Journal of the History of Economic Thought, 2023

IDENTIFYING A "CHICAGO SCHOOL" OF ECONOMICS: ON THE ORIGINS, DIFFUSION, AND EVOLVING MEANINGS OF A FAMOUS NAME BRAND

BY

STEVEN G. MEDEMA

Though the Chicago school has been the subject of no small amount of research over the past several decades, that scholarship has focused largely on persons, ideas, and influence—in short, on the school itself. No attention has been paid to the origins of that label and the avenues via which the notion of a "Chicago school" of economics came to be. This paper attempts to address that lacuna, drawing on both published and archival resources. What emerges is a story of a label of uncertain origin but wrapped up in competing agendas, the first stage in the history of which culminates in 1962 with its rejection by two of the very people who helped birth it.

> To economists the world over, "Chicago" designates not a city, not even a University, but a "school." The term is sometimes used as an epithet, sometimes as an accolade, but always with a fairly definite—though by no means single-valued—meaning. In discussions of economic policy, "Chicago" stands for belief in the free market as a means of organizing resources, for skepticism about government intervention into economic affairs, and for emphasis on the quantity of money as a key factor in producing inflation. In discussions of economic science, "Chicago" stands for an approach that takes seriously the use of economic theory as a tool for analyzing a startlingly wide range of concrete problems, rather than as an abstract mathematical structure of great beauty but little power; for an approach that insists on the empirical testing of theoretical generalizations and that rejects alike facts without theory and theory without facts. (Friedman 1974, p. 3)

Steven G. Medema: Department of Economics, Duke University. Email: sgm37@duke.edu.

I have benefitted immensely from the comments and information provided by Roger Backhouse, Russell Boyer, Bruce Caldwell, Samuel Demeulemeester, Ross Emmett, Daniel Hammond, Douglas Irwin, David Laidler, David Mitch, Edward Nik-Khah, Joseph Persky, Ronnie Phillips, Gabriel Sabbagh, Andrej Svorenčik, E. Roy Weintraub, the editors, and my anonymous referees, as well as participants at Duke's Center for the History of Political Economy workshop, the 2018 HISRECO conference, the 2015 Becker-Friedman Institute Conference on "The Legacy of Chicago Economics," the 2014 History of Economics Society conference, and the History of Economic Thought Society's "VintFest." The research support of the National Endowment for the Humanities and the Institute for New Economic Thinking is gratefully acknowledged, as is the assistance of the staff at the Special Collections Research Center at the University of Chicago's Regenstein Library.

ISSN 1053-8372 print; ISSN 1469-9656 online/23/000001-32
doi:10.1017/S1053837223000123

I. INTRODUCTION

That there is, or was, a "Chicago school" of economics has for many decades been widely accepted by economists, historians, and sundry other commentators, with references to it proliferating across scholarly articles and books, history of economics textbooks, and even the popular media.[1] Though much effort has been spent attempting to probe the school's history, define its elusive and fluid contours, and chart its influence on economic thought and policy, all of this work has presupposed the label, "Chicago school," with which those things are identified. But labels do not just come into being. Instead, they are spoken into existence by particular individuals and for particular reasons (ranging from benign categorization to the performative), gain a measure of acceptance as useful identifiers, and persist so long as they continue to usefully serve those roles.

Of course, labels can also be deceiving. Their acceptance and persistence imply an agreed interpretation and stability of meaning that make them ready tools for categorization. Yet, a more detailed probing reveals evolving meanings, contending points of view, and heterogeneities galore. One response to these problematics is to dismiss the entire labeling process as hopeless. And, indeed, there is some reason to question whether and to what extent the "Chicago school" of economics is a useful historical category. But the reality is that the "Chicago school" label has been and continues to be used by historians, economists, and others to mark out a particular type of economic analysis. It is thus useful to devote some attention to the origins of that label, to the persons and ideas to which it was affixed, and to why some individuals may have found it useful to conjure it into existence and perpetuate its application.

Historians of science have devoted a goodly amount of attention to the identification of "research schools" and the set of attributes that mark out a particular research program as meriting the "school" label. Though the lines here are a bit blurry, the attributes typically said to distinguish a "school" include a charismatic leader with a reputation for original scholarship; an effective and distinctive research program, especially in a new or growing area of inquiry; mechanisms for attracting and training recruits; loyalty, camaraderie, and cohesion, contributing to "the school's sense of its own novel and distinctive identity and importance"; ready access to or, better still, control over publication outlets; and sufficient financial support (Morrell 1972, pp. 3–7).[2] Whether the "Chicago school of economics" satisfies these criteria is open to debate, though one can certainly see elements of correspondence. But this is in some sense neither here nor there as respects the present paper. That is, our concern is with when, how, and why the label came to be applied and gain currency rather than with questions of its legitimacy in

[1] See, e.g., Miller (1962), Stigler (1962), Bronfenbrenner (1962), Friedman (1974), Reder (1982), Stigler (1988, ch. 10), Hammond and Hammond (2006), Van Overtveldt (2007), Freedman (2008), Emmett (2010), and Van Horn, Mirowski, and Stapleford (2011).

[2] Morrell's (1972) pioneering work remains the touchstone on this subject. See also Geison (1981) and the essays in Geison and Holmes (1993), including Geison's concluding reflection on "Research Schools and New Directions in the Historiography of Science." Jackson (2006) provides a somewhat more recent treatment of the subject. Cord (2011) provides an interesting discussion of the Keynesian revolution in a "research schools" context.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

a descriptive sense. Even so, we find aspects of this schema evidenced in many of the earliest references to a "Chicago school."

The first expansive attempt to delineate the contours of a "Chicago school" came in 1962, when University of California Los Angeles's H. Laurence Miller published a paper entitled "On the Chicago School of Economics" in the *Journal of Political Economy* (*JPE*).[3] Miller opened his article with the assertion that, "To a great many economists, the phrase 'the Chicago School of Economics' is a recognizable and meaningful designation," one that reflects its members' status as "an interconnected group with a set of common attitudes and interests which distinguishes them from the rest of the economics profession" (Miller 1962, p. 64). This school, he continued, had "crystallized" in the days of Frank Knight, Jacob Viner, and Henry Simons (the 1920s through mid-1940s), and, at the time of his writing, was exemplified in the persons and work of Milton Friedman and George Stigler (p. 64).[4]

Using the published writings of the school's ostensible members as his data, Miller argued that a Chicago school economist was distinguished by "a number of closely related attributes":

> the polar position that he occupies among economists as an advocate of an individualistic market economy; the emphasis that he puts on the usefulness and relevance of neo-neoclassical economic theory; the way in which he equates the actual and the ideal market; the way in which he sees and applies economics in every nook and cranny of life; and the emphasis that he puts on hypothesis testing as a neglected element in the development of positive economics. (p. 65)

Miller allowed that there were elements of both continuity and difference between the earlier generation of Knight, Viner, and Simons and the generation of Friedman and Stigler. But the extent of the continuity was sufficiently great, for Miller, that all of these individuals were properly grouped under the "Chicago school" banner.[5]

Miller's claims prompted rather harsh reactions from Stigler and from Martin Bronfenbrenner, both of whom wrote responses to Miller's article. Stigler (1962), who had been trained at Chicago (PhD 1938) but had returned as a faculty member only in 1958, effectively denied the existence of a Chicago school in anything but the professional (*outside* of Chicago) mindset, emphasizing both the heterogeneity within the Chicago orbit and the commonality between essential aspects of Chicago thinking and that of the

[3] Miller had earned his PhD in economics from Harvard in 1956. Of course, the fact that the *JPE*, then edited by the fabulously eclectic Harry Johnson, elected to publish Miller's article speaks to the label's currency at that time. Johnson's publication decision may be attributable to his distaste for some of the ideas that he associated with certain of his colleagues, especially Friedman. See Moggridge (2010), and Harry Johnson, "A Keynesian Looks at Chicago," 1960, Harry Johnson Papers, Box 25, Writing 1960, Special Collections Research Center, Regenstein Library, University of Chicago.

[4] The only other names mentioned by Miller in association with (then-) contemporary "Chicago school" ideas were Ronald Coase (who at this point was still on the Virginia faculty), Reuben Kessel, and Simon Rottenberg. See Miller (1962, pp. 66n10, 68n13).

[5] Miller also allowed that not all members of the Chicago faculty or those trained at Chicago should be considered members of the "school" and that there were "a substantial number" of members who had never been at Chicago in either capacity. "But," he argued, "the Chicago view is dominant at the university and the faculty there has been the energizing, central influence in the life of the school to date." Because of this, Miller concluded that "the Chicago name is not a misnomer" (1962, p. 64).

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

larger profession. Bronfenbrenner, who also had received his graduate education at Chicago (PhD 1939) and was then at Wisconsin, took a rather different tack, suggesting that, if one wished to speak in such terms, there were actually *two* Chicago schools, with "the departure of Jacob Viner and the passing of Henry Simons [being] the watershed between them" (1962, pp. 72–73).[6] But Bronfenbrenner was not convinced that even this typology was appropriate. Like Stigler, he emphasized the heterogeneity at Chicago past and present, as against the monolith it was portrayed to be, as well as the important points of both commonality and distinction between Chicago and the profession as a whole. But for all of their objections to Miller's characterization of the Chicago school, neither Bronfenbrenner nor Stigler disputed its existence in the larger professional mind. And indeed they could not, for, as we shall see, the term had been tossed about quite liberally in the literature for more than a decade. Given the strenuous nature of their objections to the label, however, its genesis becomes just that much more interesting.

For all of the writing devoted to the Chicago school over the past several decades, no attention has been paid to the origins of that label and the avenues via which the notion of a "Chicago school" of economics came to be.[7] This paper attempts to address that lacuna, drawing on both published and archival resources. What emerges is a story of a label of uncertain origin but wrapped up in competing agendas, the first stage in the history of which culminates in 1962 with its rejection by two of the very people who helped birth it.

II. SHOUTS AND MURMURS

George Stigler confidently stated in his *Memoirs,* "There was no Chicago School of Economics when the Mt. Pelerin Society first met" in 1947 and "no hints" of "the belief that there was a distinctive Chicago school … before about 1950" (1988, pp. 148–149). In a letter to Herbert Stein written only months before the book's publication, Stigler added that the "Chicago school" label "did not exist until the 1950s,"[8] pushing back against Stein's assertion, in his *New Palgrave* essay on Henry Simons, that Simons had been "a leading member of *what became known in the 1930s* as the 'Chicago School'" (Stein 1987, p. 335; emphasis added). Stigler's claims here, though, are most assuredly incorrect. While Stein's dating of the brand may have been a bit off the mark, there is every reason to believe that the notion of a "Chicago school" was in the air during the 1940s.

6 Viner's departure for Princeton and Simons's death had both occurred in 1946. Where Bronfenbrenner spoke in terms of a pre- and post-1946 discontinuity, Miller had emphasized a single school of two generations and an essential continuity.

7 It bears noting that the University of Chicago has been a very fertile generator of "schools," with the "Chicago school" label affixed in fields including philosophy (Rucker 1969), sociology (Bulmer 1984), political science (Heaney and Hansen, 2006), literary criticism (McKeon 1982; Booth 1982), and theology (Funk 1976) in the first half of the twentieth century alone. This propensity to associate the "school" label with distinctive Chicago approaches, then, was not unique to economics and, in fact, likely played some role in the genesis of its application on the economics front. Of course, this does not tell us when and why economists began to perceive that there was a distinctive brand of economics being practiced at Chicago that would warrant identifying such a school.

8 Stigler to Herbert Stein, January 4, 1998, George J. Stigler Papers, Addenda, Box 20, Special Collections Research Center, University of Chicago Library. Hereafter, citations to the Stigler archives will be referred to as "Stigler Papers, Box X."

The first hint of a distinctive brand of economics being practiced at Chicago does, in fact, date to the early 1930s and involved a Chicago-spearheaded proposal for monetary reform. This proposal, which most famously included a 100% reserve requirement for banks, was drafted (apparently) by Chicago's Henry Simons and signed by nearly all members of the Chicago economics faculty.[9] Despite the wide range of economists of varying theoretical and policy perspectives, and university affiliations, who actively supported many of these proposed reforms—e.g., Irving Fisher, Lauchlin Currie, Gardiner Means, and James W. Angell—it quickly became known as the "Chicago Plan" (Gideonse 1934; Hart 1935).[10] The label stuck, and dozens of direct and indirect references to the "Chicago Plan" appeared in the literature in the decades that followed. As we shall see, key aspects of the "Plan" eventually came to be subsumed within a perceived "Chicago school" monetary tradition, suggesting that it played a role in the evolving perception of a Chicago brand.

