Abstract

Ludwig von Mises used the term "praxeology" to mean "theory of human action." A theory of human action consists of the logical conclusions that can be drawn on the basis of assumptions that "everybody knows to be true from their own actions." In presenting this theory, Mises assumed that everyone understands a priori the use of means to achieve ends. "Action" refers to the thinking and choosing that people associate with this use of means to achieve ends.

In his book Human Action (1949), Mises argued that praxeology is value free since it is a set of logical deductions from universal ideas. He also argued that economics, correctly understood, is a branch of praxeology. Therefore, it is also value free. In other words, it contains no ethical premises or implications aside from those that one might base on the knowledge obtained by working through the logic.

This paper describes Mises's argument and extends it. It constructs a diagrammatic scheme for classifying a number of branches of praxeology. It shows the relationship between theory (logical deductions from assumptions) and history (the interpretation of historical events by
referring to the means and ends of historical individuals). Finally, it identifies a new branch of praxeology called "the theory of interaction among consensual ethical philosopher." The purpose of identifying this new branch is to evaluate an argument by Hans Herman Hoppe that praxeology can be the basis for an ethical philosophy. The paper criticizes Hoppe's claim that the seeds of this argument are contained in Mises's work.

Ludwig von Mises confidently maintained that praxeology and its most highly developed branch, economics, was value free. This was not an afterthought. In the 1920s Mises systematically investigated Max Weber's penetrating writings on the subject. The result was several essays that dealt with the topic.\footnote{These are contained in Mises's book \textit{Epistemological Problems in Economics}, which was first published in German in 1933.} Contrary to Mises, Hans Hoppe's paper claims to develop an ethical basis for praxeology and economics by adding the Frankfurt School's theory of communicative interaction and its philosophy relating to argumentation.\footnote{See Hoppe, 1990.} Unfortunately, Hoppe's writings have completely ignored Mises's views on the value question. Indeed, since Hoppe cites Mises in his paper, he leaves the mistaken impression that Mises might even approve of an Austrian based ethics.

In my view, Mises's claim of value neutrality has not been adequately dealt with by the modern Austrians because they have not succeeded in understanding Mises's crucial distinction between theory and history and, most importantly, the different types of assumptions that enable
one to differentiate praxeology proper from its various branches. This paper will attempt to
close the gap. Part one shows how theory is used in doing history with particular
emphasis on economic theory. It specifically distinguishes between three types of judgments (1) those
entailed in making the a priori assumptions of praxeology, (2) those entailed in making
assumptions that define a branch of praxeology, and (3) those entailed in constructing a particular
theory in a branch of praxeology. Part two considers in greater detail the procedure that is
used to construct the branches of praxeology. By comparing economic theory with what is called
"ethic theory," it tries to show where Hoppe's "a priori of argumentation" fits into praxeology.
Part three deals specifically with the question of value judgments in praxeology. It argues that
Hoppe's paper reflects his failure to take a strictly praxeological approach to the problem. The
praxeological approach implies a more relativistic conception of progress and it implies that the
study of ethical philosophers and their argumentation is a branch of praxeology. The paper ends
with a brief conclusion.

I. Judgments and Assumptions Used in Praxeology

Mises's methodological apriorism is undoubtedly his most important contribution to what we
ordinarily call "the methodology of the social sciences." Mises showed us that every attempt to

3 Much of the background for this paper is derived from the author's recently completed study
of Mises's contribution to economics, especially as represented in Mises's Human Action (1966).
understand and describe human action and interaction, as he defined these terms, must use methodological apriorism. He maintained that normal human beings cannot avoid using methodological apriorism when they try to understand or describe human action or interaction. This includes one's efforts to understand the lone prospector's search for gold, a tennis match, a market economy, a society, a race to discover the smallest particle of matter or energy and her own descriptions and understandings. Most significant to the purpose here, one must use methodological apriorism to understand a discussion of ethics among philosophers. Mises did not invent methodological apriorism, just as Freud did not invent the subconscious; but he seems to have been the first to recognize that its use is a characteristic of historical descriptions and understandings.

Mises's enlightenment led him to confidently employ a new term to refer to the unified science of human action he envisioned -- namely, praxeology. Mises did invent the justification for praxeology and he explicitly proclaimed methodological apriorism to be its method.

Praxeology, Economics, and the Interpretation of History

Praxeology is the theory of human action in general. It is the study of action and interaction among normal human beings. For such beings existence and action are implied by each other. From the a priori assumption that normal human beings act, one uses methodological apriorism to derive the properties of the categories of action. The properties of action consist of the

See Gunning, 1990, for further details on the ideas expressed here about praxeology and methodological apriorism.
properties of action that are implicit in action, namely, that human beings experience ends and means and, therefore, causality and teleology; that they perceive action in terms of time; and that they are uncertain that the means they use to achieve their ends will actually achieve them in the way they anticipate.

