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**DE-KANTING MISES AND HOPPE:**  
**NOTES TOWARD AN AUSTRIAN-SCHOOL METAPHYSICS**

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*1. Introduction: Austrian-School Methodology.*

Scholars have now charted the historical lineage of Austrian-school economics and its philosophical roots. David Gordon, for example, has stressed the influence of Aristotle on Menger *via* Brentano, who rejected Kant and Hegel (Gordon 1993, 18-21 and 26-28). Yet, as Hans-Hermanne Hoppe has recently emphasized (Hoppe 1988, Hoppe 1995; cf. also Gordon 1993, 30-31), by the time we get to Mises a strong Kantian (or more precisely, neo-Kantian) element had reappeared, evident in Mises' excursions into epistemology. In this paper my aim will be to isolate and criticize these features of Mises' (and Hoppe's) views and argue for a return to Menger and especially to an Aristotelian-derived realism as a superior basis for Austrian-school thought. The Kantian element, I hope to show, makes Austrian-school economics vulnerable to the very kind of methodological reductionism it rightly eschews and must avoid if it is to remain genuinely aprioristic, much less make sense of our economic lives. It is my conviction that this element can be dissected out, and that the remaining position is not merely intact but actually *stronger* than before.

What has long distinguished Austrian-school economics is its *method*, which attempts to deduce an entire system from what I will call incontestable propositions: incontestable because their denials are either self-contradictory or cognitively impotent.<sup>1</sup> The incontestable proposition Mises identified is: *man acts*. Since the denial, by a man, that man acts would constitute an action (denials being linguistic actions), any such denial is self-contradictory and

thus self-invalidating, confirming *man acts* as a necessary truth.<sup>2</sup> Accordingly, *praxeology*--the term Mises uses for the logic of action--is a fundamental *a priori* discipline of which economics is a branch. According to the Austrian-school economist, propositions such as "Whenever two people, *A* and *B*, engage in voluntary exchange they must both expect to profit from it" (Hoppe 1995, 14) are also incontestable, since they are deduced from *man acts*; it makes no sense for one who understands them to deny them--or to submit them repeatedly to empirical test.

It is well known that Mises was concerned to outline the epistemology which undergirded his methodological approach. He spent the first 100 pages of *Human Action* on such issues, and addressed them in separate monographs besides (Mises 1976, 1978, and 1985). *Praxeology* stands at the foundation not just of economics but epistemology as well by establishing the *a priori* parameters of the economically and epistemologically possible and allowing their integration into a single system. My concern here will be to argue that the Austrian-school system requires a *metaphysics* as well, consisting also of propositions knowable *a priori* and best characterized as a brand of Aristotelian essentialist and pluralist realism--and substantially weakened by any Kantian element which sees *a priori* knowledge as an imposition of form by knowing subjects / actors. Hoppe rightly draws attention to the Aristotelian influence. The principles of identity and contradiction are the cornerstones of logic and therefore of *praxeology* and epistemology. Being an *actor* is, first of all, essential to being a *sentient agent*. But neither Mises nor he push this realization far enough. For second, capacities for action and for reflective thought require that agents--acting beings--are ontologically different from other entities, with the differences being differences in kind, not merely in complexity. This is bound to be controversial for obvious reasons: it flies in the face of the scientific (not scientific)

reductionism that has guided most social-science inquiry for this century. Yet its truth will turn out to be necessary.

## 2. *Mises, Hoppe, and Kant.*

It is, as we said, the appearance of the Kantian influence on Mises that suggests problems. Mises--and Hoppe, expounding Mises--consciously shy away from the kind of ontological commitment many of their own arguments seem to imply. The result is a position which I shall criticize as too conservative, intellectually.

Kant was a rationalist in the sense that he believed that some synthetic, factually informative truths are knowable *a priori*: not tested against experience since all experience presupposes them. So far, so good. But Kant's procedure strongly suggests an idealistic reading, his own "refutation of idealism" later in the first *Critique* notwithstanding:

Hitherto it has been assumed that our knowledge must conform to objects. But all attempts to extend our knowledge of objects by establishing something in regard to them *a priori*, by means of concepts, have, on this assumption, ended in failure. We must therefore make trial whether we may not have more success in the tasks of metaphysics, if we suppose that objects must conform to our knowledge (Kant [1787], 22).