Though this bit of 1930s monetary history likely informed Stein's *New Palgrave* inference, it does not go directly to the perception of a "school." But his response to Stigler's rebuke, written after Stigler's memoirs had gone to press, does, and it finds him challenging Stigler's assertion:

> I do remember this incident about the Chicago School. During the War (WW II), I believe in 1941 although it may have been early in 1942, I met Jacob Viner in Bassin's Delicatessen, Pennsylvania Avenue, NW near 14th Street, in Washington. He asked me what I was doing. I replied, callowly:
> "I'm working at the OPA [Office of Price Administration]. They don't have much use for the Chicago School there."
> To which he responded:
> "Chicago School, Chicago School! What's that? I'm not a member of it."
> That struck me at the time as evidence of his desire to distance himself from Knight, Simons and some others. Did I then invent the term "Chicago School?" If I did, wouldn't he have said; "I never heard of it." rather than "I'm not a member of it?"[11]

If Stein's memory was accurate, this vignette suggests that, by the early 1940s, there was an entity known as the "Chicago school" and that, at a minimum, it had a reputation for opposing price controls—the implementation of which was the bread and butter of the OPA.[12]

Stein's story is almost too easy to believe, given its resonance with later depictions of Chicago. But we need to reckon with Viner's recollections, which differed a bit from Stein's. In a 1969 letter to Don Patinkin, Viner indicated that he did not begin "to hear

---

[9] This memorandum is reprinted in Phillips (1995, pp. 191–198). The signatories included Garfield V. Cox, Aaron Director, Paul Douglas, Albert Hart, Frank Knight, Lloyd Mints, Henry Schultz, and Henry Simons. Notably absent from this list is Jacob Viner. Knight noted in his covering letter to Henry Wallace, U.S. Secretary of Agriculture, "I think Viner really agrees but doesn't believe it good politics" (Phillips 1995, p. 192). See also Laidler (1999).

[10] See Laidler (1993, 1999) and Tavlas (2019) for instructive histories of Chicago monetary analysis during the 1920s and 1930s.

[11] Herbert Stein to George Stigler, January 11, 1988 , Stigler Papers, Box 20. Stein (1995) repeats this story and defends his recollection of it.

[12] The OPA staff included a number of economists, among whom were Leon Henderson (head), John Kenneth Galbraith (deputy-head), Herbert Stein, Walter Salant, and George Stigler.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

rumors of a 'Chicago School'" until after he left Chicago in 1946. Those rumors, according to Viner, had Chicago "engaged in *organized* battle for laissez faire and 'quantity theory of money' and against 'imperfect competition' theorizing and 'Keynesianism.'" Though initially "sceptical" of the school's existence, Viner recalled that its reality was solidified in his mind when he attended a 1951 conference organized by a group of Chicago economists, the flavor of which reflected the tenor of the rumors he had been hearing.[13] "From then on," he said, "I was willing to consider the existence of a 'Chicago School' … and that this 'School' had been in operation, and had won many able disciples, for years before I left Chicago."[14]

It is obvious that either Stein or Viner was "misremembering," given that the encounter Stein describes took place several years before Viner moved on to Princeton. But the fact that both men were working in Washington, DC, in the early 1940s—Stein at the OPA and Viner at the Treasury—lends some credence to Stein's recollections, particularly given that those sympathetic to the OPA's mission likely had little affection for what one might consider a "Chicago" point of view.[15] But there is at least some additional reason to believe that the idea of a "Chicago school" was "in the air" in the early 1940s and that the designation may have originated among critics of Chicago. In his 1962 response to Miller, Bronfenbrenner said that he had "never heard of any 'Chicago school'" during his time at Chicago, but that "[s]hortly after leaving the Midway" he "encountered the term full force."[16] This label, he said, "was usually used pejoratively," as if the school's members were part of "a sect or cult or clique" (1962, p. 72). Given that Bronfenbrenner left the university in 1939, it is likely that he became aware of this label in the early 1940s—or around the time that Stein met up with Viner.

Viner's sense that there had been something overt going on at Chicago by the mid-1940s is undoubtedly correct, for we have that from Simons's own hand. It may have surprised Viner a good deal, however, to find out how directly he was associated with it. In a 1945 memorandum laying out his vision for a proposed "Institute of Political Economy to be established at the University of Chicago," Simons argued the need for an institute focused on examining the "central, practical problems of American economic policy and governmental structure" from a classical liberal point of view.[17] Chicago, Simons contended, was the natural home for this effort, owing to the distinctive flavor of economic analysis practiced there: "A distinctive feature of 'Chicago economics,' as represented recently by Knight and Viner, is its traditional-liberal political philosophy—

[13] Viner to Patinkin, November 24, 1969, Stigler Papers, Box 20. Viner referred to the organization and funding of this conference as "ideologically loaded." The proceedings were published in Director (1952), which is discussed in section V, below.

[14] Viner to Patinkin, November 24, 1969, Stigler Papers, Box 20. See also Patinkin (1981, pp. 265–266).

[15] It also bears noting that Bassin's Delicatessen, the location of the alleged encounter, had opened in 1939 and so was doing business at the time.

[16] After completing his PhD, Bronfenbrenner held positions at Central YMCA College, Chicago (1939–40); the U.S. Treasury (1940–41); and the Federal Reserve Bank of Chicago (1941 to 1943, 1946–47). His time at the Chicago Fed was interrupted by a period of wartime service (1943 to 1946).

[17] Henry Simons, "Memorandum I on a proposed Institute of Political Economy," nd, 12. Henry Simons Papers, Box 8, Folder 9, Special Collections Research Center, Regenstein Library, University of Chicago (hereinafter, Simons, "Memorandum I"). A letter from Simons to F. A. Hayek in the same folder suggests that this memorandum was drafted in the first half of 1945.

its emphasis on the virtues of dispersion of economic power (free markets) and of political decentralisation (real federalism for large nations and for supra-national organisation)."[18]

Simons regarded this philosophy as an endangered species, one "almost unrepresented among the great universities, save for Chicago." This, in turn, made Chicago the obvious place to preserve and solidify it since "'Chicago economics' still has some distinctively traditional-liberal connotations and some prestige. Here, more than elsewhere, the project would be that of sustaining or keeping alive something not yet lost or submerged—and something which here, too, will shortly be lost unless special measures are taken."[19]

In Simons's estimation, then, there was, by 1945, a distinctive and important "Chicago economics," the defining attribute of which was its classical liberalism. Curiously, however, Simons saw it as anything but a thriving enterprise, painting "Chicago economics" as an endangered species but one worth preserving and building upon.

Simons's emphasis on Knight and Viner as the central players in the creation of a distinctive "Chicago" perspective makes for an interesting contrast with the viewpoint of Viner, of course, but also with that of Aaron Director, who was the first to apply the "school" moniker in print. Director had been both a student and colleague of Simons at Chicago and was envisioned by Simons as the director of his proposed institute.[20] When Simons died in 1946, Director returned to Chicago to succeed him on the Law School faculty and quickly set to arranging for the publication of a collection of Simons's essays. His prefatory note for that volume, *Economic Policy for a Free Society* (Simons 1948), informed the reader that

> Professor Simons occupied a unique position in American economics. Through his writings and more especially through his teaching at the University of Chicago, he was slowly establishing himself as the head of a "school." Just as Lord Keynes provided a respectable foundation for the adherents of collectivism, so Simons was providing a respectable foundation for the older faith of freedom and equality. (Director 1948, p. v)

Director drafted this text on March 1, 1947, and, though he did not refer explicitly to a *Chicago* "school," appears to be suggesting that, by 1946, a subset of Chicago and Chicago-trained economists heavily influenced by Simons—*not*, directly at least, Knight and Viner—had coalesced into a group with a set of identifiable views, and that the profession was very much aware of this.[21]

And it seems that it was, judging by the comments of Harvard's Richard Musgrave at the December 1947 meetings of the American Economic Association (AEA) and

---

[18] Simons, "Memorandum I," 1. This suggestion of a strong classical tradition at Chicago goes back to at least 1941, when Berkeley's Nicholas Mirkowich (1941, p. 71), writing in *Weltwirtschaftliches Archiv*, cited this as a distinguishing feature of the department. Like Simons, Mirkowich cited Knight and Viner as emblematic of this tradition. But he also pointed to Harvard on this score, suggesting that he did not see Chicago as truly unique among leading departments.

[19] Simons, "Memorandum I," 5.

[20] Simons had noted in the aforementioned memorandum, "One can trust Aaron Director to serve such purposes faithfully and intelligently" (Simons, "Memorandum I," 11).

[21] Some support for this can be found in William A. Mackintosh's (1948) review of the Simons volume.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

subsequently published in the *American Economic Review (AER)* (Musgrave 1948). The occasion was an argument for the use of fiscal policy as a macroeconomic stabilization tool, a subject that, as Musgrave noted, was typically discussed in terms of expenditure policy alone. Musgrave, though, took pains to emphasize that expansionary and contractionary fiscal action could be accomplished via the tax policy lever as well, one implication of which, he noted, was that the "distance between Chicago and Cambridge is less than appears at first sight" (1948, p. 384). It is here, at last, that we find the literature's first reference to a truly distinctive "Chicago" view but with a phrasing that suggested that the audience was well aware of the connection, at least as regards fiscal policy.[22] Clearly, then, there was something in the air.

III. THE IDENTIFICATION OF A "CHICAGO SCHOOL" IN THE ECONOMICS LITERATURE

If the origins of the perception of a "Chicago school" of economics are somewhat ambiguous, the sources of its initial appearances in the literature are not.[23] The first published mention of it owes to Jan Tinbergen, whose article on models of international trade in *Giornale degli Economisti e Annali di Economia* in November 1948 makes reference to "la scuola di Chicago" (1948, p. 638). Surprisingly, however, this "school" was not to be found in the persons of Knight, Viner, or Simons but in the economists working at the Cowles Commission, then housed at Chicago. The Cowles group, of course, was very much the vanguard of mathematical formalism and sophisticated econometric analysis at the time and far more disposed to various forms of economic planning than the subset of Chicago faculty who came to be more widely identified with the "Chicago school." In fact, it is fair to say that the two groups were poles apart both methodologically and policy-wise, making this initial application of the label more than a bit ironic. Nor was Tinbergen the only person to speak in these terms as, over the next decade, several northern European researchers with Cowles-type quantitative research agendas did likewise, also in European journals.[24]

Only months after Tinbergen's article appeared, however, we witnessed the first explicit reference to a "Chicago school" in its now more commonly known sense. It came from none other than George Stigler, the same George Stigler who insisted to Stein forty years later that the term had not existed until the 1950s. The occasion was an April 1949 *Journal of Political Economy* essay reviewing *A Survey of Contemporary Economics* (1948), a volume overseen by a committee of the American Economic Association and edited by Howard Ellis of University of California Berkeley. The *Survey* consisted of a set of original essays written by leading specialists that, in Ellis's words, attempted "to provide to the economist outside a particular field an intelligible and reliable account of its main ideas … which have evolved during the last ten or fifteen

[22] This, as we shall see in the next section, is a viewpoint attributed to the "Chicago school" by Bronfenbrenner (1950) not long thereafter. It may or may not be relevant that Musgrave, too, was working in Washington, DC, during WW II, in his case, at the Treasury with Viner.

[23] This claim is based upon an exhaustive literature search using JSTOR, Google, Google Scholar, ProQuest, and a wealth of print resources from this era.

[24] See Prais (1952, p. 445), Tinbergen (1952, p. 18), Hansen (1957, p. 234), and Van Dantzig (1957, p. 3).

years" (1948, p. v). In short, it would provide the reader with a sense of the professional consensus on what mattered in economics and, via exclusion, what did not.

