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## Mises' Apriorism: Tautology or Theory of Praxis?

### INTRODUCTION

This paper will attempt to reposition Ludwig von Mises's methodological apriorism and the Austrian economic method firmly in the Aristotelian realist tradition of apriorism, rather than the more problematic apriorism associated with Kantian idealism. The author will argue that the Misesian method whilst aesthetically Kantian, is far more nuanced than semantics suggest. That being, Mises's methodological apriorism closely mirrors in method and application the imminent realism of Aristotelean apriorism, circumscribing to a large degree the analytic/synthetic dichotomy that many positivists claim render Mises's Kantian methodology both epistemologically sterile and hopelessly anachronistic. Thus, if we can prove Mises was Kantian in a purely semantic sense, we can render obsolete the positivist claim that the praxeological method is mere tautology, and instead establish it as a theory of praxis<sup>1</sup>, given it is claims to the contrary that constitute the most consistent and potentially problematic criticism levelled at the aprioristic science of human action.

Thus the paper will take the following form. After providing a brief introduction to and contextualisation of Misesian praxeology and the aprioristic method in part one, part two will attempt to realign Mises's methodological apriorism in the Aristotelian realist framework rather than the more problematic aprioristic idealism associated with Immanuel Kant, of which Mises was said to subscribe.

This will have a dual purpose. First it will allow the author to refute the consistent claim that Mises's action axiom contains no empirical truth value, and thus contrary to such

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<sup>1</sup> *Praxis* is a term used to denote the process from which a theory, philosophical doctrine, or an idea is enacted in practice. Put simply, it is translating an idea into action or the introspective into the existential.

claims, does in fact bequeath empirical knowledge regarding the real world. The rationale for doing so is to refute the positivist claim that Misesan praxeology, given it deduces its scientific postulates from the apriori of human action, is little more than a procession of tautological assertions that have no operational meaning and thus are void of praxis, hence epistemologically impotent. For as I will assert, one can just as easily purport Mises was an imminent realist in practice who employed an Aristotelian strand of apriorism by exhibiting the belief there exists real and universal existential moorings that establish a strong reciprocal relationship between apriori categories of the mind and empirical laws of objective reality.

Secondly, this will allow me to maintain that Mises's apriorism to a large extent bridges the mind/reality dichotomy that continues to plague Neo-Kantian apriorism and thus insulates the praxeological method and its axiomatic deductive approach against claims of Idealism which orthodox interpretations of the Misesan method are unable to adequately refute. It is only in providing such a rigorous epistemological defence of the praxeological method as a philosophy of praxis, that the postulates deduced therein from the apriori of action can be asserted with apodictic certainty. It also gives rise to a contextual integrity which otherwise would be absent if one could reject the notion that Praxeology constitutes a theory of praxis.

## I. MISES AND THE ACTION AXIOM: A PRIMER

The praxeological method commonly referred to as the science of human action is the distinctive methodology of the Austrian School of economics<sup>2</sup>. It was first contextualised by the Aristotelian realist Carl Menger in his *Principles of Economics* ([1871] 1981)<sup>3</sup> and later painstakingly and most famously constructed by the 'Neo Kantian' Ludwig von Mises in *Human Action* (2007). It is for this reason Mises is considered the primary architect of what today provides the epistemological nucleus of the Austrian school of economics, and hence why we will proceed to reference him heavily in the opening section.

Praxeology's economic postulates are deduced from the synthetic apriori of 'human action' and its logical implications concerning not only market phenomena, but more generically, epistemology. Put plainly; it is a science that deals exclusively with acting man. Praxeology derives its theoretical force from the somewhat elementary fact that man engages in purposeful behaviour by virtue of employing scarce means which he believes *ex ante* will allow him to attain some subjectively valued ends. As such, praxeology is exclusively concerned with the "formal implications of the fact that men have ends and employ means

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<sup>2</sup> For an introduction to the Austrian school of Praxeology, economic theory and philosophy see Ludwig Von Mises, *Human Action* (2007); Rothbard, M, *Praxeology: The Methodology of the Austrian School of Economics* (1976) pp.19-39; Grassl, W & Smith, B, *Austrian Economics: Historical and Philosophical Background* (1986) pp.1-36; and Gordon, *The Philosophical Origins of Austrian Economics* (1993a).

<sup>3</sup> Carl Menger's economic thought which later provided the theoretical scaffolding from which Misesan Praxeology emerged was introduced in his two books, *Principals of Economics* (1871) and later in *Investigations into the Method of the Social Sciences with Special Reference to Economics* (1883).

to attain them” (Rothbard, 2009, p.73). Ludwig von Mises best surmises the science in his economic treatise *Human Action* (2007) stating:

“Human action is purposeful behavior. Or we may say: Action is will put into operation and transformed into an agency, is aiming at ends and goals, is the ego’s meaningful response to stimuli and to the conditions of its environment, is a person’s conscious adjustment to the state of the universe that determines his life. Such paraphrases may clarify the definition given and prevent possible misinterpretations. But the definition itself is adequate and does not need complement or commentary” (Mises, 2007, p.11).

Praxeology presupposes that two conditions be present in order for action to occur. First, the goal of all action is time invariant and ultimately given: “Acting man is eager to substitute a more satisfactory state of affairs for a less satisfactory. His mind imagines conditions which suit him better, and his action aims at bringing about this desired state” (Ibid, p.13). Without some sense of uneasiness man would ultimately not act: “a man perfectly content with the state of his affairs would have no incentive to change things. He would have neither wishes nor desires; he would be perfectly happy. He would not act; he would simply live free from care” (Ibid. p.13-4).

Second, the actor must consider himself/herself able to interfere at an early stage to remedy a future state of perceived disutility. Thus acting presupposes causality: “Only a man who sees the world in the light of causality is fitted to act. In this sense we may say that causality is a category of action. The category *means and ends* presupposes the category *cause and effect*...Where man does not see any casual relation, he cannot act. This statement is not reversible. Even when he knows the casual relation involved, man cannot act if he is not in a position to influence the cause” (Ibid, p.22).

Given that action constitutes the employment of means in the attempt to remedy a future state of disutility, praxeology implies that all action is rational from the *ex ante* perspective of the actor. There can be no such thing as irrational behaviour when applied to the science of means, the acting agent always believes the chosen means will bring about the attainment of a desired end regardless of *ex post* evaluations. Thus “Human action is necessarily always rational. The term *rational action* is therefore pleonastic and must be rejected as such. When applied to the ultimate ends of action, the terms *rational* and *irrational* are inappropriate and meaningless. The ultimate end of action is always the satisfaction of some desires of the acting man” (Ibid, p.19), given such is the subjective nature of man’s ends that “nobody is in a position to substitute his own value judgments for those of the acting individual, it is vain to pass judgment on other people’s aim and volitions” (Ibid, p.19).