Ultimately, the goal of the praxeologist is understand and describe, or help someone else describe, some set of historical events (or to predict some future event). In other words, the praxeologist's goal is to be an historian. Ordinarily, the praxeologist wants to focus on a particular aspect of history. For example, the praxeologist qua economist focuses on historical events that can be regarded as primarily economic, such as a recession or catallactic unemployment. Her aim is to provide an economic interpretation of history.

To achieve this aim, the economist must first construct economic theory. To do this, she uses her experience and intuition to conceptually *disengage* those aspects she defines as economic from the aspects she defines as non-economic. She begins by defining economic action as human action which, following Mises, is carried out under the conditions specified in the definition of the unhampered market economy. Later, depending on the historical event she aims to describe, she may consider economic action under various types of coercive taxes, regulations, prohibitions, monetary regimes, and incompletely specified property rights.

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*In this formulation, prediction is history pushed forward. Thus, it is not inconsistent to say that the praxeologist also has a goal of predicting the future. It is this connection that links praxeology to another "ultimate" goal: that of constructing a system of logic, an economics (Mises, 1966: 64-5), that will help one determine whether a particular policy will enable individuals to achieve their non-ascetic goals. ([ibid.]: 94, 178-9, 764, 883-6)*
In constructing economic theory, she must make what I would like to call *subsidiary praxeological assumptions*. These assumptions are derived from the definition of the unhampered market economy. They are that there is (1) specialization, (2) markets, (3) rights to own and exchange goods, (4) money is the means used to acquire goods, (5) disutility of labor, (6) and scarcity. Economic theory in general consists of deducing how means and ends, time and uncertainty would be manifested in human interaction under these circumstances.

Before the economist can use economic theory to interpret the historical event, she must *re-engage* the economic and the non-economic aspects of history in order to acquire confidence that the event she is describing is indeed economic. To do this, she makes what I call *subsidiary economic assumptions*. Subsidiary economic assumptions are of three types: (1) assumptions about the particular means and ends, plans and expectations of actors; (2) assumptions based on knowledge of non-economic action, possibly organized by using other branches of praxeology; and (3) assumptions based on knowledge of natural science, including biology. In making such assumptions, the economist may employ additional praxeological theories.

A Preliminary Image

Let me try to explain this by referring to diagram 1. The focus of the praxeologist's interest is some set of historical events, which I label simply an historical event. The historical event that is of interest to the economist is a mix of (1) economic action, (2) non-economic action, and (3) non-action. It is shown at the top of the diagram.
To understand the historical event one begins by recognizing that she must use praxeology. Praxeology is in bold print on the left. One branch of praxeology is economic theory, as shown by line segment 5. This branch is built by constructing images of interaction under the conditions specified in the definition of the unhampered market economy, which were listed above. To put
this differently, economic theory is the result of combining the a priori properties of praxeology with subsidiary praxeological assumptions that define the conditions of the market economy. This combination is indicated by the fact that line segments 3 and 5 attach to economic theory, which is in bold print. Other branches of praxeology may be built in a similar way with subsidiary assumptions that bracket the types of action and interaction with which they are defined to be concerned. The result, from the standpoint of economics, is subsidiary assumptions from the other branches. The building of the other branches is indicated by line segment 8.

The process of interpreting the historical event begins by reconstructing it in light of economic theory, the subsidiary economic assumptions, and the subsidiary assumptions from other branches of praxeology. The need to reconstruct is shown by line segment 1. Line segments 2, 4, and 6 illustrate the combination of subsidiary economic assumptions, economic theory, and subsidiary assumptions from other branches of praxeology that are necessary, respectively, for the reconstruction to begin. Once the reconstruction on the basis of economic theory and subsidiary assumptions takes place, it is necessary to further reconstruct by adding knowledge of natural science. The need for further reconstruction is shown by line segment 7. Finally, since an historical event also consists of non-action, its transformation requires knowledge of the non-praxeological sciences. The non-praxeological sciences are provisionally depicted by the right point of the diagram, although a qualification of this picture will be made momentarily.5 The input of non-praxeological knowledge into the reconstruction is indicated by

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5 An alternative but basically identical formulation could be constructed by saying that a particular economic theory is constructed by combining general economic theory with (1) subsi-
line segment 9. The result of the reconstruction is an economic interpretation of the historical event, as shown by the bottom part of the diagram.

An Example

As an example, consider Mises's theory of the trade cycle. Suppose that we observe an historical event like the Great Depression in the U.S. We judge that there is an economic event -- namely a trade cycle that was caused by monetary factors -- embedded in our observations of the historical period. More specifically, we judge that during the depression period, there was an increase in the quantity of the items that individuals use as media of exchange followed by levels of prices of things that most people buy which were not recognized to be higher than they otherwise would have been. In other words, prices, as recognized by economic actors, did not rise. As a result, people made numerous errors in their calculations. Most significantly, entrepreneurs shifted to production methods that were more roundabout, expecting the temporarily lower real rates of interest and the temporarily high demand for durable goods and capital equipment to last for a substantial length of time. When these expectations turned out to be wrong and the malinvestment was revealed, a readjustment had to occur. Part of the so-called recession of

diary economic assumptions, (2) subsidiary assumptions from other branches, and (3) subsidiary assumptions from the non-praxeological sciences. The particular economic theory would then constitute the means of interpreting the historical event. Diagram 2 reflects this possibility more clearly.

