

# A Preliminary Critique of Hans-Hermann Hoppe's Argumentation Ethics



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## Key

- EE *The Economics and Ethics of Private Property*, Hoppe, 1993  
EL *The Ethics of Liberty*, Rothbard, 1998  
EP *Epistemological Problems of Economics*, Mises, 1976  
ER *An Introduction to Economic Reasoning*, Gordon, 2000  
ES *Economic Science and the Austrian Method*, Hoppe, 1995  
FM *The Free Market and its Enemies*, Mises, 2004  
HA *Human Action*, Mises, 1966  
IE *Individualism and Economic Order*, Hayek, 1980  
IK "Human Action, Freedom, and Economic Science," Kirzner, 1991  
IV *Investigations into the Method of the Social Sciences*, Menger, 1985  
LR *An Essay on the Nature and Significance of Economic Science*, Robbins, 1945  
MB *Minds, Brains and Science*, Searle, 1984  
MM *Money, Method, and the Market Process*, Mises, 1990  
MS *Man, Economy and State*, Rothbard, 1993  
PC2 *A Praxeology of Coercion, Second Edition*, Knott, 2006  
PE *Praxeology and Economic Science*, Hoppe, 1988  
PO "The Philosophical Origins of Austrian Economics," Gordon, 1996  
PS *The Phenomenology of the Social World*, Schutz, 1972  
TH *Theory and History*, Mises, 1985  
TP *The Structure of Social Action*, Volume I, Parsons, 1968  
TS *A Theory of Socialism and Capitalism*, Hoppe, 1989  
UF *The Ultimate Foundation of Economic Science*, Mises, 2002



## Introduction to the Revised Edition

This book is a compilation of essays written in the spring of 2007. My intention in revising the original is to improve its punctuation and formatting and to clarify the ideas I had intended to express when the essays were first written. I have chosen to revise the original book rather than write it anew, and so the revised edition is substantially the same in length and form as the original. Words, sentences, and paragraphs have been revised; only a few paragraphs have been removed.

### **Praxeology as a General Science of Human Action**

The notion that praxeology is a general science of human action and that economics (catallactics) is merely one branch of this general science seems to confuse many. When Kirzner and Rothbard studied under Mises in the 1950s and 1960s, they wrote that praxeology is the study of human action in all its forms and that economics is but one branch of this general science. By the 1990s, however, both thinkers had reverted to a conception wherein economics—the study of market phenomena—is largely identical to praxeology (IK, EL, p. 12).

Mises's insight was that the regularities we intuit or experience in social phenomena are experienced as regularities due to the logical structure of the human mind by which we apprehend them. The regularities that we intuit in social phenomena, which praxeology attempts to formulate in terms of exact laws, are experienced as regularities because our mind organizes experience in terms of mental "categories," foremost among them the categories of *ends* (purposes) and *means* (things utilized toward purposes). The means/ends aspect of consciousness is what Mises calls "action."

*Action* is the singular term designating a group of categories of intentionality. The most important categories in the Misesian

system are *means* and *ends*. Anything apprehended by a human mind in terms of means and ends is an action. Any instance of an attempt to utilize some aspect of the present situation in order to achieve a future state of affairs is an action. If one person tries to convince another person of something, this is an action. If a person tries to solve a riddle, this is an action. If a person tries to lift a heavy object, this is an action. All these are actions just as much as the attempt to lower the rate of interest below the market rate. Thus, economics, which studies things such as the attempt to lower interest rates, is but one branch of a more general science of human action. Other branches of praxeology study man's utilization of means toward ends in areas of purposive conduct besides the market.

Man's actions on the market, in the government, at work, at leisure, in buying and selling, are all guided by ... choice between what a person prefers as against what he does not prefer.... Every action can be called an exchange insofar as it means substituting one state of affairs for another. (FM, p. 16)

The general concept of action is not specifically tied to the market or to market phenomena.

Action is the search for improvement of conditions from the point of view of the personal value judgments of the individual concerned.... Man's aim is to substitute what he considers a better state of affairs for a less satisfactory one. He strives for the substitution of a more satisfactory state of affairs in place of a less satisfactory state of affairs. And in the satisfaction of this desire, he becomes happier than he was before. *This implies nothing with reference to the content of the action ...* (FM, p. 14; emphasis added)

In an aprioristic science, we start with a general supposition—action is taken to substitute one state of affairs for another. (FM, p. 16)

Action is the general phenomenon of the attempt to replace one situation with another, and acting man “acts” in all of the various realms in which he is consciously engaged. This includes not only the realm of market activity but also the realms of interpersonal activity, political activity, mental activity, physical activity, etc. This is what Mises meant in repeating that praxeology is the general science of human action of which economics is merely a branch.

Given Mises’s conception of action, it is easy to see that “action” is something man does in the interpersonal realm of activity, the same realm that has traditionally been the province of normative ethics. Traditional normative ethics studies human acts with regard to their *justness* or *goodness* or *morality*. A praxeological treatment of the same human acts would seek to discover their *formal implications* or *invariant relations* or *exact laws*. This is what Mises meant when he wrote the following:

Bewildered, people had to face a new view of society. They learned with stupefaction that there is another aspect from which human action might be viewed than that of good and bad, of fair and unfair, of just and unjust. In the course of social events there prevails a regularity of phenomena to which man must adjust his actions if he wishes to succeed... Human action and social cooperation seen as the object of a science of given relations, no longer as a normative discipline of things that ought to be—this was a revolution of tremendous consequences for knowledge and philosophy as well as for social action. (HA, p. 2)

With respect to the interpersonal realm of human action, this means the phenomena of ethics (interpersonal conduct) studied as “the object of a science of given relations, no longer as a normative

discipline of things that ought to be.” In short, praxeological study of interpersonal conduct. Praxeological study of interpersonal conduct is thus one of the “other” branches of praxeology in the Misesian conception, where praxeology is the general science and where economics is its most mature branch.

That Rothbard neglected to consider the praxeological study of interpersonal conduct has to be considered an error of significant proportions. Though Rothbard studied under Mises and though he dedicated his treatise *Man, Economy, and State* to Mises, Rothbard had little to say about the relationship between praxeology and human action in the ethical, interpersonal realm of conduct. This suggests that Rothbard didn't understand praxeology with any depth. Unfortunately, Rothbard was influential in promoting a scholarly paradigm in which praxeology applies only to market phenomena, while other disciplines such as natural law, objective ethics, and argumentation ethics apply to interpersonal conduct. Rothbard conceived that praxeology is “the methodology of Austrian economics,” and he asserted that the concept of subjective value is “perfectly proper for the formal science of praxeology, or economic theory, but not necessarily elsewhere” (EL, p. 12). As Mises conceived things, the Rothbardian paradigm (praxeology in economics—natural law and objective ethics in interpersonal action) was an outdated paradigm based on a failure to realize the implications of the economic point of view for the study of other forms of human action.

For more than a hundred years, however, the effects of this radical change in the methods of reasoning were greatly restricted because people believed that they referred only to a narrow segment of the total field of human action, namely, to market phenomena.... Until the late nineteenth century political economy remained a science of the “economic” aspects of human action, a theory of wealth and selfishness. It dealt with human action only to the extent that it was actuated by what was—very

unsatisfactorily—described as the profit motive, and it asserted that there is in addition ***other human action whose treatment is the task of other disciplines***. (HA, pp. 2–3; emphasis added)

Tragically, Rothbard succeeded in convincing a generation of Austrian scholars that the scientific vision glimpsed by Mises was limited in its applicability to the study of market phenomena and that the study of interpersonal conduct required recourse to the older normative approaches.

## Highlights

The most important and fundamental proposition contained in this book is the proposition that praxeology is the general science of means and that there are other classes of means besides “economic” (i.e., market-related) means. For example, the acting individual not only lowers the market rate of interest as a means to spur economic growth, but he also coerces other people as a means to obtain goods or services or suppresses his hopes as a means to avoid future disappointment. In other words, activities such as coercion or the suppression of one’s hopes are types of “means.” These are things that people “do” in order to achieve specific results (ends). In 2007, I referred to the former class of means as “ethical means” and to the latter class of means as “psychological means.”

In retrospect, my choice of the terms *ethical* and *psychological* to name two important classes of means was apt to confuse and mislead. What I refer to in this book as “ethical means,” I would today call “interpersonal means,” and what I refer to in this book as “psychological means,” I would call today “mental means.” As I understand and explain things today, we may conceive at least four broad classes of actions:

1. Market-related actions: What Mises referred to as “catallactic” actions, those actions based on monetary calculation (actions that are the primary subject matter of economics)
2. Interpersonal actions: Those actions directed toward another actor (specifically, those actions directed toward another *mind*)
3. Mental actions: Goal-directed activities such as thinking, deliberating, evaluating, imagining, envisioning, contemplating, etc.
4. Physical actions: Those actions in which an actor interacts with the objects of a physical nature, including his own body

In this book, where the term “ethical action” or “ethical means” is encountered, one may simply substitute “interpersonal action” or “interpersonal means.” Where the term “psychological action” or “psychological means” is encountered, one may simply substitute “mental action” or “mental means.”

As a point of clarification, I would like to emphasize that in my system, the notion of “a praxeological ethics” is a perversion of terms. The expression “a praxeological ethics” implies that praxeology can somehow be used to prove, validate, or justify concrete norms of conduct. This has never been my position. A more correct expression in the context of ethical thought would be “a praxeology of ethical phenomena” or a “praxeological study of the phenomena of ethics.” This means conduct which has historically been the province of normative ethics (e.g., coercion, deceit, violence, cooperation, etc.) now studied by praxeology, the value-free science of human action. In short, a praxeological study of interpersonal conduct.

The second theme of this book is the proposition that the focus of praxeology is *exact laws of human action*. Praxeology is not simply discursive reasoning of a logical nature concerning social

phenomena, nor is it merely supposition/countersupposition reasoning about assumed social situations. The goal of praxeology is the ascertainment of exact laws of social phenomena—the demonstration of a relationship between two nonidentical phenomena, *A* and *B*, that is guaranteed to be certain to the extent certainty is theoretically demonstrable.

The aim of this orientation, which in the future we will call the *exact* one, an aim which research pursues in the same way in all realms of the world of phenomena, is the determination of strict laws of phenomena, of regularities in the succession of phenomena which do not present themselves to us as absolute, but which in respect to the approaches to cognition by which we attain to them simply bear within themselves the guarantee of absoluteness. It is the determination of laws of phenomena which commonly are called “laws of nature,” but more correctly should be designated by the expression “*exact laws*.” (IV, p. 59)

Economic laws describe inevitable implications. If the data they postulate (**A**) are given, then the consequences they predict (**B**) necessarily follow. “The analytic method is simply a way of discovering the necessary consequences (**B**) of complex collocations of facts (**A**)—consequences whose counterpart in reality is not so immediately discernible as the counterpart of the original postulates.” (LR, pp. 121, 122; **As** and **Bs** added for clarity)

The purpose of the theoretical sciences is understanding of the real world, knowledge of it extending beyond immediate experience, and control of it. We understand phenomena by means of theories as we become aware of them in each concrete case merely as exemplifications of a general regularity. We attain a knowledge of phenomena extending beyond immediate experience by drawing conclusions, in the concrete case, from certain observed facts

(**A**) about other facts (**B**) not immediately perceived. We do this on the basis of the laws of coexistence and of the succession of phenomena. We control the real world in that, on the basis of our theoretical knowledge, we set the conditions of a phenomenon (**A**) which are within our control, and are able in such a way to produce the phenomenon (**B**) itself. (IV, pp. 55–56; **As** and **Bs** added for clarification)

The starting point of experimental knowledge is the cognition that an **A** is uniformly followed by a **B**. The utilization of this knowledge either for the production of **B** or for the avoidance of the emergence of **B** is called action. The primary objective of action is either to bring about **B** or to prevent its emergence. (UF, p. 20)

The example I have used to illustrate an exact law is the proposition that in walking toward one location (phenomenon **A**), the actor necessarily walks away from a different location (phenomenon **B**). This could be considered an exact law of “physical action.” Mathematics can be conceived as an *exact science* of physical action in the sense that if I “hold four” and if I “take away two,” I will then “have two.” In this example, three separate actions are referred to: *holding*, *taking*, and *having*. The law of marginal utility is considered an exact law of economic or “catallactic” action:

Whenever the supply of a good increases by one additional unit, provided each unit is regarded as of equal serviceability by a person, the value attached to this unit must decrease. (ES, p. 14)

Here, the exact law states a necessary relationship between an increase in supply (phenomenon **A**) and a decrease in value (phenomenon **B**). The law may be considered a law of *economics* or of *catallactics* because it applies to the special case in action when

an actor possesses a supply of identical units and increases or decreases his supply of these units.

Above are examples of what may be referred to as exact laws of physical and of economic action. In my work, I have focused on exact laws in the realm of interpersonal action, the case where one actor acts toward another actor (specifically, the case where one actor addresses the *mind* of another actor).

There are a number of subsidiary insights about human action in this book, and I would like to call attention to some of the more important ones. First, I proposed an explicitly subjective conception of scarcity:

The scarcity of any good (whether or not individual *A* strives to attain a good or more of a good) is subjectively determined within the reality of his action. Or scarcity is “revealed” to the individual within the reality of his action in his attempting to attain a thing or more of a thing. By striving to attain something, actor *A* reveals that, for himself, he does not have enough of it (i.e., that it is “scarce” for him).

The attempt to attain something or some state is the *not having* of a wanted thing or state. And this not having of a wanted thing is a short supply or scarcity. The actor universally encounters scarcity because the actor is at all times “striving to attain” and thus at all times revealing an insufficient supply (scarcity) of something. Stated simply, scarcity is already accounted for in human action when we conceive that action is aiming at ends or striving to attain.

Next, there is the insight that when we conceive the relationship between supply and value in the law of marginal utility, we should realize that not only *value* is subjectively determined but also *supply*.

Whether or not the firewood next to *A*'s house constitutes his supply or whether *A* has a sufficient supply of firewood is not an objective quality of the firewood but rather determined by *A*'s view of things ...

From the point of view of praxeology, the individual actor values only in action and through action. What the individual actor values is revealed by that which he now seeks to attain, by that which he now "does."

To this insight, we will add one simple insight: as the individual subject values things through action, so too does he determine what constitutes a sufficient or insufficient "supply" of something through action. ("Here again, it is very important to recognize that what is significant for human action is not the physical property of a good, but the evaluation of the good by the actor" [MS, p. 19].) For example, whether or not an actor has a sufficient supply of firewood is not a physical characteristic of the firewood. What is significant is whether or not the *actor* believes his supply of firewood is sufficient. And this is revealed by whether or not he attempts to attain or obtain more firewood.

The individual actor reveals whether or not his "supply" of any good or thing or state is sufficient in his acting or not acting to attain that good, thing, or state. In attempting to attain or obtain any state or thing, the actor thus reveals that he is in "short supply" of that state or thing. The attempt to attain or obtain something is the *not having* of a *wanted* thing, which is the same thing as a deficient or short supply.

These insights then lead to a simplified reconception of the law of marginal utility:

From the insight that the individual values through action and from the insight that he determines the state of his supply through action, we conceive that the *act* which is *striving to attain* or *aiming at an end* is the same act that reveals both what the actor values *and* the state of his supply. In attempting to attain something, the actor *values* that thing and seeks for a *supply* of it. Thus, value and supply are necessarily related.

I showed here how value and supply are necessarily related in action. This demonstration does not rely on the comparison of *two* actions as does the traditional formulation of the law of marginal utility. The traditional formulation of the law of marginal utility requires reference (either implicitly or explicitly) to the action in which the actor has  $n$  units of a good, and the action in which the actor has  $n - 1$  units of a good. I showed how the act which establishes what the actor *values* is the same act which establishes the state of his *supply* (of course, from the actor's point of view). This is a demonstration of a necessary relation entailed *in* action (in a unitary act), and it overcomes the theoretical flaw of the older formulation which requires an intertemporal comparison of the content of two separate actions. (If we suppose that something has changed from one action to the next—as we do in saying that value has “increased” or “decreased”—we must be referring to the *content* of action and not the universal *form* of action. The older formulation of the law of marginal utility thus relied on a comparison of the contents of two actions: the action in which something was valued and the action in which valuation increased or decreased.)

Finally, in the book's concluding essay, I showed how praxeology and the concepts surrounding human action have been misinterpreted by Rothbardians, Hoppe in particular, and recast in objectivist terms.

Confusion is created in the distinction between objective and subjective when the meaning that an actor attaches to his own activity is not clearly distinguished from the meaning that an *observer* attaches to that actor's activity. In praxeology, these two points of view must be kept clearly and explicitly separate.

It is common in social thought to conceive that there are two ways to consider an actor's action: from the "subjective" point of view of the actor himself or from the "objective" point of view (i.e., the situation "as it really is" or "as it is in reality"). Generally, the so-called objective description of the actor's action is considered more significant in an ontological sense than the "subjective" description the actor gives to his own action. What the actor believes is merely his own "subjective" opinion as contrasted to the objective situation (i.e., what is "really" happening). However, when we search for the meaning of *objective* in the history of economic thought, we find the following revealing account:

As a preliminary it is important to note that Pareto immediately lays down the possibility of studying social phenomena from two different points of view which he calls the objective and the subjective, respectively. The objective is first characterized as what the phenomenon "is in reality" and opposed to the way it appears "in the mind of certain persons." The further development of the distinction, however, especially linking the objective aspect with the way in which action appears "for those who have more extended knowledge" makes it legitimate to infer that the objective point of view is that of the scientific observer, while the subjective is that of the actor.

Indeed this is explicitly included in his definition of logical action: "We designate as 'logical actions' those operations which are logically united to their end, not only from the point of view of the subject who performs the operations,

but also for those who have a more extended knowledge.”  
(TP, p. 187)

The means-end relationship just be seen first as it is to the actor—what he thinks the efficacy of his means will be—and then “as it is in reality”—as the observer’s more extended knowledge leads him to believe it will, or would be. (TP, p. 190)

Thus, in the theory of action, the objective aspect of an actor’s action is simply that actor’s action as seen from the point of view of an observer, together with the assumption that the observer’s knowledge is superior to the actor’s knowledge. And thus, in social science, the concept “objective” entails a value judgment about the relative superiority of the knowledge of one person versus another’s when both people refer to the same situation. When two people describe the same event, the event is considered objective, or the account of it is considered objective when described by the person deemed to have superior knowledge. By contrast, the person deemed to have inferior knowledge merely provides his “subjective” account of the situation.

This raises an important issue in the social-scientific distinction between subjective and objective. Let’s say we want to describe an event from two points of view, where one of the points of view is assumed to be more valid in some sense. Instead of writing “objective,” we can refer to the point of view deemed more valid as “the point of view of the person with greater knowledge.” There are at least two reasons why describing the situation in this way may be deemed advantageous by some and disadvantageous by others. First, if a theoretical procedure is adopted in which every point of view is explicitly assigned to a viewer (every description of an event assigned to a particular describer), this implies the elimination of the *objective* as a theoretical concept. Second, this alternate mode of expression makes the assumption of superior knowledge *explicit*, whereas the expressions “objective account” or “objective

situation” allow the assumption of greater knowledge to remain somewhat implicit.

These are some important general aspects of the social-scientific distinction between objective and subjective. But I would like to conclude this introduction with some proposed insights about the objective/subjective distinction and those who are sympathetic to the Austrian school of social thought. Specifically, why haven't modern-day Austrians made any progress in extending or elaborating the theoretical subjectivism that was the cornerstone of Austrian economics? I believe the reasons are generally as follows.

There exists a theoretical tendency to consider “action” as an observable physical manifestation of an actor's intention. For some, the term *action* means “physical activity in pursuit of a purpose.” Hoppe exemplifies this way of thinking in his definition of action: “Acting is a cognitively guided adjustment of a physical body in physical reality” (ES, p. 70). This conception implies that action is something that is publicly observable. He who moves his body in pursuit of some end “acts,” and this “act” may be seen or observed.

A natural correlate to the notion of “action as body movement” is the (implicit and unstated) notion that activities such as “seeing” or “observing” or “thinking” are not actions. These are considered activities of an altogether different nature based on the principle that *action* refers only to that subset of conscious activity consisting of observable bodily movement directed toward a given end. Given this taxonomy (consciously directed bodily movement is “action”—seeing, observing, and thinking are activities of a different nature), then, one is led to the (implicit and unstated) conclusion that the observer of another person's physical movement (i.e., action) does not himself act in making his observation. In this conception, there are two people, but only one of them is “acting”—the one who is visibly moving his body toward some end. The other person is doing something—he is seeing or observing the one who acts—however,

this something he does is not “action,” but a conscious activity of a different sort.

When the seeing or observing done by the observer is not considered an action and when what is seen or observed is depicted in a theoretical description, this leaves the impression that the situation depicted is some kind of “objective” situation. The “objective” is constructed by taking the results of a conscious activity (seeing, observing, thinking, etc.) and depicting these results independent of the conscious activity that gave rise to them. It is constructed by depicting that which is seen, observed, or thought without explicit reference to the actions of seeing, observing, or thinking. The “objective” results from theoretically severing an action from its contents, creating the image of a situation existing independent of any consciousness.

Thus, the persistence of objectivism in Austrian social thought has its roots in a theoretical approach that views “action” as merely a subset of conscious activity—generally, that subset of conscious activity manifesting in bodily movement toward some end. This conception of action differs from the Misesian conception in that it specifies a content that must be present for action to be present, namely, observable bodily movement directed toward some end. By contrast, the Misesian definition of action is *the utilization of means toward an end* with no reference to any particular means or ends. From the point of view of Misesian praxeology, “seeing” and “observing” are definitely actions.

The fact that an action is in the regular course of affairs performed spontaneously, as it were, does not mean that it is not due to a conscious volition and to a deliberate choice. Indulgence in a routine which possibly could be changed is action. (HA, p. 47)

As Mises conceives things, seeing and observing are actions because they are activities an actor may choose to do or not do. These

activities are due to a conscious volition or deliberate choice and are thus to be considered actions. Whether conscious bodily movement is undertaken or observed is immaterial. As one historian of social thought eloquently observed, "Any conscious behavior counts as action—an action is anything that you do on purpose" (ER, p. 18). Consider the following:

Thinking [is] itself an action, proceeding step by step from the less satisfactory state of insufficient cognition to the more satisfactory state of better insight. (HA, p. 99)

Thinking is an action, a mental "doing" as it were. (PO, p. 5)

Therefore, conscious activities such as *seeing*, *thinking*, *deliberating*, and *observing* are considered actions in general theory of action. Alfred Schutz makes the insight that observation is an action in this important and relevant passage:

For it is obvious that an action has only one subjective meaning: that of the actor himself. It is X who gives subjective meaning to his action, and the only subjective meanings being given by F and S in this situation are the subjective meanings they are giving to their own actions, namely, ***their actions of observing X***. (PS, p. 32; emphasis added)

Why haven't contemporary Austrian thinkers been able to revise and extend theoretical subjectivism? I believe it is because they have conceived "action" and associated terms (subjective value, means/ends, etc.) as terms that refer to only a limited portion of human conscious activity. For many, "subjectivism" is tied to economics, which in turn is tied to the concept of human action, which in turn is defined in terms of physical movement. By implication, then, conscious activity that is not defined in terms of physical movement is not action, which in turn is not the subject matter of economics and which therefore is not tied to subjectivism. Other forms of conscious activity such as thinking or coercion are

dealt with by disciplines besides subjective economics. And these other disciplines, since they are not tied to subjectivism through economics, naturally deal with the objective side of human affairs. I believe this general outlook or something like it is what inhibits a deeper understanding of theoretical subjectivism. Further progress in praxeology will require a readoption of the earlier concept of action as it was understood by Mises, Schutz, and others in the first half of the twentieth century.



## Introduction

The essays in this book revolve around the subject of ethics and whether or not the ethical acts of individuals can be conceived as “means” toward some end. Praxeology, the science of means, was conceived and championed primarily by the economist Ludwig von Mises in the twentieth century. The question has arisen whether this science—sometimes referred to as “the logic of action”—is a science that treats the logic of *all* acts of the individual or whether it is a science that treats primarily or exclusively the *economic* acts of the individual. If praxeology does not comprehend the phenomena of ethics such as force and dishonesty, then another approach will be required.

The two thinkers whose social theories are criticized in the following essays are united in their belief that the phenomena of ethics cannot be meaningfully treated by a value-free, means-based analysis. Professor Rothbard believed that libertarian laws ultimately derive from the natural laws of the human organism (EL, p. 32) conceived in its objective, commonsensical, or contentual sense. (EL, p. 12) Professor Hoppe holds that the focus of ethics is the ownership and control of physical objects, especially one’s body, and that the movement of objects is a fundamental concept of social science and ethics. (ES, p. 70)

Neither thinker believes that the phenomena of ethics can be treated by the science of human action as that science was conceived by Mises. Neither thinker believes that, starting from the primary concept of action (“aiming at ends”), the phenomena of

ethics can be addressed. Thus, Professor Rothbard finds it necessary to abandon the concept of human action and praxeology altogether in his search for libertarian laws, and Professor Hoppe finds it necessary to conceive an entirely new side of human nature—argumentation—that takes its place alongside action, and that, in a sense, is even more fundamental to human nature than action.

In the small world that is Austrian School social science, there is a growing awareness that the exclusive focus on objective ethical values and Lockean social theory may be overlooking something. Is it possible that an ethics science may be constructed largely along the lines of Misesian praxeology? Is it possible that by proceeding from the concept of action by methodological individualism, laws of man's ethical nature might be discovered? The affirmation of these possibilities is the theme of this critique.

# PART 1

## Praxeology: The Science of Means

Out of the political economy of the classical school emerges the general theory of human action, *praxeology*. The economic or catallactic problems are embedded in a more general science, and can no longer be severed from this connection... economics becomes a part, although the hitherto best elaborated part, of a more universal science, praxeology. (*Human Action*, p. 3)

With these words, Ludwig von Mises introduced his conception of a general science of human conduct, the science of *human action* as he termed it. Clear in this Misesian conception of praxeology is the idea that the *economic* realm of human behavior—the realm associated with exchange ratios and prices, and which Mises referred to as the *catallactic* realm—is but one area subsumed by praxeology. Clear in this Misesian conception of praxeology is the idea that there are other realms of human activity aside from the catallactic realm. But what realms might those be?

Before answering this question, it may be instructive to form an idea of why this question has never really been addressed by Misesian scholars, and why the term “praxeology” came to be

virtually synonymous with the science of economics for them and ceased to denote an entire science of human action.

For American followers of Mises, it is due to the interpretation of American Austrian scholars themselves that praxeology has come to mean what it does and no longer signifies the general science of human action. For example, one of the most widely circulated essays on Austrian economics is entitled "Praxeology: The Methodology of Austrian Economics." The first sentence of this essay begins: "Praxeology is the distinctive methodology of the Austrian school."<sup>1</sup> Thus continues the subtle but effective reconception of Mises's original vision of praxeology as a *general science* of human action.

From the point of view of praxeology, the claim that praxeology is the method of Austrian economics has some truth to it. And it is also partially true that mathematics is the method of astronomy. But according to Mises, praxeology is more than just a "method" of understanding the catallactic phenomena of human action. Praxeology is the *science* of all human action in the same sense that mathematics is the *science* of all extended bodies. Thus, conceiving praxeology as only a methodological tool for comprehending exchange ratios in human life would be like conceiving mathematics as only a tool for explaining the movements of planets. Praxeology is more than method. It is the general deductive social science of human goal-directed action.

### **Science of Means**

Austrian scholars are familiar with Mises's insistence that praxeology is a science of means and not a science of ends. Praxeology is primarily concerned with the appropriateness of the various means acting man utilizes in attempting to attain his various

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<sup>1</sup> Murray N. Rothbard, "Praxeology: The Methodology of Austrian Economics."

ends. But more important than the idea of the “appropriateness” of acting man’s means is the more scientifically circumscribed notion of what a particular means necessarily entails—what must be *copresent* to a particular means chosen. That is, praxeology may proceed without passing judgment about whether any particular means are “appropriate” by limiting its inquiry to what a particular means must bring about (such *bringing about* more consistently conceived as a *copresent* phenomenon to a means rather than a *following* from it).

The acting individual, once instructed by praxeology as to what particular means must necessarily entail, is then in a position to decide whether such means are appropriate to his purpose. A person not in possession of the knowledge praxeology provides is not in possession of knowledge which would help him decide if the means are or are not appropriate to his purpose.

When a person knows that an increase in the abundance of the goods he sells to make a living will decrease their value, he is in possession of praxeological knowledge. With this knowledge in hand, he may decide to carefully guard his trade secrets, thus limiting the abundance of these goods; or he may tell his trade secrets to others, thus enabling others to bring about an increase in the quantity of these goods. But owing to the praxeological knowledge, he knows what to expect from the guarding or sharing of the trade secret.

Historically, the *economic* means which constitute the focus of praxeology as catallactics are those means associated with the political philosophy of interventionism. The *economic* means praxeology addresses in this case are generally those means chosen in a society in which government intervention in economic affairs is, or is proposed to be, the norm. And thus catallactics, the *economic* branch of praxeology, deals with means such as minimum wage laws, tariffs, government intervention into the money supply, and other economic means associated with interventionism.