When one departs from this value neutrality they no longer employ the praxeological method, but instead venture into the realm of ethics: “the idea of an action not in conformity with needs is absurd. As soon as one attempts to distinguish between the need and the action and makes the need the criterion for judging the action, one leaves the domain of theoretical science, with its neutrality in regard to value judgments” (Mises, 2003, p.158).

To avoid any future confusion regarding the deductive process it is important to recognise praxeology is a value-free science entirely non-normative in character. It is not concerned with the value content of man's ends<sup>4</sup>, and should not be confused with the science of psychoanalysis or the philosophical exercise of ethics or social justice. As Rothbard asserts, praxeology is commonly mistaken to be a branch of both:

“all these [Psychology, Ethics, Praxeology] disciplines deal with the subjective decisions of individual human minds, [thus] many observers have believed that they are fundamentally identical. This is not the case at all. Psychology and ethics deal with the content of human ends; they ask, *why* does man choose such and such ends, or *what* ends *should* man *value*? Praxeology and economics deal with *any* given ends and with the formal implications of the fact that men have ends and employ means to attain them” (Rothbard, 2009, p.73).

End-orientated action, whether it be manifested through outward processes of the body in sensory reality or hidden by virtue of introspective processes, all constitute purposeful action. “All ends and means, both material and ideal issues, the sublime and the base, the noble and the ignoble, are ranged in a single row and subjected to a decision which picks out one thing and sets aside another” (Mises, 2007, p.3). Even if one were to attempt to abstain from purposeful action and entertain the illusion he has relieved himself of the need to act, it would be of little consequence for the action axiom:

“Praxeology consequently does not distinguish between the active or energetic and passive or indolent man. The vigorous man industriously striving for the improvement of his condition acts neither more nor less than the lethargic man who sluggishly takes things as they come. For to do nothing and to be idle are also action, they too determine the course of events. Wherever the conditions for human interference are present, man acts no matter whether he interferes or refrains from interfering...Action is not only doing but no less omitting to do what possibly could be done” (Ibid, p.13).

Instead, all that can be implied from inaction is that the actor intentionally chose the means of non-interference to attain the end that some given inaction would likely attain, it by no means circumscribes the corollary that man acts. Thus, where man's will is free and unmolested by external forces, he acts purposefully to achieve his most desired goals. If he chooses to impose his will on reality, he acts; if he chooses not to impose his will on reality, he also acts, action is inescapable given man's volitional nature.

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<sup>4</sup> As Mises asserts, “the ultimate goal of human action is always the satisfaction of the acting man's desire. There is no standard of greater or lesser satisfaction other than individual judgments of value, different for various people and for the same people at various times. What makes a man feel uneasy and less uneasy is established by him from...his personal and subjective valuation. Nobody is in a position to decree what should make a fellow man happier” (Mises, 2007, p.14).

From this elementary aprioristic truth that man acts in order to attain chosen ends, comes the methodological force of the praxeological method via the process of axiomatic deduction “The praxeological method spins out by verbal deduction the logical implications of that primordial fact [Human acts]. In short, praxeological economics is the structure of logical implications of the *fact* that individuals act” (Rothbard, 1976, p.19-20). These include but are not limited to: causality, ends, means, cost, profit and loss, preference, scarcity, choice, marginal utility, total utility, opportunity cost, time preference and interest. Employing these subsidiary axioms a whole host of Praxeological economic postulates can be logically deduced from the apodictically true axiom (apriori category) of action. For example Hoppe (2007, pp.14-5) cites among others:

“(1) whenever two people A and B engage in voluntary exchange, they must both expect to profit from it. And they must have reverse preference orders for the goods and services exchanged so that A values what he receives from B more highly than what he gives to him, and B must evaluate the same things the other way around [thus all voluntary exchange must be considered a mutually beneficial exchange, by virtue of demonstrated preference]; (2) Law of Diminishing Marginal Utility states whenever the supply of a good increases by one additional unit, provided each unit is regarded as of equal serviceability by a person, the value attached to this unit must decrease. For this additional unit can only be employed as a means for the attainment of a goal that is considered less valuable than the least valued goal satisfied by a unit of such a good if the supply were one unit shorter; (3) Whenever minimum wage laws are enforced that require wages to be higher than existing market wages, involuntary unemployment will result; and (4) Whenever the quantity of money is increased while the demand for money to be held as cash reserves on hand is unchanged, the purchasing power of money will fall [law of diminishing marginal utility].”

Now that we have provided a brief overview of Mises's apriorism and its basic postulates, we must now turn to its epistemological foundations if we are to refute the oft-repeated claim that praxeology's aprioristic methodology renders it void of praxis, thus epistemologically impotent.

## II. MISES, KANT AND THE APRIORI OF ACTION

In the *Critique of Pure Reason* Kant (2010) asserts facts pertaining to reality are never presented to the intellect tabula rasa, ala Hume or Locke<sup>5</sup>, but rather are abstracted via the aid of natal or pre-rational mental categories i.e., apriori laws of the intellect, that exist prior

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<sup>5</sup> See David Hume (2010); also see John Locke (1974). Central to Locke's argument is the notion that when we are born the mind is like a blank slate void of aprioristic mental categories “Let us then suppose the mind to be, as we say, white paper void of all characters, without any ideas; how comes it to be furnished? Whence comes it by that vast store, which the busy and boundless fancy of man has painted on it, with an almost endless variety? Whence has it all the materials of reason and knowledge? To this I answer, in one word, from *experience*: in that, all our knowledge is founded; and from that it ultimately derives itself” (Locke, 1974, pp.89-90).

to any empirical observation. Thus the human mind, according to Kant, is pre-empirically in possession of apriori categories of logic<sup>6</sup> that whilst pre-rational are nonetheless able to impart a logical cohesiveness and order to otherwise kaleidoscopic sensory data<sup>7</sup> (Kant, 2010, pp.32-50). Kant maintained these apriori axioms of thought constitute the universal zero point, without which no empirical knowledge could be objectively validated.

Kant termed such knowledge apriori synthetic propositions. Apriori synthetic propositions -- unlike those of apriori analytic or synthetic aposteriori truths<sup>8</sup> -- can be characterised as “those whose truth\_ value can be definitely established, even though in order to do so the means of formal logic are not sufficient (while of course necessary) and [empirical] observations are unnecessary” (Hoppe, 2007, p.18). Hence in short, man can attain apodictically undeniable knowledge, via the process of introspection, of empirical reality that is neither derived or contingent on empirical falsification nor verifiability, but nonetheless imparts real knowledge about the material world he/she inhabits.

