my husband. I am particularly grateful to Ruth I. Matthews and to Otto and Fanny Kallir for their unfailing interest and steady encouragement.

Eugene Davidson's stimulating advice with regard to Chapter 8 was particularly valuable to me, and I have a special debt of gratitude to John Chamberlain for his enthusiastic reaction after reading several chapters of the manuscript. My thanks also to Hans Sennholz for translating from the German the letter that appears on page 000.

It was George Koether who did the original editing of my book, and I am grateful to him for having kept his promise "not to do any ghost writing," for this should be and is my own story. George gave me the benefit of his great journalistic experience, his superb command of language, and constant encouragement and enthusiasm. When I once told him: "George, you are doing so much for me. How can I accept it?" he replied, "Margit, when your husband died, I told my wife, 'How can I ever thank this man, for what he has done for my mind?' This is my opportunity."

1ST PROOF 06-25-76

0005
0006
0007
0008
0009
0010
0011

0012

0013

0014

CHAPTER I

MY YOUTH

0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095
0096

SOME READERS may ask: "Why does the author write a whole chapter about her youth when the title of this book is *My Years with Ludwig von Mises*? Others may ask: "Who was this woman whom Professor von Mises met when he was forty-four, asked to marry when he was forty-five, and did not marry until he was fifty-eight? What was she like?"

I must confess it is not easy for me to talk about myself, but I feel it is necessary for an understanding of Ludwig von Mises' decision to marry so late in his life. A knowledge of my own life may also help the reader to understand what both of us brought to our marriage, and why our marriage was a happy one.

I was born in Hamburg. Hamburg was then, and I believe it still is today, one of the most beautiful cities of Germany. While the city was elegant and refined, life in the harbor was noisy, full of energy and color. Hamburg was one of three *Hansestaedte* (Hamburg, Bremen, Luebeck) whose life differed greatly from all other cities in Germany. Hamburg had its own senate and its own judiciary, and its people had the reputation of being haughty and arrogant. They admired England and the English people, and they displayed a great similarity to the English in their living habits and customs. Whereas most Germans ate their main meal at noon, the Hamburg citizen followed the English custom and dined after business hours, when the day's work was over. At noon the well-to-do merchants and bankers, dressed in their frock coats, top hats on their heads, walked along the Alsterbasin, on Jungfernstieg, the most beautiful street in Hamburg, to attend the Stock Exchange. Then they went home to their elegant houses, all surrounded by parklike gardens, to enjoy their money—and sometimes also their families.

I did not know my maternal grandfather and I do not remember much of my grandmother. My mother's family was well known and rather wealthy. Two stories were told about them: One story was that my grandfather owned a mill and made his money with it. The second story, which interested me far more, since it captured my imagination, was that my grandfather—for some time at least—was a coowner and administrator of the Hamburg City Opera. What I know for certain, however, is that my grandmother was an opera fan and went one night to the opera in a far-advanced state of pregnancy to hear Giacomo Meyerbeer's *l'Africaine*. The same night her third little girl, my mother, was born, and she rewarded the baby for arriving promptly by naming her "Selica" after the heroine of *l'Africaine*. My mother did not resent this name as much as I did. On the contrary, she was very proud of it and felt obliged to study music as a career.

My father's family lived in Hanover, Germany. My father and his family were not very close to each other, so I know little about them. Father, whom I adored, died at a very young age. He was restless, gay, very intelligent, witty and enterprising. My parents had married when young. When I was six months old they went to America and my father studied orthodontics in Chicago. He intended to stay in the United States, but my mother got homesick, and after almost five years, they returned to Hamburg, where father became one of the first dentists ever to work exclusively on children.

So it was that I learned English before I learned German. My mother, who was ambitious for her children (I had an older brother who died in the First World War) employed an English governess for us; she did not want us to forget the English language. That proved to be one of the wisest things she could have done for us. I was sent to one of the best private schools in Hamburg (Elisabeth Goethe Textor School in Harvestehude). I loved my school, I loved to read. So did my father. At night, when my parents had retired, I went into the living room and took the books he had read that day and brought them to my bedroom. I read them by candlelight, putting a blanket at the bottom of the door to hide the light. My parents never found out.

When I was through with school, my father wanted me to study medicine, in which I always had shown great interest. At that time there were no special "high schools" for girls. So my parents discovered the quickest way for me to get a degree was to attend the "Teacher Seminar" and study Latin privately, which I did.

When I was seventeen I was invited to take the junior lead in an amateur performance, and by chance a reporter attended the play and wrote about me. That decided my future. From that day on nothing interested me but the stage. I dropped out of the seminar one year before the final exams and refused to go back. My father always had been a great enthusiast of the theater. He knew his Schiller, Goethe, and Shakespeare by heart. Almost every Sunday he attended a performance of a classic, and I was usually allowed to go with him. So he was not surprised by my decision. But my mother objected strongly. In those days a bourgeois family looked upon an actress as a lost sheep. A singer, however, that was com-

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

pletely different, a singer was above reproach. But an actress—no!

Home life became unbearable. So, one day I put an ad in a newspaper and got a job as a tutor to a little girl, the daughter of a banker in Cologne, and I left home. That was too much for my father. After a short time he wrote me and asked me to come back and follow the career I wanted.

The first thing for me to do was to see Carl Hagemann, who at that time was the director and chief manager of the Deutsche Schauspielhaus, the foremost theater in Hamburg. He took a liking to me and accepted me as a student actress without pay. But I was allowed to attend all rehearsals and performances and was promised small parts when they would come up. He also made me take speech lessons with the official instructor of the theater. I attended rehearsals from morning to night. At that time—and I think it is mostly like that still today—all the theaters in Germany and Austria were repertory theaters, and young actors and actresses had to study about twelve to fifteen leading parts that came up regularly, at certain intervals, in every theater. My honest enthusiasm excited the interest of one of the leading stage managers, Ludwig Max. He was a tall, beautiful, white-haired old man, who acted also in classics. As is so often the case with comedians who make other people laugh, he was a rather serious and reflective man. He studied with me once a week, never asked for a fee, and no one in later years was prouder of my success than he. He also regularly cast me in small parts in plays he produced.

Carl Hagemann was the first personality who really influenced my life. He opened my eyes to everything that was beautiful. He gave me books about art; he made me visit the old painters who were sources of ideas and colors for his productions. He showed me the close connection between music and the spoken word (later, shortly before the Second World War, he conducted operas in Berlin).

Every Sunday morning Hagemann worked with me. For months we studied Rahel in *Juedin von Toledo* by Grillparzer, Austria's most beloved dramatist. In later years I played this role on every stage I appeared on.

There were two or three young actresses in whose future Hagemann was interested. He used to call us his children. He himself had no family. Nothing concerning us was unimportant to him. He even tried to improve our taste in fashion. "If a young woman has talent," he used to say, "she does not need to prove this by fancy clothes or make-up. Harmony in colors and taste is the main thing."

Hagemann did even more for me. He showed me the way to a second career, which I took up later in Vienna after the death of my first husband. He knew about my upbringing and my knowledge of English, which he could not speak. And since he was interested at that time in a new adaptation of Oscar Wilde's *Lady Windermere's Fan* (Oscar Wilde was one of his favorite modern authors), he asked me to do a rough translation of it. That was a big task for a young and inexperienced actress, but I finished the task, and my work must have been to his liking. He corrected and adapted it, and twenty years after its first publication, *Lady Windermere's Fan* was printed in a new translation, and Hagemann gave me a leatherbound copy with inscribed "To Grete [Grete was the name I was called as a child] for her intelligent and sensitive help. The Publisher." I still have the book.

One of Hagemann's most brilliant productions was Oscar Wilde's *Salome*, and one of his greatest discoveries was a young Polish actress, Maria Orsca. She claimed to be—how the relationship came about I never knew—the niece of the late Chief Justice Felix Frankfurter, who was Austrian-born. This young woman had the most beautiful eyes and most delicate and expressive hands I ever have seen. But she was far too heavy for her height. Hagemann wanted her to play the lead in *Salome*, but three weeks before her debut he told her he would not let her go on stage and dance unless she lost fifteen pounds.

Maria went on a diet and was a sensational success on opening night. But it was the beginning of the end. She had taken to drugs, and one love affair followed another. A well-known banker, who was married and in love with her, committed suicide; he could not stand life without her. Maria Orsca played a big part in my life. Because of her frequent indisposition, I got my first chance in the theater.

Hagemann was producing a new play *Gudrun* by Ernst Hart. It was the old story of Gutrun and Siegfried seen from another angle. Originally, I had a small part in the play, one of Gudrun's maidens. Maria Orsca played Sindgund, the supporting lead, a young woman full of passion. One afternoon my telephone rang: "Deutsches Schauspielhaus. Orsca is sick. Could you take over her part tonight?" "Of course," I said. "Be here half an hour earlier," came the reply. We'll give you a short rehearsal. We are sure you know the part." I came through all right. The next day I got a letter from the theater and a check for fifty marks. It was the first money I had earned in my life. I knew now that the world was open to me.

Hagemann advised me I would do better at a smaller theater where I would have the opportunity to play all the parts I had been studying. My agent looked around for an opening and, as a start, made a contract for me with the Stadttheater in Bremerhaven.

The summer before, however, I had a job with Leopold Jessner at the Thalia Theater, the second outstanding theater in Hamburg. Jessner was one of the three producer-stars famous at that time all over Europe (Reinhard, Hagemann, Jessner). He was the original founder of the "People's Theater"—first class literature with a good cast at popular prices. Among the actresses he had under

As is

M

1ST PROOF 06 - 25 - 76

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292

contract was a young beginner, whom I had met before. She was the daughter of the superintendent of the building where Hagemann lived. One day, when the superintendent took me down in the elevator from Hagemann's apartment, he asked me to meet his daughter, who wanted to become an actress. Her name was Emmy Sonneman. She was a slim, shy blonde girl with regular features. Her talent never impressed me, but I shall always remember her wearing a starched white blouse and a pleated blue skirt. We spoke to each other frequently and I liked her. She later became a well-known actress, but even better known when she became the wife of Herman Goering and, as such, Germany's "First Lady" during the Nazi regime.

Bremerhaven, where I spent the next winter, is a small seaport near Bremen. Most of the big transatlantic vessels of the Hapag (Hamburg America Line) landed there or in Cuxhaven, the seaport of Hamburg.

I was very busy that winter, on stage almost every night. I played Desdemona, Julia, Gretchen (Faust), Ibsen's Nora, and more. I only stayed one year, then went to Luebeck, which had a beautiful new theater, its interior all paneled in cherry wood. It also had a keen-minded director. This little treasure of a theater was burned down during the second World War.

From Luebeck I was called to Vienna, with a very good contract for the Deutsche Volkstheater which at that time, ~~next~~ to the Burgtheater, was the leading stage in Austria. When the public in Luebeck realized that a young actress from their provincial town was called to Vienna for leading parts, the theater was sold out whenever I played.

My debut in Vienna was as Rahel in Grillparzer's *Juedin von Toledo*. My second role was Princess Eboli in Schiller's *Don Carlos*. I was the youngest Eboli ever on the Austrian stage. I hope this was not the only quality people liked me for. With me in this play were Fritz Kortner (King Philip), who later went to Hollywood, and Erika von Wagner (Queen Elizabeth), who a few years later married Stiedry, conductor of the Metropolitan Opera.

One of my favorite roles was the gypsy girl Masha in Tolstoy's *Living Corpse*. Another was Reginé in Ibsen's *Ghosts*. Both parts I played with Moissi, the most famous actor of the time.

During my first weeks in Vienna, in 1916, I met my first husband, Ferdinand G. Serény. He was Hungarian and much older than I. He was a man of the world and had a wonderful way with women. This and his intelligence, combined with a great concern for my well-being, made me fall in love with him. I called him "Feri." We were secretly married in Budapest in February, 1917.

In those days every actress had a clause in her contract which forbade her to marry without consent of her director. As I had not thought of marriage, I had not taken any notice of this paragraph when signing my contract. But now this prohibition against marriage seemed to me almost indecent, and I rebelled. I did not ask Director Wallner's permission to marry and so my marriage had to be in secret. But very soon I got pregnant and yet I had to go on acting. My roles were mostly young, innocent, seductive women, and I had to represent them with the knowledge of a swelling tummy. But I must have carried my baby well, for no one noticed anything—at least they did not say anything.

I was six months pregnant when the theater closed for summer vacations. Feri and I went to Karlsbad and later to Budapest, where my little boy, Guido, was born. From this very moment I changed. It was as if a cover had fallen from my soul and love had another meaning for me. I felt the mystery of love a mother feels for her child. It came with the first cry of the baby and it will stay as long as I live.

Shortly after Guido's birth I wrote Director Wallner, was forgiven for my marriage, and asked to return to the theater immediately. And from then on I had to work as usual. It was hard on me. There was the baby who gave me so much warmth and happiness, and there was the theater, my work, which I loved and could not and did not want to neglect.

The living conditions did not soothe my inner conflict either. It was the last year of World War I and the economic situation in Austria was very bad. People stood in line at bakeries, meat shops, and groceries. Even milk for babies was scarce. In the restaurants more and more "Ersatz" was being served, and the Austrian people, always great lovers of good food, began to revolt. In Budapest I had not noticed the misery so much. Hungary, though still a part of the great Austrian Empire, was better off, since it was an agrarian country and there was always plenty of milk and butter.

And all the time I had no real home. Feri and I could not live together; he had to stay in his apartment, which was too small for a family. The baby, the nurse, and I lived in the Hotel Bristol. I nursed the baby myself, and when I came home from rehearsals or performances, the nurse and the baby were always waiting for me, the nurse scolding, the baby crying. It was impossible to get a larger apartment, as hard as Feri tried. There was no peace in the world, no peace in my heart. And other events added to the inner turmoil.

That season a rather sensational charge was brought against Director Wallner of the Volkstheater, and without any intention of mine I became involved in it. For personal reasons certain older actors and actresses felt animosity towards Wallner and accused him of morally questionable behavior toward young actresses, me among them. He was—so they said—directing *Juedin von Toledo* in a morally offensive and improper way. When the case came before the jury, the old actors and actresses were not allowed to take the oath. I was sworn in. I declared that I never felt any

after

Serény

1ST PROOF 06 - 25 - 76

0293
0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387

6 -A/H-VON MISES-PC2836

misgivings about Director Wallner or his manners, ^{and} whatever he said, and whatever explanatory movements he may have made during rehearsals, it was done—I said—in the keenness and enthusiasm of artistic work. I never felt offended. He was acquitted, but my position at the Volkstheater became so difficult I could not stay.

Why do I tell this story? At that time I did not know Professor von Mises, who was still in the Austrian Army. But when later, after the death of my first husband, Ludwig von Mises and I met in Vienna and became friends, I told him about it. Some time later he surprised me by telling me that he had gone to the archives of the *Neue Frei Presse* and had looked up all the records about the case. He had to assure himself that I had spoken the truth.

I did not renew my contract, and the newspapers said that I had resigned "for reasons of health." I was, of course, in perfect health and was offered immediately an excellent contract for the Thalia-theater in Hamburg. Feri asked me to stay, but I was still too selfish to be able to give up my career. I accepted the offer, though I realized I had to leave my child, ~~too~~ at least for a while. The war was over, the Austrian Empire was torn to pieces, Germany was defeated. Traveling from one country to the other was now very difficult; there was not even a direct train connection between Vienna and Hamburg. One had to change trains at the border and the trip took twenty-nine hours. The cars were not heated, there were few train personnel, no food, no milk at any of the stations. I could not subject my child to that; I first had to find suitable quarters before I could have him stay with me. I left.

In Hamburg I played the same roles I had played in Vienna, again with Moissi as a guest. But one evening there was trouble in the theater. Moissi—in Doctor's garb—had attended, with permission of the resident physician, a child's birth in a hospital, and students and women revolted against him. There was such a commotion at the end of the performance that the actors could not take their bows; the stagehands did not dare to raise the curtain and Moissi never again came to Hamburg.

I was very lucky; I found a furnished apartment, modern, heated, in a good neighborhood. When the train situation improved—it was around Christmas—Feri accompanied our child with the nurse to Hamburg. Feri stayed with me for four months. He was so upset he could not work in Vienna and I felt guilty about it. But I still was not ready to give in.

When he left I soon discovered that I was pregnant again, and now Feri implored me to come back to Vienna when my contract expired. He finally had found an apartment and it was to be ready by the time we returned.

The apartment was beautiful, located on the sixth floor of one of the few buildings that had central heating, at that time still a great luxury in Austria. From the windows we looked far over the roofs of the old buildings to the tower of St. Stephen's Cathedral. At all times we heard the big clock chiming, and on Sundays and Holidays the bells were ringing. I loved that apartment. For the first time I had a home, and I finally was at peace with myself. For some time at least.

When my daughter Gitta was born I took care of her myself. And when I caught our cook cheating us by selling our eggs and groceries—which were so hard to get—for lots of money to other people, I dismissed her and started cooking myself. I had plenty of help otherwise, of course. We travelled a great deal, but always in Austria, and the children were with us wherever we went. Feri was a wonderful father, happy and proud about his family.

In the summer of 1923 I took the children to Travemunde, a bathing resort on the Baltic Sea. Feri could not get away immediately, but was supposed to come a few weeks later.

This was the worst year of the run-away inflation in Germany and Austria. I carried a suitcase with me, containing money for one day. Every evening my husband had to cable fresh money, for the value of the krone decreased daily.

One day I got a telegram from his secretary asking me to come back immediately: Feri was seriously ill. I rushed home and hardly recognized him. He died at home a few weeks later, of a lung sarcoma. He was a chain smoker. His physician was Dr. Rudolf Strisower, a second cousin of my future husband, Professor von Mises.

I was twenty seven years old when I became a widow for the first time, with two small children and the inflation raging. Feri had left a letter in which he begged me to stay with the children and not return to the stage. This letter was surely meant for the best interest of the children. But Feri could not foresee the outcome of the economic situation. Inflation had consumed the value of all savings. I remember how I found, some months after Feri's death, a wallet of his containing large sums of Austrian kronen, the old currency that had since been changed into schillinge. The time allowance for exchanging kronen into schillinge had expired. The value of the money was totally lost. Though we still had some real estate, it was not the right time to sell. I knew I would have to work to earn our living.

One day that winter the Deutsche Volkstheater called. Maria Orsca was supposed to perform that night as a guest Rahel in *Juedin von Toledo*. She was in such a bad state, they said, that she was incapable of going on stage. Would I take over? I could not. I had to let them down. Feri's letter haunted me. I tried various times. I got interesting offers, but I never had the courage to go on stage again. I could not forget that letter.

and

Thalia-

also,

1

^ Krone
got

K Kronen Schillinge

1ST PROOF 06 - 25 - 76

0005
0006
0007
0008
0009
0010
0011

0012

0013

0014

CHAPTER II

How We Met

The 2 looks like eleven!

1ST PROOF 06-25-76

IT WAS in autumn 1925, when I went to a dinner party at the home of a journalist, Dr. Fritz Kaufmann, that I first met Ludwig von Mises. Kaufmann's wife was the daughter of our beloved pediatrician, who—as long as Feri was alive—used to come every Saturday morning to the apartment to have a look at the children. This was done for an annual fee. One can hardly imagine today that there even existed arrangements like this with a private physician. Only recently I found a handwritten letter of recommendation from Ludwig for Fritz Kaufmann, written in 1943: "Dr. Fritz Kaufmann was about twenty years ago a student of mine at the University of Vienna, Austria. He has well succeeded in acquiring a broad knowledge of economics and especially of the problems of currency, banking and finance. After his graduation he worked as a journalist with various newspapers and periodicals in Vienna and in Berlin. His editorials and articles were highly appreciated by the most competent experts."

There were six guests that evening, one of them was Ludwig von Mises, a forty-four-year-old professor of economics, who also had a law degree from the University of Vienna. But that evening I had no idea who he was. What impressed me about him were his beautiful, clear blue eyes, always concentrated on the person to whom he talked, never shifting away. His dark hair, already a little grayish at the sides, was parted, not one hair out of place. I liked his hands, his long slim fingers, which clearly showed that he did not use them for manual work. He was dressed with quiet elegance. A dark custom-made suit, a fitting silk necktie. His posture indicated the former army officer.

He sat next to me, and the conversation was mostly about economics. I did not add much to the discussion. How could I? I did not know enough about the subjects discussed. After dinner he stayed at my side and we talked, that is to say, he made me talk, listened attentively, and when we left, he offered to take me home. But on the way he proposed to go to a bar opposite my house, to have a drink and dance. He did not dance well, so I preferred to sit and talk with him.

The next day, when my hosts told me that he was considered to be the greatest living mind in Austria, it gave me quite a shock. He seemed so unpretentious and simple, so easy to talk to. That day he sent me a wonderful assortment of red roses, called me soon afterwards, and asked me to have dinner with him.

From then on we met frequently, and it was not long before we were meeting almost daily. When he had no time to meet me, he would always call. He met my children and tried to make friends with them. He never came without bringing them a little gift, mostly books that were carefully chosen. And one day he brought me a tiny flask of perfume, also very carefully chosen, but not at all to my taste.

I soon felt he was in love with me. But within me there was no fire burning. I was interested, I liked his company, I was flattered by his attention, but I did not love him. It took quite a while before I responded. And it was a special event that made me realize I cared for him.

This was a time of political unrest in Vienna. Two socialists had been murdered by members of the nationalistic party, and the killers were acquitted. This led to riots in the streets. The Palace of Justice was burned down. Ludwig von Mises called me and warned me: "Don't let the children go out today, the streets are not safe." (We lived in the center of the city—as he did—a few steps away from ~~the~~ Kaerntnerstrasse and ~~the~~ Graben.) It was this telephone call that made me realize I loved him: he cared for my children!

KAERN TNERSTRASSE

In 1926 he went for the first time to America, as a representative of the Austrian Chamber of Commerce, and as soon as he returned he asked me to marry him. I cannot describe what it meant to me.

From then on I always called him "Lu," and this abbreviation of his given name, which seemed to me so warm and affectionate, was something quite new to him. He must never have been called by a pet name. When we came to the States and made new friends, they all very soon called him Lu. I think he liked it.

much warmer and so much more affectionate

Shortly after his return from America he got very sick. He had appendicitis and could not be operated on, as his appendix was already infected. It took him weeks to recover.

~~He~~ ^{or} often spoke about his maternal grandfather and remembered him with great affection, even though this grandfather, while carrying Lu in his arms at the age of two, had dropped him. As a consequence, Lu broke his collarbone and had to wear a neckbrace for a long time.

Missing: Lu did not tell me much about his youth, but

Lu spoke little about his youth. Once, however, he told me that he had started reading newspapers at the age of seven and that at the age of ten he wanted to write a history of the Crimean War. He wrote ONE page and then discovered in the newspaper that an English historian had published a ten-volume history. That was

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194
0195
0196
0197
0198
0199

the end of *that* book.

Lu greatly admired his father, who had been a prominent railroad construction engineer in the Austrian government and who died tragically, after a gallbladder operation, at the age of forty-six. Lu revered his father and never forgot his birthday. On August 13, 1941, Lu told me: "On this day my father would have been eighty-six years old." He must have missed him greatly.

The early loss of a beloved father was not the only sad blow Lu suffered. His youngest brother died of scarlet fever at a very tender age, when Lu was only twelve years old.

Lu lived with his mother, whom I never met, but he rarely mentioned her. However, he never had a word of criticism for her. I soon realized that this silence was the result of a long and bitter struggle with himself. He must have suffered in his youth, though he never complained. Three of the many letters he wrote to me around this time, which I have translated into English show clearly how lonely he was:

Vienna, July 29, '27

My dear, sweet Grete:

Many, many thanks for your dear letter.

Since Tuesday I pondered much about you and your love. You have renewed in me, what I lost a long time ago, the belief in the possibility of happiness. Do you know, how much I have to thank you for, you, my beloved?

I am sorry to say—I was so rushed the last days—from early morning to late at night, that I could not carry out my wish to go to Modling to look after the children. I would have wanted to send you their love and their greetings. I had some egoistic reasons, too: I wanted to touch Gitta's hair and think of you.

That is all for today. I still have to do my packing and take care of various matters. I leave tomorrow morning.

I love you, I can't say more, and I believe it is the most important thing.

Thousand kisses.

Badgastein, July 31, 1927

My dear Grete:

When I arrived here last night and found no letter of yours, when even today there was nothing in the mail from you, I realized fully how much I miss you and that I cannot live any more without you. Now only I know what longing really means and that I have only one wish, one thought: You.

I have gone through bad experiences and again and again I suffered severe disappointments. Your hands tenderly touched my cheeks and every remembrance of past harm has gone completely. I wish I could have your slim hands here to kiss them and hold them for ever.

Write to me again and again that you love me and want to give me happiness. I cannot hear and read it often enough.

Are you thinking of me sometimes in Hamburg? Can I win the battle with the remembrances of childhood and home? Isn't it true that the one who is absent is the losing one? I promised you never to be jealous. Now you can see the value of my promises. I am jealous even of the river Alster.

Don't forget me and do love me. I kiss your mouth and your hair.

Badgastein, August 14, 1927

My dear Gretl:

Many glowing thanks for your letter of August 11 and for your Sunday telegram. I found both when I came home from dinner.

I deserved your reproaches but I cannot change the facts. I told you before. You know you have to change me to get me to be the one you want to love.

It won't be easy. I would like to make a proposal: one always should start work as quickly as possible, and one should not delay the start. What about leaving Norderney two days earlier than planned and this way come two days earlier to B. (That means on the 26th.)

We talk better from mouth to mouth than by mail. We have to discuss a great many things. Please, do say "yes" and come earlier than we originally planned.

I feel more for you than I can say in writing and if you will know me better you might read behind my clumsy sentences the real meaning. Please, don't be angry; don't punish me by not writing and think of me without any anger or resentment.

I believe in you and I love you. You are now everything I have. I know how rich and happy you make me, but I don't know how to thank you. I will try to become more worthy of you than I am.

Thousand kisses.

People who knew Lu's mother well, told me she was a highly intelligent woman, but with the attitude of a general and a will of iron, showing little warmth or affection for anyone. But I know she did many good things. She was president of the Institute for the Blind and gave much of her time to it.

Professor Hayek told me that while he was attending Lu's seminar in Vienna, Lu sometimes invited him to his house for lunch or dinner. The long table was always set immaculately, Lu sitting at one side and opposite him the late Mrs. von Mises. "She never spoke a word," said Professor Hayek. "She never participated in the conversation, but one always felt she was there. When the coffee was served she quietly got up and left the dining room."

She must have been a woman of distinction, otherwise she could not have brought up two sons, both of them distinguished scholars. The only one for whom Lu's mother was said to have shown some affection, was Richard, her second son. This might explain why the two brothers never were really close to each other. This situation changed though, after Lu and I were married.

I met Richard in Geneva in 1939, and I liked him immediately.

1ST PROOF 06 - 25 - 76

Moedling

do

0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292
0293
0294
0295
0296
0297

There was a certain charm about him. He had the same unpretentious manner of speech that Lu had. When Lu and I came to the United States in 1940, Richard, who was then professor of aviation and mathematics at Harvard, immediately arranged a lecture for Lu and never failed to come and see us whenever he was in New York, sometimes two or three times a month. I saw him for the last time in 1953; Lu was in California lecturing when Richard arrived from Zurich. A friend of his, the famous Professor Hermann Nissen in Zurich, had advised an immediate and urgent cancer operation. But Richard refused to have it done, returned to the States, and a few weeks later died in Cambridge.

I really never understood why Lu stayed with his mother until he left for Geneva. There was no financial reason for it. The only explanation I could find was that his mother's household was running smoothly—their two maids had been with them for about twenty years—and Lu could come and go whenever it pleased him and could concentrate on his work without being disturbed. There certainly was no inner need for him to stay with her.

The First World War, as much as he hated the loss of time, was a duty Lu had to fulfill—and not for a minute would he ever have disregarded it. On the first day of the war he had to travel to Premysl to meet his regiment. He foresaw the consequences of the war for Austria and for the world; he lost almost five years of his life and his work; but he never complained. The last two years in the Carpathians, those icy winter days, brought real suffering and hardship to everyone. Often they did not even have water to wash.

For some time in the mountains Lu had as a comrade in arms his second cousin, Dr. Strisower, an army doctor, who also had the rank of captain. For a while they had their lodgings together. One morning, when it was bitter cold, they peered through the ice covered window and saw the ten-year-old daughter of the farmer's wife, with whom they lived, take a completely naked baby of perhaps one year outside and hold her up until she had eased herself. Lu was horrified. "But the child will die," he said. "No," replied Strisower. "If she is healthy, she will survive. That's how it is here in the country; only the strong ones can survive."

Lu was proud of his ability to provide for his men. By chance, a first class cook from a good Austrian hotel had joined Lu's company. This man was able to bake the famous Viennese pancakes (they are like the French crepe suzettes) for all the men while the company was marching and the kitchen, of course, was on the move, too. He adored Lu and proved this by always giving him an extra portion. But he was never satisfied with Lu's appetite. "The first lieutenant is eating like a woman in childbed," he complained. To please Lu he also fed a little colt, which had been born during a battle and was loved by all the men of the company. They often went without food themselves, but they still fed the colt. Then one day the army took the colt away. They needed meat. That was a black day for all of Lu's men. Lu got typhoid in 1917, and after a few months, was called back to Vienna and worked—still in uniform—with the General Staff in the Ministry of War until the last day of the war.

In the first years of our relationship Lu was almost an enigma to me. I never had seen such modesty in a man before. He knew his value, but he never boasted. Different from all men I had met before, he felt deeply without the need to talk about it all the time. I had never trusted the feelings of actors. Men who love professionally every night, project their feelings constantly to the outside, and have to tell the whole world about them never seemed real men to me. Their only steady love affair is with themselves. I think it was the extreme honesty in Lu's feelings that attracted me so strongly to him. These feelings were so overpowering that he, who wrote thousands of pages about economics and money, could not find the words to talk about himself.

Before we married, this love must have been a very distressing factor in his life—so upsetting that he knew he could fight a battle in the Carpathian Alps, but could never win the battle against himself. He became frightened. I was the only woman he wanted to marry from the first moment he met her. He never changed his feelings or his mind about this decision. I knew that there were many young women who were desperately in love with him. His private seminar in Vienna had several female participants who tried their best to get his attention. He was interested in their career, in their intellectual development, but completely indifferent toward them as women.

Once he chided me: "If you would not have been, I could have married a very rich heiress." "Why didn't you?" I asked him. "We both would have lived happily ever after." He rejected both my flippancy and my proposal.

Another time I told him: "Do you know that people revealed to me that you, at one time, were engaged to marry Dr. Lene Lieser (a former student at his Seminar)?" He laughed and said, "Did you really believe it? Could you ever imagine me married to an economist?" I really could not.

The wish to have me near him was constantly in him. He knew I needed a father for my children; he was aware of the fact that I gave them all the love and affection I was capable of. But children need more than a loving and doting mother. They need guidance and direction for their development, and I, as a mother alone, was well aware that I was not strong enough to give them what they deserved.

Lu thought of the task he had set himself, the tremendous work that was ahead of him, all the writing he wanted to do. He bore the burden of making a frightening decision—the choice between his work and duty to his intellectual ideals on the one hand, and a life

0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390
0391
0392
0393
0394
0395

of love and affection on the other. Soon after we became engaged, he grew afraid of marriage, the bond it would mean, the change that children would bring to a quiet home, and the responsibilities that might detract him from his work. So it was a stormy relationship; the old problem of Adam and Eve.

But we did not live in Paradise—far from it. We never had a fight between us. Lu fought himself, and then made me suffer. I was deeply in love with him now, a love so different from what I ever had felt before, that I hardly knew myself any more. Until now I had always *taken*; I had been spoiled. Now I only wanted to give, give, give—and I deeply felt that he needed me, too.

We spent most of our vacations together. I ~~had~~ rented a cottage in the country for the children, and my mother, and Lu and I went mountain climbing. Other sports did not mean much to him. He played tennis—always with a trainer—but without enthusiasm. Once I watched him. When the ball was easy for him to reach, he returned it, otherwise he would not bother. When I asked him: “Why don’t you put a little effort into your game?” He replied, “Why should I? The fate of the ball does not interest me.”

He was a member of the Athletic Club in Vienna and dutifully went fencing once a week. But mountain climbing was the sport he really excelled in. Before he went to Geneva he also did some skiing. He had grown up with the mountains, and he spent four long years of war in the mountains, while I came from the sea. But I shared his love for hiking and climbing, and we were never nearer to each other than when we stood together on the top of a mountain. He had the correct training for climbing. Sometimes the sun would burn so hard that I would get tired and thirsty. ~~But~~ Lu allowed me no rest until we reached a certain goal, even the top. The beauty of the view, the wide-open spaces that lay before our eyes, the difficulties of climbing we had overcome together, the loneliness around us that never seemed depressing when we were together, gave us both a deep inner feeling of completeness and happiness. “It was then,” he told me later, “that I first knew what a good comrade you would be.” But he still was not able to set a date for our marriage.

Sometimes I did not see him for weeks. But I knew very well that he was in town. At least twice daily the telephone rang, and when I answered it there was silence at the other end of the line—not a word was spoken. I knew it was Lu. He wanted to hear my voice. I also knew I should not make the first move if I really wanted to help him. I longed for him; his silence hurt me; I was miserable. But I did not call. And finally—after a while, without any explanation—he came to see me again. I knew by then that if he could not decide by himself, I had to act. Also on account of the children, for the situation became so tormenting for me, I could not stand it any longer. I needed work that would interest me and would take my mind off myself.

About this time George Marton, the publisher, who was always interested in my work (I had done one or two translations for him), advised me to go to London for a while to get better acquainted with authors and writers, to get new plays for him, and to start translating as a career. At the same time I could refresh my English. I followed his advice.

Marton got me the necessary letters of introduction, and in 1929 I sublet my apartment and left Vienna. I took Gitta to Hamburg to stay with my mother and left Guido with a teacher’s family in a suburb of Vienna. It was hard on the little boy, and he suffered under the separation as much as I did.

In London I lived all alone in a bleak second-rate boarding house, the like of which I had never known before. To save money I walked to most of my appointments. Once I walked all the way from Bayswater to the Tower of London. When it was cold I went to the National Gallery or into a Museum to warm up. All the time I met new people, was introduced to writers and publishers, and succeeded in laying the groundwork for a future for the children and myself.

But I never succeeded in forgetting Lu. I never wrote to him. But one day he came to London as the Austrian representative of the Chamber of Commerce to open an exposition of graphic illustrations on the progress of production in Austria since 1922. Lu himself had brought about this exhibition, and Hayek, as director of the Austrian Institute for Economic Research in Vienna, had compiled the tables. After his arrival Lu called on me—and nothing had changed. We both knew it never would.

After a year I went back to Vienna, relieved to have my children staying with me again. Otherwise everything was exactly as it was before. The only difference was that I had found the work that, together with my children, filled my days so completely that I had very little free time. I translated and adapted one or two plays a month. The work was always “terribly urgent”—and afterwards the plays were shelved and the poor authors had to wait for months, years sometimes, until the plays were produced.

I had a contract with Marton for every play, royalties in advance of production and immediate cash for every “rough” translation I finished. I needed a secretary to help me, and things looked better for the children and for me. Among the plays I translated was *Mary of Scotland* by Maxwell Anderson, *Distaff Side* by Van Dru-ten, and *Rebound* by Donald Ogden Stewart (which was produced by Reinhardt in the Deutsche Theater in Berlin and in Vienna’s Akademietheater). In 1932 I also wrote short stories for newspapers, which were printed in *Der Wiener Tag*.

The work I did was in every way a lifesaver for me. It helped me to take care of my children, it helped me to keep hold of myself, and it helped me to regain my pride, which had suffered greatly

usually?

10

1ST PROOF 06 - 25 - 76

0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486
0487
0488
0489
0490
0491
0492
0493

during these years of uncertainty in my relationship with Lu. Maybe, once in a while, I should have refused to see him. But what would this have changed? My stay in London was proof enough that there was no way out for me. I loved him and the longing to be with him was so strong I could not fight myself anymore. And I knew only too well that he needed me also, in the way that a man dying of thirst needs a drink of water.

Not that I could not have married again. There was Oscar Loewenstein, the always cheerful, elegant owner and publisher of the *Neue Wiener Journal*, whose sister-in-law was Gitta's godmother and who was in love with me for years. There was Sir Leonard Castello, the then Chief Justice of India, whom I had met in London and who came to Vienna to see me as often as his time allowed, waiting only for my word to get a divorce. But I had told him how the situation was. He understood, and we stayed friends for life. After Lu and I were married, he flew from India to meet Lu. Both men understood each other very well. Though I liked these other men, there was nothing I could do. I just had to wait until Lu was ready.

He had given me his books *Gemeinwirtschaft* (later translated as *Socialism*) and *Theorie des Geldes und der Umlaufsmittel* (*The Theory of Money and Credit*), and I tried my best to get familiar with their content. It was difficult for me. I had lived in another world. It took years and much reading and many tears, intermingled with feelings of inferiority, before I understood the meaning of his teaching and his writings. But his most devoted students could not have been more convinced of the advantages of free enterprise and of freedom for the individual than I became.

In those years Lu travelled a great deal to foreign countries as the representative of the Austrian Chamber of Commerce. Never did he leave without first coming to see me and sending me the most beautiful arrangements of flowers. And as soon as he returned the first thing he did was to see me. All these years he had held a secret superstition, which he later confessed to me: he must see me, he must be with me on January first each year, for that gave him the assurance that he would not lose me that year.

Following the World War, and even before, housing conditions were very poor in Vienna. Now they introduced a new law: no family was allowed to occupy more rooms than there were members in the family. (The kitchen was not counted.) For us, who owned a large apartment, this meant the danger of having people placed to live with us, people whom we did not even know.

In my case, living alone and working at home, it would have been a special ordeal. But I was lucky. A friend of mine, coming back by boat from a visit in the United States, met Myra Finn with her little daughter Alice, age eleven. Mrs. Finn had just been divorced from Oscar Hammerstein, wanted to travel, and was looking for a suitable place in Vienna to learn German. My friend recommended me, Mrs. Finn called on me, we liked each other, and after a while she left Vienna and Alice stayed on with us for more than a year. Since she was the same age as Gitta, I arranged for her to be in Gitta's class. The two girls became inseparable. A friendship developed that has lasted all through the years. Alice had suffered greatly from her mother's divorce and it took all my love and care to make her smile again.

The summer after Alice left to join her mother in Switzerland, I sent Gitta to England to a boarding school in Kent, where she stayed for almost eighteen months. When she came back she wrote and spoke English just as fluently as she spoke and wrote German.

One day Lu told me he had been offered a high position at the Credit Anstalt, the foremost banking institution in Vienna, but that he had decided not to accept it. When I asked him the reason for his refusal he told me that a great "crash" would be coming and that he did not want his name connected in any way with it. He preferred to write and teach. "If you want a rich man," he told me, "don't marry me. I am not interested in earning money, I am *writing* about money, but will never have much of my own."

I did not need to assure him how I felt. When the stock market crashed in New York in October, 1929, the effect was worldwide. An international depression followed, world trade was seriously affected, and in 1931, on May 11, the Austrian Credit Anstalt went into bankruptcy, exactly as Lu had told me beforehand. The Austrian government tried to save the bank and appealed for help abroad. France promised support, but under impossible conditions. At the last moment England helped Austria with a loan of 150 million Austrian schillings given to the Austrian National Bank. But the Credit Anstalt could not be saved. This newest crash led to a panic and a financial crisis in all Central Europe.

From then on, there was hardly a quiet day in Vienna. Hitler had used the fear, the despair, and the insecurity in Germany to follow his own devilish purposes, and he succeeded so well in his evil designs, that, in January, 1933, he became chancellor of Germany.

The consequence was a growing antigovernment movement in Austria. In March 1933, Engelbert Dollfuss, the Austrian chancellor, whose government consisted of a coalition of Christian Socialists and Agrarians, prohibited parades and assemblies and restricted the freedom of the press. In spite of this, the Austrian Nazis, who now unsuppressed dared to come out into the open, staged a great riot in Vienna. The city looked like a fortress; the streets were full of soldiers; shops and schools were closed; no one dared to go out. The entrance doors of all buildings had to be closed at 8 P.M. After that hour no citizen was allowed in the streets. There was *Standrecht* in Vienna, which meant that the police had the power to shoot anyone who did not obey orders.

Lu was very concerned about us. He called three and four times

Chief Justice

for Alice

Schillings lead to a financial crisis and a panic

1ST PROOF 06-25-76

0494
0495
0496
0497
0498
0499
0500
0501
0502
0503
0504
0505
0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564
0565
0566
0567
0568
0569
0570
0571
0572
0573
0574
0575
0576
0577
0578
0579
0580
0581
0582
0583
0584
0585
0586
0587
0588
0589
0590
0591

daily and asked me not to go out. But he himself went out, in spite of everything, and came to see us. I never knew how he found the time for all the work he was doing. He was by then the full-time ~~secretary~~ of the Chamber of Commerce; he had his lectures at the University of Vienna; he had his seminar; he had conferences and luncheons with visiting authorities; he had to travel; he did a tremendous amount of reading and writing; and he always had time for me. He was so interested in my work he read every play I was doing, constantly urging me to do some writing of my own, proposing one idea after the other. In later years, when I attended his seminar at New York University, there was not a single meeting when he did not suggest to his students the title of a new paper or an idea for a thesis. I remember I once advised Bettina Bien: "Take the titles down; they will make a book one day." In Vienna he just poured out new ideas to me. He once told me to write a film of one of Hans Christian Andersen's fairy tales. Even today only one or two of these beautiful stories have been filmed, and they certainly would be a delight to children all over the world.

legal adviser and financial expert

Early in July, 1934, Lu went to Gastein, as he did every year, to take the baths. Shortly after he left, the Nazis assassinated Dollfuss. A group of Nazis, in Austrian uniforms, seized the radio station in Vienna and forced the commentators to broadcast the resignation of Dollfuss, which of course was a lie. They then entered the Cancellery, shot Dollfuss, and refused medical help to him until he died. Dollfuss was immediately succeeded by Dr. Kurt von Schuschnigg, who fervently tried to keep Austria independent.