The question that seems to have eluded Austrian scholars is whether *noneconomic* means of the acting individual might also be treated by praxeology with the aim of arriving at apodictically certain laws with regard to *them*. With regard to human ethics, the recurring phenomena of force and dishonesty (coercion and deceit) are definitely means employed by acting individuals toward their ends. These means are not “economic” in that they do not refer to exchange ratios or prices. Certainly, it would strain the bounds of reasonable discussion to claim that the social phenomena of force and dishonesty are market phenomena to be studied and explained by the science of economics. Rather, these specific means are to be considered largely as *ethical* phenomena. Economics deals with them only to the extent it has to take account of them. Obviously, economics does not provide a comprehensive treatment or theory of the phenomena of ethics.

So there are what we may refer to as “ethical means,” and these means are not treated by economics proper. Ethics deals primarily with the means chosen for interacting with one’s fellows. But are there other means besides the *economic* and the *ethical* which praxeology might also conceivably treat?

Consider the following example: Person A has made a bid on a house. But A’s budget is limited, and so A is forced to make an offer substantially below the asking price. A knows that although he really likes the house and hopes his offer will be accepted, there is a good chance his offer will not be accepted. Knowing this, A reasons with himself in the following way: I do not want to hope too strongly for this house because I do not want to be too disappointed should my offer not be accepted. I will suppress my hopes and try not to get too hopeful or too emotionally “invested” so that should my bid not be accepted, I will not experience too much of a “letdown.”

This is an example of a common and recurring phenomenon of action familiar to everyone. Here, person A does something (suppresses his hopes) in order not to experience too much of a

letdown. Person *A* aims for the end of diminishing a possible experience of disappointment.

This adopting of a technique “in order to” bring about some consequence is the familiar phenomenon of adopting a *means*. Person *A* adopts the means of *suppressing his hope* in order to reach or attain the goal of *avoiding a letdown*.

However, (1) these means are not *economic*, and (2) these means are not *ethical*. The means employed by *A* here do not involve exchange ratios nor do they involve a method of interacting with *A*'s fellows. Rather, this is an example of something roughly equivalent to “psychological means.” The example above describes something like a psychological thought process on the part of *A*. *A* is *attempting to* (and thus acting) arrange his hopes *in order to* (thus utilizing means) achieve a specific result.

Thus, there are means that are not “economic” or “ethical.” We may reasonably conceive three broad classes of means (or of actions) according to this view of things: economic, ethical, and psychological.

And thus, if praxeology is to be conceived as the science of means, then it will follow that praxeology is the general science treating *all* means of the acting individual, not merely the “economic” class of means.

### **The Misesian Conception of Praxeology**

When we read the numerous passages from Mises conceiving that economics is but the hitherto best-developed branch of praxeology, we may reasonably believe this is what he had in mind.

Strictly speaking, praxeology is not the method of Austrian economics; rather, it is the general deductive science of human action.

# Professor Rothbard's Disavowal of Praxeology

Praxeology, the social science envisioned by Ludwig von Mises, is the science of means. Fundamental to praxeology is the theory of subjective value; the idea that in order for praxeology to formulate social laws of apodictic certainty, values and the ends of human action must be conceived as subjective and not objective. Praxeology then becomes the science of means and not one of ends. It attempts to formulate social laws, laws admitting of no exception, as they apply to the means chosen by the acting individual in an attempt to attain his ends.

Although praxeology has been successful in formulating necessary laws in the economic social realm of “catallactics,” it has not been successful in arriving at scientific laws in the noneconomic realms of human action. Specifically, praxeology has not succeeded to date in arriving at cause-and-effect laws in the social-ethical realm. In the strictly scientific sense, there are no known laws of ethical behavior akin to the various economic laws established since the beginning of economic science several centuries ago.

Perhaps cognizant of the absence of such social-ethical laws, and what this portends for the future of civilization, influential libertarian social thinkers such as Murray Rothbard and his followers have taken up the subject of ethics in an attempt to provide a rational foundation for the libertarian private-property

ethic. What follows here and in the next two chapters is an outline of some important aspects of Professor Rothbard's ethics theory from the point of view of current praxeological efforts in ethics social science.

### **Rothbardian versus Austrian School Social Theory**

As Professor Rothbard was a student of Mises and a free-market advocate, and as he incorporated some aspects of Austrian School economic theory in his economic theory, it is assumed by many that Professor Rothbard's social thought falls squarely within the Austrian School tradition. However, if what binds Austrians is the law of marginal utility, the concept of subjective value, and associated theoretical insights into the nature of human action, then an assessment of Professor Rothbard's work in light of this standard would show that while his social thought falls within the broader libertarian tradition, much of his work, including almost all his ethical thought, falls outside the boundary of Austrian School social science.

The science inaugurated by Menger's insights is a science that Menger describes as follows:

The aim of this orientation, which in the future we will call the *exact* one, an aim which research pursues in the same way in all realms of the world of phenomena, is the determination of strict laws of phenomena, of regularities in the succession of phenomena which do not present themselves to us as absolute, but which in respect to the approaches to cognition by which we attain them simply bear within themselves the guarantee of absoluteness. It is the determination of laws of phenomena which commonly

are called 'laws of nature,' but which more correctly should be designated by the expression 'exact laws.'<sup>2</sup>

By this standard alone, Professor Rothbard's ethics theories cannot be considered Austrian School social science since Austrian School social science aims to discover such exact laws of phenomena, be they economic, ethical, or psychological in nature.

The centerpiece of Professor Rothbard's contribution to libertarian social theory is his positive theory of ethics as outlined in *The Ethics of Liberty*. Writing in the introduction to *The Ethics of Liberty*, Hans-Hermann Hoppe provides a succinct statement of Rothbard's fundamental ethical proposition:

[I]n *The Ethics of Liberty* Rothbard gives the following answer to the question of what I am justified in doing here and now: every person owns his physical body as well as all nature-given goods which he puts to use with the help of his body before anyone else does; this ownership implies his right to employ these resources as one sees fit so long as one does not thereby uninvitedly change the physical integrity of another's property or delimit another's control over it without his consent. In particular, once a good has been first appropriated or homesteaded by "mixing one's labor" with it (Locke's phrase)... (xvi)

This is an accurate description of Professor Rothbard's theory, and one recognizes that there is no attempt made in this type of positive theory to discover or establish exact laws of ethical phenomena. In Rothbard's ethics theory, no attempt is made to arrive at the strict laws of the regularities or recurring phenomena of ethics. Professor Rothbard believed it was the task of *other* disciplines and *other* social thinkers to arrive at the laws of man's nature. He saw his calling as expounding the positive law he believed would be

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<sup>2</sup> Carl Menger, *Investigations into the Method of the Social Sciences*, p. 59.

required by the laws of man's nature...*were the laws of man's nature to be discovered*. His concern was a detailed description and catalog of the written laws of a libertarian society as indicated by the natural laws of man's ethical nature before such laws had been established.

The result, as indicated by Professor Hoppe, is an ethics theory attempting to provide a *justification* for what a person may do (what it is his *right* to do) but not a science of ethics or of ethical phenomena per se. What Rothbard provides is to be seen as a rational-theoretical *justification* for particular social actions we may choose to take, i.e., Rothbard's theory of how we may justify to ourselves and to others the actions we take. But he does not provide any scientific insight into the ramifications of those acts. No science describing the necessary consequences of "ethical acts" is provided or even begun by Rothbard.

### **Rothbard's Theoretical Bequeathal**

Thus, the core of Rothbard's ethics theory is the idea that one owns one's body and what one has mixed the labor of one's body with—the ideas of self-ownership and original appropriation. Self-ownership, mixing one's labor with nature, and homesteading constitute the essence of Rothbardian ethics theory.

It bears repeating that while Professor Rothbard indicates that natural law ultimately provides the laws of man's nature which form the basis of his libertarian positive law, natural law is not yet a science in that there are no known laws of man's nature of the type Rothbard discusses in pages 3–26 of *The Ethics of Liberty*. Natural law is a *proposed* science of man's nature but so far not a science having arrived at any actual laws of man's ethical nature. At least Professor Rothbard does not list any in pages 3-26 of *The Ethics of Liberty*, the section of his book dedicated to natural law. (By contrast, Professor Hoppe writing as praxeologist and economist

lists at least three laws of human *economic* nature on pages 14–15 of his *Economic Science and the Austrian Method*.)

In *The Ethics of Liberty*, Professor Rothbard expressly disavowed praxeology as being able to provide the scientific basis for the libertarian's intuitive notions that something is wrong with the ethical means of force and dishonesty (coercion and deceit), the means by which the monopolistic state prevents libertarian society from emerging. He "at no time believed that value-free analysis or economics or utilitarianism...can ever suffice to establish the case for liberty" (xlvii). And he thought "[Mises's] theories fail at the task of establishing an ideology of liberty" (xliv). Finally, Rothbard urged his followers to "cast out the hobgoblins of *Wertfreiheit*." (p. 26)

In so doing, Professor Rothbard severed his connection with the only nonphysical science of man's nature (praxeology) that has succeeded in formulating laws of man's acting nature. Instead, Rothbard placed all his social-scientific eggs in the basket of natural-law theory, the theory that has not (and for epistemological reasons likely cannot) arrived at such laws.

Professor Rothbard puts forth the concepts of self-ownership and original appropriation as the cornerstones of libertarian ethics theory. Since the primary concept of praxeology is the concept of human action and not self-ownership, this momentous shift in theoretical direction has had momentous consequences. Almost all libertarian ethics theory today is done within the confines of philosophical objective-realism and almost no libertarian ethics theory utilizes the Austrian School social-scientific concepts of human action, value subjectivism, means/ends analysis, and so forth. This is primarily due to the influence of Professor Rothbard.

A positive program of laws has now been put forth in *The Ethics of Liberty*. However, as regards science, natural law—the ethics science of Locke's time—has not succeeded in discovering the laws of man's nature as promised. Contemporary libertarian

philosophers plan to find the ultimate ends and objective values of man's activity in the objectivism of Ayn Rand and in the texts of Aristotle. But their theories exist mainly as proposals for *possible approaches* and seem unable to progress further. The logical inconsistencies inherent in such proposals prevent them from applying their concepts beyond the stage of theoretical suggestions.

And so the question remains: Where is the science? Where is that body of knowledge providing "man with a 'science of happiness,' with the paths which will lead to his real happiness"? (p. 12) Where is that body of knowledge describing how "when these various things meet and interact, a specifically delimitable and definable *result* will occur. In short, specific, delimitable *causes* will have specific, delimitable *effects*" (p. 9) and describing how "[t]he observable behavior of each of these entities is the law of their natures, and this law includes what happens as the result of the interactions"? (p. 10) In short, where is the ethics theory describing the effects, results, or consequences of ethical acts? Where is the theory describing what will or will not happen should one choose to implement the private-property ethic as opposed to some other ethical system?

This is a question Professor Rothbard did not answer but rather bequeathed to his followers.

# The Predicament of the Rothbardian Scholar

All libertarian social thinkers ultimately have to treat the question of involuntary servitude which constitutes the premise of the monopolistic state. And it has to be considered fundamental to the libertarian creed that one believes one *should* be free from such involuntary servitude. The question is, with respect to science and scholarship, what are the *means* to achieving the ultimate libertarian goal of human liberty?

What characterizes a Rothbardian position is the belief that the means to achieving liberty is by propounding a positive ethics and not by pursuing a science of ethics. The Rothbardian scholar believes that normative commands and political action are more efficacious means for bringing about liberty than the scientific demonstration of the necessary effects of particular ethical *acts* of the individual. He fails to realize that his ethical commands and political acts are “actions,” themselves the subject matter of science. He thus embarks on a definite program of conduct without scientific knowledge of the necessary effects of the various types or modes of conduct. He has no scientific basis for knowing in what sense his political program and proposed code of ethics are the same as, or different from, those of the other ethical schools.

Closely related to this position is his belief that praxeology is not a social science but rather a kind of dialectic. The Rothbardian

believes praxeology is the dialectical method of economics, an introductory preamble after which the Austrian economist presents his positive conclusions. For the Rothbardian, praxeology is a peculiar kind of reasoning process that “justifies” Austrian economics.

That the Rothbardian scholar believes praxeology is a reasoning process associated with economics and not a general science of human action is fairly obvious. Because the ethical acts of the individual are “acts.” Ethical conduct is conduct aiming at ends. The ends that people aim at, and the means utilized, are not exhausted by catallactics, the science of market phenomena. Mises’s *Human Action* treats only the *catallactic* means of human action (those means having to do with market phenomena such as prices). He leaves untreated all other possible means of human action, primary among them “ethical” and “psychological” means. That the Rothbardian scholar doesn’t understand praxeology as a science of human action is revealed by the fact that his ethics theory doesn’t incorporate the praxeological concepts of human action, means/ends, formal relations, etc. He fails to conceive ethical behavior in terms of *action* and in effect believes that *action* is a phenomenon somewhat synonymous with *economics*. He somehow comes to understand ethical conduct as existing outside the province of the science of human action. This is something quite amazing in the context of Austrian School social thought.

This view of things is nowhere near Mises’s view. For Mises, praxeology is the general deductive science of human action and exceeds economics in its scope. Where there are *means*, in principle there should be a science of those means possible. Where in human behavior there is an “attempt to” or a “trying to,” there is an aiming at ends. Where in human behavior there is an “in order to” or a “so that,” there are means. Praxeology is the deductive science of action (the *trying to*) and of means (the *in order to*).

Broadly, praxeology, as such a deductive science, will be comprised of at least four elements:

1. It is formal and deductive in nature as opposed to empirical and inductive.
2. It proceeds by methodological individualism and not by considering two people spatiotemporally.
3. It aims to discover or conceive strict or exact social laws, what Menger referred to as laws of the coexistence and succession of phenomena.
4. It accounts for the human phenomenon of “wanting” (action, striving, etc.) in its formal scheme.

Praxeology is the formal social science conceiving the phenomena of action from the point of view of the individual actor and attempting to arrive at exact laws of those phenomena.

Strictly speaking, praxeology is not a *method* or *rationale* but a science.

### **The Rothbardian Predicament**

The Rothbardian social theorist conceives praxeology largely as a reasoning process associated with Austrian economics. The flip side of this is that he does not see praxeology as a general science of means. This then results in his not seeing or not considering the fact that there may be other *means* of the acting individual besides economic means. Specifically, he does not consider that there may be ethical or psychological means and that therefore a science of those means might be possible. Although Professor Rothbard levels several criticisms against Mises and praxeology in *The Ethics of Liberty*, nowhere in his book does he consider the idea of ethical means and the possibility of a science of those means.

The ultimate result of this view of things is the belief that the realms of human activity aside from market transactions must be treated by an approach other than praxeology.

However, Rothbard and his followers recognize something intuitively, even if that something is not explicitly stated in their theories. An ethics theory ultimately must address the question of what positive thing is to be gained from adhering to the teachings of the theory and what negative things are to befall one not adhering to the teachings of the theory. Because if there is nothing beneficial to be gained from adhering to a specific code of ethics, and nothing to be suffered from not adhering to it, then there is no reason other than arbitrary preference for one to consider adhering to it.

Thus, a universal element of ethics theory is that it contains some implicit or explicit theory of causality. It must provide some explanation of how adhering to the code of ethics or not adhering to it results in some effect on human well-being. Rothbard recognizes this implicitly, and that is why the first twenty-six pages of *The Ethics of Liberty* are devoted to natural law as the science that is to discover the cause-and-effect-type laws of man's nature. But as must be repeated, no such laws are actually put forth by Rothbard. Instead, he outlines the *proposed* science of natural law as that science has been envisioned by various natural-law social thinkers.

It does not escape our notice that the transition from Rothbard's discussion of natural law, to his proposed positive libertarian law, is effected by the following passage:

It is not the intention of this book to expound or defend at length the philosophy of natural law, or to elaborate a natural-law ethic for the personal morality of man. (p. 25)

From our point of view, this is the passage in which Rothbard signals his intention to leave the scientific problems unsolved, while he goes on to provide an entire body of man-made libertarian laws

based on a science (natural law) that has still not solved the problem of causality.

This is not an oversight or simple slip of some sort, but rather a structural problem inherent to the natural-law approach. For example, writing in support of Rothbard's approach in *The Ethics of Liberty*, we find the following passage by Rasmussen: "We will not get into the sticky process of arguing for a certain conception of natural rights from this position, for we have already indicated what we believe this to look like elsewhere."<sup>3</sup>

One can't help notice that regardless of which sticky process Rasmussen is referring to, the laws of man's nature that natural-law and natural-law-related social theorists keep promising are absent from his essay. From the point of view of praxeology, the sticky process Rasmussen is referring to, and which Professor Rothbard states is not the intention of his book, is the demonstration of scientific laws of ethical phenomena; the demonstration of how adhering or not adhering to a particular code of ethics or rule of conduct results in some specific effect on human well-being in a way that is "absolute, immutable, and of universal validity for all times and places" (p. 17).

That ethics theory must ultimately address the problem of causality is shown by Rothbard's mention of David Hume, "the philosopher supposed by modern philosophers to have effectively demolished the theory of natural law." (p. 14) Rothbard writes that Hume's "demolition was two-pronged: the raising of the alleged 'fact-value' dichotomy, thus debarring the inference of value from fact, and his view that reason is and can only be a slave to the passions." (pp. 14–15)

This description of Hume's important insights is apt to misdirect the libertarian social thinker. Rothbard agrees that natural-law theory

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<sup>3</sup> Douglas B. Rasmussen, "A Groundwork for Rights: Man's Natural End," *The Journal of Libertarian Studies*, Vol. IV, No. 1 (Winter 1980).

seeks to determine the cause-and-effect laws of man's nature, and Hume had something to say about cause-and-effect. One gets a clear explanation of Hume's important insight in reading W. T. Jones's *A History of Western Philosophy*, Volume 3. On page 315, in the section entitled "Causality and Inductive Inference," subsection "No Necessary Connection," one reads that before Hume:

[E]veryone agreed that every event that occurs has some cause that necessarily produces it. The new scientific method rested on this belief, and the success of the method seemed to substantiate the belief. Accordingly, Hume set himself to examine the notion that a necessary connection can exist between two events, a connection such that if one of the events occurs, the other must inevitably also occur.

Thus, regardless of what one may believe about the fact-value dichotomy or the notion that reason is a slave to the passions, Hume's most important insight is a more clear and focused one having to do with necessity in nature. This is the necessity—the causal connection between events—that is missing in Rothbard's theory and which he was looking to natural law to provide. The theory of causality is what links some act or conduct of person A to some positive or negative consequence to person A. It is incumbent on the natural-law theorist to provide this, and Hume's argument is pertinent to the fact that natural law still has not provided such a demonstration.

The predicament of the Rothbardian scholar is not that his intuitive notion of freedom and honest dealings has no basis in the nature of man, or that human liberty and private property are defective as organizational principles of society. The predicament of the Rothbardian scholar is the inability to provide a logically consistent, scientific demonstration of the harm or gain resulting from the adoption of the various codes of ethics. It is the inability to satisfactorily demonstrate the necessary effects consequent to the adoption of specific *ethical means*.

# The Positive Ethicist's Blind Spot

Almost all ethics theories of the twentieth century were attempted under an incorrect understanding of praxeology and under the false assumption that praxeology would be unable to provide a meaningful scientific case for human liberty. Specifically, Professor Murray Rothbard mistook the meaning of praxeology in important ways and thus drew the conclusion that praxeology could not advance human liberty further, while an objective or positive theory of ethics could.

## The Essence of Praxeology

As has been recognized, praxeology seeks to discover the necessary copresent accompaniments to originally given phenomena of human action. Writing specifically in regard to economics after having expressed especial indebtedness to the works of Mises, Lionel Robbins writes:

If the 'given situation' conforms to a certain pattern, certain other features must also be present, for their presence is 'deducible' from the pattern originally postulated. The analytic method is simply a way of discovering the necessary consequences of complex collocations of facts—consequences whose counterpart in reality is not so immediately discernible as the counterpart of the original postulates. It is an

instrument for 'shaking out' all the implications of given suppositions. Granted the correspondence of its original assumptions and the facts, its conclusions are inevitable and inescapable.<sup>4</sup>

We notice how for Robbins, as for Mises and Menger, the idea of copresence plays an important role ("also present" in the above quote). Praxeology seeks to discover the necessary copresent accompaniments to the means chosen by the acting individual. These necessary copresences are often hidden or unrecognized accompaniments to means the individual actor intends to utilize. The knowledge that certain accompaniments are necessary to specific means, and not contingent on the presence of other influences, imparts new knowledge to the acting individual.

Before praxeology establishes a necessary relation, one may not know the consequences of the means one intends to adopt, or may know of possible consequences, but believe that such consequences are dependent on (contingent on) the presence of other contributing factors. But once praxeology discovers and establishes a necessary relation, the individual actor in possession of this knowledge knows that the consequence *must* arrive if the means sought are successfully attained. This puts the individual in a position to avoid the consequences intentionally, by abstaining from the means in question, when and if he deems the consequences as more than he wants to suffer. Before the attainment of praxeological knowledge, the individual could not intentionally avoid the consequences because he either did not know the cause or knew the cause but believed that other contributing factors had to be present for the consequence to occur.

Finally, the consequences that praxeology establishes as copresent to specific means, take the form of a social *law* generally for the

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<sup>4</sup> Lionel Robbins, "An Essay on the Nature and Significance of Economic Science," second edition, (pp. 121–122).

following reason. Although the copresent accompaniment is to be conceived as *a-temporally* related to the original means, the acting individual experiences the phenomenon which is the *means* and the phenomenon which is the *consequence* in the temporal order. The individual experiences "events" or "situations" as temporally distinct ones happening in sequential or temporal order. The acting individual does not apprehend several events at once; rather, he experiences those that he does apprehend as separate differentiable events in the temporal order. It is the *formal science* that demonstrates the necessary relations entailed in singular events; events that can only appear to the acting individual as separate, sequentially related events.

### **Rothbard's Misinterpretation**

It is in the context of a relatively high level of understanding about the nature of praxeology that Professor Rothbard demonstrated what can fairly be termed significant misunderstandings about the nature of this science.

For example, Professor Rothbard, writing in *The Ethics of Liberty* (p. 208), offers the following general criticism of Misesian praxeology which we paraphrase here:

Praxeology may demonstrate the necessary consequences to specific economic means such as price controls. However, some people may be socialists, egalitarians, or nihilists, and actually *desire* the negative consequences that price controls bring about. Mises shows people that if they do **X** then **Y** will be the result. But if people *want Y*, there is nothing Mises as value-free praxeologist can say. Mises is therefore helpless to prevent the advance of statism since he refuses to grant legitimacy to any kind of positive ethics which would tell people whether or not they should want **Y**.

Let us examine this idea in a little more detail. Socialists, egalitarians, and nihilists may very well want to prevent the functioning of the free market and establish institutions abrogating individual liberty. But how will they do so? From the point of view of praxeology there is ultimately only one way: they must choose *means* they deem appropriate for preventing the free market and individual liberty. The means chosen will likely be *ethical* means because human liberty likely cannot be prevented or suppressed without the ethical means of force and dishonesty (coercion and deceit).

The ethical means chosen will be means whose hidden copresent necessary accompaniments will likely be unknown to those adopting them. This is almost certain since there exists currently no known praxeological laws in the ethical or psychological realms of human action. Economics (catallactics) is the only elaborated branch of praxeology, and the realms of ethical and psychological acts of the individual are virtually unexplored territory.

As praxeologists, we must assume that with respect to the ethical and psychological means any person may adopt, necessary copresent consequences must correspond. This is nothing revolutionary. This is just the primary insight of praxeology applied to human means other than economic means.

Thus, if there are indeed copresent consequences to ethical and psychological means, and if in order to practice socialism, egalitarianism, and nihilism, one must adopt specific processes of thought (adopt specific psychological means) and practice specific methods of social interaction (adopt specific ethical means), then it follows that there are necessary copresent consequences attendant to the adoption of socialism, egalitarianism, and nihilism.

In order to “do” socialism, egalitarianism, and nihilism, one must act to attain that which is those things. One must aim for that which brings about socialism if socialism is to be brought about. Thus,

*means* come into play as the inescapable prerequisite for those wanting to establish or maintain (for example) socialism. The means utilized for the establishment of socialism cannot be considered only *economic* means. Ethical means must be utilized since the coercion and deceit necessary to perpetuate socialism are ethical means. These are means of social interaction that are essentially noneconomic (noncatallactic in Mises's terms). And thus, the utilization of the means "coercion," for example, must bring about those necessary accompaniments specifically attendant to it, to the extent that any means, in principle, must entail necessary accompaniments.

If there are hidden negative consequences that accompany the means *coercion*, or that accompany the means *dishonesty*, then if the individual actor is provided with praxeological knowledge of these necessary consequences, he may abstain from these means if he decides that the consequences are more than he wants to suffer. This is a possibility of immense importance to liberty and libertarianism. Because, were the pervasive and recurring ethical phenomena of force and dishonesty in human social interaction to significantly decrease, this would likely represent the emergence of libertarian society. For how can libertarian society be prevented other than by the ethical means of coercion and deceit? How can the freedom-seeking individual be prevented from attaining freedom if coercion or dishonesty is not used?

Why do people continue to practice destructive methods of thinking and acting? To this praxeology answers: because they do not know the consequences, or they know the consequences but believe them to be only contingent and not necessary. They continue to behave in ways they may not were they to know of the apodictically certain consequences of their actions.

However, economics (catallactics) is the only elaborated branch of praxeology; thus, no necessary copresent consequences to human

acts are known to exist outside of the sphere of human economic activity.

In offering his criticism of Mises, Professor Rothbard *did not even consider* the question of means, or whether praxeology may contribute to the lessening of harmful social behavior by demonstrating the necessary consequences to the individual who undertakes specific ethical actions. Rather, by omitting any mention of means and ends or of acts and their consequences, Rothbard only *implied* that praxeology would be useless in the struggle for human liberty. He gave no consideration to the idea of praxeology as the general science of human action, treating all means from the point of view of their necessary consequences. No argument exists, as far as is known, that rules out this possibility, or that attempts to demonstrate why in principle praxeology cannot treat ethical and psychological means, and arrive at exact laws in regard to them.

That this possibility was not realized, considered, or ruled out, constitutes the blind spot of the positive and objective ethicist, of Professor Rothbard, and of his followers.



## PART 2

# A Premise of Hoppe's Argumentation Ethics

Writing in his book *The Economics and Ethics of Private Property*, Hans-Hermann Hoppe sets out to provide a rational foundation of ethics that incorporates both praxeology and the Lockean ideas of self-ownership and first appropriation.

The original premise, as laid forth in the first three paragraphs of Chapter ten, is that, "According to Mises there exists no ultimate *justification* for ethical propositions in the same sense as there exists one for economic propositions." (p. 203; italics added)

In so stating, Professor Hoppe accepts, as we do, a distinction between the *economic* realm of human action and the *ethical* realm of human action. Traditionally, economics (catallactics) is that realm of human action manifesting in exchange ratios and prices. By contrast, ethical phenomena are typically not conceived in terms of exchange ratios. Force and dishonesty, two of the most important ethical phenomena, are typically not conceived in terms of exchange ratios or prices.

One point we wish to raise is that the concept of *justification* is problematic in the context of praxeological social science. When we

use the term "justification," we imply that we will be called upon to rationalize some act taken or planned, which act was or will be disliked by another. We typically do not envision "justifying" to another some act he thoroughly enjoyed.

The praxeologist obviously has no reason to justify doing social science. And when someone takes specific actions in a realm of action where praxeology has succeeded in arriving at exact social laws, then the praxeologist does not call for that person to "justify" his action. Rather, the praxeologist simply insists on what the necessary consequences of those actions must be.

Praxeology is concerned with the necessary laws of action, and not with the justification of particular acts of the individual.

In using the term *justification* in the context of assessing Mises's views about a possible praxeological science of ethical phenomena, Professor Hoppe introduces terms of discussion currently in use in objective ethics theories, the kind of social theories we believe Professor Mises was steadfastly opposed to. A rephrasing of the same question, but in terms more in line with Mises's conception of praxeology as the general science of human action, might be: whether or not Professor Mises believed there were laws of man's acting nature to be discovered in the ethical realm of action as there are in the economic realm of action? This question would be more difficult to answer in the negative than the question about "justifying" the propositions of praxeology.

It would be preposterous to assert apodictically that science will never succeed in developing a praxeological aprioristic doctrine of political organization that would place a theoretical science by the side of the purely historical discipline of political science. (UF p. 98)

It appears to have been Mises's belief that no living person knew how to construct a praxeological science treating noncatalactic

phenomena, *not* that no such science could be constructed. The difficulty in the passage above is that since Mises did not know how to conceive ethical phenomena within the framework of praxeological concepts, he phrased his statement in terms of the collective concept "political organization," implying that the praxeological doctrine in question (the science or body of laws pertaining to noneconomic phenomena of action) would apply to a system of "political organization" and not to the actions of the acting individuals.

From our point of view, the mistake in this view of things is in looking for social laws in collective organization rather than in individual action. One can easily understand how this mistake could be made. The question most libertarians want answered is what shape "society" should take. They want to know which political institutions should be established and which laws enacted as consistent with the ideals of human liberty. It is only natural that Mises, as a libertarian and as a citizen, also feels the need to answer such questions, but as an economist cannot provide a scientific answer. So his answer is that while we do not know today how to construct a praxeological science of political organization (what today we might call a praxeological science of ethical phenomena), we cannot rule out that such a science will one day be constructed.

Professor Mises phrased the possibility of a praxeological treatment of noneconomic phenomena in terms of "political organization," whereas we would phrase the same general idea in terms of the ethical acts of the individual. But regardless, it is clear that Mises leaves open the possibility of a praxeological treatment of social, noncatalactic phenomena.