1929-1931, we judge, was the result of the expansion of the quantity of money prior to the 1929 stock market crash.

To support our judgment, we provide an economic interpretation of the Great Depression by using economic theory, particular assumptions about means and ends, plans and expectations; assumptions derived from other branches of praxeology; and our knowledge of non-praxeological science. By doing this, we aim to show that our economic interpretation is most relevant. We assume that time-consuming capital use is a means, that plans do not include knowledge of the particular price effects of the increase in money, that certain political events were occurring at the same time, and that certain scientific and biological knowledge is relevant.

Consider our assumptions about political events in greater detail. We might construct a political theory that is analogous to economic theory. Such a theory would be a branch of praxeology, the aim of which is the elucidation of the interaction of normal human actors under some set of circumstances we define as political. Public choice theory, properly interpreted, would qualify; although the fact that it is restricted to peaceful interaction under the rules of democratic decision-making limits its scope. The usefulness of our theory in helping us provide an economic understanding of the great depression is that it may help us make relevant assumptions about political events. Our political theory effects our judgment about the relevance of our economic interpretation. For example, a political theory may help us understand why the quantity of money was increased in the first place. In addition, it may help us understand why

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the depression lasted so long by helping us organize our thoughts about the failure of government officials to keep their promises and to enforce the contracts made by banks and other debtors. Such a theory might help us show why it is relevant to assume that creditors were unable to predict that both their debtors, banks, and government officials would break their promises.

Consider now the subsidiary assumptions about particular plans and expectations relating to the great depression. The only expectation that is derived from economic theory itself is that since an assumption of economic theory is that actors use money prices to communicate, any avoidable factor that effects what Mises called the money relation must interfere with communication. In other words, it must lead to malinvestment. Whether it causes a depression, however, depends upon a number of other factors, including most importantly how soon entrepreneurship becomes aware of the effects of the increase in quantity of money and how effectively entrepreneurship can restructure itself in order to make suitable adjustments. It is our special assumptions about entrepreneurship -- namely, that it is unlikely to determine the likely effects of the increase in money -- that enable us to feel confident that our economic interpretation of the great depression is relevant.

Finally, it should be noted that the relevance of the theory of the trade cycle is confined to situations in which the individuals are human actors (i.e., normal human beings). If individuals could not recognize their errors in judgment, they could never perceive malinvestment. No

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8The exception would be a change that is pinpointed in such a way that it exactly offsets other changes in the money relation that may be occurring. It is difficult to imagine that this would ever occur in everyday life. And it surely could not be planned.
depression, in the sense that it is meaningful to those who are living at the time, could occur. In everyday life, where there are both normal and non-normal human beings, the latter will perceive the situation very differently. Praxeology, of course, is directly useful only in understanding the interaction among normal human beings.

It is essential to realize that the only special thing about recognizing that we use methodological apriorism is that we can avoid the mistakes that we would otherwise make. Praxeology is not an alternative to scientism, historicism, or positivism. It is what everyone does who aims to interpret events for which normal human actors are partly responsible.

A Simpler Image

The procedure described in diagram 1 was both preliminary and possibly misleading. Both the other branches of praxeology and those items that have been listed as non-praxeological science could be included as subsidiary assumptions of economics. If they were, the task of providing an economic interpretation of an historical event could be represented more simply by omitting any direct reference to other branches of praxeology and to non-praxeological knowledge. Diagram 2 would summarize the process. Of course, the other praxeological branches and non-praxeological knowledge could never be fully incorporated into subsidiary assumptions because (1) the phenomenon of intersubjective uncertainty renders it impossible to make a complete listing of the branches of praxeology and (2) there is continuous development of the
non-praxeological sciences. It is these facts which explain why economics can only roughly be used to help one understand only some historical events.

Does Methodological Apriorism Entail the Use of Value Judgments

Whether methodological apriorism entails making a value judgment depends upon how one defines value judgment. The praxeologist does assume that the other normal human beings, whose actions she aims to describe, possess the properties of action. It might be said that her purpose for doing this derives from her desire to treat others as normal human beings, as opposed to being elitist or treating them as non-actors. She may also attribute her methodological
apriorism to experience. We know from our experience that we are not cognitively superior to other human beings in every endeavor, although we may be superior in some.

If this is regarded as a value judgment, it is surely of a very different character than the types of judgments about liberty and property made by Hoppe and other libertarians. We cannot derive any ethical principles from our judgment not to be elitist other than what is implied in the non-elitist stance itself. For example, it does not follow from the non-elitist stance that each individual should be granted a right to what he produces, a homestead right, a right to have his argument evaluated according to norms in a forum on ethics, or any other right of this type. It is true that if the historian fails to account for the particular values of the actors he is describing or if his other subsidiary praxeological or economic assumptions do not match reality, his history will be less relevant. But this is a deficiency of his doing history not the insertion of his personal values.