It is easy to interpret Kant as offering the very first version of what has become one of the prevailing dogmas of the contemporary academy, expressed in such ways as that "nature is made rather than found," or "the search for the furniture of the universe has ended with the discovery that the universe is not a furnished room": simply put, in a philosophically pregnant sense, "nature" is constructed, not apprehended. As this interpretation goes, reason constructs nature via forms of intuition (space and time) and categories of the understanding (e.g., causality). Form is imposed by thought on reality rather than discovered or inferred from discoveries in

reality. What opens the door to the idealistic reading is the question, *why should our mental intuitions and categories fit reality?* (cf Hoppe 1995, 69). To a logical positivist, the question was meaningless. Now, with logical positivism all but a museum piece, new generations of epistemological pessimists (and some overt nihilists) are asserting, in effect, *there is no reason why they should*. The latter have introduced a variety of constructing media in place of Kant's--classes / class consciousness (Marxism), languages / language games (Whorf, Wittgenstein), conceptual frameworks (Quine), paradigms (Kuhn), traditions (Feyerabend), discursive formations (Foucault), gender (radical feminists), race (critical race theory), etc.--leaving us with a plethora of relativisms in which anything goes except constructivism itself. Reality, for all practical purposes, ends up as no more meaningful a notion in the constructivists' relativistic worldview than it was for the logical positivist.

Mises, of course, condemned such "polylogism" as incoherent, arguing the case in great detail (Mises 1966, 72-91). But he seemed unaware of its main historical root: Kantian epistemology, which by supplying its first premise opened the door through which the legions of "polylogists" slithered through. Mises should therefore have been acutely cautious of any Kantian elements in his own position, aware of their vulnerability to abuse. It might be noted in passing, as well, that the antirealist reading of Kant's transcendental turn earned the eternal wrath of other defenders of free markets, especially Objectivists who follow Ayn Rand. Rand's attacks on Kant and his supposed influence on all subsequent philosophy are the stuff of legend (see, e.g., Rand 1961). So how does a Misesian address this worry?

We may turn to Hoppe's recent work for a definitive current statement on the relationship between Mises and Kant. Hoppe finds in Mises a reading of Kant, one missed by both orthodox

Kantian philosophers as well as Randians, which avoids the drawbacks of constructivism and in fact reinstates realism. The key is in Mises' "sid[ing] with Leibniz when he answers Locke's famous dictum *nothing is in the intellect that has not previously been in the senses* with his equally famous one *except the intellect itself*" (Hoppe 1995, 59; citing Mises 1978, 12), and then reasoning that Kantian categories need not be interpreted idealistically as categories of abstract intellects but of the minds of acting persons, thus returning us to realism. As Hoppe explains:

We must recognize that such necessary truths are not simply categories of our mind, but that our mind is one of acting persons. Our mental categories have to be understood as ultimately grounded in categories of action. As soon as this is recognized, all idealistic suggestions immediately disappear. Instead, an epistemology claiming the existence of truth synthetic a priori propositions becomes a realistic epistemology. Since it is understood as ultimately grounded in categories of action, the gulf between the mental and the real, outside, physical world is bridged. As categories of action, they must be mental things as much as they are characteristics of reality. For it is through actions that the mind and reality make contact (Hoppe 1995, 20).

In this case, the incontestable proposition *sentient beings act* bridges the Kantian synthetic a priori and realism. Consider the category of causality:

Causality, [Mises] realizes, is a category of action. To act means to interfere at some earlier point in time in order to produce some later result, and thus every actor must presuppose the existence of constantly operating causes. Causality is a prerequisite of acting, as Mises put it (Hoppe 1995, 21).

And:

Without such an assumption regarding the existence of causes as such, different experiences can never be related to each other as confirming or falsifying one another. They are simply unrelated, incommensurable observations (Hoppe 1995, 36).

This, Hoppe argues, establishes realism as also logically necessary:

Recognizing knowledge as being structurally constrained by its role in the framework of action categories provides the solution . . . Understood as constrained by action categories, the seemingly unbridgeable gulf between the

mental on the one hand and the real, outside physical world on the other is bridged. . . . [I]t is only through actions that the mind comes into contact with reality, so to speak. Acting is a cognitively guided adjustment of a physical body in physical reality. And thus there can be no doubt that a priori knowledge, conceived of as an insight into the structural constraints imposed on knowledge qua knowledge of actors, must indeed correspond to the nature of things (Hoppe 1995, 69-70).