And thus, when Hoppe writes, "Like Mises, they have given up the idea of a rational foundation of ethics," (p. 204) this is to be interpreted as Mises being an "opponent of any sort of *objective* ethics" as Professor Rothbard correctly notes. (EL p. 206; emphasis

added) This is not identical to a belief that no rational science of ethical phenomena can be constructed.

Professor Mises was an opponent of objective ethics of the type Professor Rothbard and Ayn Rand propose. Rothbard's and Rand's ethical systems are proposed theories of the objective *ends* or *values* that man should pursue but does not necessarily always pursue.

[Such] ethical doctrines are intent upon establishing scales of value according to which man should act but does not necessarily always act. They claim for themselves the vocation of telling right from wrong and of advising man concerning what he should aim at as the supreme good. They are normative disciplines aiming at the cognition of what ought to be. They are not neutral with regard to facts; they judge them from the point of view of freely adopted standards....This is not the attitude of praxeology and economics. (HA, p. 95)(bracketed added)

Thus, Mises draws a clear line of distinction between the positive-objective theories of ethics attempting to arrive at the *ends* that man *should* pursue, and the value-free science of praxeology concerned with the laws of choice. Mises does not rule out a science of noncatallactic *means*. He rules out the possibility of a universally valid science of *ends*.

Mises may have given up the idea of an *objective ethics*, or a science of *ends*, but he did not give up the idea of a deductive science of ethical phenomena. He refused to accept objective, non-value-free theories of ethics which ultimately merely assert the value judgments of a particular person or group. Our contention is that aside from the merits of Professor Hoppe's argumentation ethics, one of the premises on which his theory rests is faulty. Professor Hoppe fails to consider the possibility of treating ethical phenomena

from the point of view of praxeology; from the point of view of the means/ends relationship.

According to Mises, economics is the most fully elaborated part of praxeology, and this implies that there are other parts not yet fully elaborated. People adopt *ethical* means to their ends, and so it is reasonable to assume that praxeology is to treat these ethical means with respect to their necessary copresent attributes. That Professor Mises didn't know how to conceive ethical phenomena within the framework of praxeology is partly due to the fact that his training was in economics. Contemporary Austrian scholars have the advantage of not having to reconstruct economics as a praxeological science. Due to Mises's work, we are to a large extent freed from the responsibility of constructing an *economic* science, and are able to focus our energy on the next frontier of deductive social science, the recurring phenomena of ethics.

# The Structure of Hoppe's Argumentation Ethics: Initial Survey

This essay begins my substantive critique of Professor Hans-Hermann Hoppe's argumentation ethics from the point of view of both Misesian praxeology and my own work in praxeology over the last years. This critique is "preliminary" in that it is a critique of Professor Hoppe's ethics theory as I now understand it. I envision a revised or follow-up critique in the event that aspects of Professor Hoppe's theory may not be covered or adequately addressed in the present work.

In these essays, I make liberal use of the term "we" to avoid overuse of the term "I." But also, I hope I speak for a small number of supporters in the libertarian world, who believe as I do, that Mises intended praxeology as a science of all human action and not simply as the foundational reasoning of Austrian economics.

## Introduction

Writing in his books *A Theory of Socialism and Capitalism*, *Economic Science and the Austrian Method*, and *The Economics and Ethics of Private Property*, Professor Hans-Hermann Hoppe lays out the primary elements and reasoning constituting his ethics of argumentation. In the course of his theory as outlined in these

writings, Professor Hoppe elevates the concept or phenomenon of argumentation to one that “must be considered more fundamental than action” in some sense. (ES p. 66) From this original axiom of argumentation, Professor Hoppe then attempts to derive other important concepts by a priori reasoning.

This essay is primarily concerned with examining the structure of Hoppe's argumentation ethics and comparing it to the structure of traditional praxeology, the science arriving at social laws of man's acting nature.

In the context of Austrian School social thought, Professor Hoppe may fairly be recognized as a neo-Rothbardian in his approach to social science. Like Professor Rothbard, Professor Hoppe is concerned with constructing a theory of man's ethical *ends*. (TS p. 131) This approach differs from the Misesian conception of praxeology as a general science that establishes the laws of recurring social phenomena in the same way praxeology does for specifically *economic* or *catallactic* phenomena. Like Professor Rothbard, Professor Hoppe does not attempt to arrive at the foundations of a science of ethical phenomena; rather, he attempts to erect a dialectical-theoretical “justification” for those libertarians wanting to make normative statements about what other people should or ought do (generally, to adhere to the libertarian private-property ethic).

When Professor Hoppe attempts to integrate the insights of praxeology into a theory of *ends*, thus departing from praxeology as the science of *means*, we claim that his argument begins to lack clarity and firm grounding in the categories of action to which everyone can refer with modest effort. Rather than providing a demonstration of how laws are operant in the ethical realm of human action, with reference to some of the easily recognizable recurring phenomena of ethics, his argument is a complex dialectic that can be taken as true only on faith in his reasoning skills. Professor Hoppe's theory does not explain the ethical phenomena

we encounter in our acting lives, but instead only provides a dialectical-theoretical rationale for the positive actions some libertarians want to take.

Modern praxeology as conceived by its foremost practitioner Ludwig von Mises is a science of means, aiming to arrive at social laws of apodictic certainty. Typically, such laws are arrived at by a process of logical reasoning, but that reasoning is ultimately guided by the *recurring phenomena* of human social life. In economics, such recurring phenomena include the trade cycle, shortages of goods, unemployment, depreciating value of the monetary unit, etc. Praxeology as social science then attempts to arrive at laws of such phenomena, conceiving these phenomena as the necessary result of various actions.

The attempt to arrive at a consistent theory of *ends* seems to preclude the conceiving of social laws in the ordinary sense of the term—cause-and-effect-type laws that accurately describe and account for recurring social phenomena. Take for example the recurring social phenomenon of guilt. Guilt is a form of unhappiness or dissatisfaction in that it is typically considered an unpleasant experience. So guilt impacts human well-being. Guilt generally has to do with how a person feels due to some social interaction. But guilt is not an “economic” phenomenon. Guilt is not the object of catallactic study. We could reasonably consider guilt an *ethical* phenomenon. Therefore, a legitimate scientific question would be: what are the invariant “causes” of guilt? How might the individual change his conduct if he wants to avoid experiencing guilt?

Praxeology as social science tries to answer questions such as these, with an eye toward explaining these recurring phenomena in terms of scientific laws. In the ordinary sense of the term as this would apply to praxeology, a “law” is a type of causal connection between phenomena *A* and *B* that enables the individual actor to prevent *B* from occurring by abstaining from aiming at *A*, whose necessary consequence *B* he views as harmful to himself.

But all the positive, objective, and normative theories of ethics seem unable to produce such simple laws, even though their advocates express that moral or ethical "laws" are the aim of their theoretical efforts. We claim this is the ultimate fate of all attempts to arrive at a consistent theory of ethical ends. And we claim this is why Mises steadfastly refused to accept objective theories of ethics as universally valid.

Thus, the first question we would pose to Professor Hoppe is, why is the argumentation ethics not structured or presented as having as its clear goal the conception of the *laws* of ethical phenomena? And if the position taken is that such laws cannot in principle be formulated, where is the argument or demonstration of this? Where is the discussion ruling out the possibility of social laws of ethical phenomena or, if those are possible, why is this subject not prominently treated in his theory?

Austrian School social science is founded on the idea of establishing *exact laws* of social phenomena. The intent of these laws is to conceive formally that which we experience in our acting lives as regularities in the copresence or succession of phenomena. But the central concepts of Professor Hoppe's theory seem to be those of "argumentation," "justification," "ownership of one's body," and other concepts that are not related to an effort to establish such exact laws. So the question is, if there is a reason the argumentation ethics is not conceived as a theory eventually arriving at exact laws, where is the discussion outlining the reasons?

Our claim will be that the theory which Professor Hoppe proposes is partially based on an inherited and mistaken appraisal of the theoretical situation in praxeology as it relates to ethics. Professor Rothbard believed, but did not demonstrate, that praxeology as the science of means would not be able to contribute to the furtherance of individual liberty aside from its market analysis. He confused praxeology (the science of human action) with its best elaborated branch (economics), and it appears he conceived the

axiom of action more as a tool of intersubjective proving and less as an axiom grounding an entire science of human conduct. All three of these notions represent misunderstandings of the true nature of praxeology.

Praxeology, as the science of means, contributes to individual liberty by providing a logical demonstration of how some acts an individual may take are harmful to himself. When an individual abstains from an act as a means to prevent harm to himself, this may also constitute the absence of an act that person *B* would view as harmful to *himself*. And thus, praxeology may be understood to contribute to the furtherance of human well-being, by providing individuals with a hitherto unknown reason why they might, for selfish reasons, want to abstain from acts also deemed harmful by others. This principle applies to “economic” acts as it does to “ethical” acts.

Praxeology is not simply a discursive method of Austrian economic theory. Praxeology is the science of human action. Action is human “aiming at ends,” “striving to attain,” “trying to,” “attempting to,” etc. Praxeology is the *general science* of an individual actor’s attempt to attain a state of affairs.

The conception of the axiom of action as a method of intersubjective proof may well lead to a misinterpretation of the nature and goal of praxeology. The action axiom is the grounding axiom from which arises the logical edifice of the formal praxeological system, in much the same way that the grounding axioms of mathematics or geometry form the basis of further reasoning in those sciences. In conceiving or using the axiom of a formal science as a political tool (as a way to “force” one’s opponent into accepting one’s social philosophy) purposely or inadvertently, we may be led to introduce political concepts also into our science—concepts that are not consistent with the formal concepts and that may destroy the logical rigor of the science. The

danger exists that in using the axiom of action politically, its formal meaning in the scientific system is relinquished.

### **Mises on Reason and Action**

On the nature of the relationship between reason and action, Mises is fairly clear about his position, although he didn't expound on it at length.

How can the human mind, by aprioristic thinking, deal with the reality of the external world? As far as praxeology is concerned, the answer is obvious. Both, a priori thinking and reasoning on the one hand and human action on the other, are manifestations of the human mind. The logical structure of the human mind creates the reality of action. Reason and action are congeneric and homogeneous, two aspects of the same phenomenon. (UF p. 43)

For, as must be emphasized again, the reality the elucidation and interpretation of which is the task of praxeology is congeneric with the logical structure of the human mind. The human mind generates both human thinking and human action. Human action and human thinking stem from the same source and are in this sense homogeneous. (UF p. 65)

[H]uman action stems from the same source as human reasoning. Action and reason are congeneric and homogeneous; they may even be called two different aspects of the same thing. (HA p. 39)

In relation to Professor Hoppe's concepts of action and argumentation, and at this early stage in our analysis, two points will be made. First, it is important to realize that Mises conceives "mind" as "an invisible and intangible factor" that is to be contrasted with "matter." (UF p. 11) Mind for Mises is not "brain," a

gray object inside one's head; rather, it is something that is "congeneric" with the structure of action. Second, if action is aiming at ends, we view it as perfectly consistent with Mises's conception of things that reason is aiming at ends also. In fact, we will be conceiving reason as a *form* of action insofar as reason is an individual's "attempt to reach a conclusion," "attempt to understand," etc.

It will follow that if reason is a form of action, then *argumentation*, a concept typically conceived as less universal than reason, will also be conceived as a form of action. We contend that from the point of view of praxeology, reason and argumentation are forms of action and nothing more. Here is how we will be conceiving their relationships during the course of our analysis of the argumentation ethics:

We conceive the fundamental fact of human experience to be *human action*, what Mises calls purposeful behavior and aiming at ends. Action is the "trying to" or "attempting to" as such. When we contemplate the nature of our action, we recognize the recurring phenomenon of *trying to* as this *trying to* manifests in concrete situations. For example, we conceive *reasoning* as a form of action to the extent that reasoning entails *trying to* reach a conclusion, *trying to* solve a problem, etc.

All action is "trying to," Mises's "aiming at ends." This is to be understood as any human activity that is a *trying to* or an *aiming at ends* (for example, trying to get from here to there). *Reason* we conceive as a form of action, specifically, the *trying to* which is trying to reach some conclusion, trying to understand something, etc. And finally, we would conceive *argumentation* as a form of action, specifically a *trying to* with regard to another person (trying to convince someone of something).

Thus, the relationship between action, reason, and argumentation becomes very simple. All action is aiming at ends, and acts such as

“reasoning,” “arguing,” “walking,” etc., are particular *forms* of action. This concept of action retains *action* as the primary phenomenon and concept of praxeology.

In the science of praxeology, action (trying to) is conceived as the fundamental phenomenon, and all types or forms of *trying to* are conceived as particular instances of it.

### **The Working Assumption of the Argumentation Ethics**

In his attempt to elevate the axiom of argumentation to equal status with the axiom of action, Professor Hoppe writes, “The second axiom is the so-called ‘a priori of argumentation’ which states that humans are capable of argumentation and hence know the meaning of truth and validity.” (ES p. 65) Thus, in Hoppe’s conception, there will now be *two* fundamental axioms: the axiom of action and the axiom of argumentation. But we have to remember that the proposal for two fundamental axioms is based on the assumption that praxeology, as a science of means, cannot be reconstructed to conceive laws in the social-ethical realm of human action. This is only an operating *assumption* of the argumentation ethics, an assumption that has not been theoretically demonstrated. The possibility of a science of ethical means has scarcely been considered.

If praxeology can demonstrate the existence of *social-ethical* laws, similar in nature to *social-economic* laws, then this would be a demonstration of the “moral laws” of man’s nature which Hoppe mentions on page 131 of *A Theory of Socialism and Capitalism*, and which Rothbard refers to in the first twenty-six pages of *The Ethics of Liberty*. If such laws are capable of being formulated within the framework of praxeology, then there is no reason to seek for such laws in natural-law philosophy or in a theory of argumentation.

So we return to the idea of scientific laws, which natural law and natural-law-related philosophers seem to want to establish but

haven't. As regards Professor Hoppe's argumentation ethics, we would seek to clarify the status of his theory as he understands it. If ethical laws are not established by the argumentation ethics, but are establishable by praxeology, does the need for an argumentation ethics still exist?

### **The Structure of Action**

In praxeology we conceive action as aiming at ends, and we refer to the reality of our action in arriving at such a conception. If we accept for ourselves that action is aiming at ends, then this entails certain other phenomena of action which themselves should also be found in referring to the reality of our action. If there is aiming at ends, then it seems there must be a "leaving of something behind," so to speak. This is what Mises refers to as the less satisfactory state that the individual actor seeks to replace with a more satisfactory state. Thus, we have two formal concepts. In trying to arrive at some state, in some way the acting individual tries to *leave* some state. In short, when there is a "trying to arrive *at*," there must, it seems, be a "trying to arrive *from*." And this *kind* of reasoning process is what is meant when we say that praxeology *deduces* from the axiom of action the other concepts of action.

Continuing, once the two concepts of *arriving at* and *arriving from* are conceived, and confirmed by reference to our action, a formal structure begins to take shape for arriving at social laws. A law, properly understood, is a statement linking two phenomena which are different in some respect. The regularity in the copresence or succession of events which social science attempts to conceive is a regularity we experience wherein event *B* seems to regularly follow event *A*. The science attempts to conceive this situation in a way that is accurate and noncontradictory. The concepts of *arriving at* and *arriving from*—as examples of conceiving the structure of action—begin to provide the relational structure for conceiving the two nonidentical phenomena we are trying to link by means of a social law.

A social law benefits the individual actor by providing him with a *causal law* linking two phenomena, one of which may be harmful to him. If he is successful in avoiding one of them, he should also be successful in avoiding the other, since the two are necessarily connected or related. Regarding the quantity theory of money, Mises writes, "However, nobody would deny the cognitive value of the quantity theory. To a mind not enlightened by economic reasoning it remains unknown." (HA, p. 38) A mind not knowing the praxeological law linking the quantity of money to its purchasing power is a mind not knowing how to prevent the occurrence of inflation by abstaining from printing additional money.

The logical unfolding of all these concepts and categories in systematic derivation from the fundamental category of action and the demonstration of the necessary relations among them constitutes the first task of our science. (EP, p. 24) The most general prerequisite of action is a state of dissatisfaction, on the one hand, and, on the other, the possibility of removing or alleviating it by taking action. (EP, p. 24)

Praxeology provides a means for the acting individual to avoid harm when it establishes a previously unknown necessary connection between something the individual was intending to aim for and something harmful to himself.

## **The Structure of the Argumentation Ethics**

Writing in *Economic Science and the Austrian Method*, Professor Hoppe writes, "The second axiom is the so-called 'a priori of argumentation' which states that humans are capable of argumentation and hence know the meaning of truth and validity." (p. 65)

We understand this to mean that if there is "argumentation" for the individual, then there is "the meaning of truth and validity" also for him. That which is "the meaning of truth and validity" is implied in

argumentation but perhaps remains implicit until made explicit by theoretical reasoning.

The reason for making what is only implicit, explicit, is ultimately to provide the individual actor with new information about the ramifications of his intended act. We typically conceive that whatever is logically entailed in the act he is contemplating must accompany that act regardless of whether he knows about it or not. In making "explicit" that which was previously only "implicit" in his intended act, theory brings to full view aspects of his act that he may not have known about. This puts the individual in a position to prevent these previously unknown accompaniments from occurring if/when he considers them harmful or more harmful than he wants to experience.

With regard to the argumentation ethics, and specifically with regard to the "a priori of argumentation," the question is, are we to understand something similar with regard to them?

Are we to understand that, once the argumentation ethics makes explicit what was only implicit in arguing, the individual will be in a position to increase his well-being, by abstaining from an attempt to bring one of two related phenomena into existence, as a means for preventing its necessary accompaniment from occurring?

The argumentation ethics puts forth a vision of linked phenomena such as [the norm implied in argumentation] is that [everybody has the right of exclusive control over his own body as his instrument of action and cognition] (TS p. 132) or [to justify any norm] would already have to presuppose [the property right in his body as a valid norm]. (TS p. 133)

So the argumentation ethics proposes linked phenomena. But their relation to action and to one another is unclear. Missing is a clear demonstration of how an individual, knowing a relationship between entities he previously did not know, is now in a position to

prevent one entity from appearing, by attempting to avoid or prevent the other one from appearing.

This is what the aprioristic reasoning in praxeology attempts to do; to arrive at such causal laws to guide the individual's actions toward his well-being. Praxeological *economic* laws essentially demonstrate how one can avoid things one may believe are harmful: inflation, unemployment, high prices, shortages, etc.

Hoppe writes in *A Theory of Socialism and Capitalism*, "In contrast to the role of reason in establishing empirical laws of nature, reason can claim to yield results in determining *moral laws* which can be shown to be valid a priori. It only makes explicit what is already implied in the concept of argumentation itself." (p. 131; emphasis added)

(Here, one wonders why Professor Hoppe chooses to say that moral laws can be determined just as empirical laws of nature. Why not say that moral-social laws can be determined just as economic-social laws are? We already know that social laws can be determined in the catallactic realm of human conduct, so wouldn't it seem natural that we would point to those laws and to the science that established them when we want to demonstrate that moral laws are also possible?)

We interpret Hoppe as saying something like: if argumentation is present for the acting individual, then too must *the meaning of truth and validity or the private-property ethic* be present for him, at least as implicit necessities (as necessarily entailed in the fact of arguing, but perhaps not fully recognized by the one who is arguing). This meant in the same sense as in praxeological economics, where the presence of something (increase in quantity of money) brings with it another phenomenon (decrease in purchasing power). The things that are only implicit in action (or, for Hoppe, in argumentation) are made explicit. Then there are two

things: the originally given, posited or supposed thing, and that which it necessarily entails.

The necessary connection or relation of these two separate phenomena of [argumentation] and [the meaning of truth and validity] or of [argumentation] and [private-property ethic] will eventually constitute the moral law. And then social actor *A* will in principle be able to avoid harm from *one* of the two things that are necessarily connected to one another, by abstaining from bringing its necessarily connected counterpart into existence.

Or at least this is how a standard praxeological approach would seek to conceive things.

Writing on page 207 of *The Economics and Ethics of Private Property*, Hoppe writes, "By being alive and formulating any proposition, then, one demonstrates that any ethic except the libertarian private property ethic is invalid."

The structure of this argument as plainly stated in this passage is that some posited phenomenon [formulating a proposition] brings with it as a copresent necessity [validity of private-property ethic]. That is the structure of what Hoppe claims a priori reasoning brings from implicit status to fully explicit knowledge for the benefit of the acting individual.

But on page 208, Professor Hoppe provides what he considers the structure of his argument as: (a) justification is propositional justification—a priori true is-statement; (b) argumentation presupposes property in one's body and the homesteading principle—a priori true is-statement; and (c) then no deviation from this ethic can be argumentatively justified—a priori true is-statement.

In the passage on page 207, it is difficult to see exactly what social law is intended as operant regarding these two linked phenomena.

If a praxeological law is intended, it would seem to need clarification since a plain reading does not convey information that a praxeological law contains, i.e., causal instruction on how an individual can avoid harm through abstaining from specific means.

On the other hand, the passage on page 208 is not presented in the form of a social law but rather in the form of a syllogism.

In the first passage, which Hoppe does not describe as the structure of his argument, his argument is presented in the standard "two-phenomena" social-law structure, but no law is claimed or clearly ascertainable.

In the second passage which Hoppe indicates is to be considered the structure of his argument, no *law* form is attempted, only the *syllogistic* form.

## **Social Law**

From the point of view of praxeology, as the social science conceiving and establishing such social laws, this absence constitutes a deficiency in the theory.

Social law provides an objective demonstration of the necessary effects of specific types of social action or social behavior. When we say "objective demonstration" we mean in this context that since the social law eventually can be reduced to an equivalency statement, that once and to the extent the law is grasped as such, then to this extent the subjective interpretation of the law's meaning is diminished. Once one grasps the meaning of an objectively presented statement of equivalence, then one does not have to refer to any text or philosophy in order to prove, understand, or "back-up" this statement. The equivalency statement, once correctly arrived at and objectively presented, can stand on its own, since it is a statement

about how two entities which can appear differently, or appear in different form, are actually the same in some sense.

The reason that the social laws stating the necessary effects of increasing the supply of money or of increasing the minimum wage above the market rate can stand on their own as objective social laws is that, in *some sense*, an increase in the supply of money *is the same thing as* a decrease in its value. Likewise, a legal minimum wage that rises above the market wage rate is, in *some sense*, *the same thing as* unemployment.

How this is so is perhaps a contentious and controversial issue that academicians will argue about. Nevertheless, what gives these types of social laws their “stand-alone” capability is that they are efficient statements of equivalence between entities, of the same essential type as the equivalency statements of mathematics or formal logic. Once these laws are grasped, then they serve as a type of “efficient” knowledge, whereby those acknowledging them can conceive a relationship between two entities, a relationship not known previous to the discovery and conceptual formulation of the laws.

It is for this reason that the ethical assertions of socialism, of the world religions, and of the private property ethic do not appear to be scientific laws. The assertions made by these ethical systems do not reduce to statements of equivalence, and therefore cannot stand on their own. The link asserted to exist between the two entities which are (the particular unethical act) and (the particular negative consequence) exists only as an argument in the texts of the ethical system in question. The link is not objectively demonstrable or presentable as an efficient equivalency statement. Rather, to believe in the *link*, one has to believe

in the *text*. The cause-and-effect link exists only as part of the overall belief system of the philosophy itself, but cannot exist as a stand-alone law, expressing an aspect of equivalence between two entities. (PC2 pp. 31–32)

## **Conclusion**

Professor Hoppe's argumentation ethics, as a form of objective ethics, is unable to produce an actual scientific law, that is, an objectively presented law-type statement which can exist outside the context of the overall argument. In our view, this is not something that can be fixed by further refinements of the theory, but is something that is an inherent structural feature *of* the theory, to the extent the theory attempts to assess the *ends* of human action. The attempt to establish a consistent theory of ends is fundamentally incompatible with the establishment of pure theoretical social laws.

# The Structure of Hoppe's Argumentation Ethics: Human Well-Being

## Happiness

As economics is the most mature praxeological science, it naturally follows that the specifically *economic* concepts are well developed compared to the concepts that lay outside the realm of economics proper. Thus, concepts such as capital, economic good, money, exchange, price, etc., receive extensive treatment, while concepts such as coercion, honesty, happiness, and even property, receive much less treatment. This is for the simple reason that these concepts fall outside the scope of traditionally conceived economic science. Economics (or catallactics) typically revolves around the phenomena of human action for which exchange ratios are possible.

One task of a praxeological treatment of ethical phenomena is the constructing of a formal model or scheme for conceiving the dual phenomena of human action: happiness and unhappiness. Should this be successfully accomplished, the result will be a purely formal conception of happiness that is more precise than the conceptions economists were able to develop. A more precise formal definition of happiness and unhappiness facilitates an understanding of how other important concepts of praxeology, such as means and ends, or the law of marginal utility, may relate to individual happiness.

If happiness and unhappiness are conceived in their material, commonsensical, or contentual sense, then there is no way to demonstrate a necessary relationship between the various aspects of human action as we experience them on the one hand, and human happiness on the other. The problem involved is similar to that of trying to demonstrate a necessary relationship between a carved wooden X and some other physical object such as a tree, versus conceiving the necessary relations between the mathematical concept "X" and other elements of a mathematical equation. The relations of formal concepts are fundamentally different from the relations of material objects. To demonstrate the necessary relationship between some aspect of human action and human happiness, both phenomena must be conceived as elements of the same formal scheme or system. Thus, the need exists for a purely formal concept of happiness as a prerequisite for a praxeological theory of ethical phenomena.

### **A Universal Aspect of Ethics Theory**

As written elsewhere, a universal element of ethics theory is some conception or demonstration of how acting or not acting in a certain way leads to some positive or negative consequence to the individual actor. Ethics deals with possible methods of conduct. Ethics theory ultimately deals with the relationship between an individual's conduct and his well-being.

There is no reason besides arbitrary preference for a person to change his conduct and conform to a particular code of ethics if not doing so will cause him no harm. If an individual can act contrary to the teachings of a given ethical system and yet avoid the negative consequences described by that system, to this extent he may continue to act in the manner to which he is accustomed, safe in the knowledge that the specified negative consequences will not befall him. Thus, the question eventually arises whether the consequences claimed by a given ethical system *must absolutely* result from the specified conduct, or whether those consequences

may *only possibly* result from it. There is a fundamental difference between “If you do X, Y *might* happen” and “If you do X, Y *must necessarily* happen.” This is why Menger and Mises focus their attention on *exact laws* or *apodictically certain laws*. Generally, ethics theories try to demonstrate that the consequence resulting from the conduct is a certainty, not merely a possibility.

### **Human Well-Being and the Argumentation Ethics**

One way of appraising Professor Hoppe's argumentation ethics is with respect to the negative consequences held to result from acting contrary to its ethical teachings. Writing in *The Economics and Ethics of Private Property*, pages 204–206, Professor Hoppe lists those negative effects variously as:

- in violation of demonstrated preference...
- would contradict the ethic...
- would contradict...
- nonlibertarian ethical proposals [are] falsified...
- the ultimate defeat for an ethical proposal...
- the most deadly smash...
- a practical contradiction...

and

- then we would all cease to exist...no one would be allowed to do anything with anything...
- Neither we, our forefathers, nor our progeny could, do or will survive...
- it would be impossible for anyone to first say anything at a definite point in time and for someone else to be able to reply...
- acting and proposition making would also be impossible...
- One would have to interrogate and come to an agreement with the entire population...

These are the negative effects that Professor Hoppe provides as associated with not adhering to the teachings of the argumentation ethics. In Professor Hoppe's argumentation ethics, the two fundamental types of negative consequences are: (1) those having to do with the consistency of one's ideas or theory, and the possible defeat of one's ideas in the intellectual forum, and (2) negative consequences of a more drastic nature.

Our claim with respect to Professor Hoppe's theory is the following:

With respect to the first group of negative consequences and the claim that nonlibertarian theories or ethical proposals are contradictory, this claim does not demonstrate a necessary relationship to the happiness or well-being of the person proposing it. With respect to the second group of negative consequences, whose effect on a person's happiness may be granted for the sake of argument, those consequences cannot be shown to occur to the person making the ethical proposal.

By Professor Hoppe's theory, a person tries to show how the nonlibertarian has done something "faulty" or in some way "negative." He will try to demonstrate a *contradiction* in the argument of the nonlibertarian. But this demonstration in itself, even if successful, is not a demonstration of an effect on the happiness or well-being of the person contradicting himself. Consider, for example, a comedian who tries to amuse his audience by loudly proclaiming "I am not alive." In doing so, the comedian contradicts himself in the manner indicated by the argumentation ethics. But it is difficult to see how contradicting himself in this manner is in any way harmful to him.

On the other hand, if we consider the negative effects whose effect on human well-being is beyond practical dispute (we would all cease to exist, we could not survive, etc.), these effects do not necessarily happen to the person who advances a nonlibertarian

ethical proposal. People frequently propose nonlibertarian codes of conduct without these drastic consequences happening to them.

Thus, Professor Hoppe's theory does not demonstrate a connection between advancing a nonlibertarian ethic in argumentation, and some necessary impact on the happiness or well-being of the person who advances that ethic. Of course the supporters of the argumentation ethics will likely argue that self-contradiction is obviously bad for the individual, and they may insist that nonlibertarian ethics will lead to the extinction of the human race or to other drastic consequences. However, our strong convictions and intuitions that something is wrong with statism is not a substitute for a rigorous demonstration that specific modes of conduct are harmful to those who practice them. The argumentation ethics does not demonstrate a connection between self-contradiction and personal happiness. And it does not demonstrate that drastic consequences will befall the person proposing a nonlibertarian ethic. In the realm of intellectual inquiry, this theoretical deficiency may constitute a "deadly smash."

