as one built in 1150. It is more likely that as these opportunity costs grew, the demand for cathedrals waned.

The authors are simply wrong in stating that purgatory was invented by the medieval Church. Unfortunately, *Marketplace*'s presentation of Catholicism and medieval history (including several sections addressing Galileo, the evolution of the papacy, and the Crusades) ranges from stereotypes to Bob Jones-isms. It often describes a Catholic Church so out of touch with its target market (at least for the last thousand years, with an apparent respite during the 1950s and 1960s), one wonders how such a boorish and nefarious institution maintains membership of one-sixth of the world's population today. Such biases are unfortunate. They detract from the valuable conclusions of positive analyses in an otherwise recommended and inspired book.

One final point concerns statements made early in *Marketplace* responding to criticisms of the authors' previous book by "non-economist" and "Roman Catholic apologist" William Campbell who wondered about cardinality issues applied to religious goods. In truth, William F. Campbell is professor emeritus of economics at Louisiana State University who earned his Ph.D. in economics at the University of Virginia and studied under Ronald Coase. Given that the authors have close connections to both schools, this is information one thinks they would have known.

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Milton Friedman: A Biography

Lanny Ebenstein

New York: Palgrave Macmillan, 2007 (286 pages)

This book is a celebration of the life and work of Milton Friedman, the great free-market economist, who passed away last year at the age of ninety-four. The tone is admiring—at times, embarrassingly so: "His contributions … have arguably added tens of trillions of dollars to world product over time" (ix). Not mere trillions, mind you, "tens of trillions." Well, perhaps. Though I wonder how one would go about proving such an assertion. (Friedman himself, who was very meticulous about quantitative statements in economics, would have been more cautious.)

Hyperbole aside, there is much to admire about the life of Milton Friedman, who rose from humble beginnings (his parents were poor Jewish immigrants) and became, through sheer brilliance and hard work, one of the most respected economists of his time. (He tended to attribute his achievements mostly to "luck," and the title of his 1998 autobiography—*Two Lucky People*, coauthored with his wife Rose—is characteristic. He was much too modest.)

Ebenstein devotes much of his book to documenting the different stages of Friedman's professional development: the bright young college student at Rutgers, Chicago, and Columbia during the Depression era; his early years as a statistician with the government and later at the National Bureau of Economic Research; his wartime activities; his professorship at the University of Chicago, where he stayed for thirty-one years (1946–1977) and made his mark as teacher, scholar, and eventual *doyen* of the Chicago School of economics; and finally, the ultimate accolade, the 1976 Nobel Prize in Economics.

The treatment of these stages of Friedman's life is adequate but sometimes only barely so. The discussion of his early contributions to technical statistics is perfunctory, at best, which is a pity because they were just as brilliant, in their own way, as his later and better-known contributions to economic theory and monetary history. Ebenstein seems much more interested in Friedman's role as political economist and public intellectual, which is understandable, though in an intellectual biography one expects, in addition to a portrait of the man, a sense of how the various aspects of his life relate to one another. In the case of Friedman, one would like to know why a very smart and competent technical economist with no particular ideological inclinations and no great interest in politics, suddenly (the transition took only a few years) emerged as a leading crusader for "Capitalism and Freedom."

What accounts, in short, for Friedman's sudden zeal for the free market? Ebenstein notes the fact but provides no real explanation. He does hint that Friedman's libertarianism might derive from an early reading of Mill's essay *On Liberty*. This is an original and highly suggestive hypothesis, but the only support for it comes from a comparison of selected quotations from both authors (140–42) and the fact that Friedman did indeed read *On Liberty* when he was a young (and presumably impressionable) college freshman (15, 34). He must have been a "closet libertarian" for a long time, however, because the fact remains that he did not emerge as a spokesman for classical liberalism and market economics until the mid-1950s. (My own guess is that the transforming event was Friedman's participation, at the invitation of Friedrich von Hayek, in the founding of the Mont Pelerin Society in 1947. Ebenstein does mention the influence of Hayek at several points in his narrative but as one of many influences on Friedman's thoughts and attitudes. In my view, Hayek's influence was the decisive one. This is a subject that deserves to be explored in much more detail.)

For those who know little about Friedman, and wish to know more, this book is a good place to start. The writing is sometimes disjointed, but it is well documented and the coverage is fairly exhaustive. One drawback is that, as noticed above, Ebenstein has a penchant for hyperbole, and the book is peppered with minor (and sometimes major) exaggerations. To offer but one more example: We are told that Thorstein Veblen was "perhaps the most famous American economist in the first quarter of the twentieth century," and to make sure we get the point Ebenstein adds, for good measure, that Veblen was "probably the most famous economist in the world" (20). Most economists would regard the first statement as extravagant and the second one as bizarre.