Kant maintained these apriori synthetic propositions are much more than mere psychological laws of which the human mind can immediately grasp, i.e., the aprioristic truth that B cannot at the same time be non-B, or if A is part of B, and B is part of C then A must also be part of C; instead “On the contrary, Kant insists, it is usually much more painstaking to discover such axioms than it is to discover some empirical truth such as that the leaves of trees are green” (Ibid, p.18). However, their truth, according to Kant, is self-evident to all who employ the tool of reason in the process of ascertaining their aprioristic validity, for “one cannot deny their truth without self-contradiction; that is, in attempting to deny them one would actually, implicitly, admit their truth”<sup>9</sup> (ibid, p.18). Hence the truth

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6 Take the work of Carl Stumpf (1907) for instance, who asserted there was a whole host of apriori synthetic assumptions or ‘pre sciences’ of which accordingly provide “the atrium and the organon of every other science insofar as the object of science includes their object, since all research makes use of relational concepts and laws...In an ideal encyclopaedia of knowledge everything which can be said about relations between arbitrary elements in general would have to come first” (Stumpf, 1907, p.39).

7 Lesson & Boettke (2006) explain that Kant “contended that *apriori axioms* known to us apart from experience were embedded in us as categories of the human mind. These apriori concepts are necessary in order to use the human faculty of judgement to understand objects in the world... According to Kant then, our understanding of objective reality has objective validity via the employment of concepts known apriori’ arguing ‘we do not derive concepts from nature, but interrogate nature with the aid of these concepts” (Lesson & Boettke, 2006, p.250).

8 Positivists claim Apriori Analytic propositions are those whose truth value are purely definitional and which can be ascertained via formal logic alone, i.e. they are apodictically true in a tautological sense only. Meaning they infer nothing real about reality, rather they pertain only to matters of linguistic expression. For example, the proposition that  $2+2=4$ , is undeniable, thus tells us nothing new (Block & Barnett, 2005, p.92). Synthetic aposteriori are applicable to empirical reality, information of this kind is abstracted via induction through observational experience, for instance the earth is round, Mars is red or the GDP of Australia is larger than that of Nepal. Both categories of knowledge are generally considered by positivists to be the only means via which human knowledge is gained.

9 Some might object to the fact that the self contradiction principal is able to prove the apodictic truth of any given proposition. However such an assertion has no epistemological value whatsoever. For as the Thomistic philosopher Toohey points out “A man may say anything he pleases, but he cannot think or do anything he pleases. He may say he saw a round square, but he cannot think he saw a round square. He may say, if he



of apriori synthetic propositions according to Kant can be revealed through the process of rational application via a process of mental introspection rather than empirical induction: “the truth of a apriori synthetic propositions derives ultimately from inner, reflectively produced experience” (Ibid, p. 19). It is this notion of synthetic aprioristic truths that would occupy Mises’s epistemological position and shape his understanding of the action axiom i.e. methodological apriorism, and the deductive force of its subsidiary economic propositions.

Mises in the tradition of earlier economists<sup>10</sup> of the praxeological method endeavoured to establish the existence of universal time invariant qualitative laws pertaining to economic reality, despite his claim they could be neither derived via formal logic alone, nor abstracted from observational reality. Hence Mises employed Kant’s notion of synthetic apriorism as the starting point for his axiomatic deductive process, or what he termed, *methodological apriorism*. “Praxeology is a theoretical and systematic, not a historical science...Its statements and propositions are not derived from experience. They are, like those of logic and mathematics, a priori” (Mises, 2007, p.32), for they are “the mental equipment by dint of which man is able to think and to experience and thus to acquire knowledge. Their truth or validity cannot be proved or refuted as can those of posterior propositions, because they are precisely the instrument that enables us to distinguish what is true or valid from what is not” (Mises, 2006, p.15). Hence for Mises, much like Kant, the synthetic aprioristic status of the action axiom flowed from the fact it constitutes a pre-rational mental tool that enables man to grasp sensory reality:

“The human mind is utterly incapable of imagining logical categories at variance with them [apriori categories of action]. No matter how they may appear to superhuman beings, they are for man inescapable and absolutely necessary. They are the indispensable prerequisite of perception, apperception, and experience...The fact that man does not have the creative power to imagine categories at variance with the fundamental logical relations and with the principals of causality and teleology enjoins upon us what may be called *methodological apriorism*” (2007, p.34-5).

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likes, that he saw a horse riding astride its own back, but we shall know what to think of him if he says it” (Toohey, 1937, p.10).

10 Jean-Baptiste Say (1964) maintained there was a distinct advantage gained by employing the axiomatic approach in the economic method “Hence the advantage enjoyed by everyone who, from distinct and accurate observation, can establish the existence of these general facts, demonstrate their connection and deduce their consequences. They as certainly proceed from the nature of things as the laws of the material world. We do not imagine them; they are results disclosed to us by judicious observation and analysis... Political economy...is composed of a few fundamental principles, and of a great number of corollaries or conclusions, drawn from these principles...that can be admitted by every reflecting mind” (pp. xxv-xxvi, xlv). Similarly, John Elliott Cairnes (1875) posited ‘*The economist starts with knowledge of ultimate causes. He is already, at the outset of his enterprise in the position which the physicist only attains after ages of laborious research.... For the discovery of such premises no elaborate process of induction is needed... for this reason, that we have, or may have if we choose to turn our attention to the subject, direct knowledge of these causes in our consciousness of what passes in our own minds, and in the information which our senses convey...to us of external facts*’ (pp. 87-88);

More specifically, Mises reasoned the action axiom's status as an apriori synthetic truth stems from the fact that it can neither be denied without self contradiction<sup>11</sup>, nor conceivably abstracted via observational reality, but none the less can impart real and radically empirical knowledge about the world and its processes. "[I]t is because Mises subscribes to this claim that he can be called a Kantian" (Hoppe, 2007, p.18). Hence Mises reasoned any attempt to deny the aprioristic status of the action axiom itself constitutes an action, as one implicitly asserts its truth (argumentation is an action employing means, ends, profit, loss, preference and time) in the very process of refutation. Thus for Mises, argumentative negation of the action axiom implicitly asserts its aprioristic status, given pure logic alone is unable to establish the truth value of the action axiom because rational application is predicated by the category of action itself: "the fundamental logical relations [aprioristic propositions] are not subject to proof or disproof. Every attempt to prove them must presuppose their validity. It is impossible to explain them to a being who would not possess them on his own account. Efforts to define them according to the rules of definition must fail. They are primary propositions antecedent to any nominal or real definition" (Mises, 2007, p. 34).