### *3. The Circularity of Misesian-Hoppean Evolutionary Kantism.*

It looks as though realism has been reacquired, by understanding Kantian categories of the understanding as bridges to reality via their direct applicability to actions. Mises indeed pursues this kind of approach:

It is an undeniable fact that technological planning guided by the Euclidean system resulted in effects that had to be expected according to the inferences derived from this system. The buildings do not collapse, and the machines run in the expected way. The practical engineer cannot deny that this geometry aided him in his endeavors to divert events of the real external world from the course they would have taken in the absence of his intervention and to direct them towards the goals that he wanted to attain (Mises 1978, 13).

Mises' own explanation is evolutionary, and appeals to the Darwinian theory and the adaptation of human cognition as one aspect of the adaptation of any organism to its physical-biological environment through eons of natural selection. According to the Darwinian and neo-Darwinian theories, this environment imposes constraints on the categories of sentient agents through its long-term causal effects on the cognitive capacities of any life form. Their categories will be a function of their needs for survival, biologically speaking. Hence a correspondence must exist between our categories and those immediate actual features of our environment. Of presumably many possible categories, then, ours fit our environment--hence we survive. Other possible categories, such as those of non-Euclidean geometry or which would not permit perception of

spatial relations or of the passage of time, do not. A sentient being with such categories could not survive in our world.

Those primates who had the serviceable categories survived . . . In the same way in which the evolutionary process eliminated all other groups whose individuals, because of specific properties of their bodies, were not fit for life under the special conditions of their environment, it eliminated also those groups whose minds developed in a way that made their use for the guidance of conduct pernicious. . . .

. . . Since the *a priori* categories emanating from the logical structure of the human mind have enabled man to develop theories the practical application of which has aided him in his endeavors to hold his own in the struggle for survival and to attain various ends that he wanted to attain, these categories provide some information about the reality of the universe (Mises 1978, 15-16).

This explanation, however plausible at first glance, is vulnerable to the following kind of objection: if *a priori* forms of intuition and categories of the understanding are conditions of all thought whatsoever; if, that is, they are really "the mental equipment of the individual that enables him to think and . . . all reasoning presupposes the *a priori* categories [so that] it is vain to embark upon attempts to prove or disprove them" (Mises 1978, 12), then this applies to all alleged knowledge of and reasoning about evolution as well, which is merely one instance of the kind of causal relation or pattern our *a priori* categories have projected willy-nilly into our environment. In short, the drawback of evolutionary Kantism is that it compels a logically impossible act of "bootstrapping," using a phenomenon constructed through the action of the categories, and about which there is still much we do not understand, to establish the reliability of the categories, so that in effect the categories establish themselves. The evolutionary explanation thus fails because of an inevitable circularity. Reality might still be vastly different from what our experiences and the *a priori* constraints on our cognition tell us. (Of course, a good many contemporary physicists would concur.<sup>3</sup>) In this case, evolutionary Kantism does



not really answer the all important epistemological question: *why should we believe our forms of intuition and categories of the understanding fit reality?* It does not really decide the issue between realism and constructivism. The best answer it leaves us with is a thoroughgoing pragmatist one: they work. They enable us to survive. As to why they work, it seems we still have a mystery on our hands.

#### 4. *From Austrian-School Methodology to an Austrian-School Metaphysics.*

By this time it should be clear that *any* recourse to Kantian epistemology seriously weakens Austrian-school thought. At best, it needlessly raises distracting side issues. But it may in fact harbor a still worse situation. At the beginning of a crucial junction, Mises wrote:

There are phenomena which cannot be analyzed and traced back to other phenomena. They are the ultimate given. The progress of scientific research may succeed in demonstrating that something previously considered as an ultimate given can be reduced to components. But there will always be some irreducible and unanalyzable phenomena, some ultimate given (Mises 1966, 17).

This, I now submit, unbolts a door Mises does not want unlocked: the one to methodological reductionism. If someone with, e.g., Skinnerian behaviorist leanings, pries it open, we might get the result that a basic proposition such as *man acts* is subject to potential reduction via behaviorist explanations which show *action* to be mere *behavior* with nothing more special to recommend it than the behavior of an animal (e.g, a white rat). Mises even unintentionally helps our behaviorist along with his caveat that action is always taken to relieve unease: "The incentive that impels a man to act is always some uneasiness (Mises 1966, 13)."<sup>4</sup> Hoppe notes, moreover, that *action* is not something observed empirically; "there are only bodily movements to be observed . . ." (Hoppe 1995, 61). At this point what we thought was only a door has now

turned into a floodgate! The teleological, end-means approach might turn out to be wrong at its most basic level: a purely *verbal* description of something yet to be explained scientifically. The issue is of vital import, because the systematic reduction of human behaviors to antecedent causes has been attempted by all social sciences in the twentieth century and produced their dominant paradigms (Skinnerian behaviorism being just one example). Does Mises actually open this floodgate? On the *current* state of affairs, methodologywise, Mises observes that

Concrete value judgments and definite human actions are not open to further analysis. We may fairly assume or believe that they are absolutely dependent upon and conditioned by their causes. But as long as we do not know how external facts--physical and physiological--produce in a human mind definite thoughts and volitions resulting in concrete acts, we have to have an insurmountable *methodological dualism* (Mises 1966, 18).