Deficiencies in a person's doing history can be determined by peers who examine the relevance of the assumptions with regards to the facts to be described. Deficiencies can be identified by identifying the assumptions. Indeed, an historian, as such, has an obligation to his peers to do his history in such a way that the peers can readily identify the assumptions. The insertion of values carries no such obligation. The aim of an "historian" who inserts his personal values is to conceal his assumptions so that evaluators may falsely believe that his descriptions are accurate even though they may not be. Such a person wants to persuade through sophistry.
There is no objective way to distinguish doing history from sophistry. Whether a statement is one or the other can only be judged through peer evaluation. Moreover, since peers may have their own interests which coincide with those of a sophist or even a sub-par historian, one cannot rely on peers to give an unbiased evaluation. Ultimately, one must either do his own evaluation or rely on others who believes will do a correct evaluation.

The absence of an objective means of distinguishing history from sophistry does not in any way reduce the importance of the arguments made in this part. Doing history is an inherently subjective process. Because of this, there is no reason to think that objective means of evaluation would exist in the first place. Someone who regards this as a deficiency of praxeology simply does not understand what it means to do history. He confuses it with natural science, for which objective means of distinguishing between a correct theory and an incorrect theory typically do exist.

II. How a Branch of Praxeology is Constructed

Praxeology and Economics

In the idealized impersonal interactions in the usual image of the market economy, the currency is money. Each economic actor regards money as a means to the end of reducing his felt uneasiness. Besides the assumption that money is used and other assumptions like speciali-
zation, disutility of labor, and the existence of markets; economists must make the assumption that there are distinct ownership rights to goods, factors and money. Otherwise, economic interaction would not occur, since the acquisition of money would not be expected to ultimately reduce felt uneasiness. Acquisition would not constitute ownership. In practical terms, the presence of unrelenting "theft" and extortion would render the production and exchange of physical commodities impossible.

It is important to realize that when the economist makes assumptions that define economic theory, including the assumption that economic interaction requires the existence of rights, he is in essence making assumptions that enable him to roughly bracket a branch of human action for further elucidation. By definition, that branch, namely economic theory, cannot exist without the necessary bracketing assumptions.

These assumptions are properly viewed as subsidiary assumptions of praxeology or, as the term was used above, subsidiary praxeological assumptions. They indicate the praxeologist's interest in economics. They are distinguished from subsidiary economic assumptions, which indicate the economist's interest in particular environments in which economic actors can be imagined to interact. It is true that the subsidiary praxeological assumptions are implied by the very notion of the phenomena to be elucidated (economic interaction in the market economy) and that, for this reason, one cannot construct economic theory without making the assumptions. This compares with the fact that the a priori assumption of action is derived from the definition of action and that one cannot conceive of praxeology without the assumption that human beings
act. However, *it would be a grievous error to confuse the a priori assumption of action, which must be made by everyone who aims to understand action of any type, with the subsidiary assumptions that enable the praxeologist to roughly bracket the field of economic interaction.*

The human mind can imagine nothing about normal human beings without assuming that they act. Without the a priori assumption of action, there could be no praxeology and therefore no understanding of historical events and also no economics. Without the subsidiary praxeological assumptions that bracket economic theory, there could be no economics; but there could still be other branches of praxeology. The praxeologist could still construct a theory of politics, war, ethics, and so on.

Every branch of human action that can be conceived entails the elucidation of the a priori properties of the category of action, by means of subsidiary assumptions. For example, economics is the elucidation of ends and means, time and uncertainty under the particular conditions specified in the definition of the market economy -- i.e., under the subsidiary assumptions mentioned above.

**Ethic Theory as a Branch of Praxeology**

In order to evaluate Hoppe's ethical principles, it is necessary to sketch a branch of praxeology which, to avoid confusion, I shall give a new name -- *ethic theory.* Since thinking about ethics and talk of ethics are forms of human action, the praxeologist could choose to be interested in this particular branch of human action. The praxeologist could study the ethical
thinking of either the isolated actor or a group of actors. The focus here will be on a group. The
praxeologist who studies such a group will be called an "ethicist," analogous to Mises's labeling
the praxeologist who studies a group of economic actors an economist. Similarly, just as Mises
defines economic interaction as interaction in which the aim is to reduce felt uneasiness through
the medium of money, I shall define ethic interaction as interaction the aim of which is to reduce
uneasiness with respect to "deserts" -- who deserves what -- through the "currency" of talk.

Thus, the ethicist is said to study how a particular role (ethical philosophers) reach conclusions,
by talking about deserts. The role of the ethicist differs from the role of the ethical philosopher
in the same way that the role of the economist differs from the role of the economic actor.

Another way to think of ethic theory is as a branch of a broader praxeological theory of
"communicative interaction." The broader theory would include branches such as ritualistic
communicative interaction, communicative interaction under conditions of crowding (a concert,
ball game, or panic situation), affective communication in small groups, and argumentative
communicative interaction. In argumentative communicative interaction among ethical
philosophers, subjects have the end of acquiring a more satisfying understanding of deserts.