Additionally Mises maintained the action axiom cannot be derived from empirical observation, given all one can view is the bodily manifestations of mental processes and the animation of sentient entities (See Hoppe, 2007 pp. 22-5). For instance one can view a man walking from his car to his back door via observation, but the mental processes which prompt such action are in no sense self-evident to anyone but the actor himself. All we view is a being moving from point A to point B. Thus to posit one could acquire an understanding of an actor's psychological processes via observation without presupposing one already possesses knowledge regarding certain apriori categories of human action and what it means to act<sup>12</sup> is for Mises an absurdity:

"If we had not in mind the schemes provided by praxeological reasoning, we should never be in a position to discern and to grasp any action. We would perceive motions, but neither buying nor selling, nor prices, wage rates, interest rates, and so on. It is only through the utilization of the praxeological scheme that we have become able to have an experience concerning an act of buying and selling, but then independently of the fact of whether or not our senses concomitantly perceive any motions of men and of nonhuman elements of the external world" (Mises, 2007, p. 40).

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11 This is almost identical to Aristotle's notion of *First Principals*, which asserts truth propositions are sound [of course contingent on other factors] as long as they can withstand dialectical scrutiny. It was Aristotle's assertion that without such first principals both the deductive and inductive process of truth abstraction would become caught in infinite regress and circularity (Plauche, 2006, p.20). As Plauche (2006) states the action axiom although termed a synthetic apriori is identical to the Aristotelian notion of first principals "the action axiom is the primary first principal of Praxeology and it can be proven by demonstration... in a manner similar to the way Aristotle proves the Principal of Non Contradiction...namely by showing that the truth of the concept must be assumed in any attempt to refute it" (Plauche, 2006, p. 20).

12 The fact that man acts must be considered logically antecedent to any physical manifestation of action. One must possess a concept of action before they may recognise action in the real world, or for that matter act in the real world.



Thus Mises maintained since the economic propositions deduced from the pure logic of action are not derived from empirical reality, but via inner produced experience through a process of introspection<sup>13</sup>, ultimately they are not subject to the process of verification or falsification as are aposteriori propositions, given “They are both logically and temporally antecedent to any comprehension of historical facts” (Mises, 2007, p. 32). Therefore, the action axiom is forced upon us by the very structures of our minds, it is neither arbitrary or contingent, but the indispensable tool, or zero point, we use to process then make sense of raw sensory data from the world we both inhabit and act in. “[T]he starting point of praxeology is not a choice of axioms and a decision about methods of procedure, but reflection about the essence of action” (Mises, 2007. pp. 39). Therefore Mises asserted that the economic propositions i.e. synthetic types, deduced from the apriori of action can be known with apodictic certainty, providing there is no flaw in the deductive process: “the conclusions that such reasoning yield must be valid a priori because their validity would ultimately go back to nothing but the indispensable axiom of action” (Hoppe, 2007, p. 26). Thus Mises concluded that epistemology “indirectly rests on our reflective knowledge of action and can thereby claim to state something a priori true about reality...[and] that economics does so too and does so in a much more direct way” given subsidiary economic propositions “flow directly from our reflectively gained knowledge of action; and the status of these propositions as a priori true statements about something real...derived from our understanding of...the action axiom”<sup>14</sup> (Ibid, p. 22).

Now whilst Mises derives much of his epistemological vigour via Kant's notion of synthetic apriori propositions, it is his adherence to Kant's 'primacy of consciousness' mantra and strict rationalism that paradoxically provides the greatest avenue for sustained criticisms of the praxeological method, and in turn, the veracity of its subsidiary economic propositions.

The two most consistent criticisms of Mises methodological apriorism are (1) he was under the idealist assumption, as Kant was, that the mind plies reality in order for it to fit into the pre rational framework of the mind's own categorical structures, therefore, the subsidiary

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13 When we state Mises believed apriori synthetic propositions are ultimately derived via inner reflectively produced experience or more simply introspection, we are not talking of empirical experience in the positivist sense, but rather about the mind's ability to identify facts regarding actual existing entities, including the identifier himself. This kind of experience is not the sort you subsume under verifiable or falsifiable experimentation. It is therefore empirical but not empirically contingent. Hence “the fact that the axiom is based on introspection cannot open the praxeologist to the charge that his deductions are of a purely personal and unscientific character. We are dealing here with universal inner experience” (Rizzo, 1978).

14 Take for instance the law of marginal utility: Whenever the supply of a good increases by one additional unit, provided each unit is regarded as of equal serviceability by a person, the value attached to this unit must decrease. For this additional unit can only be employed as a means for the attainment of a goal that is considered less valuable than the least valued goal satisfied by a unit of such a good if the supply were one unit shorter. This can be inferred by deductive reasoning alone employing the apriori of action, it is clearly neither analytic in the modern empirical sense of synthetic in the aposteriori sense, none the less, it does produce real knowledge pertained to the world of action. As discussed in part one, all action presupposes the fact that man prefers what satisfies him more rather than what satisfies him less, this is implicit in the fact that man acts. Provided there is no flaw in the deductive process this economic postulate must be considered valid apriori.

postulates derived from the action axiom are nothing but arbitrary mental constructs that never exist in reality<sup>15</sup>, given they are deduced via the apriori of action in what amounts to an empirical vacuum. And (2) the positivist claim that knowledge is either apriori analytic or aposteriori synthetic, therefore Mises synthetic apriori propositions are nothing but tautologies that provide no knowledge that is not already asserted in the semantic content of the economic statements themselves.

It is my view that both claims are unwarranted and largely stem from an arbitrary selection of Mises' writings. In particular the claim that he was a neo-Kantian idealist ignores the fact that both his method and writings are permeated with strong ontological realist influences. Therefore if we can prove claim (1) is in fact a null criticism, claim (2) will be rendered impotent given the praxeological propositions are empirically pertinent whilst aprioristic in nature.

### A. *The Positivists' War on Methodological Apriorism*

Empiricist-positivist epistemology<sup>16</sup>, or what in economics can be termed economic modernism<sup>17</sup>, accepts two primary propositions regarding the truth content of human knowledge; that truth claims are either (1) Analytic apriori or (2) Synthetic aposteriori, they can never be both apriori and synthetic simultaneously .i.e. Misesian apriorism, thus according to the positivists, nothing about reality can be known to be true apriori.

Characteristic of this view is the work of Paul Samuelson, the Nobel Prize winning economist who championed what can only be described as a virulent strain of modernist econometrics. Samuelson's *Collected Scientific Papers* (1966) is clear regarding what he deems as the epistemological sterility of aprioristic reasoning: "every science is based squarely on induction, on observation of empirical facts...Deduction has the modest linguistic role of translating certain empirical hypotheses into their logical equivalents" (Samuelson, 1966, p.1752). Samuelson outright dismisses the claim that an apriori theory of economics such as Misesian praxeology is capable of producing 'real' knowledge at all,

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15 Max Webber (1949 [2011] for instance, states of ideal types that they "cannot be found empirically anywhere in reality. It is a utopia" (Webber, 1949. Pg.90) they are but "conceptual construct[s] which are neither historical reality nor even a true reality" (*ibid*, pg.93) positing the typical ideal concept "is even less fitted to serve as a scheme under which a real situation or action is to be subsumed as one instance. It has the significance of a purely ideal limiting concept with which the real situation or action is compared and surveyed for the explication of certain of its significant components" (*ibid*, pg.93). Similarly Machlup (1978) in a typically positivist tone suggests that ideal types are equivalent to mental constructs void of operational content 'the real in the real type is, in my opinion, the set of phenomena visible, audible or tangible to the observer' and 'the ideal in the ideal type [i.e. exact or universal types] lies in its belonging to the domain of ideas' (Machlup, 1978, pg.259-60).

