

Media inquiries: Véronique Rodman
202.862.4871 (vrodman@aei.org)

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Allan Meltzer to Receive First Irving Kristol Award

Allan H. Meltzer has been selected to receive the American Enterprise Institute's first Irving Kristol Award. The award recognizes Mr. Meltzer's pioneering academic work in monetary policy, political theory, and economic history; his many practical contributions to improved economic policy; and his unswerving devotion to individual liberty and government reform. He will receive the award and deliver the Irving Kristol Lecture at AEI's annual dinner on February 26, 2003.

One of the world's foremost monetary economists, Mr. Meltzer published a series of pathbreaking studies in the 1960s (many in collaboration with the late Karl Brunner) that presented a fresh and sophisticated account of the role of money and financial institutions in the economy, and the relationship of money supply and demand to prices, output, employment, exchange rates, and other aspects of economic performance. The American Economic Association, in electing Mr. Meltzer a Distinguished Fellow in 2002, noted that his early econometric work "has stood the test of time as have few empirical studies in economics."

In the 1970s, having organized a group of leading economists to oppose the Nixon administration's imposition of wage and price controls, Mr. Meltzer determined to put his research on monetary theory to practical work at a time of rising inflation and lagging economic performance. The Shadow Open Market Committee, which he founded in 1973 with Brunner and chaired continuously until 1999, produced detailed critiques of Federal Reserve Board policies and recommendations for policies focused on price stability, which if implemented would have averted the "stagflation" of the late 1970s and early 1980s. The Shadow Committee was closely watched by the Federal Reserve and substantially improved business reporting on monetary policy, and helped lay the groundwork for the Fed's low-inflation policies beginning the mid-1980s. It also inspired the founding of similar shadow committees in Europe and Japan—which introduced in those nations the idea of detailed public criticism of government economic policies by leading academics and financial experts.

Mr. Meltzer is also a founder of the now-familiar field of public choice economics, which seeks to explain the substance of government policy in terms of the economic incentives of voters and interest groups. His work in this field explains, among other things, why social welfare policies, championed as means of aiding the poor and less well off, in practice redistribute income mostly to the middle class, and why those policies that do aid the poor and less well off redistribute goods rather than cash and focus on individuals outside the labor market.

In recent years, Mr. Meltzer has been best known in Washington policy circles as chairman of the International Financial Institution Advisory Commission, a bipartisan, congressionally chartered group that recommended fundamental reforms to the International Monetary Fund, World Bank, and regional development banks. The Meltzer Commission's proposals have been at the center of international financial and development policy debate since the Commission's final report in March 2000. The commission recommended that these institutions write off their claims against heavily-indebted poor nations, that economic development policies emphasize grants and strict accountability rather than loans, and that IMF lending activities forswear "bailouts" of lenders to nations facing self-inflicted economic crises and focus exclusively on providing short-term liquidity.

Mr. Meltzer is Allan H. Meltzer University Professor of Political Economy at Carnegie-Mellon University, where he has taught since 1957; he has been a visiting scholar at the American Enterprise Institute since 1989. He has been a policy adviser to several U.S. administrations, beginning with that of President John F. Kennedy, and to several foreign governments and central banks and he was a member of President Ronald Reagan's Council of Economic Advisers from 1988-1989. The author of more than 300 academic studies and a regular contributor to the *Wall Street Journal*, *Financial Times*, and *Los Angeles Times*, he is currently completing *A History of the Federal Reserve*, the first volume of which will be published this November by the University of Chicago Press.

The Irving Kristol Award, bestowed annually by AEI's Council of Academic Advisers, recognizes individuals who have made extraordinary intellectual or practical contributions to improved government policy or social welfare. It replaces the Institute's Francis Boyer Award, which was awarded between 1973 and 2002, and whose recipients are listed below.

The Francis Boyer Award and Lecture, 1977-2002

1977	Gerald R. Ford	1989	Antonin Scalia
1978	Arthur F. Burns	1990	Thomas Sowell
1979	Paul Johnson	1991	Irving Kristol
1980	William J. Baroody, Sr.	1993	Richard B. Cheney
1981	Henry A. Kissinger	1994	Carlos Salinas de Gortari
1982	Hanna Holborn Gray	1995	George F. Will
1983	Sir Alan Walters	1996	Alan Greenspan
1984	Robert H. Bork	1997	James Q. Wilson
1985	Jeane J. Kirkpatrick	1999	Michael Novak
1986	David Packard	2000	Christopher DeMuth
1987	Paul A. Volcker	2001	Clarence Thomas
1988	Ronald W. Reagan	2002	Norman Podhoretz