Stigler, who was then at Columbia, found the volume less than satisfying, in no small part because the contributors were "a much more homogeneous group, with respect to age, academic background, policy predilections, and theoretical affinities, than are American economists in general" (1949b, p. 100). This homogeneity, he argued, had led to a number of omissions, not least among which was that "[n]ot all schools of thought are represented, or even heard." To demonstrate his point, Stigler used the name index to assemble a list of the thirty economists most frequently cited in the book and then emphasized the lacunae: "One misses the institutionalists—Veblen, Commons, Hamilton, etc. *One misses all the luminaries of the Chicago school—Knight, Simons, and Viner.* One misses all the leaders, save Kuznets, of the school emphasizing empirical work—Mitchell, A. F. Burns, Colin Clark, etc." (Stigler 1949b, p. 100; emphasis added).[25]

Stigler's point here was *not* that the contributions of particular individuals went unmentioned in the *Survey*, but that certain *distinct approaches to and perspectives on* economic analysis—among them, that which he associated with the "Chicago school"—were absent from its pages. Note too that Stigler did not take the further step of identifying what those distinctive "Chicago school" ideas and methods were, as if such definition would be redundant. What he did elect to emphasize, however, was that these approaches were omitted from the *Survey* because they were not among those favored by the individuals who "shared, and helped to mold, the view of economics that was dominant during this period" (1949b, p. 100). Whatever else it may have been, then, Chicago was, in Stigler's mind, a force pitted against economic orthodoxy.[26]

The next *two* references to a "Chicago school" only add to the irony, as they came from Martin Bronfenbrenner, who, like Stigler, seems to have considered the "Chicago school" a useful descriptive category in 1949–50 before reversing course a little more than a decade later. The first appeared in his review of Alvin Hansen's *Monetary Theory and Fiscal Policy*, published in the *Annals of the American Academy of Political and Social Science* in July 1949. The occasion for Bronfenbrenner's invocation of a "Chicago School" was his discussion of the many influences on Hansen's way of thinking—including John Maynard Keynes, of course, but also numerous figures who came before and after him. The more recent influences, Bronfenbrenner said, demonstrate "an admirable eclecticism," with only "Functional Finance (Lerner) and the 'Chicago School' (Simons, Mints, Friedman) having nothing but targets to contribute to Hansen's thought" (1949, p. 174). This Chicago "targets" reference, of course, reflected the Keynesian Hansen's lack of affinity for Chicago's emphasis on monetary

[25] While Knight, Simons, and Viner were absent from this list, Stigler himself was among the top thirty. Friedman, however, was not—though he was cited a handful of times (Ellis 1948, p. 474). Lloyd Metzler, a Keynesian, was the only Chicago economist represented among the thirteen contributors to the volume, nearly all of whom were either on the Harvard faculty or, like Metzler, had received their graduate training there.

[26] If Stein's recollections are accurate, it is at least conceivable that Stigler became acquainted with the term during his OPA years. One might also conjecture that he picked it up from Director, but Director's discussion emphasized the role of Simons whereas Stigler emphasized Knight and Viner.

rules and its dim view of countercyclical expenditure policy measures. The Chicago school here, then, was very much a monetary phenomenon.

One year later, however, Bronfenbrenner offered a much more expansive take on the Chicago school when he published a survey of "Contemporary American Economic Thought" in the *American Journal of Economics and Sociology*. The essay made reference to a "Chicago school" no fewer than four times, and in four different contexts, giving us a sense—or at least one data point—for what was considered the Chicago school view circa 1950.

The first of these references was to the "so-called Chicago School of economic policy," the "so-called" terminology confirming that the label had become at least somewhat regularized in academic discourse by that time, even if not yet in print. Knight, according to Bronfenbrenner, was this school's "intellectual parent" and Simons its "best-known publicist" (1950, p. 487).[27] What distinguished this school was that its members based "their [policy] prescriptions upon the 'optimum conditions' … which are supposedly satisfied by the ideal competitive price system," believing that they "would, in fact, be realized quickly and painlessly in a free economy," so long as certain conditions were satisfied on the policy front (p. 487).[28] Bronfenbrenner contrasted this approach with that of "[m]ost American planners," who "throw 'economic rationality' out the window, and prefer to operate on the quasi-military basis of 'Father Knows Best' or 'Me (and My Gang) for Dictator,' unhampered by any rules whatever"—work that he saw exemplified in the uses to which linear programming was being put during this time—as well as with that of socialists such as Abba Lerner and Oscar Lange, who believed that planning should be founded on rationality principles but that the competitive market system was unlikely to generate optimal outcomes (p. 488).

Bronfenbrenner's three other references do even more to press the notion that the Chicago school held to views distinct from those of significant segments of the profession. On the economic growth front, he said, members of "the Chicago group already mentioned … think of investment outlets as nearly unlimited at going rates of interest," impeded only by "the influence of monopoly," especially that arising in the labor market through the influence of trade unions—a position he contrasted with the Keynesian focus on the need for public investment and consumption stimulus (pp. 489–490). Bronfenbrenner also believed that "[t]he *Chicago School* should be mentioned particularly" for its willingness to abandon full employment as a policy criterion, though he allowed that its members differed in their views on this score (p. 491).[29] Lastly, he suggested that "the Chicago School strongly favors regulation of trade unions under the

[27] Bronfenbrenner cited Simons's *Economic Policy for a Free Society* (1948) as evidence for this claim.
[28] These conditions, Bronfenbrenner noted, were "(1) Elimination of all seriously monopolistic restrictions on the supply of goods and labor. (2) Monetary policy devoted to maintaining a stable price level, or, alternatively, a stable level of government expenditures, without any guarantee of full employment for products and resources which priced themselves out of their markets. (3) Mitigation of inequality by taxation (particularly the progressive personal income tax) rather than by interference with the pricing of goods and services" (1950, p. 487).
[29] Simons and Mints preferred that monetary and fiscal policy be utilized to achieve price stability, regardless of employment effects, whereas Friedman favored a relatively constant level of real government expenditure and stable tax system, regardless of variations in prices and employment levels (Bronfenbrenner 1950, p. 491).

monopoly statutes," as against "the great bulk of American labor economists" who either did not see unions as monopolies or rejected their regulation on practical grounds (p. 492).

For both Stigler and Bronfenbrenner circa 1949–50, then, there was a "Chicago school" that clearly occupied a distinctive and important space on the spectrum of economic ideas, even if they argued the contrary, emphasizing the commonalities between Chicago and the rest of the profession, in their 1962 responses to Miller. It is also significant that each used the "Chicago school" label without feeling compelled to explain it, as if they expected that their readers would be well aware of the school's identity. Further evidence for the label's wider currency is found in John McDonald's article "The Economists," which was published in *Fortune* magazine in 1950.[30] McDonald's mission was to introduce his readers to contemporary "economic theorists" and "show the drift of their thought" (1950, p. 109). In doing so, he highlighted the "Chicago school" as a "fortress of orthodoxy" defending the classical approach against both the theory of monopolistic competition and the tide of Keynesianism that had "swept the profession." Knight and Viner were central here, McDonald said, but they had bred "eminent younger classicists" such as Friedman, Stigler, and Simons to carry on the resistance. Presaging key elements of Miller's (1962) portrait, McDonald described the flavor of the Chicago school as "Down with big government, big unions, big business, and all domestic and international forms of protectionism," a set of attitudes grounded in the "remote ideal of a competitive society" with atomistic units pursuing their self-interest through which is generated "a high and stable level of efficiency in the use of resources." The portrait painted here was anything but sympathetic. Chicago's "scientific model," McDonald argued, was based on "simplifying assumptions" that had proven increasingly removed from reality. While "orthodox classicists" clung to this model as an adequate representation of this reality, most economists, he contended, had come to regard such a stance as involving "aspects of dogma" (McDonald 1950, pp. 110–111).[31]

* * * * *

For the present, at least, the precise origin of the "Chicago school" label remains a mystery. What we can say with certainty, however, is that the initial *published* references to it came in the late 1940s and from within the Chicago tradition itself. Curiously, these references came from former Chicago graduate students rather than from within Chicago's halls (unless the Simons and Director references are included here) and from individuals who still self-identified (and came to be identified by others) with this tradition, rather than from its critics. That said, the language used, including Bronfenbrenner's reference to the "*so-called* Chicago School," suggests that this characterization was well known within the profession by this time and perhaps that it had initially

[30] McDonald had joined the *Fortune* staff in 1945, when Galbraith was a member of the editorial team. As tempting as it may be to connect dots between Galbraith–Stein–OPA and McDonald, we have no evidence for how McDonald came to adopt the "Chicago school" moniker.

[31] McDonald's article does not seem to have led to a burst of "Chicago school" references in the 'popular' media. For example, the first reference to the school in the *New York Times* did not come until July 31, 1964. That said, *Fortune's* broad audience at the time may have contributed to the label's diffusion within the economics profession.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

been applied, or at least used more frequently, by outsiders and opponents. But if the origins of the label do in fact lie with those critical of a "Chicago school," they presumably did not see fit to commit it to print. It was not long, however, before the critics began to have their day and, in a sense, to make the term their own. This diffusion and the meanings ascribed to the label by those who employed it are the subjects to which we now turn.

IV. DIFFUSION: CHICAGO GETS BRANDED

Though McDonald's portrayal of the Chicago school as a relic, overwhelmed by the tides of the monopolistic competition and Keynesian revolutions, was suggestive of a school that had run its course, the view from inside of the profession was radically different. Indeed, it was not long before references to the school began to snowball, suggesting that it was increasingly viewed as a force to be reckoned with.

Diffusion by the Numbers

The fourteen years between Stigler's and Bronfenbrenner's original applications of the "Chicago school" label and the publication of Miller's article saw seventy-three works referencing a "Chicago school," with another forty-five discussing a distinctive Chicago "group," "tradition," approach, point of view, etc. (labeled "Chicago Distinct" in the figure and tables below).[32] Of the seventy-three "Chicago school" references, eleven came from economists trained at (though not necessarily sympathetic to) Chicago: seven from Stigler and Bronfenbrenner and the others from Ezra J. Mishan, Warren Nutter, Don Patinkin, and Donald Watson. Until Stigler's (1962) response to Miller, however, only one had come from an economist actually working at Chicago, that being a critical mention by Jerome Rothenberg in 1959.

As Figure 1 illustrates, the number of "Chicago school" references in a given year was never particularly large during this period, varying between zero and three from 1949 to 1956 before a marked increase beginning in 1957. Some of the impetus for this sudden acceleration, as we shall see, came from the publication of Friedman's *Studies in the Quantity Theory of Money* (1956) and Edward Chamberlin's *Towards a More General Theory of Value* (1957), but there was also a more general up-tick in the propensity to identify a Chicago school perspective on certain topics, as will become clear shortly.

The variety of outlets in which reference to a "Chicago school" appeared is also noteworthy. The *JPE* and the *AER* were the outlets best represented among the journals, as Table 1 indicates, but the range of journals including more than a single reference is both very diverse and indicative of the label's swift international diffusion.[33] There were no fewer than twenty such references in non-U.S. journals—well over one-quarter of the

[32] These data, and those presented elsewhere in this paper, are drawn from an exhaustive literature search using JSTOR, Google, Google Scholar, ProQuest, and a wealth of print resources from this era. All citation numbers exclude those items equating the "Chicago school" with the Cowles Commission.

[33] One must bear in mind that the number of journals in existence during this period was a small fraction of the number existing today. Among leading English-language economics journals of the period, only *Econometrica* contained no articles referencing a Chicago school.

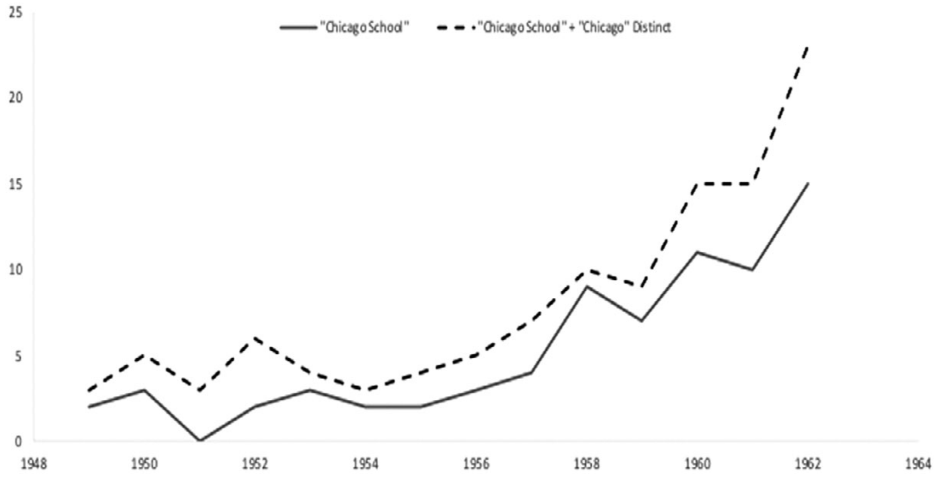

FIGURE 1. Chicago School References
Note: The quantity numbers here are "publications." Thus, a publication with multiple references to a "Chicago school" counts as one.

total mentions—including journals published in England (1954), Australia (1955), Italy (1956), France (1957), Sweden (1957), Germany (1958), and Argentina (1958).[34] Nearly all of these were by non-American authors and usually in the native tongue—referring to, e.g., "die Chicago schule" (Schneider 1959, p. 71) and "l'école de Chicago" (James 1960, p. 487)—which further reinforces the conclusion that the notion of a "school" of economists at Chicago was spreading internationally.