16 For empiricist-positivist epistemology generically employed see: Alfred J Ayer *Logic*, (1953); Karl Popper, *Logic of Scientific Discovery* (1959); C.G Hempel *Aspects of Scientific Explanation* (1970); Ernest Nagel *The Structure of Science* (1961); and Felix Kaufmann, *Methodology of the Social Sciences* (1944).

17 For empiricist-positivist interpretations of economic theory see Milton Friedman 'The Methodology of Positivist Economics' (1953); Mark Blaug '*The Methodology of Economics*' (1980); and Terrence Hutchinson '*The Significance and Basic Postulates of Economic Theory* (1938).

given “no apriori empirical truths [synthetic apriori propositions] can exist in any field. If a thing has apriori irrefutable truth, it must be empty of empirical content” (*Ibid*, p.1757). With this, Samuelson goes on to equate those who employ apriorism to modern day sophists or medieval mystics: “The only exceptions [to the positivist orthodoxy] are to be found in certain backwaters of economics, and I shall not here do more than point the finger of scorn at those who carry into the twentieth century ideas that were not very good even in their earlier heyday” (*Ibid*, p.1757).

This virulent condemnation of Mises's methodological apriorism ensues from the positivist claim that analytic statements are apodictically true apriori but only in a trivial or purely semantic sense. For example, it cannot be denied that all bachelors are unmarried men, that  $5+5=10$ , or that man acts, these statements are unfalsifiable whilst their denial involves a logical contradiction. For this reason, apriori statements for the positivist pertain exclusively to tautological information regarding the use of symbols and linguistics; they bequeath no factual knowledge (synthetic) besides that which is asserted in the statement itself (i.e.  $5+5=10$ ). In other words, they are true by social convention, reflecting arbitrary truth constructs of existential discourse. Thus economic positivists refute the notion that economic postulates can be derived via the process of rationalistic axiomatic deduction from first principles (i.e. man acts); given according to the positivists the process exists in a neo theoretical vacuum. Hence positivists assert it is highly doubtful that apriori knowledge should be regarded as knowledge at all, but rather something more akin to pure theory or mere semantics.

However claims such as Samuelson's and those echoed by the wider positivist camp should strike one immediately as dubious. Take for instance the apriori propositions of Euclidian geometry, which are deemed 'mere tautology' and anachronistic under the auspices of empiricism/positivism<sup>18</sup>. Who could deny the fact these apriori truths lend themselves to synthetic application? As Mises states: “the practical engineer cannot deny that this geometry aided him in his endeavours to divert events of the real external world from the course they would have taken in the absence of his intervention...He must conclude that this geometry, although based upon definitive apriori ideas, affirms something about reality and nature” (Mises, 2006, p.11). Similarly, in economics take the law of supply and demand, which endows us with the analytical tools from which to analyse the rationale behind and processes involved in the establishment of the market price system. Although such a law could never be falsified nor easily verified via empirical observation (given the ordinal or qualitative nature of utility), it is nonetheless radically empirical, for without it, we would not be in a position to make sense of any market forces, nor the interdependency of prices and utility i.e. the notion that price fixing causes gross distortions in the price system leading to surplus and shortages for instance.

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18 For instance Lesson & Boettke maintain “attempts to empirically test economic theory are not only fruitless, but indicate the wrong headedness of the scientists who attempt to do so, such scientists are in the same position as those who believe that they can validate or invalidate the Pythagorean theorem by measuring right triangles in the real world” (Leeson & Boettke, 2006, p.259).

Thus it should become immediately apparent to anyone who employs a modicum of rationale, contrary to being mere semantics, aprioristic theorems constitute the indispensable mental constructs that make it possible for man to decipher and give form to that which exists in the real world i.e. empirical analysis. As Long (2004) posits, the notion that one may divorce theory from application is simply absurd:

“Using a concept involves applying it to the real world...from this it follows that one must assent to certain *factual* propositions employing the concept in order to count as possessing it in the first place, so that no analytic uses of a concept is intelligible unless it is embedded in a network of synthetic uses of that same concept. Hence propositions of the form of empirical propositions, and not only propositions of logic, form the foundation of all operating with thoughts (with language). But in this case it no longer makes sense to ask whether conceptual truths are analytic or synthetic. The analytic/synthetic distinction itself presupposes a separability of concept from application that cannot be sustained” (*Ibid*, p. 363).

Contrary to analytic apriori propositions, empiricists/positivists assert knowledge pertaining to empirical reality or ‘real knowledge’, termed synthetic propositions, are those which truth value is verifiable or at minimum falsifiable via observational experience, that is, they are known aposteriori. For example, the proposition that the planets revolve around the sun or that one molecule of water is comprised of one atom of oxygen and two atoms of hydrogen, are considered synthetic aposteriori truths. However, given they are abstracted inductively via empirical particulars, their truth content, is hypothetically, forever contingent. For some empirical data observed at a later date can always falsify a synthetic proposition. Hence for the empiricist or economic modernist, real knowledge is never apodictically certain and meaningful at the same time, but rather, always hypothetically contingent:

“either a statement applies to the real world [synthetic], in which case it is forever contingently true, unless repudiated by further empirical evidence [aposteriori], in which case it is false and, therefore, in either case it is not apodictically true; or it is necessarily so – its denial involves self contradiction- in which case it is only trivially true, and cannot concern empirical reality [analytic apriori]” (Block & Barnett, 2005, p.93).

This belief is reflected by what could only be described as a methodological skepticism in contemporary economics characterised by the belief “nothing can be known with certainty to be impossible in the realm of economic phenomena” (Hoppe, 2007, p.52).

Thus truth for the Positivist is always truth of the past, there are no laws pertained to reality invariant of space, time or social conventions, only tentative hypotheses that can be overturned in the future. Hence the positivist mantra follows from the dictum that there can be no truth at all, only speculation. A sentiment echoed by neo-empiricist economist Milton Friedman (1953):

“the ultimate goal of a positive science [including economics] is the development of a theory or hypothesis that yields valid and meaningful (i.e. not truistic) predictions about phenomena yet observed...Factual evidence can never prove a hypothesis, it can only fail to disprove it, which is what we generally mean when we say, somewhat inexactly, that the hypothesis has been confirmed by experience...any theory is necessarily provisional and subject to change with the advance of knowledge” (Friedman, 1953, pp. 7, 9, 41).