Consider now what is implicit in the assumption that ethical philosophers engage in
argumentation in order to form a more satisfying understanding of deserts. Let us define
argumentation as a social situation in which individuals make statements, listen to each others'
statements, and use their powers of understanding and logical reasoning. In each specific action,
a philosopher considers the options and calculates the opportunity cost of choosing one option in
relation to its alternatives. Because each action takes time, he includes an estimate of the amount of time it will take for his action to yield the anticipated results. Finally, he takes it for granted that he cannot exactly know how others will respond to his action and, therefore, whether he will actually succeed in forming a more satisfying understanding. As a result, he may take measures to deal with his uncertainty, such as agreeing with others to abide by rules, or "norms" of argumentation.

The similarity between economic theory and ethic theory that is proposed here is depicted in diagram 3. The diagram shows that the aim of praxeology at the most abstract level is to elucidate the a priori properties of ends and means, time, and uncertainty. The aim of one branch of praxeology, economic theory, is to describe the interaction among individuals who possess the a priori properties and whose goals are to reduce felt uneasiness by acquiring goods with money, given the assumption that individuals have rights to own and exchange property. We can construct branches of economic theory in a number of ways. For example, if we want to deal with externalities and the hampered market economy, we can assume that rights are attenuated in various ways. Such a branch might be called the economic theory of external effects.
The aim of the second branch, ethic theory, is to describe the interaction among individuals who possess the a priori properties and whose goal is to reduce felt uneasiness by talking about deserts. But Hoppe has more in mind than the mere idea that ethical philosophers talk. In his
definition, ethics entails the agreement among the philosophers on rules of argumentation and criteria for judging truth claims. Such assumptions would appear to qualify as subsidiary ethic assumptions. The elucidation of the a priori properties under these assumptions might be called a theory of consensual ethics. It is the theory of interaction among consensual ethical philosophers.

**Hoppe on Argumentation**

I would now like to evaluate the series of arguments put forth by Hoppe relating to what he calls the "apriori of argumentation." His first claim, which he apparently regards as fact, is that the "Austrian theory sets out two systematically interrelated axioms...the 'axiom of action' and the 'axiom of argumentation.'" (35) This is certainly not true of the 20th century Austrian master, Mises, who I suspect most modern Austrians would regard as the foremost Austrian theorist of this century. Nor, so far as I know, is it true of anyone else besides Hoppe himself, although I must admit an unfamiliarity with Austrian works that do not appear in English. Mises identified the a priori properties, which are presumably what Hoppe is referring to when he uses the term axiom of action. But so far as I know, Mises had absolutely nothing to say about what Hoppe calls the axiom of argumentation.

It is worthwhile to ask then whether Hoppe provides a sound basis for claiming that "Austrian theory" should include his axiom of argumentation. The only useful argument he provides is this. After saying that "actions are more fundamental than argumentation," he says that "to state what has just been stated about action and argumentation and their relationship to
each other already requires argumentation and so epistemologically argumentation must be considered to be more fundamental than non-argumentative action."(36) He also refers the reader to an earlier book and papers that he has written. Here I shall evaluate the argument as it is expressed in his current paper, using Misesian praxeology as a reference.

To Mises, an a priori property was a property which, if it was not present, would lead one who reflects on action to deny that action was taking place. Thus, he points out that action without an element of causality or teleology cannot be imagined, that action without the passage of time cannot be imagined, and that action in the absence of uncertainty cannot be imagined. Let us apply this same procedure to Hoppe's axiom of argumentation. Is it possible to imagine action without argumentation? Clearly the answer is yes. In fact, one can imagine an entire market economy in which no argumentation of the type of Hoppe has in mind occurs. People can engage in impersonal monetary interaction without argumentation.

It is true that one cannot imagine the interaction of consensual ethical philosophers without assuming argumentation. But this does not make argumentation an a priori property. To claim that argumentation an a priori property is equivalent to the claim that the use of money in exchange is an a priori property. Properly understood, argumentation is an assumption derived from the definition of a particular branch, or sub-branch, of praxeology. If the praxeologist wishes to describe interaction among ethical philosophers in that branch or sub-branch (i.e., if he wants to bracket this field of study), he assumes that actors engage in argumentation.
Note that the same argument cannot be made in reverse order. That is, one cannot imagine argumentation except insofar as those who engage in it are actors. Argumentation without action -- that is interaction among ethical philosophers who have no ends and means, conception of time, or vision that the outcome of their argumentation is uncertain -- is impossible.