Emphasizing *methodology* introduces a potential ambiguity. Methodology can be seen as taking the investigator to a provisional stance beyond which he cannot go solely due to gaps in his knowledge, or as requiring an ontological one--perhaps compelled by necessity. Mises opts for the former. Due to the incompleteness of empirical findings and any revisions in our conceptual systems these might require, Misesian dualism eschews any stronger ontological commitment. It might, for all we know, be revised in favor of a hard line materialism in which

the natural sciences will succeed . . . in explaining the production of definite ideas, judgments of value, and actions in the same way in which they explain the production of a chemical compound as the necessary and unavoidable outcome of a certain combination of elements (Mises 1966, 18).

What at first glance looks like an eminently sensible fallibilism is entirely in line with the views of philosophers such as W. V. Quine who hold that all propositions whatsoever are subject to potential revision in the light of future experience (see Quine 1961); Quine includes even the laws of logic within the scope of what which might be revised. (The immunity of Quine's *own*

propositions has, for some of us, proven a bit of a mystery; cf. Kordig 1979; Yates 1991).

Mises thus leaves as a live option the revisability of *man acts*. It may be that we can already answer in the negative the metaphysical question: is the will of the acting person free?

The innate and inherited biological qualities and all that life has worked upon him make a man what he is at any instant of his pilgrimage. They are his fate and destiny. His will is not "free" in the metaphysical sense of this term. It is determined by his background and all the influences to which he himself and his ancestors were exposed (Mises 1966, 46).

And,

Some philosophers are prepared to explode the notion of man's will as an illusion and self-deception because man must unwittingly behave according to the inevitable laws of causality. They may be right or wrong from the point of view of the prime mover or the cause of itself. However, from the human point of view action is the ultimate thing. We do not assert that man is "free" in choosing and acting. We merely establish the fact that he chooses and acts and that we are at a loss to use the methods of the natural sciences for answering the question of why he acts this way and not otherwise.

Natural science does not render the future predictable. It makes it possible to foretell the results to be obtained by definite actions. But it leaves unpredictable two spheres: that of insufficiently known natural phenomena and that of human acts of choice. Our ignorance with regard to these two spheres taints all human actions with uncertainty. Apodictic certainty is only within the orbit of the deductive system of aprioristic theory. The most that can be attained with regard to reality is probability (Mises 1966, 105).

*Methodologically*, then, Mises is willing to commit to the irreducibility of human action to necessary and sufficient antecedent conditions--but not *metaphysically*. "Methodological dualism refrains from any proposition concerning essences and metaphysical constructs" (Mises 1986, 1). Given the state of our knowledge *at present*, acts of choice must be left within an ends-means conceptual framework. But this could change. The Kantian element clearly blocks what could eventually have yielded a comprehensive Austrian-school metaphysics which sees ends-means categories as irrevocable *en toto*. We are locked into a "human point of view" which is,

in principle, alterable on fundamentals. Elsewhere, Mises elaborates this "human point of view" as "the logical structure of [the human] mind" in still more detail.

Whatever the true nature of the universe and of reality may be, man can learn about it only what the logical structure of his mind makes comprehensible to him. Reason, the sole instrument of human science and philosophy, does not convey absolute knowledge or final wisdom. . . . What appears to man's inquiry as an ultimate given, defying further analysis and reduction to something more fundamental, may or may not appear such to a more perfect intellect. We do not know (Mises 1986, 73).

Moreover, and finally, Mises has actually *reversed* Kant, to paraphrase David Gordon (Gordon 1993, 30); according to Kant, we were determined in the phenomenal world but free in the noumenal one. With Mises, limits to our present understanding commit us to free will; potential improvements in this understanding might bring it into progressively greater and greater alignment with the perspective of "a more perfect intellect" which perceives a reality of hard determinism. "Perhaps," he writes, "such an exalted mind is in a position to elaborate a coherent and comprehensive monistic interpretation of all phenomena" (Mises 1985, 1). Or, as Hoppe observes, in what could be construed as an attempt to block methodological reductionism, that "no scientific advance could ever alter the fact that one must regard one's knowledge and actions as unpredictable on the basis of constantly acting causes" (Hoppe 1995, 37). But to do so he must take us to full-fledged transcendentalism:

One might hold this conception of freedom to be an illusion. And one might well be correct from the point of view of a scientist with cognitive powers substantially superior to any human intellect, or from the point of view of God. But we are not God, and even if our freedom is illusory from His standpoint and our actions follow a predictable path, for us this is a necessary and unavoidable illusion (Hoppe 1995, 37).