Again this too seems rigidly dualistic. The law of marginal utility for instance certainly does not appear to be a provisional law. To suggest one must forever subsume it to confirming and disconfirming empirical data in order to validate its truth, in addition to applying quantitative magnitudes to what is entirely unquantifiable i.e. ordinal utility analysis, strikes one as ludicrous. Rather, its apodictic status may be inferred from the very notion of what it means to act in a world of both scarce means and time, both being apriori concepts of existence and secondary precepts of action.

Thus positivism, given its vehement rejection of synthetic apriori truths, must categorically reject Mises's assertion that we can deduce synthetic truths pertained to economic reality via the apriori of human action, for truth for the positivist can never be synthetic/apriori. For positivists would likely claim all praxeological propositions are mere analytic tautologies, given Mises's assertion they are neither abstracted via empirical observation nor forever contingent on its premises. Critics would no doubt claim that for Praxeology, charges of Kantian idealism are highly problematic. For even the most ardent praxeologist cannot deny the positivist charge that praxeology bereft of existential meaning is rendered nothing but a theoretical tool void of practical application, regardless of the dubious nature of their own rigidly dualistic notion of what constitutes knowledge.

Therefore we must attempt to frame Misesian praxeology as a theory of *praxis*, under the auspice that it may be couched in a realist or Aristotelean strand of apriorism rather than the more problematic transcendental idealism of Kantian apriorism. For the strict demarcation between apriorism and empiricism is by and large a red herring argument perpetuated by the fallacious analytic/synthetic dichotomy championed by the positivists, obfuscating the fact the action axiom and its deductive process is both apriori and radically empirical in its theoretical force.

### B. *Moving Mises from Kant to Aristotle*

One can take for instance the following idealistic statement from Kant:

“Hitherto it has been assumed that all 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”<sup>19</sup> (Kant, 2010, p.15).

However this raises the question as Hoppe attests, “how can it be explained...that reality, conforms to the principals of causality, if this principal has to be understood as one to which the operation of our mind must conform? Don’t we have to make the absurd idealistic assumption that this is possible only because reality was actually created by the mind” (Hoppe, 2007, p.19).

For inevitably, under this idealistic assumption one would have to assume reality when separated from human cognition ceases to operate to the laws of causality, and instead reverts to a chaotic muddle of unintelligible processes void of form, relation and consistency, but arguably this is not the case. For instance, take the law of transitivity, which states; if A is a part of B, and B a part of C, then A is also a part of C. Now if one were to employ the Kantian notion of transcendental Idealism, they would have to assert that such a law is entirely context determined and that it exists only by virtue of being present in the mind, but reality alone suggests such a notion is fallacious. One only has to consider the law of transitivity applied to the parts of a non-volitional object such as a stone, plant or piece of furniture to realise the law would still apply in a world void of thinking constituting beings, for it is not the mind that constitutes what an object is, instead, the object simply is. It should thus be considered impossible to think of such laws as mere ‘laws of thought’.

For this reason, Barry Smith an Aristolean realist (1990) draws a demarcation between two variants of aprioristic reasoning, idealist/impositionism and reflectionist/realism. For reasons of analytical clarity and the purposes of the immediate line of argumentation, I will employ Smith’s polemical representation of Kantian impositionist apriorism and Aristotelian reflectionist apriorism as a theoretical reference.

The impositionist/idealist view for Smith holds that “a priori knowledge is possible as a result of the fact that the content of such knowledge reflects merely certain forms or structures that have been imposed or inscribed upon the world by the knowing subject. Knowledge... is never directly of reality itself” but instead “reflects the ‘logical structures of the mind’ and penetrates to reality only as formed, shaped or modelled by a mind or theory” (Smith, 1990, p.9). On the other hand, the reflectionist/realist view holds “that we

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19 In a similar vein we may take the following statement from Kant in which he infers the object-domain abstracted by the observer must first have been pre formed in some transcendental manner, belying the notion that we have coerced reality in order to fit out prenatal mental categories “When Galileo caused balls, the weights of which he had himself previously determined, to roll down an inclined plane . . . , a light broke upon all students of nature. They learned that reason has insight only into that which it produces after a plan of its own, and that it must not allow itself to be kept, as it were, in nature’s leading-strings, but must itself show the way with principles of judgment based upon fixed laws, coercing nature to give answer to questions of reason’s own determining. Accidental observations, made in observance to no previously thought-out plan, can never be made to yield a necessary law, which alone reason is concerned to discover” (Kant, 2010, pp.13-14).



can have apriori knowledge of what exists, independently of all impositions or inscriptions of the mind, as a result of the fact that certain structures in the world enjoy some degree of intelligibility in their own right" (Ibid, p.10). Smith argues the reflectionist view is held primarily by Aristotelian realists, whilst the impositionist view was held by Kant<sup>20</sup> and as Smith asserts, Mises (Ibid, pp.12-3).

Now, whilst it is undeniable Mises's writings exhibit clear idealistic nuances<sup>21</sup>, Smith's assertion that Mises was an impositionist in the tradition of Kant appears at best a tenuous one. For whilst Mises employed the Kantian notion of synthetic apriorism, he clearly did not subscribe to the idealist/impositionist view which continues to plague Kantian epistemology. For as Selgin (1990) notes among others<sup>22</sup>: "What Mises regarded as crucial in Kant was...not Kant's formal analysis of a priori knowledge or his epistemological idealism, but rather his conviction, *contra* empiricism and historicism, that reason could give universal and necessary knowledge [Economic Postulates]- knowledge that was

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20 The popular notion that Kant was an Impositionist to the degree Smith (1900, pp.10-4) asserts is itself an issue of contention. Smith's views, to a large extent, represent the popular notion of Kant's transcendental shortfalls, some scholars reject this view outright. For instance see Sciabarra (2000, pp.56-57); or one can look to Kant himself (2010) who appears to subscribe to that which Smith describes as that of the Aristotelian reflectionist strain of Apriorism: "That all our knowledge begins with experience there can be no doubt. For how is it possible that the faculty of cognition should be awakened into exercise otherwise than by the means of objects which affect our senses, and partly of themselves produce representations, partly rouse our powers of understanding into activity, to compare to connect, or to separate these, and so convert the raw material of our sensuous impressions into a knowledge of objects which is called experience? In the respect of time, therefore, no knowledge of ours is antecedent to experience, but begins with it." (Kant, 2010, p. 31).

Given such a statement, one has to question the veracity of Smith's claims Kant, and as an extension Mises, can be deemed Impositionist at all.