## Conclusion

Regarding the causal connection between the ethical act and its impact on the happiness of the actor, we had previously written:

Private-property ethicists say that *if* man does not respect human liberty and property, *then* society will disintegrate and man will eventually become extinct. [Their adherents] are certain that their philosophers have sufficiently demonstrated what man's true nature is, and what the effect of not adhering to their ethical systems will be. They are certain that their philosophers have demonstrated within their texts, social-ethical cause and effect, and have thus arrived at something like the laws of man's nature.

But in the age of modern science, the learned scholars of each particular ethical school are not easily swayed. They have seen what “laws” look like, and they don’t look like long, voluminous texts. When modern science arrives at laws, both physical and social (as in economics), the actual laws themselves—the objectively presented statements of cause and effect—are generally very short.

When the learned scholars of each of the three major ethical schools compare this general form of a law to the ethical assertions of cause-and-effect being proposed by the other two schools, they suspect that these proposed cause and effect connections may not be real scientific laws, but rather a kind of substitute for scientific law. It doesn’t take long before each school is able to locate in the theories of the others the points at which what is claimed to be cause and effect is actually something like intuition or strong conviction. (PC2, pp. 28–29)

It is not a coincidence that positive ethicists tend to put forth terms such as “man will become extinct” or his life will “go out of existence,”<sup>5</sup> but with no clear connection to any particular individual ethical act. And it is not a coincidence that they put forth their version of social law in the form of complicated syllogisms.<sup>6</sup> These “recurring patterns” result from the fact that the positive ethicist is unable to arrive at exact social laws that can be expressed in the standard cause-and-effect form in which the laws of praxeology are expressed.

Surprisingly, as far as we can tell, there exists no demonstration or even argument that the phenomena of ethics cannot be the subject matter of praxeology. The quest for objective values and for the

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<sup>5</sup> Ayn Rand, *The Virtue of Selfishness*, p. 15.

<sup>6</sup> D. Rasmussen, “A Groundwork for Rights: Man’s Natural End,” *The Journal of Libertarian Studies*, Vol. IV, No.1 (Winter 1980), p. 74.

ultimate ends of man's striving continues unabated, a praxeological science of ethical phenomena apparently not having been considered. This may be unremarkable in the context of mainstream ethics theory. However, in the context of Austrian School social thought, it is alarming.

# The Concept of Scarcity in Social Science

Austrian School social scientists, beginning with Carl Menger and continuing through Mises, strive for a logically consistent social theory accounting for a wide range of social phenomena. What characterizes praxeology as it expands to account for an ever wider range of phenomena, is its ability to conceive things less in “objective” terms and more in terms of how they appear from the point of view of the individual actor.

In this essay we propose a subjectivist concept of scarcity consistent with the methodological individualism that is the hallmark of praxeology.

## **Methodological Individualism**

“Here again, it is very important to recognize that what is significant for human action is *not* the physical property of a good, but the evaluation of the good by the actor.” (MS p. 19) With these words, Professor Rothbard (at a stage of his intellectual career when he was a student of Mises) put forth the key to the true method of praxeology. This is the method that led Menger to his original insight, thus founding the Austrian School of economics and social thought.

Methodological individualism is more than just the idea that only individuals act and that collectives do not act. Methodological

individualism is the specific method for discovering and unfolding the logic of human action. The logic of human action is discovered by contemplating the relationships inherent in our individual acting reality. Those relationships are the necessary relations that inhere in the recurring experiences of individual action. Methodological individualism is the procedure of conceiving those relationships as they exist in individual action. Whereas Rothbard held that praxeology was the “method” of Austrian economics, it is more accurate to conceive that methodological individualism is the method of praxeology and thus of Austrian economics.

Properly understood, methodological individualism is a procedure for conceptualizing that guides the praxeologist in making his account of social phenomena more consistent. In short, methodological individualism is the method for advancing praxeology from a less consistent state to a more consistent state.

### **Air and Scarcity**

In Austrian School literature, it is common to see reference made to the concept of scarcity and to the example of air as something that is not scarce. Usually, such references to air as a nonscarce resource are preceded or followed by a qualifier such as “in most cases” or “under normal circumstances,” etc.

In considering air with respect to its physical extension and physical volume in comparison to that of the human body, it is undeniable that air is abundant in this sense. But considered from the point of view of individual action, there are many cases in which air is scarce. So many, in fact, that one may be compelled to rethink the idea that air is not a scarce good, a good that an individual does not have to strive to attain as he does all others.

Is air not scarce for the person swimming under water or for the person climbing a tall mountain? Is air not scarce for all those flying at high altitude in commercial jetliners? Is air not scarce for all those

people with oxygen tanks, for the small child under the covers of a bed, or for the sweaty person trapped for a short time with his shirt over his head as he tries to take it off? Is air not scarce for those working underground, or those travelling through long tunnels? Is air not scarce for those living in areas highly polluted with smog? Is air not scarce for someone with a serious coughing spell, or for someone laughing so hard he is having a “no-breather?” Is air not scarce when someone takes a deep breath because he feels he does not have enough air?

In short, is air not scarce for all those who find themselves in circumstances where the supply of air is not guaranteed, and where therefore they must “strive to attain” it in some way? This is obviously an important question Austrian scholars need to ask themselves, especially if they are intending to make the concept of scarcity central to their theory or argument.

### **Scarcity as a Category of Action**

In a formal conception of human striving (human action) we can conceive that not only “value” is subjectively determined in individual action, but also that “supply” is subjectively determined in individual action.

Whether or not the firewood next to *A*'s house constitutes his supply, or whether *A* has a sufficient supply of firewood, is not an objective quality of the firewood, but rather determined by *A*'s view of things.

The scarcity of any good (whether or not individual *A* strives to attain a good, or more of a good) is subjectively determined within the reality of his action. Or, scarcity is “revealed” to the individual within the reality of his action in his attempting to attain a thing or more of a thing. By striving to attain something, actor *A* reveals that, for himself, he does not have enough of it, i.e., that it is “scarce” for him.

Scarcity is a universal aspect of human action and properly understood as a formal concept of praxeology. It is not a condition of "external reality," sometimes present and other times not. Rather, scarcity is a necessary feature of action. In conceiving action formally in terms of striving and attainment, we realize that the concept of scarcity is already implied in the actor's striving to attain something.

The attempt to attain something, or some state, is the *not having* of a wanted thing or state. And this not having of a wanted thing is a short supply or scarcity. The actor universally encounters scarcity because the actor is at all times "striving to attain," and thus at all times revealing an insufficient supply (scarcity) of something. Stated simply, scarcity is already accounted for in human action when we conceive that action is aiming at ends or striving to attain.

What likely prevents one from seeing this more clearly is the historical fact that the concept of scarcity originated with economic science and thus became associated with ordinary objects of exchange. The majority of such objects are conceived as physical/tangible goods flowing across borders or being physically exchanged between owners. Scarcity came to be associated with the objective state of things rather than with the subjective view of the individual. The Austrian School social thinker came to classify scarcity as a physical phenomenon rather than as an action-category phenomenon.

### **A Microcosm of Hoppe's Social Theory: Scarcity, Knowledge, and Physical Conception of Action**

Professor Hoppe's conception of scarcity, in both its subjective and objective aspects, is evident in the following passage:

Knowledge is a category quite distinct from those that I have explained earlier—from ends and means. The ends which we strive to attain through our actions, and the means which we

employ in order to do so, are both scarce values. The values attached to our goals are subject to consumption and are exterminated and destroyed in consumption and thus must forever be produced anew. And the means employed must be economized, too. Not so, however with respect to knowledge—regardless of whether one considers it a means or an end in itself. Of course, the acquisition of knowledge requires scarce means—at least one’s body and time. Yet once knowledge is acquired, it is no longer scarce. It can neither be consumed, nor are the services that it can render as a means subject to depletion. Once there, it is an inexhaustible resource and incorporates an everlasting value provided that it is not simply forgotten. Yet knowledge is not a free good in the same sense that air, under normal circumstances, is a free good. Instead, it is a category of action. It is not only a mental ingredient of each and every action, quite unlike air, but more importantly, knowledge, and not air, is subject to validation. (ES, pp. 67–68)

This passage represents in some respects a microcosm of Professor Hoppe’s larger social theory. In it, Professor Hoppe argues for a specific conception of knowledge which, once established, will become a central concept of his social theory. This particular passage makes relatively heavy use of three important concepts: *scarcity*, *knowledge*, and Professor Hoppe’s *physical concept of action*. The relationships among the various concepts as written above provide a glimpse into Professor Hoppe’s conceptual vision.

### **Scarcity**

Professor Hoppe’s conception of scarcity as conceived in this passage partially conforms to a subjectivist and formal conception. Hoppe writes, “The ends which we strive to attain through our actions, and the means which we employ in order to do so, are both scarce values.”

Here, no content is referred to. Hoppe writes that ends and means are both scarce values. And as no content is referred to, this would mean that if something is an end of human action, or a means of human action, then it is a scarce value. In other words, something is scarce by virtue of its being an end or a means of action. As mentioned above, we can conceive scarcity as already entailed in striving or acting to attain something. When the acting subject acts to attain a thing or a situation, this implies that the thing or situation is "scarce" for him. At any rate, Professor Hoppe at least *indicates* a categorical-formal conception of scarcity when he writes that means and ends are scarce values, irrespective of content.

Hoppe also writes that "once knowledge is acquired, it is no longer scarce." And here again this shows how we conceive scarcity not as a feature of physical reality, but rather as a feature of acting man's experience of reality. For acting man, there is "the acquiring of knowledge" or the "attempt to acquire knowledge," and then there is when "knowledge is acquired." There is striving to attain, and there is attainment. There is aiming at an end and there is reaching an end. So Hoppe's written statement conforms to the fundamental categories of action: the two categories of "striving" and "attainment." (We note that Professor Hoppe's passage also contains an explicit mention of these categories when he writes "strive to attain.")

In writing that once knowledge is acquired it is no longer scarce, Professor Hoppe implies that before it was acquired it was scarce. It is in the reality of action—in the reality of striving and attainment—that scarcity is revealed. A consistent conception of scarcity from the point of view of praxeology cannot conceive scarcity as a feature of objective reality.

How this is meant can be shown by considering how Professor Hoppe misconstrues the idea of scarcity in providing his account of air as a free good (a free good conceived as the opposite of a scarce good). He writes, "air, under normal circumstances, is a free good."

And thus, Hoppe conceives something along the lines that air is objectively nonscarce (free) independent of how the individual views things. But there is a problem because Professor Hoppe has to qualify his statement with “under normal circumstances.” The theoretical danger of introducing this undefined qualifier is that the notion of “normal circumstances” is arbitrary.

For example, we could claim that “under normal circumstances” groceries are “free goods” because only for one hour each week does a person have to “pay” for groceries, whereas all other times during the week they are “free” in his refrigerator. If we define “normal circumstances” in terms of the time period used in paying for some good as compared to the time period when a person can draw from a supply without payment, then we could make a case that almost all goods are free “under normal circumstances.” Most of the week groceries are free in my refrigerator (that is the normal circumstance). But once a week groceries are scarce (that is the abnormal circumstance when shopping must be done).

Let us assume a person is convinced that air is going to become scarce and that therefore he should stockpile supplies of it. Perhaps the person believes that the air in his town will become contaminated. He therefore purchases supplies of air. That he pays for air is a simple economic exchange based on subjective valuation. It is firmly established Austrian economics doctrine that praxeology and economics describe man as he actually is and not as he should or would be if his valuations were other than what they are. By Hoppe’s objective account of scarcity, this transaction would have to be considered “abnormal” since air is supposed to be free “under normal circumstances.” However, there is no universally valid way to distinguish “normal” scarcity from “abnormal” scarcity. Groceries are scarce for the individual when the individual actor acts to attain them, whether they are in the refrigerator or in a store. And the same holds true for air. Air is scarce any time an actor strives to attain it. Both things—air and groceries—are, as Hoppe wrote previously, “scarce values” when they are the ends of action.

## Knowledge as a Category of Action

Professor Hoppe seeks to establish that knowledge is a category of action. (ES, p. 67) This seems to be in clear conflict with aspects of knowledge that he acknowledges during the course of his argument. He writes, "once knowledge is acquired, it is no longer scarce," thus acknowledging that knowledge is something that is sought for and attained. Something sought for and attained is an "end" or "object" of action, not a category. If knowledge is something we may attain, and if knowledge is a category of action, then do we attain a *category of action* in attaining knowledge? Do people pay for knowledge? If so, are they paying for a category of action?

Referring to knowledge, Professor Hoppe also writes, "Once there, it is an inexhaustible resource and incorporates an everlasting value provided that it is not simply forgotten." If knowledge is an inexhaustible resource, and if knowledge is a category of action, does this mean that one of our categories of action is an inexhaustible resource?

Thus, our claim is that knowledge can be conceived as an object of action, and need not be conceived as a category of action. Perhaps it would help in clarifying things if we distinguish between specific knowledge and the notion of mental content. When we conceive that an individual strives for specific knowledge, then this seems to be a fairly straightforward case of an actor's striving to attain a thing.

However when we conceive knowledge very broadly and generally as indicated in a statement such as "it is...a mental ingredient of each and every action," then we no longer speak about specific knowledge. Now we refer to the more general notion that all action entails mental content, or the notion that all conscious action entails content of consciousness. There is always a content of intentional action. Such content is "a mental ingredient of each and every action." But such content is not necessarily the same thing as specific knowledge that may be sought and attained. In other words, it would be helpful to

distinguish in action between a category of content on the one hand, and the various material or perceptual forms in which particular content may manifest on the other.

### **Action Conceived as Primarily Physical**

Professor Hoppe argues that knowledge is a category “quite distinct from those that I have explained earlier—from ends and means.” Hoppe may be led to consider knowledge as a category of action and not an object of action because he employs a *physical* conception of action. For example, he writes, “The values attached to our goals are subject to consumption and are exterminated and destroyed in consumption and thus must forever be produced anew.”

When Professor Hoppe speaks of value being “destroyed,” “consumed,” or “exterminated,” he is giving a description of a *physical* or *biological* process. A tangible-physical object is transformed from one form of matter to another form of matter during the act of physical consumption. But this is physics and biology, and not social science. Professor Hoppe is giving an account *in material terms* of the underlying essence of action. All action is aiming at ends. All action is “striving to attain.” But Hoppe conceives action in material terms: “forever *produced anew*.”

Action is striving and attainment. The logic of action is that if something is *attained*, this thing is no longer *striven for*. When something new is striven for, then the “attained” thing is no longer the focus of the actor’s striving because the *striven for* thing is now the focus of the actor’s striving. In the subjective sense then, the attained value “does not exist” for the actor—is not the focus of his conscious action—since his focus is now on a different object or value. This is a formal description of action that does not refer to the *nature* of the contents or objects of action.

We can apply this idea to a physical object such as food eaten by person A. At some point, A is "striving to attain" food, whether in growing it, buying it, or eating it. All these are actions of actor A. At some point A "attains" food, having grown it, bought it, or eaten it. Those things formerly *striven for* become *attained*. Now A is occupied with or focused on other values, and food is not the focus of his striving. Food has now "gone away," subjectively, for actor A. He no longer consciously considers it because he is busy or occupied striving to attain something else.

This same principle applies to knowledge. Knowledge can be sought for and attained by an actor. Once this knowledge is attained, then something else is striven for (and here we mean *specific* knowledge). This specific knowledge then "goes out of existence," subjectively, for actor A, in the sense that this specific piece of knowledge is no longer the focus of his action. He now strives for other things which constitute the objects or focus of his action. But we would not conceive that knowledge in this instance is "consumed," "exterminated," or "destroyed" in terms of physical processes.

What Professor Hoppe has done is to conceive the formal notion of "attainment" in physical terms. He has given a *material* interpretation to that aspect of action in which specific values are no longer consciously present for the actor, because the actor is now focused on other values. Instead of conceiving that object X is no longer the focus of the actor's conscious action, Hoppe conceives that X has been "consumed."

From his physical conception of action, it then becomes problematic for Hoppe to conceive knowledge as an object of action, since we do not typically conceive knowledge as something that can be physically consumed or physically depleted. Owing to his physical concept of action in which the objects of action are "produced" or "consumed" in the material sense, Hoppe may be forced to conceive knowledge as a category of action, because if he were to

conceive knowledge as an object of action, he would then, by his own conceptions, have to depict knowledge as something that is “produced” and “consumed” in the physical sense.

From our point of view, if we consider the logic of action in a purely formal way, it is not important *why* something is not present for the acting individual. Whether something isn’t present for him because he ate it, or because he forgot it, or because he changed his plans or focus, is of no consequence or importance for the logic of action. What *is* important for action is that if something is the object of action, then other things are not the object of action. These other things are essentially “not present” for the acting individual. This does not necessarily imply a material process in which these things are transformed from one form of matter to another.

### **The Simplicity of Action**

In the writings of Mises, one sees him refer time and again to the simple idea that action is the individual’s attempt to substitute a more satisfactory state of affairs for a less satisfactory state of affairs. The precise form in which this essential insight is conceived may ultimately have significance for the logical consistency of a social science based on its original axioms. However, the didactic effect of repeating this same notion by different expressions reinforces that our ultimate aim is to understand the underlying phenomenon of action. Human action is aiming at ends, is trying to arrive at, is striving to attain. It is simply trying to change the present situation into a different one.

Physicists sometimes remark on the beautiful symmetry that mathematics reveals in the laws of nature. Perhaps the future of praxeology holds forth the promise of such beauty and symmetry as well, revealed in the formal laws of man’s nature.

# Necessity in Social Science and in Hoppe's Argumentation Ethics

Especially since Hume, social philosophers and social scientists have had to pay careful attention to the epistemological problem of necessity. To the extent that social science treats conscious conduct and its consequences, the question of the relationship between two events arises. The manner in which a theory conceives necessity or causality greatly impacts the consistency and success of the theory.

Professor Hoppe realizes that what elevates Mises above others is his contribution to social science "in its search for certain foundations." (EE, p. 203) Realizing the significance of praxeology in this regard, Professor Hoppe seeks to apply his own understanding of praxeology to the important unsolved question of the rational foundation of ethics.

## **Old Philosophical Problems**

Professor Hoppe, writing in *A Theory of Socialism and Capitalism*, considers and rejects the analytical, empirical, and emotivist doctrines. (pp. 128–129) In social science, when we formulate a social law in the form of a written proposition, we claim that this proposition says something important about the reality confronting the individual actor. What we are trying to capture is something

more than a simple analytical statement (all unmarried men are bachelors), something more than an empirical statement (*B* followed *A* before, so *B* will probably follow *A* again), and something more than a statement about how we are feeling (I am upset about your ethical behavior).

Hoppe thus concludes that we are “forced, then, to accept a rationalist approach towards ethics.” (p. 129) The question then becomes, what exactly will this rationalist approach be? For Hoppe, this rationalist approach will be reasoning from a priori true propositions.

Hoppe believes that this is Mises's method also, and writes in this regard: “Thus having reconstructed economics as, in the last resort, derived from an a priori true proposition, Mises, then...” (EE, p. 203) Continuing with his conception of things, Hoppe, following Rothbard, implies that Mises viewed praxeology as his “method of economics,” and writes of Mises: “He terms a so founded economics ‘praxeology,’ the logic of action.”

Here we would dispute Hoppe on both points. Mises himself writes: “All that is needed for the deduction of all praxeological theorems is knowledge of the *essence of action*.” (HA, p. 64; emphasis added) “The only way to a cognition of these theorems is a logical analysis of our *inherent knowledge of the category of action*. We must *bethink ourselves and reflect upon the structure of human action*.” (HA, p. 64; emphasis added) There is more to praxeology and economics than “a priori true propositions.” Mises never loses sight of the underlying phenomenon—our experience of conscious action—that we try to conceive in terms of exact laws. The a priori propositions and the logical reasoning are all propositions about, and reasoning about, our inherent knowledge of and repetitive experience of consciously aiming at ends. That we “experience” aiming at ends is our “reference phenomenon.” This reference phenomenon is, as it were, a realm of mental doings and experiences in which we intuit various regularities. We “extract” or

“abstract” from this realm, and from these regularities, an aspect such as “aiming at ends,” and, according to Mises, we try to deduce from this conception all that it implies. Praxeology, strictly speaking, does not start from a proposition. It starts from the experience of aiming at ends.

Regarding the relationship between praxeology and economics, the conception of this relationship attributed to Mises by Hoppe is the Hoppean/Rothbardian interpretation. Mises himself writes, “...the theoretical science of human action, praxeology, and especially its hitherto best-developed part, economics or catallactics.” (MM, p. 16)

It is clear that Mises did not term his “economics” “praxeology.” Rather, he termed economics “catallactics,” the theory of market phenomena. (HA, pp. 232–234) Praxeology, as Mises wrote time and again, is the general theoretical science of human action of which economics is but a part. Praxeology is the general science of human choosing and of human aiming at ends. Mises saw this science as extending beyond economics. He did not call his special kind of economics “praxeology,” nor did he view praxeology as the “method” of economics, but saw economics as a branch or part of praxeology. He saw economics and praxeology as scientific disciplines, with praxeology being the more general of the two. The “logic of action” is not identified with “economics” in Misesian thought, as Hoppe implies. The logic of action is identified with praxeology, and economics is a subdivision.

To conceive that Mises was concerned with the logic of propositions, and to conceive that he was concerned with the application of the logic of propositions to economics, and that he called the joining of these two “praxeology,” is a misconception of what Mises was doing.

The “propositional” approach Professor Hoppe has in mind as an approach to ethics is *his* unique approach. His idea is that logical reasoning alone, from a priori true propositions, may be applicable

to ethics as it is to economics. Professor Hoppe conceives praxeology as a discipline that begins with a proposition concerning action, and proceeds to arrive at conclusions by further discursive reasoning. Generally absent from Hoppe's account is meaningful reference to the recurring phenomena that individuals experience, as the basis for forming the original concepts of action or argumentation, and as the basis for correlating the concepts of the theory to their counterparts in experience. An example of the kind of a priori reasoning Professor Hoppe has in mind is the following:

Yet what is implied in the very fact of arguing? It is to this question that our insight into the inextricable interconnection between the a priori of argumentation and that of action provides an answer: On a very general level, it cannot be denied argumentatively that argumentation presupposes action and that arguments, and the knowledge embodied in them, are those of actors. And more specifically, it cannot then be denied that knowledge itself is a category of action; that the structure of knowledge must be constrained by the peculiar function which knowledge fulfills within the framework of action categories; and that the existence of such structural constraints can never be disproved by any knowledge whatsoever. (ES, p. 67)

Here we encounter a problem that is the direct result of conceiving praxeology as a "method" virtually synonymous with the discursive reasoning process. When praxeology is conceived as mainly logical reasoning, then the reasoning employed ceases to be constrained by reference to an underlying phenomenon or principle other than the end goal of the individual reasoner.

Thus, Professor Hoppe writes, "it cannot then be denied that knowledge itself is a category of action." And this is held by him to be implied in the very fact of arguing and revealed by a priori reasoning. However, not only can it be denied that knowledge is a category of action, but Hoppe himself implies that knowledge is not

a category of action when he writes "once knowledge is acquired, it is no longer scarce." (ES, p. 68) Something that can be acquired and that is no longer scarce once acquired is not a "category" of action; it is an *object* of action.

What is happening is that Professor Hoppe is *reasoning*. He is reasoning *about* action and *about* argumentation and *about* knowledge, but he has not put forth a reference phenomenon which his readers could refer to independent of his discursive argument. He is involved in a complex argument, but the argument is not referring to, and is therefore not formed or shaped by, a previously delineated realm of experience and the regularities which occur in that realm of experience. Hoppe's reasoning is free of any experiential constraints. What he is doing is not praxeology, but more like "freestyle" reasoning. And that is why the passage is contradictory and difficult to understand. The reasoning employed is not constrained by reference to the experienced regularities of action or argumentation.

## **Reason and Necessity**

Let us provide a few examples of what we are referring to. And we will try to keep them brief.

When we provided the example of the aerodynamic car as showing something important about necessity (PC2, pp. 46–47), this was meant to establish a perceptual referent, as it were, for a general theory of necessity. When a car is made more fuel efficient by means of making it more aerodynamic, what is "implied" or "entailed" in this very same act or event is that the car is also made harder to bring to a stop. We conceive that the "means," making the car more aerodynamic, entails more than just increasing the fuel efficiency of the car. It now takes the car longer to come to a stop. The car maker may not realize that in making the car more aerodynamic, he is also making the car harder to bring to a stop.

There are consequences to making the car more aerodynamic that the car maker may not have thought about.

The usefulness of this example is to be found in the way it gives a pictorial and tangible form to a case of necessary entailment. We can refer to this example, and the pictures we may form of it in our minds, as a basis of reference. The example serves as a "reference phenomenon," something we can refer to in our reasoning.

In this example we can see the sense in which two phenomena are related as two aspects of a single and unitary "fact" or "presentment." The "increase in fuel efficiency" and the "harder to bring to a stop" are "a-temporally" related and necessarily entailed. They are both "implied" in the concept, or means, of making the car more aerodynamic. If an actor makes a car more fuel efficient by means *X* (making the car more aerodynamic), then the inescapable consequence will be *Y* (the car will take longer to come to a stop).

This is what we mean by a reference phenomenon. It is a way of demonstrating a concept by referring to perceptual referents. Regardless whether one agrees or disagrees with our account of necessity as described in the car example, we have provided a clear reference phenomenon to which one may refer in either upholding or disputing this account of necessary entailment. In addition to claiming that *Y* is necessarily entailed in *X*, we provided a perceptual reference phenomenon. This is not discursive reasoning alone. It is reasoning guided and aided by reference to the regular occurrences of action and consciousness.

### **Necessity and Action**

The most fundamental law of Austrian School social theory is the law of a necessary relation between supply and value ("the law of marginal utility: Whenever the *supply* of a good increases by one additional unit...the *value* attached to this unit must decrease." [ES, p. 14; emphasis added]) What follows is a proposed simplification

and reconception of the law of marginal utility expressed in terms of a-temporal, necessary entailment.

From the point of view of praxeology, the individual actor values only in action and through action. What the individual actor values is revealed by that which he now seeks to attain, by that which he now "does."

To this insight, we will add one simple insight: as the individual subject values things through action, so too does he determine what constitutes a sufficient or insufficient "supply" of something through action. ("Here again, it is very important to recognize that what is significant for human action is not the physical property of a good, but the evaluation of the good by the actor." [MS, p. 19]) For example, whether or not an actor has a sufficient supply of firewood is not a physical characteristic of the firewood. What is significant is whether or not the *actor* believes his supply of firewood is sufficient. And this is revealed by whether or not he attempts to attain or obtain more firewood.

The individual actor reveals whether or not his "supply" of any good, or thing, or state, is sufficient, in his acting or not acting to attain that good, thing, or state. In attempting to attain or obtain any state or thing, the actor thus reveals that he is in "short supply" of that state or thing. The attempt to attain or obtain something is the *not having* of a *wanted* thing, which is the same thing as a deficient or short supply.

From the insight that the individual values through action, and from the insight that he determines the state of his supply through action, we conceive that the *act* which is *striving to attain* or *aiming at an end* is the same act that reveals both what the actor values *and* the state of his supply. In attempting to attain something, the actor *values* that thing, and seeks for a *supply* of it. Thus, value and supply are necessarily related.

We can conceive that value and supply are necessarily related in human action in the manner indicated. This leaves a question about the notion of a "decrease" in value, which is part of the standard formulation of the law of marginal utility. The problem in conceiving that value "decreases" is that this implies two acts of valuation: the original valuation of some state or object ( $V-1$ ), and the "decreased" valuation of some state or object ( $V-2$ ). This takes us away from the formal analysis of action as such, and toward an analysis of the relationship between several actions. To the extent we consider two separate actions, we will find no necessary relationship such that an actor who values an object in one action ( $V-1$ ), must have an increased or decreased valuation of that object in a second action ( $V-2$ ). In other words, the notion of "decreasing value" implies a series of valuations and thus a series of actions. This is not the formal analysis of action as such, but instead an attempt to say something about the intertemporal relation of a number of actions.

One way to approach the notion of a decrease in value would be to conceive that the underlying logic of action manifests as a "decrease in value" in the fullness of complex action and in the fullness of empirical reality. If to strive for something is to value it, and if to attain something is to no longer strive for it, then to attain something is to no longer value it, meant in a purely formal sense. When we "attain" something (in the fullness of complex experience, the "new supply"), by formal logic, we no longer "value" that thing (in the fullness of complex experience, the "decrease in value"). The decrease in value which we experience upon attaining a supply or a unit of supply must occur, because to attain something is to not strive for that thing, which is identical to not valuing that thing. Thus, in empirically full or in complex action, value has "decreased."

This conception of the necessity in human action is similar to that provided in the car example. Here we would view the two phenomena which are "supply" and "value" as a-temporally related, and as necessarily implied or entailed in the act of "striving to attain." Praxeology, as the logic of action, seeks to demonstrate

those things necessarily related or entailed in some singular or unitary “means” which the actor intends to utilize for some purpose.

One purpose in outlining this conception of things is to demonstrate that praxeology is not discursive reasoning alone. We do reason. But the reasoning process we employ seeks to conceptualize a phenomenon that we continually refer to as we seek to consistently conceptualize it. Our concern is not the reasoning process alone, but the reasoning process directed toward the comprehension of a specific phenomenon: the regularities occurring in goal-directed action.