Second, Hoppe claims that a necessary assumption made by the ethic theorist is that interaction among ethical philosophers requires that "everyone engaging in argumentation must know what it means to claim something to be true."(37) I can see no necessary reason for this, although the assumption is possible and also more relevant than other assumptions under certain circumstances. For example, it is easy to imagine argumentation in which each actor believes he is successful in reaching his personal end of forming a more satisfying understanding of deserts without "knowing what it means to claim something to be true." All that is necessary is that each actor possess a conception of what it means to have a more satisfying understanding of deserts. In the interaction among ethical philosophers, it is not even clear what the concept of "truth" means.9

Third, Hoppe claims that argumentation requires the existence of "intersubjectively meaningful norms, [which are] precisely those which make an action an argumentation."(38, emphasis added) It appears that this claim is related to the second claim, since Hoppe goes on to

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9As shown above, this is not to say that one could not construct a particular ethical theory on the assumption that individuals had agreed to specific criteria that would be used to define "truth." Such is the nature of the theory of interaction among consensual ethical philosophers. But it would seem correct to say that such a theory would not be a fundamental one but rather one way in which the fundamental theory could be expanded by means of subsidiary assumptions.
say that various arguments could not "be claimed to be valid, unless the norms underlying argumentation were themselves regarded as valid. It is simply impossible to argue otherwise, because in doing so one would in fact presuppose their normative validity."(38) These remarks seem to assume that individuals who are seeking more satisfying concepts of deserts agree on a set of rules for argumentation that enable them to distinguish between a more or less "effective" argument. Like the second claim, I see no reason why ethic theory must assume this.

This is not to deny, as pointed out in the previous footnote, that a branch of ethic theory can be developed on the basis of such an assumption. For example, my written interaction with Hoppe, by means of his paper and this comment might be defined in such a way that we agree that our purpose is to present our views honestly and not to deliberately engage in deceit in order to achieve our own personal ends at the expense of the unwary audience. We might even agree on some specific rules of logic; although unless these rules are derived from the properties of action, they may not help us communicate about human beings. It seems obvious, however, that the praxeologist who studies the interaction between Hoppe and myself would regard such norms as subsidiary assumptions and that a theory of our interaction based on such assumptions would be a sub-branch of praxeology. It would be a theory of interaction among consensual individuals who study praxeology.

Finally, Hoppe makes the claim that "no one could possibly become convinced of a proposition, if one's right to make exclusive use of one's physical body were not already presupposed."(38) As I understand it, this claim borders on the absurd. Argumentation with the
aim of reaching a more satisfying concept of deserts seems to demand only that individuals have the right to make exclusive use of their respective minds, not their bodies. It is quite reasonable, for example, for a slave and his master to engage in ethical argumentation and for both, respectively, to reach the conclusion that they have gained from the argumentation. After their argumentation, they may dutifully return to their respective roles. Argumentation in Hoppe's sense seems to consist of an interaction among minds. It is a mental phenomenon and it presupposes only that individuals have control over their own minds -- and only that during the period of time when the argumentation takes place.

III. Toward a Praxeological Definition of Progress

In the last section, I described a form of consensual ethic theory in which ethical philosophers agree on a set of norms of argumentation and on the means of evaluating truth claims. Hoppe's consensual ethic theory goes beyond this in assuming that ethical philosophers agree on what it means for progress to occur. Unfortunately, he neglects to define the term "progress" praxeologically and, as a result, appears to be led away from a theory of interaction among consensual ethical philosophers and into sophistry. The aim of this part is to demonstrate this.

The praxeologist is committed to using concepts to describe subjects that can be understood by both the subjects and other praxeologists in terms of the a priori properties of action. She
confines her interest to normal human beings and assumes that all such beings possess the a priori properties. When she defines a branch of praxeology -- i.e., when she brackets a field, she makes no assumptions about the particular ends and means, concept of time, or uncertainty-bearing of individuals. On the contrary, the praxeologist must humbly admit that subjects may have particular ends, means and concepts that she may not even be able to understand. This "rule" is called the principle of subjective interpretation.  

The basis for the requirement that the praxeologist follow the principle of subjective interpretation seems rooted in experience. Adolescent and adult experience seem to inform each normal human being that he cannot know the particular ends and means of others with certainty. The theorist in a branch of praxeology must make some assumptions about particular ends and means. For example, the economist by definition assumes that subjects use money as a means. Beyond this, since he is ordinarily interested in some particular class of events, he often makes assumptions that are even more specific. For example, to explain a particular case of cyclical employment, he makes assumptions about the expectations that subjects have and the errors that they make. Assumptions that are even more specific may be made in some cases. To construct a theory of price controls, for example, the economist may assume that some groups of subjects have similar alternatives and expectations. Nevertheless, I believe that any thoughtful economist would agree that he cannot know any more than the broad features of the particular manifestations of the a priori properties. Every subjectivist ought to assume for practical purposes that

10See Schuetz, 1943 and 1953.
each subject may be as capable of understanding others, including the economist himself, as he is. Indeed, they may be more capable. Given this, the economist assumes that he cannot know the particular ends and means of subjects.

Once a branch of praxeology is defined, the theorist in that branch can make any particular assumptions about a priori properties he wants, so long as the assumptions are consistent with the general a priori assumptions. Assumptions do not have to be realistic to construct a particular theory or logic of action. Nevertheless, a particular theory (e.g., economic theory or ethic theory) that is built on unrealistic assumptions is bound to be irrelevant to the ultimate aim of helping to understand the interaction imbedded in the historical events of everyday life. This is implicit in the sketch of economic theory described in diagram 2.