One of the curious aspects of these data is that more than one-third (twenty-seven out of seventy-three) of the references to a "Chicago school" appeared in book reviews. This could well be attributed to the review genre's less restrictive form, with reviewers willing to use narrative instruments there that they would not within the more formal confines of a traditional journal article. The comparative nature of book reviews may also play a role here, given that the reviewer is often attempting to situate the book and/or its author within a particular context. The author of a scholarly article, in contrast, may be more likely to compare his findings with those of, say, "Milton Friedman (1956)" than with the position associated with a particular school of thought.

While the raw data provide ample evidence for the professional perception of and felt need to label a "Chicago school" during this period, they tell us little about what this label represented in the larger professional mind and, by extension, why economists felt compelled to apply it. To get at this, we must turn to an analysis of the contexts within which these references were made.

[34] The date appearing in parentheses here shows the year in which the term first appeared in that country's *published* literature. We know, for example, that the term had some currency in the UK prior to its initial (1954) mention in a UK journal, as the London School of Economics's Lionel Robbins referred multiple times to the "Chicago school" in a 1953 letter to Frank Knight. See Robbins to Knight, 26 May, 1953, Aaron Director Papers, Box 1, Folder 2, Correspondence 1946–1952, Special Collections Research Center, Regenstein Library, University of Chicago.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

Table 1. Publication Outlets Including Multiple References to "Chicago," 1949–1962

Outlet	"Chicago School"	"Chicago" Distinct	Total
American Economic Review	7	7	14
Economica	2	2	4
Economic Journal	0	2	2
Journal of Farm Economics	2	3	5
Journal of Political Economy	7	3	10
Kyklos	2	0	2
Monthly Labor Review	2	0	2
Review of Economics and Statistics	1	2	3
Review of Social Economy	4	0	4
Revue Économique	1	2	3
Southern Economic Journal	2	2	4
Weltwirtschaftliches Archiv	2	3	5
Books/Chapters in Books	9	7	16
MA/PhD Theses	4	1	5

Defining the "Chicago" Brand

Though the earliest references to a "Chicago school" came from Chicago insiders, the typical mention of it in the 1950s and early 1960s came from *outside* the Chicago tradition. Most of these were critical of the perceived Chicago viewpoint and were narrowly drawn, being tied to a particular area of economic theory or policy rather than to a broader "Chicago" approach to economics as a whole (Table 2). This suggests that the term meant different things to different economists and that the construction of a more all-encompassing "Chicago" view in the professional mind was an evolutionary process. Coincidentally (or perhaps not), the various ways in which the Chicago school was characterized in these discussions track quite neatly with the "Chicago school" positions laid down by Bronfenbrenner in 1950. That said, neither the Stigler (1949b) nor Bronfenbrenner (1949, 1950) articles were cited to any significant extent in this later literature, suggesting that their articles were not the impetus for the increased propensity to apply the label or the content given to it.

The Market and the State

Stein's vignette and Bronfenbrenner's (1950) characterization of a "Chicago school of economic policy" tell us that the association of Chicago with a faith in the optimality of a competitive market system free from government controls has a very long lineage. That this sense for Chicago was very much in the air by 1950 is further evidenced in "M.W."'s (Morris Weisz's) review of books by Clare E. Griffin and Charles Lindblom in the *Monthly Labor Review*, where he classed both authors as "followers of the late Professor

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

Table 2. References to "Chicago" by Topic, 1949–1962

Outlet	"Chicago School"	"Chicago" Distinct	Total
Monetary	26	21	47
Markets-Government-Laissez Faire	11	15	26
Labor Economics/Unions	12	1	13
Monopolistic Competition	11	0	11
Agricultural Economics	4	7	11
Methodology	6	1	7

The data in this table do not include the material referenced in Miller (1962), Stigler (1962), or Bronfenbrenner (1962).

Simons" and their works as efforts to "apply the Chicago school's *well-known* interpretation of liberal economic doctrine" (W[eisz] 1950, p. 73).[35] And as the Simons memoranda discussed in section II suggests, this was an association that, early on at least, some at Chicago had sought to cultivate.

The identification—and self-identification—of a "Chicago" policy perspective was on full display during an April 1951 conference on "The Economics of Mobilization," spearheaded by Aaron Director and sponsored by the University of Chicago Law School. The focus of the discussion, published under the title *Defense, Controls, and Inflation* (Director 1952), was on the degree to which governmental controls should be operative in the process of mobilizing for war—in this case, the Korean conflict—and the participants included some seventy academics, policy-makers, civil servants, and businessmen, with healthy representation from Chicago past and present.[36]

Participants repeatedly noted the conference's distinctly "Chicago" flavor and even agenda, with Yale's Eugene Rostow charging that the prepared questions the group was to address were "leading questions," ones that he surmised must have been "drafted by economists in Chicago" (Director 1952, p. 196). Northwestern's Richard Heflebower drew a similar conclusion in his *AER* review of the proceedings, pointing to the pervasiveness of the "Chicago School" policy program throughout. This program, he noted, "consisted solely of vigorous monetary control carried out by Federal Reserve open market operations. No direct controls over wages, prices, or uses of materials, or over total amount or direction of use of investment funds should be imposed." All of this, for Heflebower, reflected "the viewpoint of those who prepared the agenda for they are of the 'Chicago School'" and believe that "controls may damage the free market system permanently" (1953, pp. 457–458).[37]

[35] The books under review were Griffin's *Enterprise in a Free Society* (1949) and Lindblom's *Unions and Capitalism* (1949).

[36] Attendees with a Chicago background included Director, Friedman, Knight, Mints, Stigler, Viner, Allen Wallis, Theodore W. Schultz, F. A. Hayek, and Homer Jones.

[37] This "Chicago School" label here is Heflebower's language; the term "school" does not appear in the published conference proceedings, though Heflebower's wording here suggests that it was bandied about. The several other published reviews of this volume make no reference to Chicago.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

As respects price controls, at least, Heflebower would have gotten no objection from Director, whose remarks made clear his belief both that there *was* a distinctive "Chicago" point of view on this score and in the indisputable correctness of it. Director considered opposition to price controls "so much a part of the Chicago tradition that we have forgotten how to argue the issue." Indeed, he continued, "At Chicago the advantages of the market as a method of organizing economic affairs are valued too highly to be laid aside [even] during so-called emergency periods." This, for Director, had been clearly illustrated by World War II price controls, which illustrated that "there is a hard way of learning such things, by going to Washington, and an easy way of doing it, by staying at Chicago" (1952, p. 158).[38]

Theodore W. Schultz, then chairman of the Chicago economics department, was sufficiently put off by Director's suggestion that "there was only one point of view in economics at the University of Chicago" to attack it directly (Director 1952, p. 191). Schultz's stance, though, found at best lukewarm support from Frank Knight, whose assessment near the end of the conference buttressed Director's claims:

> [I]t seems appropriate that I should say a word, at least, to express my loyalty to the Chicago tradition about which you have heard something. And I think there actually is a tradition in the economics group at Chicago to lean in the direction of free enterprise and of freedom rather than the opposite direction. This does not, of course, mean absolute freedom. We are not anarchists, and I think that is really the main point. In matters of principle it is always a question of how far and how; and it is a question which cannot be answered by formula. We recognize as a matter of course that the market system will solve some problems and not others, at least by itself. Many must be handled in part or entirely by governmental agencies and many burdens borne by these—that is, through them, at the cost of private citizens. (Director 1952, p. 295)

Though, as Heflebower (1953, p. 458) approvingly noted, the attitudes of many participants toward "the [economic] logic of the 'Chicago School's' position" were far from sympathetic, the Chicago position did garner some measure of support from Leon Henderson, who had been the first director of the Office of Price Administration. Henderson made clear that he continued to support price controls in both wartime and peacetime but considered the Chicago stance an important part of the policy conversation and thanked "the University of Chicago … for keeping the flame alive and letting the term 'free market' not disappear" (Director 1952, p. 327).

While these 1951 conference proceedings and Heflebower's commentary on them reveal a clear perception that "Chicago" meant an opposition to governmental controls on the marketplace, explicit associations of Chicago with a free-market or laissez-faire point of view were otherwise absent from the literature until the late 1950s—at which point they began to appear at a rapid clip and almost uniformly in a critical vein. The "Chicago school" was associated with a "laissez-faire solution" to problems of commodities price stabilization (Kindleberger 1959, p. 605), placing "increased

[38] Heflebower, though, offered a rather different view when noting the contrast between the Chicago position and that of the non-Chicagoans present: "In general those who had had active roles in World War II or Post-Korea mobilization, or had participated in the policy studies by such groups as the Committee for Economic Development or the RAND Corporation, favored the composite program which included at least some use of direct controls" (1953, p. 459).

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

reliance on the market mechanism" (Lubell 1960, p. 601), and advocating "a radical return to a laisser-faire policy" (Weißkopf 1961, p. 13)—the last being a reference to Simons's proposal to use, as Weißkopf put it, "the most radical government interference in order to preserve and restore competitive markets wherever possible" (p. 13n23).[39]

More overtly political terms such as "liberal" and "neoliberal" also became commonplace Chicago school descriptors during this period. Indiana's Louis Dow associated "Chicago School liberalism" with the "maximand … of optimum freedom for the individuals making up the society" in his 1960 PhD dissertation (1960, p. 199), while his mentor at Indiana, Henry Oliver, connected the policy program of German neoliberalism—e.g., Walter Eucken, Wilhelm Röpke, and Friedrich Lutz—with that of the "Chicago School" (1960, p. 133).[40] This identification of the Chicago school with neoliberalism even made its way into an undergraduate textbook during this period: Donald Watson's *Economic Policy: Business and Government* (1960). Watson's chapter on "Contemporary Economic Philosophies" linked neoliberalism with Vienna and Chicago, informing his student readers that "Neo-liberalism in the United States has even been called 'the Chicago School of economic policy'" (p. 72). Watson, who had completed his PhD at Chicago twenty years earlier, singled out Knight as the "leader and teacher of the Chicagoans," with Simons, Viner, Friedman, and Stigler (whom Watson called "a caustic neoliberal") also fingered as members of this "Chicago school." Despite his claims about Knight's leadership, though, it was Simons whom Watson identified as the school's "most outspoken and vigorous" member, with his *Economic Policy for a Free Society* having provided what, in Watson's estimation, was the "most nearly complete and explicit exposition of the neo-liberal philosophy" (pp. 72, 84).[41]

Monetary Theory and Policy

Though monetary economics received the smallest amount of attention in Bronfenbrenner's (1949, 1950) discussions, it was the area of analysis with which a "Chicago school" was most frequently identified in the years that followed. The first two such references appeared in 1952 and, coincidentally, in the *same issue* of the *Review of Social Economy* —the journal of what then was known as the Catholic Economic Association.[42] The authors, Notre Dame's George Wallace and Georgetown's Josef Solterer, came from outside of the Chicago tradition and provided rather different perspectives on what was perceived as the Chicago approach to monetary matters in the early 1950s, a distinction that was to persist for some years in the literature.

[39] Yale's Robert Lee Hale argued a similar line, extolling the virtues of some monopolies and suggesting that "even members of the University of Chicago Economics Department" might agree to support them in certain instances (Director 1952, p. 293).

[40] See also Oliver (1960, p. 118). In fact, Oliver, writing in the *Quarterly Journal of Economics*, contended that the Germans resembled Simons and Chicago much more than they did the Austrian approach of Ludwig von Mises and others with whom they were sometimes associated.

[41] Takashi Kiuchi's (1960, p. 38) University of British Columbia MA thesis followed a similar line, identifying the "Chicago School" with the Mont Pelerin Society, founded by Hayek, and a focus on individualism and opposition to planning.