Historically, the pioneers of political economy (their version of praxeology) conceived their science as being grounded in the phenomena of individual experience, such that once an individual is told or reminded of them, he recognizes them immediately or upon modest reflection as being familiar to his experience.

It would seem that, if at all possible, a method of reasoning about and explaining human action for the benefit of acting individuals should aim to have its form and presentation made as near to the experience of the acting individual as possible. Ultimately, it is the acting individual who must make the information praxeology provides “his own” and come to understand that certain means he is contemplating have necessary accompaniments that must occur if the means are successfully attained.

For Professor Hoppe's correlates of argumentation to become scientifically meaningful, they eventually will have to become more than dialectically asserted. The link asserted to exist between argumentation and that which argumentation implies should in principle be discoverable outside the context of Professor Hoppe's discursive account of it. We should be able to find these relationships in the reality of our own action and consciousness, not merely in Professor Hoppe's essays.

Professor Hoppe has not considered and ruled out the possibility of treating the ethical means of individual actors in the same way praxeology treats the economic means of interventionism. The implicit assumption that such an approach is not feasible results in a departure from praxeology as the study of human action, and the adoption of a new enterprise: praxeology as simply reasoning from various assumed premises. Professor Hoppe's argumentation ethics takes the form of such aprioristic reasoning at the price of severing the relationship between the concepts of his argument and the recurring experiences of the individual actor as he lives them in the reality of his action.

We claim that this cannot be fixed by further reasoning and counter reasoning along the same lines. The problems stem from the abandonment of means-based praxeology and the adoption of an ends-seeking social theory. The ingenuity and complexity of this kind of theory cannot overcome its fundamental structural flaws.

# The Concept of Argumentation in Hoppe's Argumentation Ethics

A libertarian intellectual will recognize that by means of his argumentation ethic, Professor Hoppe seeks what we all seek regarding nonlibertarian ethical systems and proposals. Libertarian ethics theory aims to provide those who currently desire a nonlibertarian society selfish reasons for wanting a libertarian society. Stated another way, the theoretical goal is to show nonlibertarians why it is in their self-interest to become libertarians.

We do this when we show the nonlibertarian a previously unknown harm that necessarily attaches to his nonlibertarianism. This theoretical demonstration then provides the nonlibertarian (and all of us for that matter) new information about how we can improve our well-being—our “happiness”—by abstaining from what is causing us harm or may cause us harm. This procedure appears to be common to every ethics theory either implicitly or explicitly. Ethics theories try to demonstrate a connection between various kinds of interpersonal acts as they define them, and some harm or benefit to the actor. Libertarian ethics theories are no different from the ethics theories of the world religions or of socialism in this respect.

Professor Hoppe is a libertarian ethicist and so he attempts to demonstrate a necessary connection between nonlibertarian conduct and harm to the one so conducting oneself. He does this by trying to establish that, in arguing, a person implicitly acts consistent with libertarian ethics and, therefore, should a person be arguing against libertarian ethics, this person will be contradicting himself. This contradiction is the penalty or harm suffered by the one making nonlibertarian ethical proposals. In this essay, we address Professor Hoppe's attempt to define the concept of argumentation so that it is fitted to his purpose.

### **The Context of the Argumentation Ethics**

The argumentation ethics arises in a neo-Rothbardian context. Professor Rothbard believed that praxeology would be unable to make a compelling case for human liberty aside from market theory. (EL, pp. xvii, 12, 206–214) He believed that praxeology was an economic methodology—an approach to market phenomena—and not a science that could be extended to treat ethical phenomena as means. From this he concluded that an objective theory of ethics—one that treats human bodies and human property in their objective sense—would be needed to make the case for liberty. Professor Hoppe accepts much of what Professor Rothbard concludes and thus sets out to “justify” the libertarian private-property ethic in terms of objectively conceived bodies and property.

It is primarily because of the mistaken assumption that praxeology cannot treat *ethical means* within its traditional conceptual framework (methodological individualism, value subjectivism, formal relations, social laws of necessity) that an objective theory of ethics is turned to.

Professor Hoppe realizes that praxeology is a powerful theoretical tool, and he identifies the source of its power in the action axiom and in a priori reasoning. But having substantially accepted

Professor Rothbard's conclusion that praxeology is not suited for studying the phenomena of ethics, Professor Hoppe asks whether it might be possible to "justify" (a political term foreign to praxeology) the libertarian private-property ethic by the "axiomatic method."

In the context of Professor Hoppe's argumentation ethics, justifying the private-property ethic means attempting to reconceive praxeology to support an objective theory of things. Hoppe attempts to "fuse" Misesian praxeology with Rothbardian objective ethics. Toward the end of such a fusion, Professor Hoppe begins to develop the argumentation ethics by revealing some previously unknown aspects of the concept of argumentation. What follows is a discussion of Professor Hoppe's conception of argumentation as he conceives it on pages 65 and 66 of *Economic Science and the Austrian Method*.

### **A New Definition of Argumentation**

According to Professor Hoppe, the validity of the argumentation axiom is indisputable because "It is impossible to deny that one can argue, as the very denial would itself be an argument. In fact, one could not even silently say to oneself 'I cannot argue' without thereby contradicting oneself."

Hoppe thus introduces a new definition of argumentation. Typically we would conceive argumentation as an act of *social interaction*, an act requiring the presence of another "acting being" as understood by the one doing the arguing. The standard conception of argumentation is one wherein person *A*, the "arguer," believes he is addressing person *B*, a person who is an acting being and who experiences action in the same way *A* does. Typically argumentation is conceived as consisting of an arguer and an arguee where the arguee is another acting being.

Of course we can say that one argues with oneself, but as this is not the usual meaning of the term, it would be reasonable to ask for some explanation of why the concept needs to be changed.

Usually, we say we think to ourselves, reason with ourselves, and even talk to ourselves. One typically reports that one has had an *argument* with someone else and rarely reports having had an *argument* with oneself. Arguing in its plain sense implies trying to prove another wrong. It is somewhat foreign to use the concept of arguing as applying to oneself since *proving wrong* is usually something we attempt to do to another and not to ourselves. Arguing is an act of social interaction, not one of isolation.

This is important because normally one would indeed be able to say silently to oneself that one cannot argue without contradiction. For example, a person who has lost muscle control of the means of speech might silently say to himself "I cannot argue." Or, someone who is concerned that if he argues he may be shot, may say silently to himself "I cannot argue." There is no contradiction in saying silently to oneself "I cannot argue" in these cases, *unless the concept of argumentation is changed from its normal meaning.*

### **Reason Recast as Argumentation**

Professor Hoppe continues with a reconception of argumentation, but with no explicit reason for doing so. For example, he writes, "to recognize what has just been recognized regarding action and argumentation and their relation to each other requires argumentation" and, "without argumentation nothing could be said to be known about action." (ES, p. 66)

These statements are in obvious need of theoretical "justification" since they apparently use the term *argumentation* synonymously with *reason*. We could easily rewrite these passages as: to recognize what has just been recognized regarding action and argumentation

and their relation to each other requires *reason*. And: without *reason* nothing could be said to be known about action.

The point is there are already concepts such as *reason* that, by and large, accurately describe the phenomena Hoppe is referring to. But without explanation, he seems to want to use only the concept of argumentation to denote them.

Plainly stated, one does not argue with oneself, and one does not necessarily discover important things about the relations of human action by argumentation. One thinks to oneself, and one can reason about action absent "argumentation."

From the point of view of person *A*, argumentation refers to the presence of another acting being *B*, who receives the argument of person *A*. That is simply the standard concept of argumentation.

### **Hoppe's Bifurcation of Action**

From the point of view of Misesian praxeology, what is important about Hoppe's concept of argumentation is that "argumentation must be considered more fundamental than action" in some sense (ES, p. 66), and that argumentation—as fundamental to human nature as action—has an axiom all its own. Action and argumentation are to be considered now as the twin fundamental phenomena of recurring human experience. When we reflect on the recurring phenomena of our experience, and what is essential about it, we realize that not only do we "act," but we "argue."

This conception of things constitutes what can only be called a radical departure from the concept of human action as conceived by Mises, the person singularly identified with conceptualizing the phenomenon of *action* in the twentieth century. For Mises, action is aiming at ends. It is purposive, goal-directed conduct, irrespective of the particular ends pursued and irrespective of the particular means utilized. Mises doesn't conceive two sciences or two axioms, one for

the physical side of man and one for the mental side of man. For Mises, action is the singular phenomenon of *aiming at ends*, whether those ends are moving one's body from here to there, convincing someone of something, or trying to think through a problem. For Mises, thinking is an action: "this makes thinking itself an action, proceeding step by step from the less satisfactory state of insufficient cognition to the more satisfactory state of better insight." (HA, p. 99)

Hoppe simply fails to realize that the most basic definition of argumentation is that of "trying to" convince someone. This "trying to" is an *aiming at an end* or a *striving to attain*. It is action plain and simple. The science that deals with action deals with argumentation. The axiom that conceptualizes "aiming at ends" already conceptualizes argumentation. Everything contained in the concept of action applies to argumentation insofar as argumentation is aiming at an end, as Hoppe agrees that argumentation does.

To the extent that arguing is aiming at an end, then it is acting, and the act which is arguing is not categorically different from any other form of acting.

### **A Conjecture on the Possible Reason for a New Concept of Argumentation**

What may have led Professor Hoppe to conceive that "in this sense, argumentation must be considered more fundamental than action" is that he conceives action as "a cognitively guided adjustment of a physical body in physical reality." (ES, p. 70) Because Hoppe views *action as movement* (views "movement of a body" as implied in the very category of action), then it is possible he reasons that thinking is not an action to the extent that thinking isn't conceived as entailing physical movement. Then thinking or reason, to the extent they do not entail physical movement, are removed from the concept of action (because action for Hoppe is no longer aiming at ends *generally*, but is conceived as only those goal-directed

activities that entail moving a body through space). Then one can see the need to account for the phenomena of reason and thinking, since something like those things undoubtedly exists.

If those things formerly called reason and thinking are to be conceived as somehow coming into contact with "external reality," then reason and thinking may have to be reconceived in terms that include "movement" as an essential part of their definitions.

The concept "argument" may be intended as one which "combines" thinking and reasoning with the physical, "movemental" *means of arguing* (bodily gestures, mouth and tongue movements, hand gestures, facial-muscle movements, etc.). By the term "argument," Hoppe may mean *thinking* and *reasoning* combined with the bodily movements that express what is being thought or reasoned; or, thinking and reasoning, to the extent bodily movement is conceived as entailed in doing them.

Reasoning in this way, Professor Hoppe may be led to conceive the need for a new concept, argumentation, that treats thinking and reasoning as entailing physical movement in the same way he conceives action as entailing movement.

## **A Fundamental Break**

Regardless of Professor Hoppe's actual reasoning on the matter, his concept of argumentation and all that it implies represents a fundamental break with the Misesian concept of action. Mises's concept of action comprehends argumentation as a *form* of action. Argumentation is not something essentially different from any other kind of action. Mises's concept of action conceives thinking and reason as "congeneric" with action to the extent that they are aiming at ends (trying to figure something out, trying to solve a problem, trying to reach a conclusion, etc.). Mises's concept of action is not limited to those activities in which a body is moved from one position to another.

Professor Hoppe appears to believe that Mises's concept of action is deficient in important respects and in need of radical alteration. If this is the case, where is Hoppe's explanation of the deficiencies in Mises's concept of action?

# Mises's Formal Concepts: No Concept of Action as Movement of Bodies

Acting is a cognitively guided adjustment of a physical body in physical reality. (Hans-Hermann Hoppe, *Economic Science and the Austrian Method*, p. 70)

It is of primary importance to realize that parts of the external world become means only through the operation of the human mind and its offshoot, human action. External objects are as such only phenomena of the physical universe and the subject matter of the natural sciences. It is human meaning and action which transforms them into means. Praxeology does not deal with the external world, but with man's conduct with regard to it. Praxeological reality is not the physical universe, but man's conscious reaction to the given state of this universe. Economics is not about things and tangible material objects; it is about men, their meanings and actions. Goods, commodities, and wealth and all the other notions of conduct are not elements of nature; they are elements of human meaning and conduct. He who wants to deal with them must not look at the external world; he must search for them in the meaning of acting men." (Mises, *Human Action*, p. 92)

In the realm of libertarian ethics theory, Professor Hoppe has made the idea of a physical body the primary focus of his theoretical efforts. The apparent reason for his doing so is to arrive at a theoretical justification for the concept of “self-ownership” central to the libertarian private-property ethic. Professor Hoppe conceives that ownership of a physical thing—one’s own body—is the central concept of libertarian ethics and attempts to provide a theoretical construct or rationalization for the correctness of this conception.

The purpose of a theoretical focus on physical bodies is to provide a rational foundation for libertarian ethics. The focus on the *bodies* of actors, as opposed to the *values* or *intentions* or *purposes* of actors, results from a belief that the standard Misesian praxeological framework—treating ethical phenomena as means—is not an appropriate theoretical framework for studying the phenomena of ethics (phenomena such as lying, coercing, cooperating, commanding, punishing, imprisoning, etc.).

Regarding this original starting assumption, we can only repeat that there exists no demonstration that praxeology, as the science of means, cannot treat the ethical means of human conduct. That praxeology cannot do so successfully is indeed the implicit meaning of the attempts at an objective theory of ethics. But though Professor Rothbard believed praxeology could not successfully treat ethical phenomena, and though his students and successors follow him in this regard, they do so not having considered the idea of ethical means.

Coercion and dishonesty, two of the most important ethical means, require social interaction. Social interaction from the point of view of person *A* requires the presence of another “acting being,” person *B*. Thus, the means of coercion and dishonesty necessitate the presence of another acting being for the one utilizing those means.

All human action is not social interaction. Therefore, utilizing “ethical” means is a differentiable aspect of human action. For an

acting being, we assume that the necessary entailments involved in social interaction are different from those entailed in other kinds of action. The theoretical demonstration of what these necessary entailments are provides new information to the actor about the consequences of utilizing ethical (interpersonal) means; consequences that, were he to know about, might cause him to abstain from utilizing those means. Thus, praxeology, as the science of means, furthers human liberty by showing the actor a previously unknown necessary consequence to the means he was considering. He may possibly abstain from coercion, and abstain from dishonesty, if he were to learn that there are negative consequences that attach to these means.

But none of this is considered, and none of this has been explicitly ruled out as a possibility, by the objective ethicists and related social theorists. The fact that praxeology as it was conceived by Mises is unable to treat ethical phenomena is only an implicit working hypothesis of theirs. It is just a mistaken belief inherited from past thinkers. Professor Hoppe, departing from praxeology as the science of means, tries to integrate the objective notion *movement of bodies* into his social theory. In so doing, Professor Hoppe arrives at a "contentual" or physical conception of action that is essentially different from Mises's purely formal conception of human action. The following essay examines the differences between Professor Hoppe's and Professor Mises's conceptions of human action.

### **Mises's Concept of Action**

As one who conceived praxeology as a formal-deductive system similar to those of mathematics and formal logic, Mises conceived of action as a formal "category" without material content.

When on page three of *Human Action* he first begins to touch on the concept of action, Mises has in mind a concept of action that does not attempt to specify any particular content, but rather is purely formal and categorial in nature:

Choosing determines all human decisions. In making his choice man chooses not only between various material things and services. All human values are offered for option. All ends and all means, both *material and ideal issues*,....Nothing that men aim at or want to avoid remains outside of this arrangement into a unique scale of gradation and preference. (HA, p. 3; emphasis added)

The scope of praxeology is “human action as such....Its cognition is purely formal and general without reference to the material content and the particular features of the actual case.” (HA, p. 32)

Thus, from the very beginning, Mises proposes a formal concept of action that conceives acting man as aiming at ends, irrespective of the nature of those ends. Knowledge is an end (something aimed at); so is a physical location. Thinking is a means (a way to reach an end) and so is walking. It is this formal understanding of the categories of ends and means that Mises has in mind.

Action is not aiming at a physical end, or aiming at an ideal end; it is simply aiming at ends. The cognition of action is “the cognition of the fact that there is such a thing as consciously aiming at ends.” (UF, p. 5)

According to Mises, “thinking [is] itself an action.” (HA, p. 99) But one may ask, how can thinking be conceived as an action? Is not thinking aiming at an end, such as knowledge, or the solution to a problem? In thinking, isn't success or failure possible? Are there not “costs” associated with thinking—things we forego in thinking about something?

Mises writes: “[H]uman action stems from the same source as human reasoning. Action and reason are congeneric and homogeneous; they may even be called two different aspects of the same thing.” (HA, p.39) Thus, to the extent reason and thinking are

aiming at ends, they too are to be considered action in Mises's formal definition of the term.

### **Mises's Concept of Action as Nonspecific**

When Mises refers to action, he almost always does so by means of a formal, contentless expression. He says something like "preferring and setting aside" but not "preferring one idea to another idea." He says "substitute a more satisfactory state for a less satisfactory state" but not "substitute greater physical comfort for less physical comfort." He says "remove uneasiness as much as possible" but not "remove stressful thoughts as much as possible." He says "substitute a state that suits the actor better" but not "substitute the physical surroundings that suit him better." Time after time, Mises refers to a concept of action that is free of content and conceived formally.

The most common misunderstanding consists in seeing in the economic principle a statement about the *material* and the *content* of action. One...constructs the concept of want, and then searches for the bridge between want, the presentation of a feeling of uneasiness, and the concrete decision in action. (EP, p. 80; emphasis added)

Mises continues:

Thus the want becomes a judge over action: it is thought that the correct action, the one corresponding to the want, can be contrasted to the incorrect action. However, we can never identify the want otherwise than in the action. The action is always in accord with the want because we can infer the want only from the action. (EP, p. 80)

Here, we will provide one way to interpret Mises in these passages.

Let's say we agree that in human action there are "ends" and there are "means." Then in a social-scientific context, someone writes, "The actor decided that today he would strive after seven ends and twenty-two means."

Now we have to decide whether or not this is a correct conception of the concepts of ends and means. If this is a proper use of the terms, then an actor should, in principle, be able to strive after maybe only one or two ends a day, and spend the rest of his time striving after only means, or vice versa. However, in formal social science as Mises conceives it, this is not at all the meaning of the concepts of means and ends. Rather, in the formal conception of those terms, every means implies an end. In the formal system, an *end* is logically or formally implied in every *means*.

So when Mises says that we can identify the want only in the action, or infer the want only from the action, we interpret this as meaning essentially the same thing as "we can infer the end only from the means," or "we can identify the end only in the means." This is an important insight about formal social science and the logic of formal social science.

The point is that it is a common error to "hypostatize" the formal categories, imparting to them existence as material things. Mises is making a point along these lines.

The worst enemy of clear thinking is the propensity to hypostatize, i.e., to ascribe substance or real existence to mental constructs or concepts. (UF, p. 80)

Moving on to the primary categories of human action:

The most general prerequisite of action is a state of dissatisfaction on the one hand, and on the other, the possibility of removing or alleviating it by taking action. (EP, p. 24)

Regarding the concepts satisfaction/dissatisfaction (happiness/unhappiness, etc.) Mises writes, "That the concepts of pleasure and pain contain no reference to the content of what is aimed at, ought, indeed, scarcely to be still open to misunderstanding." (EP, p. 152)

Mises's conception of the action categories—pleasure/pain, happiness/unhappiness, satisfaction/dissatisfaction—is to be understood as a formal concept, not referring to the content of what is aimed at, or the content that is successfully attained as satisfaction for the acting individual.

While praxeology, and therefore economics too, uses the terms happiness and removal of uneasiness in a purely formal sense... (HA, p. 154)

Praxeology...applies the term happiness in a purely formal sense. In the praxeological terminology the proposition: man's unique aim is to attain happiness, is tautological. It does not imply any statement about the state of affairs from which man expects happiness. (HA, p. 15)

[M]any...failed to recognize the purely formal character of the notions *pain* and *pleasure*... (HA, p. 15)

In a section entitled "The Individual and Changing Features of Human Action," Mises writes,

The content of human action, i.e., the ends aimed at and the means chosen and applied for the attainment of these ends, is determined by the personal qualities of every acting man. (HA, p. 46)

In other words, the specific content of action (as opposed to the universal categories of action) varies from individual to individual. Praxeology is the science concerned only with the conceptualization

of the universal categories of human action and their necessary relations.

For Mises, “[t]o act means: to strive after ends.” (UF, p. 4) This is a formal concept, and no material content is implied or intended.

### **Mises's Concept of Action as Nonphysical**

In Misesian praxeology, reason and action are considered as two aspects of the same phenomenon (UF, p. 43; HA, p. 39), or both stemming from the same source. This source, when given a name by Mises, is the human mind. In Mises's conception, mind, reason, and action are not to be understood in a physical sense; rather, “[a]ction is a category that the natural sciences do not take into account.” (UF, p. 6)

For an understanding of Mises's concept of mind, and for an understanding of his concept of the category of action, it is important to realize that Mises conceives mind not in its material aspect, but only in its *categorical* aspect. Mises is not concerned with an object that exists within the head of an individual, but rather with the recurring phenomena of experience *of* the individual. That an individual experiences aiming at ends, and experiences the utilization of means toward those ends, and experiences satisfaction when ends are attained, is what Mises is getting at. He is not concerned with brains or physical processes.

Take for example Mises's description of the subject matter of praxeology:

The real thing which is the subject matter of praxeology, human action, stems from the same source as human reasoning. Action and reason are congeneric and homogeneous; they may even be called two aspects of the same thing. That reason has the power to make clear through pure ratiocination the essential features of action is

a consequence of the fact that action is an offshoot of reason. The theorems attained by correct praxeological reasoning are not only perfectly certain and incontestable, like the correct mathematical theorems. They refer, moreover, with the full rigidity of their apodictic certainty and incontestability to the reality of action as it appears in life and history. Praxeology conveys exact and precise knowledge of real things. (HA, p. 39)

Notice here that Mises says reason and action stem from the same source, but he is not concerned with naming or defining that source in physical terms. And notice how he conceives that the theorems of praxeology refer to "the reality of action..." This passage is largely *self-referential*.

Mises is saying something like "reason and action are two aspects of the same thing. Through reason, praxeology attempts to arrive at the laws or relations of action. Those laws or theorems, when correctly arrived at, apply to the reality of action."

He is not concerned with the biological or physical aspect of human existence, but only with the acting or reasoning aspect of it. He is not concerned with the physical location of any particular object, but rather with the categories of meaning in which objects appear for the individual actor. Mises does not attempt to describe how a physical brain produces thoughts and action; rather, he takes action and thinking as his starting point.

For Mises, an object or content of action will present to the individual actor with some meaning attached to it. Mises is interested in the object of a man's action only insofar as it has meaning to the individual in terms of cost, value, success, failure, etc.

Mises's concept of mind is essentially not tied to a physical body. This is not to say that Mises would deny that mind is related to body. But

it is to say that his concept of mind, *within the theoretical-praxeological framework*, is severed from body as far as theory goes.

Consider the following passages:

[T]he natural sciences do not know what the mind is and how it works and that their methods of research are not fit to deal with the problems dealt with by the sciences of human action. (UF, p. 56)

The gulf that in epistemology separates the events in the field investigated by the natural sciences from those in the field of thinking and acting has not been made narrower by any of the findings and achievements of the natural sciences. (UF, p. 55)

The natural sciences are unable to employ their methods for the analysis of the meaning a man attaches to any event... (UF, p. 116)

[M]an imputes his ability to think, to will and to act to an invisible and intangible factor he calls his mind. (UF, p. 11)

Mind or reason is contrasted with matter... (UF, p. 11)

Thus, Mises's concept of mind and action is clearly circumscribed. On the one hand, it is something that the natural sciences know nothing about (mind or reason is *contrasted* with matter) and something that is outside the bounds of their methods. On the other hand, this thing called mind is the thing that is "congeneric" and "homogeneous" with reason and with aiming at ends. The subject matter of praxeology is the logical relations of human meaning—ends, means, success, failure, costs, etc.—the nonphysical, nontangible meaning that the individual "attaches" to the reality that confronts him.

## Mises's Praxeology as the Logical Implications of Action

Mises's conception of the science of human action is succinctly outlined in his *Epistemological Problems of Economics*:

The starting point of our reasoning is not behavior, but action... (EP, p. 23)

The logical unfolding of all these concepts and categories in systematic derivation from the fundamental category of action and the demonstration of the necessary relations among them constitutes the first task of our science. (EP, p. 24)

The most general prerequisite of action is a state of dissatisfaction, on the one hand, and, on the other, the possibility of removing or alleviating it by taking action. (EP, p. 24)

Stated in its most simple form, Mises's concept of the science of human action is that, starting from the original phenomenon and concept of action (removing uneasiness), we attempt to deduce from this all that is implied by or contained in this concept.

The category of action, as something unknown to the physical sciences, is purely a category of human meaning, and the concepts of praxeology are human-meaning concepts such as happiness and unhappiness, means and ends.

[T]he reality the elucidation and interpretation of which is the task of praxeology is congeneric with the logical structure of the human mind. (UF, p. 65)

Remember that "human mind" does not mean "gray object inside a head," but rather that thing which "the natural sciences do not know what [it] is and how it works." (UF, p. 56) The task of praxeology is the elucidation and interpretation of a logical

structure that is entailed in conscious, goal-directed activity. This realm is not open to study by means of physical experiments.

The content of action, the actual objects and events that appear to the individual, are important for praxeology, but “only in order to separate those problems that are of interest for the study of man as he really is and acts from other problems that offer only a merely academic interest.” (UF, p. 42)

For Mises, praxeology is concerned only with those things (those aspects) that all instances of aiming at an end have in common. Each of these aspects of action may be called a “category.” The experiences of the acting individual manifest as, or manifest in terms of, these categories. A given object is either a means or an end for the individual. A given object gives the individual satisfaction or dissatisfaction, etc.

The theory of action constructed of such categories may then be applied to various concrete realms of human action. Thus, praxeology as catallactics (the study of market phenomena and exchange ratios) treats the business cycle, tariffs, wage laws, monopoly, etc. Praxeology as a theory of ethical phenomena would treat the means of interpersonal action such as coercion, dishonesty, discussion, cooperation, etc.

[T]his reference to experience does not impair the aprioristic character of praxeology and economics. Experience merely directs our curiosity toward certain problems and diverts it away from other problems. (HA, p. 65)

For example, in large urban areas we may notice a relatively high concentration of poor street vendors. Whether this concrete issue is deemed an important subject for scientific treatment compared to other aspects of urban life is a matter of individual experience. But regardless of the specific content of action—regardless of the

specific areas of life toward which we direct our study—according to Mises:

The scope of praxeology is the explication of the category of human action. All that is needed for the deduction of all praxeological theorems is knowledge of the essence of action. (HA, p. 64)

The only way to a cognition of these theorems is logical analysis of our inherent knowledge of the category of action. We must bethink ourselves and reflect upon the structure of human action. (HA, p. 64)

All the concepts and theorems of praxeology are implied in the category of human action. The first task is to extract and to deduce them, to expound their implications and to define the universal conditions of acting as such. (HA, p. 64)

### **Hoppe's Concept of Action**

According to Professor Hoppe, "Acting is a cognitively guided adjustment of a physical body in physical reality." (ES, p. 70)

For Hoppe then, action is not simply "cognitive guidance" or "cognitively guided adjustment." For Professor Hoppe, the primary phenomenon of action is not a purely formal category as it is for Mises. In Hoppe's conception, there is no action if a body is not guided in physical reality. Hoppean action entails a specific content, and when that content is absent, then too must action be absent.

The specification of a particular content of action diverges from Mises's formal concept which is devoid of content. In the Misesian conception, thinking and reasoning are forms of action to the extent they are activities aiming at an end, and ideal values are objects of action as much as material values. When someone thinks or reasons he acts, and when he pursues an ideal value such as honor, he acts

just as much as when he guides his body to a different location. So when Hoppe specifies the guiding of a body as essential to his conception of action, he conceives action in a way at fundamental variance with the concept proposed by Mises. For Hoppe, human activities such as thinking or reasoning are not actions; or, they are actions only to the extent that cognitive guidance of a physical body is involved.

Someone who is thinking, wishing, hoping, praying, etc., is not acting, or he is acting only insofar as he chooses to move or not move his body in a certain way. But, as action for Hoppe is an adjustment of a physical body, then thinking, wishing, hoping, or praying are not actions in themselves. We need to refer to the physical body of the person doing the thinking or wishing to see where his body is being guided.

For Mises, action, reason, and thinking are congeneric and homogeneous and may be considered two aspects of the same thing. For Mises, reasoning and thinking are forms of action, though Mises is unclear as regards hoping, praying, wishing, etc.

(However, as the individual hoping, praying, and wishing is utilizing a means [hoping, praying, and wishing] toward an end [whatever it is he is hoping, praying, or wishing for], our position will be that those too are to be considered as actions. To classify them other than as actions leads to an arbitrary definition of action whereby *some means* utilized toward ends are to be considered action, while *other means* utilized toward ends are not to be considered actions. This means that whether a given activity is an action depends on the particular means chosen or the particular ends striven for. We have then constructed a nonformal, nonuniversal concept of action which no longer refers to the general phenomenon of aiming at ends.)