A related shortcoming is that, to put it bluntly, the author is too breathlessly admiring of his subject, and the book is consequently somewhat lacking in critical balance. Friedman was a great economist and a fine human being, but no mere mortal is beyond criticism. He had his detractors as well, and though Ebenstein mentions this, he never goes into much detail as to the substance of these critiques. Many were perhaps misguided and can be safely ignored, but others are not so easily dismissed. This is not the place for a detailed survey, so I will only point out two specific issues where Ebenstein might have provided a more balanced treatment.

Friedman may have been too sanguine about the relationship between economic freedom and political freedom. He argued that the former was a precondition for the latter. He also thought that economic freedom tended to produce political freedom (though not necessarily vice versa), and one senses that, if it came to a choice, he felt that economic freedom should have priority over political freedom. Thus, though he was never a friend of dictatorship per se, he was not equally critical of all such governments, and was willing to "look the other way" if a particular dictatorship followed *economic* policies of which he approved. He was severely criticized, for instance, for lecturing in Chile—and personally visiting General Pinochet—at a time when the human rights record of that country's regime was at an all-time low, and in retrospect his response to such criticism seems a bit naïve (if not disingenuous). Such critiques, he argued, reflected an ideological double standard because his lectures dealt with technical economic matters and in no way constituted an endorsement of the political regime in Chile. Also, he had made similar visits to other countries with authoritarian governments, such as Communist China. Why were those trips not criticized as well? (190). As a question, it is a perfectly valid one, but as an answer it is not. Double standards are double standards, whether from the right or from the left. At the time and under the circumstances, Friedman's visit to Chile was a mistake, and that is that.

To many, Friedman's understanding of classical liberalism was excessively "economistic," and in practice amounted to simply applying the principle of market allocation to an ever-widening sphere of social interactions, thus ensuring greater economic efficiency, on the one hand, while on the other hand reducing the scope of government (a requirement, in his view, for individual liberty). He tended to disregard any suggestion that the market itself might have a corroding effect on moral and cultural values—indeed, one senses that he felt uncomfortable talking about values at all—and his defense of classical liberalism boiled down, essentially, to a defense of market capitalism. It was a defense, moreover, that is easily caricatured: The government is no good, and the market is always right, period. As Ebenstein puts it: "His ethical view of the world … is the libertarian view that adults should be able to do as they wish so long as they are not harming anyone else. This viewpoint typically leads to advocacy of less government—virtually everywhere, at all times, and in every way" (1). (Friedman reportedly regarded the continuing viability of countries such as Sweden—dire libertarian predictions to the contrary—as almost a personal affront.)

In terms of influence, Friedman was by far the most successful of the founding members of the Mont Pelerin Society—the beleaguered group of scholars convened by Hayek sixty years ago in order to stem the tide of collectivism that was then sweeping the world—and we will probably not see the likes of him again. Indeed, many are now asking, "Now that Friedman is gone, who will take his place?" The most likely answer is, no one, because Friedman took his own style of market-based liberalism as far as it will go. For that, we should be grateful. Now we must move on.

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The Cambridge Companion to Hayek
Edward Feser (Editor)
Cambridge, United Kingdom: Cambridge University Press, 2006 (342 pages)

The publication of a *Cambridge Companion to Hayek* is proof of the increasing recognition Hayek's work has been receiving in the intellectual world in recent years. It contains an introduction by the editor, fourteen articles dealing with all aspects of Hayek's extensive oeuvre and a guide to further reading. The intellectual background of the authors is very diverse; subsequently they place emphasis on, as well as offer praise or criticism of, different aspects of Hayek's work. Some basic knowledge in economics and politics is required for most of the articles.

In his introduction, Feser calls Hayek "the most consequential thinker of the mainstream political right"—maybe even "the most consequential twentieth-century political thinker." Those from the political left might object, but Feser certainly has a point here. The apparent triumph of global capitalism we witness today owes as much to Hayek's influence on policymakers and shapers of public opinion as it does to that of any other intellectual figure. His *Road to Serfdom* was a key text of the emerging New Right, which combines an emphasis on free markets, limited government, and individual liberty with personal moral restraint and respect for tradition and religion. Hayek's technical work in economics brought him the Nobel Prize in 1974, but his field of work extends much further. His legacy is a system of thought, encompassing theories in social and political philosophy, philosophy of law, philosophy of science, and cognitive science.

Bruce Caldwell's article covers Hayek's early life until the early 1930s, when he left Austria for a position at the London School of Economics. After World War I, he enrolled at the University of Vienna where he came in contact with the Austrian School of Economics. Early on, Caldwell points out, Hayek was involved in arguments with other traditions, mentioning not only his famous encounter with J. M. Keynes but also with the German Historical School of economics, the Austro-Marxists, and the Vienna Circle positivists.

Hayek's work on money and the trade cycle is very carefully explained by Roger E. Backhouse. Hayek was convinced that capital theory was fundamental to the explanation of the business cycle. A dynamic capitalist economy, Hayek thought, would periodically be subject to unemployment of resources. Backhouse compares Hayek's work in this field with Keynes', who, in his opinion, won the argument.