[42] That association is now known as the Association for Social Economics.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

Wallace, reviewing the AEA's *Readings in Monetary Theory* (edited by Princeton's Friedrich Lutz and Chicago's Lloyd Mints), was less than enamored of the volume's overall tenor. Of particular concern was the "heavy bias in the direction of the Chicago school of monetary reform," exemplified in the "rules"-oriented approach found in the Simons (1936) and Friedman (1948) articles reprinted in the volume. This, for Wallace, was not at all representative of the field (1952, p. 172). Of course, this "Chicago variety of monetary economics" (1952, p. 170) *was* a hallmark of the "Chicago Plan" and so is suggestive of a strong link between the Plan and the idea of a "Chicago school"—links also drawn by University of Southern California MA student Don Bridenstine (1953, p. 151) in his thesis on "Commercial Bank Reserves" and by Patinkin (1956, p. 237n11) in their depictions of a "Chicago school" monetary viewpoint.

Solterer's discussion, in contrast, is an oddity, even if it rings true to the modern ear. He linked the "Chicago School" with "the concept of money neutrality," citing a 1947 article by "E. C. Simons" as his reference for the Chicago position (1952, p. 136). It seems, however, that Solterer had confused Henry Simons and Edward C. Simmons, as Simmons (1947) was the author of the article in question.[43] Moreover, Henry Simons was *not* an advocate of neutral money, and the quantity theory was at that point *not* a distinguishing feature of Chicago monetary economics.[44] The confusion on display here should not be dismissed, however, as it is indicative of the extent to which the "Chicago school" label was in the air at the time.

Subsequent references to a "Chicago school" in the monetary context did not come until the second half of the decade and revealed a growing tendency to identify the "Chicago" approach with the quantity theory and the person of Milton Friedman. Some of this doubtless owes to Friedman's claims for a quantity theory "oral tradition" at Chicago in his classic 1956 "Restatement" of the theory (1956, pp. 3, 21).[45] This tradition, according to Friedman, included Simons, Mints, Knight, and Viner, and had been kept "alive and vigorous" by both faculty and students. That the perception of a "Chicago school" was being cultivated at Chicago, at least in certain quarters, is further evidenced in the publisher's advertisement for Friedman's book, which referred to *Studies in the Quantity Theory of Money* as "the only systematic statement of the theoretical position of the 'Chicago School' on monetary economics."[46]

Perhaps not surprisingly, references to a Chicago tradition identified with the quantity theory began to proliferate almost immediately following the publication of Friedman's essay. Both Robert Roosa (1958, p. 85) and Ralph Turvey took note of this "Chicago tradition" in their reviews, with London School of Economics's (LSE) Turvey adding that, despite Friedman's claims about an oral tradition, "Some readers may be surprised to find that [his essay] is a rather agnostic document, not a Chicago manifesto" (1957,

[43] Simmons seems to have had no connections to Chicago.

[44] See Laidler (1999, p. 241; 1993), Patinkin (1969, 1981) and Friedman's (1972) response, as well as the discussions in Tavlas (1997, 2015).

[45] Stigler, in contrast, described the state of monetary theory at Chicago prior to Friedman's arrival as "moribund" (1988, p. 150). See also the references cited in note 44, above. It should be noted that Friedman's was not the first reference to an "oral tradition" at Chicago. Simons had implied the existence of such a tradition in 1935, and George Leland Bach spoke specifically of "an 'oral tradition'" at Chicago in his 1940 University of Chicago PhD dissertation. See Simons (1935, p. 555) and Bach (1940, p. 36n1). Neither of these references, however, has the same quantity theory specificity as Friedman's comment.

[46] This ad appeared in the back matter of the December 1956 issue of the *JPE.*

p. 367). While Turvey's comment suggests that economists did indeed associate the quantity theory with the "Chicago school," Bronfenbrenner made the link explicit in a 1957 *AER* review of Alexandre Chabert's *Structure Économique et Théorie Monétaire*, chiding Chabert for his "noteworthy omission" of the "rehabilitation of a generalized form of the quantity theory" by "the newer 'Chicago School' (L.W. Mints and Milton Friedman in particular)" (1957, p. 441). These, it is important to bear in mind, are just a few among the numerous mentions of the "Chicago school" in the context of the quantity theory during the late 1950s and early 1960s, all but one of which was accompanied by a reference to Friedman.[47]

Even with the growing emphasis on Friedman and the quantity theory, however, references to earlier features of Chicago monetary analysis did not entirely disappear. Marquette's Walter Froehlich, reviewing Friedman's *A Program for Monetary Stability* for the *Review of Social Economy*, pointed to Friedman's preference for monetary rules rather than discretion, noting that, in this, he "follows Henry Simons and the tradition which is known as the Chicago School" (1960, p. 189). Others, meanwhile, continued to associate a 100% reserve requirement (and, at times, related institutional reforms) with the "Chicago school" into the 1960s.[48] All of this suggests that there were not one, but *two* "Chicago schools" of monetary analysis being described (independently) in the literature during the 1950s and early 1960s, with some measure of commonality—but also important distinctions—between them. The notion that one could think in terms of two epochs of Chicago monetary analysis rather than, following Friedman, a seamless Chicago tradition is generally associated with the retrospective analyses of Patinkin (1969, 1981). However, this demarcation can be found already in a 1960 talk by North Carolina's Clarence Philbrook, which was subsequently published in Leland Yeager's *In Search of a Monetary Constitution* (1962). Philbrook, who had earned his PhD at Chicago in 1949, referred not to a "Chicago school" but to two "Chicago Heads" on the many-headed monster of monetary theory—an earlier one associated with the generation of Mints and Simons (and in which he had been trained) holding to a "neoclassical theory of money" (1962, p. 27), and a later one associated with the "now-leading Chicago head," Friedman, grounded in the quantity theory (p. 57).

The Economic Impact of Unions

The monetary realm was not the only one featuring a bifurcated perception of a "Chicago school" position, however. The same was true for labor unions and their economic impact, where references to a "Chicago" position emerged in force in the late 1950s. The first of these echoed Bronfenbrenner's (1950) characterization of a "Chicago school" staunchly opposed to labor unions on monopoly grounds. This association, which located the Chicago view in the work of Henry Simons, had currency at the U.S. Bureau of Labor Statistics already in 1950 (W[eisz] 1950) and was trumpeted later in the decade by those with strong union sympathies. Berkeley's Walter Galenson, writing in the *Industrial and Labor Relations Review*, argued that the "Chicago school" regarded unions "as rather unfortunate obstructions to full market freedom, thus, by

---

[47] These include Botha (1959, p. 12), Ponsard (1959, p. 116), Clark (1960, p. 4), Lovell (1960, p. 48), Tintner (1961, p. 276), Gäfgen (1961, p. 473), and Ritter (1962, p. 17). See also Selden (1959, p. 2) and Johnson (1962, p. 351).

[48] See Oliver (1960, p. 147), Egle (1962, p. 6), Rothbard (1962, p. 113), and Watson (1960, p. 72).

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

definition, impairing the efficiency of the economic system" and so recommended their "drastic curtailment" (1959, p. 308). Allan Flanders (Oxford) was even more strident in his review of *The Public Stake in Union Power* (Bradley 1959), criticizing the volume for its "radical hostility to trade unions on the simple, if familiar, grounds that they obstruct the beneficial working of a free market economy"—a tenor that he ascribed to strong representation of the "Chicago School" within its pages (Flanders 1960, p. 119).[49]

But there was a second approach to unions ascribed to the "Chicago school," this beginning in the second half of 1950s. The new approach, as described by Virginia's James Schlesinger, associated the "Chicago view" with the position that unions had "negligible" economic power and that their ability to influence wages had been "grossly exaggerated" (Schlesinger 1957, pp. 15–16). Friedman was considered emblematic of this viewpoint, which was tightly linked to his espousal of the quantity theory and associated resistance to cost-push explanations of inflation, but Knight and Albert Rees also came in for mention.[50] In fact, said Schlesinger, this viewpoint "emanat[ed] to so great an extent from Chicago" that "Chicago view" could be used as a term of convenience (1958, pp. 296–297), as Gottfried Haberler had done on multiple occasions, including his 1956 address to the First Congress of the International Economic Association in Rome (Haberler 1958b, 1958a).[51]

That "Chicago" was perceived to have a distinctive and important viewpoint on unions and labor markets by the late 1950s is brought home by the fact that Indiana University graduate student Louis Dow could write a PhD dissertation on the subject. His thesis, "A Critical Evaluation of the Wage Theories and Wage Policies of the Chicago School" (1960), picks up on the two strands of Chicago thinking just outlined, attributing the attitudes of the Simons and Friedman groups to differing views of the efficacy of competition in limiting monopoly power.[52] These divergent perspectives were also on full display in the reviews of Albert Rees's *The Economics of Trade Unions* (1962).[53] Princeton's Richard Lester emphasized the impotence thesis when reviewing the book for *Challenge*, saying that Rees's approach "is generally that of the Chicago School, stressing market analysis and forces, and minimizing the consequences of

[49] Chicago was represented in the volume by Knight, Hayek, Albert Rees, and H. Gregg Lewis, though there was no shortage of other contributors who might be classified as fellow travelers. Ironically, Flanders did not mention a single member of the Chicago faculty in his review but instead hung his anti-Chicago opprobrium on Harvard's Edward Chamberlin, who, in the opening chapter, made the case for restricting union power. As we shall see below, Chamberlin was at least as hostile to Chicago as was Flanders—though for other reasons.

It may surprise the reader to learn that, in the literature at least, Lewis is not linked with the "Chicago school" viewpoint during this period, despite his well-deserved reputation as the wellspring of Chicago labor economics. But the literature—including Miller's article—is silent on Lewis, apart from a handful of mentions in Louis Dow's (1960) PhD dissertation (about which more below).

[50] See, for example, Clark (1960), Haberler (1958a, p. 90n3; 1958b, p. 476n1), and Zebot (1961a, p. 116n5; 1961b, p. 359n1).

[51] After having this position described to him at the 1951 mobilization conference, Otis Brubaker, who had earned his PhD in political science at Stanford and was director of the research department of the United Steelworkers of America, called it "the sheerest and utterest non sense that I have ever heard" and urged the Chicagoans to get out of the "ivory tower" (Director 1952, p. 244).

[52] Dow's discussion, which ranges over theory, policy, and methodology, is far too broad to examine in any significant detail here. As its title suggests, however, he had little sympathy for either set of the views that he associated with Chicago.

[53] Rees had been at Chicago since the mid-1940s, first as a graduate student working under Gregg Lewis and then as a faculty member.

expanding the role of collectives (unions, corporations and the state)"—a position of which Lester made clear he was not a fan (1962b, p. 40).[54] Solomon Barkin, director of research at the Textile Workers Union of America, came away from Rees's book with a very different, though no less critical, impression, describing it as a "competent exposition of the neo-orthodoxy of the 'Chicago School'" in which unions are "a power group which … interferes with the operation of free markets and thereby produces economic inefficiencies and waste" (1963, p. 319). Not all reviewers were so put off, however. Duke's Allan Cartter, writing in the *AER*, lauded Rees's "balanced presentation," adding, "Those economists who like to categorize their colleagues and tilt at 'Chicago School' windmills will find little here to occupy their fancies" (1962, p. 1208).

Price Theory … and Methodology

The Chicago price theory tradition has long been considered, and by insiders in particular, as one of the most distinctive elements of Chicago economics.[55] Yet, apart from a passing reference to the "Chicago School" in the microeconomics context by Kenneth Boulding in 1953, the wider professional recognition of a Chicago school of price theory was rather slow in coming as compared with the monetary side, not emerging in any significant way until the late 1950s.[56] When it did appear, most of the focus was on a single aspect of the subject, the theory of market structures.[57] And as it happened, this was also the locus for the original identification of Friedman's (1953) methodological strictures with the "Chicago school" approach.

The stimulus here was Edward Chamberlin, whose 1957 book, *Towards a More General Theory of Value*, argued the case for a value theory grounded in his model of monopolistic competition (Chamberlin 1933). Chamberlin devoted the book's penultimate chapter to "The Chicago School," which he considered the villain in his battle to reorientate the analysis of competitive behavior.[58] Though Knight, Simons, Friedman, and Stigler had been contesting Chamberlin's theory for some years, it was only with the publication of his 1957 book that this opposition became identified in the literature as a "Chicago school" view.[59]

[54] Curiously, Lester (1962a) also reviewed the book for *Economica* but made no "Chicago school" references there.

[55] On the history of Chicago price theory, see Hammond and Hammond (2006), Medema (2011), and Hammond, Medema, and Singleton (2013).

[56] See Boulding (1953, p. 263), reviewing Heinrich von Stackelberg's *The Theory of the Market Economy.* Noting that Stackelberg was both "a highly skilled and original economist and a Nazi," Boulding suggested that Stackelberg's background did not come through in the book, the "emotional content" of which he equated with "the most simon-pure representatives of the Chicago School."