It is true, of course, that our knowledge of *all* entities, events, or domain of inquiry is at best partial; this is a consequence of humans as knowers being finite beings. Omniscience

is reserved exclusively for an Infinite Intellect. Mises and Hoppe are entirely correct on this point. Yet what really follows from this? Human finitude, and fallibility, are entirely compatible with the idea that we have *some* knowledge of entities and the laws governing them which is stable and irrevocable, with *no* concealed commitments to transcendentalism.

Perhaps the logical structure of our thoughts and actions to which Mises and Hoppe have repeatedly referred can point us toward that which is irrevocable, if we can dissect out the Kantism and other tendencies of modern philosophy which have encouraged epistemological subjectivism. We will then be able to give primacy to the logical structure of (class of entities in) *reality*, of which the logical structures of human thought and action are only instances. Much of modern philosophy, which begins with Descartes and his procedure of methodological doubt, has inverted these two, precipitating universal subjectivism. Descartes, a mathematician and geometer as well as an epistemologist, refused to accept as knowledge anything for which he could not offer a demonstrative, mathematically rigorous deductive proof. As his critics immediately pointed out, his own demonstrations broke down at crucial junctures, leading eventually--through a much longer and more complicated route than can be charted here--to the Kantian transcendental turn in which mere epistemological subjectivism becomes constructivism. Ever since, antirealists have tormented us with questions like, How does one offer proof of having 'gotten outside' one's experience (or conceptual framework or cultural tradition, etc.) and made contact with something beyond it? To have to take this kind of question seriously is to be caught in the Cartesian-Kantian trap. The full consequences for the modern intellect have been much more serious than the mere intellectual conservatism seen at crucial junctures in Mises' and Hoppe's work. The trap leads logically to an epistemological bottomless pit: fall

in, and there is no way out. It is necessary to avoid the assumptions which give such questions force. The avoidance will make substantive metaphysics a live option once again. We have begun by noting that reductionism in the sciences already commits the scientist to a substantive metaphysics: the belief that the universe is structured in such a way that the reductionist method will tend to yield more true theories than false ones, productive of knowledge--and that it will not take entire sciences up blind alleys.

It is an irony that despite Mises' decisive rejection of polylogism, he could not bring himself to reject the premises on which polylogism is based.

##### 5. *Incontestable Propositions as the Foundation of an Austrian-School Metaphysics.*

Kantism may be an Achilles-heel best exposed for what it is and eliminated from Austrian-school thought. What, however, is the alternative? Can there really be any such thing as "Austrian-school metaphysics" which retains economics as an *a priori* discipline minus the Kantian (or neo-Kantian) trappings? In this paper I can provide at best a sketch, due to limits of space, time, and the complexity and numerous potential applications of the results--which have implications not just for economics but for *every* domain of inquiry. But consider how Menger began his magnificent *Grundsätze der Volkswirtschaftslehre*:

All things are subject to the law of cause and effect. This great principle knows of no exception, and we would search in vain in the realm of experience for an example to the contrary. Human progress has no tendency to cast it in doubt, but rather the effect of confirming it and of always further widening knowledge of the scope of its validity" (Menger [1871], p. 51).

It is clear from Menger's ensuing remarks that we do not know all the *instances* of the law of causality. Nor do we have all the *details* of those instances we do know. For Menger,

as for any Austrian-school thinker, causality is not tested repeatedly against experience. Our experience does presuppose it in order to expand our knowledge of its instances and their details; in this sense, causality is *a priori*. Yet it would never have occurred to Menger to say that the human mind in some sense "constructs causality." It is not, for him, a Kantian category imposed willy-nilly on an unknowable *noumenon*. It is not a product of the human mind; its various instances and details are *apprehended* in the world, the principle itself identified by means of abstraction as one of the *laws of reality* all these instances and details share. Others include Aristotle's laws of identity and noncontradiction: not as mere laws of thought but as what, at the outset, I referred to as *incontestable propositions*.