These considerations imply that all the terms used by the praxeologist ought to be (1) meaningful to subjects and other praxeologists in terms of the a priori properties and (2) relevant in that the assumptions the praxeologist makes are appropriate for the action she aims to describe. To assure meaningfulness and relevance, the theorist can adhere to the principle of subjective interpretation, which means that she constructs all definitions of terms by connecting them to the a priori properties of each actor.

When the principle of subjective interpretation is applied to Hoppe's concept of progress, Hoppe’s concept falters. To show this, I begin by attempting to construct a definition of progress that is meaningful at the level of the individual. At that level, the concept seems to be derived

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11See the Schuetz citations in footnote 10.
from an individual's personal beliefs that he can learn. For the concept of progress to have a personal meaning, an individual must be assumed to have a personal understanding not only of the fact that ends and means are implied by his action but also that he might improve his means of accomplishing some anticipated future end. I think that we can give Hoppe the benefit of the doubt and assume that subjects and praxeologists possess a personal idea of learning and, therefore, that they possess a personal idea of progress. In short, we all know that we may learn. This is equivalent to saying that we all know what it means to make personal progress.12

The assumption that each individual can form a personal idea of progress does not imply that an idea of progress in an economy or a society can be formed. Intuition and experience tell us that one subject may regard a second subject's "progress" as completely irrelevant to his own goals. For example, it may not matter to you whether I learn how to arrive at my destination more quickly at the same cost and therefore reduce my uneasiness to a greater degree. There may be absolutely no way that such an increase in my ability to move faster and thereby better satisfy my wants can benefit you. Beyond this, what one subject regards as progress may be regarded as a retrogression by another subject. Not only can you be envious because you cannot duplicate my behavior, or fearful of my being liberated from tradition; my progress may truly come at your

12It should be kept in mind, however, that the a priori status of learning is not as strong as the a priori status of ends and means, time and uncertainty. The reason is that we can imagine living in a world in which we make choices through time in an uncertain environment but in which we do not learn. But we cannot imagine living in a world in which we learn but do not possess the other a priori properties. I think that this fact would become relevant if the praxeologist aimed to describe a customary society, in which traditions were handed down by ritual from one generation to the next.
expense. For example, my faster travel may endanger you. Or, more obviously, the increased
destructive power of my explosives may lead to your enslavement or death.\textsuperscript{13}

Hoppe does not do the exercise described here or acknowledge that the exercise is relevant.
Instead, he seems to appeal to us, as fellow praxeologists, to agree that everyone uses the same
definition of progress in a social, or economic sense. Although he does not define the term, he
says that we cannot deny that progress has occurred. Surely, he cannot be referring to progress in
the sense that we discussed in the last paragraph. To see more fully that this is so, consider the
well-known example in economics of a cost-effective technological improvement. Those people
who are in a position to adopt it immediately -- for example, the businesspeople who are in the
process of replacing their capital equipment -- gain; while competitors who have recently
replaced their capital equipment experience losses in the value of their capital. Beyond this --
and I think that these are the most important points -- (1) the technological advance may have
external effects, (2) some individuals may object to technological advance for non-financial
reasons, (3) the technological advance may lead to an encroachment by one set of people on what
another set of people regard as either their own rights or the rights of others who are not able to
express their views effectively, and (4) the advance may lead people who have a psychological
advantage to use their advantage to promote exchanges which they know (or could know) their

\textsuperscript{13}It is not relevant to argue that the external effects of my progress would not exist if rights
were fully defined and enforceable since (a) this has no bearing on your envy (or similar types of
ends), (b) progress implies an initial absence of rights because it cannot be predicted and because
the perpetrator of the externality may not have the capacity to compensate a victim, and (c) the
problem of appraising claims for compensation is inherently political (i.e., the decision to use the
private or public courts is political because of the natural difference in brute force).
bargaining partners will later come to regret. Since any increase in one person's technological abilities that is put into practice is highly likely to lead someone else to believe that the change has caused her to be worse off, the latter is likely to disagree that progress has occurred. If one takes the viewpoint suggested by the latter's values, the increase in abilities would not constitute progress. To refute the claim that social or economic progress has occurred in reality, one needs only to put herself in the positions of those whose lives or liberties have been lost as a result of what is commonly regarded as progress. A good place for a U.S. citizen to begin is with the American Indians and captured Africans, who ultimately died aboard slave ships or survived to perform for their foreign masters.

It is possible to construct a definition of progress that has no connotations of gains and losses. Such a definition is based not on an end that one necessarily wants to achieve but on a result that we assume is observed similarly by everyone. Such results are physical achievements, such as a faster speed or a more powerful explosive. If this result is achieved, regardless of its value to anyone, it is said that progress has occurred. I think that it is precisely because many people define progress in this way that Hoppe can say that protophysics is undeniable. Or perhaps it is best to think of progress and protophysics in a different way. The fact that people have similar observations of the physical world makes progress in protophysics undeniable and enables one to use a definition of progress in physical science that everyone can "grasp."¹⁴

¹⁴I hesitate to use the term "understand" since this term is best reserved exclusively for ends that human beings are assumed to find worth achieving. Unfortunately, there does not appear to be a set of terms that are suitable for making the distinction that I have in mind.
Nevertheless, it should be evident that progress in physical science is quite different than social or economic progress. Yet Hoppe fails to identify this distinction for his readers.