[57] Of course, we should not overlook the fact that much of the commentary on the Chicago view of competitive markets in the contexts of price controls and unions, discussed above, also speaks to the application of price theory and the inferences drawn from it, as does the agricultural economics of Schultz, discussed below.

[58] Chamberlin also made a handful of references to the "Chicago School" earlier in this volume, but the meat of his discussion is found in the chapter discussed here. See Chamberlin (1957, pp. 4, 138, 293–294).

[59] See, e.g., Stigler (1949a) and Hammond and Hammond (2006), as well as the several references found in Chamberlin's chapter.

Citing Bronfenbrenner (1950) as his authority, Chamberlin noted, "A 'Chicago School' of thought, with particular reference to economic *policy*, is familiar to economists." His goal, though, was to demonstrate that "[s]uch a school is recognizable too in the field of economic *theory*" (Chamberlin 1957, pp. 296; emphases added). Knight, according to Chamberlin, was the school's "intellectual parent," with Friedman, Stigler, and "a number of others" counted as members (p. 296). What united these individuals and thus justified the "Chicago School" label, Chamberlin said, was that each had "taught or studied at the University of Chicago" and subscribed to an interpretation of the theory of monopolistic competition that revealed "this common intellectual origin" (p. 296n2). The school's distinguishing features, in his mind, were "the zeal" with which it "attacked" the theory of monopolistic competition—leading him to label it "the Chicago School of Anti-Monopolistic Competition"—and "the extraordinary set of misconceptions as to the nature of this theory which have emerged" as part of these attacks (p. 296).

Chamberlin located Chicago's position in its belief that "the economy is 'highly competitive,'" and that any theory suggesting otherwise, such as monopolistic competition, "must therefore be up-rooted, cast in the fire, and burned" (p. 297). This defense of perfect competition was only further reinforced, he argued, by a "tradition … strong in the Chicago School" that "the less economic theory has to do with the economic world we live in the better"—a stance exemplified, for Chamberlin, in Friedman's (1953) methodological analysis (Chamberlin 1957, p. 298). Compounding the problem were the moves by Knight and Simons to portray monopolistically competitive behavior as "fundamentally irrational," a position that Chamberlin characterized as alien to "anyone outside the Chicago School" (p. 299).[60]

Reviewers of Chamberlin's book were quick to pick up on his attack, with "Chicago school" references appearing in no fewer than seven of the nine reviews that we have identified.[61] This is noteworthy, given the reviews' brevity—only two of them extend beyond two pages—and the fact that Chamberlin's "Chicago School" chapter occupies barely 11 of the book's 312 pages. Some reviewers, including those from Germany and France, referenced the "Chicago school" only in passing,[62] but a few took up Chamberlin's discussion in a more expansive way, mostly to defend the "Chicago school" against Chamberlin's attack.[63]

As in Chamberlin's discussion, no small amount of this commentary was bound up in what was said to be another key feature of "Chicago school" analysis: Friedman's suggestion, in his 1953 essay on methodology, that realism in assumptions is of little consequence relative to a theory's predictive power. Avery Cohan (UNC-Chapel Hill) and Jerome Rothenberg (Chicago), for example, did not buy Chamberlin's claims that its greater realism justified the adoption of his approach (Cohan 1958, p. 487;

[60] See Simons (1944, p. 12n8).

[61] The exceptions are the reviews written by Frank Hahn and James Meade, both of which focus on the Chamberlin versus Robinson/Cambridge debate.

[62] See Hines (1958, p. 974), Schneider (1959, p. 71), Richter (1964, p. 153), and James (1960, p. 487).

[63] See, e.g., Nutter (1958); Cohan (1958), and Rothenberg (1959). Nutter, who had been trained at Chicago under Knight and Viner, chastised Chamberlin for his focus on "sterile exegetic controversy" in singling out the "Chicago School" as "the heart of the opposition" (1958, p. 1004), particularly given the long list of prominent economists—"a formidable opposition," as he put it— arrayed against Chamberlin's ideas.

Rothenberg 1959, pp. 310–311). When the LSE's George C. Archibald attempted to assess the state of play here in his well-known *Review of Economic Studies* article on "Chamberlin versus Chicago" (1961), he showed little sympathy for either of the contenders. Though the "Chicago School" claimed to judge theories based on predictive power, their actual practice, he noted, was to attack monopolistic competition on the grounds of its assumptions. He had little more sympathy for Chamberlin's claims, however, finding that his theory "appears to yield so few [predictions] as to be virtually empty" (p. 2).[64]

While monopolistic competition references were the most prominent of those on the price theory front, we also find references to a "Chicago" approach to topics as diverse as demand theory (Yeager 1960), the analysis of costs (Peston 1961, p. 88), and utility theory (Van Dantzig 1957, p. 3), as well as to a "Chicago school" opposition, led by Friedman, to Walrasian analysis in favor of the Marshallian (Yeager 1960; Kiuchi 1960, p. 46).[65] Yeager's article, which dealt with the controversy stimulated by Friedman's essay "The Marshallian Demand Curve" (1949), referred to compensated demand curves as "'Chicago' demand curves" (1960, p. 55) and was liberally sprinkled with references to a "Chicago approach," "Chicagoans," and "Chicago methodology"—describing the "Chicago" label, like Schlesinger had, as a "convenient shorthand" not intended to imply a "monolithic unity among all 'Chicagoans'" (p. 55n11).

Agricultural Economics

We would be remiss if we did not mention the one other significant context in which the Chicago school was invoked, that being agricultural economics. Oddly enough, this labeling gained traction before any of the other Chicago viewpoints identified during this period, save for monetary economics, yet was not even mentioned by Bronfenbrenner in his 1950 discussion. Though largely absent from contemporary Chicago, agricultural economics played a significant role there from the time that Theodore W. Schultz was hired in 1943 and was the subject of one of the original Chicago workshops (Emmett 2011).[66] The two initial mentions of a "Chicago school" perspective on the subject occurred in 1955, with the label used to capture the "agricultural overemployment"

[64] Stuart Greenbaum (Johns Hopkins), too, emphasized the Friedman (and Stigler) position on realism versus prediction when writing on the controversy in economics over deductive mathematical theorizing in the *American Economist.* Yet, he considered deductive theorizing most characteristic of the Friedman–Stigler approach, with "the contemporary Chicago School hold[ing] the banner of this tradition aloft most conspicuously" in the U.S. (Greenbaum 1962, p. 1). Interestingly, none of the several mentions of Friedman and Chicago on the methodology front speak to the "measurement without theory" controversy in which Chicago may be thought of as central. The only reference of this sort is William Burke's (1961, p. 177) characterization of Wesley Claire Mitchell as "the *enfant terrible* of the Chicago School of his day."

[65] Van Dantzig was writing on Leonard Savage's approach to expected utility theory and included among Savage's influences "the Chicago school of econometrists." Kiuchi's MA thesis is the source of the most unusual characterization of the Chicago school found in our data. He portrayed the school as advocating a "Sociological Institutional Approach" to economic development and included Friedman (whom he identified as the "nucleus"), Bert Hoselitz, S. H. Frankel, J. S. Furnivall, Fritz Machlup, and Charles Wolf as members of the school. See, e.g., Kiuchi (1960, p. 32).

[66] Schultz's deployment of standard price theory in agricultural economics was one of the contributions cited in his award of the Nobel Prize.

explanation for the low returns to U.S. agricultural labor developed by Schultz and D. Gale Johnson. The Chicago argument attributed these low returns to deficiencies in out-migration from farming rather than to forces such as differing productive capabilities of farm and non-farm workers, union effects, or minimum wage laws.[67] The "Chicago school" attribution was first elaborated by Stephen McDonald (1955, p. 119) of the University of Texas in *Social Forces*, a sociology journal with an interdisciplinary social science focus, and reappeared not long thereafter in articles in the *Review of Marketing and Agricultural Economics* (Gutman 1955, p. 239), the *Journal of Farm Economics* (Cochrane 1959, p. 705), and *Économie Rurale* (Bergmann 1957, p. 4).

This ag econ literature also provides two noteworthy moments in our history. The first is that these references were among the few to paint "Chicago" in a positive light during the 1950s. The fact that Willard Cochrane (Minnesota) wrote his paper during a stint as a visiting professor at Chicago, thanking Schultz and Zvi Grilliches for their comments in the obligatory opening footnote, suggests that this application of the "Chicago school" label, at least, was not considered particularly objectionable by those at Chicago. Second, this literature provides two of the first pieces of evidence for the internationalization of the Chicago school label, as both Gerry Gutman (Australian Bureau of Agricultural Economics) and Denis Bergmann (Institut National Agronomique, France) were based outside of the U.S. and their Chicago-invoking articles appeared in outlets published in their home countries. These references, along with an earlier one by Peter Newman (1954) in the methodological context, reinforce our sense that the perception of a Chicago school was diffusing internationally by the mid-1950s.

People

Having spent some time with the ideas that economists associated with the "Chicago school" and the individuals with whom they associated those ideas, we are now in a position to draw some conclusions about the school's perceived composition and its central figures, during this period. Not all of those referring to a Chicago school put names with the label, though most did, and the picture that emerges differs somewhat from Miller's (1962) characterization. Miller, as we have already noted, identified Knight, Viner, Simons, Friedman, and Stigler as members of the school in his 1962 article, with footnoted mentions of Ronald Coase, Reuben Kessel, and Simon Rottenberg. As Table 3 indicates, however, our data reveal a much more extensive group of individuals identified with the Chicago school in the broader literature. Perhaps not surprisingly, references to Friedman dwarf those to all others said to be associated with the school, with Simons, though a distant second, still well beyond the next closest challengers (Knight and Stigler). Mints, too, received a bit of play, at eight mentions, but no one else garnered more than three.[68] Interestingly, no one other than Miller lumped in Coase and Kessel with Chicago.[69]

[67] The only other reference to a "school" of agricultural economics prior to the 1970s came from Alexander Gershenkron (1945, p. 685), who referred to "[Aleksandr] Chaianov and his school of agricultural economics" in Russia.

[68] A host of others received two mentions, including Aaron Director, F. A. Hayek, D. Gale Johnson, H. Gregg Lewis, and Warren Nutter.

[69] Coase, as it happens, was extremely annoyed with this characterization of his research. Medema (2020) and Stigler (1962, p. 71) also question this characterization of Coase.

Table 3. References to Chicago Economists in Discussions of a "Chicago School"[70]

Name	References
Frank Knight	14
Jacob Viner	3
Henry Simons	25
Lloyd Mints	9
Milton Friedman	41
George Stigler	12
T. W. Schultz	3
Albert Rees	3
Alfred Sherrard	3

The data in this table do not include individuals referenced in Stigler (1962) or Bronfenbrenner (1962).

Some may find it curious that Simons figures so prominently here, with mentions significantly greater than those of Knight and Stigler and vastly exceeding those of Viner. But as Stigler noted, Simons was, before his untimely death, "the Crown Prince of that hypothetical kingdom, the Chicago school of economics" (1974, p. 1). This was not simply an insider's view. In his 1954 review of Friedman's *Essays in Positive Economics* (1953), Oxford's Peter Newman described Friedman as "perhaps the most able living representative of that school of Chicago economists associated with the name of Henry Simons" (1954, p. 259). Though Simons did not publish widely and is not nearly so well known among economists today as other Chicagoans of that period, his research, like Friedman's, was often at odds with the mainstream and focused on subjects that, as we saw in the previous section, came to have distinctive Chicago school positions associated with them. Simons's combative style and very public persona doubtless helped make his influence disproportionate to his published output. In any event, it is the policy-orientated Simons, rather than the more theoretical Knight, with which the Chicago school was first, and in some ways remained most strongly, associated in the profession's mind. Viner's positions, in contrast, were not nearly so distinctive. The fact that two of the three references to Viner came from Stigler and Watson adds to the sense that economists of this period, at least outside of Chicago, did not associate Viner with the Chicago school—a result that no doubt would have pleased him.

The Table 3 data largely validate Miller's classification of Knight, Simons, Friedman, and Stigler as the school's leading lights, as well as the significant emphasis he placed on Simons and Friedman in his discussion.[71] But Miller's genealogy is at odds with the data and thus potentially misleading in two respects: his contention that Viner was a major

[70] Sherrard is something of a curiosity here, in that, so far as this author has been able to discover, he had no connection to Chicago other than having taken a Chicago-esque position on monopolistic competition in a 1951 *JPE* article.

