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Firstly, Weber's *understanding of economics and human action* is clearly subjective, with the only evaluative standard given by human meaning. He rejects the reduction of economics to psychology, as well as theories of consumption, production, or acquisition. Exchange is particularly important, and can be applied to any kind of human action that is rational, that is, means-ends oriented.[1] Though conflict and competition are unavoidable, he contrasts 'economic' from 'political' action, in that economic is peaceful, whereas political action has the potential for the usage of force. This is certainly music to the ears of public choice theorists and Austrians.

Secondly, Weber's *theories of charisma, leadership, and bureaucracy give insight into the firm, entrepreneurship, and market process.* For Weber, leadership begins with natural charisma of the leader, who then routinizes it through formalization of an ideology, a dynasty, or a bureaucracy. The various stages of the process result in changes in both the rules, the incentive structure, and the social structure of an organization. While his theories of charisma are more commonly studied in political sociology, in an age of hero-CEOs and Silicon Valley cults of personality, his insights may shed light on the intersection between dynamic, entrepreneurial leaders and the internal governance of their firms as they pass from start ups to publicly held companies. For Weber, modern capitalism is a war between larger firms and government bodies that seek to rationalize the economy through both imposition of rules as well as accumulation of knowledge in order to govern it, and entrepreneurs who seek to use charisma to unravel. Perhaps most striking on this point, Weber wisely noted: «the capitalist entrepreneur [...] is the ONLY agent that is really (or at least relatively) IMMUNE to the inescapable force of bureaucratic rule through knowledge» (emphasis in original).[2]

On these and other points, Weber still has much to say, and Tribe's edition is an excellent guide for not only historians of thought, but those searching for an active research program, not of 'mere' sociology, but of genuine economic theory. Economics would only be the worser, should Weber's insights go unexplored for another 100 years.

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ROGER E. BACKHOUSE, *Founder of Modern Economics: Paul A. Samuelson. Volume 1: becoming Samuelson, 1915-1948*, New York, Oxford University Press, 2017, pp. xxi + 736.

ROGER E. BACKHOUSE is one of the leading scholars in the field of the history of economics and his extremely detailed biography of Paul Samuelson (the first part of a two volume series) is likely to become a very important, if not even a classical, book on the development of modern economics. I believe quite natural to compare it with

[1] *Ibidem*, 155-157. [2] *Ibidem*, 352.

Robert Skidelsky's impressive account of Keynes's life. Unfortunately, as Backhouse immediately states (in the very first lines of the preface), Samuelson's life «contain[s] few of the dramatic events and none of the scandals that hold the attention of non specialist reader» (xi). Quite different from Keynes'!

This doesn't mean that Samuelson's life is not deserving to be narrated, but instead that it is inseparable from his economics career, his theoretical writings and his policy advising. Of all these, the volume is devoted primarily on Samuelson's formative years (as suggested by the subtitle), his training as an economist and his first important works. Samuelson's role of economic advisor for federal government during WW2 is explored too, even if his main engagements as public intellectual came after the fifties and sixties (and, overall, his awarding with the Nobel Prize, 1969), and will be explored, presumably, in the second volume.

Backhouse's work is a detailed account of Samuelson's life, but also, and mainly, an intellectual biography, *i.e.*, the story of the evolution of his ideas. In fact, although the author's approach is contextual, grounded on deeply archival researches in Samuelson's personal papers (housed at Duke University), his aim is to present Samuelson as a «[…] transitional figure, linking what has been described as pluralist interwar economics with the narrower, more theoretical, mathematical, 'neo-classical' economics that emerged after the Second World War.» (xiii).

In this review I want to focus my attention primarily on some important aspects of Backhouse's narrative, above all his reading of the development of modern social sciences through young Samuelson's personal concerns on quantitative methods, tools and languages in studying society and his commitment to this «methodological revolution». This reflects my scholarly interests and doesn't obscure the attention paid by the author to Samuelson's role in the spreading of Keynesianism in America but, in my view, completes it.

Backhouse's sensitivity towards the parallel historical development of economics and other social sciences[1] can be found in this volume too. In fact, Samuelson's life and education as an economist are strictly related with the development of American social sciences in the first half of 20th century. To present this relation, Backhouse provides the reader with a detailed picture of the state and prominent characters in some of the main academic departments of the US. This fits very well with the description of Samuelson's life, because he, as a student, a PhD candidate and lastly a professor, attended some of those prominent universities – namely, the University of Chicago between 1932 and 1935, Harvard between 1935 and 1940, where he got his PhD, and the MIT, from 1940 onward. All these places have represented an important step in Samuelson's intellectual formation: Backhouse's work is accordingly divided in three parts, each corresponding to the young Paul's involvement in these institutions.