## Hoppe's Action as Partly Physical Universe

For Professor Hoppe, action is the guidance of a physical body in physical reality. On its face, this idea can only be interpreted as meaning that the spatiotemporal location of physical bodies in extended space is the primary concern of praxeology. A body that is guided in physical reality is simply a body that relates spatiotemporally to other bodies, just as the planets do, just as atomic particles do, and just as all other physical objects do. This is the common understanding of a body in physical reality.

In Misesian praxeology, by contrast, the various parts of the physical universe enter into praxeology as content, generally in the following way:

Let's say that we take as the content of action a physical body. The formal praxeological scheme of concepts consists of "human-meaning" concepts such as means, ends, satisfaction, dissatisfaction, etc. Then, if the objects of the physical universe are treated by praxeology, they are treated as contents within the system of human meaning concepts. The entity which is "a body" is considered from the point of view of human-meaning and not from the point of view of its "objective" or "physical" existence. It is considered from the point of view of its "subjective meaning" to the individual concerned.

In praxeology, "a body," as an object of human action, must be constituted in some manner by the categories of action, since praxeological theory contains only categories deduced from the category of action. "A body" must then be a *means* of the actor, or an *end* of the actor, or constitute *satisfaction* for the actor, or constitute *dissatisfaction* for the actor, etc.

In this way, the objects of the "physical universe" enter into the praxeological conceptual scheme as having a certain meaning to individual action.

This is how we may understand Mises when he writes:

It is of primary importance to realize that parts of the external world become means only through the operation of the human mind and its offshoot, human action. External objects are as such only phenomena of the physical universe and the subject matter of the natural sciences. It is human meaning and action which transform them into means. Praxeology does not deal with the external world, but with man's conduct with regard to it. Praxeological reality is not the physical universe, but man's conscious reaction to the given state of this universe. Economics is not about things and tangible material objects; it is about men, their meanings and actions. Goods, commodities, and wealth and all the other notions of conduct are not elements of nature; they are elements of human meaning and conduct. He who wants to deal with them must not look at the external world; he must search for them in the meaning of acting men. (HA, p. 92)

Praxeology constructs a system of such meaning concepts absent their content. Content that is interpreted in terms of this formal scheme is interpreted in terms of these concepts and no others.

It's not that physical things do not exist, or that physical descriptions of things are not important. It is rather that praxeology, beginning from the category of action, and deducing only from the category of action, only describes and conceives things in terms of action. Praxeology is not physics or biology.

External objects are as such only phenomena of the physical universe and the subject matter of the natural sciences. It is human meaning and action which transforms them into means....*Economics is not about things and tangible material objects*; it is about men, their meanings and actions....Goods, commodities, and wealth and all the other

notions of conduct are not elements of nature; they are elements of human meaning and conduct. He who wants to deal with them must not look at the external world; he must search for them in the meaning of acting men. (HA, p. 92; emphasis added)

To make our meaning more clear, let us take Hoppe's notion of action as a cognitively guided adjustment of a physical body in physical reality. In Mises's conception of praxeology, all of the concepts of Hoppe's definition of action would, in principle, have to be deducible from the category of action. The category of action does not contain reference to any physical theory or hypothesis about the nature of objective or physical reality. In other words, whether or not there are such things as "physical bodies" or "physical reality" is not something that is necessarily deducible from the category of action. In fact, the notion that there exist physical bodies and physical reality in the objective sense, as objects that exist independent of any consciousness, is the underlying assumption of physical science (at least classical physics). This assumption essentially *differentiates* physical science from praxeology—praxeology deducing from the category of action, and disregarding any particular hypothesis about the ultimate nature of objective or physical reality.

To introduce a particular physical interpretation of objective nature into the chain of praxeological reasoning is to introduce the notion of a physical reality different from the reality confronting the individual subject. This subtly changes the goal of the theoretical endeavor, from the study of the logical relations entailed in the individual's attempt to improve his condition, to the study of whether the individual's conduct is "rational" or "correct" from an observational point of view (from the point of view of an observer who claims greater knowledge of the physical world). These are two fundamentally different theoretical endeavors.

Hence, the idea of an action not in conformity with needs is absurd. As soon as one attempts to distinguish between the need and the action and makes the need the criterion for judging the action, one leaves the domain of theoretical science, with its neutrality in regard to value judgments. It is necessary to recall here that we are dealing with the theory of action, not with psychology, and certainly not with a system of norms...Our data are actions and conduct...For there can be no doubt that its subject matter is given action and only given action. Action that ought to be, but is not, does not come within its purview. (EP, p. 149)

It is not a coincidence that Hoppe introduces physical conceptions into his theory of action and that in the same theory he seeks to validate or justify particular norms.

### **The First Task of the Science of Human Action**

According to Mises, the first task of praxeology is “[t]he logical unfolding of all these concepts and categories in systematic derivation from the fundamental category of action and the demonstration of the necessary relations among them...” (EP, p. 24) Mises's conception is that, starting from the fundamental category of action, we begin to deduce what the category of action necessarily entails.

An example of this is when we conceived that if there is aiming at ends, then there must also be aiming “away” from something. If there is a “trying to” arrive at a more satisfactory state, then there is a “trying to” leave a less satisfactory state. If there is a more satisfactory state and a less satisfactory state, then there are two possible states. If an acting being can change from a less satisfactory state to a more satisfactory state, then this suggests the possibility that he may also change from a more satisfactory state to a less satisfactory state, etc.

Given this procedure and given action as a category, we try to construct a logical system that is “consistent and free of contradictions because it implies the coexistence of all its parts and theorems.” (HA, p. 103)

Notice how the reasoning process beginning from the category of action is made more simple and clear the more simple and clear our original conception of action is. And notice how the possibility exists for a formal reasoning process that proceeds without content when the original axiom is simple and relatively clear.

For example, continuing with the above reasoning process in regard to the original axiom, we can conceive that if the satisfactory state has been “attained,” then the less satisfactory state has been “vacated,” so to speak. Thus, in principle, it is possible to continue on like this in a “formal” manner, without specifying any content. If we conceive that action is “striving to attain,” the concrete thing striven for is not referred to in the formal system (e.g., striving to cross the street, striving to overcome a cold, striving to solve a problem, etc.).

This *kind* of process is what Mises has in mind, regardless whether his concept of action is exactly the same as ours, regardless of his unique conception of the various categories of action, and regardless of the other incidental or accidental features of his conception of human action and praxeology.

Mises’s conception of praxeology is one of constructing a logical system consistent with the original premise or axiom of action (aiming at ends).

In an *a prioristic* science, we start with a general supposition—*action is taken to substitute one state of affairs for another*. This theory—meaningless to many—leads to other ideas that become more and more understandable and less abstract. (FM, p. 16)

If the system is logically consistent, and if an individual aims at ends, then praxeological theory provides information on what such aiming at ends must entail.

The theorems attained by correct praxeological reasoning are not only perfectly certain and incontestable, like correct mathematical theorems. They refer, moreover, with the full rigidity of their apodictic certainty and incontestability to the reality of action as it appears in life and history." (HA, p. 39)

If the "given situation" conforms to a certain pattern, certain other features must also be present, for their presence is "deducible" from the pattern originally postulated. (LR, p. 122)

### **A Question of Starting Axioms**

As we have written elsewhere, there is a fundamental difference between a "formal" and "material" entity. If we consider the mathematical conception of "line," this is different from a line drawn on paper. One entity is conceived as an "idea" or "ideal entity" having no material existence; the other is conceived as a "real" or physical entity having a material existence. This same idea is evident in Mises's reasoning when he remarks on a distinction between mental constructs and physical entities:

The worst enemy of clear thinking is the propensity to hypostatize, i.e., to ascribe substance or real existence to mental constructs or concepts. (UF, p. 80)

The primary concepts of action—aiming at ends, satisfaction/dissatisfaction, etc.—are formal concepts intended to be devoid of material content. The purely formal nature of these concepts is what allows a deductive-logical system to be constructed that, when free of contradictions, can impart knowledge to the individual actor in much the same way as the

logical sciences of mathematics or formal logic can impart knowledge.

To insert a material object as a part of the formal scheme is to make a fundamental mistake in reasoning and to misunderstand what is being undertaken by the construction of such a deductive system.

We can easily understand that  $[\text{body}] + [\text{body}] = 2[\text{body}]$ .

But we change our method of thinking about things radically and essentially, if we try to replace the bracket symbol or the plus symbol or the equal symbol with the word "body."

In so doing, we try to use a material object as a formal concept. Perhaps doing something like this cannot be ruled out entirely or perhaps it can. But at the very least, the attempt to do so as a means of arriving at consistent and meaningful knowledge requires some explanation, since it involves the "mixture" of formal and material elements in a way that seems to lack clear meaning. In the formal sciences, there is a clear distinction between the formal system of concepts and the content or material to which they apply.

Professor Hoppe is apparently proposing to undertake a deductive reasoning process beginning from concepts that are material in nature. Whether this is possible is one question. But it is beyond doubt that his original concept of action, and the method of procedure it implies, parts ways with Misesian praxeology and becomes an enterprise of an entirely different nature.

# The Argumentation Ethics and Human Well-Being

## Introduction

Whether implicitly or explicitly, a theory of ethics puts forth some conception of a relationship between human conduct and human well-being. Writing about the relationship between economics and human well-being, Mises writes:

The great problem with which economics has been incessantly occupied since its founding in the eighteenth century is the establishment of a relationship between human well-being and the valuing of the objects of economic action by economizing individuals. (EP, p. 169)

And in regard to ethics, Professor Hoppe's mentor, Murray Rothbard, writes:

In a significant sense, then, natural law provides man with a "science of happiness," with the paths which will lead to his real happiness. (EL, p. 12)

Both thinkers view their respective disciplines as ultimately addressing the relationship between human conduct and human well-being. In this essay we examine the extent to which a theory of well-being underlies the argumentation ethics of Professor Hoppe.

## The Libertarian Private-Property Ethic

The focus of almost all contemporary libertarian ethical theorizing is the libertarian private-property ethic, and Professor Hoppe views his argumentation ethics as a justification *for* the libertarian private-property ethic.

As it is typically conceived, the libertarian private-property ethic is not a science of ethical phenomena, but rather an argument for a specific social arrangement. It is an argument for specific social institutions and for specific conduct. The private-property ethic is not intended as a scientific framework for conceiving regularity in the copresence and succession of the myriad types of ethical conduct and ethical phenomena. Rather it is a proposal for a specific type of such conduct. When ethics science is properly understood, then the specific modes of conduct proposed by any particular ethic are the subject matter of the general science of ethical phenomena. Ethics science treats the various methods or types of social interaction, and the private-property ethic is a proposal for a particular type of social interaction.

However, to the extent that the libertarian private-property ethic is based on an underlying or implicit social theory—a theory of social cause and effect—then it is based on some notion about the relationship between human conduct and human well-being. Libertarian ethicists believe that the establishment of libertarian society and the establishment of libertarian ethics *will lead to* something good, positive, or beneficial to human well-being. Though the libertarian private-property ethic itself does not constitute a science of ethical phenomena, those who support this ethic subscribe to some implicit or explicit theory of social *cause and effect*. They believe that conduct in accord with the private-property ethic results in things beneficial to human well-being. Effectively, they believe that their particular chosen social arrangement and proposed social conduct (the private-property ethic) is supported by an underlying theory of social cause and

effect (is supported by an underlying science of ethical phenomena).

The problem, of course, is in demonstrating that underlying scientific cause and effect.

### **Ethical Cause and Effect**

The context in which Professor Hoppe's argumentation ethics is presented is one in which no demonstration has yet been given regarding necessity in ethical acts. To date, there are no known laws of man's ethical nature, and thus no necessary connection between the various types of ethical behavior and human well-being. Professor Hoppe's argumentation ethics is an attempt to demonstrate some kind of incontestable result as accompanying specific ethical acts. The argumentation ethics is an attempt to provide that underlying cause-and-effect necessity upon which libertarians may base their already-existing belief that the private property ethic is the correct social arrangement as against other proposed social arrangements.

Of course there are other ethics theories and other proposed ethics systems. The religious and the socialist ethics systems are two important examples. Each of these social theories proposes its own version of social cause and effect. The adherents of each of these social theories believe they know what will happen to society and to individuals who do not adhere to or conform to their ethics system. Each of these social systems is advocated by learned scholars whose job it is to find the weaknesses in the social theories of the other schools.

Ultimately, finding the weakness in the social theory of an opposed ethical school entails locating that part of the theory where necessary cause and effect is asserted or implied. If it can be shown that a particular ethics theory has failed to demonstrate necessary cause and effect, then one must admit that the actor may take

actions at odds with the theory, and results different from that taught by the theory may result. If the negative consequences accompanying unethical acts are not necessary, then one may behave in ways deemed unethical by the theory in question, and yet good things—things deemed positive or beneficial—may befall one. This follows when necessity cannot be established with respect to ethical acts.

That is why Mises spends so much time on epistemological issues and on establishing his conception of human action and praxeology. He seeks to ground his social theory in a general theory of necessity. And he does this by conceiving social science as closely mirroring the logical structure of the human mind (mind not as physical object, but rather mind considered as congeneric and homogeneous with reason and thinking). Murray Rothbard too seeks to ground his libertarian ethics in a general theory of social necessity. He seeks to do so by conceiving the positive body of libertarian laws as flowing from the underlying natural laws of man's nature. Unfortunately, he failed to establish those natural laws of man's ethical nature before going on to elaborate an entire body of libertarian positive laws.

Professor Rothbard begins his book *The Ethics of Liberty*, conceiving that "the natural law is discovered by reason from 'the basic inclinations of human nature...absolute, immutable, and of universal validity for all times and places'" (EL, p. 17) and that "natural-law theorists derive from the very nature of man a fixed structure of law independent of time and place, or of habit or authority or group norms." (EL, p. 20)

But though these are the general aims and general goals of a science that Professor Rothbard indicates his positive laws are to be based on, *The Ethics of Liberty* does not contain a theory of natural law, but rather a theory of "libertarian law." (EL, p. xlviii) *The Ethics of Liberty* is not a book about the universal and immutable laws of man's nature; it is a book about a desire for a particular social arrangement. It is a book seeking to establish an "authority or group

norm[s].” It is a book that seeks to arrive at a specific “regime and institutions” and seeks to establish its own unique “status quo” and “traditional custom.”

In arguing for a particular type of social arrangement—arguing for specific norms and institutions—Professor Rothbard thus argues for precisely the same thing he claims that natural law is supposed to be used to invalidate and harshly criticize.

[N]atural law to be used as a guidepost for shaping and reshaping whatever positive law may be in existence. (EL, p. 17)

[T]he individual, armed with natural law moral principles, is then in a firm position from which to criticize existing regimes and institutions, to hold them up to the strong and harsh light of reason. (EL, p. 19)

[N]atural law discoverable by reason is a potentially powerful threat to the status quo and a standing reproach to the reign of blindly traditional custom... (EL, p. 17)

[I]t holds the existing status quo, which might grossly violate natural law, up to the unsparing and unyielding light of reason. (EL, p. 17)

Obviously Professor Rothbard does not mean that natural law should be used to invalidate *his* proposed libertarian laws. If Professor Rothbard’s libertarian laws grossly violate natural law, then he probably should not be proposing them, and no one should be trying to implement them. It is obvious Professor Rothbard believes that what he proposes in *The Ethics of Liberty* is something largely in line with the natural laws of man’s nature. He believes that natural law will confirm the correctness of *his* vision of libertarian law and invalidate *other* proposed systems of law. When Rothbard writes, “Let us hammer out...a...natural-law and natural-

rights standard to which the wise and honest may repair,” (EL, p. 26) he means that *his* proposed laws are those that natural law requires, while the laws proposed by others are to be considered unwise or dishonest.

### **The Problem with Natural Law**

Thus, what natural law is and what it says are of crucial importance for the validity and legitimacy of Professor Rothbard's positive libertarian laws, because his own theory states that natural law is “to be used as a guidepost for shaping and reshaping whatever positive law may be in existence.” (EL, p. 17) Since Professor Rothbard is proposing a body of positive law, it could be that natural law would require an essential reshaping of what Rothbard himself proposes. It is even possible that Professor Rothbard's positive law “grossly violates” natural law. Until natural law is established, this has to be considered a real possibility.

Regarding *The Ethics of Liberty* and the discovery of natural law itself, Professor Rothbard writes, “Hence, it does not try to prove or establish the ethics or ontology of natural law, which provide the groundwork for the political theory set forth in this book. Natural law has been ably expounded and defended elsewhere by ethical philosophers.” (EL, p. xlviii)

Thus, Professor Rothbard did not believe it was his task as a social scientist to establish the ethical laws of man's nature. Instead he saw his as the derivative task of interpreting and advocating what the laws of man's nature indicate about positive law.

However, there is a problem in that the actual laws of man's ethical nature have not been established. The obvious question is, what is the status of a body of positive laws based on the natural laws of man's nature, when the natural laws of man's nature have not yet been established? One wonders how Professor Rothbard would have answered this simple question.

Regarding the natural laws of man's nature that Professor Rothbard indicates have been ably expounded elsewhere, it certainly would be fair and reasonable to expect an enumeration of them in the opening pages of *The Ethics of Liberty*. All Professor Rothbard would have to do is indicate the existence of some of the specific natural laws of man's nature and perhaps point us to the appropriate source material. This would only take a page or two and would perhaps look something like the short list of economic propositions and laws that Professor Hoppe lists on pages 14 and 15 of *Economic Science and the Austrian Method*.

That Professor Rothbard says natural law has been ably expounded but yet cannot produce even one law of man's ethical nature gives us strong reason for believing that no such laws of man's ethical nature are known to exist. There are *economic* laws of man's social nature, but there are no known established *ethical* laws of man's nature.

To understand the reasons why this is so, let's consider a typical idea about natural law according to a passage provided by Professor Rothbard. He provides the following quotes from John Wild:

In answer we may point out that their [natural law] view identifies value not with existence but rather with the fulfillment of tendencies determined by the structure of the existent entity. Furthermore, it identifies evil not with non-existence but rather with a mode of existence in which natural tendencies are thwarted and deprived of realization....The young plant whose leaves are withering for lack of light is not nonexistent. It exists, but in an unhealthy or privative mode. The lame man is not nonexistent. He exists, but with a natural power partially unrealized.... This metaphysical objection is based upon the common assumption that existence is fully finished or complete....[But] what is good is the fulfillment of being. (EL, p. 13)

[T]he factual needs which underlie the whole procedure are common to man. The values founded on them are universal. Hence, if I made no mistake in my tendential analysis of human nature, and if I understand myself, I must exemplify the tendency and must feel it subjectively as an imperative urge to action. (EL, p. 14)

There is nothing wrong with this passage from Wild when we consider it for what it is. Essentially this is a vision or idea of the proposed aim or goal of natural law. Natural law, according to this idea, investigates and tries to discover the “fulfillment tendencies” of an entity based on the entity’s structure. For example, what we call our moral sense can fairly be described as a feeling we have about our own moral “fulfillment tendencies.” When we lie to a loved one and feel guilty about it, this is an example of a fulfillment tendency. The “guilt” is a kind of “pain” or “unhappiness” and alerts us that in order to (let’s say) fulfill our tendency to happiness, we should not lie to a loved one. So there is nothing wrong with Wild’s passage—as a vision of an overall program for natural law.

The problem, of course, is to establish just exactly what man’s fulfillment tendencies are and just exactly what the structure of the entity man is. This is the problem. Agreement that this is the problem does not itself constitute a science or establish the laws of man’s nature. Agreement that this is the problem constitutes the very starting point of ethics science. What constitutes the beginning of the science is the intuitive feeling that there are certain moral tendencies and that man is an entity of a specific structure. But the science itself is the accurate and logically consistent theory of exactly what those tendencies and structures are. And the science is the ascertaining of the “laws” resulting from man’s nature as thusly defined. The laws of man’s nature then become the accurate and logically consistent demonstration of what must necessarily result when conduct is not in accord with the structure or fulfillment tendencies of man’s nature. That would be natural law as a science, compared to natural law as a vision.

Writing in *Theory and History*, Mises says about natural law:

Long before the Classical economists discovered that a regularity in the sequence of phenomena prevails in the field of human action, the champions of natural law were dimly aware of this inescapable fact...the idea that a nature-given order of things exists to which man must adjust his actions if he wants to succeed [and] the only means available to man for the cognizance of this order is thinking and reasoning, and no existing social institution is exempt from being examined and appraised by discursive reasoning. (TH, p. 45)

But neither utilitarianism nor any of the varieties of the doctrine of natural law could or did find a way to eliminate the conflict of antagonistic judgments of value. It is useless to emphasize that nature is the ultimate arbiter of what is right and what is wrong. Nature does not clearly reveal its plans and intentions to man. Thus the appeal to natural law does not settle the dispute. It merely substitutes dissent concerning the interpretation of natural law for dissenting judgments of value. (TH, p. 49)

This passage from Mises speaks directly to Rothbard's attempt to claim natural law as the basis of his libertarian positive laws. Natural law does not support Rothbard nor does it contradict him. Natural law, as a body of science, does not exist. It is only a program or suggestion for eventually establishing laws of man's nature based on the particular type of entity man is. But natural-law philosophy has not discovered any laws, as their absence from Rothbard's book attests.

When Professor Rothbard appeals to natural law, as Mises correctly states, he simply substitutes dissent concerning the interpretation of natural law for dissent concerning the laws various groups and individuals want to implement.

## The Problem of “Justifying” Rothbard’s Private-Property Ethic

It is against this backdrop of an insufficient scientific basis for Rothbard’s private-property ethic that Professor Hoppe conceives his argumentation ethics as a way to extend a praxeological bridge across the intellectual divide, from Mises as deductive social scientist, to Rothbard as objective ethicist.

I want to outline an argument that demonstrates... how...the—essentially Lockean—private property ethic of libertarianism can ultimately be justified... this argument then supports the natural rights position of libertarianism as espoused by...Murray N. Rothbard—foremost in his *Ethics of Liberty*...it is Mises, and his idea of praxeology and praxeological proofs, who provides the model. (EE, p. 204)

Thus, Professor Hoppe seeks to provide a rational foundation (a “justification”) for Professor Rothbard’s positive ethics, utilizing ideas from Mises’s praxeology. Professor Hoppe seeks the support of Misesian praxeology, the Wertfrei formal science of human conduct, to uphold the personal value judgments of Murray Rothbard, who for his part urges his followers to “cast out the hobgoblins of *Wertfreiheit*.” (EL, p.26)

### The Problem

The problem that Professor Rothbard left behind for his followers is not to be found in the insufficiency of positive prescriptions and proposals for definite social arrangements. The problem that he bequeathed his followers is the absence of a scientific basis *for* those prescriptions. Professor Rothbard himself believed that such a rational basis was necessary, and that is why he indicated natural law was to fulfill this purpose. But as his students and followers must know, to this day there is still no natural-law science of man’s nature, though *proposals* are made for how this might one day be

accomplished. (see Rasmussen, "A Groundwork for Rights: Man's Natural End," *The Journal of Libertarian Studies*, Winter, 1980)

Professor Rothbard indicated that natural law, and the positive laws arrived at in consideration of natural law, "provides man with...the paths which will lead to his real happiness." (EL, p. 12) In this we see the universally recurring feature of all ethics theories—the assertion that a specific mode of conduct (in this case libertarian ethical conduct) will result in a specific impact on well-being (in this case the real happiness of those adhering to the libertarian ethic). This proposed connection is the essential problem of ethics that Professor Rothbard did not demonstrate but said "has been ably expounded and defended elsewhere by ethical philosophers." (EL, p. xlvi)

One can gauge how powerful an effect the universal elements of social theory exert. Because even though Professor Rothbard specifically states that the natural laws of man's nature are to be established by other natural-law philosophers separate from his presentation of libertarian positive laws, he still finds it necessary to revisit the essential problem of natural law and try to indicate a solution. So important is the idea of trying to establish a scientific connection between human conduct and human well-being that Professor Rothbard feels compelled to try to do so, even though he has already indicated that this is not the purpose of his book.

He first says, regarding his book:

[I]t does not try to prove or establish the ethics or ontology of natural law, which provide the groundwork for the political theory set forth in this book. (EL, p. xlvi)

and

It is not the intention of this book to expound or defend at length the philosophy of natural law, or to elaborate a natural-law ethic for the personal morality of man. (EL, p. 25)

But then on page 32, Professor Rothbard introduces his concept of Crusoe to indicate the ultimate foundation for libertarian ethics. With his Crusoe example, Professor Rothbard tries to establish the natural-law basis for ethics but ends up only restating the essential problem that natural law has not been able to solve:

Suppose now that Crusoe is confronted with a choice of either picking berries or picking some mushrooms for food...when suddenly a previously shipwrecked inhabitant, coming upon Crusoe, shouts: "Don't do that! Those mushrooms are poisonous."....Both men have operated on an assumption so strong that it remained tacit, an assumption that poison is *bad*, bad for the health and even for the survival of the human organism—in short, bad for the continuation and the quality of a man's life. In this implicit agreement on the value of life and health for the person, and on the evils of pain and death, the two men have clearly arrived at the basis of an ethic, grounded on reality and on the natural laws of the human organism.

If Crusoe had eaten the mushrooms without learning of their poisonous effects, then his decision would have been *incorrect*....If Crusoe, on the other hand, had known of the poison and eaten the mushrooms anyway...then his decision would have been *objectively immoral*.... (EL, p. 32; emphasis added)

In these passages, Professor Rothbard indicates how one might attempt to arrive at objective values. These passages constitute a microcosm, so to speak, of a proposed method for arriving at an objective theory of values and an objective theory of ethical conduct.

Professor Rothbard seems to be saying that poison is to be considered objectively bad. And by this we would understand that poison is to be considered an immutable and universal bad, to be

avoided at all times and at all places. But what if the poison can be used in combination with other substances for human medicinal purposes? Or what if, when mixed with sugar, it can be used to poison rats, bugs, snakes, or other animals which threaten Crusoe?

Professor Rothbard seems to be saying that knowingly eating poison is objectively immoral. And by this we would understand that knowingly eating poison is to be considered an immutable and universal immoral act, to be avoided at all times and at all places. But what if Crusoe's family is hiding on the other side of the island and Crusoe sees a tribe approaching him, which tribe is known for brutality and torture. What if he takes the poison to avoid being tortured into divulging the location of his family?

Professor Rothbard is trying to construct a theory of objective values. These are values that are to be universally sought or universally avoided at all times and all places.

Here is what Mises says about this general idea:

Since nobody is in a position to substitute his own value judgments for those of the acting individual, it is vain to pass judgment on other people's aims and volitions. No man is qualified to declare what would make another man happier or less discontented. The critic either tells us what he believes he would aim at if he were in the place of his fellow; or, in dictatorial arrogance blithely disposing of his fellow's will and aspirations, declares what condition of this other man would better suit himself, the critic. (HA, p. 19)

Insights such as these led Professor Rothbard to complain that Mises was an "opponent of any sort of objective ethics." (EL, p. 206)

Regarding Crusoe on his desert island, who is to decide whether he should use poison and for what purposes? Who is to decide whether using it will further his life and aims? Professor Rothbard seems to be

saying that the objective ethicist is to decide. Using poison is bad, and taking poison is immoral, and these objectively so.

Here we have to keep in mind that Professor Rothbard explicitly puts forth a nonsubjectivist theory of ethical norms and disavows Wertfreiheit. He is not interested in looking at values according to their “subjective use” for the individual concerned; rather, he is interested in establishing an “objective scale” of values. So we cannot interpret his theory as saying that poison is good when its subjective use to the individual concerned increases his well-being. And we cannot interpret his theory as saying that knowingly taking poison is a moral act, when the subjectively valued end (the well-being of one’s family, for example) is viewed as more important than one’s own life. No, Professor Rothbard is proposing a rigid scale of objective values, not a theory of subjective values.

Writing about the same notion, but in a slightly different context, Mises continues,

It is usual to call an action irrational if it aims, at the expense of “material” and tangible advantages, at the attainment of “ideal” or “higher” satisfactions. In this sense people say, for instance—sometimes with approval, sometimes with disapproval—that a man who sacrifices life, health, or wealth to the attainment of “higher” goods—like fidelity to his religious, philosophical, and political convictions or the freedom and flowering of his nation—is motivated by irrational considerations. However, the striving after these higher ends is neither more nor less rational or irrational than that after other human ends. It is a mistake to assume that the desire to procure the bare necessities of life and health is more rational, natural, or justified than the striving after other goods or amenities. (HA, p. 19)

If we substitute the term *immoral* for the term *irrational* above, then what Mises writes is applicable to Rothbard's Crusoe example. Here we can see a mistake that Professor Rothbard makes, and which natural law and natural law-related theories seem unable to satisfactorily explain. In attempting to base their theory of objective values on "the natural laws of the human organism," (EL, p. 32) they tend to treat only the physical side of human nature, neglecting the "mental" side. ("Mind" in the sense of ideas, thinking, and reason, not in the physical sense of "brain.") In Professor Rothbard's Crusoe example, one sees that he is trying to construct an ethics theory based on the biological aspects of human existence. And this leaves the theory unable to account for *ideal* aspects of human existence. This is a theory that does not take things such as *honor*, *integrity*, and the other ideal ends of man's activity into account. The objective theory seems to treat these things as unreal or merely derivative in some sense. And so the theory is unable to provide a satisfactory explanation of why it could be moral for one to harm oneself physically.

Mises writes:

The impulse to live, to preserve one's own life, and to take advantage of every opportunity to strengthen one's vital forces is a primal feature of life, present in every living being. However, to yield to this impulse is not—for man—an inevitable necessity...Man is capable of dying for a cause or of committing suicide. To live is for man the outcome of a choice, of a judgment of value. (HA, p. 19–20)

Thus, when Professor Hoppe seeks to justify Professor Rothbard's positive ethics theory, this is the primary theoretical shortcoming in need of repair.