Ch

Lu followed the political situation in Germany and Austria with passionate interest. He saw the slippery road the Austrian leaders were forced upon. He knew Hitler's rise to power would endanger Austria, and he knew exactly what the future would bring. Only the date was a secret to him. Lu was a typical Austrian. He loved his native country, the mountains, the city of Vienna, the beauty of the old palaces, the crooked streets, the fountains—but this, too, was something so deeply imbedded in his soul, he rarely would talk about it. But I knew how he felt and how deeply he was hurt.

In August, 1934, I met Lu in Ferleiten, Tyrol. From there we took excursions into the mountains. One beautiful morning—it was August 23, 1934—we took the autobus to Hochmais and then climbed via the Fuscher Torl up to the Edelweisskopf, a mountain about 8000 feet high. On top we rested and enjoyed the beautiful view, the wide range of the Alps before our eyes, the peace and quietness around us. The sun was shining brightly, but we did not feel any heat. The strong wind cooled us.

I had trouble keeping my wide Dirndl skirt from blowing over my face and had to use both hands to keep it down. Lu laughed about my efforts. Then suddenly he said: "You asked me before why I am working here so much, against my habit of not working while on vacation. I want to tell you the reason." And he told me that he was to leave Vienna in the beginning of October, that he had received an invitation from Professor William Rappard to join the faculty of the Graduate Institute of International Studies in Geneva, Switzerland, that this meant a great opportunity for him, and that he therefore had accepted the appointment.

When I heard him say that, it seemed as if the sun had suddenly gone down. My hands dropped, I could not speak. This was a blow that hit me harder than any chilling wind. I never thought he could go away like this. He took me in his arms, held me firmly, and went on: "I'll see you often . . . give me time . . . trust me, I love you, I love you so much . . . stay as you are . . . I need you." It took a long time before I could pull myself together; I felt the tears rushing to my eyes. I did not want to cry; I knew how unhappy it made him to see me crying.

For Lu this had been a unusually quick decision. Lu was ~~usually~~ ^{usually} so slow in deciding important matters that I once jokingly called him Fabius Cunctator. In taking leave of absence from the Chamber of Commerce, the University—and of me—he found the courage to tell me about it only *after* he had decided. But I believed and trusted him as I always did. He had never lied to me. We were never more in love than we were that summer.

an

From Ferleiten we went to Hallein to see the Salzbergwerke, and before returning to Vienna we spent one week in Salzburg, attending the *Festspiele*. Every day was a special day and I tried to forget what I knew would be coming.

In Vienna we met every day until the very day he left for Geneva—October 3, 1934. He wrote often, telling me about the new apartment he had taken, the friends he had met, and his work at the g Institute. He returned to Vienna at Christmas, and as always, we spent much time together.

The years went by. He came very often, sometimes in the middle of the week, for only a day or two. It was a blessing for me that I had so much work to do. Curt Bois, a well-known Austrian actor, had acquired the rights for a play by Massingham, *The Lake*. He planned to produce the play himself and play the lead and he asked me to do an adaptation for him. He was very happy about my work. Marton was also happy with another play that I had adapted from the French. It was done from Sardou's play *Dora*, and I called it *Diplomacy and Love*. It was accepted by the Akademie-theater in Vienna and came out in a very good production with excellent reviews and—most pleasing for me, of course—commendations for the translator.

On April 18, 1937, Lu's mother died. Lu came for the funeral and left soon afterwards. That summer we spent again in the Austrian mountains. Everywhere we felt a change. When we were climbing a mountain near the German border, the villagers, who

0592
0593
0594
0595
0596
0597
0598
0599
0600
0601
0602
0603
0604
0605
0606
0607
0608
0609
0610
0611
0612
0613
0614
0615
0616
0617
0618
0619
0620
0621
0622
0623
0624
0625
0626
0627
0628
0629
0630
0631
0632
0633
0634
0635
0636
0637
0638
0639
0640
0641
0642
0643
0644
0645
0646
0647
0648
0649
0650
0651
0652
0653
0654
0655
0656
0657
0658
0659
0660
0661
0662
0663
0664
0665
0666
0667
0668
0669
0670
0671
0672
0673
0674
0675
0676
0677
0678
0679
0680
0681
0682
0683
0684
0685
0686
0687
0688
0689

usually greeted us with "Guess Gott" ("May God be with you") now raised their arms and said "Heil Hitler." At the top of the mountain Germans and Austrians would not dine in the same room of the restaurant. It was a frightening experience. That summer Lu had given me a wonderful birthday present—one that made me happy for the rest of my life. He had arranged with an auto driver's school in Vienna for me to take a driving course, to get a driver's license. And then he told me that he had ordered a car.

That Christmas he spent with me, and the first night he was in town, he took me to a very good restaurant for dinner. Suddenly he reached over the table, took my hand and said, so softly I could hardly hear him: "I cannot go on further, I cannot live without you, darling. Let's get married."

At first I thought I was dreaming. I had waited so long for this moment. Now it had come. I could not believe it. I remember, in the other corner of the restaurant sat a couple, longtime friends of mine, who knew about Lu and me. I felt like rushing over to them shouting what had happened. I felt like a child who longs for Christmas and finally sees the tree lighted. And then everything became very quiet within me. I felt very small. I could not say a word, as usually happens to me when I am excited. I just sat and listened while he told me his plans.

He set the wedding day in early April of the following year, during the Easter recess of the Institute in Geneva, so we could go on vacation together. In February he came again to Vienna, to arrange the bann (an old Austrian custom that requires that every couple intending to marry must have their names and the date of the wedding publicly announced for six weeks at the doors of City Hall.)

But everything turned out differently than we had planned. Shortly after Lu had left, the situation in Austria worsened. Bombs in telephone booths, Nazi demonstrations in the streets, combined with violence, were a daily event. Schuschnigg made an appointment to see Hitler in Berchtesgaden, hoping to be able to arrange for better relations with Germany. But it was in vain. Hitler would not even listen to Schuschnigg. He shouted constantly and accused Austria—and Schuschnigg—of high treason. Schuschnigg was forced to sign an agreement that was used a few weeks later as the basis for the end of Austria as an independent nation. To give every Austrian citizen the opportunity to decide for himself whether he wanted to belong to Germany or keep his independence, Schuschnigg announced on March 9 a general plebiscite for March 13. Hitler was afraid of the result, and in order to prevent it, he sent German troops into Austria.

When the Germans marched into Vienna, I sent Lu a telegram: "Everything quiet here no need to come." I was afraid that Lu might not realize how dangerous the situation had become for him. On the night the Nazis came to Vienna they had rushed into the apartment where Lu had lived with his mother, had taken his valuable library, his writings, his documents and everything they found of importance, packed it into thirty eight cases, and drove away. Worse still, Lu was also on the Russian black list. Lu's writings were hated by socialists of every type: Nazis, Communists, Fascists, and, as I later found, American socialists as well. It would have been impossible for Lu to return to Vienna. He sent me a carefully worded telegram asking me to come with Gitta to Geneva as quickly as possible.

Cautiously I started my preparations. I told no one that I intended to leave, while packing as many of our belongings as possible. Before we left I had to see the judge who took care of my children at the Court of Guardianship. I asked him to release as many of our funds as possible, which he did. "How I envy you that you can get away from here," he said, shaking my hand warmly as I left.

I never had a feeling of danger for Gitta and myself. Our Hungarian passport was still considered a good protection. But I realized that if anyone might have occasion to read the marriage bann for Lu and me, which according to the Austrian laws was publicly advertised, they might take more interest in me and Gitta than would be good for us, and we might have difficulties getting away.

It may sound like an irony of fate that just then, shortly before the tragic events of the month of March, 1938, the last play I had adapted for the German stage from the French was accepted by the Deutsche Volkstheater, in Vienna. The play was *Liberté*, by Denis Amiel. It was never produced.

I won't ever forget these last days in Vienna. The first day the Nazis marched into Vienna, they began tormenting and torturing their political enemies and the Jews. One day, when I walked along the Graben, one of the most elegant streets in Vienna, I saw how young people had climbed to the top of the Pestsaule—a monument—to watch the Jews washing the streets. Whenever a German soldier or officer passed, the poor people had to step down into the gutter, accompanied by the howling, roaring laughter of the crowd.

Each day the situation in Vienna worsened. The Austrian Nazis, who before Hitler's appearance had not dared to show their sympathies openly, now proudly displayed their party badges. In St. Stephen's Cathedral a huge picture of Hitler was hung, and the Catholic Church, lead by Cardinal Innitzer, swore allegiance to the Nazis. The Nazis, fearing the decision of the Austrian population, prevented the plebiscite scheduled for March 13, assembled German troops at the frontier, and Schuschnigg, unable to resist, had to resign. Seyss-Inquart, a former Viennese lawyer, took over the government. He was ordered by the Nazis to send a telegram to

Gruess

11

9
1
6

Schuschnigg

Schuschnigg

1ST PROOF 06-25-76

0690
0691
0692
0693
0694
0695
0696
0697
0700
0701
0702
0703
0704
0705
0706
0707
0708
0709
0710
0711
0712
0713
0714
0715
0716
0717
0718
0719
0720
0721
0722
0723
0724
0725
0726
0727
0728
0729
0730
0731
0732
0733
0734
0735
0736
0737
0738
0739
0740
0741
0742
0743
0744
0745
0746
0747
0748
0749
0750
0751
0752
0753
0754

Berlin demanding German troops "to prevent further riots."

On March 14 Hitler marched into Vienna, the city where he had lived as a pauper in a flophouse, painting and selling postcards. That night he made his first speech over the radio. His voice still rings in my ears. I shall never forget it. It was rough, throaty, and vulgar, but it had an almost unbearable strength combined with a

vulgar

That same night Chancellor Schuschnigg spoke for the last time to the Austrian people with a simple and touching broadcast, his voice trembling with unwept tears. "Tonight," he said "I take leave of the Austrian people with only a few words of farewell coming from the depth of my heart. May God help and protect Austria."

The last visit I made in Vienna was to a mutual friend of Lu's and mine. Dr. Weiss von Wellenstein, secretary general of Central Association of Austrian Industry. I had known him and his beautiful, elegant wife—who had died a few years before—since my first days in Vienna. In spite of his great loss, Dr. von Wellenstein kept the household running as smoothly as before, for their three maids had been with them for years. Though Lu and I never had met at their house—they had a very large social circle—Dr. Wellenstein knew about Lu and me, and I felt it my duty to bid farewell to him before departing. He was very lonely at that time. People abstained from visiting each other, for they had to avoid going into the streets. He was happy to see me and happy to hear about our forthcoming marriage. "You are going to marry the greatest mind Austria has produced in this last century," he told me, "but I don't believe you are fully aware of the difficulties that lie ahead of you. Ludwig von Mises is not easy to handle. He is obstinate, will never change his mind once he is convinced he is right, and he will rather have an enemy than make concessions or deviate from his convictions. Your life won't be easy; I do wish you luck." How little did he know how well I knew what he had told me—and much more!

A few days after Schuschnigg's farewell, Himmler's S.S. troops and the Gestapo arrived, and a real holocaust started. Communists, Social Democrats, and Liberals were arrested by police and Gestapo agents, taken into prisons and police stations, tortured, and often beaten to death. Schuschnigg himself was put into prison and later sent to a concentration camp, where he was lucky enough to meet his future wife and marry her. He never went to trial. Years later, when he came to New York, he came to see us several times. He taught for twenty years at American colleges, and now lives in Innsbruck, Austria.

During all this turmoil I had been in constant communication with Lu, who urged me to leave as quickly as possible. That was not so simple as we would have liked it to be. Everyone who wanted to cross the border needed permission from the government. Austria was always a bureaucratic country, but now the difficulties placed in the way of a would-be traveller were unimaginable. Luckily, I managed to get all the necessary documents. When on March 26, Gitta and I came to the Vienna Westbahnhof and took our seats in the express train for Zurich, I felt relieved as never before (Guido, my son, had been in an English boarding school for a year. Always somewhat adventurous, he later went to Caracas, Venezuela, married, and settled there.)

But the excitement was not over. Police officers, Gestapo agents, S.S. men, one after the other, came into the compartment of our railway coach to inspect our passports and examine our documents. Only when the train moved out of the station and gathered speed could I breathe easier. We were free!

Mises' voice;

almost unbearable

I listened to the very

strength combined

with a hypnotic

power of persuasion.

so much as his

voice frightened me

I listened to the very

end

~~ended~~

Zurich

the wheels of the train

1ST PROOF 06-25-76

0005
0006
0007
0008
0009
0010
0011
0012
0013
0014
0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095
0096

CHAPTER III

Life in Geneva

A

LU WAS at the station in Zurich to meet us. In the thirteen years we shared before our marriage, I had never seen Lu cry. (Nor did I ever see him cry in all the thirty-five years of our married life.) He wept—unrestrained and unabashed. Tears were streaming down his face and he was not ashamed of them. He took me in his arms; he kissed Gitta; he embraced me again and again, as if he never would let me go. The happenings of the recent weeks, the horrible fate of Austria, the anxiety he had gone through, all this must have been an unbearable strain on him, worsened by the distance between us and his forced inactivity.

In Geneva Lu had taken rooms for Gitta and me in a comfortable boarding house. It could have been less comfortable and we would have enjoyed it. The terror of the past few weeks still lingered in my mind. Though nothing really had happened to me, I had been constantly conscious of the danger around us. Our freedom was at stake; I could not do what I wanted to do. There were spies everywhere, spies who watched you, misinterpreted the simplest of your actions and reported you. Employees who had grown old with families they lived with, suddenly became enemies. Children were taught to observe their parents and report on them. The Germans had organized everything so thoroughly beforehand that it took only a few days for freedom to turn into tyranny.

But now we were free again, and I felt easier. Lu showed us the apartment he lived in, and which, he thought, I should share. The furniture was first class and beautifully kept. But the whole apartment looked to me like an exhibit from a department store. It was cold and impersonal. For the first time I saw a refrigerator—we did not have them yet in Vienna—and it was a real marvel to me. I loved Lu's sparkling kitchen, but otherwise I had my doubts. The apartment was small, just large enough for a bachelor. I would not have known where to put my belongings. We soon arranged to send Gitta to a French boarding school in Lausanne, to learn the language thoroughly. She had studied French for eight years, and in the last few years I had retained a charming French lady to practice conversation with Gitta and me at home. But I wanted her to know the language as well as she knew English; both Lu and I appreciated the power of languages.

I did not tell him my feelings about the apartment. There was too much on his mind right then. He had to procure all the documents for our marriage certificate and, if I remember well, he needed nineteen documents, five lawyers, and three months and ten days of preparation before we could marry.

But these three months were a happy time for the three of us. Lu showed us Geneva and its lovely surroundings. Geneva may well be called one of the most beautiful cities of the world. The city overlooks Lake Geneva and the Rhone River, and you can see the Cathedral of St. Pierre, built in the twelfth century, from wherever you are. It was in the cathedral that Calvin delivered his thunderous sermons more than 400 years ago. All around the lake are gardens, parks to promenade or in which to enjoy an afternoon snack in one of the coffee houses or pastry shops.

Geneva is also one of the cleanest cities I know. I was amazed to see building superintendents hose the streets every morning until they were as clean and sparkling as linen sheets. The frankness and honesty of the Swiss population was a steady source of wonder to me. You could leave a baby for hours unattended in a perambulator in the street. Nothing would happen. In Austria they would empty the baby carriage, but leave the child undisturbed. In America, according to my later experiences, they would most probably kidnap the baby.

Every Sunday, as all the Genevois did, we went by car (Lu owned a Ford) over the border into France, almost as easy a procedure as driving from New York City to Connecticut. Although you had to stop at the border where a customs officer would look at your passport and your car, he might smile at you, give you a wave, and off you would drive, over the border into France, to have your dinner.

In Switzerland the *Guide Michelin* played the same important part as it did in France. Even among the many learned men I met in my two years stay in Geneva, Michelin's recommendations were of great importance for the regular Sunday excursions. It was sometimes amusing and almost a relief for me when these prominent scholars interrupted or ended their serious discussions with plans and suggestions for next Sunday's dinner excursion.

But it was less amusing for me when Lu one day prepared me for our future social contacts and told me: "Here in Geneva, when men talk, women have to be silent. They only listen." I would not believe it. It seemed most odd to me in a modern cultivated society. But it was like this with the professors of the Institute, and I do hope it has changed by now. Lu gave me another piece of advice: "Never ask an economist about his wife. He may already be divorced."

Missing: In all the thirty-five years of our married life, as in the

French. Do you suggest to use the English version for Zurich - otherwise it always has to be changed

1ST PROOF 06-25-76

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

One afternoon Lu and I went to buy our wedding rings. He took as much time and care in choosing a small thin golden wedding ring as Botticelli might have taken to design one of his most elaborate pieces of jewelry.

In late June, shortly before our wedding day, while we were having tea at one of the restaurants on the lake, we met Professor Hans Kelsen. He was a good friend of Lu's. They were born in the same year, they went to primary school together, they were classmates in the Vienna Academic Gymnasium, they studied for some time at the same University in Vienna, and now they both taught at l'Institut des Hautes Etudes in Geneva. Hans Kelsen was professor of international law and world famous. In 1920 he had created the new Austrian constitution, and from 1920 to 1930 he was the senior judge of the Austrian Constitutional Court. He was small and slim, but well proportioned. His eyes, under sharp glasses, always had a humorous twinkle. He was kind and easy to talk to. Lu introduced me, told him about our marriage plans and asked him to be one of our witnesses. Never have I seen anyone more surprised than Kelsen. He was speechless. "I can't believe it," he said. "No one ever would have expected Mises to marry. [He always spoke of Lu as "Mises," apparently a reminiscence from their schoolyears.] Everyone expected him to be a bachelor for life." But Kelsen was a pleasant man, and I felt I had won a new friend.

Finally Lu had the rings and the necessary documents. The marriage was fixed for July 6, at 11 A.M. The day before, I told him that it was customary for the groom to give the bride a small bouquet of flowers. I knew he would not have known. The next day I received a beautiful bouquet of blue and pink sweet peas, my favorite flowers.

Our second witness was Professor Gottfried von Haberler, also from Vienna, a former student of Lu's, and at that time working as a financial expert at the League of Nations. Professor Haberler had gotten his first job with Lu's help. At a time when jobs were almost impossible to get, Lu had secured a job for Haberler with the Chamber of Commerce in Vienna.

It was five minutes to eleven when we entered the registry office to be married. Lu, clad in a formal dark suit, was very quiet, his face almost emotionless. I wore a royal blue outfit, made in Vienna for this occasion. My heart was beating so hard I thought everyone could hear it. The registry office was somber and dull, as all public offices are. I was astonished that it did not smell of Lysol. My flowers brought the only touch of gaiety and color to this disappointingly depressing ceremony. At five minutes past eleven everyone had signed the certificate: I was Mrs. Ludwig von Mises. Lu kissed me, conventionally, hastily, conscious of all the people around us. But he also took my hand and pressed it firmly and warmly, as if he wanted to tell me: "You know how I feel. This kiss does not mean anything." And then everyone congratulated us and kissed my hand.

Lu had invited some friends for luncheon at the Hotel des Bergues. Everything was carefully arranged, and the little party was a great success. Lu was always a good host; he knew what people liked and he remembered their preferred drinks. For the first time I met more of his colleagues with whom he was in close contact: Professor and Mrs. Wilhelm Roepke, the Haberlers, and Kelsens, and Professor and Mrs. William Rappard.

Of all the people I met in Geneva, Professor Rappard was my favorite. He had, like Churchill, an American mother. His father was Swiss. He spoke four languages fluently, without the least bit of accent. He was the founder of the Institut des Hautes Etudes and a great thinker and writer, but also a devoted family man. Everything about him was elegant, his movements, his appearance, his way of walking, his speeches, his eloquence, his way of living. It was an inborn elegance, a gift of nature. You have it, or you don't; one cannot acquire it. He had a great admiration for Lu and showed it with frequent invitations for us to visit his lovely home, far from the center of town. Madame Rappard was the motherly type, a wonderful warm personality, mostly interested in the well-being of her family.

After our marriage I moved in with Lu. Gitta had been enrolled at "La Marjolaine," "un Pensionat de jeunes filles," some months before. Without a word Lu took care of all financial matters concerning the children. Gitta liked her school in Lausanne, but she preferred to stay with us, and she came as often as she could make it.

From the time Lu first came to Geneva in 1934, he had a housekeeper, Tiny, whom he had "inherited" from the Kelsen family. Lu often told me about her before I left Vienna: what an excellent worker she was and how she terrorized him. She came in the morning and left around 5 P.M. She had a lover on whom she was totally dependent. The lover stayed in the background; no one ever saw him or knew his name or occupation. But he was a force with whom I had to contend. If he needed money—usually toward the end of the month—Tiny started to bang the doors from the moment she came in and never stopped using the vacuum cleaner, a terror to Lu when he was writing. Then he knew she would come and demand more money. Being alone and in need of her services, he always gave in. When we married, no one thought I would be able to get on with her, in spite of all her good qualities. She was really the neatest person I ever had working for me, and she was a perfect cook. I did not want to lose her.

But after a short time I found out she had been charging us quite a bit of extra money for her household shopping purchases, and I very kindly advised her that in future I would help her (after all she had so much extra work now because of me) with the shop-

↑ u

(There is only one instance)

1ST PROOF 06-25-76

she

"La Marjolaine"

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292

ping. I also told her I would try to get her off earlier in the afternoon so she could have more of a homelife herself. She was so frail and thin, so unattractive, that I hardly could imagine the relationship between her and her lover. It must have been a one-sided affair. When we were in New York, during the war, I tried to reach her. I wanted to help, send her things she might need, but she had disappeared. No one, not even the police, could find a trace of her. Something terrible must have happened, and I still think of her with great pity. She stayed with us until our last day in Geneva. She even brought us to the bus that took us to France.

The evening after our marriage, when Lu and I took our first dinner at home, Tiny of course was not in. We were both happy. From the day of our marriage Lu was a changed person. Not that he spoiled me with gifts or presents—he would not have known how to do that—but he was so affectionate, so happy. Every little thing I did was of interest to him. The world had changed for him. He once told me: "You are like a kitten, so soft and tender. I only hope you won't show the claws later on." How often he had teased me: "I hope you are not like so many women: Once they get that certain little piece of paper, they give up." During our first months together when we were invited out, he even chose the dress he wanted me to wear that night. But slowly he convinced himself that I would do no wrong and left the choice to me.

But there was one thing about him that I never understood and still don't understand. From the day of our marriage he never talked about our past. If I reminded him now and then of something, he cut me short. It was as if he had put the past in a trunk, stored it in the attic, and thrown away the key. In thirty-five years of marriage he never, never—not with a single word—referred to our life together during the thirteen years before our marriage. As the past was part of my life, part of the person I became, I could not forget. His silence about the past remains in my mind like a crossword puzzle that one cannot solve because one needed letter is missing.

Lu was overpowering in his love and affection for me. Never was he cross or dissatisfied with anything I did; he could not nag. There was not one day, to the very end of his life, that he did not tell me: "I love you, darling, oh . . . how I love you." It seemed to me, after our marriage, that for the first time in his life he felt really fulfilled and happy. I often asked myself: "Why does he love me so much?" The answer, I felt, was the contrast between us that attracted him and made him feel complemented. I sometimes joked and said, "I am the human touch in your life." And then he would say: "You are more than that, and there are more reasons that I love you so much. One of the reasons is that you have an even temper, you always are in a good mood. It certainly is enough if one in the family is gloomy and loses his temper."

The one thing about Lu that was as astonishing as it was frightening was his temper. Occasionally he showed terrible outbursts of tantrums. I do not really know what else to call them. I had experienced them in Vienna on various occasions. Suddenly his temper would flare up, mostly about a small, unimportant happening. He would lose control of himself, start to shout and say things, which coming from him, were so unexpected, so unbelievable, that when it happened the first few times I was frightened to death. Whatever I said would enrage him even more. It was impossible to reason with him. So I kept silent or went out of the room.

I gradually realized that these outbursts had nothing to do with me. I was just there, I was the outlet which gave him the opportunity to relieve himself. And I learned to understand that these terrible attacks were really a sign of depression, a hidden dissatisfaction and the sign of a great, great need for love. Sometimes I could not help myself, I cried when I was alone. But it never took long, and he followed me to my room or wherever I was. He could not bear to see me crying. He took me in his arms; he kissed me again and again and started to apologize. I stopped him. I could not be angry with him. I pitied him too much.

These occurrences became less frequent after we were married, and after a few years they disappeared completely.

In retrospect I judge these attacks differently, and I believe I understand the reason for them. Lu wrote some notes in 1940 and I read them again and again. He spoke of Austria and of Carl Menger, who as early as 1910 recognized that not only Austria but the whole world was getting nearer to a catastrophe. Lu, thinking alike, tried to fight this with all the means he had at his disposal. But he recognized the fight would be hopeless, and he got depressed—as were all the best minds in Europe in the twenties and thirties. He knew that if the world would turn its back to capitalism and liberalism (in the old sense of the word) it would tumble into wars and destruction that would mean the end of civilization. This terrible fight against corruption, against the foes of liberty and the free market had broken the spirit of Menger, had thrown a dark shadow over the life of Lu's teacher and friend Max Weber, and had destroyed the vitality and the will to live of his friend and collaborator Wilhelm Rosenberg.

Theirs was a fight for a world that did not want to be helped. Few people recognized the danger, and even fewer were ready to fight alongside Lu. It was like being on a sinking ship on which people were dancing though the end was near. Lu recognized the danger. He knew how to help his fellow passengers. He tried to lead them to the right exit, but they did not follow him—and now doom knocked at the door.

When Lu and I came to the United States, he saw the greatness of the country and he believed in the future of America. He hoped she would be able to resist socialists, Communists, and inflation-

1ST PROOF 06 - 25 - 76

people

2 2 2

0293
0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390

ists alike. Inflation was the great peril he always had warned of. He got new hope. The attacks I mentioned above disappeared; the veil of depression left his soul, and with new hope and energy, he took up his work in this country. How he would judge the situation today, I don't dare to think.

As astonishing as it may sound, Lu adapted more quickly to marriage than I did. For me the change was tremendous. I was living in another country, in an environment completely different from my circle of friends in Vienna. I had to arrange an apartment that was too small for a couple to live in. Lu never felt the lack of space. He had his studio, his books, and his desk. From the beginning, his room was for me a sanctuary that could not and must not be changed. What made it so difficult for me was the awareness that I had to change my pattern of life completely if I wanted to make him happy. I knew this could only be done if I could make his life my life. His work should be more important to me than anything I could do, and only if I could keep this feeling alive in me would our marriage be the success he was hoping for.

We stayed in Geneva until August, and gradually I became better acquainted with Lu's friends and colleagues. I grew very close to Mrs. Roepke. Whenever she could help me with advice, she did so. We met the Roepkes socially very often. Professor Roepke had shown the courage to resist the Nazis openly and he knew very well that he could never return to Germany as long as they were at the helm of the government—nor did he want to.

The Roepkes had twin daughters, very pretty young girls, who were always moving around on their bicycles, even going over the border into France to shop for their mother. I had never seen so many bicycles before. At lunchtime, when the people went home from offices, shops and schools, hordes of bicycle riders were moving over the bridges and around the lake. Lovers would often ride together, the boy holding his arm around the shoulder of the girl, a terror to the motorists. Driving was more dangerous in Geneva than it is at the rush hour in New York.

Besides Professors Rappard, Kelsen, and Roepke there were other famous scholars teaching at the institute. Professor Paul Mantoux, codirector of the institute, whose son was Lu's special favorite. Then there were Professors Louis Baudin, Guglielmo Ferrero, and Pitman Potter. Most of these scholars seemed to me, a newcomer and complete stranger, like the gods in Greek Mythology, distant, remote, and impenetrable. In retrospect, I am sure I was completely wrong. I simply looked upon them with the same awe that students, who did not know him, looked upon Lu. I was wrong, because like all human beings, these men had gone through suffering, all of them had their share of personal disappointments.

Professor Ferrero, the famous historian and author, was very tall, with a tiny goatee, always impeccably dressed in a dark gray or black suit. He had not only lost his country when Mussolini came to power; he had also lost his only son. Neither he nor his wife would ever smile again.

Then there was Professor Maurice Bourquin, who was head of the International Department of Law at the University of Geneva and who taught diplomatic history at the institute. His marital difficulties were known to everyone at the institute, but they were discretely concealed until he and his beautiful, elegant wife were finally reconciled.

Two weeks after Lu and I were married, we invited the students in Lu's summer course for tea. There were many young Americans among them. I remember one of them was the niece of Christopher Morley. It was a gay afternoon, and the windows were opened to let the warm summer breeze flow through the rooms. When the lights were turned on, all the young people were still with us. Some neighbors called up to complain about the noise. In the four years he had lived in his apartment, that had never before happened to Professor von Mises. I was amused about it, but I knew I had to be more careful in the future.

In spite of the gay parties, the atmosphere in Geneva was becoming more gloomy. Every night we listened to the radio and followed the political events in Germany. Austria had been swallowed up, and Hitler made no secret of his intentions toward Czechoslovakia. I got letters from people all over the world asking me to send tea, coffee, or chocolate to their relatives and friends in Austria and Germany. Sometimes we even sent hard-boiled eggs. We helped whenever we could. Our living room looked like a miniature Red Cross Office. I was always writing, packing, shipping.

In August we went on vacation, first to Plombières in France, a beautiful summer resort where Gitta stayed with us, then via Nancy to Paris, where Lu had to attend a meeting. Lu drove all the way, and as much as I love him and admire his genius, I must confess, I never felt safe with him in a car. He was not a good driver. He was so tense at the wheel that a conversation was impossible. His lips were firmly pressed together, as if he were about to challenge the most dangerous obstacle. Heavy traffic made him nervous, but he never would confess his difficulties or let me drive, though he knew I had a license. Believe it or not, he loved to drive, and I did not want to take this pleasure away from him, though sometimes we were in real danger. I remember once when we went up a narrow curving road to the top of a mountain, the car suddenly was half hanging over a precipice, only the back part still on firm ground. Trembling, we got out of the car. Other people had to help us back up. We drove on. He never said a word about the danger we had been in; neither did I.

On the trip through France everything went well. When we

1ST PROOF 06-25-76

F 14 1 Etienne

1 2 2

2

0391
0392
0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486

came to Paris, he parked the car in the outskirts of town to avoid the traffic. Here for the first time I met Dr. Lucy Friedmann, a former professor of French in Vienna, who later became a very close friend of mine and who—three years later—married Professor Louis Rougier, an outstanding scholar and personality, one of Lu's closest friends. Lucy is one of the most feminine women I know. With clear blue eyes, her face bears the expression of a naughty madonna. I had met Professor Rougier before, in Geneva, and had "quietly" listened when he spoke to Lu about Benjamin Constant and the book he was writing about him.

Lu had asked Lucy, who knew Paris almost better than she knew Vienna, to reserve a room for us in a good hotel. She made a reservation in a hotel the like of which I never (though) existed. It had a "bathroom," but it was not a real room with closed walls and doors; it was only a tub and a toilet, separated by a thin partition, with no ceiling above it. This was supposed to be our honeymoon apartment in Paris! Even worse were the beds. I was frightened to undress and lie down. After a sleepless night, we moved out at nine the next morning and went to the Hotel Monsigny, where we felt more comfortable. Lucy's explanation for recommending the other hotel was that "with the view of the Palais Royal, with the geraniums right before your eyes, history will come to life for you right where you are." In this case, even Lu renounced history for a good, clean bed and a real bathroom.

The conference in Paris was arranged by Professor Rougier for August 26-30, 1938, its main purpose the discussion of Walter Lippman's *The Good Society*, which had just been published in France under the title *La Cite Libre*. In this book Walter Lippmann tried to explain the shortcomings of the Manchester School, and the main purpose of the meeting was to show that the free market economy, if completely unhampered, could well satisfy the needs of the present world. As a result of the conference, Le Centre International pour la renovation du Liberalism (the International Center for the Revival of Liberalism) was founded. But, because of the war, it was forced to close in 1940.

~~Kirk Take 4-B PC 2836 6-8~~

This meeting was attended by many economists and journalists. There I first met Walter Lippmann, with whose views—then and in the future—Lu did not agree. I also met for the first time Professor F.A. von Hayek. He was already famous and was teaching at the London School of Economics.

In January, 1927, when Lu founded the Austrian Institute for Business Research in Vienna (Das Oesterreichische Konjunkturinstitut), he did so not only because he thought it to be imperatively necessary for Austria, but, according to Mrs. Wolf-Thieberger, Lu's secretary, "because he had to help Hayek find the right start in life." Lu's interest in Hayek never waned, and Professor Hayek's affection and regard for Lu have always warmed my heart.

Hayek is the Vienna scholar who, more than any of the others who studied these with Lu, kept his views and writings close to Lu's teachings. As the years passed, Hayek and Lu became very good friends, a natural result of their mutually congenial convictions. Years later, in 1962, when Hayek left the University of Chicago to go to Freiburg University in Germany, Lu was invited to attend a banquet in Chicago in Hayek's honor. He could not attend, but he sent a written contribution which—I feel—giving as it does so much credit to Hayek, is a credit to Lu's own modesty and humbleness. This speech, Professor Hayek told me, was never read, nor was it ever given to Hayek. The reader will find it, as Appendix one, at the end of this book.

We returned to Geneva in September, when Lu's seminar started. He taught only two hours weekly, every Saturday from 9 to 11 A.M. The rest of the time he was busy writing. At that time he still had the habit of working late at night. Often it was after 1 A.M. when he went to bed, very, very careful not to disturb me. But I heard him anyhow. In 1938 he was not only working on *National-oekonomie*, the German predecessor of his monumental treatise *Human Action*, he was also reading the galley proofs of the French translation of *Die Gemeinwirtschaft (Socialism)*. He still wrote in German, though his lectures were held in English and French. Everything he wrote was first done in longhand. Since he had a very efficient secretary at the institute, his tremendous correspondence and the copying of his manuscripts were done at the office.

From the very beginning Lu showed me what he had written, but at that time I was still too conscious of my lack of economic knowledge to dare to make any suggestions. Only once, I remember, did I make a remark, which must have had some meaning to him. When I read his views about free enterprise and the free market, I told him that I felt that the most important fact about the free market was that it helps poor people. They are able to get more consumer goods and they make a better living this way than under a socialist system. Therefore this fact should be emphasized and brought out as clearly as possible. He looked at me, thought for a moment and then he said, "I guess you are right." I can't say, of course, how far it influenced him.

Though I had nothing to do with his work, I was fully occupied at all times. I was taking courses in French literature at the university and had a lot of reading to do for my classes, and we were seeing many guests. At least twice weekly we had dinner guests or, what was more customary in Geneva, luncheon guests. That was no difficulty for me then. We had a cook and a dining room. I only had to prepare the menu, do the shopping, set the table, and arrange the flowers. There were also many other things to do.

thought

Cite (accent)

Why? No one will ever know. But it is common knowledge among economists today that the "Chicago School" of economic theory, led by the "monetarist" Milton Friedman, is deriving its "Austrian School" economists whose theoretical foundation follow the teachings of my husband and Professor Hayek.

I wonder

1ST PROOF 06 - 25 - 76

0489
0490
0491
0492
0493
0494
0495
0496
0497
0498
0499
0500
0501
0502
0503
0504
0505
0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564
0565
0566
0567
0568
0569
0570
0571
0572
0573
0574
0575
0576
0577
0578
0579
0580
0581
0582
0583
0584
0585
0586

many diplomats and journalists had joined our circle. The Austrian ambassador, Baron von Pfluegl, later in exile, was a frequent guest at our table, and as much as Lu loved to talk to him, these conversations always left him depressed.

In May, 1939, Lu went to Paris for a few days (without me) to deliver a lecture about "The Non-Neutrality of Money" at the Ecole Pratique des Hautes Etudes, and in the first days of July he gave a much discussed lecture at the Student Union Institute of World Affairs about The Economics of Autarky.

At that time we could still travel, and often, if only for a short trip, we went to France. Travelling with Lu meant for me to take a private course in history and art. His intellectual curiosity was boundless: what he had not known before, he had to dive into. But he never consulted a Baedeker or a Fodor, these things he knew. The only guide he ever referred to was the *Guide Michelin*, for he was a great lover of good French cuisine.

Often on a Sunday, when we stayed in Geneva, we climbed to the top of Mount Salève, the so-called house-mountain of Geneva. You can either walk up, go by car, or use the "téléphérique," a sort of cable car. From the top you have a wonderful view far over the Alps and the Jura Mountains. The whole excursion takes only three hours by foot, and for lunch or dinner you can easily be back home.

Lu's Seminar started at 9 A.M. He was always very punctual, so we had to get up each Saturday at 6:30. Shaving, bathing and dressing took almost an hour and a half with him. "I get my best ideas while I shave," he used to say, "I have written books during that time." I too was punctual and still am. Punctuality gets into your blood once one has ~~been~~ been on the stage. And, being married to Lu, this was indeed helpful. Whatever he had to do and wherever he had to be, he was always ready before the appointed time. I remember only too well when we met in Vienna for our dinner appointments. Our rendezvous place was usually the Stockim-Eisen, a landmark building at the corner of ~~the~~ Graben and ~~the~~ Kaertnerstrasse, two minutes from my home. Once in a while I would beat him to the rendezvous, and then I would hide and watch him arriving and waiting at the corner. He would look around impatiently, make a few steps to one side, go back from where he came, look to the other side, inspect his watch, fiddle with his necktie. But when I appeared, he was suddenly completely composed. Not the slightest gesture would betray his former impatience. But he surely did not like to wait!

When we went out for dinner in Geneva, as early as I started, Lu was always waiting for me. He once told me a story: When he was studying with Boehm-Bawerk, the great economist told his students: "Young men, you will all get married one day. You will all—at one time or another—have to wait for your wives. Always have a book handy. You will get a lot of reading done in this way."

We often went to the theater in Geneva, and though I felt the standard of the local productions was low, once in a while a famous French company came over from Paris. These performances were really great. Whenever we were in the theater or in the opera and the curtain went up, Lu at once became so concentrated, so absorbed, there was an immediate communication between him and the stage. When he put his glasses on his nose, nothing existed but the stage. I would say he even forgot about me. He must have been the ideal "dream" public for all actors and singers.

This tremendous power of concentration, which he also showed while reading or writing, was for me an explanation not only of his remarkable memory, but also his health. As concentrated as he was in his work, so he was in his sleep. If Lu wanted to rest—wherever he was, in a car, in an airplane, in his bed, at night or during the day—he lay down, put a handkerchief over his eyes, and the world was gone—he was asleep. Lu's capacity for sleep whenever he needed it was, in my opinion, one of the reasons for his physical well-being and his amazing intellectual output.

Our life in Geneva was steadily involved in and influenced by politics. The signing of the Nazi-Soviet nonaggression pact in August, 1939, Hitler's so-called peace speech to the Germans on the evening of August 31, 1939, in which he claimed that all his peace proposals to Poland had been rejected, were followed by us on the radio with the greatest excitement. We knew Hitler lied. For while he spoke, the most reliable S.S. men, dressed in Polish uniforms, were blowing up the German radio stations in Poland and the German artillery was crossing the border. This trick—German soldiers dressed in foreign uniforms—was used everywhere. Hitler's bombers were flying over Polish landing fields, destroying Polish planes on the ground. The German troops moved with such unbelievable speed that Poland was effectively defeated in a few hours.

The Western powers clearly knew the next decision had to be theirs. When, on September 3, Chamberlain told the British Parliament that Great Britain and France were at war with Germany, it meant the beginning of the most horrible war in history, and for me personally the beginning of a never-ending fear for Lu.

Switzerland immediately prepared for the worst. The Swiss are a peace loving people. For three centuries they had lived in harmony with three neighbors, three languages, and three religions. They had an excellently equipped, small modern army, a sort of standing militia. Every Swiss citizen had to report for military duty once yearly, and the general feeling was enthusiasm for peace and a hatred for aggression.

One of the first actions of the Swiss government was the requisition of all foreign-made cars. Lu was one of the first who got the order to deliver his beloved Ford. He never saw it again. The Swiss government paid him a small remuneration for his car. But, on the

*Graben & Kaertnerstrasse
always have to be written
without an article!*

is a title!

1

1

1

1

HT

1ST PROOF 06 - 25 - 76

0587
0588
0589
0590
0591
0592
0593
0594
0595
0596
0597
0598
0599
0600
0601
0602
0603
0604
0605
0606
0607
0608
0609
0610
0611
0612
0613
0614
0615
0616
0617
0618
0619
0620
0621
0622
0623
0624
0625
0626
0627
0628
0629
0630
0631
0632
0633
0634
0635
0636
0637
0638
0639
0640
0641
0642
0643
0644
0645
0646
0647
0648
0649
0650
0651
0652
0653
0654
0655
0656
0657
0658
0659
0660
0661
0662
0663
0664
0665
0666
0667
0668
0669
0670
0671
0672
0673
0674
0675
0676
0677
0678
0679
0680
0681
0682
0683
0684

whole, the automobile investment was a loss.

The atmosphere in Geneva had completely changed. New refugees from the newly occupied countries arrived daily. Hotels and apartments were filled and streets and coffeehouses were crowded. But along with the newcomers came Hitler's spies. The atmosphere, once so tranquil and peaceful, was now filled with rumors. Fear touched everyone. The Sunday excursions to France had to stop. We also avoided going to restaurants for dinner and taking afternoon tea in the beautiful gardens at the lake. One did not know who might be sitting at the next table to overhear your conversation. Friends met at private houses, where as early as September, 1939, dark shades had to be installed and not a gleam of light was allowed to show through the windows.

Geneva gradually became a haven for many well-known refugees, among them many German and Austrian authors. Robert Musil was one of them, and he often came to see us. He was a novelist who, though born in Austria, preferred to live in Berlin. Ruined by inflation, he went from Berlin to Vienna. But when the Nazis came in 1938 he had to emigrate again. He died in Geneva in 1942, in utmost poverty. Rhoda-Rhoda was another one of the refugee authors who frequently visited with us. Originally an officer in the German army, he was well-known for his political satires and witty short stories, formerly published in the *Simplizissimus* and *Jugend* in Germany. He always wore a red vest; no one ever had seen him without it. More than ever his stories were laughed at all over Europe and feared in Germany, where they were considered forbidden literature.

