
Profile: W. A. Wallis

State's spokesman at Williamsburg summit

by Richard Cohen

W. Allen Wallis, undersecretary of state for economic affairs, is playing a central role in preparing the U.S. position for the upcoming Williamsburg summit and is said to be pushing for U.S. adoption of the Shultz-Rohatyn plan to "restructure" the world monetary system top down—establishing an International Monetary Fund-Bank for International Settlements dictatorship over world credit flows. This is ironic—and says a great deal about the restructuring scheme—inasmuch as Wallis has, through out his career, been an outspoken opponent of strong central government promotion of economic development, as in the dirigist mobilization of the U.S. economy in World War II to fight fascism.

A graduate of the University of Minnesota, Wallis started off his career as a promoter of statistical techniques, presenting a paper on the statistical distribution of the Nordic racial stock to an American Museum of Natural History conference on eugenics in 1932.

Between 1932 and 1935, while doing graduate work at the University of Chicago, Wallis began his life-long collaboration with fellow graduate student Milton Friedman. Wallis recalled later how he and Friedman, along with fellow student Homer Jones and Profs. Henry Simons, Lloyd Mints, and Frank Knight, began at that point to outline a "free enterprise" alternative to President Roosevelt's "welfare state." After further studies at Columbia University, serving as consultant to the National Resources Committee (1935-37) and teaching at Yale (1937-38), Wallis taught at Stanford University from 1938 to 1946.

Wallis, Friedman, and Shultz

There he rose from assistant to associate professor of economics and co-authored a book, *Studies in Mathematical Economics and Econometrics*, with Friedman. During this period Wallis helped to found the Swiss-based Mont Pelerin Society, which has remained the leading center for free enterprise ideology down to the present, and became its first treasurer. He also became a research associate at the National Bureau of Economic Research (1939-40) and served as pres-

ident of the Office of Scientific Research and Development at Columbia University during the war (1942-46).

After World War II, Wallis moved back to the University of Chicago (1946-62), where he became chairman of the Department of Statistics and Economics and dean of the Graduate School of Business. He was succeeded in that position by a close friend, George Shultz. Shultz reportedly holds Wallis in the highest esteem, still relating to him as a senior colleague.

At the University of Chicago, Wallis, Friedman, and Shultz advocated measures that lead to the explosive growth of the offshore, reserve ratio-free Eurodollar market—which became the engine of global inflation in the 1960s and 1970s. Later, in 1971, they supported taking the dollar off gold. In 1959, Wallis became the first monetarist "inflation fighter" of the postwar period, as President Eisenhower's special assistant and the executive chief of the Cabinet Committee on Wage-Price Stability and Economic Growth.

Wallis the Social Engineer

During the war, Wallis, the free-enterprise monetarist, became proficient in the use of "social engineering" techniques at the National Resources Planning Board, the Navy, and the Rand Corporation. Wallis put this expertise to use when in 1953-54, acting as director of the Ford Foundation's program of University Surveys of Behavioral Sciences; he was instrumental in establishing the Center for Advanced Study in the Behavioral Sciences at Palo Alto—the center that has over the years been at the center of the CIA-run experiment in psychedelic drugs, known as MK-Ultra, and the creation of a number of terror-prone cults. From 1962 to 1970, Wallis was president of the University of Rochester, and from 1970 until his appointment as undersecretary of state for economic affairs in the Reagan administration, he was chancellor there. Wallis's government-related posts during that period included membership in the President's Commission on an All Volunteer Armed Force and the National Commission on Productivity. Wallis also joined the board of the Corporation for Public Broadcasting and later served on the Task Force on Education and the Transition Team on the International Communication Agency for then President-elect Reagan.

Wallis has served on the boards of directors of Eastman Kodak, Metropolitan Life Insurance Company, Standard Oil of Ohio, MacMillan Publishing Company, and Bausch and Lomb.

Wallis has promoted the notion that the greatest threat to freedom has been the rise of "neo-mercantilism" in the post-World War II period and has written that "the people even more than their elected officials are unable to grasp the complexities and technicalities, so they become prey to demagogues." Perhaps this is why the free enterpriser now supports a top-down restructuring of the international monetary system, in which the IMF-BIS experts will tell nations how to run their economies.