The author has chosen as chronological limit of this first volume the crucial biennium, 1947-8. These two years saw the publication in October 1947 of Samuelson's pivotal work on economic theory, *Foundations of Economic Analysis*, a revised version of his Harvard PhD thesis, his awarding in December of the John Bates Clark Medal (established that same year, so that Samuelson was the first recipient), and then the publication in May 1948 of the first edition of his innovative textbook, *Economics: An Introductory Analysis*. These events (primarily, those related to the two books) occupy

[1] An important example is offered by the volume edited by Backhouse himself and Philippe Fontaine: Backhouse & Fontaine (eds) 2010.

a significant part of Backhouse's work: at least 150 pages out of over 630, with much attention devoted by the author not only to theoretical contents, but also to the different drafts, editorial issues and reception. In a sense, it may be said that Backhouse's journey through Samuelson's early life is built to culminate with these astounding events that marked the development of modern economics. For example, consider the pages on Samuelson's mathematical education, on which a table paralleling the economic and mathematical courses attended by the young Paul during his final year at Chicago is offered at p. 71. But the journey is no less important than the endpoint: indeed, from the point of view of a scholar committed not only to the history of economics but also to that of the other social sciences, it is even more interesting.

As said, Samuelson studied and worked in three universities deeply committed to scientific methods. Of all three, Backhouse provides an interesting and colorful picture. Starting with Chicago, this was the place where economists such as Frank Knight, Jacob Viner, Henry Schultz, Aaron Director, and Paul Douglas taught. All of them, despite their 'political' and even methodological differences, were reshaping American economics and deeply influenced young Samuelson (cfr. Ch. 4). In fact, it was during his Chicago years that Samuelson decided to become an economist. Even outside economic research, Chicago University was a stronghold of a more scientific attitude to social problems (for example in the field of Political Science). Through an extensive account of Samuelson's autobiographical sketches and interviews, and also of the contents of some of the readings and textbooks used in 1930s undergraduate classes, Backhouse has reconstructed what may have influenced the young Paul, his reactions, early concerns, and growing interest in quantitative methods and a «straight way of thinking» (cfr. Ch. 2 and 3). This attitude towards formal analysis and scientific explanation was reinforced during his Harvard years. The last steps towards his becoming the «founder of modern economics» were his encounter with Alvin Hansen's reinterpretation of Keynes's *General Theory* and his appointment as MIT professor. Needless to say, the Harvard and MIT years occupy approximately five sixths of Backhouse's volume.

It was at Harvard that Samuelson met some of the most decisive influencers of his formative years, most notably Joseph Schumpeter, Edward Bidwell Wilson and, later, Alvin Hansen. In an academic community that comprised, in mid-Thirties, other important economists (like, for instance, Edward Chamberlin, Gottfried Haberler, Wassily Leontief), Schumpeter's and Wilson's role in shaping Samuelson's scientific attitude is deeply explored by the author (chs. 7-8). In particular, Wilson's mentorship was very important to young Samuelson, especially on account of Wilson's view regarding mathematics. A trained mathematician, though not an economist, Wilson pushed Samuelson to the interpretation of mathematics as a language for the social sciences and not only as a computational tool. In particular, as stated by Samuelson itself, he learned from Wilson that «there were similarities between the structures of economic problems and certain problems in physics. He could thus make use of these similarities to solve economic problems without implying that there was any deeper relation between the physical and economic concepts» (155). This is an important point that characterizes Samuelson's approach toward the mathematization of economics, and also the analogy between economic and physical systems. On this I will briefly return later.

Through Chicago's practice-oriented view of the social sciences, and through Wilson's influence, Samuelson developed the two main methodological points of his early career, namely the application of operationalism to economic problems (more notably, to consumer theory), and the so-called «correspondence principle».

Operationalism involves the definition of concepts no longer in terms of their properties, but in terms of operations. This means that questions are meaningless if it is not possible to find operations by which answers could be obtained. (cfr. 199). Applied to consumer theory, the approach allowed Samuelson to treat the problem of measuring utility by focusing primarily on consumer's real behavior. His pivotal contribution here is known as the «weak axiom of revealed preference». (cfr. 201 et seq.).[1] When in 1940 Samuelson completed and submitted his PhD thesis, its title, *Foundations of Analytical Economics: the Observational Significance of Economic Theory*, made it clear that, beyond sheer analytical contributions, his work had «an even more important theme – namely, that economic theory should have implications for things that can be observed and measured» (276).

The «correspondence principle» consists in the duality between dynamics and comparative statics. At its core, it entails «the idea that it was possible to use the assumption of stability to derive comparative statics results» (470). It is interesting to note, as Backhouse does, that according to Samuelson himself the principle was strictly connected with the radical change that was taking place in economics at the time, namely, the shift from static to dynamic modes, and that such a change was likened to the transition from classical to quantum mechanics that had occurred in physics (cfr. 470 ff.)