~~One of our most~~ frequent guest^(Lene) was Dr. Helene Lieser. She needed no invitation, she came and went when she felt like it. She was Viennese born and educated and one of the gifted participants in Lu's seminar in Vienna. She was highly intelligent, practical minded, and very efficient. When Hitler came to Vienna and she had difficulty in leaving, she married a man almost unknown to her. Such marriages were very common. They were marriages in name only and were never consummated. The man who married a woman in this way asked a high price for giving her his name and the opportunity for her to leave Austria. He also consented to immediate divorce once his "wife" was safely out of the country.

When I met Lene Lieser she was past the prime of her life. She must have been good looking when she was young. When I met her, times and circumstances had greatly changed her. She was never well-groomed, a button of her blouse might be missing, a zipper might be broken or her slip might be showing. These things were not important to her anymore. Her main interest was helping other people. She had an enormous correspondence, and no one ever asked her in vain for help or assistance. For many years she was the secretary of the International Economic Association in Paris. She died of cancer in 1961.

Despite the increasing threat from the Nazis, Lu worked more than ever before. He loved Geneva, the freedom of teaching, the atmosphere Rappard had created within the Institute, the steady friendly contact with the other professors. He still had no fear for the future. He believed the French would fight and could resist the German attacks. Hitler's defeat—Lu was sure—was just a matter of time. He never believed in the "tausendjaehrige Reich." Lu's judgment about France's moral and combat strength was the only political error I ever knew him to make. His other ~~convictions~~—in politics or economics—always proved to be correct.

But his trust in France was wrong. The famous Maginot Line, the construction of which was started in 1930 and finished in 1935, was considered by the French to be impregnable. But great errors were made. One was that the line ended at the Belgian Frontier, so the way into Belgium was open. The second was that too many soldiers were behind the lines for defense and too few outside for ~~attack~~. This was a weak and critical point, which, from the beginning, Hitler had taken into consideration. When Poland was conquered, Hitler ordered no action whatsoever should be taken along the Western front. "The responsibility to open the fight must rest solely with England or France," he declared. All winter long there was neither war nor peace, hardly any hostilities, no battles. This situation greatly weakened the morale of the French troops and the mood of France became the mood of Switzerland.

One night in October or November, 1939, I do not remember the exact date, all Geneva was peacefully asleep, when suddenly a terrible uproar awoke everyone. Sirens were screaming, fire engines were shrieking. We rushed to the window, carefully lifted a bit of the curtain, and saw the darkness of the night pierced by searchlights. Shortly afterward, squadrons of Swiss fighters were in the air.

What had happened? The Royal Air Force apparently had made a geographical error. They were supposed to bomb Hitler's retreat in Bavaria, and they mistook Lake Geneva for the Koenigssee near Berchtesgaden. I doubt that this will be found in any history book.

It was December 9, a cold, bleak winter day; the streets were full of snow. Lu had his seminar and I had to do some errands. When I came home and went as usual to his studio to greet him, he sat very quietly at his desk and did not get up to kiss me as he usually did. I looked at him and saw immediately that something was wrong. He was very pale and just sat there, neither reading nor writing. "What's wrong, darling?" I asked him. And then he told me that in the morning, on his way to the Institute, he had slipped on the icy snow and fallen and hurt himself. I asked, "Where?" He showed me his right hand, the joint of which was terribly swollen. "Have you seen the doctor?" I asked. "No," he said, "I went to the Institute, delivered my lecture and directed the discussion afterwards. I

1ST PROOF 06-25-76

A

Wasn't it 1962?

judgments

in battle

Q

Q

0685
0686
0687
0688
0689
0690
0691
0692
0693
0694
0695
0696
0697
0698
0699
0700
0701
0702
0703
0704
0705
0706
0707
0708
0709
0710
0711
0712
0713
0714
0715
0716
0717
0718
0719
0720
0721
0722
0723
0724
0725
0726
0727
0728
0729
0730
0731
0732
0733
0734
0735
0736
0737
0738
0739
0740
0741
0742
0743
0744
0745
0746
0747
0748
0749
0750
0751
0752
0753
0754
0755
0756
0757
0758
0759
0760
0761
0762
0763
0764
0765
0766
0767
0768
0769
0770
0771
0772
0773
0774
0775
0776
0777
0778
0779
0780
0781
0782

had no time for the doctor." I was shocked. He must have experienced terrible pain, to judge by the swelling of the hand. I suspected a fracture, called a taxi, and went with him to the hospital, where they took X rays and confirmed the fracture. For almost six weeks his arm was in a cast, but he never complained; he just went on working.

By this time Hitler had already set the date for an attack on the West. Of course, we did not know it then. We only felt the mounting tension. On April 9, 1940, Hitler invaded Norway, and on the same day German troops marched into Denmark without finding any resistance. The English wanted to help with air attacks on Norway; they started on April 15, much too late to be of any help. "Too little and too late," was Churchill's judgment later.

The tension in Geneva was growing. The Haberlers had left for the United States, and Professor Kelsen had made plans to go there, too. Professor Potter, an American citizen, had just lost his wife (a great friend of mine) and had accepted a new position at the Brookings Institution in Washington, D.C.

When Hitler invaded the Netherlands on May 10, 1940, I really became frightened. I had to talk to Lu. He did not want to leave. He never had been so happy as he was in Geneva, and he did not feel any fear. I reminded him of the night the Nazis came to Vienna. I told him the Nazis would never take him off their black list. I begged him, I implored him to leave, to think of me, if he would not think of himself. But it took the breakdown of the Maginot Line, the occupation of Paris on June 14, and the raising of the German Swastika on the highest point of the Eiffel Tower to make Lu aware of the danger. Finally, he gave in and promised to make the necessary preparations for us to leave for the United States.

In his heart, of course, Lu was reluctant to leave not only because of his love for the work at the institute, but because he feared how America, the home of young people, the paradise of youth, would receive him, a man of almost sixty. He was also afraid of the language difference. At that time he was more at ease with French than with English. He had studied French for at least six years in the gymnasium, and he spoke it fluently with almost no accent. English he had first learned by reading, and that, he always insisted, was the wrong method. Often he jokingly said, "If you don't learn a foreign language as a child, you later have to learn it with a sleeping dictionary."

The change of languages meant more to him than it would to an average citizen. Language was his most important tool, his essential device for communicating his ideas, his means of earning his living. I was not frightened of anything. My belief in him was unshakable and so was my confidence that a man of his stature could neither be suppressed nor overlooked.

From the moment German troops moved into France every line of communication between Switzerland and that country was closed. Starting June 11, no cars were allowed, no trains were running, no planes were flying, no busses were moving, no letters or telegrams came through. This was a great source of worry for me. I knew we could not hear from Gitta, and in no case could we manage to get her on our visa to take her with us. She would have to stay in Besançon, where we had taken her a few months before to study at the university. She was living with friends, but she was so young and now she had to be on her own.

Knowing Lu's disposition, I had to worry even more about him. How would he bear up under the trip to the United States? The uncertainty of the future, the unrest that was bound to come?

On June 21 the armistice between France and Germany was signed, at Hitler's demand, in the same railroad car where, in 1918, the Germans had to accept the armistice and the conditions dictated by General Foch—an armistice which gravely wounded their pride and aroused much hatred in Germany. Lu got in touch with Professor Benjamin Anderson, a good friend of his, who at that time was chief economist at the Chase Bank in New York. Professor Anderson immediately took the necessary steps and got for both of us a nonquota visa, which allowed us to enter the United States immediately. Lu had his library packed, and whatever else we planned to take along with us was prepared for shipping. Every day we went to the various agencies to hear whether and when we could leave, but Switzerland was surrounded by German troops and no one could move. The airlines as well as the bus authorities had promised us seats on their first trip out. We had to get all the necessary visas—the Spanish, the Portuguese, the French.

The news from the shipping agencies never changed. It was nerve shattering. The Roepkes also pondered whether they should leave. Roepke even went so far as to travel with Lu to Zurich to get his American visa from the American consul there. But in the end the Roepkes decided to stay, because of their three young children. The uncertainty and tension grew from day to day. We tried to get passage on the American Export Line from Lisbon, but they could not promise anything. The only thing they could do for us was to put our names on the waiting list. ~~On July 1 we were told, still no planes.~~

Meanwhile, on June 18, Lu received a telegram from Dean Robert Calkins: "Invite you accept position lecturer and research associate professor University California, July to December." Lu was in no way happy about this offer, but it meant a possibility and a way out.

A few days later, Professor Potter received a letter, dated June 18, 1940, from E. F. Penrose, professor of economics at the University of California, it read: "He [Mises] has been accepted as an American nonquota immigrant and his arrival to take up a position in the United States is eagerly awaited at the University and

1ST PROOF 06-25-76

Academie Gynasium

Besançon

f

0783
0784
0785
0786
0787
0788
0789
0790
0791
0792
0793
0794
0795
0796
0797
0798
0799
0800
0801

23—A/H—VON MISES—PC2836

other American universities. I trust that in the present unsettled state of Europe he will not be obstructed or be in any way interfered with in reaching the United States. If he should be interfered with in any way the fact will become known in the United States and would certainly influence public opinion strongly against whatever persons or whatever country prevented him—as an accepted immigrant—from coming to the United States.”

On July 1 we were told: still no planes. On July 2 we again went with Professor Potter to the French consulate, since we did not have the visas required to cross France. But again we were turned down. The next day, in response to a letter from Darius Milhaud to the French embassy, we got our visas. Milhaud, the well-known composer, was married to a famous French actress who had been teaching Gitta. On the same evening our luggage left, and we got the news that we would have seats the following day on the first bus leaving Geneva for France.

1ST PROOF 06 - 25 - 76

0005
0006
0007
0008
0009
0010
0011

0012

0013

0014

0015

0016

0017

0018

0019

0020

0021

0022

0023

0024

0025

0026

0027

0028

0029

0030

0031

0032

0033

0034

0035

0036

0037

0038

0039

0040

0041

0042

0043

0044

0045

0046

0047

0048

0049

0050

0051

0052

0053

0054

0055

0056

0057

0058

0059

0060

0061

0062

0063

0064

0065

0066

0067

0068

0069

0070

0071

0072

0073

0074

0075

0076

0077

0078

0079

0080

0081

0082

0083

0084

0085

0086

0087

0088

0089

0090

0091

0092

0093

0094

0095

0096

CHAPTER IV

Escape from Europe

ON JULY 4, 1940, at 6:30 in the evening, our bus left from the American Express office. Lene Lieser and Tiny, our housekeeper, were there to see us off. We never saw them again.

There was great excitement among all the passengers who were about to leave. Many were crying. No seat remained empty, and the passengers very soon became acquainted with each other. Everyone had a story to tell, and soon we were like one big unhappy family with one wish in common: to avoid the Germans. Our destination was Cerbères, France, a tiny town on the shores of the Mediterranean at the Spanish border. To get there without encountering the Germans, the driver had to change his route frequently, after seeking information from French peasants and soldiers. We had to make a great circle, going via Grenoble and Nyons to Orange, which was to be our stop for the night. The German troops had advanced very far and they were everywhere. More than once our drive had to backtrack to escape them.

Finally, late at night, we arrived at Orange. We left the next morning at six. At Nimes we stopped for breakfast. We saw fewer peasants, more and more French soldiers. Some soldiers were walking alone, trying to get home to their families, others were in groups, but all of them looked beaten, humiliated and unhappy, exhausted and hopeless. There were no waves, no greetings, no jokes, no smiles. Once we had to stop suddenly and turn back; some soldiers warned us that the Germans were right behind them. But the driver knew the country well. Never, not for a moment, did he lose his nerve.

At 2:30 in the afternoon we arrived at Cerbères, beautifully located on the sea. But we had no eyes for beauty of landscape. We had only one thought: Would it be possible to cross the border today? We tried—and were sent back. On this day only French, American, and English citizens were allowed by the customs officers to cross into Spain. "Come back tomorrow," we were told.

Lu was in a terrible state of mind. As calm and composed as he seemed, he was not made for adventures and uncertainties of this kind. I needed all my courage to help him overcome his desolation. For the night we found quarters in the railroad-hotel in Cerbères. Dinner in the hotel, more than anything else, showed the straits the French were in. As hors d'oeuvres we got a single, lonely sardine served on a large plate, and as a main course they gave us some spaghetti. There was no meat, no bread, no vegetable. But as a consolation we were given a bottle of good red wine. The room we stayed in overnight had one window, which opened to the railroad platform. Though there were few trains running, just when we tried to get some sleep, a freight train rattled into the station, people shouted, strange red lights flared up, and then again came darkness and silence, until another train passed through. We woke up in the morning without having really slept. There was no bath; one small gray outworn towel had to suffice for both of us. After we had a cup of coffee we tried again at the border. The day before the officers had not even opened our passports. This time, after they examined them, we were told that our Spanish visa was not good anymore and the Portuguese visa also had to be renewed, since it had been issued in June and only those written in July were valid for this month. We were ordered to get new visas from the Spanish consulate in Toulouse.

Very early the next day, 4 A.M., Lu boarded a train to Toulouse. He took with him the passports of all the passengers on the bus, including those of seven Portuguese. Late that night Lu came back, totally exhausted. He had managed to get visas for all the passengers except the Portuguese. They were turned back for the third time. Finally, the next day we crossed the border, immediately got a train for Barcelona, and caught a plane for Lisbon. It was a rather small plane and my first flight. I cannot say that I enjoyed it.

When we arrived in Lisbon, we took a deep breath. Our first days there were fully occupied with visits to the police (every foreigner had to register), to the various transportation offices, and to the American consulate. We were staying at a small but beautifully located hotel on the coast. Many of our new friends on the bus were also there, and we frequently met the other passengers in town. We were still like a big family.

Lisbon was the most picturesque city I had ever seen. The houses were painted either a brilliant white, a light delicate pink, or, sometimes, a soft green or a bright yellow. Some of them were decorated with a Moorish painted pattern, others were completely covered with green tiles, shimmering in the sun like a fresh green meadow. The city is divided into an upper part and a lower part, the streets run up and down, completely hilly. I hear they now have elevators to the upper and lower parts. In 1940 they had sort of tramway, and there were comfortable paths for pedestrians.

There was great poverty in Lisbon, and as a consequence, there were many, many children selling newspapers, polishing shoes,

1ST PROOF 06-25-76

driver

of

no

a

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191

and often begging for money. Once in a while a policeman would chase them, but more often he kept his eyes shut. The little boys liked to hang on to the boards of the tram—a favorite game of theirs. The older boys, however, and the conductors, chose not to see them.

The poorer women were either prepared to carry their baby in their arms or hidden in their shoulder scarves. They did not have perambulators. Often they carried a basket of fish upon their heads.

These female fish vendors and the smell of fish were characteristic of the city. Everything smelled of fish—the tramway, the streets, the harbor, the little cars. Early in the morning the women moved in long lines from the harbor to the markets with tiny pillows on their heads, on which they carried large flat baskets full of fish. These women, though mostly short and stout, carried themselves erect and proudly. When they had to cross a street, one of their hands held on to the basket, otherwise they walked without touching it. They were unbelievably modest, and their needs were few. The tramways, as well as the tiny taxis, moved very fast, and often the conductor rang the bell before the last passenger could jump on board, forcing the would-be passenger to run, get hold of a handle, and pull himself aboard while the tram was moving.

People were friendly in Lisbon, and the policemen treated foreigners very well. One time Lu and I wanted to visit a friend of his, and the street where the man lived was rather far from our hotel. We asked a policeman how to get there, but as we did not know the language, we had difficulty understanding each other. Lu decided to take a taxi and started to walk toward a nearby taxi stand. When the policeman noticed this he followed us, took me by my sleeve, lead us to the tramway stop and signalled us to wait. When the tram arrived, he made us enter, followed us and explained to the conductor where to take us and when to let us off. Since the tram had already started to move, he himself had to stay on until the next stop. There, as if nothing had happened, he said good-by, got out, and walked back to his place of duty.

Such courtesy reminded me of a similar experience I had in 1929 when I was in London. One day I was returning to the boarding house where I lived, when suddenly a dense fog developed. I could not see two feet ahead; I did not know where I was, which way to go, or what to do. Terribly frightened, I stood still and did not move. Suddenly I felt someone touching my arm. I turned and saw a policeman, one of those tall, big, friendly fellows with his helmet strap fastened under his chin. "What's the matter, Miss?" he asked. I said, "I think I lost my way. I don't know where I am; I was never in such a fog." "Where do you live?" he asked me. "In Bayswater," I told him, and gave him my address. "Come, let's go," he said, taking me by my elbow and guiding me carefully to the entrance of our house. It was not far, but I was so relieved I did not know how to thank him. "Never mind, Miss," he said, "that's what we are here for." And he left.

We had to wait for thirteen days in Lisbon before we were able to get passage to America. Originally, the Export Line had given us tickets for August 15. But this meant waiting more than four weeks, and I could not imagine how Lu would stand it. So I went to the shipping office every day. Lu got so tired of this begging and asking, he refused to go any more. So I had to take over. I was lucky enough one morning to get hold of the manager, a Mr. Heart, who was very, very friendly and promised to do for us whatever he could. "But," he said, "you will have to call the office every morning and tell us exactly where you are during the day and what you will be doing." That was not easy, for Lu was seeing many people, among them Professor M. Bensabat Amzalek, then Portuguese minister of finance. One afternoon, July 15, a friend of Lu's picked us up and drove us to Cascais to show us "The Devil's Mouth," a deep gorge leading to the Atlantic Ocean. Here well-known people—the Duke of Windsor, the Duke of Luxembourg, Salazar, Portugal's president—had their beautiful houses with most luxurious tropical gardens. We visited the Gallery of Portuguese Primitive Art; we saw the famous Conservatory of Plants; Lu had various meetings with Amzalek, who had arranged a meeting for him with President Salazar; and Lu held a Seminar at the statistical office. He was busy all the time, and I had to report all this to the American Export Line. When we went out alone, Lu did what he always did in a new city: he took a tramway or a bus and crisscrossed the town with me. "The only way," he said, "to really get to know a place."

And I spent half a day on the telephone calling the Export Lines office. Lu made no further move. He could neither relax nor enjoy what he was doing. He was uprooted. For the first time I noted what I later so often had the opportunity to see: he could fight for a cause, but never for himself. And when he could not work he was listless. He once told me: "A writer who has something to tell, only needs a pencil and a sheet of paper—that's all." Looking back, I think Lu forgot something more important: a writer also needs peace of mind.

Just as between 1938 and 1940 every political refugee at one time or another came through Geneva or stayed there for a while, now Lisbon had become a haven for people without a home, without a country. All sorts of nationalities were gathered here, and every day we met more people and heard more sad stories. We frequently met Count Coudenhoven, the fighter for Pan-Europe, who had a Japanese mother and was rather exotic and good looking. He was married to a famous Viennese actress, Ida Roland, and had a daughter who was already

1ST PROOF 06-25-76

(manager)

syllabization
Portuguese

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246

child." It sounded more tragic than funny to Lu and me.

On July 24 I once again returned to the Export Line and got the message that Mr. Heart was waiting for a cancelation, but so far nothing had turned up. I was asked to come back in the afternoon; I did, but it was in vain, for no space had opened up.

The next morning I went to the hairdresser, left my number with Mr. Heart's secretary, and was just being put under the dryer with all the pinclips in my hair when I was called to the phone: "Export Line. Come here at once. We have a cancelation, but you must be here with all your documents before noon."

The pinclips thrown out, my hair all wet, I took a taxi to the hotel. Thank God, Lu was there, waiting for me. I made him give me our papers and raced to the office. I was in time and was told we had a cabin on the *Exochorda* sailing that afternoon at 5 P.M. We had to embark immediately. Back at the hotel, the tickets in my hand, I saw Lu smile for the first time in weeks. It was ~~the~~ smile I loved so much ~~on him~~ that I would have done anything to bring it about.

Our luggage had never been unpacked, so we were ready to leave in a very short time. The *Exochordia*, one of the three or four ships of the Export Line that were regularly crossing the Atlantic, was neither large nor a luxury vessel. But it was comfortable, and we had a very good cabin. Even before the ship left the harbor, Lu got terribly sick, so sick that I had to call the doctor. At that time we did not know that Lu had gall bladder trouble. Later on I realized this must have been the first ~~of~~ the many serious attacks he suffered in later years. This one, of course, could have been the consequence of all the excitement, the discomfort, the irregular food, and the inner suffering he had gone through now for weeks.

He recovered after two days, but he never felt happy on the ship. In fact, he never felt happy on any ship; ~~they~~ gave him claustrophobia. I, on the contrary, enjoyed every day. The Atlantic crossing took nine days, and the weather was marvelous. One of Lu's good friends, Professor Potter, from the Institute in Geneva was traveling with us. During the entire passage we met only one other ship, an English freighter. There was nothing but the ocean and the blue sky.

We arrived at noon on August 21, 1940, at a pier in New Jersey. The greatest impression I had that day was not the beautiful skyline—I had seen that long before in films. What impressed me most was the terrible wastefulness, which I noticed shortly before our arrival when the galley help threw the remnants of food overboard. We had come from Europe where so many people had so little to eat, and when we saw this waste of food, we could not help but feel sad.

A good friend of Lu's, a former participant in his seminar, Dr. Alfred Schutz, was at the pier to meet us. It was a great relief for Lu and me to see someone we knew waiting for us, happy to welcome us to the United States.

this

*

is ships

1 (2,)

1ST PROOF 06-25-76

0005
0006
0007
0008
0009
0010
0011

0012

0013

0014

0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095

CHAPTER V

Our New Country

THE FIRST year in New York is not a happy memory for me. We moved five times. We first stayed at the Hotel Park Chambers on Fifty-sixth Street, where Dr. Schutz had taken rooms for us; then we moved to a very nice private apartment on Riverside Drive, loaned to us by a friend, then to the Hotel Park Crescent on Riverside Drive and Eighty-sixth Street. For a while we lived in a furnished apartment until, in 1942, I found the apartment on West End Avenue where we lived for so many years and where I still live today.

Lu's spirits were at a low point during this time. Very often he would say: "If it were not for you, I would not want to live any more." He missed his work, his books, and his income. He had a very good salary in Switzerland, for in Europe teaching by a renowned scholar like Lu was valued much more highly than it was in the United States at that time—not only from the monetary point of view, but also in the eyes of the public. A professor was a learned man who had dedicated decades of his life to studying, reading, and writing, and this timespan of work had to be calculated and paid for. Now, here in New York, we had to live from Lu's savings, and to see his money dwindle is a sad sight for an economist.

Lu did not talk about this to other people, but he had friends who knew his situation without his ever having mentioned it. One of these was Henry Hazlitt, who at that time was financial editor of the *New York Times*. He knew Lu through his books. Hazlitt had read the English edition of *Socialism*, which had been published in London in 1936. He wrote to Lu about it, and since then they had been in constant correspondence. Hazlitt was one of the first people Lu met in New York and one of the first to take an active interest in getting Lu established in America. They met for the first time on August 21, 1940, less than three weeks after our arrival. They lunched together at the Century Club, and on September 3, I met him and his wife Frances for dinner at their home on Washington Square. Frances' intelligence impressed me greatly. The Hazlitts, well aware of Lu's situation, were extremely hospitable and kind.

Every day Lu had a luncheon appointment. I mention it because a few years later he rather preferred to lunch at home and take his rest afterwards, which he needed for his work. It is interesting to note that, in spite of his low spirits, he was full of ideas. Every day he met new people and he had new plans. He soon decided not to go to Berkeley. He felt that New York was the cultural center of the United States and it was ~~where~~ ^{there} he wanted to stay.

Very soon invitations came in for him as a guest speaker or a lecturer. On November 7, 1940, he delivered a lecture before a banking seminar at the School of Business, Columbia University, on "Postwar Economic Reconstruction of Europe"; ~~on November 10~~ on November 19 he spoke at the Political Economy Club on the "Non-Neutrality of Money"; on November 25 he participated in a discussion at the New School for Social Research. On December 5 we went to Cambridge, where he delivered a lecture at Harvard's Littauer Hall, arranged for him by his brother Richard, who since 1938 had been professor of mathematics and aviation at Harvard.

During our stay in Cambridge I met, for the first and only time, Professor Joseph A. Schumpeter, who had just been married for the third time. His new wife was an elegant and intelligent American. They kept a lovely, well-run home. The discussion at lunch was lively but careful, both men aware of their parts as host and guest. Schumpeter knew of course that Lu did not agree with many of his views.

This might be a good opportunity to mention a little story that Joe Keckeissen, a former student of Lu's and now a professor at the University Francisco Marroquin in Guatemala, has told me and that is corroborated by Bettina Bien-Greaves through her shorthand notes. One night in his seminar, Lu was commenting on the late Professor Schumpeter. "There are many people," he humorously disclosed, "who stand steadfastly by the social doctrines of Professor Schumpeter. They do not seem to remember that when the great professor was minister of finance he was not able to protect Austria against the most disastrous inflation in its history and that, when the great professor was president of a bank (Biedermann Bank), the bank failed."

The afternoon after the visit with Schumpeter, Lu lead a discussion at Littauer Hall, the students asking questions about his lecture of the previous night. In the evening he ~~held~~ ^{gave} another lecture at Fletcher Hall. In those years he never seemed to get tired. The same month in 1940 he also lectured as a guest in Princeton and had lunch with Winfield W. Riefler at the Institute for Advanced Study. I remember Lu once told me that Riefler's job was the only position that really would have made him happy.

Riefler had worked for some time in Geneva, where he was a

1ST PROOF 06-25-76

11
Here that

12

gave

2

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

fler had written a book about the Federal Reserve System, which was very much talked about. Consequently, he became one of the permanent members of the Institute for Advanced Study, the job Lu had spoken about. Later he moved to the Federal Reserve Board as an adviser.

It was very unusual for Lu to express a longing for something out of his reach. It was more revealing to me than any other remark or complaint he might have made. Mostly I had to feel my way, search in the dark like a mole digging its way underground. Questioning would have made him lock the door of his soul. When I told Machlup—much, much later—about Lu's wish, he replied, "And he would have been the right man at the right place." Why did no one ever think of it?

From the moment we came to the United States—even before we had our own apartment and still lived in a small furnished place or in the hotel on Riverside Drive—Lu wanted company in the evening. He needed people, he needed discussions, he needed to air his opinions and hear the reactions of different minds.

In the beginning we saw more Europeans than Americans, but after a few years this changed automatically. There was a group of Europeans who had been Lu's students in Vienna, and another group of friends whom he had met socially. Among them was the famous psychoanalyst Heinz Hartmann and his wife, Dora, who, when she came to the U.S. was a pediatrician, but later became a specialist in psychoanalysis of young adults. These evenings were among the most interesting I can remember, as Dr. Hartmann—a former student of Freud—was always analyzing Hitler, trying to get to the bottom of his soul and discover his future plans. Then there was Dr. Felix Kaufmann, the witty and genial philosopher of the social sciences, who once wrote a poem about the Mises seminar (reprinted in the *Mont Pelerin Quarterly* of October 16, 1961) as a tribute on Lu's eightieth birthday. We saw also quite a bit of Dr. Stephy Brown, an always enthusiastic, gay, and energetic former student of Lu's, who later became a full-time professor at Brooklyn College. Fritz Machlup, in 1940 a professor at the University of Buffalo, also came to see us whenever he could. Later, when he was at Princeton, travelling and lecturing continuously, he had less time to spare. More about him later.

Especially close to us were Dr. Alfred Schutz and his wife, Ilse. It was he who welcomed us at the pier in New Jersey, and was the first person to try to lift Lu's sunken spirits. He was a sociologist and a banker and had never forgotten that he got his first job as a financial adviser through Lu, a job which he later hated but had to maintain for practical reasons. It helped him to go on with his scholarly work. He taught for years at the New School for Social Research. He was a most interesting personality, who not only looked like Beethoven, but had a special passion and understanding for music. He died in 1959. Ilse, his wife, considered it her life task to publish his many unfinished writings, and thanks to her indefatigable effort, Alfred Schutz' work is better known today than it was in his lifetime.

One of the few men Lu really worshipped was Dr. Richard Schuller, former under secretary for Economic Affairs in the Austrian State Department, who lectured for years at the New School for Social Research. His daughter, Dr. Ilse Mintz, had been one of Lu's students in Vienna. She and her husband, Dr. Max Mintz, were frequent visitors to our home. Ilse became a member of the staff of the National Bureau for Economic Research and professor of economics at Columbia University.

Dr. Schuller was a small, fragile man, but when he talked about Vienna, about the past, about politics, you had to listen. When he was ninety years old and had only recently retired from the New School, he told me that he was taking up the study of mathematics, found it fascinating, and got real pleasure out of it. He lived to be more than 100 years old, and I never saw a warmer, more affectionate relationship than that which existed between the members of ^{his} remarkable family.

One of the men closest to Lu's thinking was the late Dr. Ernest Geyringer, a Viennese industrialist, whose keen mind Lu always admired. Geyringer very soon left New York and lived for years with his family in the South. Lu greatly missed the exchange of thought with this friend.

Also very close to us were the late Dr. Fritz Unger and Dr. Annie Unger, his wife. Both were former students of Lu's in Vienna. They often took us out and showed us the town, but whenever Dr. Unger came visiting with us, he immediately tried to have a few minutes alone with me. He was deeply interested in Lu's future and had to get the latest news. He knew he would never hear anything from Lu. He was a very good friend, helpful, kind-hearted, and warm, and both Lu and I missed him greatly when he died quite unexpectedly. Annie, his wife, was a passionate traveler. But we saw her often, and although she was a lawyer, grandmother, and a tremendously well-read woman, she never got over the feeling a student has toward her professor. This is a typical European attitude usually not encountered in the U.S. Here, after the first meeting with his professor, a student may grasp his teacher's shoulder with a merry "Hi, Prof! How are you today?" The professor, to him, is simply another human being who does his work.

Then we had some lawyer friends, all of them former students of Lu's in Vienna. After completing their studies here, two of them took up careers in New York. One of them was Dr. Adolphus Reilly, a very devoted friend. He once wrote to me: "Deeply imbedded in my mind is the recollection of the totality of his (Lu's) personality, devoted to the proposition that Economics is not a

1ST PROOF 06 - 25 - 76

Ilse

Undersecretary

✓
Viennese

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292

part of an Etatostic Technology, but has its deep roots in Humanities. This was the gospel which he spread and for which he will be remembered with gratitude and great affection."

The second lawyer was Dr. Oscar Heitler. Heitler, a bachelor and a very frequent dinner guest of ours, was our steady companion and guide on our Sunday excursions into the environs of New York. Lu and I simply could not exist without walking and hiking. We had no car then, and we often went by bus with Heitler to Tarrytown to enjoy the beautiful Rockefeller estate, which was open to the public. In 1940 it was something unheard of in America to see people like us strolling around the Rockefeller gardens. More than once we were stopped by police and asked to explain what we were doing. When Dr. Heitler unexpectedly suffered a heart attack, he asked for me to be with him in the last hour of his life. Another very lonely man.

Very good friends of ours were Dr. and Mrs. Otto Kallir. He is a second cousin of Lu's, and he, as well as his wife Fanny, were not only very interesting and cultivated people, but—what should count more—they were, and are, good and kind. He owns the Gallery of St. Etienne in New York City and—among others—he introduced the now famous Egon Schiele to this country. Dr. Kallir has always been interested in folk art. When, in 1939, he was shown some primitive American paintings, he was attracted to some, done by an old lady named Anna Mary Robertson Moses. The paintings were uneven in quality, but in some of them Kallir found an original and fresh approach to painting. He gave her a "one man" show at his gallery, calling the exhibition "What a Farmwife Painted." This was the beginning of the fabulous career of the artist who has since then become known all over the world as "Grandma Moses."

Besides these friends whom we saw frequently, there was a steady flow of visitors from out of town or abroad. I always had to be prepared for surprise visitors.

Lu meanwhile had become connected with the National Bureau for Economic Research, and on Christmas, 1940, he got a letter from Dr. William J. Carson, the treasurer of the National Bureau, telling him "I am very glad to advise you that the Rockefeller Foundation has approved a grant of \$2,500 to the National Bureau of Economic Research to extend its hospitality to you for a period of a year." "This grant," Dr. Carson wrote on February 16, 1942, "would be renewed for another year, beginning December, 1941." Life started to look a little brighter to Lu. Though he had no diaries to refer to, he started working on an "autobiography," as he first called it. It is not an autobiography in the usual sense of the word. It contains nothing of his personal life, tells almost nothing about his family. He speaks about his schooling, his intellectual development, and his ideas for future books. He explains the political situation in Austria and Germany and deplors the conditions at German and Austrian universities. The manuscript is handwritten in German and ends with his stay in Geneva. He wrote it in the last weeks of December, 1940. He gave it to me to keep, but when I read it—it was only two years after we were married—I was not ready for it. Only now I know how fascinating these memoirs are. In later years I often urged Lu to write a real autobiography. I even suggested he dictate it to me. His answer was: "You have my notes, that's all, people ~~use~~ to know about me."

During the war Lu had no hopes for a German book market in the near future. In a letter to Hayek, written in November, 1941, Lu wrote: "As I do not want to increase further the collection of my posthumous books, I am writing now in English. I hope that I will succeed finishing within a year a volume critically dealing with the whole complex of "anti-orthodox" doctrines and their consequences. I am, however, rather skeptical in regard to the practical results of our endeavors. It seems that the age of reason and common sense is gone forever. Reasoning and thinking have been replaced by empty slogans."

Finally, after a whole year in New York, our belongings arrived from Geneva, and we began looking for an apartment. Lu was determined to live on the West Side, on account of the good transportation to theaters and the nearness of the New York Public Library, a very important factor in his life. Without the library he could not do the work he really wanted to do during his first years in America. To ~~be~~ without his books meant for him what it would mean for a carpenter to be without his tools.

I soon found the apartment I was looking for. At that time, in early 1942, there was an overflow of empty apartments. My sole wish was to find a place that was absolutely quiet and where no noise whatsoever would disturb Lu when he was working. Soon I found the house I thought was suitable. It had at that time a first-class landlord, the Metropolitan Life Insurance Company, and the house was excellently kept. The room I selected for Lu was completely isolated. It had a view of the Hudson River, and we could enjoy the most beautiful sunsets. Far below was the West Side Highway, but no noise, no telephone call, no doorbell could ever disturb him. The apartment is on the top floor of the building, high enough for even the noise of the highway to be unheard. It really was an ideal working spot for Lu. He had shelves built all along the wall; other shelves were all over the place, also in the living room. I used to say "I was married not only to Lu, I was married to books." When the neighborhood deteriorated, I tried for years to persuade him to move, but it was in vain. He did not want his books touched, he did not want to miss them again, not even for a short time.

Now they are all together at Hillsdale College, under the special protection and care of Dr. George Roche, Hillsdale's president. It

A books, no

his work and his ideas for future books

need

*have been
have read*

1ST PROOF 06-25-76

0293
0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390
0391

was my most urgent wish—and Lu agreed—to have the library he loved so much preserved and kept together as a complete unit. His special wish was that the books should be kept in the United States.

The whole first year of our stay in America, while Lu developed various plans for the future, I tried to help Gitta get out of occupied France. It was an almost impossible task, for there was no way of getting in touch with her. For the first time I saw that Hazlitt's friendship consisted not only of enthusiasm for Lu's ideas and thoughts, but also included a warm and personal regard. Hazlitt was the one who helped us get Gitta a visa for the United States. He was on friendly terms with the Assistant Secretary of State, Breckinridge Long, and only through diplomatic channels could Gitta be reached and given the necessary papers. It was a very, very complex procedure, but it worked so well that on the same day she got the visa, we received the news. Only the mother of a young daughter will understand what this meant to me. Hazlitt himself may long have forgotten about this incident; I haven't and I never will.

From the time of our arrival in New York in August, 1940, Lu had been in contact with New York University. On August 30 he had lunch with Dr. Herbert B. Dorau and J. T. Madden, dean of the School of Commerce and Finance. Both men took a lively interest in him. On September 7, 1940, Madden wrote to Lu that he was interested in Lu's remarks that "totalitarianism really began in Germany at the time of the installation of the foreign exchange control in 1931." "It occurred to me," Madden wrote,

that it might be desirable to have for publication sometime an article from you on the general topic of about, say, five thousand words. As I conceive it, it would perhaps deal briefly with the social and economic development after the war, leading up to the crisis of 1931 with some references to the political conditions at the time. And from that point lead on to the establishment of foreign exchange control and the economic factors which gave rise to the increasing degree of governmental control over business and imports and exports and how that led then into the continually increasing encroachment of the government upon economic life in Germany. . . . I have been canvassing in the early week to see what possibilities there may be here with us and I hope that we may be able to come to some prompt conclusion.

I wonder whether this letter and the preceding conversation may not have laid the seeds for Lu's later book *Omnipotent Government*.

Coming to the United States did not mean for Lu immediate Americanization. He watched, observed, read, and learned. He followed every phase of American politics, domestic and foreign, with deepest interest. He met new people every day and widened his outlook. We both had applied immediately for citizenship. But we never considered ourselves Americans until we got our papers. It was on January, 1946, when Lu received his citizenship, almost six months before I got mine. The importance of this was not the paper, it was the change in Lu's mind, his heart. Deep inside he knew he "belonged" now; he was at home again, for the first time in many years. And in a land of freedom. His joy in his new citizenship was so intense that even if I had not known how he had suffered before, I could have deduced it from his happiness.

Lu was a very modest man, almost frugal in his habits. He slept in his studio, on a narrow daybed with a firm mattress. I used to compare him to the former Emperor Franz Joseph of Austria, who slept all through his life on a simple iron bedstead. Once I asked him whether he had ever met the Emperor. "Yes," he said, "and he even spoke to me." "What was the occasion?" "And he went on: "It was at a military exercise after I had finished my year of training. I must have been nineteen years old then. The Emperor came for inspection and he passed me sitting on my black horse. He stopped and said: 'Beautiful horse . . . very beautiful horse.' And then—after he had uttered these profound and pregnant words—the rode on."

We were both early risers. When I read, during World War II, that Churchill always had a champagne breakfast in bed to save his energy, I thought that might be a very good idea for Lu, too. Since that time, to the last month of his life, I gave Lu his tray every morning at 7:30, together with the *New York Times*. But instead of champagne he got his milk. When I had arranged his tray next to his bed, he took my hand, kissed it, and pulled me down so he could kiss my face, my hair. It was almost a ritual.

I took care to have Lu's room cleaned while he was in the bathroom. He hated any disturbance while he worked, and I would say he started working in the bathroom. More than once he was so deeply in his thoughts that he forgot to turn the faucet off, and only when his feet were deep in water did he realize what was happening around him. Then I had to rush in and help him and assure him again and again that it really did not matter, for he was unhappy that he caused extra work for me. When he was dressed, Lu went immediately to his desk and started to write, simply continuing the flow of thoughts he was working on while in the bathroom. Only twice each day did I come into his room: once at 10:30 with a light snack (he was continually on a diet, under doctor's order) and a little later with the mail. He never answered the telephone. No bells, no street noise could be heard in his room. But we could see from our windows the never-ending traffic on the West Side Highway. Only two or three times in thirty two years did the traffic stop. Both times were in the middle of a cold winter, and the snow was piled so high that the cars, buried, could not move. This motion-

~~she~~
she

A

2
X 9 inquired and

morning

1ST PROOF 06 - 25 - 76

0392
0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486
0487
0488
0489

less silence, after all the years of never-ending movement, was strange and fascinating and beautiful to look at.

In the summer of 1941, our first real summer in New York, we were very much affected by the heat and humidity, to which we were not accustomed. So we went on vacation in the White Mountains. We stayed at Glen House, at the foot of Mount Washington, a place then frequented mostly by Europeans. From the hotel, buses went up to the top of the mountain. Most of the visitors, who came for the day, left their cars in the parking lot and before boarding a bus, they took a quick try at one of the gambling machines set up near the filling station. The slot machines were busy, since the buses left frequently. The passengers tried a few times at the slot machines and then left in a hurry to get their seats on the bus. At that moment, the attendants, mostly young boys, rushed to the machines, and after risking a few coins, usually hit the jackpot and emptied the machines. Lu and I were always amused to watch them.

Now everything has changed. Glen house is nothing more than a store for postcards and knick-knacks. The gambling machines have disappeared; only the gas and bus stations remain.

In our first year at Glen House we climbed to the top of Mount Washington three times. On Sunday, August 17, we left Pinkham Notch Camp at 9:35 A.M. Our goal was to climb up via Tuckerman Ravine. When we were above the timber line, a terrible gale started. There was no possibility of return or shelter. We could not even see the nearest rock to hold on, for a terrible snowstorm had started. The gale was driving the blinding white mass into our eyes. I became frightened, but Lu never lost his coolness and courage. He shouted to me and signalled every rock on which I was to take hold. Finally, at 3:30 in the afternoon we arrived at the top and stumbled into the restaurant.

When we opened the door, exhausted but relieved, a waiter hurried toward us with two glasses of brandy on a tray. They had watched our climb and our fight with the gale through their telescopes, ready for the moment when they would have to rush out to help us. One thing I know, without Lu I never would have made it. We went back by train. The following week we went to the top again, but this time by bus. We both had a deep unexplainable longing to be on the top of a mountain and see the world from there. We managed to take every one of the excursions that the visitor to the White Mountains usually makes. On August 24, a clear day, we climbed Mount Madison via Osgood Trail, and on another beautiful day we walked with friends to the Great Gulf Shelter, seven hours of difficult climb on badly marked trails, with roots of trees constantly slowing us down. That summer we learned to love New England, and in most of the following years, when we did not go to Europe we summered in New Hampshire or in Vermont.