21 One does not have to search for long to establish the fact Mises writings appear, when read in isolation, to have reflected what could only at first be labelled Neo Kantian or Impositionist. Take for instance this "What we know is what the nature or structure of our senses and of our mind makes comprehensible to us. We see reality, not as it "is" and may appear to a perfect being, but only as the quality of our mind and of our senses enables us to see it" (Mises, 2006, pp.15-6). Or this "all experience concerning human action is conditioned by the praxeological categories and becomes possible only through their application. If we had not in our mind the schemes provided by praxeological reasoning, we would never be in a position to discern and to grasp any action" (Mises 2007, p.40).

22 Hulsmann asserts in the intro to *Epistemological Problems of Economics* (2003) while it is clear Carl Menger (a predecessor of the Misesian Praxeological method) was predominately influenced by Aristotelian Realism, "in Mises's case there is the difficulty posed by the Kantian language in his statements on the epistemology of economics. But a closer look at Mises's actual economic writings, clearly reveals that he stands firmly in the traditional Austrian line of Aristotelian Realism" (Mises, 2003, p.lii). Similarly, Lachmann a contemporary of Mises's commented that Mises sought "a reputable philosophical position that would supply him with enough intellectual armour to withstand the onslaughts of Positivism and to espouse the cause of rationalism in human affairs" suggesting he was "driven to seek refuge in Neo-Kantianism" (Lachmann, 1982, p.36). Hence rather than being a pure Kantian, he was one in spite of what he saw as the corrosive effects of positivism and historicism in the social sciences. Likewise David Gordon (1994) asserts although Mises like Kant believed that the human mind abstracted reality through its own categories "unlike his great predecessor, Mises did not claim that a particular set of categories is a necessary presupposition of experience. To Mises, the categories are ones that human beings now in fact use. He essays no transcendental argument in the style of the *Critique of Pure Reason* to derive them" (Gordon, 1994, pp.96-7).

fresh and informative” (Selgin, 1990, p.21). Implicit in such assertions is the fact Mises’s interpretation of synthetic Apriorism arguably reconciles the Mind/Reality dichotomy that continues to plague Kantian epistemology, which when combined with the fact there are clear reflectionist/Aristotelian ontological undertones exhibited in Mises method and practice, strongly suggests that the supposed gulf between reflective cognition and observational reality is not as stark as Mises’s Kantian terminology aesthetically implies.

### *C. Reframing the Apriori of Action -- a Reflectionist Perspective*

Mises’s writings clearly infer he believed reality was neither transcendently conditioned nor incomprehensible bereft the intellect, but intelligible in its own right. For instance take the following statement by Mises regarding the notion of transcendentalism and aprioristic thinking: “How can the human mind, by aprioristic thinking, deal with the reality of the external world? As far as praxeology is concerned, the answer is obvious. Both, a priori thinking and reasoning on the one hand and human action on the other, are manifestations of the human mind. The logical structure of the human mind creates the reality of action. Reason and action are congeneric and homogenous, two aspects of the same phenomena” (Mises, 2006, p.37). Thus to a large degree claims of idealism levelled at the praxeological method ultimately disintegrate upon the realisation, as Hoppe attests, “our mind is one of acting persons” given “Our mental categories have to be understood as ultimately grounded in categories of action. And as soon as this is recognised, all idealistic suggestions immediately disappear. Instead, an epistemology claiming the existence of true synthetic apriori 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” (Hoppe, 2007, p.20).

However this alone will not be enough to quell charges of idealism/impositionism, it is but one facet of Mises’s aprioristic reasoning. Therefore we must look deeper into Mises writings to show beyond doubt he was clearly no Kantian impositionist. There are some key Aristotelian/reflectionist precepts, as described in the work of Smith (1990), which will need to be proven present, or at minimum implied, in order for such a claim to be legitimate (See Smith, 1990, pp. 3-6, for explanation of key theses). Thus, we can employ Smiths Aristotelian reflectionist criteria to highlight the inadequacies of his own thesis that Mises was an impositionist of the Kantian kind, and in the process, render unwarranted the positivist claim that the Misesian method equates to mere tautology.

There can be no doubt upon reading Mises he was of the opinion that the ability of the intellect to apprehend and then develop an elementary awareness of the reality in which it exists, must by sheer necessity, presuppose the ontological belief that there exists structured relationships between universal essences existing in reality, that constitute intelligible relations bereft that of the mind itself. This is almost identical to the Aristotelian/reflectionist premise that there is an *inherent causality that can be discovered in reality*, which takes the form of structured relationships between universal essences, a reality that while exterior to that of the intellect can nonetheless be recognised as pre-ordered

and invariant of space and time<sup>23</sup> (See Smith, 1990, p.3). For example, Mises asserts “No thinking and no acting would be possible to man if the universe were chaotic, i.e., if there were no regularity whatever in the succession and concatenation of events” (Mises, 2006, p.16). Stating even more emphatically that “in a world without causality and regularity in phenomena there would be no field for human reasoning and human action. Such a world would be a chaos in which man would be at a loss to find any orientation and guidance. Man is not even capable of imagining the conditions of such a chaotic universe” (Mises, 2007, p.22). Thus Mises appears to be of the belief that it is only by virtue of the fact “The first and basic achievement of thinking is the awareness of constant relations among the external phenomena that affect our senses” (Mises, 2006, p.17), that the intellect has the ability to grasp first principals or conceptual forms from which all theoretical inquiry is derived<sup>24</sup>. For if this were not the case “All experience would be merely historical, the record of what has happened in the past. No inference from past events to what might happen in the future would be permissible. Therefore man could not act. He could at best be a passive spectator and would not be able to make any arrangements for the future, be it only for the future of the impending instant” (Ibid, p.17).

For Mises, the apriori of action rather than producing non-operational propositions that are imposed by the mind and consequently severed from reality, is instead both antecedent and constitutive of any comprehension of operational reality. Not a reality that we construct then impose in a transcendental Kantian fashion, but a reality that is forced upon us by the world we inhabit, where we must by sheer necessity employ the apriori categories of action i.e. first principals, in order to affect the most elementary of change by discerning pre-cognitive laws of cause and effect i.e. causality. “The purpose of action is to attain success in the world that is our environment. Adjusting to the conditions of this world and its order is therefore expedient in any case” (Mises, 2009, p.109). Given this, “[apriori categories are] not arbitrarily made, but imposed upon us by the world in which we live and act and which we want to study. They are not empty, not meaningless, and not merely verbal. They are - for man - *the most general laws of the universe*’ (emphasis added)” (Mises, 2006, p.12) “They are the necessary mental tool to arrange sense data in a systematic way, to transform them into facts of experience, then [to transform] these facts into bricks to build theories, and finally [to transform] the theories into technics to attain ends aimed at”

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23 Smith (1990) puts it in these terms “there are in the world simple essences or natures or elements as well as laws, structures or connections governing these, all of which are strictly universal, both in that they do not change historically and in the sense that they are capable of being instantiated, in principal (which is to say: if the appropriate conditions are satisfied) at all times and in all cultures” (Smith, 1990, p.3).