As indicated in the first twenty pages of *The Ethics of Liberty*, the problem that natural law or any ethics theory must solve involves arriving at an accurate and consistent conception of man's nature

and of the laws of man's nature and of what is beneficial or detrimental to man (what makes him happy or unhappy). Then one can, by means of this conceptual structure, just as in praxeological economics, demonstrate the necessary relations inherent in various modes of conduct. In Professor Rothbard's words:

The complex that we may build up of these laws may be termed the structure of *natural law*. (EL, p. 10)

This structure of natural law then demonstrates how:

...when these various things meet and interact, a specifically delimitable and definable *result* will occur. In short, specific, delimitable *causes* will have specific, delimitable *effects*. The observable behavior of each of these entities is the law of their natures, and this law includes what happens as a result of the interactions. (EL, p. 9–10)

Natural-law ethics establishes cause and effect regarding the ethical acts of man.

Thus, what is missing from Professor Rothbard's ethics is not a dialectical rationalization or proof per se. Rather, what is missing is an accurate and noncontradictory demonstration of how adhering to the libertarian private-property ethic necessarily leads to man's happiness and how not adhering to it necessarily leads to his unhappiness. What's missing from Professor Rothbard's ethics is an accurate and consistent theory of the nature of man and a theory of the relationship between various types of conduct and man's well-being.

### **Hoppe's Conception of Human Nature**

Ultimately, all ethics theories are based on some conception of man's nature and assert some relationship between ethical conduct and human well-being. When Professor Hoppe sets out to justify the

libertarian private-property ethic, eventually, whether implicitly or explicitly, he must address these universal elements of ethics theory.

Professor Rothbard indicated that natural law would be his source for providing the precise nature of man. He provided his example of Crusoe to demonstrate his understanding of how natural law would try to arrive at objective values and eventually establish the objective value which is the libertarian private-property ethic. But Professor Rothbard's followers possibly sense that his Crusoe example is deficient as a scientific concept, since it cannot explain the actual choices that real people might and do make. In addition, natural-law philosophy has not established exactly what man's nature is and has not established any laws of man's ethical nature.

Professor Hoppe's solution is to conceive of man's nature in terms of "argumentation." But Professor Hoppe does not conceive of argumentation in the normal sense. By argumentation he means virtually any internal thought and virtually any external utterance: "In fact, in producing any proposition, overtly or as an internal thought, one demonstrates one's preference for the willingness to rely on argumentative means in convincing oneself or others of something." (EE, p. 205)

Thus, according to Professor Hoppe, in producing any proposition, even a thought proposition, one is "arguing."

As we have noted before, this is a radically new conception of argumentation that seeks to conceive argumentation as virtually identical to reasoning or thinking. Hoppe is suggesting that man is an "arguing being," and he is suggesting that arguing characterizes man as fundamentally as action characterizes man. He is proposing a general theory of the nature of man in which argumentation is not conceived as a *particular form* of action, but instead as something perhaps even *more fundamental* than action.

What Professor Hoppe seems to be doing is moving the *thinking* and *reasoning* part of action over to a new concept called argumentation and then leaving *action* to mean something like physical movement. He is removing *action* as the primary concept of social theory and putting in its place two concepts, with action designating primarily physical movement and "argumentation" designating the important phenomena of thinking and reasoning.

[A]nd so, in this sense, argumentation must be considered more fundamental than action. (ES, p. 66)

The question is, why conceive that man is an arguing being, when it is easier, more well established, and more accurate on the face of it, to conceive that man is a thinking being or a reasoning being? Why not conceive that in producing any proposition, man is thinking or reasoning or even acting? Wouldn't this require less reconceiving of things, and wouldn't this square better with established usage? Is argumentation really a universal aspect of human nature? Or is argumentation simply one particular form of action?

Professor Hoppe writes, "It is impossible to deny that one can argue, as the very denial would itself be an argument. In fact, one could not even silently say to oneself 'I cannot argue' without thereby contradicting oneself." (ES, p. 65–66)

As has been mentioned before, to conceive things in this way entails a fundamental change in the concept of argumentation. For example, if one fears being physically harmed if one were to argue, then it is not contradictory at all to say silently to oneself, "I cannot argue." It is only contradictory if we change the concept of argumentation and conceive argumentation as equivalent to proposition making or to thinking. For instance, saying silently to oneself "I cannot think" may be contradictory in the sense intended by Hoppe. But typically we would not believe it is contradictory to say to oneself, "I cannot argue." Thinking and arguing are not

identical. But in Hoppe's new proposed conception of argumentation, it seems they are.

Our typical way of conceiving things is that all human action entails thinking and that therefore a particular form of action such as arguing (trying to convince someone of something) will involve thinking. However, the reverse is not true. We do not typically conceive that all thinking entails arguing. But that is what Hoppe seems to be proposing.

Thinking is more general than arguing. Thinking can be done in isolation and can stand alone without social interaction. Arguing, as we would typically conceive it, requires social interaction. We typically conceive that we argue with another, not with ourselves. The vision of a person arguing with himself is a vision of a person with a personality disorder, when arguing is conceived normally.

Thus, our first claim regarding Professor Hoppe's conception of human nature is that it is not accurate. That man is an *arguing being* in the sense of argumentation being something he does at all times and all places is not accurate. Arguing is a type of social interaction. As such, it is something an acting being does sometimes and does not do at other times. The idea that all thoughts and propositions are arguments is simply not an accurate description of man's nature.

### **Hoppe's Connection between Ethical Action and Human Well-Being**

Professor Hoppe's approach to ethics theory is to first conceive that proposing a nonlibertarian ethic in thought or in word is an argument. Then ethics theory, as epistemology, deduces what is necessarily entailed in argumentation and whether this is consistent with nonlibertarian ethical proposals advanced during argumentation.

Recognizing, as we have just done, that knowledge claims are raised and decided upon in the course of argumentation and that this is undeniably so, one can now reconstruct the task of epistemology more precisely as that of formulating those propositions which are argumentatively indisputable in that their truth is already implied in the very fact of making one's argument... (ES, p. 66–67)

The notion that considering a nonlibertarian ethic in one's thoughts or proposing a nonlibertarian ethic to another are both *arguments* is highly debatable. But it may be granted that these are forms of conduct. Ethics deals with the connection between conduct and well-being. In the argumentation ethics, the connection under discussion is what necessary effects, if any, are entailed in proposing a nonlibertarian ethic.

Hoppe asks, "Yet what is implied in the very fact of arguing?" (ES, p. 67) And Hoppe's point is that if arguing presupposes the libertarian private-property ethic, then arguing against that ethic is self-contradictory. For Austrian social theorists, this would be like someone saying "I refuse to act," perhaps not realizing that in saying so, or in choosing to sit still, he was acting.

Hoppe's argument is that in arguing against the libertarian property ethic, a person must necessarily argue against the ethic he is demonstrating by arguing. Anyone arguing against the libertarian private-property ethic *must necessarily* contradict himself.

This is the specific connection that Professor Hoppe seeks to establish between the ethical act or specific conduct (proposing the nonlibertarian ethic) and the necessary consequence (self-contradiction).

Hoppe presents the general form of his argument as follows:

Syllogism #1:

- a) justification is ***propositional*** justification
- b) ***argumentation*** presupposes property in one's body and the homesteading principle
- c) then, no deviation from this ethic can be ***argumentatively*** justified (bold and italics added)

A question that arises immediately is, if producing any proposition—overtly or as an internal thought—is an argument, then why not simply use the term “argument” in part A of the syllogism?

If producing a proposition internally or overtly is an argument, then why can't we write part A of the syllogism as “justification is ***argument*** justification”?

Then part B, “***argumentation*** presupposes property in one's body...” would follow more rigorously.

If we write this down, it would look like the following:

Syllogism #2

- a) justification is ***argument*** justification
- b) ***argumentation*** presupposes property in one's body and the homesteading principle
- c) then, no deviation from this ethic can be ***argumentatively*** justified

If any proposition is an argument, we should be able to use “argument” equivalently with “proposition” in part A of the syllogism.

But then, why didn't Professor Hoppe think of that himself?

Perhaps Professor Hoppe didn't write the syllogism that way because the initial premise that all justification is argument justification is not accurate by the terms of Professor Hoppe's own conceptions?

Thus, Professor Hoppe writes "justification is **propositional** justification" instead?

What if we write the syllogism using the term "proposition," as follows:

Syllogism #3

- a) justification is **propositional** justification
- b) **propositioning** presupposes property in one's body and the homesteading principle
- c) then, no deviation from this ethic can be **propositionally** justified

Now the problem becomes that the assertion "propositioning presupposes property in one's body..." seems to be problematic. The apparent reason is that a thought proposition isn't conceived by Hoppe to involve cognitive guidance of a physical body and thus does not presuppose ownership in a body(?)

Or if syllogism #3 is accurate and nonproblematic, then why doesn't Professor Hoppe simply write the syllogism this way?

The problem seems to be the following:

If we accept a conception of action and of ethics in which movement of one's body is an essential component, we may conceive "ownership" as one's ability to move (control) objects, and

we may conceive that in arguing, one moves one's body, and thus demonstrates ownership of it. By contrast, we may conceive plain thinking as something of a categorically different nature. We may conceive that thinking is "internal" and does not entail movement, whereas "argumentation" is overt and entails movements and gestures.

In accepting a fundamental distinction between "action" and "argumentation" on the one hand (both conceived in terms of movement) and "thinking" on the other hand (conceived as entailing no movement), then we may have accepted a distinction implying that thinking does not presuppose ownership of anything, since it is not conceived in terms of movement of a body.

In trying to prove that justifying a nonlibertarian ethic presupposes ownership of one's body, we realize that one may justify a nonlibertarian ethic in a way that does not presuppose ownership of one's body: in thought. We must grant that this is possible if we have conceived "thinking" as fundamentally different from "acting" and "arguing," where the latter concepts entail movement and the former concept does not.

If we have conceived argumentation as entailing movement of the means of arguing (gestures, mouth movements, etc.), then at least a plausible case can be made that arguing presupposes ownership of these means. But it will be less plausible to make this same case with regard to *thinking*. To the extent that "thinking" is not conceived as movement of something physical, then thinking does not presuppose the ownership (control) of something, and thus, by the previously established definition, thinking does not presuppose ownership.

Hoppe's syllogism, in which he uses the term *proposition* in the first part and *argument* in the second part, may be his attempt to "join" the two concepts; an attempt to construct a bridge from "nonmovemental" thought to "movemental" argumentation. Hoppe

may want to show that thinking itself presupposes the libertarian private-property ethic, a notion that is actually inconsistent with his belief that ownership entails the movement of physical objects.

Here we have to mention that this is to some degree conjectural. Professor Hoppe's concept of action is vastly different from the standard Misesian conception. In our view, Professor Hoppe is trying to solve some structural problems that result from his peculiar conception of action and argumentation in terms of bodily movement. These are not problems that arise in formal praxeology since the primary concept of praxeology is the purely formal notion of the attempt to replace a dissatisfactory state with a satisfactory state (action). The structural problems in Hoppe's theory are partially due to his attempt to intermix normative theorizing and formal social science, and partially due to the fact that the concepts of self-ownership and homesteading are not scientifically precise concepts. It is difficult to follow Hoppe's attempt to make this project and these concepts logically consistent.

The central question with regard to Professor Hoppe's syllogism is: why can't the syllogism be written as syllogism #2 or syllogism #3 where the connection between *A* and *B* would be a rigorous one?

Professor Hoppe lists two types of propositions: "in producing any proposition, overtly *or* as an internal thought..." (EE, p. 205; emphasis added)

Overt propositions seem to be those involving movement in the means of making them (mouth movements, hand gestures, etc.). Internal thought propositions, by contrast, are apparently not easily conceivable in terms of the physical movement in the means of making *them*. As mentioned, this may be problematic in that, if no movement is entailed, then no ownership is implied or presupposed.

If we take Professor Hoppe's definition of a proposition as either the overt variety *or* the internal-thought variety, then we can write his original syllogism as:

Syllogism #4:

- a) justification is *either* internal thought propositional *or* overt propositional
- b) argumentation presupposes property in one's body and the homesteading principle
- c) then, no deviation from this ethic can be argumentatively justified

If propositions are either of the internal-thought variety *or* the overt-external variety, then we can *choose* from those two types in part A of syllogism #4.

And thus, if we choose the internal-thought variety of propositions, we can write the following:

Syllogism #5:

- a) justification is internal-thought proposition (no movement entailed)
- b) argumentation presupposes property in one's body and the homesteading principle (because arguing entails movement of the means of arguing)
- c) then, no deviation from this ethic can be argumentatively justified

In the case where a person would justify a nonlibertarian ethic by internal-thought proposition, no movement is entailed if our

definition of thought does not entail movement. And now part *B* of the syllogism is not connected to part *A*.

Justifying something to oneself in thought does not presuppose ownership in one's body in the same way "argumentation" does as conceived by Hoppe. Because in Hoppe's conceptions, thinking is differentiated from action and argumentation by the concept of movement. If someone justifies a nonlibertarian ethic internally in thought, this does not entail "movement of a body," and thus does not presuppose ownership of a body.

A way around this would be to conceive "internal-thought propositions" as arguments. But if Hoppe has already differentiated thought from action and argumentation based on the notion of movement of a body (action/argumentation is movement of a body, thought is not), then he is prevented from doing this by his own conception of things. If thought entails no movement and argument entails movement, then argumentation is not thought.

Hoppe declines to use the terms "proposition" and "argument" synonymously in his own syllogism when doing so would make his syllogism more rigorous. This seems to indicate that Hoppe himself believes that internal-thought propositions are not identical to argumentation. Thus, Hoppe has provided a way for the nonlibertarian to justify a nonlibertarian ethic without moving his body, and thus without presupposing ownership of his own body.

A person may justify a nonlibertarian ethic internally by thought proposition. In doing so he moves no bodies and implies no self-ownership and thus does not contradict himself by the terms of Hoppe's argumentation ethics.

### **The Intuitive Logical Force of Hoppe's Syllogism**

And yet there is some persuasive force to Professor Hoppe's syllogism as he presents it. And the reason is as follows:

Part *B* of Hoppe's syllogism #1 seems to follow part *A* intuitively and at first glance because the term "propositional justification" can easily be conceived to mean *justification aimed toward another person*, especially when part *B* of the syllogism begins with the word "argumentation." One is "contextually inclined" to conceive the preceding "propositional justification" as meaning something like "argumentation" since we understand the syllogistic form as a form where part *A* and part *B* are related.

For example, if the word "pewter" follows the words "the color of my house is," then we are "contextually inclined" to interpret "pewter" as a color and not as a metal.

Hoppe's syllogism has the same effect when the term "propositional justification" in part *A* is followed immediately by the term "argumentation" in part *B*. Thus, we contextually interpret the preceding "propositional justification" as something like "argumentation."

But actually, the precise meaning of "proposition" in Hoppe's own theory is internal-thought proposition *or* overt proposition.

When the syllogism is written with Hoppe's more precise "either/or" definition, we might not be contextually inclined to interpret "internal-thought proposition" as synonymous with "argumentation."

If Professor Hoppe's argument is written as syllogism #5, part *B* is not connected to part *A*. To fix this problem, a way must be found to make "internal-thought proposition" and "argumentation" synonyms or equivalents. But in this case, we could simply write syllogism #2, something Hoppe declines to do:

- a) justification is *argument* justification

- b) **argumentation** presupposes property in one's body and the homesteading principle
- c) then, no deviation from this ethic can be **argumentatively** justified

Thus, apparently one can justify a nonlibertarian ethic by internal-thought proposition, and this is not a contradiction since it doesn't presuppose ownership in one's body.

If this reasoning should hold, a person may behave in a way at odds with the teachings of Professor Hoppe's theory (he may justify a nonlibertarian ethic), and the negative consequence of self-contradiction will not necessarily befall him.

If this is the case, Professor Hoppe has failed to establish a necessary connection between the specific ethical act (justifying a nonlibertarian ethic) and a specific impact on the individual's well-being.

### **Summary of Hoppe's Primary Concepts**

Two of the fundamental concepts of Professor Hoppe's argumentation ethics are that man is an arguing being (i.e., that arguing characterizes man as universally as action does) and that man, in making a thought proposition (in thinking), demonstrates his preference for the libertarian private-property ethic.

Our position is that argumentation is a social act that is less universal than action and is to be conceived as a particular *form* of action. Argumentation is the "trying to" convince someone of something and is thus an act of social interaction. As such, it is a subset of human action, which is the "trying to" in general.

Second, we hold that it is difficult to see how in thinking and in making a thought proposition, one upholds, practices, or demonstrates one's preference for Lockean property theory.

What lends this idea the kernel of truth it has is that any ethics theory ultimately revolves around human action. Thinking and reasoning are forms of action to the extent they are activities aiming at an end. Both the case for human liberty and the theory of what goes wrong when liberty is absent have something to do with human thinking. There is truth to the idea that human liberty and human thinking are related. When Professor Hoppe indicates that in making a thought proposition one touches on that which is fundamental to human liberty, there has to be some truth to this. Because it is in thinking and acting, and in their invariant relations, that we will find the laws of man's ethical nature.

### **Hoppe's Impact to Human Well-Being from Unethical Action**

Professor Hoppe conceives man as an arguing being who, in arguing, upholds Lockean private-property theory and Rothbardian natural rights. As all ethics theory asserts some negative or detrimental result from action not in accord with the theory, we now turn to the specific negative consequences that Professor Hoppe asserts result from proposing nonlibertarian ethical norms in argumentation.

Writing in *The Economics and Ethics of Private Property*, Professor Hoppe lists two primary groups of negative results or penalties that those proposing a nonlibertarian ethic can expect. As we have previously indicated, these penalties or necessary negative consequences are the detrimental things that those proposing a nonlibertarian ethic may prevent from happening to themselves, by abstaining from proposing a nonlibertarian ethic. Ethics theory demonstrates how one may prevent negative impacts to one's well-being by abstaining from specific social-ethical acts.

Professor Hoppe proposes two general groups of detrimental effects. One group of detrimental effects we might refer to as “drastic consequences.” These are consequences to specific actions that, could an ethicist convince a person they would happen to him personally, we would concede that the prospect of these consequences happening would largely prevent the occurrence of the original action. That is, such “drastic consequences” are of such a serious nature that if any particular individual believed they would happen to himself, then the individual would probably, but not necessarily, abstain from the act that would bring these consequences onto himself.

Professor Hoppe lists these drastic consequences as follows:

“Then we would all cease to exist.”

“No one would be allowed to do anything with anything.”

“Neither we, our forefathers, nor our progeny could, do or will survive.”

“It would be impossible for anyone to first say anything at a definite point in time and for someone else to be able to reply.”

“Acting and proposition making would also be impossible.”

“One would have to interrogate and come to an agreement with the entire world population.”

(EE, p. 206)

These are the general kinds of drastic consequences Professor Hoppe lists as conceivable consequences to specific ethical acts. Here we need only point out that a considerable amount of time has to elapse between the time one proposes a nonlibertarian ethic and the time any one of these drastic consequences occurs. If this is the case, then those proposing the nonlibertarian ethic can be expected to attempt to maneuver, during this lengthy time period, into a position so that the drastic consequences of proposing a nonlibertarian ethic fall on someone else.

Perhaps there are some good people who, if they realized that these drastic consequences will befall their fellow men, might be convinced to abstain from a given action. But there could just as well be those who, if they know the consequences of their acts will not necessarily accrue to them personally, will continue with their activities, and try to arrange for the negative consequences to fall upon others. This would be like calling for universal public education, believing one's own children will be out of school by the time universal public school is mandatory.

Professor Hoppe's list of drastic consequences has meaning primarily as a rhetorical or argumentative device but not as a valid theoretical explanation of social-ethical cause and effect. Not only do people, including libertarians, not believe any of these consequences will ever come to pass, but even supposing that these consequences were possible, this would still leave open the possibility of nonlibertarians continuing to propose nonlibertarian ethical norms and trying to arrange for all of Professor Hoppe's drastic consequences to happen only to *libertarians*. Even granting the possibility of Professor Hoppe's drastic negative consequences, in the intervening time period between the act (proposing the nonlibertarian ethic) and the drastic consequence, people will try to avoid the consequence happening to them personally and try to arrange it so the consequence happens to others.

This is a fundamental problem of material cause-and-effect consequences when such consequences are conceived as temporally removed from the original action.

### **The Idea of Violating Demonstrated Preference**

Before continuing with Professor Hoppe's second list of consequences, there is one particular consequence Professor Hoppe lists that should be addressed. And that is the idea that in proposing a nonlibertarian ethic, one is "in violation of demonstrated preference." (EE, p. 204)

Violation of demonstrated preference is a serious-sounding charge. Of course Professor Hoppe can't be suggesting that in performing some action another person violates *my* demonstrated preference. It's already understood that when person *B* acts "unethically" from my (*A*'s) point of view, that *B* is doing something I *prefer* he not do. What Professor Hoppe is suggesting with these words is that the actor is violating *his own* demonstrated preference. What can this possibly mean?

Could Professor Hoppe possibly be "intent upon establishing scales of value according to which man should act but does not necessarily always act."? (HA, p. 95)

Is it possible that Professor Hoppe here has:

"failed to recognize the meaning of the term 'scale of value' and have disregarded the obstacles preventing the assumption of synchronism in the various actions of the individual. They have interpreted man's various acts as the outcome of a scale of value, independent of these acts and preceding them, and of a previously devised plan whose realization they aim at. The scale of value and the plan to which duration and immutability for a certain period of time were attributed, were hypostatized into the cause and motive of the various individual actions. Synchronism which could not be asserted with regard to the various acts was then easily discovered in the scale of value and in the plan. But this overlooks the fact that the scale of value is nothing but a constructed tool of thought. The scale of value manifests itself only in real acting; it can be discerned only from the observation of real acting. It is therefore impermissible to contrast it with real acting and to use it as a yardstick for the appraisal of real actions."? (HA, p. 102)

The devising of some ethical code, ethical plan, or ethical scale of values is not synchronous with any other act of the acting individual.

When person *A* devises some ethical plan, code, or value scale, this is something that *A* “does.” It is an action. Thus, when *A* “does” this, he reveals to himself that this is what he considers important to be doing (devising a plan, ethical code, or scale of value). This “doing” is an action, now the most important activity for *A*.

As Mises writes, “Two actions of an individual are never synchronous....They can never be effected at the same instant.” (HA, p. 102)

So when *A* performs another, different action, this is a separate action from the action which was devising a plan, code, or value scale. Now *A* reveals to himself that he views this current action as the most important thing to do.

One action is the devising of an ethical code; the other action is a separate one such as proposing a nonlibertarian ethic. Both are actions.

Perhaps *A*’s current action is not in accord with the scale of value he devised in a previous action. For example, in one action a person may say “I’ll never speak to Bob.” Tomorrow, that same person may speak to Bob. Then there are two issues:

First, the first action is a separate action from the second action. In this sense, there is no contradiction or “violation.” In doing either one of these things, the actor “demonstrates” his preference for doing them.

Second, if one’s current action is in conflict with a previously devised value scale, then it is quite possible that one’s valuations have changed. “If one’s valuations have changed, unremitting faithfulness to the once espoused principles of action merely for the sake of constancy would not be rational but simply stubborn.” (HA, p. 103)

Thus, as regards these two possibilities, there is no “violation” of demonstrated preference. In the first case, the actor demonstrates what is valuable to him by doing what he now does: either devising a plan, code, or scale or performing some other act. In the second case, his valuations change.

In neither case does he “violate” anything in the sense Hoppe is indicating.

The most common misunderstanding consists in seeing...a statement about the material and the content of action...Thus the want becomes a judge over action: it is thought that the correct action, the one corresponding to the want, can be contrasted to the incorrect action. However, we can never identify the want otherwise than in the action. The action is always in accord with the want because we can infer the want only from the action. (EP, p. 80)

A person can never be in violation of demonstrated preference, because a person is always demonstrating that which he prefers to do.

As Mises writes, “Every action is always in perfect agreement with the scale of values or wants because these scales are nothing but an instrument for the interpretation of a man’s acting.” (HA, p. 95)

### **Hoppe’s Necessary Consequences to Proposing a Nonlibertarian Ethic**

Professor Hoppe argues that there are potentially drastic consequences to proposing a nonlibertarian ethic, and he also argues that such proposals violate demonstrated preference. We claim that the drastic consequences, conceived as temporally remote from the act of proposing a nonlibertarian ethic, do not necessarily happen to the person proposing the nonlibertarian ethic. And we claim that the notion “violation of demonstrated preference” is based on a misunderstanding of the theory of action.

Professor Hoppe's second list of consequences that result from proposing a nonlibertarian ethic amount to the more modest claim that those doing so contradict themselves and thereby suffer defeat in the intellectual realm of inquiry. Hoppe lists these consequences as follows:

“contradict”  
“contradict”  
“nonlibertarian ethical proposals falsified”  
“the ultimate defeat for an ethical proposal”  
“the most deadly smash”  
“practical contradiction”  
(EE, p. 204–205)

For our present purpose, we will grant that those proposing a nonlibertarian ethic contradict themselves.

Even if we grant that those who propose a nonlibertarian ethic contradict themselves, this in itself does not demonstrate any impact to the well-being of those proposing such ethics. Rather, it only *assumes* such. If we agree that some statement is self-contradictory, or if we agree that one's acts are not in accord with one's words, this does not constitute a demonstration of a negative impact on that person's well-being. For example, consider the person who exclaims “I am not talking.” How exactly will doing so impact this person's well-being negatively and necessarily? It is the task of an ethics theory that claims people will suffer contradiction to demonstrate how contradicting oneself constitutes suffering. Professor Hoppe's theory doesn't do this. Hoppe only *implies* that contradiction is bad for people.

Of course we all understand that consistency is to be preferred over self-contradiction. But why is this so? And what happens to the one who contradicts oneself or acts at variance with one's stated values? Professor Hoppe is unable to say exactly. Rather, he simply appeals to the common sentiment that contradictions are things

people want to avoid. But if contradictions are not harmful to the person who performs them, why shouldn't a person employ them in an attempt to achieve a nonlibertarian society?

Professor Hoppe's theory, even when we grant that proposing a nonlibertarian ethic is self-contradictory, is unable to establish a link between self-contradiction and harm to the one contradicting oneself. And thus, Professor Hoppe has failed to provide a compelling reason why the nonlibertarian should abstain from making nonlibertarian ethical proposals.

# The Objectification of Praxeology and Its Concepts

Our sustained argument has been that within the Austrian School of social thought in the United States, Misesian praxeology has been disavowed as a method for treating social-ethical phenomena, and an approach largely along the lines of objective realism has been taken up.

The work generally recognized as providing both the explicit point of departure as well as the general path to be taken is Murray Rothbard's *The Ethics of Liberty*. In his book, Professor Rothbard expressly disavows value-free analysis as being able to contribute further to the advancement of human liberty (xlvii, 26). He then sets forth on a quest to establish objective values (p.12), a theoretical quest at fundamental odds with praxeology and value-free science.

As has been argued, Professor Rothbard's abandonment of praxeology was based on a serious misunderstanding of praxeology and the way it improves individual well-being. As the science of means, praxeology improves individual well-being by demonstrating previously unknown necessary consequences to the utilization of specific means. When these previously unknown consequences are made explicit and demonstrated to be necessary by praxeological social science, the individual in possession of this new knowledge is now in a position to prevent those necessary consequences by abstaining from the acts (means) that must necessarily bring them

about. Thus, his well-being is improved since he is now in a position to prevent what he believes are harmful consequences to himself by abstaining from the utilization of means that praxeology demonstrates entail specific necessary consequences. Before praxeology establishes this necessary connection, the actor has no means to prevent the harmful consequences to himself, since he does not know which acts to abstain from to prevent them.

A subsidiary effect of this praxeological knowledge is that when person *A* abstains from acts as a means to prevent harm to himself, this may constitute to other people—*B*, *C*, and *D*—an absence of acts they believe would have been harmful to them. When person *A* abstains from some act out of self-interest, this may indirectly benefit those who may have been harmed by the act in question.

Since Professor Rothbard essentially misunderstood praxeology, he never considered the question of “ethical means” (coercion, dishonesty, etc.) and whether such means may entail necessary consequences that praxeology could conceive and demonstrate. There is no consideration of this question in Rothbard’s stated reasons for turning away from praxeology as a scientific approach to ethical phenomena. Rather, the notion that the phenomena of ethics could not be approached by the established means/ends analytical method is simply taken for granted in his writings.

Consider the following passage from Lionel Robbins:

There is an important sense in which the subject-matter of political science can be conceived to come within the scope of our definition of the economic. Systems of government, property relationships, and the like, can be conceived as the result of choice. It is desirable that this conception should be further explored on lines analogous to better known analysis. (LR, p. 134)

In other words, we can easily conceive that politics (and ethics) ultimately involves choosing and setting aside. Why not consider using “better known analysis” (the developed concepts of “wants,” “choice,” “costs,” etc.) toward conceiving ethical-political human action?

### **A Short Summary of Rothbard’s Two Main Reasons**

Rothbard’s criticisms of Mises’s value-free analytical approach show that he did not have a solid understanding of praxeology as the science of means or how praxeology contributes to individual well-being. His first charge is that the praxeologist as social scientist cannot know the values or motives or desires of social actors and thus cannot know whether they may actually *desire* the consequences which others view as harmful. His second charge, closely related to the first, is that people may know of all the consequences that praxeology *as economics* teaches, but still desire a high level of political control.