In September we were always back in New York and Lu started to work. One of Lu's regular visitors was Arthur Goddard. Even before Lu's books arrived from Europe, he needed help with his language problems. Goddard was recommended to him by Dr. Schutz, whom he had helped with similar problems. In the course of the years, Goddard really became irreplaceable for Lu. He regularly came twice and sometimes three times weekly, staying for hours. Besides being well-read, studious, always desirous of learning, and interested in art and theatre, he had a pleasant personality. After his visits Lu was always in a very good and relaxed mood. Sometimes I asked Arthur to correct one or the other word of Lu's mispronunciation, which I had noted in the seminar. I felt being corrected by an outsider would be easier for Lu to take. Lu kept a little book in which he noted down the words that he pronounced incorrectly, the result of learning the basis of a foreign language by reading and ~~then~~ by speaking. Lu has given special recognition to Arthur Goddard, who is today vice principal of the School for Printing in New York, in his great treatise *Human Action* and in *Omnipotent Government*. But Arthur gave "first aid" to almost all of Lu's writings in the United States. I was most surprised when I one day saw the monthly check Lu gave Arthur, until I realized that for Goddard the work with Lu was not a source of earning, but a way of learning.

During the winter of 1941 Lu very often had conferences with the former Archduke of Austria, now Dr. Otto von Habsburg, who was interested in Lu's views about Austria's future. Lu foresaw that Austria would never again be a monarchy, and he wrote a long and detailed report for Dr. von Habsburg, the last essay he wrote in German, some book reviews excepted. He often told me he was convinced that history would have taken a different course if a man like Otto von Habsburg had been at the helm of the Austrian government in 1914. Lu had the highest esteem for the Archduke's moral and intellectual qualities and maintained this regard for the Archduke all through the years. When we later met von Habsburg at the Mont Pelerin Society, I was also charmed by him. He frequently sat next to me at dinner or luncheon meetings, and I was always impressed by his knowledge of history, his human understanding, his diversified interests, and especially by his natural kindness and warmth.

All who worked with Lu became fascinated by his personality and became ardent admirers of his. There is first of all his former, very efficient secretary in Vienna, Mrs. Wolf-Thieberger, who was with Lu for more than twenty years, became a very close friend, and helped Lu tremendously. Later, when Lu was at New York University, Mildred Schachinger, a young, very talented secretary was working for him. Many years later she wrote that she wished she could still be with him.

~~Lu's~~

X

1 Theater

X

not

2

1 ?

1 v. H. von

~~Lu's~~

1ST PROOF 06 - 25 - 76

0480
0491
0492
0493
0494
0495
0496
0497
0498
0499
0500

32—A/H—VON MISES—PC2836

Lu was patient with everyone who worked for him. He explained the work and expected the best. It was perhaps one of his most remarkable qualities that he never found fault with a person's character, only with his or her intelligence. Once, at NYU, he had a secretary who often brought him to despair through her incompetence. "Why don't you send her away and get another one?" I asked him when he once again complained to me. "I can't do it," was his reply. "She needs the job."

1ST PROOF 06 - 25 - 76

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

of him or bringing him food.

Music seemed to be the way most of the blind people earned their living. I saw a man with a large sombrero shadowing his empty eyes, sitting in the street, beating with a stick on tiny metal boxes of different sizes, producing with this stick a sort of melody. A box stood next to him, and when I put my little gift in it, I saw he had a few pesos already. That meant he had enough for the day and most probably would stop "working" very shortly.

For me the greatest difference between New York City and Mexico City was that in the streets of New York you see mostly restaurants and food shops, while in Mexico you see no foodshops, only bookshops. Amusing to watch were the old Indian men who leaned against the walls of houses and did their knitting, while old women walked around smoking long, brown cigars. From time to time so-called bath cars drove through the city. They picked up everyone who seemed unwashed and dirty and put them into a bath. Afterwards they gave them a certificate, which for three days protected them against having to have another bath. The Indians were so afraid of vaccination that they immediately hid when the large white vaccination trucks appeared in the street. All the salesgirls and salesmen in grocery stores, perfumeries, and drugstores had to have blood tests before they were allowed to work in these shops.

Lu had arranged with Montes de Oca that he would speak about money. On Wednesday, January 14, 1942, he held his first lecture at the university; two days later was the first Round Table Seminar. That was the steady schedule for the two months of our stay.

Lu had luncheons and meetings where I was not always present. He must have met about every person of distinction in Mexico. On Sundays we regularly had dinner at Montes de Oca's house far away from the noise of the city. His home was located in a small, old village, with badly paved roads and huge shady trees. Opposite his house was the little house formerly owned by the Austrian coachman who came to Mexico with Emperor Maximilian. Montes de Oca had bought this place around 1927. People used to say it had been a convent, but our host denied this. The large, wide mansion was built around a park with lovely old trees and palms, climbing plants growing in a water basin, tropical flowers everywhere, even climbing into the windows of the rooms. Peacocks were proudly strutting around in the park, enjoying the sun, the males making love to the females while spreading their feathers, which looked like Montezuma's feather-crown.

Our host received us in an open-air hall on the ground floor. About ten or twelve other guests were usually invited for dinner, among them Dr. Gustavo Velasco, Montes de Oca's favorite relative and spiritual heir. Dr. Velasco was not yet married then. He and Lupe, his future wife, were later to become very close friends of ours. Gustavo is one of Lu's greatest admirers and an ardent disciple of his teachings. As he said in his speech in honor of Lu's memory at the Mont Pelerin Society meeting in September, 1974: "I translated at least half a dozen of Mises' writings. I also was able to finish the translation of *Socialism*, which Montes de Oca had begun years before, but which he had been unable to complete on account of his work as president of Banco International and because of the illness which caused his death in 1958."

Montes de Oca was not married, but he had a large family, to whom he was very devoted. Hostess at his parties was a niece of his, Maria Luise Diaz Lombardo, a beautiful young woman, educated in France. Like most of the people we met in Mexico, she spoke three or four languages fluently. Luncheon was served in a hall that resembled the refectory of a cloister. A huge buffet occupied one side of the wall, the other side faced the park, and the walls were covered with beautiful old tapestries. Large french windows opened into the green, and the magic purple of the long Bougainvillea that framed the windows was reflected all over the sunny room. The whole length of the dining room was filled by a huge table, high backed chairs behind each place. One could well imagine monks having had their repasts in this refectory. The meal, a formal occasion, was served beautifully. The conversation was animated, but as always on such occasions, not very deep.

After we had taken our coffee, other guests would arrive, perhaps as many as a hundred. Montes de Oca had invited the Lener Quartet to entertain at these affairs for the duration of our stay. We all would go into the garden. The peacocks would mingle with the guests and suddenly chamber music would start. The quartet played Mozart, Bach, and Beethoven, and the atmosphere and beauty of this garden were like a dream.

The guests never were punctual at these Sunday ~~delights~~ which astonished Lu and me, who were so used to being on time. Here everyone came three-quarters of an hour later than they were asked to. One Sunday Lu decided not to ~~again~~ be the first to arrive, but this time we were wrong. We arrived at 2 P.M. and everyone was there, waiting for us. Montes de Oca had invited the Minister of Finance, Eduardo Suarez, and his wife to meet Lu, and everyone knew about it—except us.

We did not understand the names of the guests, and Lu and I spoke at length with a rather good-looking man who had very black hair, but was not very talkative. He mostly listened to what Lu had to say. This man had a nervous laugh and trembling hands, but a very agreeable voice. His wife was good looking, dressed in the latest American fashion. She had lovely hands and feet, which I—rather enviously—confirm all Mexican women have, including the Indians.

This time they served a completely Mexican dinner. A plain tomato soup, then crabs au gratin in huge shells—larger than lob-

1ST PROOF 06 - 25 - 76

2
many relatives,

to 5

dinner
again
to be

hear
smooth

92

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292

ters, but round. After the crabs came cold wild duck, steamed with many sliced onions, olives, and green peppers, swimming in a sweet-sour sauce. With this was served tortillas with chile, so hot I thought I was eating pure pepper. For desert there was lemon ice and a lovely sweet wine. Afterwards, the guests went into the park, and again the peacocks followed us, screaming loudly, and not very melodiously, but then the chamber music, the highlight of the day, started, and even the peacocks were silent.

We left immediately after the concert, though Montes de Oca would have liked to keep us for supper. As we were walking on our way to a taxi, a car overtook us and the nice couple with whom we had talked so long without knowing their names stepped out and offered to drive us home. It was only then that we learned the identity of the man: Eduardo Suarez, the Mexican Minister of finance.

During Lu's lectures at the university he was on very good terms with the faculty, though the faculty was obviously leaning to the left. But Lu was a famous colleague, and they showed him the proper respect. The rector himself invited Lu several times for luncheons and conferences, and one of the best known Mexican scholars, Professor Silva Herzog, the dean of the Economics Department, was one of our steady companions. He was almost blind, and one of his two charming daughters always accompanied him, so we knew them very well. He was one of the few scholars we met who did not know much English, but he understood French, which was helpful.

I think we saw Mexico in a way that very few tourists ever see it, thanks of course to Montes de Oca and Gustavo Velasco. Our hosts made plans for every day that Lu did not have to work. One day, knowing our love for the mountains, Montes de Oca had arranged an excursion to the foot of Mount Popocatepetl to visit some friends of his. We left early in the morning in Montes de Oca's car, with Dr. Velasco who was driving. We followed the Puebla Railway, the view of the Popocatepetl and Ixtacihuatl, the sleeping woman, as the Indians call her, always before our eyes. Her strong stony face, her long hair hanging in the back, her breasts, her legs, all covered with snow, *made a spectacular sight*

We stopped first in a small village to look at an old church with an interesting open chapel—open because the Indians are frightened of closed churches. The church was big, but very poor. It was almost bare, with a few wooden benches inside. There were various figures of the Virgin Mary, clad in old silk dresses. (They have special dressmakers in Mexico, mostly old spinsters, who sew nothing but dresses for the saints.) The walls of the church were originally covered with frescos, a language in colors that the Indians understand better than Spanish. Later these frescos were painted over, but now they are trying to restore them.

We drove on, and the road changed drastically. We left the paved highway and got on a very dusty side road, which led up to the mountains. On both sides of the road were Indian huts, made of pieces of raw wood. They had no windows and were poorly roofed with thatched straw. The road was so dirty that clouds of gray dust immediately penetrated the closed car, covering our faces and hands with a layer of dust and dirt. I shall never understand how the Indians could live in these huts under these conditions. And their faces were always gay and friendly. One of the villages was even called "Place of the Happiest."

Gradually the road became steeper, and soon we had passed the last village. Only once in a while a single lumber workers' hut glimpsed through the trees. Then there was nothing but trees and mountain bushes. On the roadside, huge bushes of yellow plants—like the European broombushes—were glowing in the sun. We were now up to 3600 meters on the Paso de Cortes (the road on which Cortez came from Vera Cruz to Mexico), which leads up to Ixtacihuatl. We drove up to 4000 meters. Many cars were parked here, because from this point people start to climb up the mountain. How different from European mountains this was! In Europe in February, everything would be covered with snow starting at 1300 meters; trees would stop at 1800 meters. In Mexico we had eternal sun, and the snow started at about 5000 meters.

We stopped at the house of a friend of Montes de Oca, a Senor Morinos, for lunch. He was a former colonel ~~and~~ who had served under Pancho Villa. Later he became Mexico's postmaster general, and in 1940 he retired, to live for his hobby: the cultivation of flowers. He had fields full of carnations and of the most beautiful roses, some as black as velvet, others looking like green thistles. His house was built completely of stone. The dining room was furnished with laquered black furniture from Oaxaca. The house and everything in it was tasteful and unusual. The meal was prepared by friends of his, two brothers, who had built the road up to Popocatepetl. They did not speak English, so Lu and I got all the necessary information from Montes de Oca. He told us that their father had been married three times and had fathered thirty children, the oldest son forty-eight, the youngest six. His wife was fifty, and he was still so full of vigor he would no doubt soon be looking for another wife.

The two brothers took us up to a chapel built in 1553. It was built in a cave filled with flowers. The walls were covered with primitive signs, letters of thanks for the saints after recuperation from illness and disease. Near the entrance to the cave were heaps of withered flowers mixed with wheat. Near them, on a step, sat an Indian woman, staring motionless into the depths of a well. Floating on the water was the dress of another woman, an unhappy person who wanted to get rid of disease or was asking for a special favor. Praying, the woman rubbed her body with the withered

Popocatepetl
~~Popocatepetl~~
I think it is
written with a
double "t"

1ST PROOF 06 - 25 - 76

0293
0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390

wheat taken out of the heap of faded flowers. The chapel was filled with statues of saints, and candles were everywhere, candles shaped like hearts or other parts of the body, flickering irregularly in the breeze. And there were flowers everywhere, their beautiful, clean odor mixed with the smell of burnt candles. The niche of the Virgin was empty. Outside the chapel stood an old, lonely olive tree, surrounded by a fence. Here, it was said, Brother Martin de Valencia had prayed together with the singing birds. Next to the tree was the churchyard. As the ground was too stony for a garden, the dead were put in the earth, stone plates covering the holes with their names and dates. Everyone stepped over them. Here there were no flowers, no candles; they were dead.

We returned to Mexico City long after sunset. It had been a beautiful but tiring day. Lu and I both had only one wish: to get under the shower and into clean clothes. And none too soon: for the first—and last—time in my life I saw my darling husband hunting fleas. We were both bitten from head to toe, but he outdid me in catching them. He found five, while I only caught two.

Lu was very, very busy during our two months in Mexico. He gave many lectures outside Mexico City, in small towns that had no air conditioning and where the heat reaching ninety to ninety-five degrees. After those lectures he came back completely exhausted. He also spoke at the law school in Mexico City, on "Economics and Politics," and once he lectured at the Banker's Club.

Among the many interesting people we met were the conductors Karl Alvin, whom Lu knew from Vienna, and Erich Kleiber from Berlin, who at that time was conducting a series of Beethoven concerts. Once he invited us to attend a rehearsal of the *Fifth Symphony*, for Lu's lectures coincided with the evening concerts. Everything went smoothly during the rehearsal; only once or twice did Kleiber use his baton to stop the orchestra. It was interesting to note how he, without knowing any Spanish, could make himself understood to the musicians. He told us one evening about the difficulties he had to face during rehearsals. The musicians did not want to work overtime, not even when they knew they would be paid for it. The Mexican way has always been to put leisure time above money, and Kleiber had great difficulty in bringing the performance up to his standard. In a way he was helpless against their philosophy of life.

One day in February, something very funny happened to Lu. In the afternoon he went to see Montes de Oca in his office. In the course of the conversation, Montes de Oca told Lu that he would take him to the dinner after the seminar. "Which dinner?" asked Lu.

Montes de Oca laughed. "You really are a professor," he said. "Don't you remember that today is the day when the university gives a banquet in your honor?"

Now it was Lu's turn to be astonished. "I never got an invitation," he said.

Montes de Oca was startled. "But this is impossible. The rector himself has arranged everything, has ordered the invitations, has reserved a room in the Papillon." He went to the phone and rang up the dean of the Economics Department, Silva Herzog, who told him that he had only just discovered that the banquet had been ~~layed on~~, but that they had forgotten to send the guest of honor an invitation!

One day Lu and I went alone to Chapultapec to visit the castle where the unhappy young Austrian imperial couple had lived. As usual we took a bus, which was an experience in itself. A smiling young Indian with beautiful white teeth helped us into the bus. He was clad in overalls and a clean blue shirt, and both Lu and I believed him to be one of the passengers. But then he asked us for the fare, and we realized he was the conductor. The bus was very crowded, but immediately someone offered me a seat.

After visiting Chapultapec, Lu and I got very hungry. We went to a nice looking restaurant opposite the park entrance, where many cars were parked and benches stood around a fountain. Entering, we saw that a luncheon meeting was under way, and we were about to leave when a waiter took us to a nice table from which we overlooked the room with the luncheon guests, about eighty men sitting at long tables. A band was playing, two girls were dancing (a mixture of a Mexican dance and an Austrian Tyrolienne), and the food looked delicious.

When we saw the wall decorations, Lu and I looked at each other. There were Austrian paintings, dancing girls in "dirndel dress", ~~and~~ wearing the famous Tyrol hats. After a while the proprietor came to our table to greet us, and when I spoke to him in German, telling him that we were from Vienna, he almost fell on a chair and told us his life story. His name was Hupfer, and he had come to Mexico from the Burgenland (an Austrian province near Vienna) twelve years before. His wife was from Salzburg. He bought the land for his restaurant in 1934, scrubbed floors in the beginning, but in time became very successful. He went back to Austria in 1939, and he told us that the wall paintings we admired so much were done after picture postcards. He proudly presented us to his wife and showed us his kitchen, which—he said—a Mexican owner would never do. We really could not tell who was more sparkling, the kitchen or his wife.

When we returned to the hotel, we could not sleep for hours. There was a fire in the cellar. The fire brigade came, and, besides the rattling of the pumps, they kept on giving each other musical signals, instead of giving orders by loudspeakers. This went on all night, and I watched the firemen showing an almost childish joy at making noises. (I noticed the same with police officers: nowhere

ed (or was reading)

arranged

also,

1ST PROOF 06 - 25 - 76

0391
0392
0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415

37 —A/H—VON MISES—PC2836

do they blow so many whistles as in Mexico.)

On February 25 we left Mexico by train; a new experience for Lu and me. We had never seen such a beautiful train. The cars shone like silver—I assume they were made of aluminum—and we could not have been more comfortable than on this journey. If we had flown back, we would never have seen so much of the country. We arrived in New York on February 27, and Lu immediately plunged back into his work.

In 1946 and again in 1949 Lu lectured in Mexico, and Montes de Oca and Gustavo Velasco took us on a trip through Central Mexico. We saw the country in a way very few tourists ever get to know a foreign land. In 1958 we went again, after a meeting of the Mont Pelerin Society, for a conference arranged for some ten members of the Mont Pelerin Society. But this time Lu and I were not happy. We both felt the shadow of Montes de Oca's impending death; we were never to see him again.

I shall always remember Montes de Oca as one of the finest men I ever met, and I shall always be grateful to him for his hospitality and the great understanding with which he advanced Lu's work in Mexico and South America and, without knowing it, helped reestablish Lu's confidence and optimism after our trying escape from Europe.

1ST PROOF 06 - 25 - 76

0005
0006
0007
0008
0009
0010
0011

CHAPTER VII

Life in New York

0012

0013

0014

0015

0016

0017

0018

0019

0020

0021

0022

0023

0024

0025

0026

0027

0028

0029

0030

0031

0032

0033

0034

0035

0036

0037

0038

0039

0040

0041

0042

0043

0044

0045

0046

0047

0048

0049

0050

0051

0052

0053

0054

0055

0056

0057

0058

0059

0060

0061

0062

0063

0064

0065

0066

0067

0068

0069

0070

0071

0072

0073

0074

0075

0076

0077

0078

0079

0080

0081

0082

0083

0084

0085

0086

0087

0088

0089

0090

0091

0092

0093

0094

THOUGH LU had tried incessantly, he had not yet found a position to relieve our financial worries. He asked little for himself and he never complained, but it hurt him, for my sake, that we had to live so carefully. Nevertheless, though we hardly ever went out for dinner, he insisted on going to the theater once a week.

America was at war and we, who had lived through so much war in Europe, were astonished at how little the war seemed to affect people in America, with the exception of those, of course, whose sons or husbands were in the service. There was no food shortage. Many items were rationed, but I remember only coffee and sugar having been really scarce.

I was dissatisfied with myself. Everyone around me was working, and I got restless. I had to remind myself again and again of the promise I had given myself, that Lu's work and well-being should be the main purpose of my life. Lu noticed my dissatisfaction and urged me to go back to the stage. But that was impossible for a newcomer in a foreign country—especially in wartime—without connections to the stage. Then he insisted I should try radio, and that I did. For weeks I auditioned with WOR, CBS, and WNEW. I got encouraging letters and was invited for further auditions. The result was always the same: "Wait. Come to our studio every day. We promise you, as soon as a part turns up for you, you are going to get it." But I could not wait weeks and months sitting around in studios and agencies; Lu needed me at home. He was completely helpless; he did not even know how to boil an egg. Years later he would often say: "The greatest invention of the twentieth century is instant coffee; even I can fix myself something to drink. It is easier than peeling an orange." Lu never learned that one's right hand could be used for other purposes than writing. His manual dexterity was zero. But I knew his weaknesses; I had known them before we were married, and perhaps I loved him the more for them.

The summer of 1942 taught us something about middle-class America. We went for our vacation to the Poconos. Lu had chosen the hotel, a small simple inn, with perhaps thirty guests in all. The owner of the place picked us up with her car at the station, and when we passed the churchyard she said, "This is the cemetery. Now we are slowly approaching the inn." After a few days Lu told me he thought it would have been more appropriate, if she had said: "After a short stay in our inn you will be rapidly reaching the cemetery."

The guests were all extremely friendly and expected the same from us. Lu's reserved ways—always polite of course—tickled their curiosity, and they had to know more about us. Soon they found out that Lu was a writer and a professor, which meant to them he was a school teacher. And that schoolteachers were poorly paid they all knew. They certainly never had met a scholar before.

One morning a woman told me: "I read an article of your husband's in the *Mercury*, 'Inflation and You.' How interesting it is to meet a writer; I read all through breakfast. You folks must tell me more about writing. How long, would you say, did it take your husband to do this article? What is he doing now?"

"You are from Austria," another one said to me. "Isn't that the country where the sheep come from?" Apparently she had mixed up Austria with Australia. One lady complained to Lu: "Imagine the cheek; they have put a second boy in my son's room." "Without asking you?" said Lu. "Oh no," she replied, "They did not put him in his *bed*. That I never would have allowed."

Among the guests were two sisters, together perhaps 180 years old. They admired Lu greatly and followed him wherever he went. One day one of them told Lu that she had visited Columbia University, studied French, and loved to translate. "Just recently," she said, "I have done such interesting work." "What was it?" Lu asked politely, to show his interest. "We have a little nephew," she answered, "who is twelve years old. He is a wonderful writer. Recently he wrote a little story about his dog and I translated it. Would you care to read it?"

By this time I had started to become the buffer between Lu and people who bored him. I knew him so well, he just had to give me a certain sign and I knew what he wanted. How stimulating ~~and~~ ~~animating~~ this kind of people was for Lu is clear. The result was that we hastily escaped after only two weeks.

Life in New York became more regular than before. We were often invited out, and at least twice weekly we saw guests at our home. During my free time I was busy sending food parcels to Europe, mostly to England, where the need was great and where we had so many friends.

As I knew myself and my need for work and a purposeful life, in 1943 I decided to take a course in English stenography and typing. If I could not get a job, I could help Lu; that was sure. I registered with the Delehanty Institute on Forty-second Street, and for six months I went there every day from nine to one, and every after-

1ST PROOF 06 - 25 - 76

You can imagine how stimulating such people were for Lu. The result was etc. Boy this time etc.

0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

noon I sat down to do my homework. Shorthand seemed like a puzzle; it fascinated me.

I hardly had finished the course when I got a job with Sonneborn & Co., a chemical firm, as private secretary to the president. Had there not been a war and help so hard to get, I, a middle-aged beginner, would never have been chosen for the job. To me it did not even seem real; I felt as if I were on stage again. The scene was set in a beautiful office in the financial district of the city. There were one hundred twenty-five employees, mostly young men and girls, who wasted much time at water coolers and restrooms. I alone could walk in and out of the president's office. Nevertheless I felt like a stranger. Only on Fridays—when I, like the others, got an envelope with a paycheck—did I know this was part of my new life, that it was real. I did not even stay a year. Lu could not bear the thought of my coming home in the rush hour, tired, and then having to prepare dinner and work in the kitchen.

Lu was asked to become a member of the Overseas Rotary Fellowship in New York. In the first years he attended their weekly luncheons frequently. Later, when he was too deeply involved in his writing, he only went to their annual banquet, where I accompanied him. Lu had been a regular member of the Rotary Club in Vienna. In Europe the Rotary Clubs were somewhat different than those here in America. In the old country every Rotary member was the most distinguished representative of his profession in his city. During their meetings they discussed important political, economic and social questions. That was why Hitler immediately dissolved not only the Free Masons, but also the Rotary clubs all over Austria and Germany.

Henry Hazlitt had no doubt that he was the one who induced Lu to write these articles. Though the slogan of the *Times*, then as today, was "All the News That's Fit to Print," and though these beautiful words have not changed in thirty-two years, the ideological tendency of the *Times* certainly has. I wonder how often any conservative or libertarian could write an editorial for the *New York Times* today!

From March 28, 1942, to July 31, 1943, Lu wrote nine articles for the *Times*. For each of them he received ten dollars. But that was unimportant. More important was that his name became familiar to the general reader, and the numerous letters resulting from these articles were surprising. These nine articles were titled: "Hitler's Achilles Heel," "The Nazis under Blockade," "Germany's Transport Problems," "Reich Gets Big Shock," "The Problems of a Post-War Union of the Democratic Unions," "A New World Currency," "Industrial Empires," "Inflation and Money Supply," and "British Post-War Problems."

Another consequence of these articles was Lu's introduction to the National Association of Manufacturers. On January 4, 1943, Noel Sargent, secretary of NAM, and Vada Horsch, the assistant secretary, invited Lu to come and see them in their offices on Fifty-third Street. They had read Lu's articles in the *Times* and wanted his views on how to terminate wage and price controls. These were the golden days of the NAM, theirs was the leading voice for free enterprise. Shortly after this first meeting, Lu was invited to work with the Economic Principles Commission, which was authorized by NAM's president and board of directors and which labored over many years. Lu was a contributing member of the special group that created a two-volume study called the *Nature and the Evolution of the Free Enterprise System*. Lu's relations with the NAM lasted from 1943 to 1954, giving him a forum where he met all the important industrialists of the country, the most respected economists, and the best known businessmen.

In 1943, besides the numerous meetings and sessions with the NAM on monetary reform and economic principles, he was a member of a commission to study the organization of peace, and he participated in Count Coudenhoven's Pan-Europe Conference in March, 1943. On March 15, 1943, he spoke on "Aspects of American Foreign Trade Policy" in the Faculty Club of New York University; on April 10 he spoke in Boston at the Twentieth Century Association on "Economic Nationalism and Peaceful Cooperation," where he said in short: "Economic nationalism is the root cause of the international conflicts which resulted in two world wars. It was economic nationalism that on the one hand drove the 'dynamic' nations into aggression and on the other hand prevented the peaceful nations from stopping in time the rise of Nazism and from erecting a barrier against a new German aggression. All plans for a better post-war order are futile if they do not succeed in eliminating protectionism and establishing free trade." On November 10 and 11 he gave two lectures at Princeton.

It was a great financial relief for us when William J. Carson, the executive director of the National Bureau of Economic Research, wrote to Lu that the Rockefeller Foundation had renewed his grant for another two years, to the end of November, 1944. Also by this time his connection with the Yale University Press had begun. (See Chapter 8, "The Story of Human Action.")

The next twenty-five years were positively the most productive and creative of Lu's life. I never knew how he could manage, but he had time for everything and everyone. His mind and his time were equally well organized. And there was not a Saturday or Sunday—if there were no meeting of NAM—when he did not go to a museum or to an art gallery with me in the morning and to a theater in the evening.

I have already written about Professor Paul Mantoux and mentioned his son Etienne. Etienne was very dear to Lu. He often attended his course in Geneva and came to the house to converse

Missing: At the end of 1942 Lu started writing various articles for the New York Times. Henry Hazlitt was the financial editor and

1ST PROOF 06 - 25 - 76

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292
0293
0294

with Lu, who thought Etienne to be one of the most promising scholars of the future. At the beginning of the war Etienne served in the French air force as an observation officer on the Saar frontier. In 1941, under a grant from the Rockefeller Foundation, he came to the United States for research at Princeton's Institute for Advanced Studies. He was working on a book on Keynes (published in 1952 by Charles Scribner's Sons). He came to New York often, sometimes two or three times a month, to see Lu. One special afternoon, Tuesday, March 16, 1943, I will never forget. He came early; I served tea; we spoke about his parents, Paris, Geneva, the war. But soon I felt that he was impatient to talk to Lu about his work; I excused myself and went out. At the door, before closing it, I turned around, and suddenly the couch, where Etienne had been sitting, seemed to have disappeared. In its place I saw Etienne in uniform, lying on a battlefield, his eyes closed, killed. This picture lasted only a few seconds. I closed the door behind me, went into my room, sat down and tried to get hold of myself. But the image would not disappear. Later, when Etienne had left, Lu came into my room and gave me Etienne's greetings. I could not restrain myself; I told Lu what I had seen. Lu laughed at me: "You simply are imagining things. He is not in the air force any more." But I saw he was uneasy and said this only to quiet me. A short time afterwards, Etienne returned to France and resumed his officer's duties in the air force. On April 29, 1945, hardly more than a week before the bells rang for victory and peace, his plane was shot down near a small Bavarian village in the Danube Valley, killing him.

Lu was deeply shocked and grieved. Etienne Mantoux had meant so much to him, and Lu later wrote in his article "Stones Into Bread—The Keynesian Miracle":

A highly gifted French economist, Etienne Mantoux, has analyzed Keynes point for point. Etienne Mantoux, son of the famous historian Paul Mantoux, was the most distinguished of the younger French economists. He had already made valuable contributions to economic theory—among them a keen critique of Keynes General Theory, published in 1937 in the *Revue d'Economie Politique*—before he began his *The Carthaginian Peace, or The Economic Consequences of Mr. Keynes*. He did not live to see his book published. As an officer in the French air force he was killed on active service during the last days of the war. His premature death is a heavy blow to France, which is today badly in need of sound and courageous economists.—

This article was first published by Isaac Don Devine in *Plain Talk*, March, 1948, and was reprinted in Ludwig von Mises, *Planning for Freedom* (South Holland, Ill.: Libertarian Press, 1952, 1962, 1974).

In 1943, at a party with the Hazlitts, we met Lawrence Fertig and his wife Berthy. Over the years the Fertigs became our closest friends. In all the years we knew Berthy we never heard her say an unkind word about anyone. She always tried to understand and excuse human frailty. Hazlitt and Fertig had recognized immediately that Lu was not a man who was interested in money for himself. So they both did for Lu what he himself could not do. They made sure that, financially, Lu got ground under his feet again. He never could ask anything for himself—in writing, yes, but not personally.

One little episode may be significant. Lu always wanted me to travel with him when he lectured, but he could not afford to pay for me. One day—it must have been in the forties—Hazlitt told Lu about an invitation he got for a lecture trip. He did not want to go without Frances, so Hazlitt answered: "Is Mrs. Hazlitt included in this invitation?" "Of course," came the reply. From that day on Lu followed Hazlitt's example, and he did not have to travel alone any more. In later years, Lu's invitations always included me.

A man like Lu could not have had a better friend than Hazlitt. His enthusiasm for Lu's ideas, Lu's teachings, Lu's convictions, was so honest, his thinking so parallel to Lu's perception, that he had the constant urge to write about Lu, to show the world what it could gain by reading Lu's books and what it would lose by neglecting them. Larry Fertig also supported Lu and publicized his writings. Fertig was well known through his weekly column, which appeared for seventeen years in the now defunct *World Telegram*, through his book *Prosperity through Freedom*, and through his frequent appearances on television in political and economic discussions. In 113 of his columns, he mentioned Lu not less than eighteen times.

Over more than thirty years, every Sunday morning when we were in town the telephone rang: Larry, asking for Lu. They would talk for almost an hour. This was the weekly review. Everything that happened in economics and politics, all the burning questions of the day, would be discussed, and Lu gave his forewarnings for the future. Larry was more optimistic than Lu—though Lu at that time did not see the situation of the U.S. as hopeless. He had confidence in the strength of America, confidence that she would pull out of the difficult situation inflation had brought about. But whatever he said and wrote contained a warning about the growing deficit in productivity in comparison to America's supply in goods and services.

Almost immediately after Lu put down the receiver, the telephone would ring again. This time it would be Henry Hazlitt, "Harry" to his friends. This conversation would last another hour, with different questions and answers. But Lu's warnings were always the same. Afterward, I often asked Lu: "Is your seminar over

1ST PROOF 06-25-76

—or Wrong print!
✓

✓

13

0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390
0391
0392

for today?" He would answer with a laugh.

These were the only two people with whom Lu really talked on the telephone. Mostly I answered. Appointments and arrangements were made through me. For Lu the telephone was a necessary but disturbing means of communication. He tried to avoid it as much as possible.

The third of our very close friends was Philip Cortney, who had lived in Paris. Cortney was head of an important steel export firm in Paris and director of the executive committee of the Banque Transatlantique of Paris. He was married to a former singer of the Opera Comique in Paris, and when the Germans occupied France, the Cortneys came to the United States and made their home in New York, where he joined the American branch factory of Coty, the renowned perfume manufacturer, becoming the firm's president. Strangely enough, he hated the smell of perfume—he was not even able to recognize a difference between scents—but he loved economics and reading, and he very soon became an enthusiastic admirer of Lu's and a great friend of mine. He was, if I remember rightly, the first one to suggest, in a French newspaper, that Lu deserved the Nobel Prize for *Human Action*. Cortney was opposed to a government-fixed gold price, and he fought like a lion for his ideas. If the government did or said anything that displeased him, a letter went off, or an editorial appeared in a newspaper, or a news pamphlet was published. Hardly ever were his letters disregarded; even Richard Nixon, Vice President ~~at the time~~, took the time to write a rather lengthy answer to one of his letters.

Philip was the most hospitable and generous friend imaginable. For many years he invited "the family," as our little group was called, for dinner at the Plaza. The round corner table, Number 1, was always reserved for him. (This was the table at which Helen Traubel and Lauritz Melchior used to dine with their friends after the opera.) Our "family" included, besides Lu and myself, the Hazlitts and the Fertigs.

Philip often invited other people, too. One of the more frequent participants was Dr. Albert Hahn, the well-known economist and banker. Later, in the fifties, he returned with Nora, his beautiful wife, to Switzerland, where he died in 1968. Albert Hahn's wit, humor, and sarcasm fitted splendidly into the atmosphere of these dinner parties. Whenever a famous Frenchman, whom Philip knew, was in town, he invited him to join us. Andre Maurois was Philip's guest several times. Frequently Bill and Mary Peterson were invited.

Never did Philip receive his guests without a present for the ladies. Every new lipstick his factory produced had to get the seal of approval from the lips of the wives of his favorite friends, and all of us were at all times provided with the best of his perfumes.

"King Arthur's Round Table" dinners had a certain unforgettable color and charm. The discussions were lively and animated. Attentive service, good food and excellent wine elated and lubricated our minds. We were gay, but never noisy, and never, never was there any gossiping. We respected each other and loved each other's presence. In retrospect I would say that these evenings belong to my fondest memories. Lu always looked forward to these gatherings with as much pleasure as I did. He relished those hours with the friends who were so close to him and his way of thinking.

One day, I remember, I was in bed with a sore throat. Lu came into my room, with a manuscript under his arm. "Read this," he said, "I just finished a book." It was *Omnipotent Government*. Handwritten. I read it, without a break, from beginning to the end. I *knew* it would be a success. If I could read a book of his, spell-bound, without being able to stop, the public would go for it.

In August, 1943, we again went to the White Mountains, but this time we stayed at Ravine House. Again we made the most beautiful climbs. On Monday, August 9, we went up to Carter Dome; on August 12 we walked again up Mount Washington, but this time via Gulfside Trail to Edmands Col and back via Randolph Path to Ravine House. This excursion we made with our very good friends Louis and Lucy Rougier. The Rougiers had to leave Paris when the Germans occupied France, and they remained in New York during the war, living very close to us. We saw each other at least two or three times weekly. On August 15 Lu and I went up to Carter Notch, on the sixteenth—we hardly ever took a day's rest—to Lowe's Bald Spot. On the twentieth we went to Dome Rock, where we met the Haberlers, mountain climbers like us. On the twenty-first we went to Lookout Ledge and Crescent House, on the twenty-fifth to Pine Mountain, and on the twenty-seventh to Madison Huts via Valley Way, returning via Knife Edge. On one of these hikes we unexpectedly met Richard, Lu's brother, and his future wife, a well-known mathematician and for many years Richard's assistant.

Lu always insisted he would not work during the summer—that is to say, he would not *write*. He kept his resolution so strictly that he even did not write to his friends. That was my task. "That's what I married you for," he joked. But on our walks I frequently saw him deeply lost in his thoughts; then I would stay absolutely quiet. I knew how necessary this complete silence was for the working of his mind, and I also knew that he was happy, because—though lost in his thoughts—he knew he was not alone; I was with him. From time to time he took my hand or he put his arm around my shoulder, never saying a word, just to assure himself that I was near.

The next summer (1944) we spent at Lake Placid, where we met many friends, made beautiful excursions, and decided in the end that New Hampshire was more to our liking. On our walks every day Lu tried to convince me I should not neglect what he called

^ Shen

w

André

u

1ST PROOF 06 - 25 - 76

0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486
0487
0488
0489
0490
0491
0492
0493
0494
0495

my "talent for writing," which he felt I had proved so successfully in Vienna with my stage adaptations. "Write short stories," he told me. "You can do it." And he ordered a book for me to study the composition of short stories. "Actually," he said, "there is only one important thing to observe. You must build up the whole story for a surprise ending. If you can do that, you have a good story." That summer I wrote one short story after the other; I had ideas enough. But when we came back to New York, I was much too busy working for Lu to be able to follow his advice.

On October 12, 1944, Lu made his first long trip alone since our arrival in the United States. (He had not yet learned Hazlitt's "prescription" for getting me invited.) This trip was arranged by the NAM Advisory Group, with the purpose of having Lu talk at two meetings, one in Los Angeles, the other in San Francisco. For Los Angeles he had chosen as his subject "Depression and Unemployment, Are They Inevitable?" and in San Francisco he was to talk about "The Crisis of Free Enterprise."

A letter which Lu got shortly before he left—signed "JAR" (name unreadable), director of Braun Corporation, Chemicals and Laboratory Supplies, Los Angeles—gives an interesting description of California at that time:

Southern California is very definitely and vitally interested in the problem of the depression and unemployment. Probably, we, in Southern California, have one of the most critical areas in the United States. We are today practically a two-industry community—ships and planes. . . . I think that no citizen group in America is more keenly aware of the crisis of free enterprise than our group in Los Angeles. . . . There is one factor to which your attention should be definitely drawn. Very probably, you are already aware of the differences in the thinking of business and industrial men in San Francisco and Los Angeles. San Francisco has been a close^{ed} shop city for many, many years. Business executives up there have grown accustomed to this idea. They have (we in Los Angeles think) a defeatist attitude. They are apparently making very little attempt to throw off any of the shackles of the closed shop. In Los Angeles, on the other hand, our executives have seen Los Angeles develop from a second-rate city to a real power. They attribute, and I agree with them, that much of this industrial growth has been due to the fact that Los Angeles has, during this long period of years been able to maintain open-shop conditions. I bring this difference in these two cities to your attention to remind you of the different thinking which is being done in Los Angeles and in our sister city to the north.

For some time Lu had been in correspondence with Leonard Read, then general manager of the Chamber of Commerce in Los Angeles. In his first letter, dated June 4, 1943, Read invited Lu for a "series of lectures on behalf of free, competitive enterprise," and he sent Lu a pamphlet published by the Los Angeles Chamber of Commerce. Lu answered on June 12:

The arena in which the fate of the West will be decided is neither the conference rooms of the diplomats, nor the offices of the bureaucrats, not the capitol in Washington, not the election campaigns. The only thing which really matters is the outcome of the intellectual combat between the supporters of socialism and those of capitalism. The masses, those millions of voters who are supreme in democracy, have to learn that they are deluded by spurious doctrines and that only market society and free enterprise can bring them what they want: prosperity. But in order to persuade the crowd, you have first to convince the elite, the intellectuals and the businessmen themselves.

He agreed to give some lectures, and Read proposed the date of October 20, 1943, having heard that Lu would be in California around that time. He also invited Lu for dinner at his home to meet a group of outstanding men, among them Lu's good friend Benjamin M. Anderson.

On Monday, October 16, Lu arrived in Los Angeles, and for the next two days he was the guest of R. C. Hoiles, publisher of the *Santa Anna Register*. During these two days he spoke twice, once at a forum lecture, sponsored by the *Register*, about "The Causes of War," and once at the Santa Anna Rotary Club about "Credit Expansion and Depression." It was on October 18, 1944, that Lu met Leonard Read for the first time—Leonard Read, who was to play such an important part in Lu's future. I would like Leonard to tell about this first meeting in his own words:

It was during World War II, about 1943, that I first met Dr. Mises. As General Manager of the Los Angeles Chamber of Commerce, I had invited him to address a meeting of our board. Mises outlined, in his talk, the inevitable path of government intervention. He pointed out how government regulation leads to problems and misfortunes its advocates had not anticipated. If they do not realize that the causes of this mischief rest on the intervention of force by government in the market, they propose another and still another government intervention. Each such law [is] enacted in the attempt to cure the ills caused by the point of view of its proponents, until finally the only opportunity that still seems open is to take the final steps leading to a completely controlled economy of the Nazi or Russian type.

It was a pessimistic picture that Mises painted in that lecture. Each of us in the audience could see a parallel between the theory he presented and the path of our own government was traveling—with its wartime price and wage controls, priorities in the allotment of raw materials, rationing of consumer goods, and the like. After the talk, one of the audience questioned the speaker. "It is a depressing prospect you have outlined, Dr. Mises. Considering the program our politicians have adapted and its inevitable disastrous consequences, what would you do, if by chance, you were made dictator of this country? What first step would you take, Dr. Mises, if you could do just exactly as you wished?" Mises' eyes sparkled and quick as a

0496
0497
0498
0499
0500
0501
0502
0503
0504
0505
0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564
0565
0566
0567
0568
0569
0570
0571
0572
0573
0574
0575
0576
0577
0578
0579
0580
0581
0582
0583
0584
0585
0586
0587
0588
0589
0590
0591
0592
0593
0594

flash, he replied with a grin, "I would abdicate!"

With this statement Mises endeared himself to me. Here, I realized, was a truly consistent libertarian, one who really did not believe in using the power of government to band people to his way of thinking.*

*From an article, "Ludwig von Mises," by Leonard E. Read, written to be translated in Spanish and published in Buenos Aires, Argentina, in April or May, 1959.