[71] Simons and Friedman were each mentioned more than a dozen times in Miller's article, as against three mentions each of Knight, Viner, and Stigler. One might question whether this larger body of literature served

Chicago school figure and his complete neglect of Mints, who received more than triple the mentions of Viner in this literature. The neglect of Mints may be an artifact of the time at which Miller wrote his article.[72] While Simons and Friedman were cited consistently over the sample period, references to Mints all but disappear after 1957. Meanwhile, references to Stigler were largely absent *until* 1957, after which point he was cited annually in mentions of the "Chicago school." The implication, then, is that Miller's characterization of the school's composition may have looked rather different had his article been written five years earlier. This, combined with the varying depictions of "Chicago" labor and monetary economics, highlight the evolving character and even idiosyncratic nature of who and what has been labeled "Chicago."

V. CONCLUSION

Whether Stigler's late-in-life claims that there was no Chicago school as of 1947 and that the label itself did not exist until the 1950s were the product of fading memory, careless scholarship, or performative impulse is impossible to say. It is even possible that what Stigler was implying, without directly saying so, was that there was no Chicago school before Friedman arrived in 1946. What is clear, however, is that Stigler was off the mark, at least in terms of professional perceptions. Indeed, the earliest overt uses of the label in 1949–50 all but tell us that the audiences were very familiar with it, and its widespread use during the 1950s served only to normalize a long-held belief that there was a "school" of thought—distinctive but variously defined—associated with the University of Chicago. It was, in short, something widely perceived to be worth labeling, worth singling out, worth calling people's attention to, worth warning people away from. By 1962, the label was sufficiently topical—and perhaps also sufficiently ambiguous—that Miller felt compelled to provide a delineation of the school and its attributes, and Harry Johnson and the *JPE* to publish it.[73]

Though Stigler and Bronfenbrenner had originally used the term in positive fashion, it very quickly became a tool of Chicago critics. But this "school" was also quite clearly a force with which the critics felt they had to contend. As Newman noted of Chicago already in 1954, "However much one may disagree with their assumptions and conclusions, it is none the less true that they constitute one of the few bodies of economists with a coherent, logically consistent, and well developed approach to the problems of

as Miller's source material for his essay and thus whether these data points are truly independent. The fact that Miller did not reference any of the articles in our data set suggests that this is not an issue.

[72] The same might be said of his references to Coase and Kessel, though Coase had no direct connection to Chicago until 1964 (Medema 2020).

[73] That same year, Philip Thomas, writing on "The Training of Economics in the United States" in *Weltwirtschaftliches Archiv*, noted that "economics departments at certain universities … have come to espouse particular points of view." The first institution that he mentioned here was Chicago, saying, "Reference is often made to 'The Chicago School' of neoclassical economic thought, a designation that originated because of the stature and influence of Frank Knight, but which has continued because of such men as Milton Friedman, Friedrich Hayek, and George Stigler" (1962, p. 151). Thomas did not identify any other "schools," pointing only to Wisconsin and Texas as having once had "the reputation of being strongholds of institutional economics," and MIT (owing to "the eminence of Paul Samuelson") as having "the reputation of excellence in mathematical economics" (p. 151).

economic policy, and their views command respect" (1954, pp. 259–260). As we moved through the 1950s, however, the "Chicago school" label increasingly became a pejorative, a term of opprobrium. Bronfenbrenner (1962, p. 72) tells us that at Wisconsin, where he had been on the faculty since 1947, the term "meant Pangloss plus Gradgrind, with touches of Peachum, Torquemada, and the Marquis de Sade thrown in as 'insulter's surplus.'"[74] What drew his true ire, though, was what he perceived as the "automatic rejection of people and propositions because of past or present association with the (or a) Chicago School"—an activity that he considered a "prevalent error" in the profession and akin to "witch-hunting, book-burning, madness pure and simple" (Bronfenbrenner 1962, p. 75).

No wonder, then, that Stigler and Bronfenbrenner reacted with such hostility to Miller's article, casting aside their earlier embrace, and even promotion, of the label. The intervening years had seen the tide turn strongly against Chicago, so better to play up the commonalities than to be seen as part of the lunatic fringe. Of course, it was not long before the tide would turn once again and Chicago would resume its embrace of the "Chicago school" identity.

COMPETING INTERESTS

The author declares no competing interests exist.

REFERENCES

Archibald, George C. 1961. "Chamberlin versus Chicago." *Review of Economic Studies* 29 (1): 2–28.

Bach, George Leland. 1940. "Price Level Stabilization: Some Theoretical and Practical Considerations." PhD diss., University of Chicago, Chicago.

Barkin, Solomon. 1963. "Review of The Economics of Trade Unions by Albert Rees." *Industrial and Labor Relations Review* 16 (2): 319–321.

Bergmann, Denis R. 1957. "Essai sur les Principes Directeurs d'une Poltique Agricole Francaise." *Économie Rurale* 34 (34): 3–21.

Booth, Wayne C. 1982. "Between Two Generations: The Heritage of the Chicago School." *Profession:* 19–26.

Botha, Daniel J. 1959. *A Study in the Theory of Monetary Equilibrium: A Comparative Analysis*. Leiden: H.E. Stenfert Kroese.

Boulding, Kenneth E. 1953. "Review of *The Theory of the Market Economy* by Heinrich von Stackelberg; Translated by Alan T. Peacock." *Journal of Political Economy* 61 (3): 263.

Bradley, Philip D. 1959. *The Public Stake in Union Power*. Charlottesville: University of Virginia Press.

Bridenstine, Don C. 1953. "Commercial Bank Reserves." MA thesis, University of Southern California, Los Angeles.

[74] For the uninitiated, Gradgrind is the headmaster in Dickens's *Hard Times*, a utilitarian educator whose approach emphasized facts, science, and no emotions; Peachum, a predatory businessman organizing and equipping beggars for their trade in the *Threepenny Opera*; and Torquemada, the first Grand Inquisitor in Spain. On the absence of emotion in the "Chicago School" approach to theorizing, see Boulding (1953, p. 263).

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

Bronfenbrenner, Martin. 1949. “Review of Monetary Theory and Fiscal Policy by Alvin H. Hansen.” *Annals of the American Academy of Political and Social Science* 64 (July): 173–174.

———. 1950. “Contemporary American Economic Thought.” *American Journal of Economics and Sociology* 9 (4): 483–496.

———. 1957. “Review of *Structure Economique et Theorie Monetaire* by Alexandre Chabert.” *American Economic Review* 47 (3): 441–442.

———. 1962. “Observations on the ‘Chicago School(s).’” *Journal of Political Economy* 70 (1): 72–75.

Bulmer, Martin. 1984. *The Chicago School of Sociology*. Chicago: University of Chicago Press.

Burke, William. 1961. “Mitchell—A Schumpeterian Criticism.” *Social Science* 36 (3): 177–182.

Cartter, Allan M. 1962. “Review of *The Economics of Trade Unions* by Albert Rees.” *American Economic Review* 52 (5): 1208–1210.

Chamberlin, Edward H. 1933. *The Theory of Monopolistic Competition*. Cambridge, MA: Harvard University Press.

———. 1957. *Towards a More General Theory of Value*. New York: Oxford University Press.

Clark, John Maurice. 1960. *The Wage-Price Problem*. Washington, DC: American Bankers Association.

Cochrane, Willard W. 1959. “Some Further Reflections on Supply Control.” *Journal of Farm Economics* 41 (4): 697–717.

Cohan, Avery B. 1958. “Review of *Towards a More General Theory of Value* by E. H. Chamberlin.” *Southern Economic Journal* 24 (4): 486–489.

Cord, Robert A. 2011. “Reinterpreting the Keynesian Revolution: A Research School Analysis.” *History of Political Economy* 43 (1): 161–198.

Director, Aaron. 1948. “Prefatory Note.” In Henry Simons, *Economic Policy for a Free Society*. Chicago: University of Chicago Press, pp. v–vii.

———. 1952. *Defense, Controls, and Inflation*. Chicago: University of Chicago Press.

Dow, Louis A. 1960. “A Critical Evaluation of the Wage Theories and Wage Policies of the Chicago School.” PhD diss., Indiana University, Bloomington.

Egle, Walter P. 1962. “The Four Approaches to Monetary Reform: A Critique.” *Journal of Economics* 22 (1): 4–19.

Ellis, Howard S. 1948. *A Survey of Contemporary Economics*. Philadelphia: Blakiston Co.

Emmett, Ross B, ed. 2010. *The Elgar Companion to the Chicago School of Economics*. Aldershot: Edward Elgar Publishing.

———. 2011. “Sharpening Tools in the Workshop: The Workshop System and the Chicago School’s Success.” In Robert Van Horn, Philip Mirowski, and Thomas A. Stapleford, eds., *Building Chicago Economics: New Perspectives on the History of America’s Most Powerful Economics Program*. New York: Cambridge University Press, pp. 93–115.

Flanders, Allan. 1960. “Review of *The Public Stake in Union Power*, edited by Phillip D. Bradley.” *Kyklos* 13 (1): 119–120.

Freedman, Craig. 2008. *Chicago Fundamentalism: Ideology and Methodology in Economics*. Hackensack: World Scientific.

Friedman, Milton. 1948. “A Monetary and Fiscal Framework for Economic Stability.” *American Economic Review* 38 (3): 245–264.

———. 1949. “The Marshallian Demand Curve.” *Journal of Political Economy* 57 (6): 463–495.

———. 1953. *Essays in Positive Economics*. Chicago: University of Chicago Press.

———. 1956. “The Quantity Theory of Money—A Restatement.” In *Studies in the Quantity Theory of Money*. Chicago: University of Chicago Press, pp. 3–21.

———. 1972. “Comments on the Critics.” *Journal of Political Economy* 80 (5): 906–950.

———. 1974. “Schools at Chicago.” *University of Chicago Record* 8 (1): 3–7.

Froehlich, Walter. 1960. “Review of *A Program for Monetary Stability* by Milton Friedman.” *Review of Social Economy* 18 (2): 188–190.

Funk, Robert W. 1976. “The Watershed of the American Biblical Tradition: The Chicago School, First Phase, 1892–1920.” *Journal of Biblical Literature* 95 (1): 4–22.

Gäfgen, Gérard. 1961. "Die Kurzfristigee Diagnose von Inflationsursachen." *Zeitschrift für die gesamte Staatswissenschaft* 117 (3): 468–493.

Galenson, Walter. 1959. "Review of *Labor Union Theories in America: Background and Development* by Mark Perlman." *Industrial and Labor Relations Review* 12 (2): 307–309.

Geison, Gerald L. 1981. "Scientific Change, Emerging Specialties, and Research Schools." *History of Science* 19 (1): 20–40.

Geison, Gerald L., and Frederic L. Holmes, eds. 1993. *Research Schools: Historical Reappraisals*. Osiris Volume 8. Chicago: University of Chicago Press.

Gershenkron, Alexander. 1945. "Review of *The Spirit of Russian Economics* by John F. Normano." *American Economic Review* 35 (4): 684–685.

Gideonse, Harry D. 1934. "Preface." In Henry Simons, *A Positive Program for Laissez Faire*. Chicago: University of Chicago Press.

Greenbaum, Stuart I. 1962. "On the Use of Deductive Systems in Economics, with Special Reference to Mathematics." *American Economist* 6 (1): 1–11.

Griffin, Clare E. 1949. *Enterprise in a Free Society*. Chicago: Richard D. Irwin, Inc.

Gutman, Gerry O. 1955. "Investment and Production in Australian Agriculture." *Review of Marketing and Agricultural Economics* 23 (4): 237–310.

Haberler, Gottfried. 1958a. "Inflación y Desarrollo Económico." *Revista de Economía y Estadística* 2 (3): 81–93.

———. 1958b. "Monetary and Real Factors Affecting Economic Stability." In *Prosperity and Depression: A Theoretical Analysis of Cyclical Movements*. New revised and enlarged edition. Cambridge, MA: Harvard University Press, pp. 455–482.

Hammond, J. Daniel, and Claire H. Hammond. 2006. *Making Chicago Price Theory: Friedman–Stigler Correspondence 1945–1957*. London: Routledge.

Hammond, J. Daniel, Steven G. Medema, and John D. Singleton, eds. 2013. *Chicago Price Theory*. Three volumes. Northampton: Edward Elgar.

Hansen, Bent. 1957. "Review of *Studies in the Quantity Theory of Money* by Milton Friedman." *Ekonomisk Tidskrift* 59 (3): 233–243.

Hart, Albert G. 1935. "The 'Chicago Plan' of Banking Reform." *Review of Economic Studies* 2 (2): 104–116.

