

I had arrived in Vienna with an introduction from Professor Rist to Dr. Ludwig von Mises, an economist almost unknown outside Vienna. Anti-Semitism had denied him the Professorship he emmanently deserved. A group of Viennese businessmen raised the money that enabled ^{him} the Austrian Chamber of Commerce, in return for technical advise, it enabled him to continue the type of research which soon spread his name far and wide. #

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I still recall my first meeting with this slender man sitting behind a giant desk in the building across the street from the Ministry of War building where the Reparations Commission was housed. I told him I wanted to shift the study I had started in Paris on Franco-American commercial relations to one on Austro-Hungarian commercial relations. He said that unless I could read the Czech and Hungarian languages this would not be possible, since the significant literature was in those languages. As an alternative, he thought a study of direct taxation in Austria would be very useful. After clearing this suggestion with Professor Bullock I agreed to his suggestion. On this second meeting, Mises suggested that for background purposes I might be interested in reading a recent book of his which he had just written entitled "Die Gemeinwirtschaft" (Socialism). My reactions to the book are recorded in brief reviews in a French journal and in another in the American Economic Review. Overnight this book stripped socialism of whatever charm it may have had for me. It catapulted Mises to fame and finally won almost universal acceptance of the Austrian "subjective theory of value" as against the "Smith-Ricardo theory" which in Marx's hands was responsible for his underconsumption explanation of capitalism's failure to maintain full employment.