Lu often wrote me from the West, if only a few words. On the train near Salt Lake City he wrote on October 15: "Darling, everything is OK. It is awful to travel alone. I am sorry you are not with me. I love you. Kisses, Lu." On the eighteenth he wrote: "Darling, I am through with 3 of my 6 speeches and now I can rest a little. I was rather disappointed that there was no letter of yours here in the hotel. . . . Why? What does it mean? Tomorrow I have luncheon with Anderson. I kiss you. . . ." The next day I got only three lines: "You mean everything to me. Without you there is no sun shining for me any more. . . ."

He was happy to come home again, and I think the greatest impression Lu had on this trip was Leonard Read's stag party. He told me what a surprise it was for him to see his host put on a chef's cap and apron and barbecue the steaks for dinner. Lu observed, "Never in my life have I eaten better broiled steaks than those." That was the first I ever heard about Leonard Read.

On December 6, 1944, Lu received the following letter from Dean E. Rowland Collins of New York University:

My dear Professor:

I have decided to recommend to the Chancellor and Council of the University that you be appointed to the faculty of the Graduate School of Business Administration for the second semester of the academic year 1944-1945 as "Visiting Professor of Economics" to give two hours of weekly instruction throughout the semester at a compensation of 1,000.00.

I propose that you offer a course to be called "Statism and the Profit Motive" for which you have suggested the following description:

"A critical examination of the viewpoints of the 'orthodox' and the 'unorthodox' economists. The various efforts to restrict the height of profits or to eliminate profits altogether are analyzed in detail. Special attention is given to the policies of fixing commodity prices. Wage rates and interest rates at a level different from that determined by the unhampered interplay of market factors."

I know that you will understand that final appointment must await approval of the Chancellor and Council. However, it is the general practice to approve the Dean's recommendations in these matters so that we can assume that the matter is settled except for public announcement.

The course title that I have used, namely, "Statism and the Profit Motive" is subject to change. It may be that you would prefer simply "The Profit Motive."

As always, when he got any letter of importance, ^{Lu} he came into my room and silently gave me the letter. Only when he saw my reaction, when he realized that I was happy, did he smile faintly, thus showed what the letter meant to him. From now on, I knew, our life would be changed. He had the opportunity to teach, to have young people share the wealth of his ideas, the clarity of his mind, the logic of his reasoning. I knew what teaching meant to him and how he had missed it. And when, in January, 1945, the letter of approval came from the Council of New York University telling him that the appointment was confirmed, he was happy.

It will always be a credit to New York University that it offered him this teaching opportunity at the Graduate School of Business Administration. Until then, no big university in this country had offered him a chair. That Dean Collins was a great friend and protector of Lu's from the first day of their meeting was clear. So was Dr. Dorau. But the attitude of the other professors was cool. They were very, very respectful, but Lu was not a man of their kind. He was a stranger to them. I saw this with my own eyes. Often I came to see him in his office—he later had a secretary and an assistant—and I noted the respect with which his colleagues treated him—but also the lack of personal warmth.

One of the few exceptions was Professor Lewis H. Haney, who once asked Lu to read the first chapter of his forthcoming book, *History of Economic Thought*, and "do me the great favor of making a critical examination of the chapter," which Lu, of course, did.

Lu's courses at NYU were sometimes very exciting. One of his former students, whose wish to remain anonymous I have to respect, told me: "Four or five students had formed a group in order to protect the professor against dissident students who opposed his views. They occupied a table ahead of the class next to the professor in order to be ready to protect him against any possible violence. But actually it never came that far."

This was not the only change brought about in 1945. That year, Lu's official connection with the National Bureau of Economic Research came to an end, though Lu always remained on friendly terms with the NBER. This is part of a letter from William J. Carson of the NBER: "The National Bureau has been glad to extend its hospitality to you, and to have contributed in this way to carry forward your studies of the economic factors and policies involved in the European crisis. When you are in the vicinity of the National Bureau at 1919 Broadway or at Hillside I hope you

2 barbecue

1ST PROOF 06 - 25 - 76

0595
0596
0597
0598
0599
0600
0601
0602
0603
0604
0605
0606
0607
0608
0609
0610
0611
0612
0613
0614
0615
0616
0617
0618
0619
0620
0621
0622
0623
0624
0625
0626
0627
0628
0629
0630
0631
0632
0633
0634
0635
0636
0637
0638
0639
0640
0641
0642
0643
0644
0645
0646
0647
0648
0649
0650
0651
0652
0653
0654
0655
0656
0657
0658
0659
0660
0661
0662
0663
0664
0665
0666
0667
0668
0669
0670
0671
0672
0673
0674
0675
0676
0677
0678
0679
0680
0681
0682
0683
0684
0685
0686
0687
0688
0689
0690
0691
0692

will always feel free to stop in and see us. Indeed, we hope you will make every effort to call when you can.”

Also in 1945, Leonard Read left California for New York to become vice president of the National Industrial Conference Board. Read's purpose in coming east was to spread the libertarian ideas which he was convinced were the only means to keep America and the world going. He only stayed with the Conference Board for a year. He soon discovered that the flow of ideas for individual liberty was restricted by the influence of labor union leaders. So some close friends, including Howard Pew, B.E. Hutchinson, a vice president of the Chrysler Corporation, and H.W. Luhnnow, president of the Volker Fund, got together and decided to establish their own institution to spread libertarian ideas. They bought a beautiful estate in Irvington, New York, where in 1946 Leonard Read established the Foundation for Economic Education and became its president.

It was a touch of genius combined with a shrewd sense of business that caused Leonard to associate Lu with FEE. It was the best idea he ever had, for he knew pretty well if he could anchor the most eminent fighter for the free market to his foundation, not only the existence of the foundation was assured, but it would arouse the widest interest all over the country.

In October, 1946, Lu was made a regular member of the FEE staff, and in later years he promised to give a series of lectures in Irvington every year. The spiritual and intellectual atmosphere there was completely to his taste. The FEE mansion is located in a beautiful garden with tall, old trees, the lawn is kept immaculately, and flowers bloom everywhere. The house itself, built in 1888 has a dignity of its own. The rooms are large, the library well stocked, and all over the place there is the harmony of quiet, concentrated working.

The creator of all this was Leonard Read. The first one at his desk at 8 A.M. every morning—he was the last one to leave in the evening—and still is. His studio is tremendously large, and his oversized desk, in a far corner, reminded me of Mussolini, who had intentionally placed his desk in the remotest corner of his huge room to make his visitors feel small and lost whenever they had to cross the room to speak to him.

Leonard Read is quite the opposite. As soon as someone appears at the always open door, he gets up, greets his visitor, and makes him feel at ease. Always working on an article, or writing a new book, Read finds the time to talk to everyone. Aggie, Leonard's wife, was one of the most charming women I ever met. She was so delicate and lovely, so full of gayety and laughter, everybody loved her—even women. Never did Lu and I leave FEE without a big bunch of flowers she secretly put into our car.

Lu loved the seminars at FEE. He knew that every participant was carefully selected, concerning his interests and his education, and so he was always sure of talking to an audience eager to hear him.

Before the classes started, Lu regularly made the rounds. First he had a little talk with Read; then he went to see Edmund Opitz, for whom he had a special appreciation; then he visited with W. Marshall Curtiss and Paul Poirot; Paul usually had to discuss an article that he was about to publish in *The Freeman*, FEE's monthly magazine. Finally, Lu went into Bettina Bien's office. As a rule, Bettina had a pile of his books ready for him to autograph or letters to sign, which were written for him in her office. On his way down to the lecture hall—all these offices, with the exception of that of Dr. Opitz, were on the second floor—he had a friendly word for every one of the employees.

Lu's lectures were calculated for a special Irvington audience, which consisted mainly of teachers, students, and businessmen. His way of delivering, though, was the same as at N.Y.U. Only the content was lighter. He counted with people who had read *Planned Chaos* and *Omnipotent Government*, but had to be led up the road to *Human Action*. The interest was great and so was the demand for Lu's books, which Leonard Read always kept in print and ready for distribution.

For thirty years Lu complained about the lack of a really good, serious, truthful, libertarian magazine. He always hoped that someone would bring together the people and the money to create a libertarian weekly or fortnightly, which he thought so necessary for the country. This was the dream and the greatest aspiration of his life. *Plain Talk*, published by Isaac Don Levine, had folded. That magazine, and later *The Freeman*, financed by Howard Pew and edited by Henry Hazlitt, came nearest to Lu's conception of a libertarian journal.

Isaac Don Levine, Russian born, often joined our circle. He and Lu had more than one thing in common: through education and experience they both had a full understanding of Russian policies, and Lu, to the last year of his life, warned everyone to watch the Communist doctrines. In 1949 Don Levine wrote these warning words:

The premises for a constructive foreign policy are not subject to discovery by any advisory board. They are time-tested and well known. First, you must know your enemy and gauge the range of his operations. In the present instance, that range is global. Europe and Asia, the North and the South Poles are all on America's first line of defense.*

called FEE.
✓ FEE ~~1946~~

had

1ST PROOF 06-25-76

*From "Our First Line of Defense" by Isaac Don Levine, *Plain Talk*, September, 1949, reprinted in Isaac Don Levine, ed., *Plain Talk: An Anthology from the*

0694
0695
0696
0697
0698
0699
0700
0701
0702
0703
0704
0705
0706
0707
0708
0709
0710
0711
0712
0713
0714
0715
0716
0717
0718
0719
0720
0721
0722
0723
0724
0725
0726
0727
0728
0729
0730
0731
0732
0733
0734
0735
0736
0737
0738
0739
0740
0741
0742
0743
0744
0745
0746
0747
0748
0749
0750
0751
0752
0753
0754
0755
0756
0757
0758
0759
0760
0761
0762
0763
0764
0765
0766
0767
0768
0769
0770

45 -A/H-VON MISES-PC2836

House, 1976).

Mind you—this was written in 1949.

Lu's contract with New York University was renewed through the years until 1949. Raises brought his compensation to \$2,000.

In 1947 we spent a few days in the Catskills, where Lu persuaded me to start writing a film script. He gave me the idea, but I did not like it very much. It had a historical subject, the Hessians, and for my feeling it was too dry. But we finished it in one of the following country summers. It is still hidden somewhere in one of my drawers.

~~When we were on our way back to New York, I saw~~ One morning that Lu was ~~very~~ tense while driving. As I mentioned in an earlier chapter, he never was a good driver, and I never felt safe with him. I offered to take the wheel, but he would not let me. Half an hour later, near Saugerties, when he saw a truck coming towards us, he lost control of the car. We crashed into a tree. I was thrown out of the car, after my head had gone through the windshield. For a moment I was unconscious. Lu apparently was unharmed. In no time a doctor was there, giving me an injection. I was taken by ambulance to the hospital in Saugerties. I remember the first words I spoke to Lu as the doctor took care of me: "I'll never drive with you again."

My cheekbone was broken. I was operated on, and when I was brought to my room, Lu was sitting quietly next to the bed. He was terribly pale and did not move. When he got up I noticed the difficulties it caused him. I asked him whether anything was wrong, but he brushed my questions aside. I was almost certain that something had happened to him, and I asked the doctor to examine him. We discovered that Lu had broken five ribs. He must have suffered terrible pains. But he would not say a word, and as usual, he never complained and never left my side.

I kept my word: I did not ride with him again. He often asked me to let him drive. I told him he would have to drive alone, and as he never liked to drive alone, he had to give it up.

I was rather depressed the first weeks after the accident. I had a big scar on my face; the car was smashed and would never be safe again, even if we had it thoroughly repaired. But then came another surprise. Philip Cortney called: "Margit, you and Lu need a car. I don't want you to drive a car that is not absolutely safe. There is a Tempest waiting for you at the Pontiac garage; see whether you like it. It's yours." He understood Lu so well. He wanted to help him overcome his self-reproaches, and he wanted to lift me out of my "blues."

It took me quite a while to feel ready to drive again. But I loved the car, and every Sunday we went into the country, usually taking some friends along. Until they left New York to live in Switzerland, Dr. and Mrs. Rudi Klein often came with us. Rudi had been a student of Lu's in Vienna. He and his wife, Lilo, lived in our neighborhood and were good companions and close friends of ours, especially as they loved hiking as much as we did. Rudi had a wonderful memory, and he remembered conversations with Lu decades earlier. Once he reminded me of an afternoon, shortly after America had entered the war in 1941, when he and Lilo had tea with us in our apartment. Another guest was a son of the famous Italian economist, Luigi Einaudi. The younger Einaudi was greatly worried about the fate of his native country under German mastery. Lu tried to encourage him, saying, "The Germans will not win the war. Italy will rise again, but England will become one of the poorest nations in Europe. Perhaps the day will come when we see your father as president of the Italian Republic." Twenty years later Lu's prophecies came true.

Klein told me of another episode, which happened at the time Nixon was first elected president. Rudi told Lu he could see a ray of hope in Nixon's choice of advisers. Lu answered, "It is not sufficient that the advisers understand the economic problems; the head of the government must understand them himself. Otherwise he won't be willing to die for his ideas. Nobody dies for the ideas of his advisers."

Lilo and Rudi Klein were the last friends to see us in 1973, when we were in Sonn-Matt, the health resort above Lucerne. Twice they travelled six hours a day to be with us for only a few hours. They were and they still are very good friends.

on our way back to New York especially I saw that Lu was especially

✓ AU

1ST PROOF 06-25-76

0005
0006
0007
0008
0009
0010
0011

CHAPTER VIII

0012

0013

The Story of Human Action

0014

0015

0016

I SHOULD know *Human Action* very well. I typed 890 pages of it, and after the index was finished, I checked it. Lu was a very strict "boss." At least with me. Whenever he saw a typing error, he made me redo the whole page, exactly as I had to do at the Delehanty School of Business. Erasing was strictly prohibited there, and so it was with Lu.

0017

0018

0019

0020

0021

0022

0023

0024

0025

0026

0027

0028

0029

0030

0031

0032

0033

0034

0035

0036

0037

0038

0039

0040

0041

0042

0043

0044

0045

0046

0047

0048

0049

0050

0051

0052

0053

0054

0055

0056

0057

0058

0059

0060

0061

0062

0063

0064

0065

0066

0067

0068

0069

0070

0071

0072

0073

0074

0075

0076

0077

0078

0079

0080

0081

0082

0083

0084

0085

0086

0087

0088

0089

0090

0091

0092

0093

0094

0095

It is no news to most of my readers that *Human Action* is the English revised edition of *Nationaloekonomie*, published in Geneva in 1940. Two years later, when we were settled in our new apartment in New York, Lu started planning on a revised English edition. He worked on it for many years. Each day I could type only a certain number of pages, as my days were filled with many other tasks. That is how I came to live with *Human Action*, as well as with Lu. It was part of my life as well as his, and I shared all the joy and the disappointments that the coming years brought.

Human Action meant more to Lu than all the work he did before or after, and therefore he suffered more by the maltreatment of his work by the Yale University Press when they published the second edition than he had ever suffered before. But I don't want to anticipate events; I shall describe them chronologically and thus make it easier for the reader to understand how the book was created, how many difficulties there were to overcome until it was finally printed, and the real suffering Lu had to go through when he saw *Human Action*, the most important contribution of his creative life, mutilated in its second edition.

Lu's first contact with Yale University Press involved his *Omnipotent Government*, and he was directed to Yale by Henry Hazlitt. When I look through the files I see more clearly than ever how much Henry Hazlitt has done—and is still doing—to spread my husband's ideas. In the first years of our stay in America, Harry, himself a busy and hard working man, read all of Lu's manuscripts and corrected them—a huge task. Hazlitt shared my husband's beliefs and convictions. They both scorned wanting something for nothing and expecting pay for no work.

On April 1943 Hazlitt wrote to Lu: "The Yale University Press has expressed an interest in seeing your manuscript [*Omnipotent Government*]. I suggest that you send it to Mr. Eugene Davidson at the Yale University Press." Lu did as he was advised and a friendly and congenial relationship between Lu and Davidson soon developed. Once a month they met, usually for lunch, to discuss their publishing plans.

Davidson wrote Hazlitt, thanking him, on December 16, 1943: "Yesterday Professor von Mises was here [in New Haven] settling the final details of his manuscript. Needless to say, we all feel the book will be a highly important and challenging contribution to present day thought. We are immensely grateful to you for the share you have had in its ~~complementation~~."

Norman B. Donaldson, director of the Yale University Press, shared Davidson's enthusiasm. Four days later Donaldson wrote Lu: "It was fine that you could come up to New Haven and that we were able to accomplish so much. I do not need to tell you again that I have the highest hope for the book."

Omnipotent Government was soon followed by *Bureaucracy*. On January 24, 1944, Davidson wrote: "The more I've been thinking about your views about bureaucracy the more it has seemed to me we ought to discuss very seriously the possibility of your writing them up in book form. Again and again I find myself remembering your vivid description of the branch office of the Yale University Press as compared with that of the Internal Revenue Service, and I'd be very much mistaken if a great many people wouldn't find that kind of statement clarifying their opinions. . . ."

On January 31, 1944, Lu answered Davidson: "I am seriously considering your suggestion to write a small book on the economic and social problems of bureaucracy. It is a subject very tempting to me and I think of real interest to a large public." Very quickly, on February 2, 1944, came Davidson's answer: "I am glad to know that you're giving serious consideration to the idea of writing a short book on bureaucracy. . . . I'm glad to hear the proofs [*Omnipotent Government*] were in such good shape and we're that much nearer to publication."

The choice for a subtitle for *Omnipotent Government* created some difficulties. Davidson proposed on February 16 to meet for lunch. "We can discuss the subtitle and the bureaucracy book and I hope we can report progress in both instances." At this luncheon Lu must have agreed to write *Bureaucracy*, for on March 1, 1944, Davidson wrote to Lu: "Both George Day [George Palmly Day, chairman of the board] and Norman Donaldson were delighted to hear that you thought well of the idea of going ahead with the book on bureaucracy. . . ." And on March 3 he wrote again: "I'm delighted to be able to tell you that our Committee has been glad to

1ST PROOF 06-25-76

completion.

0096
0097
0098
0099
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194
0195
0196
0197
0198

approve our commissioning the book on bureaucracy. . . . We all look forward to the successful outcome of this new venture." On June 2, 1944, Davidson could acknowledge receipt of the manuscript and wrote: "The manuscript seems fine to me, in fact I think we have quite a book here. . . . I wanted to get this word of my own enthusiasm for the new child off to you as quickly as possible."

Omnipotent Government and *Bureaucracy* were the first books Lu had written in English, and the public response and the reviews were excellent. But these two books were only the beginning of the immense output of his writing in the United States. From the beginning he was determined to revise *Nationaloekonomie* for an English-speaking public. In December, 1944, he sent Davidson the following summary of *Nationaloekonomie*:

My objective in writing the treatise NATIONALOEKONOMIE, *Theorie des Handelns und Wirtschaftens*, was to provide a comprehensive theory of economic behavior which would include not only the economics of a market economy (free-enterprise system) but no less the economics of any other thinkable system of social cooperation, viz., socialism, interventionism, corporativism and so on. Furthermore I deemed it necessary to deal with all those objections which from various points of view—for instance: of ethics, psychology, history, anthropology, ethnography, biology—have been raised against the soundness of economic reasoning and the validity of the methods hitherto applied by the economists of all schools and lines of thought. Only such an exhaustive treatment of all critical objections can satisfy the exacting reader and convince him that economics is a science both conveying knowledge and able to guide conduct.

The book starts accordingly from a general theory of human action of which the behavior commonly called "economic" is only a special case. It analyzes the fundamental epistemological problems of the social sciences and determines the role assigned in their framework to economics. On the basis of these more general investigations it then proceeds to a thorough treatment of all problems of economics.

The English-language edition will not simply be a translation of the book published in Geneva in 1940 in German language. Besides the revision of the whole text which will involve entirely rewriting some chapters, other important changes seem to be necessary in order to adapt the book better to the intellectual climate of America. In fact an American reader approaches the economic problems from another angle than the German reader who is more or less under the spell of Hegelianism, the Nazi philosophy and other isms, fortunately less popular in this country. It is, for instance, superfluous in America to refute the spurious doctrines of Werner Sombart and Othmar Spann.

The treatise is purely scientific and certainly not a popular book. However, as it does not use any technical terms but those precisely defined and explained, it can be understood by every educated man. It is true that the public is at present not much interested in reading ponderous economic books. But the wide response which works discussing the most complicated questions of physics, biology and the philosophy and epistemology of the natural sciences have found among our contemporaries proves that this lack of interest is not due to an aversion to occupation with intricate studies. It is very likely that the great issue of post-war reconstruction will stimulate interest in a book which deals exhaustively with such problems as prices, monopoly, money and credit, the business cycle and unemployment and discusses thoroughly all proposals for an economic and social reform.

On December 28 Davidson thanked Lu and asked for the amount of advance Lu would need to do the book. And he continued, "I then can take up the whole matter with the members of our executive committee soon after the first of the year."

On January 15, 1945, Davidson wrote to Hazlitt: "Mr. von Mises may have told you that we have discussed the possibility of his translating and partly rewriting his book NATIONALOEKONOMIE. It would be a very real help if you could give us a statement of the book's importance. . . . In order for our Committee to approve a project of this size they will want to be convinced of the width and depth and fundamental character of the contribution. . . . My reason of course for writing this letter to you is that we greatly value your judgment, and are in your debt for having introduced von Mises to us in the first place."

Hazlitt answered Davidson on January 18, 1945, referring him to men who knew Lu's work and could speak with authority about *Nationaloekonomie*: "It might be worth writing to some economists who may know this particular book, or who knew Mises' general work. Among these I may mention Fritz Machlup of the University of Buffalo; Professor Gottfried von Haberler, now at Harvard University; Dr. B. H. Beckhart of Columbia (once a student of Mises); Professor John V. Van Sickle of Vanderbilt University (who, I believe, was also once a pupil of Mises); Professor B. M. Anderson of the University of California at Los Angeles, who is familiar with Mises' work, especially on monetary theory; Garet Garrett, National Industrial Conference Board, and if you think there is time to reach them, Professor Lionel Robbins and F. A. von Hayek of the London School of Economics."

On January 19, 1945, Mr. Davidson received this letter from Benjamin Anderson:

In regard to your request about von Mises' NATIONALOEKONOMIE. . . . My own belief that it is important that it be published here is based on my knowledge of all the work of von Mises that has been published or translated into English as well as the knowledge I have gained from conversations with him. I should like to say that in my opinion, excellent as the two books are that the Yale University Press has already published, the works that hitherto have been translated out of the original German are even better and more important. These are his work on "SOCIALISM: An Economic and Sociological

1ST PROOF 06 - 25 - 76

lower case, italics

lower case, italics

7

0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292
0293
0294
0295
0296
0297
0298
0299

Analysis" and *The Theory of Money and Credit*." The first of these volumes was the first Mises volume I had ever read. It struck me as by far the most profound and important critique of the whole theory and implications of socialism that has ever been written—not excluding the classic work of Boehm-Bawerk, which was narrower in scope. Mises *THEORY OF MONEY AND CREDIT*, Professor Lionel Robbins of the London School of Economics wrote in his introduction, "has long been regarded as the standard text book on the subject" in continental circles.

NATIONALOEKONOMIE is von Mises' book on general economic principles. It is the central trunk, so to speak, of which the subject discussed in his book on money and his book on socialism are merely the branches. It is the fundamental theory of which the conclusions in the books on Socialism and Money are the corollaries.

It is many years since a first-rate comprehensive book on basic economic principles has appeared in English. I think, therefore, that a book by Mises translated and brought up to date would have a very important effect on economic thought in America.

On February 1, 1945, Lu had a letter from Professor Hayek, in which Hayek informed Lu that he would be lecturing in April at Columbia, Chicago, Wisconsin, Oklahoma and Stanford universities and would see us in the first days of April. Lu wrote to Hayek on February 23, 1945: "The news of your impending lecture tour is very gratifying. It is almost a public sensation. You probably do not realize how great the success of your book is. [*The Road to Serfdom*], and how popular you are in this country. . . . The Yale Press plans to publish a revised English edition of my *NATIONALOEKONOMIE*. I have already started to write it. But as the book is rather voluminous and its publication involves a considerable investment, the Press's new Board wants to have a statement on the book's importance from a renowned economist. As practically no American economist reads foreign language books, you are the only scholar who could write such an appraisal. . . ."

In July, 1945, Lu sent Yale University Press' Donaldson another explanatory letter about *Nationaloekonomie*, telling him:

The German language edition of my *NATIONALOEKONOMIE* published in 1940 in Switzerland, has 756 pages. For the English edition I am trying to eliminate all critical references to European doctrines unknown or long since discarded in the Anglo-Saxon countries. But on the other hand I must deal more thoroughly than I did in the original edition with doctrines popular in America, especially with the Keynes-Hansen approach. I think these changes will shorten the length of the Manuscript as compared with the 1940 text. I know very well that conciseness is one of the main virtues in a book and I am eager to do my best. But a treatise dealing with the whole complex of economic problems must be more voluminous than a monograph.

On May 7, 1948, the Yale University Press acknowledged receipt of parts of the manuscript. Eugene Davidson wrote: "The new section is here and I am glad to see that you are close to the goal now. Norman Donaldson has just reminded me of a serious oversight on our part, that we were to pay you as each section of the manuscript is received and approved. That clause in the contract completely slipped everyone's attention here, and please let me know how you would like the matter handled. That is, how you would prefer to have the installments reach you from here on. As a possibility I would suggest that we make a lump payment for the months that have passed and then continue according to schedule. But we will be pleased to meet your wishes." Lu answered on May 12, 1948: "Thanks for your letter of May 7. I fully agree with your suggestion and leave the determination of the amount of the lump sum payment for the months passed to your discretion." Nothing can prove more clearly how much the work meant to Lu, how little he cared for money, how completely he forgot about himself, than these two letters.

Printing of *Human Action* was well on its way by 1949. Davidson supervised everything; not the slightest detail was unimportant to him. He wanted a perfect book and a satisfied author. He even sent Lu a proof of the binding of the book for his approval.

On May 31, 1949, Norman Donaldson wrote to Lu: "Advance copies of your *HUMAN ACTION* have now reached us and we have sent one copy to you. . . . Our probable publication date is September 14. . . . I hope you are pleased with the way the book has turned out. It is a big handsome volume and looks all of the \$10.- price that we are placing on it. May I take this occasion to extend to you my personal congratulations on your successful completion of this immensely important piece of work."

Lu immediately confirmed receipt of the advance copy and thanked Donaldson. On June 7, 1949, Donaldson answered: "It is a great pleasure to have your note in response to your first copy of *HUMAN ACTION*. We are delighted that you are so enthusiastic over the way the book looks."

On September 14, 1949, *Human Action* was published, and the book created a tremendous impression all over the country. Almost a hundred review copies were sent out, which may seem a small number in comparison to the two hundred copies or more that publishers are sending out these days. On October 10, 1949, Donaldson wrote Lu: "Orders are keeping up splendidly, and we are today ordering a third printing."

That was three and a half weeks after publication. For the first time life looked more hopeful to Lu. For years he had worked hard. In spite of his career in Europe, his excellent reputation, his respected writings, he had not found the same academic recognition in the United States that he had enjoyed in Europe. His financial position was—to say the least—modest and insecure, but *Hu-*

1ST PROOF 06 - 25 - 76

upper and lower case
u l r. ital.

0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390
0391
0392
0393
0394
0395
0396
0397
0398
0399
0400

man Action was even more of a success than his two former books. Yale University Press did its utmost to answer all the inquiries about translations into foreign languages. *Human Action* later appeared in Italian, French, Japanese, and Spanish editions. Lu's most ardent readers and admirers always have been in the Spanish-speaking countries. Apparently the more subjugated a country is, the deeper the longing for freedom. As I write this, a Chinese translation, soon to be published in Taiwan, is in preparation.

On January 9, 1950, Mr. Davidson informed Lu: "The Book-of-the-Month Club will list *Human Action* in the back part of its monthly bulletin. This technically, I believe, known as an alternate selection which may be chosen by the Book-of-the-Month Club subscribers in place of the book of the month."

Lu was never offended or hurt by contradictory reviews—if they were based on knowledge and understanding. "The more they attack an author," he used to say, "the more curious they make the public. The only deadly attack is silence."

Following the publication of *Human Action*, Yale University Press published a new enlarged American edition of *Socialism*, which was first published in Germany in 1922 under the title *Gemeinwirtschaft*. In 1953 Yale printed a new, enlarged edition of *The Theory of Money and Credit*, followed in 1957 by Lu's *Theory and History: An Interpretation of Social and Economic Evolution* (next to *Human Action*, this book meant the most to Lu among his own writings). All these books were translated into foreign languages.

On May 17, 1959, there was a short notice in the *New York Times*, reporting that Norman V. Donaldson, director of Yale University Press since 1945, "will become chairman of its governing board on July 1. George Parmly Day, the present chairman, will become chairman emeritus. Chester B. Kerr, secretary of the Press since 1949, will succeed Mr. Donaldson as director."

Eugene Davidson was not mentioned. He left the Yale soon after to become chief editor of *Modern Age*.

These changes completely altered Lu's relations with the Press and brought the beginning of the greatest period of frustration he had ever gone through. I know of only two crises in Lu's life that so emotionally upset him that his physical well-being was affected. The first one was when he—shortly after we were married—received a letter in Geneva dated Vienna, July 29, 1938, which stated: "Based on Paragraph 4 # 1 of the code for reorganization of the Austrian civil functionaries, dated May 31, 1938, page 607, you are dismissed. The dismissal goes into effect with the day of receipt of the letter. No appeal is allowed against this dismissal." This from his native country after twenty-seven years of devoted service as legal adviser and financial expert of the Chamber of Commerce in Vienna. But it was not altogether unexpected. Lu had foreseen the actions of the Nazis; he was young and he could get over it.

The second crisis came when the second edition of *Human Action* was in preparation. *Human Action* had been recognized as one of the great books of all time. After many years of hard work, fighting against odds with tremendous courage, Lu felt firm ground under his feet, and he looked forward with great anticipation to the new edition.

But complaints against the Press were coming in from all sides. *Human Action* had disappeared from bookstores; the second revised edition was delayed from month to month; and inquiries from readers were not being answered by the Press. Lu was not given the date of publication, nor did the Press send him proofs in time to do the index. They did not even send him a complimentary author's copy. In short, they treated the author and his work as they might have treated a young high school boy who timidly had sent them his first literary output.

Finally, the long awaited new edition of *Human Action* appeared. And it was a shock to everyone. Henry Hazlitt, in "Mangling a Masterpiece," an article in the May 5, 1964, *National Review*, explained why:

The Press does not honor Professor Mises in this new edition. And it does not honor itself. The new edition is a typographical disgrace.

The 1949 edition was originally priced at \$10; the revised edition is offered at \$15. Yet qualitatively it is cheaper in every respect. It is full of misprints. On page 322 four lines are omitted. Page 468 is missing altogether. Page 469 is printed twice. On page 563 two paragraphs are transposed. On page 615 eight lines are wrong. The running heads that appeared at the top of each page of the 1949 edition are all gone.

In belated reparation, the Yale University Press has printed errata pages (though they are not bound in). But these make wholly inadequate amends for an inexcusable printing job. On page after page one finds some paragraphs printed in a comparatively light type, and others in a blacker, thicker type that can only be described as at least quasi-boldface. The reader will inevitably assume that this marked contrast is intentional, and that the author meant to give special emphasis to the passages printed in Accidental Bold. . . .

I started to note merely the pages on which the contrast in type between various paragraphs was particularly glaring, and got a list of seventy.* I leave it to the Yale Press to explain the technical reasons for the type contrasts. . . .

I have said nothing about the uncountable instances in which whole pages of quasi-boldface are found opposite whole pages of lighter type. This must irritate any reader sensitive to typographical tidiness; but it is at least less likely to mislead him into supposing that changes in emphasis are intended. What possible human explanation can there be for this typographical botch, which would disgrace a third-rate commercial publisher? Who reads galley proofs? Who saw page proofs? Who let this mess pass?

I asked Professor Mises what light he could throw on the matter.

1ST PROOF 06-25-76

Press
reset in Roman
reset in Roman

0401
0402
0403
0404 He was able to supply very little, because the publishers had been
0405 extraordinarily reticent. It appears that, in order to do as cheap a job
0406 as possible, the press had resorted to some mixture of photo-offset
0407 and reset never tried before. When Dr. Mises asked for page proofs,
0408 they were denied "for mechanical reasons." When he protested,
0409 Chester Kerr, director of the press, replied on Jan. 22, 1963: "We are
0410 entirely willing to take responsibility for seeing that the new edition
0411 of *Human Action* is printed without error. I am confident that you
0412 will have no cause to regret not having seen page proofs." When the
0413 first copies were sent out to the distributors, the author did not re-
0414 ceive one.

0415 The Press has conceded in a letter of Sept. 30 that "the general
0416 quality of the work is undeniably below our customary standard."
0417 But it apparently does not intend to do anything but go on selling the
0418 new edition at \$15. The least reparation that could be made, to the
0419 author and to the readers of *Human Action*, would be to order the
0420 press to start on a new edition immediately (instead of waiting till the
0421 present botched edition is exhausted), and meanwhile to sell copies
0422 of the present edition at a cut price in candid recognition of their
0423 defectiveness.

0424 A final question. Why, in a press that has shown itself capable of
0425 producing first-rate work, did this particular book go wrong? Do the
0426 present editors of the Yale University Press (who are not those who
0427 originally accepted the book) know that this is the most important
0428 work on general economic theory that has appeared in our genera-
0429 tion? They know it is commercially profitable; they know it sold six
0430 printings and brought in revenues from translation and quotation.
0431 But if they had any idea of its true greatness, if they even had any real
0432 respect for its author and its readers, if they had any respect for their
0433 press' own reputation, would they have permitted such a slovenly
0434 edition to go out under its imprint?

0435
0436 I was with Lu during all those days of upset. No one else will
0437 know what he went through at that time, for he was not a man to
0438 show his feelings in public. Outsiders may have considered the
0439 misprinting of *Human Action* an episode in the life of a great man,
0440 accepted and forgotten. But it was not so. It was the only time in
0441 his life that he had sleeping problems, though he steadfastly re-
0442 fused to take any pills. He was angry. It was an ice-cold, quiet
0443 anger directed against what he felt was an unknown enemy at Yale
0444 University Press, menacing his great book, his creative strength,
0445 his very existence. He only recovered his composure after he
0446 signed a new contract with Regnery and saw the active interest that
0447 Henry Regnery took in bringing out a new edition of *Human Ac-*
0448 *tion*. And when I noticed that Lu's sleep was sound and regular as
0449 in former years, I knew he had regained his philosophical inner
0450 balance. But he never forgot this traumatic experience. Nor have I.

0451 The depth of Lu's feeling is revealed in this letter he sent to a
0452 friend in December, 1963:

0453
0454 You are perfectly right. The typographical makeup of the new re-
0455 vised edition of my book *Human Action* as published by the Yale
0456 University Press is a shocking scandal. Never before has any decent
0457 publisher dared to bring out such a defective product.

0458 There is first of all the strikingly perceptible difference in the heav-
0459 iness of the impression between the passages that have been retained
0460 unchanged from the first edition and those that have been altered or
0461 added. With the former the print is darker, with the latter it is lighter.
0462 This must necessarily give the reader the erroneous idea that this
0463 difference means something, that the author wanted to make some
0464 distinction between the content of the lighter and that of the darker
0465 paragraphs or lines.

0466 The book is full of misprints. One page was entirely omitted, an-
0467 other was printed twice. Paragraphs were transposed, others were
0468 left out. The text is marred by blurs and other marks that impair its
0469 readability, especially as many of them look like periods, accents or
0470 other signs of punctuation. There are no running heads, and there are
0471 many other minor defects that disfigure the book.

0472 There are two ways open for the explanation of this disgraceful
0473 case of botchery. It was either unintentional or intentional.

0474 If we were to assume that it was unintentional, we would imply
0475 that all the people who cooperated in the production of the volume
0476 are clumsy, inept, inefficient and negligent in the highest degree.
0477 Against such an assumption stands the fact that the Press published
0478 and still publishes books of normal quality. To a professor who com-
0479 plained to the Press about the poor appearance of the book and told
0480 them that their reputation will suffer, the Press answered (September
0481 12) that its reputation does not depend on "this one instance" but
0482 "on the accumulative flow of high-quality work which comes from
0483 us steadily."

0484 Thus the Press itself comes near to admitting that its failure to
0485 produce the new edition of *Human Action* as a book of normal Amer-
0486 ican shape was the result of a purposeful design to prejudice both the
0487 circulation of the book and the reputation and the material interests
0488 of the author.

0489 The present management of the Press regrets for political reasons
0490 the fact that their predecessors published my books. They are espe-
0491 cially angry about the great success of *Human Action*. If they had any
0492 sense of propriety at all, they would openly tell the author that they
0493 do not want any longer to publish his books and that he is free to look
0494 for another publisher. When in the course of seeing the book through
0495 the various phases of publication, I noticed how the Press insidi-
0496 ously delayed from month to month the publication of the new edi-
0497 tion of *Human Action* and how it muddled the printing process, I
0498 suggested this solution to them. But the Press does not want to lose
0499 the very lucrative rights to *Human Action*. While the Press, as it told
0500 the representative of a distributor who ordered copies of the book,
0501 loses money on about 90% of its publications, *Human Action* sold six
0502 printings and brought in revenues from translation and quotation. It
0503 was a very profitable job for the Press.

0504 The Press wants to make money on my books and at the same time
0505 to "punish" the author as well as the readers by giving them the most

0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564

57
—A/H—VON MISES—PC2836

wretched service. Without informing me, the Press chose for the production of the new edition of *Human Action* a process devised by an incompetent bungler and never tried before. The inadequacy of this procedure delayed the production for many months and finally gave the Press a pretext to deny me "for mechanical reasons" the right to see the page proofs. When I protested, Mr. Chester Kerr, the Director of the Press, replied on January 22: "We are entirely willing to take responsibility for seeing that the new edition of *Human Action* is printed without error. I am confident that you will have no cause to regret not having seen page proofs."

It is obvious that the Press withheld from me the page proofs because it wanted to bring out a defective book. And when the book was finally ready and the first copies were sent out to the distributors, the Press tried to keep the fact secret from me and did not even send me, the author, a copy.

The Press cannot help admitting (in a letter to my attorney on September 30) that "the general quality of the work is undeniably below our customary standard." But it stubbornly refuses to substitute a new normal-quality book for this scandalous botchery.

In writing this letter, I am not concerned with the reaction of the Yale University Press. What I want to do is to thank all those who in reading the new revised edition of *Human Action* take no notice of the glaring deficiencies of its printing and thus thwart the heinous machinations of the simpletons who think that they can refute an author by mangling the outward appearance of his book.

The villain in a Perry Mason story is easy to detect. It is always the one whom you suspect least and whom the author treats with a certain indulgent negligence. But who was the guilty party causing the unbelievably bad printing job by Yale University Press? Who prepared the second edition of *Human Action*? Who wanted to harm my husband by preventing the book from being read? Was Eugene Davidson the only person whose support had brought *Human Action* to life?

I don't know of any other time in my husband's life when he had to consult a lawyer. It was claimed that no lawyer ever could win a case against Yale University Press. If this was the case, why was the Press so eager, after all the bad publicity it had, to hush-hush the affair and settle with Lu's lawyers out of court, giving in to almost all Lu's demands? These demands never involved any money—as is clearly seen from the foregoing letter. And why, since the case was so strong and the right so clearly on Lu's side, did his lawyers give in, without trying their case before a jury?

The mystery is unsolved. Yale University Press is a faceless organization that is so huge, so powerful, that if attacked, the responsible party can hide unrecognized behind the impenetrable walls of the institution, as in the past, warriors may have hidden behind the ramparts of a fortress.

But one thing is sure. The ideological differences that may have existed between Ludwig von Mises and the Yale University Press did not hinder the Press from "taking its cut." All through the years, the Press has insisted on its contract and percentage. Every year, when the Yale statement arrived, Lu read it and then gave it to me without a word. But the shrug of his shoulders and his slight gesture of contempt revealed his feelings more clearly than words ever could.

^ i/s

1ST PROOF 06 - 29 - 76

0005
0006
0007
0008
0009
0010
0011

0012

0013

0014

0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095
0096
0097
0098
0099

CHAPTER IX

Lu's Famous Seminar

LU'S SEMINAR at New York University began in 1948 and ended in 1969. For twenty-one years the seminar gathered at the Graduate School in lower Manhattan every Thursday from 7:25 to 9:25 P.M.

When Lu entered the room, with almost military punctuality at 7:20 P.M., a small flat briefcase under his arm, he always had a friendly smile for everyone and a quick searching glance for me. He liked me to attend the meetings. He would sit down at the center of the long side of the table and take a small sheet from the innerpocket of his jacket. This tiny piece of paper was all he needed for the evening.

Then he would start to talk. He presented his ideas clearly, in simple words, in contrast to the often difficult terminology used in his books. The composition of his lectures was always the same: he began with a statement and returned with a closing word to exactly the point from whence he had started; his thoughts completed a perfect circle.

On Lu's eighty ninth birthday Leonard Read presented him with a plaque: "To A Great Teacher: You, Mises, are truly a Teacher. Two generations of students have studied under you, and countless thousands of others have learned from your books. Books and students are enduring monuments of a Teacher, and these monuments are yours. This generation of students will pass away, but the ideas set in motion by your writings will be a fountain source of new students for generations to come."

Yes, Lu was a great teacher. He had the ability to lift the minds of his students, to incite their mental curiosity, to arouse their imagination to new visions. Frank Dierson, a prominent corporation lawyer in New York City who attended Lu's regular course at New York University from 1946 and came to the seminar from the beginning in 1948 regularly to 1955 and in later years sporadically, told me:

The seminar was the most enriching experience of my life. It opened new worlds to me. Keynes once said, "At twenty-five your ideas are fixed." But in Dr. von Mises' class men of forty and fifty abandoned earlier convictions to accept the truth that he taught. Every lecture was a mind-stretching experience. In the first seminar I remember Dr. Mises had finished his lecture on welfare legislation, attacking the economics of various social policies. The entire class was astonished at his critical attitude. They arranged a special meeting after the lecture and invited the professor to attend. They wanted to teach him the social facts of life. And what happened? Wonder of wonders! After all the arguments had been submitted and Dr. Mises had explained everything anew, the class came away in complete agreement with Dr. Mises and shared a new conception of economic realities and economic freedom.