Heaney, Michael T., and John Mark Hansen. 2006. "Building the Chicago School." *American Political Science Review* 100 (4): 589–596.

Heflebower, Richard B. 1953. "Review of *Defense, Controls and Inflation* by Aaron Director." *American Economic Review* 43 (3): 456–459.

Hines, Howard H. 1958. "Review of *Towards a More General Theory of Value* by Edward Hastings Chamberlin." *Journal of Farm Economics* 40 (4): 974–975.

Jackson, Catherine M. 2006. "Re-examining the Research School: August Wilhelm Hofmann and the Re-Creation of a Liebigian Research School in London." *History of Science* 44: 281–319.

James, Emile. 1960. "Review of *Towards a More General Theory of Value* by Edward H. Chamberlin." *Revue économique* 11 (3): 487.

Johnson, Harry G. 1962. "Monetary Theory and Policy." *American Economic Review* 52 (3): 335–384.

Kindleberger, Charles P. 1959. "United States Economic Foreign Policy: Research Requirements for 1965." *World Politics* 11 (4): 588–613.

Kiuchi, Takashi. 1960. "Dynamics of World Economic Development." MA thesis, University of British Columbia Department of Economics and Political Science, Vancouver.

Laidler, David. 1993. "Hawtrey, Harvard, and the Origins of the Chicago Tradition." *Journal of Political Economy* 101 (6): 1068–1103.

———. 1999. *Fabricating the Keynesian Revolution: Studies of the Inter-War Literature on Money, the Cycle, and Unemployment*. Cambridge: Cambridge University Press.

Lester, Richard A. 1962a. "Review of *The Economics of Trade Unions* by Albert Rees." *Economica* n.s. 29 (116): 426–427.

———. 1962b. “Trade Unions Economics: Review of *The Economics of Trade Unions* by Albert Rees.” *Challenge* 11 (1): 40.

Lindblom, Charles E. 1949. *Unions and Capitalism*. New Haven: Yale University Press.

Lovell, Michael C. 1960. “Forced Saving in a Keynesian Economy: An Analysis of Demand-Pull Inflation.” Cowles Foundation Discussion Papers 315. https://elischolar.library.yale.edu/cowles-discussion-paper-series/315. Accessed July 2, 2023.

Lubell, Harold. 1960. “Review of *Falk Project for Economic Research in Israel. Fourth Report 1957 and 1958. With an Essay on The Israel Economy: The First Decade* by Don Patinkin.” *Kyklos* 13 (4): 600–601.

Mackintosh, William A. 1948. “Review of *Economic Policy for a Free Society* by Henry C. Simons.” *American Economic Review* 38 (4): 636–640.

McDonald, John. 1950. “The Economists.” *Fortune* 42 (December): 108–138.

McDonald, Stephen L. 1955. “Farm Outmigration as an Integrative Adjustment to Economic Growth.” *Social Forces* 34 (2): 119–128.

McKeon, Richard. 1982. “Criticism and the Liberal Arts: The Chicago School of Criticism.” *Profession:* 1–18.

Medema, Steven G. 2011. “Chicago Price Theory and Chicago Law and Economics: A Tale of Two Transitions.” In Robert Van Horn, Philip Mirowski, and Thomas A. Stapleford, eds., *Building Chicago Economics: New Perspectives on the History of America’s Most Powerful Economics Program*. New York: Cambridge University Press, pp. 151–179.

———. 2020. “Embracing at Arm’s Length: Ronald Coase’s Uneasy Relationship with the Chicago School.” *Oxford Economic Papers* 72 (4): 1072–1090.

Miller, H. Laurence. 1962. “On the ‘Chicago School of Economics.’” *Journal of Political Economy* 70 (1): 64–69.

Mirkowich, Nicholas. 1941. “Neuere Entwicklungstendenzen der Amerikanischen Wirtschaftstheorie.” *Weltwirtschaftliches Archiv* 54: 61–84.

Moggridge, Donald C. 2010. *Harry Johnson: A Life in Economics*. Cambridge: Cambridge University Press.

Morrell, John B. 1972. “The Chemist Breeders: The Research Schools of Liebig and Thomas Thomson.” *AMBIX* 19 (1): 1–46.

Musgrave, Richard A. 1948. “Fiscal Policy in Prosperity and Depression.” *American Economic Review* 38 (2): 383–394.

Newman, Peter. 1954. “Review of *Essays in Positive Economics* by Milton Friedman.” *Economica* n.s. 21 (83): 259–260.

Nutter, G. Warren. 1958. “Review of *Towards a More General Theory of Value* by Edward Hastings Chamberlin.” *American Economic Review* 48 (5): 1003–1004.

Oliver, Henry M. 1960. “German Neoliberalism.” *Quarterly Journal of Economics* 74 (1): 117–149.

Patinkin, Don. 1956. *Money, Interest, and Prices: An Integration of Monetary and Value Theory*. Evanston: Row, Peterson and Company.

———. 1969. “The Chicago Tradition, the Quantity Theory, and Friedman.” *Journal of Money, Credit and Banking* 1 (1): 46–70.

Patinkin, Don. 1981. *Essays on and in the Chicago Tradition*. Durham: Duke University Press.

Peston, Maurice H. 1961. “Review of *Statistical Cost Analysis* by J. Johnston.” *Economica* 28 (109): 86–88.

Philbrook, Clarence E. 1962. “Money in a Neoclassical Perspective.” In Leland Yeager, ed., *In Search of a Monetary Constitution*. Cambridge, MA: Harvard University Press, pp. 26–60.

Phillips, Ronnie J. 1995. *The Chicago Plan & New Deal Banking Reform*. Armonk: M.E. Sharpe.

Ponsard, Claude. 1959. “La Théorie Quantitative de la Monnaie.” *Annales. Histoire, Sciences Sociales* 14 (1): 106–121.

Prais, Sigbert J. 1952. “Review of *Conference on Business Cycles*, edited by Gottfried Haberler.” *Journal of the Royal Statistical Society* 115 (3): 443–445.

Reder, Melvin W. 1982. “Chicago Economics: Permanence and Change.” *Journal of Economic Literature* 20 (1): 1–38.

Rees, Albert. 1962. *The Economics of Trade Unions*. Chicago: University of Chicago Press.
Richter, Rudolf. 1964. "Review of *Towards a more General Theory of Value* by E. H. Chamberlin." *Zeitschrift für die gesamte Staatswissenschaft* 120 (1): 141–153.
Ritter, Lawrence S. 1962. "Official Central Banking Theory in the United States, 1939–61: Four Editions of the Federal Reserve System: Purposes and Functions." *Journal of Political Economy* 70 (1): 14–29.
Roosa, Robert V. 1958. "Review of *Studies in the Quantity Theory of Money* by Milton Friedman." *Review of Economics and Statistics* 40 (1): 84–86.
Rothbard, Murray N. 1962. "The Case for a 100 Percent Gold Dollar." In Leland Yeager, ed., *In Search of a Monetary Constitution*. Cambridge, MA: Harvard University Press, pp. 94–136.
Rothenberg, Jerome. 1959. "Review of *Toward a More General Theory of Value* by Edward H. Chamberlin." *Journal of Political Economy* 67 (3): 310–311.
Rucker, Darnell. 1969. *The Chicago Pragmatists*. Minneapolis: University of Minnesota Press.
Schlesinger, James R. 1957. "The Role of the Monetary Environment in Cost-Inflation." *Southern Economic Journal* 24 (1): 12–27.
———. 1958. "Market Structure, Union Power and Inflation." *Southern Economic Journal* 24 (3): 296–312.
Schneider, Erich. 1959. "Review of *Towards a More General Theory of Value* by Edward Hastings Chamberlin." *Weltwirtschaftliches Archiv* 82: 71–72.
Selden, Richard T. 1959. "Cost-Push versus Demand-Pull Inflation." *Journal of Political Economy* 67 (1): 1–20.
Simmons, Edward C. 1947. "The Relative Liquidity of Money and Other Things." *American Economic Review* 37 (2): 308–311.
Simons, Henry C. 1935. "Review of The Supply and Control of Money in the United States by Lauchlin Currie." *Journal of Political Economy* 43 (4): 555–558.
———. 1936. "Rules versus Authorities in Monetary Policy." *Journal of Political Economy* 44 (1): 1–30.
———. 1944. "Some Reflections on Syndicalism." *Journal of Political Economy* 52 (1): 1–25.
———. 1948. *Economic Policy for a Free Society*. Chicago: University of Chicago Press.
Solterer, Josef. 1952. "The Pacing of Capitalism." *Review of Social Economy* 10 (2): 127–137.
Stein, Herbert. 1987. "Simons, Henry Calvert." In John Eatwell, Murray Milgate, and Peter Newman, eds., *The New Palgrave: A Dictionary of Economics*. Volume 4. London: Macmillan, pp. 333–335.
———. 1995. *On the Other Hand: Essays on Economics, Economists, and Politics*. Washington, DC: AEI Press.
Stigler, George J. 1949a. "Monopolistic Competition in Retrospect." In *Five Lectures on Economic Problems*. London: Longmans, Green & Co., pp. 12–24.
———. 1949b. "Review of *A Survey of Contemporary Economics*." *Journal of Political Economy* 57 (2): 93–105.
———. 1962. "On the 'Chicago School of Economics': Comment." *Journal of Political Economy* 70 (1): 70–71.
———. 1974. "Henry Calvert Simons." *Journal of Law and Economics* 17 (1): 1–5.
———. 1988. *Memoirs of an Unregulated Economist*. New York: Basic Books.
Tavlas, George S. 1997. "Chicago, Harvard, and the Doctrinal Foundations of Monetary Economics." *Journal of Political Economy* 105 (1): 153–177.
———. 2015. "In Old Chicago: Simons, Friedman and the Development of Monetary-Policy Rules." *Journal of Money, Credit and Banking* 47 (1): 99–121.
———. 2019. "'The Group': The Making of the Chicago Monetary Tradition, 1927–36." *History of Political Economy* 51 (2): 259–296.
Thomas, Philip S. 1962. "The Training of Economists in the United States." *Weltwirtschaftliches Archiv* 89: 147–159.
Tinbergen, Jan. 1948. "Modelli di Commercio Internazionale." *Giornale degli Economisti e Annali di Economia* 7 (11/12): 627–648.
———. 1952. "Review of *Statistical Inference in Dynamic Economic Models* by Tjalling C. Koopmans." *Weltwirtschaftliches Archiv* 69: 18–19.

https://doi.org/10.1017/S1053837223000123 Published online by Cambridge University Press

Tintner, Gerhard. 1961. "The Statistical Work of Oskar Anderson." *Journal of the American Statistical Association* 56 (294): 273–280.

Turvey, Ralph. 1957. "Review of *Studies in the Quantity Theory of Money* by Milton Friedman." *Economica* n.s. 24 (96): 366–367.

Van Dantzig, D. 1957. "Statistical Priesthood (Savage on Personal Probabilities)." *Statistica Neerlandica* 11 (1): 1–16.

Van Horn, Robert, Philip Mirowski, and Thomas A. Stapleford, eds. 2011. *Building Chicago Economics*. New York: Cambridge University Press.

Van Overtveldt, Johan. 2007. *The Chicago School: How the University of Chicago Assembled the Thinkers Who Revolutionized Economics and Business*. Chicago: Agate.

W[eisz], M[orris]. 1950. "Review of *Enterprise in a Free Society* by Clare E. Griffin and *Unions and Capitalism* by Charles E. Lindblom." *Monthly Labor Review* 70 (1): 73–79.

Wallace, George S. 1952. "Review of *Readings in Monetary Theory* by Friedrich A. Lutz and Lloyd W. Mints." *Review of Social Economy* 10 (2): 170–172.

Watson, Donald Stevenson. 1960. *Economic Policy: Business and Government*. Boston: Houghton Mifflin.

Weißkopf, Walter A. 1961. "The Changing Moral Temper of Economic Thought." *Zeitschrift für Nationalökonomie* 21 (1): 1–20.

Yeager, Leland B. 1960. "Methodenstreit over Demand Curves." *Journal of Political Economy* 68 (1): 53–64.

———. 1962. *In Search of a Monetary Constitution*. Cambridge, MA: Harvard University Press.

Zebot, Cyril A. 1961a. "President's Advisory Committee on Labor-Management Policy." *Review of Social Economy* 19 (2): 114–132.

———. 1961b. "Toward an Integrated Theory of Inflation in the United States." *Weltwirtschaftliches Archiv* 87: 351–371.