

Fabian, gradualist way. With our economy in what may be irreversible decay, and individual liberty enfiladed between bureaucracy and what should now be called Monopoly Labor, it is our apparent destiny like Iago to rot half a grain a day.

This is not a book which will be well received in either Cambridge, Massachusetts or Cambridge, England.

Edward Pearce

The Contribution of F.A. Hayek

ESSAYS ON HAYEK. *Edited by Fritz Machlup* with a Foreword by Milton Friedman. (Hillsdale College Press and New York University Press, New York, 1976, 182 pp., \$10.00)

The origin of this book was a series of papers delivered at a special regional meeting of the Mont Pelerin Society held at Hillsdale College, August 24 to 28, 1975. The purpose of the special meeting was to honor and appraise the work of Friedrich Hayek who in 1974 had received the Nobel Prize in Economic Science. Hayek was the founder and has been the guiding light of the Mont Pelerin Society since its beginning in April 1947.

The anthology includes main contributions by George Roche, the President of Hillsdale College, Fritz Machlup, Arthur Shenfield, Ronald Max Hartwell, William F. Buckley, Jr., Gottfried Dietze and Shirley Robin Letwin. Fritz Machlup provides us with "Notes from the Editor," which describes the Mont Pelerin Society, and also includes excerpts from the Nobel Prize announcement. This is accompanied by Hayek's brief speech at the ceremony where he characteristically explains why he himself would not have founded a Nobel Prize in economics.

Milton Friedman provided a brief foreword; the conclusion of the book consists of two appendixes, one of which is an appreciation written by Arthur Shenfield, and the other is a list of Hayek's books in English still in print.

Although the book is meant for the general reader, the essays vary widely in their coverage as well as in what is required of the reader. The most technical, as well as the most important

contribution for the economist, is Fritz Machlup's, "Hayek's Contribution to Economics." This article, which was originally written in the summer of 1971, appeared in *The Swedish Journal of Economics*, December 1974. The article in succinct fashion covers Hayek's monetary and capital theory, attitude to central planning, and legal and political philosophy. In short, Machlup tells us why Hayek deserved the Nobel prize. Scholars will also find extraordinarily helpful the Bibliography of Hayek's work which consists of 15 books, 12 pamphlets, and 136 articles. Although the bibliography has been brought up to date to 1975, it still does not include articles in daily and weekly newspapers, and in general-interest magazines.

The long essay by Gottfried Dietze, "Hayek on the Rule of Law," is a close, careful and textually oriented article which demonstrates the prime importance of freedom in Hayek's understanding of the rule of law. Referring to Hayek as a "liberal aristocrat" he twice alludes to a comparison of Hayek with Hegel. In one place he states:

And just as for the German idealist the state as the realization of the moral idea is the march of God in the world, for the constitutionalists, the "Old Whig" Hayek, that march is the (rule of) law as the realization of the liberal idea of justice. Under it, there exists "The State of Liberty."

In another place he refers to the fact that Hayek "perhaps in Hegelian measure, considers the real the rational."

Hartwell's paper on "Capitalism and the Historians" makes a related criticism of Hayek's rationalism when he focuses on a "practical weakness of Hayek's liberalism." Hartwell surveys *Capitalism and the Historians*, *The Road to Serfdom*, "The Intellectuals and Socialism" and he finds that Hayek tends to believe that by exposing the illiberal tendencies of socialism, he will lead all rational people to accept capitalism. Hartwell emphasizes that the Invisible Hand may not only serve to symbolize the workings of the market but also the growth of government in the twentieth century. Hartwell provides a useful summary of the sources of anti-capitalism and builds on, rather than merely summarizes, Hayek's work.

Arthur Shenfield's contribution, "Scientism and the Study of Society" uses the title of Hayek's articles in *Economica* in 1942 and 1943, later embellished in book form as the *Counter-Revolution of Science*. The theme of scientism is touched on

by nearly all the contributors, but Shenfield provides a very useful condensation of this aspect of Hayek's work for those who do not have the time or the inclination to peruse all of Hayek's original work.

The most important theme in both the contributor's description of Hayek and in Hayek's own work is the theme of humility. The key to Hayek, the philosopher, is to discover the sources of that humility. Is it a personal trait or a metaphysical principle?

I found myself, for example, in perfect agreement with George Roche's "The Relevance of Friedrich A. Hayek." He twits economists, libertarian and non-libertarian alike, for neglecting the soul; he stresses the "moral and spiritual underpinnings" of the free society; he emphasizes "civic virtue" and consensus on what "the good man should be." Roche is right, but is it Hayek?

Shirley Letwin, in her essay, "The Achievement of Friedrich A. Hayek," tells us of Hayek at the Committee on Social Thought of the University of Chicago. She also reminds us that "The general subject was liberalism" and even more pointedly that "Hunting for the holy grail was definitely out of order" in Hayek's seminars.

William F. Buckley, with a slight glint of the holy grail in his remarks, is the only one of the contributors to hint at a substantive criticism of Hayek's thought. Implying by his remarks that his voice is not in "total harmony with those of the legions who praise his name" he points out the "high relativism" of Hayek and the "historicistic humility" which Hayek occasionally shares with Michael Polanyi. Buckley would perhaps agree with the observation of one of Hayek's great heroes, Adam Ferguson, who once observed: "The desire of perfection, and even the love of virtue, have been confounded with pride." (Adam Ferguson, *Institutes of Moral Philosophy*, 1773).

William F. Campbell

The Breed Who Built the Sunbelt

THE PROFESSIONAL: A BIOGRAPHY OF J. B. SAUNDERS. *By Otto J. Scott,*
(Atheneum, New York, 1976, 482 pp., \$15.00.)

This is the compelling chronicle of the achievements of one of America's most maligned minorities: the professional businessman.

At a time when ignorance of business in general and of the energy industries in particular has come to be institutionalized in politics and the press, this skillfully written story of an independent pioneering Texas-Oklahoma oil entrepreneur is intelligent, indispensable history. Equally important, Scott's work is also the chronicle of an era (1901-1975); his narrative of J.B. Saunders' professional career is woven in with national and world events. Thus, we are treated not just to the inspiring story of a pioneering Texas family, who grew up in the Oklahoma Indian territory and who became "a looming presence" in the petroleum industry, but we bear witness to the great historical events and environment through which Saunders lived.

At the very outset, Scott pinpoints the much neglected basic premise of business as a profession.

"Few individuals," he writes, "except its practitioners seem to realize that business is, in all its reaches, a life of the mind. That perception is hidden from many who are dazzled by the tools of business, by its goods, machines, and money. They seem to assume that these instruments operate outside, and beyond the control of human beings. They confuse, in other words, the caretakers and landlords of business — its rank and file managers, so to speak — with its leaders, prime movers and innovators.

"In most of the world, however, business has remained a subprofession; a collection of traders, loan sharks, and landlords, hindered and dominated by a restricting elite. It was only in Western Europe and the United States that business was freed from the grip of the state and the privileges of ruling groups. Any intelligent, practical, and energetic person could enter — and still can enter — the ranks of business in the United States. And it is mainly in the United States that business grew so intertwined in the nation's life, and so relatively unfettered,