~~James~~ Holman, who for many years was director of Johnson & Johnson and has a Ph.D. in economics and is a licensed professional engineer in the state of New York, felt similarly about Lu. He attended the seminar from 1950 to 1952, and he told me:

I have never known a man as erudite as was Dr. von Mises. He was extraordinarily learned in every field of knowledge. In discussing economics he would bring in examples from knowledge to illustrate the points he was making. I remember only too well some of the sentences he said during his lectures. Some of them I noted down. On September 21, 1950, he said, "One of the indispensable prerequisites of a mastery of economics is a perfect knowledge of history, the history of ideas and of civilization, and of social, economic, and politic history. To know one field well, one must also know other fields." On December 14, 1950, he said, "An ethical standard is judging various modes of conduct from the point of view of a scale of values which derives from divine commandments, or from that which is in the soul of everyone. The realm of ethics is not something which is outside of that of economic action. You cannot deal with ethical problems apart from economic ones, and vice versa." On December 21, 1950, he said, "The fundamental contribution of the classical economists: What is good for the individual is good for society."

Yes, Lu was a great teacher, though his English pronunciation was never perfect. I often wondered whether others would be affected by it. I looked around, watching their expressions, but they always listened attentively, their eyes fixed on his face, occasionally making notes. I was the only one whose thoughts were diverted. Perhaps because I loved him so much and wanted ~~him~~ so badly to succeed in whatever he did.

He himself was completely absorbed. Sometimes he folded his hands close to his face, his elbows resting on the desk. Sometimes he leaned back in the chair, his hands pressed against the table, his head thrown back, his eyes introspective, seeing nothing. He may have looked at people, but he did not see them. Once in a while he shot a furtive glance to my place. I felt he saw me and then back he was in his thoughts, fully concentrated on the lecture.

1ST PROOF 06-29-76

2

*
every

↑
For him

During the discussion he was vigorous in his arguments, but he was always polite and civil. He never offended people, but he found no excuses for socialists. He explained every subject to the point of disarming his opponent, but never, never did he persuade anyone against his will. Occasionally the discussion got too lively and excited. Then Lu, with a single remark, brought the students back to the subject and released the tension. He always knew how to guide them. His restraint and civility were unparalleled. The students may have differed in their views about a subject, but they were united in their feelings of admiration and respect for Lu.

In the last five or six years of the seminar, it was a great relief for him, when I brought the car to NYU to take him home. When I was not there and he was brought home by others, he was forced to talk or to further discuss some problems, and he was too polite to tell his friends how tired he was. With me there was no need to talk; he could relax. But regularly he asked me: "Did you like the lecture? Were you satisfied?" To ask *me* that question—it touched my heart.

I never was as concentrated in his seminar as I should have been. I took too much interest in the students who attended. I watched them; I studied their faces. I saw many come and go whose names I did not even know. But others I saw grow and develop, acquiring stature and insight.

Lu met every new student encouraged, hopeful that one of them might develop into a second Hayek. If he saw a tiny spark, he hoped for a flame. Never did he show any sign of impatience, and he encouraged everyone to speak out and give his opinion.

Again and again he advised his students to read and to learn foreign languages. "It is a great pity," he often said, "that American scholars do not know foreign languages and are unable to read foreign literature. Every economist should study Marx and Engels in the original language. Only if they know their subject from every angle, will they be able to discuss it successfully." He pointed to the example of Keynes, who knew hardly any German or French and was therefore unaware of solutions for economic policy which had already been advanced by French and German authors.

One evening at the seminar Lu cited authorities in French and in German. A student objected: "Why are you giving these citations, Professor?" he asked. "I can't read French and German." "Learn it," was Lu's answer. "You are engaged in scholarly activities."

Among the students I knew best was Hans Sennholz, who was born and raised in Germany. He was a pilot in the German air force during the Second World War. He was shot down, captured, and became a prisoner of war in the U.S. During his captivity he became acquainted with Lu's books. He had studied law and political science in Germany, and in 1949 he started studying economics at NYU. He attended Lu's seminar for years and wrote his doctoral thesis with him. Today he is head of the Economics Department at Grove City College, lectures constantly all over the U.S., and is known as one of the staunchest defenders of the free market. He married Mary Homan, who attended the seminar while she was working with the Foundation for Economic Education.

I always had—and still have—a special interest in this marriage. One day, shortly after Hans and Mary had met, I invited them to our house and told each of them—separately and in private—how much I thought of the other one. It was a very simple way of bringing them together. They married, and in due time their son Robert became my godchild and is still today a special favorite of mine. Mary Sennholz later edited the "Festschrift" *On Freedom and Free Enterprise*, essays of nineteen scholars in honor of Lu presented on the occasion of the fiftieth anniversary of his doctorate, February 20, 1956.

The best known of all of Lu's American students today may be Professor Murray Rothbard. He came to the seminar in 1949 and became one of the most devoted and able advocates of Lu's teaching. Lu may not have agreed with all of Rothbard's views, but he always considered Rothbard to be one of his most gifted students. Those who have read Rothbard's pamphlet, *The Essential Von Mises*, know his deep insight and warm understanding of my husband's work. Today Murray Rothbard is professor of economics at the New York Polytechnic Institute in Brooklyn and a famous scholar, historian, and writer in his own right.

Another man in whom Lu put great hope was Israel Kirzner. In later years Lu chose Kirzner to be his assistant for the seminar, to help him with student problems and relieve the burden of the office hours. Now Dr. Kirzner is professor of economics at NYU, fulfilling all the hopes Lu cherished for him. Lu considered Kirzner's *The Economic Point of View* an important and valuable work and wrote a foreword to it.

Louis Spadaro, a quiet, positive, earnest scholar, attended Lu's seminar for many years and wrote his doctoral thesis with Lu. He is now dean of the Graduate School of Business Administration at Fordham University. Most of the seminar students became, over the years, good friends of ours.

Percy Greaves first came to the seminar in 1950 and attended almost all the meetings until Lu stopped teaching. Lu thought very highly of Percy's knowledge and understanding of economic theory. "It is a great pity," Lu often told me, "that he did not make his Ph.D." Lu's work was like scripture to Percy. He was the chairman of the dinner meetings which the students arranged from time to time. He and his future wife, Bettina Bien, became very dear friends of ours; they even spent their honeymoon with us in Vermont.

Ronald S. Hertz, now a prominent certified accountant with a

0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277

large firm on Park Avenue, attended Lu's seminar for many years beginning in 1949. "No matter how verbose, inane, inept or belligerent the question or the questioner," Ronald Hertz wrote me once, "he was heard through and then received a patient, meticulous response. It must have been the respect which Professor Mises showed to students which kept even those who began with great antagonism coming back."

There was a whole group of high school students, whom Lu allowed to visit his seminar. They were bright young boys, eager to learn and deeply interested in today's problems. They had discovered that Lu was their "man of the future" and not a "reactionary" as "friendly" economists would call him before they shelved his uncomfortable words of truth.

One of the youngest members of this group was George Reisman. One evening in the autumn of 1953 he rang the doorbell at our apartment. I opened the door and saw a young, blonde, shy boy of about fifteen years, who asked to see Dr. von Mises. I asked why, and he told me that he was in high school, had read all of Lu's books he could get hold of, and was wondering whether the professor would allow him to attend his course and the seminar. Lu talked to him, and helpful as always, admitted him. From then on, George Reisman came regularly for years. He wrote his doctoral dissertation with Lu and often came to the house to converse with him.

Reisman was hard working, thorough, and inquisitive. In later years he translated one of Lu's books from the German. It was published in 1960 by Van Nostrand under the title *Epistemological Problems of Economics*. Today George is professor of economics at St. John's University in Brooklyn.

Ralph Raico was another one of the high school students that Lu watched with "great expectations." Raico later went to Chicago to continue his studies, and he is now teaching history at the State University of New York at Buffalo. He recently wrote (in *The Alternative*, February, 1975): "To know the great Mises tends to create in one's mind life-long standards of what an ideal intellectual should be. These are standards to which other scholars whom one encounters will almost never be equal, and judged by which the ordinary run of university professor—at Chicago, Princeton, or Harvard—is simply a joke (but it would be unfair to judge them by such a measure; here we are talking about two entirely different sorts of human beings)."

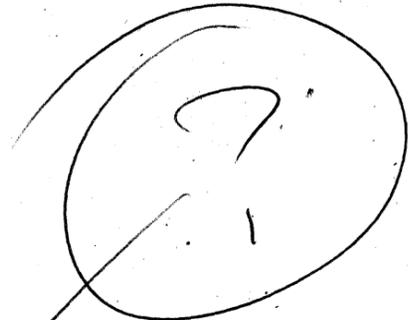
Another one of these young men whom Lu admitted to the seminar was Lawrence Moss, who at the time was a junior at Queens College. Moss had heard Lu speak when Lu sat on a platform with Senator Barry Goldwater. He was so impressed by Lu's ideas that he tried his very best to meet Lu and get into the seminar. Rothbard helped him and arranged it for him. From then on Moss was a "regular" in the seminar.

Having been indoctrinated in his college with rather "liberal" ideas, Moss and a friend, who also joined the seminar, started to ask Lu many questions, which Lu answered with never-ending patience. One of the older students was annoyed by the steady questioning of the newcomers. The older student only wanted to listen to "the Professor," he was not interested in the mental gymnastics of these youngsters. So he called the dean of students at Queens College and reported these two young boys, saying that they were on the grounds of New York University without permission of Queens College, without paying admission fees, and disturbing other students. The dean called the two students and asked for an explanation. They told their story and asked the dean to call Lu, to hear from him whether they had behaved improperly. But the dean believed them and said, "If you are reported a second time, I will make a note on your record." It did not happen again. Today, Lawrence Moss, thirty years old, is assistant professor at the James Wilson Department of Economics at the University of Virginia, where he is working on a study of the Austrian school of economics. For Moss, Lu is the greatest man of the century.

Henry Hazlitt often came to the seminar. He always sat next to Lu and participated in the general discussion. Lu was ~~always~~ especially pleased with his presence. Once, in the academic year 1957-58, Ayn Rand, the famous author of *Fountainhead* and *Atlas Shrugged*, also attended.

The Seminar was frequented by people of various nationalities and professions. For five years, two Jesuit professors attended, Father William McInnes, a professor of economics and management at Weston College, and Father Michael Mansfield, a former professor of economics at Homecoming University. Lu always took special delight in leading these and other clergymen into philosophical and theological questions.

especially



1ST PROOF 06-29-76

seminar, arranged by the Foundation for Economic Education and conducted by Lu, at Buckhill Falls Inn in the Poconos. The seminar was held in a special building on the beautiful grounds of the hotel. The conference room was large, with a long oval table. I took my place, as usual, somewhere in the back. The first day of the meeting Lu spoke about the gold standard. Mary also sat in the back with her two children. According to the lecture notes of Bettina Bien-Greaves, during his speech Lu said:

There will be one day a period of history in which the government will leave the butter price as it is and people will be in a position to eat butter at the lowest possible price. This little girl, sitting so quietly in the back of the room, who is listening without too much interest to what we are saying, will perhaps live in a world where the butter price will be left to the free market. But this will certainly not happen if we don't study these problems and if we don't tell the result of our thinking about these problems to the people.

This clearly shows that Lu had noticed the children.

The next day, Mary sat down at the table, between her two children, directly opposite Lu. I was flabbergasted. I could not imagine these small children staying quiet for two hours. I was afraid they would disturb Lu. But Mary knew what she was doing. She had given them books and drawings, and the children behaved as if they were glued to their chairs, turning the pages of their books, glancing at pictures, drawing, never looking up. Only towards the end of the lecture did they get restless, fidgeting about on their chairs, pulling at their mother's sleeves, whispering into her ears. Lu had hardly spoken the last word when Mary jumped up and rushed out of the room, holding a child at each hand, looking neither right nor left!

Today, one of these children, Mark Peterson, whom I remember so well through this amusing incident and through later meetings, is working for his Ph.D. at the University of Virginia and is an enthusiastic defender of the free market and of freedom for the individual.

I spoke about our friend George Koether in my acknowledgments at the beginning of this book. He and his wife, Ilo, were very close to us. He was a journalist and economist who started attending Lu's seminar in 1949. Active, enthusiastic, always full of new ideas, he had one feeling, one conviction, that never changed after he started studying Lu's ideas. Lu was to him, and "ought to be to all the world," he said, "the light burning in the darkness."

Then there was Bettina Bien, now Bettina Bien-Greaves. She first came to the seminar in 1951 and attended it to the last session, not missing a single meeting. She is one of those rare individuals who combine intelligence and mental curiosity with warmth and understanding of human nature. With the passing of the years, she became a household word with Lu and me. If there was any information Lu needed, any refreshing of his memory, he would say, "Call Bettina," and surely enough she had the answer.

After four or five years in the seminar, Bettina took her seat next to Lu, taking notes in shorthand—and no one would have dared to contest for that seat. I spoke first to Bettina in 1952 during a seminar in California. At that time she was still rather quiet, hardly asking any questions. But later, working with tremendous zeal, studying Lu's books from the beginning to end, reading them again and again, her inner security grew in relation to her knowledge. She wrote an excellent bibliography of Lu's work, and for his ninetieth birthday she catalogued—with my permission and without Lu's knowledge—his whole library of about 6000 volumes, to Lu's greatest surprise and delight.

The location of the seminar changed three times in twenty-one years. Lu and I loved the second location best. It was Gallatin House, the former British embassy on Washington Square, a beautiful brownstone building. Two stone lions at the entrance of the tiny garden bore witness of the past. Looking out of the windows of his office overlooking Washington Square, Lu often said that this might have been the view that inspired Henry James for his great novels. We all loved this place, in spite of the parking problems we all had!

When the seminar was held in the old NYU building where it had started, so many students attended that the room was often overcrowded and not a single chair could be added. Some of the students may have come out of curiosity to hear the famous professor. But most of them had a goal and were studying hard. In later years, when the seminar was held at the new NYU building, the number of students was smaller, what they lacked in numbers, they made up in enthusiasm.

Lu never missed a single seminar. His various lectures and out-of-town obligations were arranged in such a way that they never conflicted with the seminar. Once, in December, 1961, Lu had to go to the Presbyterian Hospital for a hernia operation. He checked in two days before, on a Sunday morning. With permission of the surgeon, Dr. David Habif, I picked him up Monday evening and took him to NYU, where he gave his course. Then I took him back to the hospital, and he was operated on the next morning.

Lu was a great defender of women, and never doubted their mental capacities or potentials. His seminar in Vienna was well known for the many highly gifted women who attended and later became leading figures in economics and education. I would not be astonished if one day "Women's Lib" discovered Lu—once the activists have overcome their anxiety problems concerning equality of sex and consider politics and economics their most important tasks. If they do, they may well declare Lu one of their heroes.

Lu explained in *Socialism*: "All mankind would suffer if woman

0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416

~~to~~ 56
-A/H-VON MISES-PC2836

should fail to develop her ego and be unable to unite with man as equal, freeborn companions and comrades. . . . To preserve the freedom of inner life for the woman, is the real problem of women: it is part of the cultural problem of humanity." ^o

In closing this chapter I want to tell a little episode that is absolutely true, though I cannot give the names of the persons concerned. Some years ago a graduate student at NYU was revising his program of studies and wanted to include in his official curriculum Lu's seminar.

His faculty adviser told him that he could take the seminar course on his own, but *not* as a part of his official program. "Mises theory," said the professor, "is a religion, not economics."

Eight years later that same professor, reminiscing over the great social experiments of the last generation, was greatly disturbed at the fact that the experiments were a dismal and known failure. "I had always tended to be liberal over the years and I favored all these new programs," he said. "But one by one I have seen them all fail and had to be discarded. You know, *perhaps Mises* was right after all."

o Socialism, pages 103 and 105

0005
0006
0007
0008
0009
0010
0011

CHAPTER X

0012
0013
0014

His Work and Influence

0015
0016
0017
0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095
0096
0097

WHEN FRIENDS talked about my husband, they spoke of him as being "gentle." He was gentle with me of course—he was a gentleman and he loved me. But, actually, he was not gentle. He had a will of iron and a mind like a steel blade. He could be unbelievably stubborn, but people would not detect that in daily life, for he had excellent manners. He was brought up at a time when Austria was an empire and good manners and self-discipline were not only a prerequisite of the court, but a must for a member of every cultured family. One does not lose good habits in later life, nor did Lu.

He would never sit down with me at mealtime, even on the hottest day, without wearing his jacket. I tried to convince him how comfortable he would be in shirt-sleeves, but he would not listen. One evening however—it was unbearably hot, one of those humid ninety-degree days we have so often in New York and we had no airconditioning at that time—I prepared dinner, set the table, and put on my most beautiful nightgown, and called him for dinner. He came, as usual with his jacket on, and we started to eat. He did not notice anything until I got up to change the plates. "What are *you* wearing there?" he asked. I laughed and said, "Don't you feel how hot it is?" He understood and laughed so hard that he had to wipe his eyes. Then he kissed me, took his jacket off, and for once I had won. But it was not a real victory, for to his last days he never would take his jacket off when he was with other people.

To make him change a decision he had reached was even more difficult. He hated the noise of airconditioners—in those days they were not as quiet as they are now—and he simply refused to have one installed in his studio. Nothing I said would change his mind. I finally had to ask the help of his doctor to convince him that his health would suffer from the heat in our apartment, which—he himself admitted—"was tropically hot in summer and arctic cold in winter."

Once I spoke to Fritz Machlup about this stubbornness, and he answered: "With a man like Ludwig von Mises you don't call it stubbornness,—you call it *character*."

When the doctor advised him to give up smoking, I was sorry—truthfully, not for him. I liked to see him with a cigarette, for then he was relaxed and in a good mood. He loved smoking, though it was not a passion. Nevertheless, it was not easy for him to give it up, especially while he worked. Sometimes when I entered his studio I could tell he had been smoking. I understood and would not have said a word, but he felt almost ashamed that the longing for a cigarette could overpower him and break his will.

Lu was so little interested in material things that it was difficult for me to give him a present. But one day I "hit" it. I gave him a subscription to the Metropolitan Opera. In the late 1940s it was very difficult to get a good seat, and only with the help of friends who "had connections" could I get an orchestra seat in the third row. This was still in the old opera house on Broadway. I did not have enough money to buy two tickets, and for more than ten years poor Lu, with something of a heavy heart, had to go alone, until one day he succeeded in getting a second seat.

The opera, our drives to the country, and our long walks were the only diversion and relaxation Lu took from the enormous amount of work he was doing. Other people in their sixties start to take life easier, slow down. With Lu it was just the opposite, and the simple explanation was that he loved his work.

It was a great satisfaction to him when the idea of a society for the free market and individual liberty, which he so often had discussed with Roepke and Hayek, came into being. As a memorandum of the society later explained:

The Mont Pelerin Society was organized in 1947 at an informal meeting of a group of European and American scholars who had become seriously alarmed about imminent threats to the preservation of a free society. The original group consisted of about 40 economists, historians, philosophers and journalists, invited, at the suggestion of F. A. Hayek and W. Roepke, by a group of men in Switzerland who shared concern about these problems. The participation of sixteen Americans was made possible by a donation of a similar American group. After ten days discussion of the most burning topics, at a place near Vevey called Mont Pelerin, the group decided to constitute itself into a permanent association for the study of these problems and to add gradually to its numbers by election of other persons holding the same basic beliefs.

Lu was one of the "founding fathers" of the society. He attended the first meetings without me, but in later years I usually went with him. The meetings were held in the beginning of September, so we combined them with our annual vacation and spent the summer in Europe. I loved the Mont Pelerin meetings. They were not only intellectually and spiritually stimulating, but were also enjoyable

Bad print!!

1ST PROOF 06-29-76

social affairs. Held in a different country each year, they were beautifully arranged for many years by our good friend, Dr. Albert Hunold, the society's first secretary, and later by Ralph Harris, the indefatigable, always good-humored, diplomatic successor for this difficult task.

Going through the Mont Pelerin reports, I have discovered that Lu delivered only four papers to the society, one at Bloemendaal, Holland, in 1950, one in Berlin in 1956, the third in Princeton in 1958, and the last at Turin, Italy, in 1961. This does not mean that he was not heard from during other meetings. He participated in all discussions without any notes. One of his frequent quotes was from Luther: "Eine Rede soll keine Schreibe sein." ("A speech is not an essay.")

These meetings were rather strenuous for Lu. Everyone wanted a discussion with him, or at least to share his company during a meal. He was in the conference room all day long. But whenever a discussion or a speech bored him, he took out one of the little scraps of paper he used to carry with him and started to write. People who watched him must have thought he made notes, but he wrote nothing but irregular rows of figures, and once in a while he added them up. They must have been meaningless, and I considered them as a sort of doodling, but I never asked him about it.

The Mont Pelerin meetings were important to Lu. He met old friends, made new ones, and from all over the world streams of thought flowed in, unheard and undiscussed before. Friends like Jacques Rueff, Louis Baudin, Ludwig Erhard, Hayek, Machlup, Helmut Schoeck, Haberler, Roepke, Gaston Leduc, W. H. Hutt, and Rougier met and had the opportunity for long debates. And all of these famous scholars were united in their dedication to human freedom.

Once in a while, however, someone—in Lu's opinion—must have taken a crossroad or made a wrong turn. I remember a Mont Pelerin meeting that took place in Stresa. I sat next to Lu in the conference room listening to Machlup read a paper. Suddenly, I noticed Lu moving. I looked at him and saw that he was very excited; he seemed shocked by something Machlup was saying. It was near the end of the speech.

When we got up and went out, Machlup joined us, saying some pleasant, conventional words to me, putting his arm around my shoulder. When Lu saw this, he pulled me away from Machlup. "I don't want you to talk to him," he said. "I don't want you ever to talk to him again." He was so excited that I became frightened, gave Machlup a sign, and stayed behind with Lu. We went to our room, and I saw that Lu was really unhappy about Machlup. "He was in my seminar in Vienna," Lu said, "he understands everything. He knows more than most of them and he knows exactly what he is doing."

It was a hard task for me to make Lu forget and agree to see Machlup again. Machlup may have become an intellectual apostate, but he never changed his feelings of personal devotion to his beloved teacher. Two years later, when he and his wife, Mitzi, came up one day for tea, Lu really had forgiven and forgotten, and there was the same friendly atmosphere that had existed in former years.

More amusing may be the little story Dr. Albert Hahn told me at one of the Mont Pelerin meetings. "The other day," said Hahn, "I was asked 'What really is the difference between Haberler and Mises? They both came from Austria, from the same university, from the same school of thought.' I answered: 'Haberler says "Tout comprendre c'est tout pardonner." ["To understand everything means to ~~excuse~~ everything.]" Mises says "Tout comprendre c'est rien pardonner." ["To understand everything means ~~to~~ to excuse ~~everything~~."]" Then Hahn added: "And of some economists you might say 'Rien comprendre c'est rien pardonner.' ["You can't ~~excuse~~ something if you don't understand anything.]"

*nardon
pardon nothing
pardon*

At a 1953 Mont Pelerin meeting in Seelisberg, Switzerland, the wife of T. Howard Pew asked me one morning to do some shopping with her, which I did. In the course of the conversation she told me: "You know, Margit, I ought to be very angry with your husband, but, of course, I am not." I asked, "What is the matter, Mrs. Pew, what has happened?" She replied, "It was in 1949. I wanted so much to take a cruise with my husband, and finally he agreed. For months I had been looking forward to this cruise, for I knew I would have him all to myself for two weeks. And what happened? On the night of the departure he went out and bought *Human Action*. We boarded the ship, he started reading, and that was the last I got to see of him. He never stopped reading until we came back to New York. That was my cruise."

One day during the meeting in Turin, Italy, we were invited by Italy's President Luigi Einaudi, who was a colleague and good friend of Lu's, to visit his summer house. The first thing for Lu—as usual—was to have a look at the library, and when he noticed all the familiar names of the famous economists, he said, "What a rare occasion to see all economists together in one corner."

The meeting in Turin had been arranged by Professor Bruno Leoni, who for some time was secretary of the Mont Pelerin Society. A gifted scholar and professor of law, Leoni headed the department of Political Science at the University of Pavia and shared Lu's views on economics, the free market, and human liberty. Lu felt it deeply, as a great tragedy, when Bruno Leoni was brutally murdered in November, 1967.

After 1965, Lu knew it would be too strenuous for him to attend further Mont Pelerin meetings. He was especially sorry to miss the meeting in Japan, for in the early thirties he was offered a chair at one of the most important universities in Japan, and he then had

1ST PROOF 06 - 29 - 76

0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292
0293

promised me he would never go to Japan without me. Now—we could not go, even together.

But there was an even more important reason for him not to attend further conferences of the Mont Pelerin Society. He believed that the society's policy on admission of new members was not consistent with its original statement of principles.

The members of the society who came through New York never failed to visit Lu: Hayek, the Roepke's, Rueff, Hunold, Hutt, Arthur and Barbara Shenfield. They often continued their discussions at our home.

Rebecca West and her husband, Henry Maxwell Andrews, also came to call on us. I did not know at that time that her son, the writer, Anthony West, called H.G. Wells his father. I knew only that it was taboo to talk of Wells in Rebecca's presence. I had read almost everything she had written, and I thought her report about the war trials in Nuremberg was one of the finest pieces of journalism I knew. I admired her greatly. She had indescribable charm and was every inch a lady. Another reason I liked her so much—I confess it frankly—was her outspoken and genuine admiration for Lu.

Of all the Mont Pelerin members, we most frequently saw Frederick Nymeyer, who lives in Chicago and is an enthusiastic and dynamic follower of Lu's ideas. Fred Nymeyer first wrote to Lu in 1946, when Nymeyer was still business counsellor for many big business firms and had to travel a great deal. His acquaintance with Lu's books changed Nymeyer's life. On January 12, 1951, he wrote to Lu: "As you know I have resolved to 'have a fling' in the publishing field, and I am interested in trying it out on Boehm-Bawerk. If I have any luck at all, I shall be interested in expanding the endeavor in order to provide people in this country with the whole framework of ideas with which you and associates of the same 'school' work."

He started his new enterprise with a campaign for a speech Lu gave at the University Club in New York on April 18, 1950 "Middle-of-the-Road Policy Leads to Socialism." This speech was published in the *Financial and Commercial Chronicle* on May 4, 1950, under a title Lu did not approve of. Nymeyer sent out hundreds of letters along with a pamphlet of the lecture text under the original title to awaken the public to the danger of interventionism. Nymeyer's first great enterprise, however—an enterprise that led to the founding of the Libertarian Press in South Holland, Illinois—was a publication of a translation of Boehm-Bawerk's *Capital and Interest*, for which Lu had recommended Hans Sennholz and George Huncke as the ideal translators.

The correspondence between Lu and Fred Nymeyer was frequent, detailed, and extensive. Nymeyer, who in the fifties came regularly to New York once a month, never failed to take us out for dinner so he could talk quietly and at length with Lu. Being the gentleman he is, he had to take us home to our door by taxi and convince himself with his own eyes that we were safely indoors. While Lu was in the hospital in September, 1973. Fred Nymeyer wrote me a few kind words almost daily to help me keep up my courage. He, just like Lu, could never talk about his feelings.

In 1943, the Volker Fund, through the intervention of Leonard Read and Larry Fertig, agreed with New York University to underwrite Lu's seminar. H. W. Luhnnow, president of the Volker Fund, and the two brothers Cornuelle, who worked with Luhnnow for years, took a great interest in Lu's ideas and teachings. Besides providing the funds for the New York University seminar, the fund arranged other seminars for Lu. The 1952 seminar in California, the June, 1954, Conference on Economics and Freedom sponsored by Wabash College (Indiana), and the 1956 seminar at Chapel Hill, North Carolina, were made possible by the fund's contributions. The fund also helped Lu to get a book by Louis Baudin translated and published. (Professor Baudin had spent his childhood in Peru, where his father was a French diplomat.) This book, originally titled *L'Empire Socialiste des Incas*, was brought out five years later by Van Nostrand under the title *A Socialist Empire: The Incas of Peru*. Lu considered the book to be very valuable, and he spent much time and effort to get it published. He also wrote a foreword to it.

The Volker Fund went out of existence in 1964. With the help of other foundations, Larry Fertig, who since 1952 had been on the Board of New York University, kept Lu's seminar going until 1969.

September 14, 1949, must have been V-day in Lu's life, for this was the day *Human Action* was published, and though we were in the Berkshires and spent the day as usual, hiking and sightseeing, we both felt its importance. All through the years, from the day *Human Action* came out, Lu had the book always near him. Almost daily he took it up, read a few words here, a passage there. Had he done so before a speech or before his lectures, I certainly would have understood. But, with his wonderful memory, Lu must have remembered every word he wrote.

I never found an explanation. "Why didn't you ask him?" ~~You~~ ^{one?} I might say. I could not. Everyone has in his heart and in his mind a certain guarded territory that should stay untouched and sacrosanct, even to a marriage partner. A question at the wrong time may mean trespassing and should be avoided. Nevertheless, for twenty-five years I tried to find the reason for Lu's constant rereading of his own book. It was not vanity or pride; he was too humble for that. And never would he read his book in the presence of other people. With me it was different. I was as much a part of him as were his eyes, his mouth, his hands.

In January, 1950, Professor Hans Kelsen was in New York and became ill. He called us, and we went to see him in the Roosevelt

4
↑ ↑

4

↑ 1948

(This is a title!)
ital.

one?

1ST PROOF 06-29-76

0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390
0391

Hotel. In the course of the conversation, he said to Lu: "You know, Mises, one thing bothers me already today." "What's that?" asked Lu. "That after your death the Austrians will define you in all biographies as one of *theirs*."

In 1950 Lu and I travelled to Peru on the invitation of Pedro Beltran. This was a lecture tour sponsored by the Banco Central de Reserva, of which Pedro was chairman of the board. Pedro Beltran, who opposed the government's policy of interfering with the freedom of elections due later that year, realised his activities might lead to his having to resign from the bank. So he delayed writing to Lu, and we had no idea whether we could make the trip or not. Finally, on March 16, 1950, Pedro was able to write to Lu confirming the invitation for March 31. Lu lectured on "Plans for Economic Unification" at the University Nacional Mayor de San Marcos de Lima.

These two weeks in Peru were very exciting, for Pedro Beltran was forced to resign (April 8, 1950) as president of the Banco de Reserva. It also was a very strenuous time for Lu. Besides his regular lectures, he had to attend so many official luncheons, meet so many new people, answer so many questions and give frequent interviews to the press. On top of that we were shown everything that was worthwhile seeing in Lima and its surroundings. At the end of the trip we were both exhausted and glad to get back to New York. Nevertheless, two days after our return Lu made a speech at the University Club ("The Economics of the middle-of-the-Road Policy").

Many of the previous and following summers we spent in Seefeld, Austria, which is very near Innsbruck. We stayed in a charming hotel built right after the war with the help of the Marshall Plan. Every room had a porch, where breakfast was served in the morning, with the view of the Austrian Alps. With a chairlift we could go up 300 meters to the Gschwandkogel, a mountain with a restaurant and a sunterrace. Usually, we walked the way back, ~~and~~ *and* on some days we went up to the Wildmoosalm, 1300 meters high. On the wide green meadows we saw nothing but cows, grazing and chewing incessantly, watched over by a very young, beautiful girl who was friendly and talkative and who said she never felt lonely! Seefeld had so many possibilities that we could make a different excursion every day. In later years the place became so crowded and overrun by tourists that we did not like it any more. Traffic was so heavy and it became so dangerous crossing the streets that Lu one day advised me: "Cross the streets only when you can either follow a woman with a pram or be behind a priest. In both cases nothing ever will happen to you."

In 1953, after a few weeks in Seefeld, we left Innsbruck for Rome, by train. The conductor told us that at 9 P.M. we would be in Verona, remaining there for an hour and fifteen minutes. "That gives us time," said Lu, "to go into town and see where Romeo and Juliet lived." I was amazed at this. I never would have dared to do it; I would have been much too afraid to miss the train.

When we arrived in Verona, the conductor locked our compartment and, as usual, we took a bus that took us to the center of town. We not only saw the house of the Capulets, but also the Piazza Bra ("Main Center") and the famous amphitheater. All the coffee houses were crowded, people sitting in the streets, sipping their white vermouth or drinking a demitasse of strong, sweet, black coffee. Crowds came out of a movie house; the streets got more and more jammed; and I started to get nervous. Lu flagged a taxi, and we made it in time for our train and our friendly conductor. We travelled all night, and the next morning we arrived in Rome, blanketed by a heavy fog.

We stayed in the Hotel de Ville, one minute away from the Piazza Trinita dei Monti, the lovely church and the beautiful broad staircase that leads to the Fontana della Barcaccia on the Piazza di Spagna. Wherever we looked there were women selling flowers.

Lu was a wonderful guide. He had been in Rome before, and he showed and explained everything to me. We went to the Pantheon; we saw the tombs of King Humberto, King Emanuelo II, and Rafael.

On August 24 Lu saw Einaudi, and in the evening we had dinner at Carlo's, an elegant place frequented by many well-dressed people. To my great amusement, I discovered a bidet in the ladies' restroom!

The next day we made an excursion to the Castle Gandolfo, the Pope's summer residence, and we passed the Anzio beachhead. Until then, I never realized how near it is to Rome. In the evening we had dinner at Alfredo's, a *must* at that time for every visitor to Rome. Alfredo's specialty was noodles and maccaroni. The owner himself prepared them, mixed them, whipped and beat them with a golden spoon and a golden fork, and only after this imposing ritual was the waiter allowed to give everyone his portion.

That night we walked back to the hotel, over the Piazza Augustus, beautiful in the moonlight shining on the tomb of Augustus. We followed the Corso to the Piazza del Popolo and back to the Piazza de Spagna, where we climbed 132 steps to the little church next to our hotel.

On August 27 it was raining so hard that we could not get out of the hotel. Part of the wall of the Vatican had tumbled, the lights and telephone were out of service, the post office was flooded. In the afternoon, when we could go out, the shops in the streets and the windows in the houses were all lit by candles, adding to the somewhat small-town impression we got walking through Rome's narrow streets.

One day we visited the American Library. At that time Mrs.

0392
0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486
0487
0488
0489

Clare Booth Luce was the American ambassador to Italy. Lu was shocked: not a single book by a libertarian author was on the shelves.

We stayed in Rome two weeks, and it would have been one of the happiest and most beautiful trips we ever made, if Lu had been feeling better. He had stomach trouble all the time, and this frightened me so much that I could neither eat nor sleep. Only a year later, on a lecture trip, was I to learn what was wrong with him.

Lu was constantly working, but he never felt disturbed when Gitta, who at that time was still living in New York, came to see us with Chris, her little son. Chris and Lu had a very close relationship. Chris used to march right into Lu's study, and the best toy he knew was Lu's library ladder, which he climbed up and down perhaps twenty times in a row, Lu closely observing him, catching him in his open arms, both enjoying themselves enormously. Later Lu might take a book with pictures of foreign cities and explain them to Chris until I came in to take him out, for I knew Lu needed his time. Once in a while Lu took time off from his work to go with Chris to the Metropolitan Museum, where he showed him the armor and other collections interesting to a little boy.

A few years later we were visiting London. At the time, Chris was a boarding student at King's School in Canterbury. The day before school vacation started parents were invited to attend a student performance of *Macbeth*. Don and Gitta decided we would all drive out to Canterbury, so we could see the show and visit the beautiful cathedral. Chris was overjoyed when we arrived, and we asked him what part he played in *Macbeth*. Proudly he answered, "I am a knight." Lu and I wondered whether we would recognize that knight among all the other fighters. But we did discover him. A huge beard was plastered on his rosy cheeks; heavy high boots covered his legs; and in his hands he held something like a weapon. It was not only fun to see him, it was interesting to observe the intelligent way the English schoolmaster had produced his Shakespeare with these young actors, and it was really enjoyable to hear their excellent pronunciation.

We saw Chris afterwards—still in beard and boots—and we arranged for him to drive home with us the next morning. When we met Chris the next morning, he was still in his high boots. He could not get them off, so he had to sleep with them and wait for his father to help him.

In later years I often wondered why Lu did not talk about serious problems with Chris. I once asked him, and he said, "I am not going to influence him. As soon as he is ready, he will start asking questions."

In 1954, Wabash College, with the help of the Volker Fund, arranged the Conference on Economics and Freedom. Lu shared the platform with Professor Friedrich August Lutz of Zurich and Professor George William Keeton of London University. Lu's subject was "The Market and the Role of Saving." We made the 870-mile trip to French Lick, Indiana, by car, and on June 15 Lu gave his first lecture.

I remember this summer so well because the second day after our arrival in Indiana Lu got seriously ill. I had to call the doctor at night. He had to give Lu morphine to ease his pain. But the following day Lu continued his lecture, and again he had a very serious attack, caused, as we then knew, by the gall bladder. Fred Ny-meyer, who had heard of Lu's illness, flew in from Chicago, ready to help if necessary. Every day Lu delivered his lecture in spite of pain and medication, and he had to go to bed immediately afterwards. It was a terrible ordeal for him, and the drive back to New York was an ordeal for me. Back in New York, it took time and many medical consultations before Lu was admitted to the Harkness Pavilion to be operated on.

His surgeon, Dr. David Habif, proved to be not only a first class surgeon, but also a good psychologist and a warm, feeling human being. Nowadays people talk so much about the changed relationship between physicians and patients, with doctors coming more and more under attack. It is not my task to defend them, but I have to say that Dr. Habif earned my greatest admiration, which was shared by Lu after he recovered.

Lu was never a good patient. A hospital meant confinement, and his spirit would not take it. The third day after the operation Dr. Habif noticed that Lu rested quietly only when I was with him, so he dismissed the private nurses and ordered the head nurse to show me everything I could do for Lu. The doctor himself came every morning before he started operating, and he paid Lu another visit at night before leaving the hospital. I remember one evening—it was very hot and humid and Lu was perspiring profusely—when Dr. Habif came in. He examined Lu, and without saying a word, he went to the drawer, took out a clean gown and changed Lu, never calling for a nurse.

Lu recovered very slowly. He had been in the hospital three weeks when Dr. Habif told me: "I want you to take your husband home tomorrow."

"Doctor," I said, "how can I? He is still draining." "Never mind," the doctor answered, "you can do what is needed. You'll keep him home for a week, and whether he wants to get out of bed or not, you pack everything, have the car at the door, and take him to the Poconos. I give you my word, in three days he will be all right."

I did what the doctor advised, and it worked like a miracle. Lu started walking the second day in the country, and after a week he was completely well and felt better than he had felt in years.

The months following his illness Lu wrote constantly. He wrote articles for *The Freeman*, for Dr. Howard E. Kershner's *Christian*

~~later~~
later

0490
0491
0492
0493
0494
0495
0496
0497
0498
0499
0500
0501
0502
0503
0504
0505
0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564
0565
0566
0567
0568
0569
0570
0571
0572
0573
0574
0575
0576
0577
0578
0579
0580
0581
0582
0583
0584
0585
0586
0587
0588
0589
0590
0591
0592

Economics—Kershner never could get enough contributions from Lu—and he wrote several German articles for his friend, Dr. Volkmar Muthesius, in Frankfurt, whose monthly magazine, *Freiheitliche Wirtschaftspolitik*, Lu thought to be an excellent contribution to freedom of thought.

Muthesius, well known and appreciated for his writings on economics and his editorial work, is an enthusiastic Goethe scholar, and Mrs. Muthesius, born in Weimar and a descendant of the Goethe family, shares this interest. In 1961 Lu wrote in "~~Foreign Spokesmen for Freedom~~" an article for *The Freeman* (March, 1961):

The great catastrophes that befell Germany in the first part of our century were the inevitable effect of its political and economic policies. They would not have happened at all or they would have been much less pernicious if there had been in the country any noticeable resistance to the fatal drift in the official policies. But the characteristic mark of Germany in the age of Bismarck as well as later in that of Ludendorff and Hitler was strict conformity. There was practically no criticism of the interventionist economic policies and still less of inflationism. The great British economist Edwin Cannan wrote that if anyone had the impertinence to ask him what he did in the Great War, he would answer "I protested." Germany's plight consisted in the fact that it did not have, either before the armistice of 1918 or later, anybody to protest against the follies of its monetary and financial management. Before 1923 no German newspaper or magazine ever mentioned, in dealing with the rapidly progressing fall in the Mark's purchasing power, the boundless increase in the quantity of banknotes printed. It was viewed as un-German not to accept one of the "loyal" interpretations of this phenomenon that put all the blame upon the policies of the Allies and the Treaty of Versailles.

In this regard conditions in Germany certainly changed. There is in Germany today at least one monthly magazine that has both the courage and the insight to form an independent judgment on the economic and social policies of the government and aims of the various parties and pressure groups. It is the *Monatsblätter für Freiheitliche Wirtschaftspolitik*, edited by Doctor Volkmar Muthesius and published by the Fritz Knapp Verlag in Frankfurt. Excellent articles written by the editor and a careful selected group of external contributors analyze every aspect of contemporary economic and social conditions.

Doctor Muthesius and his friends are unswerving supporters of free trade both in domestic and in foreign affairs. They reject the lavish bounties doled out to agriculture at the expense of the urban population, the immense majority. They are keen critics of the cheap demagoguery of the government's alleged anti-monopoly campaign. They unmask the dangers inherent in the privileges granted to the labor unions. . . . They prefer the Adenauer regime to the only possible alternative, a cabinet of Social-Democrats, but they do not close their eyes to the shortcomings of the Chancellor's policies. And they are not afraid of repeating again and again that it is only thanks to the policies of President Eisenhower that West Berlin is still free from Soviet rule.

A periodical that openly and without any reservations endorses the free enterprise system and the market economy, this is certainly a remarkable achievement in the classical land of socialism whether imperial or social-democrat or nationalist.