Positivism, Subjectivism, and Relativism

It is worth pointing out that in natural science, relativism seems to be less associated with positivism than with positivism's antithesis -- the belief that progress means different things to different people. Those who find it undeniable that progress has occurred are more likely to be positivists in the sense that they want to get on with improving abilities without taking into consideration how different subjects might evaluate the improved abilities. It seems that, in the natural sciences, the relativist is attracted to subjectivism; while the believer in progress is attracted to positivism. Yet, Hoppe associates relativism with positivism and Austrian subjectivism with a belief in the idea of progress. I think he has it backwards.

Imagine constructing a praxeologically-based ethic theory that aimed to elucidate the ethics of the scientist. One might conceive of two different scientist roles: (1) the positivist scientist who believes that he is contributing to progress, regardless of how others evaluate the increases in abilities he expects his work to cause and (2) the subjectivist scientist who carefully reflects on the points of view of the different individuals who she believes will be effected by her work. It seems clear that the subjectivist would be closer to relativism than the positivist, although there is no necessary connection between subjectivism and relativism; since even relativism implies personal value judgments, which the praxeologist, as a role, attempts to hold in abeyance.
The Idea of Progress in the Social Sciences

So far, I have discussed progress in terms of technological change. In social science, including economics, progress would seem to require a change in institutions; such as an improved business arrangement or an improved set of laws. By definition, a natural phenomenon, which is the subject matter of the natural sciences, can be observed by different individuals in roughly the same way. We all seem to have similar senses. The idea of progress in natural science seems to be built upon protophysics, which neatly captures these similarities. The possibility that individuals can reach agreement that the ability to make physical changes has improved is taken for granted because it is consistent with one's experience interacting with others (i.e., with his subjective interpretation of the behavior of others in light of his a priori assumptions about the interpretative processes in the human beings he defines as normal).

In contrast, the phenomena of the social sciences -- namely, the relationships that human beings form -- are viewed in different ways by different people. The family relationship, for example, is viewed differently by the husband, the grandmother and the children. Similarly, the relationship between buyer and seller, employer and employee, etc. are viewed differently by the different parties. It is difficult to imagine a definition of progress that could be applied to both the natural and social sciences since social phenomena are, by definition, observed differently by different individuals. It is true that every normal human being interprets social phenomena by means of methodological apriorism. But this implies nothing about progress.
One way to salvage the idea of progress in social science is to define progress as a change in social relationships which, indirectly, contributes to progress in the natural sciences. According to this definition, if human beings learn to produce new social relationships that enable them to stimulate progress in natural science, then it would be said that there had been progress in social science.

Defined in this way, one might say that progress has occurred even though he anticipates a holocaust. To avoid this, one might adopt Buchanan's "contractarian paradigm,"\textsuperscript{15} in which he suggests that economists devote themselves to discovering institutional rearrangements that satisfy the condition of being improvements according to the strict Pareto criterion. More recently, Buchanan has refined this view to refer to improvements that satisfy the Wicksellian unanimity principle.\textsuperscript{16} This, in turn, has led him into constitutionalism, on the assumption that constitutional changes could achieve the required unanimity. Of course, it would be impossible for the social scientist to be certain that unanimity could be achieved in any particular case. Nevertheless, if one is seeking a praxeologically-based welfare economics, or ethic for social science; I think that this is the best he can do.

\textsuperscript{15}See Buchanan, 1975.

\textsuperscript{16}See Buchanan, 1985.
IV. Conclusion

Although Hoppe (1988) has elsewhere provided an excellent discussion of the relationship between Mises's praxeology and philosophy, he has apparently made two major errors in the current paper. First, he has made an unwarranted association between Mises, praxeology, and his own "a priori of argumentation." So far as I can tell, the "a priori of argumentation" is anti-Misesian and, therefore, inconsistent with Misesian praxeology. This error, in turn, led Hoppe to regard what is essentially a branch or sub-branch of praxeology, namely, the theory of interaction among consensual ethical philosophers, as the equivalent of praxeology, which is the study of action in general.

Second, he has presented a confusing discussion that uses terms in ways that have no praxeological foundation. The source of the problem is his failure to develop a praxeological definition of progress. This seems to have led him away from praxeology (and therefore meaningfulness) and into sophistry. Contrary to the assumption implicit in Hoppe's discussion, a social or economic definition of progress cannot be taken for granted. A consensual definition of progress may be built on the basis of our belief that individuals observe physical events in a similar way. But such a definition can hardly provide the basis for an ethical theory, since different individuals may place different evaluations on the physical events.
References


Gunning’s Address

J. Patrick Gunning
Professor of Economics
Melbourne,

Please send feedback:
Email: gunning@nomadpress.com
Go to Pat Gunning's Pages