An *incontestable proposition* refers to a material necessity, a non-tautological necessary truth identifying an absolutely general feature of reality or of some broad class of items in reality such as sentient beings. To my mind the term is superior to expressions such as *self-evident truth* (Mises 1986, 4) or even *axiom* (Hoppe 1995, 18). Those speaking of self-evident truths clearly meant to avoid psychological connotations; as Hoppe recently explained: such propositions "are self-evident because [a sentient being] cannot deny their truth without self-contradiction; that is, in attempting to deny them one would actually, implicitly, admit their truth" (Hoppe 1988, 17). It is in how we know *this* that a kind of psychologism reemerges: we identify and know such propositions to be true "by reflecting upon ourselves, by understanding ourselves as knowing subjects. . . . [T]he truth of a priori synthetic propositions derives ultimately from inner, reflectively produced experience" (Hoppe 1988, 17). This Kantian explanation is therefore vulnerable to the charge of having identified not necessary truth but only the very firm and unshakable *belief* of a community of inquirers (the accusation of

hermeneuticists). *Axiom*, too, has an unfortunate association with positivistic (post-Kantian) interpretations of geometry which saw axioms as arbitrary postulates on which alternative incompatible geometric systems can be built up (e.g., Euclidean and Riemannian systems). Introducing *incontestability* suggests a level of preformal demonstrability hearkening back to Aristotle. Demonstration in this case does not consist of *formal proof*, the very idea of formal proof already presupposes that which is incontestable. And it is correct that the attempt to deny an incontestable proposition necessarily affirms it and so results in self-contradiction. But why is self-contradiction bad? Demonstration at this level consists in grasping that *apprehending* relations such as identity and noncontradiction and *recognizing their necessary truth* are one and the same. *Apprehension* here refers not to an inner reflection carried out by cognition alone but a relation between cognition and reality at the highest level of abstraction. This places us beyond the psychologism concealed in the concept of self-evidence, as well as the axiomania concealed in logical positivism. The person who insists in denying an incontestable proposition can sometimes be convicted simply of genuine confusion from not having understood it (knowable *a priori* does not, after all, mean known *immediately*) and sometimes of mere pigheadedness, depending on the occasion. Aristotle's demonstration is of a negative sort; the person who insists on denying noncontradiction is literally incapable of making assertions, and is reduced to complete cognitive impotence. There are contemporary philosophers who think Aristotle had the right idea.<sup>5</sup>

With this as background, let us return to Mises, causality, and the status of the proposition *man acts*. Mises sought to distinguish the kind of methodology appropriate to economics from that appropriate to the physical sciences; as we saw, he refrains from drawing



metaphysical inferences. In the physical sciences, investigators must presuppose the validity of mechanistic causality in the domains they wish to investigate (with the possible exception of quantum mechanics). They thus describe effects and their antecedent causes. Except in a trivial sense, human beings are not included in the domains investigated by the physical sciences. The human sciences, of which economics is the exemplar, investigators must presuppose the validity of teleological causality in the various domains. They thus speak of ends and the means used to obtain them. Complicating matters is that the investigators themselves are in the domain to which their explanations apply; the human sciences, that is, are irreducibly self-referential, and this necessitates the corresponding irreducible methodological divide between them and the physical sciences. Or to make the same point a different way, a theory applying to all human beings is at the same time the product of a human being. The theory cannot consistently deny that human beings have genuine, irreducible ends, as it would by direct implication be denying that its own author has any ends, including the end of discovering truths about human beings and formulating various hypotheses and theories as means to this end.

I now submit that Misesian methodological dualism ought to commit to *metaphysical pluralism*, a thesis holding that reality is comprised of different classes of mutually irreducible entities, as one aspect of a broader *metaphysical realism* holding that entities exist and have essential properties independent of human cognition and conceptualization. The kind of causality proper to an approach of this sort jettisons the conventional conception which defines *causality* as 'every event has at least one antecedent cause' in favor of the Aristotelian '*all entities behave in accordance with their natures*.'<sup>6</sup> The idea that there is at least one kind of entity--sentient beings--which mechanistic causality cannot explain is then to be expected. It is the nature of