Besides the work mentioned above, Lu was supervising the new Yale edition of *The Theory of Money and Credit*, and he had started to work on a new book, which was to be published by Van Nostrand, *The Anti-Capitalistic Mentality*.

Another seminar, sponsored by the Volker Fund, was held in Chapel Hill, North Carolina, in 1956. This Conference on Free Enterprise, Freedom and the Good Society took place September 5-14, and had been arranged by Clarence F. Philbrook, a long-standing friend of Lu's. It was meant mainly for economists and other scholars. Armen A. Alchian, professor of economics at the University of California and Bertrand de Jouvenel, president of an economic research organization in Paris and a well-known writer, participated in the lectures. Lu spoke about "The Epistemological Problems of Economics."

The Anti-Capitalistic Mentality appeared in 1956 and got excellent reviews. On October 19, 1956, David Lawrence reprinted the book almost in full in *U.S. News and World Report*. Lu had known nothing of this beforehand, and I still remember his surprise when I brought him the mail and the magazine with the headline on the front page: "What's Behind the War on Business' as revealed by Ludwig von Mises, World Famous Economist."

In December, 1956, Lu received a note from Van Nostrand: "You may be interested by the attached indication of interest behind the iron curtain." This note showed an order for *The Anti-Capitalistic Mentality* from a bookstore in Moscow.

Mention of the Russians reminds me of an incident that happened in 1959. *Fortune* magazine, commenting on a lecture by Professor Nathan Reich, wrote:

Communism has had no more fierce theoretical opponent than the Austrian economist Ludwig von Mises, now in New York. Nevertheless, Communists may some day erect a monument to him—that is, if they adopt a suggestion made by the chief adviser to Poland's State Planning Council, Professor Oscar Lange. The story of Lange's paradoxical tribute to von Mises was told recently, in 1959, by Economics Professor Nathan Reich in a lecture to the young ladies of Hunter College in New York. "In 1922," Reich recounted, "five years after the seizure of power by the Bolsheviks, von Mises published a devastating attack on the economics of Marxism in which he exposed its lack of any rational substitute for the functions of the market and the pricing process. Mises argued that if the economic system is to function rationally—that is in accordance with the free choices of con-

I feel, the personal sentence about Muthesius should come after the Lu's article about Muthesius' work.

Lu praised H. Muthesius in an article for *The Freeman* article "Foreign Spokesmen for Freedom" (March 1961)

Monatsblätter fuer
ly

1ST PROOF 06-29-76

0593
0594
0595
0596
0597
0598
0599
0600
0601
0602
0603
0604
0605
0606
0607
0608
0609
0610
0611
0612
0613
0614
0615
0616
0617
0618
0619
0620
0621
0622
0623
0624
0625
0626
0627
0628
0629
0630
0631
0632
0633
0634
0635
0636
0637
0638
0639
0640
0641
0642
0643
0644
0645
0646
0647
0648
0649
0650
0651
0652
0653
0654
0655
0656
0657
0658
0659
0660
0661
0662
0663
0664
0665
0666
0667
0668
0669
0670
0671
0672
0673
0674
0675
0676
0677
0678
0679
0680
0681
0682
0683
0684
0685
0686
0687
0688
0689
0690
0691
0692

63 —A/H—VON MISES—PC2836

sumers—it must have an institution which would constantly and quickly register consumer preferences.

“While the run-of-the-mill socialist politicians could airily dismiss von Mises’ challenge as another attack of a bourgeois economist, Lange could not fail to appreciate the relevance of von Mises’ challenge—especially so since it came at a time when the new men in power were floundering helplessly in search for some workable substitute for the private market in their new society: they found no such blueprint in the voluminous Marxian literature.

“Like a faithful soldier in the cause of socialism, Lange took up the challenge. Like a good professor, he sat down and wrote a book in which he attempts to reconcile freedom of consumers’ choice and other attributes of a market economy with the concept of over-all socialist state planning. The challenge *itself* compelled the socialist economists to acknowledge the problem and do some more homework on the whole subject of direction of economic activity in a socialist society. By hurling that challenge in the faces of the socialist theorists, Mises performed a useful service to the cause of socialism.”

When, in 1956, Lu got the William Volker Distinguished Service Award, he got many congratulations. I have two files full of letters from all parts of the country. Chancellor H. T. Heald, New York University, wrote to him on June 21, 1956, as follows: “I was delighted to read that you have won the \$15,000 William Volker Award for your distinguished service as a scholar and teacher. The award is recognition of your demonstrated capacity for leadership in your field and of course also redounds to the credit of New York University. Please accept our sincere congratulation.”

When I once told him: “Lu darling, even you have to agree, you are famous,” he smiled and answered: “You can recognize the importance of an author only by the frequency of references to his work by other scholars written at the end of a page—under the line.” “Isn’t it remarkable”, he told me on another occasion, “if a writer copies something from one book, they call it plagiarism—if he takes material out of several books, he is doing research.”

It was in 1955 that George Koether had the idea that a bust should be made of Lu for posterity. He spoke to his good friend Nelly Erickson, a sculptress, who works mostly with wood and marble. George had seen her portrait busts and he felt she would be enthusiastic about doing the work. Nelly was enthusiastic about the idea, but George told her: “There is one problem. Dr. von Mises is a very busy man; I must first get his permission and see whether he is willing to have it done.”

So George invited Nelly and my husband for lunch, and Nelly told Lu that she could do the work in six one-hour sessions. Lu was horrified, and he told her he could not spare that much time. But Nelly was persistent: “I will work while you work at your desk; I won’t disturb you at all.” Finally he agreed, and one or two days later they started. She put her armature on rollers and pushed it around the desk, never talking to him, never disturbing him, so he never really posed. But one day she had to come near to him, to take measurements with her calipers. And suddenly his face, with the beautiful complexion he always had, got dark red. It embarrassed him terribly, that a strange woman should come so near to his face and touch him.

When he came home that night he told me about his “adventure”. I felt I had to see the woman who stayed for hours around my husband and had to touch his face to be able to work. So the next day I went to his office in Gallatin House to meet Nelly, and immediately we became the best of friends. I liked her; I liked the bust; but I asked her to change the hair, which she did. When the bust was finished, my husband looked at it approvingly, smiled, and said slowly, “Yes . . . Yes.” He obviously was pleased. Nelly took the bust and worked at home on the details. Then she cast it in plaster in her studio and took it to the foundry, where it was cast into bronze by the lost-wax process, the same process the old Greeks used centuries ago, the only true and good reproduction for portraits.

At a dinner party George Koether presented the bust to my husband. It has its place of honor in our living room, a fresh rose or a carnation always next to it.

Lu took great interest in Dr. J. B. Matthews, the well-known anti-Communist. During the 1950s and early 1960s, Matthews and his wife Ruth, often included us in their parties, which were gatherings for many conservatives. For a brief period in the 1930s Dr. Matthews had been a “fellow traveler,” a term he popularized when he became a staff member of the House Committee on Un-American activities. At a turning point in his life, J. B. wrote in a moving letter of gratitude to Lu how much he was influenced by Lu’s writing. He fought the socialist trends in the United States until his death in 1966. Ruth, with the years, became one of my best and most loyal personal friends.

Among the many friends we had and kept for a lifetime was Sylvester Petro, for years professor of labor law at NYU, now Director of Wake Forest Institute for Labor Policy Analysis in Winston-Salem, North Carolina. We saw Syl and his wife, Helen, frequently, and I remember well that, wherever Syl lived, he was always working—trying to make the walls of his studio soundproof!

I asked Syl one day when and how he met Lu for the first time. This was his reply:

“Lu and I first met, I believe, in 1951 or 1952. The occasion of the meeting was a letter of appreciation which I had written to him about *Human Action*. I told him in that letter that I had never encountered such a work and thought it should easily rank among the greatest

1ST PROOF 06-29-76

would
enthusiastic

George



0693
0694
0695
0696
0697
0698
0699
0700
0701
0702
0703
0704
0705
0706
0707
0708
0709
0710
0711
0712
0713
0714
0715
0716
0717
0718
0719
0720
0721
0722
0723
0724
0725
0726
0727
0728
0729
0730
0731
0732
0733
0734
0735
0736
0737
0738
0739
0740
0741
0742
0743
0744
0745
0746
0747
0748
0749
0750
0751
0752
0753
0754
0755
0756
0757
0758
0759
0760
0761
0762
0763
0764
0765
0766
0767
0768
0769
0770
0771
0772
0773
0774
0775
0776
0777
0778
0779
0780
0781
0782
0783
0784
0785
0786
0787
0788
0789
0790
0791

writings of mankind. . . . The main thing that attracted me to Lu was the virtually superhuman qualities of intellect, of judgment, and of wisdom that he possessed in such extraordinary abundance. I have done my fair share of reading in the classics, in logic, in philosophy, in epistemology, in law, in economics, in social theory, in politics and all the rest. In spite of this rather wide reading, Lu's work seemed to stand out sharply and brilliantly. It was on a different level from anything I had ever read before. Even Adam Smith's great work, *The Wealth of Nations*, compared with Lu's book, *Human Action*, seemed primitive and elementary. After reading *Human Action*, I read every other book of Lu's that I could get my hands on. Those that I could not buy, I borrowed. Shameful as it is for me to say so, I think I even stole one—that is to say I never returned it to the person from whom I had borrowed it.

Lu was on excellent terms with Syl and on February 26, 1957, Lu—to the excitement of the class—substituted for Syl in the Law School, when Syl was on another important assignment.

Another example of Lu's influence is Anthony Fisher, who founded institutes of Economic Research in London, Vancouver, B.C., Los Angeles, Amsterdam, and, recently, in New York. "All my efforts," he once wrote me, "originally stem from Lu's teachings, writings and activities. Ideas have consequences."

It would not have been astonishing—with all the admiration and the many honors he received in the course of time—if Lu had changed. But he never did. He stayed as simple and humble as he was when I first met him. One day I told him: "You pay so little attention to human beings, it is only history that really interests you." "How wrong you are," he answered. "Your presence means much more to me than any event in the past." Yes, he did love me.

Human Action as well as *The Anti-Capitalistic Mentality* were translated into Spanish by Joaquin Reig, a lawyer who lives in Madrid. As soon as Reig read a Hazlitt article about *Human Action* in *Newsweek*, he got in touch with Lu and met him personally for the first time at the Mont Pelerin meeting in Kassel, Germany. From that day on a warm friendship developed, based on fealty to the same ideals.

In Stresa, during the 1965 Mont Pelerin meeting, Reig once spoke to Lu about monopoly and Rothbard's *Man, Economy and State*, which had been published in 1962. Reig directed Lu's attention to the fact that Rothbard, one of Lu's most able and admiring pupils, did not completely agree with Lu's analysis of monopoly. Lu replied: "I would subscribe to every word Rothbard has written in his study."

About this Reig told me: "That was such a generous statement of Ludwig von Mises, to say that one of his own students had exposed one of his own ideas better than he himself had been able to do it, that my admiration for this man jumped sky-high."

Rothbard became the leader of the young followers of the Austrian School, and then like Jean Pierre Hamilius (Luxembourg), Toshio Murata (Japan), Walter E. Grinder (U.S.), and George Roche (U.S.) followed his lead—*are also notable*

In addition to our four trips to Mexico and our flight to Peru, we also went to Argentina, Guatemala, and Costa Rica. The trip to Buenos Aires—in June, 1959—was especially exciting, as it took place immediately after the dictatorship of Peron had ended. The country was in political turmoil. We arrived there on June 1, after a trip of twenty-nine hours, interrupted by two hours' stay in Caracas, where we met Guido, my son. At the airport in Buenos Aires there was the usual reception, though it was in the middle of the night. But thanks to Dr. Alberto Benegas-Lynch, our host, everything went smoothly, and an hour later we went to bed and slept until ten o'clock the next morning.

The first day was fully devoted to sightseeing. The traffic was unbelievable. There were no traffic lights and no policemen. Once we got into a traffic snarl; everything was tied up. Suddenly a man jumped out of his car and started to regulate the traffic. Cars backed up until they reached a side road, where they disappeared. It must have taken hours until order was restored.

Lu's first lecture was preceded by a reception given by the dean of the University of Argentina. The lecture hall, tremendously large, consisted of two rooms, one for the original English lecture, the other where only the Spanish translator's voice could be heard.

Both rooms were crowded to the bursting point, not even standing room was left. Rarely had I heard Lu talk so well; his voice was strong and the audience listened quietly. Lu lectured every third day, and the other days were filled with parties and receptions. Lu was disappointed about the Argentine custom of separating men and women at parties, which meant that we never were invited together in the afternoons or evenings. When it happened for the third time, I made a remark to Sofia Benegas-Lynch—Alberto's wife—with whom I was very well acquainted by then, and I explained to her that this was a custom unknown in the U.S. and Europe and that Lu and I didn't like to be separated. The next day, at the next cocktail party, I was invited together with Lu, but asked "not to tell anyone." I was the only woman present beside the hostess. A few years later—through Lu's recommendation—the same group invited Sylvester Petro and his wife. By then everything was changed. There was no separation between men and women, and Helen was invited to every party with Syl.

Every time Lu lectured the rooms were overcrowded. They even had to add a third room for the many people who came to listen to him. Lu spoke about interventionism and about capitalism, subjects that for years the professors and students were not even allowed to read about. If anyone in those times would have dared to attack communism as Lu did, the police would have come in and

for

many young American followers who is one of the ablest defenders of Lu's teaching and the ~~most~~ of the Mont Pelerin Quarterly adherents of the Austrian School.

capitalism

1ST PROOF 06 - 29 - 76

0794
0795
0796
0797
0798
0799
0800
0801
0802
0803
0804
0805
0806
0807
0808
0809
0810
0811
0812
0813
0814
0815
0816
0817
0818
0819
0820
0821
0822
0823
0824
0825
0826
0827
0828
0829
0830
0831
0832
0833
0834
0835
0836
0837
0838
0839
0840
0841
0842
0843
0844
0845
0846
0847
0848
0849
0850
0851
0852
0853
0854
0855
0856
0857
0858
0859
0860
0861
0862
0863
0864
0865
0866
0867
0868
0869
0870
0871
0872
0873
0874
0875
0876
0877
0878
0879
0880
0881
0882
0883
0884
0885
0886
0887
0888
0889

taken hold of him immediately, and the assembly would have been broken up. I had suggested to Benegas-Lynch that he should show Lu's books to the audience. The next day, neatly piled up in a glass case, all of Lu's books were there, translations and originals, everything Benegas-Lynch could get hold of in one day. He had an outstanding gift for organization, and if ever a man was talented for a political career, it was him.

originals

One morning, June 9, after a reception at Dean Chapman's office, Lu spoke for professors only in a round aula. Inside this room was a sort of small cabinet with a table. Formerly this aula was part of the medical college, and the round table had been reserved for corpses. Lu spoke about economic calculation, a subject that most left-leaning economists do not like. How Lu stayed alive through all these lectures, cocktail parties, and interviews is still a miracle to me.

One of my nicest memories of Buenos Aires is a telephone call I received one afternoon. It was Renate Roepke, one of the twin daughters of Wilhelm Roepke. She was married to a French landowner, and I invited them immediately for dinner. We had last seen Renate in 1940 in Geneva before we left to flee to the United States. She was then about fourteen years old. Now she had become a beautiful, slim, tall woman with a striking resemblance to Ingird Bergman, especially when she laughed. Her husband, strong, healthy, sensual, seemed to be one of those men who enjoyed the presence of women more than that of men. One felt the electricity between these two young people. It was a charming evening. We had much to talk about, in French, for Pierre did not know a word of English. They had their own plane and came over from their ranch in about two hours. Since then I haven't seen Renate, and I often wish I could.

Ingird

One day Benegas-Lynch sent his chauffeur, his car, and his secretary, a young Viennese girl, to show us Buenos Aires. We saw the beautiful harbor, the Rio de la Plata, which is an enormous river, Uruguay on one side, Argentina on the other. The width of the stream makes it seem an ocean. We also saw the districts where the poor lived, in shacks without water, wells in the street nearby. It was Sunday, and they were clean and neatly dressed. But I saw men washing themselves in the rain puddles of the road, using soap and small towels. Everywhere we noticed dumps with an indescribable smell. We left Buenos Aires on June 16, and on our way back spent three days in Caracas, to be with my son Guido.

Lu's last lecture trip out of the country was in 1964, on the invitation of Dr. Manuel Ayau and a group of his friends. On November 16 we went to Miami on our way to Costa Rica and Guatemala. As usual, we took a bus and crossed the city at night. Early next morning, we met the Sennholzes at the airport, had breakfast, and flew with them to San José, Costa Rica, where we were honored with a big reception at the Grand Hotel. Our host in Costa Rica was the Association Nacional de Fomento Economico. Dr. Ayau had come over from Guatemala to introduce Lu and Hans Sennholz, who delivered his first lecture in Spanish, but wisely decided later to return to the more familiar English language. Each of them gave three lectures, and there were plenty of microphones, earphones, and translators for everyone. But at Lu's third lecture the power system broke down, and the dean of the philosophy department, who was chairing the meeting, translated Lu's lecture—paragraph by paragraph—to the fanatic enthusiasm of the listeners.

José ASSOCIACION

On November 20 we left for Guatemala. Dr. Ayau has done for Guatemala what Montes de Oca, Velasco, and Navarro have done for Mexico. In 1964 Lu and Sennholz lectured at a small conference in Guatemala City. Ayau, a few years earlier, had started to introduce Lu's writings and those of other libertarians to the public. He printed and mailed leaflets and pamphlets, and the interest grew so strong that in 1971 he could establish with the help of his friends his own university. He named it the University Francesco Marroquin, after the sixteenth century teacher of free education. President Ayau considers it his life's task to teach his country the economics of a free society, and he follows his goal with never lessening zeal and patience. The university library was named after Lu, and some of the professors were former students of Lu. As Henry Adams said, "A teacher affects eternity, he can never tell where his influence stops."

1

In April, 1975, the University Francesco Marroquin celebrated its first commencement. Eight students were graduated. They gave the university a bronze bust of Lu, and I was invited to unveil it. Joaquin Reig, our good friend and Spanish translator of the *Anti-Capitalistic Mentality* and *Human Action*, was rewarded for his outstanding work and his love for freedom with an honorary doctorate. And all this was happening in a small state of Central America, in a city where there were already four other Universities!

A story I was told by Dr. Ayau while I was in Guatemala comes to mind. Ayau remembered that he, some time after we had been in Guatemala in 1964, had invited Gottfried Haberler for some lectures. Haberler asked for a fee of \$1,000. "How come," Ayau answered, "that you ask for \$1,000 and Professor von Mises only asked for \$600?" "If Mises did it for \$600," Haberler answered, "I will do it for the same price."

Robert Morris, whom we met years ago through Larry Fertig, was counsel for the Subcommittee on Internal Security of the Senate Judiciary Committee. Later he went to Texas and settled there with his family. In 1964 he founded a college of liberal arts, the University of Plano, twenty miles north of downtown Dallas. ~~the buildings were not ready yet, the first semester was completed~~ in Dallas. Bob Morris asked Lu to come to Dallas for some

~~Judiciary~~

since had not been complete

1ST PROOF 06-29-76

0890
0891
0892
0893
0894
0895
0896
0897
0898
0899
0900
0901
0902
0903
0904
0905
0906
0907
0908
0909
0910
0911
0912
0913
0914
0915
0916
0917
0918
0919
0920
0921
0922
0923
0924
0925
0926
0927
0928
0929
0930
0931
0932
0933
0934
0935
0936
0937
0938
0939
0940
0941
0942
0943
0944
0945
0946
0947
0948
0949
0950
0951
0952
0953
0954
0955
0956
0957
0958
0959
0960
0961
0962
0963
0964
0965
0966
0967
0968
0969
0970
0971
0972
0973
0974
0975
0976
0977
0978
0979
0980
0981
0982
0983
0984
0985
0986
0987
0988
0989
0990

guest lectures, which would mark the beginning of a course on economics and which could then—on Lu's recommendation—be continued by Percy Greaves. The first year, 1965, Lu gave two lectures. I looked through the few little notes he had made. In the first lecture he spoke about the origins of capitalism, the conflict between private and public ownership of the factors of production, and about underdeveloped countries. In the second lecture he told the students how the system works and what it means to have a capital shortage. He also spoke about the danger of inflation, and one of his notes reads: "The Croesus of the past—the common man today."

As usual this lecture was followed by a question period and he kept the written questions of the young students. Some of them are interesting: How would the world be made safe for foreign investments in view of the socialist governments of most underdeveloped countries? Do you think that there is a possibility of economic collapse in this country as bad as the crash in 1929? How clearly Lu must have shown them the dangers of inflation in 1965 that the students could ask such questions!

We returned to Plano in 1966, 1967, and 1969. Sometimes Percy Greaves came with us, sometimes he arrived later, but he always continued the course.

One day I called Lu's attention to a little story in a magazine, which reported that so many call girls nowadays are college girls. "It lifts their profession," remarked Lu, "but it will degrade the colleges."

Once he told me ^{about a professor who} during his lectures he always looked at one and the same person. Asked why he did this, he answered, "Before I start my lecture, I look for the face that seems to me the least intelligent. When I see a glimpse of understanding and interest in this face, I know I am presenting my subject in the right way."

In the coming years Lu was recognized and honored in many ways. Austria, the country he had loved so deeply that he never could shrug off or forget the stabs and bruises he had received, Austria, the land of his birth, in 1956 sent him through the Dean of the University of Vienna a parchment renewing his doctorate of 1906. This was, according to the dean's letter, a special honor, given only to the most meritorious of Austrian doctoral recipients:

Dear Colleague,

As you probably know, the Austrian universities customarily honor their doctors who made significant contributions to scientific progress or public life. Fifty years after their commencement they are honored through renewal of their doctorate. In your case the necessary qualifications for this honor are signally met, for you belong to those scholars who through their outstanding achievements have helped to enhance the prestige of Austrian scholarship, especially abroad. Your publications in the field of economic epistemology, monetary theory and policy have made your name universally known in international science. You furthermore will always be remembered for your successful activity with the Vienna Chamber of Commerce, which you served in a leading position for several decades.

Therefore, the faculty of law and political science has instructed me to forward to you the renewal diploma of your doctorate with their best wishes for your personal well-being and for your future scientific work.

The renewal of Lu's doctorate presented a fitting opportunity for Lu's many friends to honor him, not only with a festschrift titled *On Freedom and Free Enterprise*, edited by Mary Sennholz, with contributions from nineteen of his most famous colleagues and friends, but also with a banquet, arranged by Leonard Read in the University Club. It was a grand evening in March, 1956, with remarkable speeches by Read, Machlup, and Hayek. Hayek had received advance information about the planned honoring of Lu by the University of Vienna and considered the party a good occasion to tell Lu and his guests. (See Appendix Two.)

On June 8, 1957, Grove City College granted Lu an honorary doctor of law degree (L.O.D.) at its seventy-seventh commencement. The college, founded and sustained by Howard Pew, had arranged with the help of Mary and Hans Sennholz an exceptional celebration in honor of Lu, and we spent a few remarkable days in Grove City, surrounded by friends and well-wishers.

In 1961, when Lu turned eighty, the *Wall Street Journal* honored him with an extraordinary editorial by William Henry Chamberlin:

Austrian-born Ludwig von Mises, long a resident of the United States, received a variety of tributes marking his 80th birthday. . . .

In these tributes there was something more than appreciation of a highly erudite economist and a teacher of remarkable brilliance and charm. For von Mises has been an evangel, a banner, a rallying point for all who believe in the superiority of the free market economy over state interventionism and collectivist planning. . . .

. . . in an age when collectivism has pounded so many breaches in the walls of economic principle, there is something inspiring in the spectacle of a man who, on the basis of an almost unsurpassed knowledge of economic history and theory, puts his foot down and says: "No. To quit the sure automatic judgment of the free market, the free play of prices against a background of sound currency, is to leave a sure road for a morass. For every problem that state interference with the free market may seem to solve two or three others, probably more serious, will come up."

Here is the octogenarian economist, amazingly young and fresh in his attitude towards work and life, speaking for himself, in excerpts from his addresses and books:

"The alternative is not plan or no plan. The question is: Whose plan? Should each member of society plan for himself or should a

(That change you made is not correct. He spoke about another professor. Lu never acted this way!)

(This letter was translated by Mr. Hans Sennholz!)

Festschrift (is a German word, needs capital F.)

1ST PROOF 06-29-76

0991
0992
0993
0994
0995
0996
0997
0998
0999
1000
1001
1002
1003
1004
1005
1006
1007
1008
1009
1010
1011
1012
1013
1014
1015
1016
1017
1018
1019
1020
1021
1022
1023
1024
1025
1026
1027
1028
1029
1030
1031
1032
1033
1034
1035
1036
1037
1038
1039
1040
1041
1042
1043
1044
1045
1046
1047
1048
1049
1050
1051
1052
1053
1054
1055
1056
1057
1058
1059
1060
1061
1062
1063
1064
1065
1066
1067
1068
1069
1070
1071
1072
1073
1074
1075
1076
1077
1078
1079
1080
1081
1082
1083
1084
1085
1086
1087
1088
1089
1090
1091
1092
1093
1094

benevolent government alone plan for them all?"

"Laissez-faire means let each individual choose how he individually wants to cooperate in the social division of labor. Let the consumer determine what the entrepreneurs should produce."

"If control of production is shifted from the hands of the entrepreneurs daily reelected by a plebiscite of the consumers, into the hands of the supreme commander of the industrial armies (Marx and Engels) or in those of the 'armed workers' (Lenin), neither representative government nor individual rights can survive. Wall Street, against which the self-styled idealists are battling, is merely a symbol. But the walls of the Soviet prisons, within which all dissenters disappear forever, are a hard fact."

Von Mises has been a very persuasive evangel of his cause, which would have been called liberalism in the Nineteenth Century and might be more clearly described as conservatism in the Twentieth.

He is one of the most influential members of the Mont Pelerin Society, an international association of economists, political scientists, historians and journalists set up in 1947 on principles emphasizing the integral nature of freedom, the inseparable connection between a free economy, a free society and a free way of life.

Wilhelm Roepke, the noted German economist, now a resident of Switzerland, author of many books about the basis of a free economy and now president of the Mont Pelerin Society, said, in congratulating von Mises on his eightieth birthday:

"I would like to stress, on this occasion, how immense is my debt to Ludwig von Mises for having rendered me immune, at a very early date, from the virus of socialism with which most of us came back from World War I."

Austrian-born Professor Gottfried Haberler, of Harvard, describes the rare stimulation which he and other then-young scholars derived from the seminar which von Mises held in Vienna before the war. First there would be hours of serious discussion. Then the participants would adjourn to a well-known Italian restaurant. There would be a final session in a famous Vienna cafe, lasting until 1 A.M. And the next day, fresh and fit, von Mises would appear at his office punctually at 9. . . .

And he shows just as much zest in presenting his views at New York University and other American forums as he did in his native Vienna so many years ago.

Lu's friends honored him with an anniversary dinner, this time arranged by Larry Fertig in the New York University Club. Approximately 200 guests attended. Hayek was chairman, and Bettina Bien ~~Lu~~ gave Lu, as a special present, a leather-bound copy of her bibliography of his work. The Mont Pelerin Society published a special *Quarterly Journal*, edited by Hunold, as a tribute to Lu, with contributions by Hazlitt, Fertig, Hunold, Haberler, Felix Kaufmann and Roepke.

In 1962 Austria awarded Lu another distinction. According to an Austrian information sheet of October 31, 1962, "The Austrian Ambassador to the United States, Mr. Wilfried Platzer, presented the Austrian Medal of Honor for Science and Arts (Oesterreichisches Ehrenzeichen fuer Wissenschaft und Kunst) to Dr. Ludwig von Mises on behalf of Austrian Federal President Adolf Schaerf. The award expresses Austria's gratitude to her son for his distinguished activities as scholar and teacher and for his internationally recognized work in the fields of political science and economics."

Ambassador Platzer invited us to a luncheon in Washington, and many of our friends and former students of Lu attended this party. The medal of honor is the highest decoration that Austria can bestow "on one of her sons," such a distinction that it is only *lent* to the person so honored, for when he receives it, he gets at the same time a printed request to have it returned to Austria after his death.

In 1963 New York University awarded Lu an honorary doctorate of law, and the *Wall Street Journal* reported:

Of all the academic honors bestowed this month, as tradition prescribes, one struck us as particularly noteworthy. It was presented by New York University to Ludwig von Mises, the Austrian-born economist, long since U.S. citizen, now 81 years old. The citation is self-explanatory:

"Author of literally hundreds of books and articles, his major works are recognized as classics of economic thought. He has brought one of the most powerful minds of his age to bear on his subject and has clarified it with philosophic conscience and a scientific integrity of a rare order. . . .

"He is an eloquent scholar, a scholar's scholar, and the force of his ideas has been multiplied manyfold by the able economists he has trained and influenced. For his great scholarship, his exposition of the philosophy of the free market, and his advocacy of a free society, he is here presented with our Doctorate of Law."

How much this award reveals about the current academic climate in America, we would not try to guess. But it is interesting, in an age of encroaching regimentation, that it was given specifically with reference to von Mises' philosophy. For one of his greatest contributions is his demonstration that socialism, or the planned economy by any other name, cannot provide a rational substitute for the functions of the free market. More than that: the free market and the free society are indissoluble.

In this sense von Mises is the champion not merely of an economic philosophy but of the potential of Man.

In July, 1964, we flew via London to Freiburg, Germany, where Hayek picked us up at the airport. On July 27 Lu received from Dean Rittener of Freiburg University the honorary degree of doctor of political science. Lu made his reception speech that evening. It was a friendly and intimate celebration, and in the following days the Hayeks took us around and showed us the beautiful old city. Lu—as usual—took special interest in the library, which con-

(She was not married then, therefore I only wrote "Bettina")

1095
1096
1097
1098
1099
1100
1101
1102
1103
1104
1105
1106
1107
1108
1109
1110
1111
1112
1113
1114
1115
1116
1117
1118
1119
1120
1121
1122
1123
1124
1125
1126
1127
1128
1129
1130
1131
1132
1133
1134
1135
1136
1137
1138
1139
1140
1141
1142
1143
1144
1145
1146
1147
1148
1149
1150
1151

268
—A/H—VON MISES—PC2836

sisted of 28,000 volumes, guarded anxiously by a ninety-three-year-old librarian. We spent one evening with Edith Eucken, the widow of the well-known economist Walter Eucken, who had been a good friend of Lu's. Mrs. Eucken, a scholar in her own right, was once named by Lu "the Jacqueline Kennedy of the Mont Pelerin Society," for she was always dressed with special good taste.

Looking back I don't remember any signs of excitement, joy, or satisfaction about these various honors Lu received. When he was happy it was only because I showed him that I was happy. I knew he deserved every honor he got, and I made no secret of my joy.

In 1967 Lu was invited to come to Vienna for the fortieth anniversary of the Austrian Institute of Business Cycle Research, as they now called the Institute for Konjunkturforschung, which Lu had founded in 1927. But Lu could not attend. Five of his former students were present at the celebration: Professors Hayek, Morgenstern, Haberler, Machlup, and Tinter. The present head of the institute, Professor Dr. Franz Nemschak, sent Lu a little booklet, and with it he wrote: "If you look at this book I hope you will feel joy and satisfaction over what has become of your child in the last 30 years. We feel most gratefully towards you, the founder of the Institute. You live on in your creation!"

On March 15, 1969, Lu received a letter from Dr. William Fellner, then president of the American Economic Association:

Dear Professor Mises:

I take great pleasure in informing you that the Nominating Committee of the American Economic Association nominates you for election as Distinguished Fellow. The Committee met with the Executive Committee as an Electoral College of the Association and elected you on March 7 as recipient of this honorable award.

The award of Distinguished Fellow was instituted by the Association in 1965 and it may be granted annually to not more than two economists of high distinction in the United States or Canada.

This was accompanied by a citation praising Lu's work. I hugged and congratulated Lu and asked him how he felt about this great distinction. "If it makes you happy," he answered, "I am happy."

Nine months after Lu had left me forever, I opened his desk and found among his scripts a stamped and signed letter with an attached copy addressed to Professor William J. Fellner, President of the American Economic Association, dated March 20, 1969. It read:

Dear Professor Fellner:

I heartily thank you and all the members of the Economic Association for the great honor of being elected Distinguished Fellow of the Association. With all good wishes for the future activities of the Association and its members.

I forwarded the letter with a few accompanying words to Professor Fellner, who very graciously thanked me with some kind words.

I will always wonder why Lu forgot, or neglected, to mail that letter.

forschung

W

CHAPTER XI

Our Last Years Together

ON MAY 29, 1969, Lu held his last seminar at New York University, but that did not mean he was ready to retire. Until 1972 he kept up his seminars at the Foundation for Economic Education, where the intellectual atmosphere was so much to his liking.

At home he was constantly reading. Once he was asked: "Don't you have a hobby?" "Oh yes," he replied, "reading." His studio was his sanctuary, his books his treasures. The last thing he did at night before retiring was to go to the bookshelves and, like a gourmet studying the menu in a good restaurant, carefully select a book to enrich his evening. One of the last books he read with great interest was Louis Rougier's *The Genius of the West*. He had already read it in the original French edition, and he considered it to be a great and valuable book.

Despite his gall bladder and hernia operations of many years before, Lu had an excellent constitution. His was a healthy mind in a healthy body—to the last year of his life. His eyesight was perfect and remained so to his last days. The only thing that depressed him was the deterioration of his hearing. He could not participate in a general conversation, being unable to hear clearly when more than one person talked at the same time. As a consequence of his poor hearing he could no longer enjoy the theater. Nevertheless, we kept up the subscription to the Metropolitan Opera that I had given him years before. Thanks to our good seats, he could follow the performances as attentively as before. The opera was the highlight of his later years.

Once in a while he also listened to a chamber-music concert on radio. When I tried to get him interested in a good television show he said, "It would take too much of my time," and he specially objected to listening to commentators. "I can do my thinking alone," was his reaction. An exception was Bill Buckley's *Firing Line*. Buckley's intelligence, his sharp and biting wit, his zeal and eminent productivity impressed Lu greatly. Lu was a steady reader of *National Review*, but often regretted that the magazine lacked sound economic articles, which he regarded as a mistake of Buckley's publishing policy.

Lu's failing hearing was especially depressing to him in the discussion periods following his lectures, when he missed the questions that were put to him. In the last years of his seminars I arranged that all questions be put to him in writing and—for the benefit of the students—be read aloud to him. Percy Greaves transmitted the questions to him. Percy had such a clear and penetrating voice that Lu always could hear him. This procedure proved satisfactory, and Lu's quick and brilliant answers always earned the admiration of the students. The only disadvantage of the written questions was the interruption in the direct flow of thoughts between student and professor.

The deterioration of Lu's hearing—so natural at his age—made him feel lonely and isolated. To avoid this, I invited even more people to the house than before. But he needed my help more and more. I became sort of a "public relations officer"—the "middleman" between Lu and his students.

When meeting people for the first time, Lu usually asked for their names in writing. He often told me "the listeners at my lectures have a full hour or more to look at me, to hear me talk, while I see them for only a short moment after the lecture, when they are introduced to me. Later they are astonished—or even offended—when on another occasion I don't recognize them."

After 1971 Lu began to cut down on his traveling. In April, 1969, we flew to California for a series of lectures in Los Angeles. It was a quick trip, and we were back in New York after a few days.

The happiest summer of Lu's later years was spent in Mittersill, a little village in New Hampshire. Mittersill is like a ~~little~~ Austrian village. It lies deep inside the woods, cool and shady, three miles from Franconia. That summer we did not climb Mount Washington or any other mountain. In spite of this, we enjoyed a perfect summer. We could walk and be out of doors all day long. The house was roomy and charmingly furnished and had a well-equipped kitchen, so we could either eat at home or walk the few steps to the Austrian restaurant.

The highpoint of our stay in Mittersill was the visit of our little granddaughter, Mandy, whom Gitta, my daughter, had brought to stay with us. When Lu saw Mandy, his eyes lit up. She was a beautiful little girl, seven years old, slim, with blond hair and huge blue eyes. As I mentioned before, Lu hardly ever worked during his vacation. But when he did, I would never disturb him. Mandy, however, did not recognize any rules. When she wanted to have a word with her "Granpa" she went straight into his room, and he never reproached her. When she thought he looked too serious for her taste, she only needed to say "Gran'pa, smile" immediately a kind, warm smile brightened his face.

One day we visited Franconia College. The students recognized Lu and gathered around our car to pepper him with questions,

er /

had

~~ca~~

in 1967
 Jimmy

and

0007
0008
0009
0100
0101
0102
0103
0104
0105
0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194

mostly about Ludwig Wittgenstein, the Austrian philosopher, who was in fashion with them at that time. Lu, as always, answered every question patiently, while Mandy looked at the boys and girls around us. It was a strange crowd, their heads full of ideas of how to improve the world and their bodies scantily dressed. All were in bare feet, with long flowing hair or masses of beard framing their faces. After watching these youngsters, little Mandy said: "If all the boys and girls in American colleges look like this, I'd rather go to school in England."

Mandy, at that time, was a rather untidy little girl and I tried my best to change her. One day I told her: "Mandy darling, each evening when I come into your room and find your toys put away and the room tidied and nice looking, I'll give you five cents. After a while you will have saved enough to buy your Mummy a nice present."

When Lu heard this, he explained to me that it was a bad educational practice to bribe a child. But that very evening he went into Mandy's room to kiss her goodnight and told her: "Mandy, how would you like it if I gave you ten cents every night, when your room is tidy?" Could anyone imagine that Mandy would not have liked it?

As usual we had guests that summer: Ilo and George Koether and Bettina and Percy Greaves. We also became very good friends with Austrian Ambassador to the United Nations Baron von Haymerle and his wife, who had a little chalet very near ours. A year later Dr. Haymerle became the Austrian ambassador to Russia. They wrote us from Moscow, but the cards were so carefully worded that the unwritten words were more eloquent than the written ones.

In May, 1970, Lu made his last extensive lecture trip. It had been arranged by Charles Heatherly, at that time director of the southern Intercollegiate Studies Institute and now educational director of the National Federation of Independent Business. This trip took us from Seattle, where Lu gave an excellent lecture before a full house of some 600 people, via Los Angeles to Tucson, Arizona.

It was an exciting trip for us because it took place during the days of unrest on American campuses. Many students wearing red armbands—to show they were against participation in the Vietnam War—were boycotting classes and lectures. Others, frightened of being caught up in riots, simply stayed home.

Charles Heatherly accompanied us on the flight to Tucson. At the airport we were received by Dr. Louis Gasper, a six-foot, twenty-six-year-old bachelor, who was an assistant professor in the Economics Department at the University of Arizona. Several of his students had come along to meet Lu. They all accompanied us to the Pioneer Hotel.

That afternoon a friend of Leonard Read invited Dr. Gasper, four of his students and ourselves, to see his house, which was high up in the hills, and then to dinner at a country club. This gentleman had an impressive library, and he immediately asked Lu to write a few words in his copy of *Human Action*, which was open on the table. He insisted that Lu was the only author—besides Winston Churchill—whom he had ever asked to autograph a book. "Strange bedfellows," I thought, and wondered whether this hospitable gentleman had really read all the books in his library, or knew many of their authors. After a glass of champagne, he took us in his Rolls Royce, driven by an elegant chauffeur, to the country club, where we had the best food we had eaten in a long, long time.

Next morning—Lu preferred to stay in the hotel—the elegant chauffeur came with the Rolls, and Mr. Heatherly went with me to the Desert Museum. This museum was a strange sight. Everything was in the open. We saw tigers, lizards, huge cockroaches, mountain bears next to caves, exotic plants, and strange looking flowers. I must confess I was not very happy in that Rolls Royce and was glad when we were back in the hotel. There were only two Rolls Royces in Tucson, and everyone, of course, knew the owners. I was afraid the students, in their excitement, might eventually become destructive. Whenever there was time, I watched the riots on television and saw the mounting unrest among the students.

Lu's lecture was in the evening. We had to cross the campus again, to get to the auditorium, but this time we went in Dr. Gasper's car, so I felt no danger. Gasper introduced Lu, reading the citation the American Economic Association had given Lu in 1969.

Lu spoke about inflation. As always, his presentation was clear and convincing. Before and after his lecture he got a standing ovation. It lasted so long, it must have embarrassed him.

Mr. Heatherly had placed me in the first row. During the question period after his lecture, I sent a question up to Lu, printed to hide my handwriting and not giving my name: "What should undergraduates do if they are forced by their professor to read socialist and leftist literature?" By chance, Dr. Gasper took my piece of paper last, and it gave Lu an opportunity for a most impressive ending to the evening. My action startled me. Never before had I raised my voice or asked a question during one of Lu's lectures. I failed to note down Lu's answer to my question. Maybe because I knew in advance what he would say. It was easy for Lu to answer my query. That must have been one of the reasons I sent it up. I knew that the lecture and the following half hour of questioning put a terrible strain on him, and I wanted to give him some relief.

As Lu's answer is more important than my question, I wrote to Dr. Gasper in February, 1975: "Do you by any chance have the lecture given in Tucson on tape or could you give me—out of your memory—a short outline of Dr. von Mises' answer?" Dr. Gasper answered: "I wish that I could satisfy your request at once from my own memory. Regrettably my position on the platform (the

in California

1ST PROOF 06 - 29 - 76

MA
P

0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212
0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251
0252
0253
0254
0255
0256
0257
0258
0259
0260
0261
0262
0263
0264
0265
0266
0267
0268
0269
0270
0271
0272
0273
0274
0275
0276
0277
0278
0279
0280
0281
0282
0283
0284
0285
0286
0287
0288
0289
0290
0291
0292

highest honor I have had) made me much the most nervous person there and therefore did not permit me to take notes as ordinarily I would."

With refreshing honesty Dr. Gasper verified once more the bewilderment, adoration, and awe young people often felt when they first met my husband. Only later would they realize how humble and modest he really was.

