

REVIEW OF
«*FRIEDRICH AUGUST VON HAYEK:
DIE TRADITION DER FREIHEIT*»

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Hennecke, Hans Jörg (2000)
Düsseldorf: Verlagsgruppe Handelsblatt GmbH

The book under review originated between the autumn of 1996 and the beginning of 1999 as a political science and political history dissertation of its author Hans Jörg Hennecke—who explicitly presents himself as a non-economist—before being accepted and, after a few minor modifications, being authorized for publication by the *Philosophische Fakultät* of the *Universität Bonn* in the summer of 1999.

Even if not intended as an exhaustive presentation of Hayek's life and work, the book is mainly useful as an intellectual biography. For the first time a multitude of unedited material from various previously unpublished sources is rendered accessible to a larger public.

The book abounds in dates, facts about Hayek's career and life—even a few details about his divorce (Hennecke 2000, p. 230)—; it tells us about the numerous scholarly influences upon the development of his ideas in various fields (that of Menger and Mises of course, but also the influences of Acton, Hume, Mill, de Tocqueville, among others...), about Hayek's intellectual alliances and struggles, about his interactions with fellow travelers of various sorts—such as his relationship to the *Ordoliberalen*—; it provides us with part of a genealogical tree substantiating Hayek's relationship to the Wittgenstein family (Hennecke 2000, p. 245) etc. All these and several other topics are covered in this fairly comprehensive biography.

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The author cites and quotes extensively from documents and correspondence contained in the *Nachlass Hayek* (among others), which is preserved at the «Hoover Institution Archives» in Stanford, where the author had the privilege to perform part of the research leading up to the completion of his dissertation. The reader is also provided with a few photographs, and some reproductions of letters —such as the letter of admittance «zum staatswissenschaftlichen Doktorat» from Othmar Spann and Hans Kelsen dated 1923 February 22 (22.II.23) (Hennecke 2000, p. 65)— and excerpts from previously unpublished documents, all of which are undeniably of some biographical or even historical interest.

The book contains fifteen chapters. The first three chapters are devoted to Hayek's formative years; subsequent chapters treat the different phases of Hayek's intellectual evolution, first as an economist and subsequently as a broader social and political thinker, in both chronological and thematic order. In the last chapter («XV. Die Tradition der Freiheit: Hayeks politisches Denken zwischen Zeitgeschichte und Ideengeschichte»), the author attempts to formulate a conclusion and to arrive at some sort of provisional evaluation. On the one hand, it is recognized that many of the answers to numerous questions regarding Hayek's ultimate significance and place in the history of political thought are highly controversial and still the object of ongoing debate. On the other hand, the author also concludes, in what is almost certainly an overstatement, that the least controversial part of Hayek's legacy may well be his contributions to theoretical macro-economics¹.

As an intellectual biography, the book undeniably exhibits a certain degree of accuracy and truthfulness, besides an obvious sense for more or less relevant detail. Thus interesting information is provided, for instance, about the founding of the Mont Pèlerin Society (Hennecke 2000, pp. 212-224) —with details about the conflicting profiles of Popper and Mises in this context, and Mises' generally uneasy relationship to the Society, the ideology of which he considered too

¹ One could today indeed assert with some confidence that within the global macroeconomic landscape Austrian economics is there to stay, whereas this was far less certain in, say, the 1950s or the 1960s. A recent general survey of macroeconomic approaches contains four chapters devoted to different variants of Keynesianism but also one chapter on Austrian economics. (See Snowden and Vane 2005).

interventionist— and about the important intellectual stimulus these meetings constituted for Hayek (Hennecke 2000, pp. 259-68). The significant role of several important intellectual figures —obviously Ludwig von Mises and Karl Popper but also Lionel Robbins, Wilhelm Röpke and Walter Eucken, among others— is extensively documented.

The book nevertheless invites a few critical comments. There can be little doubt that the most solid parts of Hayek's scientific legacy—which are also the parts of his work which can most surely be expected to stand the test of time— are undeniably the contributions for which he received the 1974 Prize for Economic Science in Memory of Alfred Nobel, that is, his work on business cycle theory on the one hand and his penetrating studies of the problems of centralized planning on the other (Bank of Sweden 1974). With respect to both of these subject matters, Hayek was clearly building upon the pioneering work of Ludwig von Mises.

These are precisely the subject matters that are treated most sketchily in Hennecke's book, however. The anecdotic treatment of Hayek's important economic work is perhaps the most unsatisfactory aspect of the book. Moreover Hennecke's relative neglect of the economic issues contrasts sharply with the excessive amount of attention which is devoted, at several places in the book, to Hayek's *The Road to Serfdom*.

Most authoritative commentators would today consider, however, that the main idea advanced in *The Road to Serfdom* (1944), namely that socialism, even in the limited form advocated by the British Labour Party of the day, would if adopted lead inexorably to totalitarianism, has simply proved to be false. Socialism in either the limited form advocated by social-democratic parties or the extreme form instituted in the communist countries actually leads to capitalism, because of the unworkability of socialism (also Posner 2005, p. 148).

What is today left of Hayek's original intuition is a substantially more nuanced thesis, or rather, set of theses. Recent contributions in Austrian political economy have generated a number of pattern predictions concerning the behavior of mixed economies—and nearly all actually existing economic systems are mixed economies—according to which all mixed economies will be unstable, cycling somewhere between the extremes of laissez-faire capitalism and complete collectivism (see Ikeda 1997). At no point, however, is it deemed appropriate or even useful by Dr. Hennecke to take into account or to refer to recent contributions about these matters.

On a few occasions our biographer is tempted into an explicit lapse. Thus we are told on two occasions, first on page 100 of the book and subsequently on page 312, that Sir John R. Hicks wrote an influential book entitled *The Hayek Story*. *The Hayek Story* is actually a 13-page essay, reprinted as the final chapter of Hicks' *Critical Essays in Monetary Theory* (1967, Oxford University Press).

As a guide to the study of the ongoing development of a Hayekian research program, the book will not satisfy the inquiring reader, however. The reasons for this deficiency are to be found in the often too anecdotal characterizations of Hayek's various theoretical contributions, and also in the almost complete absence of any references to more recent and significant contributions to the various fields of scientific inquiry in which Hayek had been active and so productive. Moreover, the author consistently refrains from presenting a theoretical perspective from which to perform substantive criticism even where this might seem appropriate. But admittedly these tasks fall outside the scope of the author's avowed intentions and project. Despite its lack of any theoretical pretensions, the book undoubtedly remains a welcome addition to the growing literature about Hayek's life and work.

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