sentient beings to *act*, to identify ends and employ means to obtain these ends. Their action is then the species of behavior appropriate to them. It does not lend itself to the kind of predictability and capacity to be controlled characteristic of the natural entities and events studied by physical science. Austrian-school economics can now be grafted whole onto metaphysical realism / pluralism, perhaps deducible from *man acts* in much the way Mises and Hoppe contend (this being more an essay on philosophy than economics, we cannot resolve this issue here). Be this as it may, there is no Kantism, and hence no threat of "backdoor" methodological reductionism as a consequence of human finitude or fallibility. If *man acts* is not reducible, it can only be because it is an incontestable proposition, identifying a necessary truth about a class of entities--for the very reason noted at the outset, the denial that sentient beings act would itself constitute an action and so contradict itself. A metaphysically robust Austrian-school must conclude that *no* form of scientific / empirical research can completely reduce actions to necessary and sufficient antecedent conditions; *nor can a superior intellect nor an omniscient one such as God*--for there is nothing to be known! Teleological causation in this case is not merely a "gap" which science has yet to fill but one of the irreducible laws obeyed by (one kind of entity in) reality. With this, the economics of the Austrian-school is on firmer ground than ever before!

6. *Answering Objections: The Cult of Scientism. Reductionism Revisited. Conclusion.*

There are those who will see this kind of result as unscientific--even *antiscientific*. Indeed, if we embrace the above results, we must reject not only empiricism as inadequate but

scientism in all forms--expose it, in fact, as a kind of intellectual *cult*. The potential case an Austrian-school metaphysics offers against scientism, which is not science but an *ideology* of science rooted in monistic (naturalistic) metaphysics and reductionist or eliminativist methodology, may be the most powerful ever advanced! Yet I maintain that the approach is not unscientific or antiscientific, just that it places firm nonempirical parameters around what empirical science may discover. Many Enlightenment philosophers saw empirical science as a kind of epistemic magic wand capable of solving all legitimate intellectual problems. Today's "postmodernists," on the other hand, are actual antiscientific, anti-Enlightenment (anti)philosophers who hold, essentially, that the entire project of knowledge-acquisition is futile. Austrian-school metaphysics in the sense of this paper strives for a sane middle ground.

*Scientism* is the thesis that empirical science alone offers knowledge of reality, that scientific observation / testability / replicability are the sole criteria for calling a cognitive claim meaningful or justified, that empirical science contains no nonempirical components of epistemic significance, and that "a mechanical and uncritical application of habits of thought to fields different from those in which they have been formed" (Hayek 1952, 24) is possible. In this view, since the conscious choice of an end by a person and his conscious employment of means are unobservables--all that one actually *sees* is behavior in response to stimuli--recourse to them is unscientific; as categories they are eliminable. The justification of scientism, however, cannot be derived from any discovery by any natural science. Its meaningfulness, too, is not a result of scientific validation. It, too, therefore, fails by its own standards of success. Scientism is necessarily committed to either methodological reductionism or eliminativism, and therefore by our argument above, to metaphysical monism. Methodological reductionism held that a

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scientific explanation was successful if it unified previously diverse events by offering for them a single cause, with the cause being a decreasing number of exclusively physical principles. Today it is fashionable among some philosophers ("eliminative materialists") to speak of explaining all our cognitive capabilities in terms of physico-chemical brain events in such a way that we can simply eliminate such "theoretical entities" as beliefs.<sup>7</sup> Contemporary thinking not just in the social sciences but in cognitive science as well, therefore, has no place for teleological, purposive behaviors (actions), or categories such as ends and means. Yet as Alfred North Whitehead wryly remarked, "Scientists animated by the purpose of proving that they are purposeless constitute an interesting subject for study" (Whitehead 1958, 16). Scientific investigation is itself purposeful. It has as its end the advancement of knowledge in a domain of inquiry. It employs means to this end. Consequently a complete account of the scientific enterprise itself requires teleological concepts such as ends and means. The advancement of a scientific thesis maintaining their reduction to something else or their eliminability is self-contradictory nonsense. To be sure, all sciences by definition have significant empirical components; they routinely subject specific hypotheses to laboratory or other forms of empirical testing. But even this presupposes that the events to be explained obey regular, universal laws. The very concept of any natural kind, e.g., oxygen, presupposes that its essential properties are static (i.e., that it will not start behaving like hydrogen tomorrow). *This*, however, is not subject to empirical test--hence the "problem of induction" in its various guises. The conceptual basis that ensures that science yields genuine empirical knowledge is not itself empirical.