But my husband surely advised the students to read what their professor asked them to read. "But read not only that," he must have said, "read more. Read everything about the subject from every point of view, be it socialist-Marxist, liberal, libertarian. Read with an open mind. Learn to think. Only when you know your subject from all sides can you decide what is right and what is wrong. Only then are you ready for a discussion, because you can answer all questions, even those your opponents will throw at you."

The next morning Lu and I visited the campus museum. When Lu became fatigued, we returned to the hotel. After lunch the big Rolls with the elegant chauffeur appeared again, to take us through the campus to the auditorium, where Lu was to meet the faculty and then speak to the general public.

The faculty meeting was rather disappointing. Only about twenty-five members of the faculty came to meet Lu. Dr. Gasper explained: "They are like jackals, but don't forget the atmosphere of this campus is leftist and the excitement about Nixon and Cambodia is increasing."

This was not very comforting, but in contrast to the faculty reception the lecture for the general public was very crowded. Lu spoke about the trade cycle and about gold, and when Gasper asked some questions about the current economic situation, Lu gave them his frank opinion in his forthright and honest way. The public responded enthusiastically, and again Lu got a long standing ovation. On Saturday, May 9, we returned to New York.

That summer I rented a little house in Dorset, Vermont. It belonged to David Gilbert, former owner of the hardware store in Dorset. He was a self-made man, who, when he retired, could not be without work and had taken up picture framing, which he did extremely well and with great taste. We occupied his original house, a lovely old building with a beautiful shady old garden. Next to it David had built for himself a small modern cottage, where he lived with his wife, Nora, a very efficient and kind woman. We soon became good friends. We, by then, had been so often in Dorset that Lu was known everywhere as "the Professor."

Dorset is easily reached from New York, so we had frequent visitors. One day Percy Greaves appeared with four young students who had attended a seminar at FEE. We already had met two of these young boys in Seattle. They were most eager to see Lu again and to discuss various questions with him. Lu held a seminar that day in the garden, beneath a huge shady old chestnut tree. Afterward, there was a lively discussion, with Percy transmitting the questions to Lu. In the neighboring garden sat our landlord, David Gilbert, listening intently, making notes once in a while, determined to ask Lu later on for explanations.

That summer we also had a most cherished visit from Gustavo and Lupe Velasco and Elenita, their young daughter. Though Gustavo is an excellent driver, he had lost his way on the hilly, back-country roads. When they had not arrived by 11 P.M., everyone was worried, even the owner of the Dorset Inn, where I had rooms reserved for the Velascos.

Gustavo could not understand all the excitement. He was delighted to find a cold meal, cool drinks, and fruit in his room, for the Velascos had not eaten anything since lunch. They had hoped to arrive much earlier, but after eight o'clock it was very difficult to find a place where they could get a regular meal. Only three days later, when I asked Gustavo for my dishes, did he realize that it was not the hotel owner who had supplied the supper, but that it was our foresight that had enabled them to go to bed without being hungry.

On October 21 we flew to San Francisco for another week of lectures. Lu gave his first lecture the next day—a short talk about money. For the first time I noticed that he was not as alert as usual. The trip, the change of climate, and the change of time must have affected him. To my great relief he was much better during the question period. On Saturday Percy Greaves, who was with us all the time, had a lecture of his own in Burlingame, where he spoke to a large audience for about three hours. Lu came in at the end and finished the session with a short talk, lasting only ten minutes. Then the questions poured in for Lu. Percy, helpful as always, read them aloud and Lu answered. But I noticed a change in his handling of the questions. He used too much time in answering. I sent him a little note, written in German, advising him to be very brief. Percy was rather humorous: When he gave Lu the note—he did not know what it contained—he said: "Professor, here is a note in code," and everyone laughed. I was relieved that Lu understood. The audience responded well, giving him huge applause, but I could not lose my concern about the many lectures he had promised to deliver later that same year. I knew he needed rest and should not travel so much.

Nevertheless, in November, 1970, we went to Grove City College. Hans Sennholz took good care that Lu was comfortable and had enough rest. The audience, students taught under the guidance of Dr. Sennholz, were eager to hear "the Professor" talk. The atmosphere was warm and friendly and the audience enthusiastic.

On December 10 Lu gave a lecture at Plano University, and the following day he delivered a final short address to the faculty and

elegant

1ST PROOF 06 - 29 - 76

0293
0294
0295
0296
0297
0298
0299
0300
0301
0302
0303
0304
0305
0306
0307
0308
0309
0310
0311
0312
0313
0314
0315
0316
0317
0318
0319
0320
0321
0322
0323
0324
0325
0326
0327
0328
0329
0330
0331
0332
0333
0334
0335
0336
0337
0338
0339
0340
0341
0342
0343
0344
0345
0346
0347
0348
0349
0350
0351
0352
0353
0354
0355
0356
0357
0358
0359
0360
0361
0362
0363
0364
0365
0366
0367
0368
0369
0370
0371
0372
0373
0374
0375
0376
0377
0378
0379
0380
0381
0382
0383
0384
0385
0386
0387
0388
0389
0390

student body at the university, where some of Percy's students were graduating. These were the last lectures he gave outside of New York City.

His seminar in Irvington still went on, however; the last time he spoke from the platform was on March 26, 1971. He had always loved lecturing in Irvington, and he continued doing it as long as he felt able. It is fitting that the painting of Lu by George Augusta, the well-known portrait painter, has a place of honor on the landing of the beautiful staircase of the Foundation for Economic Education. This painting, initiated by Lawrence Fertig, was presented by the Trustees of FEE to Leonard Read in honor of the Foundation's twenty-fifth anniversary.

George Augusta practically lived with us from morning to night from March 8 to March 10, 1971, using these days for the basis of his work. Our living room became his atelier; he shared our meals; he talked to us; he watched Lu's every movement. He tried to keep Lu interested, all the time observing him and his reactions. A psychoanalyst listens; a painter or a sculptor watches. The result should be the same: insight into man's soul. For me it was fascinating to watch so closely an artist at work. All the time I had to sit next to Lu, in a special location, so that his eyes would rest on me constantly. "I could not have done this painting without you," Augusta often said, and I agreed that Lu would not have "wasted his time" sitting quietly for three days without a book, looking at nothing.

I love this painting, though in my opinion it does not show Lu as he was in 1971. He looked more alive at that time. The eyes in the painting have the far distant look, the tired expression he showed only in his last year. But there is the tiny smile on his lips he always had for me and which I loved so much.

Augusta had also made a little color sketch of me and offered it to me as a present. Knowing the value of his paintings, I felt I could not accept it. But when he showed it to Lu and Lu was so honestly enthusiastic about it, he asked Lu whether he would accept it as a present. Lu, really happy, accepted it. Augusta said he would keep the sketch for a few days in order to finish it, show it to a few friends, and then send it to Lu. But he must have forgotten about it, for Lu never got it and was really quite disappointed.

Though I never could forget Lu's age, I set great hopes on the summer and the rest he would get in the fresh unspoiled air of Vermont. The Gilberts had rented their house the year round, therefore, for three months in the summer of 1971 I had taken a little house in Manchester, Vermont—and I was lucky to have found that place. It belonged to a Long Island lawyer, who used it only in winter for skiing. We lived in this house for the next two summers, and we loved this place more than we ever had loved a place before. It was located on a hill, overlooking the beautiful green meadows. It was a quiet little house, with an open porch on three sides, which we could use at all times of the day, for on one side at least there was, even in the greatest heat, a slight breeze moving. From the porch you could follow the road with your eyes far down into the village.

We still walked frequently during the day, but Lu could not cover great distances. We had friends living nearby: Professor Erich Hula and his wife, Anne-Marie. They had a house in Weston, and it was a most beautiful drive to their place. We also visited with the former Indiana congressman, Samuel B. Pettengill, who lived the year round in Grafton, Vermont. He is the author of the charming *Yankee Pioneers*, which gives such a clear description and picture of the country and people of New Hampshire and Vermont.

Lu still loved to have guests, even if he did not participate in the conversation as much as before. Percy and Bettina and Frank Dier-son spent a weekend with us, and George and Ilo Koether spent one night with us, enthusiastic about the beauty of the place.

One day Lu did not feel very well, so we went to see the local physician, Dr. Clifton Hardwood, whose wife was a Vermont state senator. When the doctor heard Lu's name, he greeted him as an old acquaintance and as his most honored patient. He knew Lu's books, and he knew more about him from *Human Events*, which was the literature laid out on the table for his patients. Dr. Harwood was an unpretentious country doctor. His office was simple, with wooden chairs and a No Smoking sign on the wall. But when he had office hours, which he had daily with exception of Thursday, every seat was taken. When a mother came in with a little baby and the child was crying, everyone had to wait; the child was treated first. Clad in a simple white shirt, his trousers held up by braces, he was a humanitarian in the real sense of the word: his profession was to help and to heal.

Lu was very ill that summer, with an infection, and I found Dr. Harwood to be a first-class diagnostician. He took excellent care of Lu, arranging for him to be brought immediately to the Hospital in Bennington. When Lu was dismissed too early and had a relapse, Dr. Harwood came to the house whenever Lu needed him. When Lu had to reenter a hospital Bennington was overcrowded, Harwood arranged for me to bring him to Williamstown in Massachusetts. Lu wanted to have me with him all day long, so I had to drive fifty miles daily while he was in Bennington and one-hundred miles while he was in Williamstown. People suggested that I stay near the hospital, but I longed to go back to our little house at night to be there when the telephone calls poured in.

One day Percy Greaves came out to see Lu in the hospital in Williamstown, and I asked him to stay overnight at our house. I had just received permission to take Lu home the following day.

Percy agreed, and when we left the hospital at eight o'clock, he

1ST PROOF 06-29-76

7
~~Therefore for three months in the summer of 1971~~

~~Missing:~~ They are the only people I know, who having lived during the summer for almost thirty years in the country, could manage without a car, they never wanted one, nor could they bear television in their house though they are ardent music lovers. He also visited etc

^ and

0391
0392
0393
0394
0395
0396
0397
0398
0399
0400
0401
0402
0403
0404
0405
0406
0407
0408
0409
0410
0411
0412
0413
0414
0415
0416
0417
0418
0419
0420
0421
0422
0423
0424
0425
0426
0427
0428
0429
0430
0431
0432
0433
0434
0435
0436
0437
0438
0439
0440
0441
0442
0443
0444
0445
0446
0447
0448
0449
0450
0451
0452
0453
0454
0455
0456
0457
0458
0459
0460
0461
0462
0463
0464
0465
0466
0467
0468
0469
0470
0471
0472
0473
0474
0475
0476
0477
0478
0479
0480
0481
0482
0483
0484
0485
0486
0487
0488
0489
0490

followed me in his car. Suddenly a terrible thunderstorm developed. It was raining so hard as we drove through the lonely mountainous part of the country that we could not see ten yards ahead. There were no roadside turn-outs nor any possibility for shelter; we simply had to drive on. Percy followed me, watching my car closely, ready to help if I would need him. We arrived late at the house and left early the next morning. We had the same drive part of the way. Percy was supposed to return to New York, so I described the place where our two cars would have to part. But when we came to that spot, I saw that Percy was still following me. I stopped and he told me: "You don't think I would let you bring the Professor home alone? How could you manage?" And he went all the way back with me to Williamstown, took care of the formalities, and helped Lu, who was very weak, to our car and made him comfortable. Then he went back with me to Manchester and stayed until he was sure that I could manage alone. Only a very, very devoted friend would have acted this way.

Lu recovered completely that summer, but he himself realized that he was no longer the same. He became very quiet, and I often wished he would tell me once again some of his war stories, which in former years he had told me so often. He once said, "The worst is that I still have so much to give to the people, to the world, and I can't put it together anymore. It is tormenting."

A few weeks after we returned to New York, Lu had his ninetieth birthday. Larry Fertig had arranged a small intimate party for about twenty good friends at the New York University Club. As a special present Lu received a two-volume festschrift from the Institute for Humane Studies in California. The festschrift included seventy-one essays from scholars in eighteen countries, former students and friends of Lu's from all over the world. The idea for the book, *Towards Liberty*, was conceived by Gustavo Velasco and enthusiastically embraced by the president of the institute, our good friend, Dr. Floyd A. Harper, and beautifully produced by Kenneth Templeton.

I knew about this plan from the very beginning and had promised Dr. Harper not to tell Lu about it. But I could not really keep my promise, for Larry Fertig and Gustavo Velasco had sent their contributions in advance to Lu in Manchester. I would say it was wise of them to do so, for at that time he could still enjoy what he read.

What Lawrence Fertig wrote in *Towards Liberty* seems to me almost prophetic:

Economic historians of the 21st Century will undoubtedly be puzzled by the reception accorded to economic theorists of the 20th Century. They will be particularly puzzled by what occurred in the span of years between World War I and 1970. . . .

Great honors were showered on economists whose major accomplishments had been to promote a major inflation which, by the end of the 20th Century, was acknowledged to be the source of tremendous social unrest and economic crises. These were the fashionable economists who were sponsored by wealthy Foundations and indeed by most of the intellectuals of Academe.

But when economic historians of the future came to evaluate precisely who had made the most significant contributions to economic theory—to those broad and fundamental principles which explain human actions in the practical world people must live in—their puzzlement increased. For they could find only a meager record of academic honors or monetary prizes by leading ivy-league universities accorded to the one economist who had discovered and formulated some of the most brilliant economic theories of that century. His name was *Ludwig von Mises*.

In the coming weeks, when Lu read all the articles that were published about him in magazines and papers all over the world, he said to me: "The only good thing about being a nonagenarian is, that you are able to read your obituaries while you are still alive."

We now lived very quietly, but nevertheless I invited friends every week, for I did not want Lu to feel isolated. The ones he loved to see most were Larry Fertig, Henry Hazlitt, and Percy and Bettina. They all had strong, clear voices, spoke distinctly, and chose subjects that interested Lu, so he could participate in the conversation. But mostly he wanted to be alone with me. "If it were not for you," he often said, "I would not want to live anymore." I never believed the doctor when he told me in the last weeks of Lu's life that a patient does not know when his mind is slipping. Lu knew it, and he saw no purpose for his living any longer.

The last summer, 1973, I was too tired to keep house again, and we flew to Switzerland, to a health resort high above Lucerne, with a most beautiful view on the Vierwaldstaettersee and the surrounding snow-covered mountains. The place had a beautiful park; the owners were friendly and attentive; and Lu loved to walk in the park. But the place was too remote for proper medical attention.

We left after a few weeks, and the very day after our return to New York Lu had to enter the hospital and never left it again. He was not allowed any visitors, but when Percy and Bettina came to see him on his ninety-second birthday, he asked me to let them enter. Bettina wished him a happy birthday, and ~~and~~ he thanked her and kissed her hand. The Austrian gentleman had remembered the old Austrian custom. Bettina and Percy cried so hard I led them out of the room; I did not want Lu to be disturbed. With the help of valium I managed to keep my smile for Lu all the time.

The last and greatest joy for Lu was when I read him part of the article that Henry Hazlitt had published in *Barron's* for Lu's ninety-second birthday. I only read him a short passage, in which Hazlitt says:

Festschrift
= F

1ST PROOF 06 - 29 - 76

0491
0492
0493
0494
0495
0496
0497
0498
0499
0500
0501
0502
0503
0504
0505
0506
0507
0508
0509
0510
0511
0512
0513
0514
0515
0516
0517
0518
0519
0520
0521
0522
0523
0524
0525
0526
0527
0528
0529
0530
0531
0532
0533
0534
0535
0536
0537
0538
0539
0540
0541
0542
0543
0544
0545
0546
0547
0548
0549
0550
0551
0552
0553
0554
0555
0556
0557
0558
0559
0560
0561
0562
0563
0564
0565
0566
0567
0568
0569
0570
0571
0572
0573
0574
0575
0576
0577
0578
0579
0580
0581
0582
0583
0584
0585
0586
0587
0588
0589
0590

These 92 years of his life have been amazingly fruitful. In conferring the Distinguished Fellow Award in 1969, the American Economic Association credited Mises as the author of 19 volumes if one only counts first editions, but of 46 if one counts all revised editions and foreign translations. In his last years other honors have come to Mises. But such honors, even taken as a whole, seem scarcely proportionate to his achievements. If ever a man deserved the Nobel Prize in economics, it is Mises.

I read it twice to Lu, to be sure, he understood. And he smiled, a sad, resigned little smile.

This same little sad smile I remember only too well when, on December 4, 1969, Lu read an article by Winston Duke, published in the *Harbis News*, the Harvard University Business School community paper. It was called "The Man who should have received the Nobel Prize in Economics."

I would recommend Mises' book *The Anti-Capitalistic Mentality* to each member of the H. B. School faculty as an exercise in introspection. And to the serious student of economics Mises' monumental work, *Human Action* (the greatest piece of economic literature since *The Wealth of Nations*). *Human Action* alone is justification for a Nobel Prize in Economics. It is a poor comment upon the economic departments of so-called "liberal" and "open-minded" universities throughout this nation that this man's works are so systematically excluded from economic texts and classrooms. Likewise it is a sickening comment upon the men who chose the recipients of the Nobel Prize in Economics that Professor Mises was not (even) nominated for that honor.

Lu's mind was especially clear the day before his death. He held my hand all day long, but he was very weak and his voice was barely audible when he told me in the evening, "You look so tired; you must go home now and get some rest." At 9 P.M. the doctor insisted on my leaving. Shortly afterward, Lu went into a coma and never woke up. He died at 8:30 in the morning of October 10, 1973. His doctor and three of the kindest young floor nurses were with him.

Lu is still with me and he always will be. His thoughts, his ideas, his books, his teachings will live on for a better future to come. The sale of his books not only continues but is steadily increasing. In Buenos Aires they have named a street after him. The Mont Pelerin Society gave an impressive memorial celebration at its meeting in Brussels in September, 1974, induced by the then society president, Dr. Arthur Shenfield. I attended as an honored guest. Seven distinguished scholars delivered memorials to Lu, and the speeches later were published in a little booklet. The University Francisco Marroquin in Guatemala has founded a Ludwig von Mises library. A new Spanish translation (by Rigobesto Juarez-Paz) of *Theory and History* has been published by the same university. Gustav Fisher in Stuttgart, Germany, Lu's former publishers for his German books, will soon publish a new printing of Lu's *Kritik des Interventionismus* (*Critique of Interventionism*), first published in 1929. This time it will be published with the German Society for Scientific Books (*Deutsche Wissenschaftliche Buchgesellschaft*) and will have a foreword by F. A. von Hayek. Percy Greaves has published a glossary for *Human Action*, called *Mises Made Easier*.

Charles Heatherly, now Education Director of 300,000 members of the National Federation of Independent Business in California, has arranged a yearly "Ludwig von Mises Essay Contest" for college undergraduates. In 1975 more than a thousand students participated. President George Roche of Hillsdale College has introduced an annual series of "Mises Lectures" at Hillsdale. A couple in California have willed their estate for the foundation of a Mises chair in economics at Rockford College. The Libertarian parties of Tennessee, Washington, and Massachusetts published in their various newsletters a proposal to their members for a "von Mises Day," to be observed annually on September 29. Lu's *Anti-Capitalistic Mentality* was recorded for the Blind in 1975, and recently Congressman Steve Symms of Idaho introduced a bill in Congress (H.R. 8358) calling for the minting of two gold coins for sale to the American people, each coin containing one ounce of .999 fine gold. The one coin "shall have a portrait of the late economist Ludwig von Mises on one side and the seal of the United States on the other side." The second coin "shall bear a portrait of President Thomas Jefferson on one side and the seal of the United States of America on the other side." "In my opinion," Symms said, "the minting of these coins would be a fitting tribute to the greatest economist and the greatest political thinker who have ever lived."

~~On December 20, 1945, the *Commercial and Financial Chronicle* published an article of Lu's titled "Inflation and Price Control: European Experiences with Price Control." This article made such great impression—but unfortunately not on the government—that in November, 1971, Congressman John H. Rousselot of California placed excerpts of it in the *Congressional Record*.~~

~~Reprinted in Mises, *Planning for Freedom*. Page 72 Memorial Edition Ludwig von Mises *Planning for Freedom*.~~

If I myself could realize one special dream, it would be that every president of the United States should get for his inauguration a complete set of Lu's books, destined for the Oval Office in the White House. These books should be marked for special recommended readings concerning government interference, social-

a memorial proposed
Fischer
Interventionismus
Buchgenossenschaft

1ST PROOF 06 - 29 - 76

0591
0592
0593
0594
0595
0596
0597
0598
0599
0600
0601
0602
0603
0604
0605
0606
0607
0608
0609

⁷⁵
~~75~~-A/H-VON MISES-PC2836

ism, and inflation. Perhaps they would help to preserve freedom in the United States. My second wish would be that every university or college where economics and political science are taught would—of their own free will—add a course on freedom of the market to their curriculum.

I can best sum up my husband's character in the very words that he, himself, used in writing about the distinguished economist Benjamin Anderson:

His most eminent qualities were his inflexible honesty, his unhesitating sincerity and his unflinching patriotism. He never yielded. He always freely enunciated what he considered to be true. If he had been prepared to suppress or only to soften his criticism of popular, but obnoxious policies, the most influential positions and offices would have been offered to him. But he never compromised. This firmness marks him as one of the outstanding characters in this age. ^a

See page 112 Memorial Edition of
Ludwig von Mises, *Planning for Freedom*
Libertarian Press, South Holland Ill. 61473

1ST PROOF 06 - 29 - 76

0005
0006
0007
0008
0009
0010
0011

0012

0013
0014
0015
0016
0017

0018
0019
0020
0021
0022
0023
0024
0025
0026
0027
0028
0029
0030
0031
0032
0033
0034
0035
0036
0037
0038
0039
0040
0041
0042
0043
0044
0045
0046
0047
0048
0049
0050
0051
0052
0053
0054
0055
0056
0057
0058
0059
0060
0061
0062
0063
0064
0065
0066
0067
0068
0069
0070
0071
0072
0073
0074
0075
0076
0077
0078
0079
0080
0081
0082
0083
0084
0085
0086
0087
0088
0089
0090
0091
0092
0093
0094
0095
0096
0097
0098
0099
0100
0101
0102
0103
0104
0105

Appendix One

*Tribute to F. A. von Hayek by Ludwig von Mises
Written to be Presented at a Banquet in Hayek's
Honor
Chicago, May 24, 1962*

I AM sorry that a combination of causes—geography, my busy schedule and no less my age—make it impossible for me to attend this gathering. If I were able to be present, I would have said a few words on Professor Hayek and his achievements. As conditions are, I have to put these remarks in writing and am grateful to our friends who will present them for me.

To appreciate duly Doctor Hayek's achievements, one must take into account political, economic and ideological conditions as they prevailed in Europe and especially in Vienna at the time the first World War came to an end.

For centuries the peoples of Europe had longed for liberty and tried to get rid of tyrannical rulers and to establish representative government. All reasonable men asked for the substitution of the rule of law for the arbitrary rule of hereditary princes and oligarchies. This general acceptance of the freedom principle was so firmly rooted that even the Marxian parties were forced to make to it verbal concessions. They called their parties social-democratic parties. This reference to democracy was, of course, more eye-wash as the Marxian pundits were fully aware of the fact that socialism does not mean freedom of the individual but his complete subjection to the orders of the planning authority. But the millions who voted the socialist ticket were convinced that the "withering away" of the state meant unrestricted freedom for everybody and did not know how to interpret the mystic term "dictatorship of the proletariat."

But now there was again a dictator at work, a man who—in the wake of Cromwell and of Napoleon—dispelled the parliament freely elected by adult suffrage and mercilessly liquidated all those who dared to oppose him. This new dictator claimed supreme unlimited power not only in his own country but in all countries. And thousands and thousands of the self-styled intellectuals of all nations were enthusiastically supporting his claim.

Only people who had lived in Central Europe in those critical years between the fall of the Russian Tsardom and the final catastrophe of the Central-European currencies know how difficult it was at that time for a young man *not* to surrender to communism or to one of the other dictatorial parties that soon sprang up as poor imitations of the Russian model. Frederick von Hayek was one of this small group of dissidents who refused to join in what Julien Benda^o pertinently called the *Treason of the Intellectuals*. At the School of Law and Social Sciences of the University of Vienna he was a hardworking student and in due time got the doctorate. Then an opportunity was offered to him to spend one year and several months in New York as secretary of Professor Jeremiah Jenks, of New York University, an eminent expert in the field of international monetary policies. Some time after his return to Vienna, he was entrusted with the management of a newly founded scientific institution, the Austrian Institute of Business Cycle Research. He did a brilliant job in this field, not only as an economist but also as a statistician and an administrator. But in all these years his main interest was economic studies. He was one of the group of young men who participated in the work and the discussions of my Privat-Seminar at the University of Vienna. He published several excellent essays on problems of money, prices and the trade cycle. Political conditions in Austria made it rather questionable whether he would ever be appointed to a full professorship at an Austrian University. But England was at that time still free from prejudice against the free market economy. Thus in 1931 Hayek was named Tooke Professor of Economic Science and Statistics in the University of London. Relieved from the administrative responsibilities that had in ~~Vienna~~ shortened the time he could devote to scientific work, he could now publish a number of eminent contributions to economic theory and their application to economic policies. He was soon quite properly considered as one of the foremost economists of our age.

The economist is not merely a theorist whose work is of direct interest only to other economists and is seldom read and understood by people outside the professional clan. As he deals with the effects of economic policies, he is by necessity always in the midst of the controversies that center around the policies and thereby the fate of the nations. Whether he likes it or not, he is forced to fight for his ideas and to defend them against vicious attacks.

Doctor Hayek has published many important books and essays and his name will be remembered as one of the great economists. But what made him known overnight to all people in the Western orbit was a slim book published in 1944. *The Road to Serfdom*.

The nations of the West were then fighting the German and Italian dictatorships, the Nazis and the Fascists, in the name of liberty and the rights of man. As they saw it, their adversaries were slaves, while they themselves were resolutely dedicated to the preservation of the great ideals of individualism. But Hayek uncovered the illusory nature of this interpretation. He showed that all those features of the Nazi economic system that appeared as reprehensible in the eyes of the British—and, for that matter, of their Western allies—were precisely the necessary outcome of policies which the "left"—the self-styled progressives, the planners, the socialists and in the U.S. the New Dealers—were aiming at. While fighting totalitarianism, the British and their allies waxed enthusiastic over plans for transforming their own countries into totalitarian outfits and were proceeding farther and farther on this road to serdom.

Within a few weeks the small book became a bestseller and was translated into all civilized languages. Many people are kind enough to call me one of the fathers of the renaissance of classical nineteenth century ideas of freedom. I wonder whether they are right. But there is no doubt that

MEME

1 in Vienna,

1ST PROOF 06-29-76

0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133

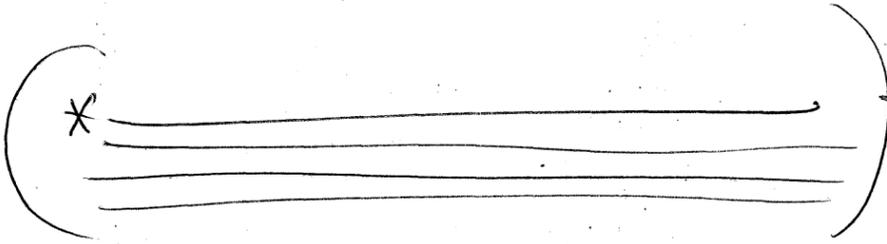
Professor Hayek with his *Road to Serfdom* paved the way for an international organization of the friends of freedom. It was his initiative that led in 1947 to the establishment of the Mont Pelerin Society in which eminent libertarians from all countries this side of the Iron Curtain cooperate.

Having devoted thirty years to the study of the problems of economic theory and the epistemology of the social sciences and having done pioneer work in the treatment of many of these problems, Professor Hayek turned to the general philosophy of freedom. The result of his studies is the monumental treatise *The Constitution of Liberty*, published more than two years ago. It is the fruit of the years he spent in this country as Professor at the University of Chicago. It is a very characteristic fact that this Austrian-born scion of the Austrian School of Economics who taught for many years at London, wrote his book on liberty in the country of Jefferson and Thoreau.

We are not losing Professor Hayek entirely. He will henceforth teach at a German University, but we are certain that from time to time he will come back for lectures and conferences to this country. And we are certain that on these visits he will have much more to say about epistemology, about capital and capitalism, about money, banking and the trade cycle and, first of all, also about liberty. In this expectation we may take it as a good omen that the name of the city of his future sphere of activity is Freiburg. "Frei," that means free.

We do not consider tonight's gathering a farewell party. We do not say good-by, we say till next time.

Stalco



Margit: I suggest a pertinent and deserved footnote to go here, written by you (your name or initials at the end of it, reading:

In 1975, Professor Hayek was awarded the Nobel Prize in Economics, thus confirming, after my husband's death, his judgment of Professor Hayek's eminence in economics — M. von M.

a gracious touch from a real lady to a dear friend. Nicht Wahr?

0005
0006
0007
0008
0009
0010
0011

Appendix Two

0012

0013

Tribute to Ludwig von Mises by F. A. von Hayek

0014

Given at a Party in Honor of Mises

0015

New York, March 7, 1956

0016

0017

MR. CHAIRMAN, Professor von Mises, Ladies and Gentlemen. There has not been, and I don't expect that there ever will be, in my life another occasion when I have felt so honored and pleased to be allowed to stand up and to express on behalf of all those here assembled, and of hundreds of others, the profound admiration and gratitude we feel for a great scholar and a great man. It is an honor which I no doubt owe to the fact that among those available I am probably the oldest of his pupils and that, in consequence, I may be able to tell you some personal recollection about certain phases of the work of the man we honor today. Before addressing Professor von Mises directly, I trust he will therefore permit me to talk to you about him. But, although my recollections cover nearly forty of the fifty years which have passed since the event whose anniversary we celebrate, I cannot speak from my own knowledge about the earlier part of this period. When I first sat at the feet of Professor Mises, immediately after the first war, he was already a well-known figure with the first of his great works firmly established as the outstanding book of the theory of money. That work had appeared in 1912 and yet was by no means his first. Indeed, his first book on economics had appeared fully ten years earlier, four years even before Professor Mises got his doctorate. How he ever did it I've never quite understood. I believe it was written before he came into contact with the one man of the older generation who can claim to have exercised an important influence on his scientific thinking, Eugen von Boehm-Bawerk. It was in Boehm-Bawerk's seminar that a brilliant group was then emerging who were to become the third generation of the Austrian School founded by Carl Menger. Among them it must soon have been evident that von Mises was the most independent minded.

0018

0019

0020

0021

0022

0023

0024

0025

0026

0027

0028

0029

0030

0031

0032

0033

0034

0035

0036

0037

0038

0039

0040

0041

0042

0043

0044

0045

0046

0047

0048

0049

0050

0051

0052

0053

0054

0055

0056

0057

0058

0059

0060

0061

0062

Before I leave the student period which led up to the degree conferred fifty years ago, I will interrupt this account for an announcement. We are by no means the only ones who have thought of making this anniversary the occasion for honoring Professor Mises. I fear it will not be news to him, much as I should like to be the first bringer of this news, that the University of Vienna has also wished to celebrate the occasion. As I have learned only a few days ago, the Faculty of Law of that university has resolved some time ago formally to renew the degree it granted so long ago. If the new diploma has not yet reached Professor von Mises, it should do so any day. In the meantime, I can read to you the citation which the dean let me have by air mail: The Faculty of Law of the University of Vienna resolved at its meeting of December 3, 1955, to renew the doctors diploma conferred on February 20, 1906, on Ludwig von Mises "who has earned the greatest distinction by his contributions to the economic theory of the Austrian School, has greatly added to the reputation of Austrian science abroad, and who has also done most beneficial work as Director of the Vienna Chamber of Commerce and to whose initiative the foundation of the Austrian Institute of Economic Research is due."

0063

0064

0065

0066

0067

0068

0069

0070

0071

0072

0073

0074

0075

0076

0077

But I must return to his first outstanding contribution to economics. To us that first decade of our century when it was written may seem a far away period of peace; and even in Central Europe the majority of people deluded themselves about the stability of their civilization. But it was such that as it appeared to an acute observer endowed with the foresight of Professor von Mises. I believe even that first book was written in the constant feeling of impending doom and under all the difficulties and disturbances to which a young officer in the reserve is exposed at the time of constant alarms of war. I mention this because I believe it is true of all of Professor Mises' works that they were written in constant doubt whether the civilization which made them possible would last long enough to allow their appearance. Yet, in spite of this sense of urgency in which they were written, they have a classic perfection, a rounded comprehensiveness in scope and form which might suggest a leisurely composition.

0078

0079

0080

0081

0082

0083

0084

0085

0086

0087

0088

0089

0090

0091

0092

0093

0094

0095

The Theory of Money is much more than merely a theory of money. Although its main aim was to fill what was then the most glaring gap in the body of accepted economic theory, it also made its contribution to the basic problems of value and price. If its effect had been more rapid, it might have prevented great suffering and destruction. But the state of monetary understanding was just then so low that it would have been too much to expect that so sophisticated a work should have a rapid effect. It was soon appreciated by a few of the best minds of the time, but its general appreciation came too late to save his country and most of Europe the experience of a devastating inflation. I cannot resist the temptation to mention briefly one curious review which the book received. Among the reviewers was a slightly younger man by name of John Maynard Keynes, who could not suppress a somewhat envious expression of admiration for the erudition and philosophical breadth of the work, but who unfortunately, because, as he later explained, he could understand in German only what he knew already, did not learn anything from it. The world might have been saved much suffering if Lord Keynes' German had been a little better.

0096

0097

0098

0099

0100

0101

0102

0103

0104

0105

It was not long after the publication of the book and the appointment to a readership at the university to which it led, that Professor Mises' scientific work was definitely interrupted by the outbreak of the first great war and his being called up for active service. After some years in the artillery, I believe in the end commanding a battery, he found himself at the conclusion of the war in the economics section of the War Ministry where he evidently was again thinking actively on wider economic problems. At any rate, almost as soon as the war was over he was ready with a new book, a little known and now rare work called *Nation, Staat und Wirtschaft* of which I particularly treasure my copy because it contains so

0106
0107
0108
0109
0110
0111
0112
0113
0114
0115
0116
0117
0118
0119
0120
0121
0122
0123
0124
0125
0126
0127
0128
0129
0130
0131
0132
0133
0134
0135
0136
0137
0138
0139
0140
0141
0142
0143
0144
0145
0146
0147
0148
0149
0150
0151
0152
0153
0154
0155
0156
0157
0158
0159
0160
0161
0162
0163
0164
0165
0166
0167
0168
0169
0170
0171
0172
0173
0174
0175
0176
0177
0178
0179
0180
0181
0182
0183
0184
0185
0186
0187
0188
0189
0190
0191
0192
0193
0194
0195
0196
0197
0198
0199
0200
0201
0202
0203
0204
0205
0206
0207
0208
0209
0210
0211
0212

many germs of later developments.

I suppose the idea of his second magnum opus must already have been forming in his mind at the time since the crucial chapter of it appeared less than two years later as a famous article on the problem of economic calculation in a socialist community. Professor Mises had then returned to his position as legal adviser and financial expert of the Vienna Chamber of Commerce. Chambers of Commerce, I should explain, are in Austria official institutions whose main task is to advise the government on legislation. At the same time Professor Mises was combining this position with that of one of the heads of a special government office connected with carrying out certain clauses of the peace treaty. It was in that capacity that I first came to know him well. I had, of course, been a member of his class at the university. But since, as I must mention in my own excuse, I was rushing through an abridged postwar course in law and did not spend *all* my spare time on economics, I have not profited from that opportunity as much as I might have. But then it so happened that my first job was as Professor Mises' subordinate in that temporary government office; there I came to know him mainly as a tremendously efficient executive, the kind of man who, as was said of John Stuart Mill, because he does a normal day's work in two hours, has always a clear desk and time to talk about anything. I came to know him as one of the best educated and informed men I had ever known and, what was most important at the time of great inflation, as the only man who really understood what was happening. There was a time then when we thought he would soon be called to take charge of the finances of the country. He was so clearly the only man capable of stopping inflation, and much damage might have been prevented if he had been put in charge. It was not to be.

Of what I had not the least idea at that time, however, in spite of daily contacts, was that Professor Mises was also writing the book which would make the most profound impression on my generation. *Die Gemeinwirtschaft*, later translated as *Socialism*, appeared in 1922. Much as we had come to admire Mises' achievements in economic theory, this was something of much broader scope and significance. It was a work on political economy in the tradition of the great moral philosophers, a Montesquieu or Adam Smith, containing both acute knowledge and profound wisdom. I have little doubt that it will retain the position it has achieved in the history of political ideas. But there can be no doubt whatever about the effect on us who have been in our most impressible age. To none of us young men who read the book when it appeared the world was ever the same again. If Roepke stood here, or Robbins, or Ohlin (to mention only those of exactly the same age as myself), they would tell you the same story. Not that we at once swallowed it all. For that it was much too strong a medicine and too bitter a pill. But to arouse contradiction, to force others to think out for themselves the ideas which have led ~~to~~ ^{is} the main function of the innovator. And though we might try to resist, even strive hard to get the disquieting considerations out of our system, we did not succeed. The logic of the argument was inexorable.

It was not easy. Professor Mises' teaching seemed directed against all we had been brought up to believe. It was a time when all the fashionable intellectual arguments seemed to point to socialism and when nearly all "good men" among the intellectuals were socialists. Though the *immediate* influence of the book may not have been as great as one might have wished, it is in some ways surprising that it had as great an influence as it did. Because for the young idealist of the time it meant the dashing of all his hopes; and since it was clear that the world was bent on the cause whose destructive nature the work pointed out, it left us little but black despair. And to those of us who knew Professor Mises personally, it became, of course, soon clear that his own view about the future of Europe and the world was one of deep pessimism. How justified a pessimism we were soon to learn.

Young people do not readily take to an argument which makes a pessimistic view of the future inevitable. But when the force of Professor Mises' logic did not suffice, another factor soon reinforced it—Professor Mises exasperating tendency of proving to have been right. Perhaps the dire consequences of the stupidity which he chastised did ~~not~~ ^{not} always manifest themselves as soon as he predicted. But come they ~~inevitably~~ ^{did}, sooner or later.

Let me here insert a paragraph which is not in my manuscript. I cannot help smiling when I hear Professor Mises described as a conservative. Indeed, in this country and at this time, his views may appeal to people of conservative minds. But when he began advocating them, there was no conservative group which he could support. There couldn't have been anything more revolutionary, more radical, than his appeal for reliance on freedom. To me Professor Mises is and remains above all, a great radical, an intelligent and rational radical but, nonetheless, a radical on the right lines.

I have spoken about *Socialism* at length because ^{for} of our generation it must remain the most memorable and decisive production of Professor Mises' career. We did, of course, continue to learn and profit from the series of books and papers in which during the next fifteen years he elaborated and strengthened his position. I cannot mention them here individually, though each and every one of them would deserve detailed discussion. I must turn to his third magnum opus which first appeared in Switzerland in a German edition in 1940 and ten years later in a rewritten English edition under the title *Human Action*. It covers a wider field than even political economy, and it is still too early definitely to evaluate its significance. We shall not know its full effects until the men whom it struck in the same decisive phase of their intellectual revolution have in turn reached their productive stage. I, for my person, have no doubt that in the long run it will prove at least as important as *Socialism* has been.

Even before the first version of this work had appeared, great changes had occurred in Professor Mises' life which I must now briefly mention. Good fortune had it that he was a visiting professor at Geneva when Hitler marched into Austria. We know that the momentous events which followed soon afterwards gave him to this country and this city which has since been his home. But there occurred at the time another event about which we must equally rejoice. We, his old pupils of the Vienna days, used to regard him as a most brilliant but somewhat severe bachelor, who had organized his life in a most efficient routine, but who in the intensity of intellectual efforts was clearly burning the candle at both ends. If today we can congratulate a Professor Mises, who not only seems to me as young as he was twenty years ago, but genial and kind even to adversaries as we hardly expected the fierce fighter of yore ever to be, we owe it to the gracious lady which at that critical juncture joined her life to his and who

1ST PROOF 06 - 29 - 76

0213
0214
0215
0216
0217
0218
0219
0220
0221
0222
0223
0224
0225
0226
0227
0228
0229
0230
0231
0232
0233
0234
0235
0236
0237
0238
0239
0240
0241
0242
0243
0244
0245
0246
0247
0248
0249
0250
0251

8580

A/H—VON MISES—PC2836

now adorns his house and tonight our table.

I need not speak to you at length about Professor Mises' activities since he has resided among you. Many of you have, during these last fifteen years, had more opportunity to know him and to benefit by his counsel than is true of most of his old pupils. Rather than telling you more about him I will now turn to him to express in a few words the grounds on which we admire and revere him.

Professor Mises! It would be an impertinence to enlarge further on your learning and scholarship, on your wisdom and penetration, which has given you world renown. But you have shown other qualities which not all great thinkers possess. You have shown an undaunted courage even when you stood alone. You have shown a relentless consistency and persistence in your thought even when it led to unpopularity and isolation. You have for long not found the recognition from the official organization of science which was your due. You have seen your pupils reap some of the rewards which were due to you but which envy and prejudice have long withheld. But you have been more fortunate than most other sponsors of unpopular causes. You knew before today that the ideas for which you had so long fought alone or with little support would be victorious. You have seen an ever growing group of pupils and admirers gather round you and, while you continue to push further, endeavor to follow up and elaborate your ideas. The torch which you have lighted has become the guide of a new movement for freedom which is gathering strength every day. The token of admiration and gratitude which we have been privileged today to present to you on behalf of all your disciples is but a modest expression of what we feel. I wish I could claim a little of the credit of having organized this; but it was in fact entirely the younger generation of your pupils who took the initiative of actually doing what many of us older ones had long wished should be done. It is to the editor of the volume and to the Foundation for Economic Education that the credit belongs of having provided this opportunity for the expression of our wishes.

And now ladies and gentlemen, it only remains for me to invite you to raise your glass in honor of Professor von Mises, in order to wish him long and fruitful years ahead in which he may remain our guide, our counsellor, and our inspiration. Professor von Mises!

0252

1ST PROOF 06 - 29 - 76