Samuelson's last step towards the 'foundation' of modern economics was his application of these methodological tools and concepts to the derivation of concrete economic results. The possibility was offered by his work with Hansen and, from there, by the reinterpretation of Keynes's theory. In this sense, Backhouse's book, especially the third part, can be also read as a history of the diffusion and original development of Keynesianism within the US economists' community. Indeed, the final stage (which perhaps will also be he starting point of the second volume) was the release of Samuelson's famous textbook. Perhaps the most important introductory economics manual ever, the 1948 work was devoted primarily to the treatment of those new economic issues that had originated from the Depression and WW2, starting with the determination of national income (576 ff.).

I want to conclude this review by briefly highlighting what I deem the less convincing parts of Backhouse's volume. While keeping in mind the particular nature of the work (*i.e.* its being an intellectual biography and not a systematic theoretical treatment), I believe a few missing points can be found in the treatment of the relationship between physics and social science, and of the particular role of mathematics. As yet stated, Samuelson was a pivotal character in the development of economics as mathematical science. His commitment to applying mathematics was astounding, especially in view of his background in humanities, and also of the fact that a deep mathematical education in the 1930s was no compulsory requirement for studying either economics or the other social sciences. As argued by many scholars (most notably Ingrao & Israel, 1991; Weintraub, 2002; Giocoli, 2009) the image and development of mathematical economics have been shaped by the evolution of 20th-century mathematics. The roots of this process can be traced in the 'formalist' or

[1] The issue is more complicated, though. Backhouse refers briefly to the «ongoing tension in [Samuelson's] work between his engagement with pure theory and his espousal of operationalism». Yet the author does not dig deeper into such an important point. For a much wider treatment, which includes a critical assessment of Samuelson's real commitment to operationalism, see Moscati 2018, Chs. 4-8.

Hilbertian mathematical revolution, but also in the increasing difficulties to sustain the parallel between economics and physics given the latter's late 19th-century developments. The result has been the establishment of a new way to address economics as a scientific discipline: not anymore through classical physics, but through mathematical consistency.

What was Samuelson's role in this process? Here, in my view, Backhouse's account is not exhausting, and possibly misleading. The book contains various references to the axiomatization of mathematics (of which Wilson had been an outspoken critic. 149) and to von Neumann / Morgenstern's *Theory of Games and Economic Behavior* (329-330). But no deep explanation is offered for the difference between the latter's and Samuelson's approach, if not for some scant reference to Samuelson's own objections to von Neumann's call for «non-physics mathematics» as the best way to approach economic issues (329-330). Given the author's insistence on Samuelson's mathematical training and also his underlining that «[t]he reason why methods taken from physics could be useful was that the economic and physical problems could exhibit common mathematical structures, and it was a mistake to look for detailed parallels between economics and physics» (472), the lack of a deeper explanation surprised me. If we take for granted that Samuelson's position was not so naive as to consider economics like some sort of 'social physics', what were then the true differences between his own approach and von Neumann's? Luckily, this question may be answered by integrating Backhouse's work with others (*e.g.* the previously mentioned works by Weintraub, Giocoli and Moscati, among the others).[1] This criticism should of course take into account that the axiomatic boom in economics dates to the 1950s and that during that decade Samuelson did confront himself time and again with von Neumann's approach (think *e.g.* to Dorfman, Samuelson, Solow, 1958, or to the expected utility saga as recounted by Moscati 2018). My expectation is that this issue will be more deeply explored in the subsequent volume.

Another potentially misleading point is where Backhouse, despite declaring Samuelson's lack of interest in philosophy of science (451), puts his conception of science (namely, operationalism) in connection to that of the famous Vienna Circle. In doing so, the author mistakenly relates Popper to the Vienna Circle, where Popper's own falsificationism was aimed directly at the opposite concept of verificationism.[2] Thus, the reader is left wondering how Samuelson's approach could, at the same time, be akin to Popper's and to his opposite (206-207; 276).

Despite those minor drawbacks, Backhouse's endeavor and achievement are really towering. While in this review I have focused on Samuelson's scholarly enterprises and his methodological concerns as an economist and social scientist, another reader could be most attracted by other sides of this outstanding biography, like, for example, the vicissitudes of the scientific communities Samuelson was involved in (think of the role of anti-semitism in the American academic environment, or to gender issues),[3] or the effects on economists' practices of the Great Depression and WWII, or the above-mentioned diffusion of American Keynesianism. On all these is-

[1] Though none of these works is referred to in the 28 pages-long bibliography at the end of the volume.

[2] So much so that in his autobiographical sketch, Popper jokingly affirmed to have killed Logical Positivism. See Popper 1992, 98 ff.

[3] Related to these issues are very interesting, albeit far from exhaustive, the pages devoted to anti-semitism in Harvard (cfr. 300 ff.), or to Samuelson's wife, Marion, herself a talented mathematical economist, despite without an academic position (cfr. 126 ff.).

sues, and many others, Backhouse's work provides a vivid, detailed and, in many cases, truly fundamental account.

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