If methodological reductionism and eliminativism fail, then every enterprise and result logically dependent on them fall with them. The methods appropriate to one domain cannot be

mechanically applied to another; attempts to do so have proven a source of enormous political and intellectual mischief.<sup>8</sup> Another surprising conclusion is that *naturalism* also becomes a chimera. Naturalism holds essentially that reality consists of "one grand system" to be explained by the laws of physics and chemistry alone (*materialism* is a satisfactory synonym). It therefore reinstates metaphysical monism and methodological reductionism. Some forms of "metaphysical pluralism" defended by libertarians committed to an attempted fusion of Aristotelianism and Enlightenment methodology are for this reason suspect (cf. Machan and Yates 1996). Many such writers, following Rand more than empiricists or purveyors of scientism, are motivated to defend atheism as much as liberty. The conceptual attachment of science and reason to atheism is also a bit of a mystery. Scientific methods alone have never shed and by their very nature as domain-specific disciplines investigating *this* world never will shed any ultimate light on the nature of an Almighty power or a world beyond this one. Nor do logical demonstrations alone establish or refute existence-claims on behalf of a specifically Christian deity. The discovery of certain empirical constants in nature points in some intriguing directions. Even these, however, cannot by themselves decide such issues.<sup>9</sup>

I do not see these conclusions as "antiscientific." Nor are they "postmodernist." Here we stake out the middle ground mentioned above. The methods of the physical and biological sciences are entirely valid *within their domains*. Their conclusions on specifics are usually trustworthy and surely deserving of being called *knowledge* by any reasonable criteria. Their methods certainly merit being called *objective*, so long as we realize that this word means neither *omniscient* nor *infallible*. To be sure, methodological reductionism and, occasionally, elimination, have led to important advances in scientific understanding of physical processes in

the past. The search for a "unified field theory" in physics is imminently reasonable. The actions of sentient agents capable of inquiring about the world and reflecting on their own cognitive states are, however, forever outside such domains. The nature and capacities of sentient agents with such states imposes logical restrictions on the conclusions of inquiry, for again on pain of self-contradiction *no* scientific inquiry can have as one of its results the conclusion that inquiry is impossible or illusory or futile.

The thesis presented here, finally, is manifestly not a species of "postmodernism." "Postmodernism" is a kind of pernicious relativism or epistemological nihilism originated in France out of the breakdown of Enlightenment thought and popular in today's academy: a kind of angry stepdescendent of Kantism who wants the certainty necessary to build a scientific and socioeconomic Utopia, has discovered that such certainty is not to be had, has summarily dismissed the entire knowledge-seeking enterprise as a fraud, and can be heard noisily stamping her feet in humanities departments across this great land. While the ideas recommended here place strict logical limits on what can be accomplished by scientific and empirical methods, "postmodernism" has no use for the concept *validly established scientific knowledge* at all. Thus it constitutes a grotesque overreaction to the realization that the Enlightenment project ran away with its ambitions.

Let us conclude. Mises, Hoppe, and others of the Austrian school indeed reject empiricism, scientism, and (to a limited extent) naturalism. But Mises and Hoppe at least fell into the trap of constructivism *via* their use of Kantian epistemology. The results left us with a substantially weaker Austrian-school than is possible. The proper course of action is to excise Kant from the Austrian school no less than empiricism and scientism, taking important cues from

Menger and Aristotle. Our conviction now should be that the proper replacement for empiricism is pluralist metaphysics and an apriorism in epistemology with logically incontestable propositions at its "foundation." These offer the promise of a powerful philosophical synthesis capable of incorporating Austrian-school economics (and much more besides) unchanged, other than having surgically removed the intellectual equivalent of a potentially malignant cancer.

### NOTES

1. For more details on logically incontestable proposition see below.
2. Barry Smith has correctly remarked that, e.g., a Martian (who is presumably not human) could deny that *man acts* without inconsistency. However, no sentient being -- human, Martian, space alien, God, etc. -- could deny that *sentient beings act* without the inconsistency immediately reappearing. Hence the ensuing discussion will, whenever possible, speak of *sentient beings* (sometimes *sentient agents*) instead of *men*. (Obviously, this use of *men* is of the same order as the generic 'he,' and thus encompasses both men and women.)
3. As would many biologists and neuroscientists, some of whom hold that other animal species' sensory equipment constructs radically different "worlds" from our own. See, e.g., Lettvin et al 1959.
4. To my mind there are doubts about this restriction; why, for example, can one not act out of a pure desire to know some *truth*, or out of *love*, etc. Space limits preclude considering this issue here; cf., however, Gronbacher et al forthcoming for some thoughts on the matter.
5. See e.g., Rasmussen 1973; cf. also Boyle 1972 and the defense of this kind of procedure from Quinean objections in Rasmussen 1984.
6. A useful discussion of this conception of causality can be found in Peikoff 1991, 12-17.
7. Cf. e.g., Churchland 1979.
8. Cf. Hayek 1952.
9. See Yates 1997.

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