The first charge makes the mistaken assumption that the praxeologist has to know what particular individuals are striving for in order for praxeology to have an effect on individual conduct. This is simply wrong. When praxeology demonstrates a previously unknown consequence to the utilization of a specific means, then anyone who comes into possession of this new knowledge may now utilize this knowledge for his own self-benefit, regardless whether the praxeologist knows or does not know what any particular individual is aiming for.

For example, from a libertarian point of view, it is hard to see how socialism or statism can be perpetuated without the “ethical means” of coercion and dishonesty. If/when the praxeologist demonstrates a hitherto unknown consequence to the utilization of these means, the praxeologist has demonstrated to the actor considering these means that there are consequences to his proposed actions he did not know about. Regardless whether the

praxeologist knows what this actor is actually considering, and regardless of the hidden motives, values, or desires of this actor, the praxeologist has shown the actor that conduct he may have considered “consequence free” or conduct whose negative consequence he may have considered unnecessary, is actually conduct that entails a necessary consequence. And thus, no matter what the praxeologist knows about this person’s true motives, he has provided this person with a previously unknown reason to consider abstaining from the act in question. Ethical means (coercion, dishonestly, etc.) just as economic means (granting credit, erecting tariffs, etc.) have necessary consequences. Praxeology seeks to ascertain what those consequences are.

The analytic method is simply a way of discovering the necessary consequences of complex collocations of facts—consequences whose counterpart in reality is not so immediately discernible as the counterpart of the original postulates. It is an instrument for “shaking out” all the implications of given suppositions. Granted the correspondence of its original assumptions and the facts, its conclusions are inevitable and inescapable. (LR, p. 122)

Rothbard’s second charge is that a person may consider all the economic consequences of his actions but still desire more statism and political control. Here it is easy to see that this claim is based on an implicit assumption that no necessary consequences can be established as attaching to noneconomic acts (i.e., actions in the political or interpersonal realm). Rothbard simply doesn’t see that bringing about statism and political control will entail the means of doing so. The utilization of specific means, as praxeology instructs, has necessary consequences. Rothbard, in making his charge, is not seeing or is refusing to acknowledge the possibility that the means utilized to establish or increase statism will have necessary consequences. The person who considers the *economic* consequences of statism may not have considered the *ethical*

consequences of statism, i.e., the consequences to his individual well-being from the utilization of specific *ethical* means.

Professor Rothbard, in conceiving praxeology as a “method” for economics and not as a general science of means, was thus prevented from understanding how praxeology could be extended to social, noneconomic phenomena.

### **The Present Situation**

This misunderstanding is the single most important fact that has led to the present situation in Austrian School social thought. Almost all Austrian School ethical thought is focused on objective or “material” concepts such as “ownership of one’s body” and “mixing one’s labor with nature.” As these are concepts of an objective-realist type, the near-exclusive focus on them has led to a gradual but persistent shift away from all the concepts of Misesian praxeology.

The formal nature of the concepts of Misesian praxeology is what imparts consistency and necessity to its statements and propositions. The change to objective concepts and concepts that contain empirical or material content render the resultant theorizing inconsistent and unable to make necessarily “true” propositions.

Consider the following concepts of Misesian praxeology:

“deduction,” “deductive analysis” (MM, p. 9), “deductive reasoning” (UF, p. 65), “logical analysis” (HA, p. 64), “pure elements of setting aims and applying means” (MM, p. 21), “choose between different states of affairs” (MM, p. 20), “apodictic certainty” (MM, p. 11), “aprioristic reasoning” (MM, p. 11), “human action” (HA, p. 11), “methodological individualism” (MM, p. xvi), “categories of action” (MM, p. xiv), “category of action” (HA, p. 68), “aiming at ends” (MM, p. 20), “strive after ends” (UF, p. 4), “subjective value theory”

(MM, p. 23), "subjective interpretation of valuation" (MM, p. 42), "means/ends" (MM, p. 23), "science of means" (MM, p. 24), "necessary relations" (EP, p. 24), "logical relations" (HA, p. 86), "purely formal" (HA, p. 32), "formalism" (HA, p. 21), "subjectivism." (HA, p. 22)

These are some of the fundamental concepts of Misesian praxeology, the science Mises conceives as a *purely formal* science of human action, of purposeful behavior, and of aiming at ends.

The sum total of these concepts establishes a formal conceptual scheme, not of physical reality and objective meaning (these are things other sciences may treat), but rather of *acting reality* and *human meaning*. This conceptual structure is similar to a series of mathematical equations in the sense that it is used to "transform" the originally stipulated or postulated "data" into their necessary implications. But whereas mathematics may do this in regard to spatiotemporal nature, praxeology does this in regard to purposive conduct.

It's not that a physical or objective side to human experience cannot be conceived; rather, it's that *praxeology only conceives the physical aspect of experience in relation to purposive conduct*.

Here are some of Hayek's insights to the same effect:

[T]hough all the social phenomena with which we can possibly deal may have physical attributes, they need not be physical facts for our purpose. (IE, p. 59)

If we wish, we could say that all these objects are defined not in terms of their "real" properties but in terms of opinions people hold about them. (IE, p. 60)

[I]n studying family life, what is relevant is not that X is the natural offspring of Y but that either or both believe this to

be the case. The relevant character is not different from the case where X and Y believe some spiritual tie to exist between them in the existence of which we do not believe. (IE, p. 60)

[N]o superior knowledge the observer may possess about the object, but which is not possessed by the acting person, can help us in understanding the motives of their actions. (IE, p. 60)

Please note that neither with respect to the objects of human activity nor with respect to the different kinds of human activity themselves do I argue that their physical properties do not come into the process of classification. What I am arguing is that no physical properties can enter into the explicit definition of any of these classes, because the elements of these classes need not possess common physical attributes... (IE, p. 61)

[W]e know that the objects a, b, c...which may be physically completely dissimilar and which we can never exhaustively enumerate, are objects of the same kind because the attitude of X toward them all is similar. But the fact that X's attitude toward them is similar can again be defined only by saying that he will react toward them by any one of the actions [x, y, z]...which again may be physically dissimilar and which we will not be able to enumerate exhaustively, but which we just know to "mean" the same thing. (IE, p. 62)

The common attributes which the elements of any of these classes possess are not physical attributes but must be something else. (IE, p. 62)

[W]hether we do so in ordinary life or for the purposes of the social sciences, we have to define both the objects of human activity and the different kinds of actions

themselves, not in physical terms but in terms of the opinions or intentions of the acting persons... (IE, p. 62)

The concepts of praxeology (praxeology as social science, not praxeology as “method” or dialectical proof) are formal concepts of human meaning and are absent material content. In an important sense, when material concepts are present, then praxeological concepts are absent. And thus, when it is conceived that action is a cognitive guidance of “a physical body in physical reality” and when the subject matter of social science is conceived to be “ownership of a physical body,” we are alerted that we have changed our method of approach from praxeology to something different.

### **The Subtlety of the Shift to Objective Concepts**

The shift from the subjectivist and value-free concepts of praxeology to objectivist concepts and definite judgments of value is subtle. In the context of contemporary Austrian social thought, our claim is that the subtlety results from the fact that no one wants to openly contradict the works and fundamental theses of Mises. Thus, theories that amount to a complete rejection of his fundamental ideas are phrased in terms that deemphasize this fact.

For example, it is a well-known tenet of Misesian praxeology that praxeology is the science of means and not of ends. And it is well known by all Austrians that in his writings, Mises again and again states that passing judgment on the ends and values of the acting individual is futile:

The ultimate end of action is always the satisfaction of some desires of the acting man. Since nobody is in a position to substitute his own value judgments for those of the acting individual, it is vain to pass judgment on other people's aims and volitions. No man is qualified to declare what would make another man happier or less discontented. The critic either tells us what he believes he would aim at if he were in

the place of his fellow; or, in dictatorial arrogance blithely disposing of his fellow's will and aspirations, declares what condition of this other man would better suit himself, the critic." (HA, p. 19)

This is not an isolated passage or fleeting thought of Mises. Rather we recognize in this one of his central tenets—that the ultimate end of action is irrational or nonrational. In Misesian praxeology, it is clear that all ends are to be treated as means to something else. The scientific treatment becomes the scientific demonstration of the necessary consequences of the means adopted by the acting individual. If an actor considers all the consequences of his intended act and decides the price he has to pay is worth what he hopes to gain, there is nothing that science can say. The individual has made a judgment of value. Any criticism of another individual's judgment of value reduces to a judgment of value on the part of the critic. Such a value judgment has no greater scientific weight than the original value judgment of the criticized. These are all well-known fundamentals of Misesian praxeology.

Therefore, the shift to an attempt to arrive at man's proper ends is a momentous change for anyone agreeing with Misesian praxeology. An attempt to establish man's proper ends is a simultaneous disagreement with Mises on the fundamental nature of social science. Mises was an "opponent of any sort of objective ethics." (EL, p. 206)

From a Misesian and Austrian School point of view, a departure from the method of treating social phenomena as means, and an attempt to establish the objective ends of man's actions, would seem to require an open declaration explaining why this central tenet of Mises's thought is wrong.

If pursuing a science of man's proper ends is the right way, where was Mises wrong in claiming that trying to establish the ends of action is futile? Any serious Austrian scholar should be expected to

address this fundamental question head-on and not merely rely on Professor Rothbard's stated reasons for abandoning praxeology in his quest for objective values.

Everyone understands that Austrians need to address ethics and not only economics and that some method must be chosen. The attempt to establish man's objective ends is one possible approach.

But there is a serious theoretical question that goes to the very root of the legitimacy of Austrian School social science: if trying to establish the objective ends of man's conduct is an appropriate project from an Austrian theoretical point of view, what does this imply about Misesian praxeology, founded on the principle that the ultimate ends or values an individual chooses are beyond scientific treatment?

Misesian praxeology is based on the idea that a "science" of ends is a fundamentally flawed concept. The contrary proposition that a consistent science of ends is possible implies that Mises's thinking on the matter is fundamentally flawed.

If Mises's thinking on the issue of ends is wrong, and if it is actually possible in principle to arrive at a list of ends, scientifically demonstrated to be universally good for man at all times and all places (i.e., not only "subjectively useful" to specific individuals at different times and places), this would render superfluous praxeology and economics. If the ends of man's "ethical" and "political" activity are scientifically ascertainable, then there is no reason why, in principle, the ends of man's "economic" and "physical" activity cannot also be scientifically established. Then, not only would it be possible to scientifically establish which "ethical" ends and which "political" ends are "objectively good" for man, but also which "economic" ends and which "physical" ends are "objectively good" for man. Science would provide a list covering every realm in which man seeks provision, and tell him which ends are the objectively and scientifically correct ones (*this book*, but not

*that* book, *this* fruit, but not *that* fruit, *this* television show but not *that* television show, etc.). For every possible end open to man's choice, science would tell him: "good" or "bad," "just" or "unjust," "moral" or "immoral." All this is implied in the effort to establish objective values or to "justify" ends.

The question is, given the seriousness and implications of this change in direction, where is the scholarly treatment of these fundamental questions? Where are the essays explicitly acknowledging the momentous shift in directions and showing how Mises was mistaken and that objective values and ends are actually scientifically provable?

Private-property ethicists put forth the private-property ethic as the proper *end* of man's political striving. In this regard, Professor Hoppe writes, "The answer then, to the question of which *ends* can or cannot be justified is to be derived from the concept of argumentation." (TS, p. 131; emphasis added)

So we are definitely talking about the *ends* of man's action here, and we are not talking about praxeology, the science of means. The particular social arrangement Professor Hoppe argues for is the natural-rights position of Professor Rothbard (EE, p. 204), who, in turn, conceives the private-property ethic as one of the *ends* that "are demonstrated to be good or bad for man in varying degrees; value here is objective." (EL, p. 12)

Professor Hoppe is therefore arguing for a theory of *ends*, for a way to choose various *ends* of man's action and then "justify" them theoretically.

But though Professor Hoppe is engaged in constructing a theory of ends, he often declines to say so explicitly. For example, rather than simply writing "I want to demonstrate that the libertarian private-property ethic should be the only *end* of man's political striving" or rather than writing "I want to establish the *objective value* of the

private-property ethic," he instead writes "I want to demonstrate that only the libertarian private-property ethic can be argumentatively justified." (EE, p. 204)

It is clear from Professor Hoppe's theoretical writing that he believes people should choose the private-property ethic. Then the question becomes, should they choose it as a means toward something else? Or should they choose it as an end and objectively provable value?

If they should choose it as a means, this leads us back to the fundamental concepts of praxeology. Then praxeology will attempt to conceive these means in such a way that their logical implications can be demonstrated. It will be incumbent on the praxeologist to demonstrate what is implied in the "means," which is the "private-property ethic," when the acting individual chooses those means toward some end.

On the other hand, if people should choose the private-property ethic as an *end* or *objective value*, then regardless of the success or failure of Professor Hoppe and others in their attempt to arrive at such proper ends, the question becomes one of the legitimacy of Professor Mises's social science. Mises's social science is based on the idea that a consistent science of ends is not a valid concept. Professor Hoppe is strenuously pursuing a consistent theory of ends, something akin to a "science" of ends, but without addressing the implications of his pursuit for the legitimacy of praxeology.

This is difficult to pick up on because Professor Hoppe doesn't use the term "ends" or "objective values" when discussing the private-property ethic, but instead uses the term "justification." This term apparently means that the "end" or "value" which is the private-property ethic has already been chosen, and now this end must be "justified" as to why it was chosen.

Thus, we continually read about “justifying” the private-property ethic. When the term “justification” is used, this apparently means that a judgment of value has been made, and now an attempt is being made to arrive at a rational “justification” for this ultimate judgment of value. The use of the term “justification” signifies an attempt to scientifically “prove” the correctness of an ultimate judgment of value, something Mises says can’t be done.

What is confusing is that the entire discussion is conducted using only the term “justification,” when what is really meant is something like *“attempting to scientifically prove that my judgment of value is correct, and your judgment of value is incorrect.”*

Of course, there is no *legal* requirement that Professor Hoppe or any other objective ethicist phrase things more explicitly as they attempt to establish the ends of other men. And the fact that Hoppe and others are trying to construct a science of ends is not important in the larger context of world social thought. It is only important in the context of the methodological foundations of Austrian School social thought. This is a school of thought with a rich and proud history of sophisticated formal analysis, founded on the insights of the likes of Menger and Mises. It is not the school of Randian and Rothbardian objective ethics and their failed theories of objective value.

There is a consequence to keeping the meaning of objective ethics implicit. There are some, especially those who are just beginning or who have not yet fully formed their own theoretical ideas, who may not know or realize that every conceptual step in the direction of objective ethics is a step away from formal-deductive social science. There may be some who believe that the attempt to establish objective values and ultimate ends is compatible with praxeology, the science of means. They may not realize that in pursuing objective ethics they diminish their own capacity to understand formal social science.

In attempting to construct a theory of ends, they must spend their time learning and forming concepts suitable for this purpose. The concepts of objective-realism are fundamentally incompatible with the concepts of formal-deductive praxeology. In the context of social science, arguing for objective values is arguing against formal social science and praxeology.

### **The Subtlety of the Shift to Objective Concepts—Continued**

Professor Hoppe sits in a difficult theoretical position. On the one hand he realizes the enormous importance of the intellectual edifice constructed by Mises; on the other hand, he has largely accepted Professor Rothbard's conclusions about the applicability of Mises's concepts to social, noneconomic phenomena. The proposition that a means-based analysis (praxeology) cannot apply to the phenomena of ethics as it does to the phenomena of the market is the primary conclusion that binds Austro-Rothbardians and impels them to seek for the source of liberty in objective ethics and theories about ends.

Professor Hoppe apparently believes that the natural-law approach suggested by Professor Rothbard is incapable of arriving at what Professor Rothbard believed it could—actual laws of man's ethical nature understood in the typical cause-and-effect sense. And we agree with Professor Hoppe if this is his conclusion. Natural-law philosophy has not been able to discover any scientific laws.

On the one hand, Rothbard's natural law has failed to discover any laws of man's nature, or to even provide meaningful insight into man's nature. But on the other hand, Rothbard disavowed praxeology as a means for studying ethical or political phenomena. This prevents Rothbardians, as Rothbardians, from conceiving man's nature in terms of *action*, and from studying the "ethical acts" of the individual with regard to their formal implications. The approach Rothbard suggested doesn't work, and the approach that works Rothbard rejected. The question still remains then, about the

ultimate basis for the libertarian's intuitions and convictions about ethical and political relations as distinct from market phenomena.

This is the theoretical context in which Professor Hoppe proposes his argumentation ethics as a way of connecting praxeology (of course, a Rothbardian, non-Misesian conception of it) to Rothbardian positive and objective ethics conceived in terms of physical bodies in physical reality.

The situation is the following:

Mises's entire body of social science is undeniably subjectivist, deductivist, and formal in nature. But owing to a misinterpretation of many aspects of Mises's praxeology, the conclusion has been drawn by almost all Austrians that "[t]his procedure is perfectly proper for the formal science of...economic theory, but not necessarily elsewhere." (EL, p. 12) Thus, a positive and objective theory of ethics has been embarked upon. However, the concepts of objective-realism are fundamentally different from those of deductive formalism, in the same way and for the same reason that carved wooden X's that can be carried from place to place are fundamentally different from the concept of "X" in mathematics. A wooden X and the mathematical concept "X" are not theoretically interchangeable. To the extent material concepts are utilized in theorizing, they supplant formal concepts. When formal concepts aren't used, then consistency cannot be achieved and necessity cannot be demonstrated.

And thus, the contemporary theoretical atmosphere that has largely accepted objective ethics, of necessity, is a theoretical atmosphere that has relinquished its formal concepts. When the positive ethicist looks upon the writings of the formal-deductivists, it is with a mind that doesn't comprehend most of what is essential and important about subjective economics and praxeology. Praxeology is for such a mind mainly a rationale for a foregone conclusion and not a scientific discipline seeking to uncover new knowledge.

For the objective-realist, “praxeology” means a “justification” for one’s assertions about social matters. For him, the formal-logical concepts no longer serve their social-scientific purpose of transforming originally given or postulated data into their necessary and logical implications. For the objective-realist, the words and concepts of praxeology are just so many words arguing for this or that prescriptive conclusion.

The objective ethicist looking upon the writings of Mises bypasses Mises’s own meaning and searches for those passages supporting an “objective” view of things. He builds upon those passages where Mises is mistaken or uncertain, or where Mises was unable to advance and make more consistent his subjectivist-deductivist vision. The objective ethicist knows what objective concepts look and feel like, and he is able to find enough of them in the early writings of Mises to satisfy himself that “Mises wasn’t a radical subjectivist” and to argue that a more “realist” interpretation of Mises is warranted. For the Rothbardian, this generally means a reliance on scattered passages in Mises’s *The Theory of Money and Credit* (1912), a book written while Mises was young and still developing his system.

As Hayek wrote about Mises: “[I]n the consistent development of the subjectivist approach he has for a long time moved ahead of his contemporaries.” (MM, p. xvi) Mises, as a social scientist applying the subjectivist-deductivist approach ahead of anyone else, applied those concepts with less than one hundred-percent consistency. This is true of his first major work *The Theory of Money and Credit* more than it is of his later, more mature works. Some “objective” concepts inconsistent with his subjectivist approach are present in his books. As Mises wrote regarding Menger and Bohm-Bawerk, “It should not be forgotten that the two masters, like all pioneers and trail blazers, had first assimilated the old concepts and ideas that had come down from earlier days and only later substituted more satisfactory concepts and ideas for them.” (EP, p. 171) Mises writes that “Menger and Boehm-Bawerk made statements in various

passages of their writings that are utterly incompatible with the basic principles they advanced.” (EP, p. 171) And the same is true of Mises.

Yes, Mises’s writings contain some concepts and passages inconsistent with his basic subjectivist principles. However, the attempt to use Mises’s mistakes as a foundation for an objectivist interpretation of his system is bound to fail.

### **Hoppe and the Objectification of Praxeology**

In order to show how praxeology is interpreted in objectivist terms, we will examine a short passage of Professor Hoppe’s. In this passage, Professor Hoppe is debating with Professor Walter Block about the best way to answer another social theoretician on the concept of indifference. (Walter Block, Working Paper, Mises Institute Working Papers, 8-8-06.) During the course of the debate, Professor Hoppe puts forth what he believes are some elementary insights regarding the nature of action. He writes,

In order to explain this, it is useful to recall some elementary insights regarding the nature of action—insights that “Austrians” in particular should be familiar with. Actions, qua intentional behavior, have an external-behaviorist *and* an internal-mentalist aspect. To give a full and adequate description, both aspects must be taken into account. A quote from John Searle (1984, pp. 57–58) should make this clear:

“If we think about human action,...it is tempting to think that types of action or behavior can be identified with types of bodily movements. But this is obviously wrong. For example, one and the same set of human bodily movements might constitute a dance, or signaling, or exercising, or testing one’s muscles, or none of the above. Furthermore, just as one and the same set of types of

physical movements can constitute completely different kinds of actions, so one type of action can be performed by a vastly different number of types of physical movements...Furthermore, another odd feature about actions which makes them different from events generally is that actions seem to have a preferred description. If I am going for a walk to Hyde Park, there are any number of other things that are happening in the course of my walk, but their descriptions do not describe my *intentional actions*, because *in acting, what I am doing depends in large part on what I think I am doing*. So for example, I am also moving in the general direction of Patagonia, shaking the hair on my head up and down, wearing out my shoes, and moving a lot of air molecules. However, none of these other descriptions seem to get at what is essential about this action, as the action it is." (MB, p. 57-58)(emphasis added-AK)

[We note how Searle begins this passage with "If we think about action..." Here, Searle is thinking about action, contemplating (as Mises might have said) the nature of action. He is doing something besides reasoning from a priori true propositions. He is "bethingking himself" on the nature of action and trying to understand its structure or patterns.]

### **The Nature of Action**

In his example, Searle indicates that his *intentional action* is walking to the park and that the other possible happenings during the course of his walk "do not describe my intentional actions."

To make this idea more clear, we can imagine that an observer observing Searle's walk might not know whether Searle's intention is to walk to a spot ten feet ahead or eleven feet ahead or twelve feet ahead or in the general direction of Patagonia or Buenos Aires or Chile. In fact it is impossible, *in principle*, to exhaustively

enumerate the potential intentions of Searle based on observations of his physical movement. When we consider the physical movement of Searle, it's not that this will be compatible with a *large number* of possible actions, but rather that it will be compatible with an *infinite number* of possible actions. It will be, *in principle*, impossible to arrive at a finite number of possible actions (intentions) corresponding to any one physical movement or series of movements we observe him making. The possible points of final destination around the globe, which might constitute the intention of Searle, are not exhaustively enumerable. And this is only one class of possible intentions, as Searle indicates. The same physical movement which is consistent with an intention to arrive at a limitless number of destinations around the globe is also consistent with a limitless number of intentions to "get away" from something (getting out of this neighborhood, getting out of this park, getting out of this block, getting out of this town, etc.).

Further, the same physical movements are also consistent with actions (intentions) of the actor that, from the point of view of an observer, have no chance at success. We have to remember that action is the attempt to replace one situation with another regardless whether this attempt is ultimately successful. Thus, the very same set of physical movements could also be consistent with the action which is trying to walk on air, trying to walk for twenty-one days without water, trying to walk to the end of the earth, trying to walk to the Unicorn Forest, etc. These are all possible actions of the individual.

This is how Hayek describes the same situation:

The situation may be described schematically by saying that we know that the objects a, b, c...which may be physically completely dissimilar and which we can never exhaustively enumerate, are objects of the same kind because the attitude of X toward all of them is similar. But the fact that X's attitude toward them is similar can again be defined

only by saying that he will react toward them by any one of the actions x, y, z...which again may be physically dissimilar and which we will not be able to enumerate exhaustively, but which we just know "mean" the same thing. (IE, p. 62)

This is the same principle as Searle's "one type of action can be performed by a vastly different number of types of physical movements."

When we think this through to its logical conclusion, it becomes clear that it isn't as Searle says, that in acting "what I am doing depends in *large part* on what I think I am doing," but rather that, in acting, it depends *entirely* on what the actor thinks he is doing. ("A definite mode of behavior is an action only if these distinctions are present in the mind of the man concerned.") [UF, p.8]

Because the physical movement or location of the actor is consistent with an infinite number of possible intentions of the actor, it is *only* in referring to what the actor thinks he is doing that action can be found. Observed physical movement plays *no* part in the *concept* of action.

The common attributes which the elements of any of these classes possess are not physical attributes but must be something else. (IE, p. 62)

Physical movement plays no part in the pure concept of action. As we have indicated earlier, to the extent the physical enters action, it does so as the *content* of action, not as the *concept* of action.

[T]hough all the social phenomena with which we can possibly deal may have physical attributes, they need not be physical facts for our purpose. (IE, p. 59)

For example, a physical movement observed by an actor (even his own body's movement) will be observed in an *act* of observation.

And thus the physical movement becomes the content of the actor's act of observation.

Furthermore, this observation, as an act, is fully consistent with any number of physical movements this person may be performing. His act of observation is consistent with any number of physical movements he may be making.

For it is obvious that an action has only one subjective meaning: that of the actor himself. It is X who gives subjective meaning to his action, and the only subjective meanings being given by F and S in this situation are the subjective meanings they are giving to their own actions, namely, their actions of observing X. (PS, p. 32)

The individual A gives meaning to his act, because whatever he believes he is doing *is* his act. We cannot identify a man's actions other than in that man's opinion about what he is doing.

[N]o superior knowledge the observer may possess about the object, but which is not possessed by the acting person, can help us in understanding the motives of their actions. (IE, p. 60)

[W]henever we interpret human action as in any sense purposive or meaningful, whether we do so in ordinary life or for the purposes of the social sciences, we have to define both the objects of human activity and the different kinds of actions themselves, not in physical terms but in terms of the opinions or intentions of the acting persons... (IE, p. 62)

### **Hoppe's Concept of Action Revisited**

Searle's example, when followed to its logical conclusion, is a demonstration of how the actor's action cannot be identified other than in his intention. This "intention," in Misesian terms, is the

“meaning” the actor gives to his action. (“A definite mode of behavior is an action only if these distinctions are present in the mind of the man concerned.” [UF, p. 8])

Searle’s “preferred description” clearly refers to the actor’s “intentional actions.” Searle then reiterates this same notion in writing “what I am doing depends in large part on what I think I am doing.” The implied meaning of all the examples Searle provides is that it is only in the actor’s intentions (in what he thinks he is doing) that his action is to be found, and not in his physical movements or the physical effects of those movements.

In short, Searle demonstrates that what Hoppe refers to as an actor’s “external-behaviorist” movement *does not* describe his actions. But what Hoppe takes from Searle’s example is that “both aspects must be taken into account.”

This is for the simple reason that Professor Hoppe’s preexisting concept of action entails physical movement. And he is simply pointing to the physical movement apparent in Searle’s example as proof that physical movement must be taken into account in conceiving action.

But this is clearly not the logical implication of Searle’s example, regardless what Searle may or may not have written elsewhere. The example as provided clearly identifies Searle’s action with his intention and shows how his action cannot be identified with his movement, since any number of movements is consistent with his action.

Searle has provided an implicit logical “proof” concerning the nature and concept of action. But Professor Hoppe has missed it, because his preexisting conception of action leads him to describe action in physical terms. For example, Hoppe uses the terms “internal” and “external” in describing the meaning of Searle’s passage. These are concepts indicating spatial relation. They are pure physics concepts,

apparently referring to the difference between the area inside and outside of one's skull. However, the concepts "internal" and "external" are not used by Searle in his example—they are introduced by Hoppe.

Hoppe is giving a meaning to Searle's example that is different from the meaning the example itself indicates. He is superimposing a *physical* interpretation on a passage that is highlighting the *intentional* nature of action. This physical interpretation goes hand in hand with an "objective" interpretation. Both physics (classical Newtonian physics) and objectivism (as social thought) attempt to portray a reality *separate from* human consciousness. Searle's example is highlighting the *centrality* of human consciousness to the concept of action and simultaneously *discounting* an account of action in physical terms. He is not providing an example of how "both aspects must be taken into account," but rather demonstrating how only the actor's intention can be taken into account. Professor Hoppe, in conceiving Searle's example in physical terms, is "objectifying" the meaning conveyed in Searle's example.

## **Conclusion**

When we claim that the concepts of praxeology are being subtly changed to have objective meaning, the above process is what we have in mind. Owing to a misunderstanding of the nature of human action and of Misesian praxeology, the concepts of praxeology are being reinterpreted in terms of objective-realism, value-objectivism, and the concepts of physics and biology.

This process has its origin in the Rothbardian association of "praxeology" with "economics." According to this view, the procedure of methodological individualism and the concept of subjective value only applies to the analysis of market phenomena. When we theorize about interpersonal and political relations, we should change to an objective approach.

This was not at all Mises's view. He conceived praxeology as the general science of means, whether those means are used to bring about change in the market, in another person, or in the government. Mises conceived praxeology as a science that deals with action in all its forms, not just the acts of buying and selling.

We bring our argument to a close with a passage from the last page of *Human Action*.

There is finally the regularity of phenomena with regard to the interconnectedness of means and ends, viz., the praxeological law as distinct from the physical and from the physiological law.

The elucidation and the categorial and formal examination of this third class of the laws of the universe is the subject matter of praxeology and its hitherto best-developed branch, economics. (HA, p. 885)