24 Further elaborating the point, Mises asserts “the starting point of experimental knowledge is the cognition that an A is uniformly followed by a B. The utilization of this knowledge either for the production of B or for the avoidance of the emergence of B is called action. The primary objective of action is either to bring about B or to prevent it happening...the fact remains that no action could be performed by men not guided by it...the man anxious to remove by purposive conduct some uneasiness felt, the question occurs: Where, how, and when would it be necessary to interfere in order to obtain a definite result? Cognizance of the relation between cause and effect is the first step towards man’s orientation in the world and is the intellectual condition of any successful activity...[therefore] All we can say about causality is that it is a priori not only of human thought but also of human action[reality]” (Mises, 2006, p.17).

(Ibid, pp.13-4).

Typifying this belief that certain ontological categories or laws of reality exist outside of the intellect itself, is Mises's speculative hypothesis regarding the apriori nature of logical categories of the mind, which he frames in a quasi-Darwinian manner (Ibid, pp.12-14). Again, whilst Mises asserts that the categorical concepts of human action are antecedent to experience, he clearly infers reality is more than a mere bystander:

“We are not prevented from assuming that in the long way that led from the nonhuman ancestors of man to the emergence of the species *Homo sapiens* some groups of advanced anthropoids experimented, as it were, with categorical concepts different from those of *Homo sapiens* and tried to use them for the guidance of their conduct. But as such pseudo categories were not adjusted to the *conditions of reality* (emphasis added)...Only those groups could survive whose members acted in accordance with the right categories, i.e., *with those that were in conformity with reality and therefore-to use the concept of pragmatism-worked* (authors emphasis added)” (Ibid, p.12).

This reflectionist bent is even more evident when he posits “However we may think about this problem, one thing is certain. Since the apriori 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 endeavours to hold his own in the struggle for survival and to attain various ends that he wanted to attain, *there categories provide some information about the reality of the universe* (emphasis added)” (Ibid, p.13).

This seems to suggest Mises believed there was an interactive process between the apriori categories of the intellect and the world exterior to it, or as Leeson & Boettke (2006) assert “[Mises implied] there is a mutually interactive process between our minds and the world, forming a feedback loop between the evolution of our apriori mental categories that determine the world we experience, and the reality of the world that conditions our way of thinking and understanding reality” (Leeson & Boettke, 2006, p.257). Hence reference to an objective reality for Mises “does not impair the aprioristic character of praxeology and economics. Experience [of this reality] merely directs our curiosity toward certain problems and diverts it from other problems. It tells us what we should explore, but it does not tell us how we could proceed in our search for knowledge [this is the job of aprioristic reasoning]” (Mises, 2007, p.65).

Given Mises's quasi-evolutionary thesis that apriori mental categories evolve over time and are partially conditioned by the world in which we exist, authors Leeson & Boettke (2006) assert there is a falliblistic reflectionist element (see Smith, 1990, p.4)<sup>25</sup> to Mises'

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25 As Smith (1990) states reflectionist Apriorism maintains “the general aspect of experience need be in no sense infallible...and may indeed be subject to just the same sorts of errors as is our knowledge of what is individual...Our knowledge of laws can nevertheless be exact. For the quality of exactness or strict universality is skew to that of infallibility. *Episteme* may be ruled out in certain circumstances, but true *doxa*... may be

conception of apriori knowledge:

“[H]is evolutionary explanation of the emergence of these categories, which conditions them on the reality of the world, suggests a reflectionist view since a priori knowledge evolves over time with the evolution of individuals' mental categories. In this sense, there is a Smith-like 'falliblistic' element to Mises's conception of a priori knowledge, which, though 'true' for acting man at the present may ultimately be revealed to be mistaken (i.e., inconsistent with objective reality) with further developments in the evolution of man's mind” (Leeson & Boettke, 2006, p.258).

Mises in fact eludes to such fallibilism when positing that aprioristic reasoning and deduction from the action axiom is itself not infallible, but at best contingent on sound rationale:

“Man is not infallible...this means for the economist to trace back all theorems to their unquestionable and certain ultimate basis, the category of human action, and to test by the most careful scrutiny all assumptions and inferences leading from this basis to the theorem under examination. It cannot be contended that this procedure is a guarantee against error. But it is undoubtedly the most effective method of avoiding error” (Mises, 2007, p.68).

For example, he posits the subsidiary postulate of the disutility of labour holds only in a reality in which labour represents a source of dissatisfaction, i.e. it is in the nature of man to prefer leisure over toil:

“[T]he disutility of labour is not of a categorical and aprioristic character. We can without contradiction think of a world in which labour does not cause uneasiness... but the real world is conditioned by the disutility of labour. Only theorems based on the assumption that labour is a source of uneasiness are applicable for the comprehension of what is going on in this world. Experience teaches that there is disutility of labour. But it does not teach it directly...there are only data of experience which are interpreted, on the ground of aprioristic knowledge” (Ibid, p.65).

Thus although all the economic concepts and theorems of praxeology are implied in the concept of human action, its deductive force is restricted to acting man or “to the study of acting under those conditions and presuppositions which are given in reality”<sup>26</sup> (Ibid, pp.64-65). This point is integral, given popular misconceptions Mises subscribed to the belief his economic postulates derived via the synthetic apriori of human action were

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nonetheless available” (Smith, 1990, p.4).

26 Mises similarly asserts “economics does not follow the procedure of logic and mathematics. It does not present an integrated system of pure aprioristic ratiocination severed from any reference to reality. In introducing assumptions into its reasoning, it satisfies itself that the treatment of the assumptions concerned can render useful services for the comprehension of reality...it adopts for the organised presentation of its results a form in which aprioristic theory and the interpretation of historical phenomena are intertwined” (Mises, 2007, p.66).



axiomatic or plied in a neo theoretical vacuum, but this is simply not the case. As Rothbard asserts, “It should be noted that for Mises it is only the fundamental axiom of action that is a priori; he conceded that the subsidiary axioms of the diversity of mankind and nature, and of leisure as a consumers good, are broadly empirical” (Rothbard, 1976, p. 21). Thus one can infer from this that for Mises, praxeological reasoning and the categories derived from the apriori of action while not abstracted via or contingent on empirical induction, are empty conventions when void of empirico-historical considerations.

The immediate implication these observations (causality and fallibilism) render is that Mises contended all laws of the mind are simultaneously laws of reality, given a mind anterior to reality ceases to be a mind at all, it would not even exist. The mere fact that the mind can engage in existence action and is capable of plying entities and organisms exogenous to it, implies it is able to discern then harass laws of cause and effect in material reality, a reality that is constituted by objects that possess a pre cognitive nature in and of themselves.

For instance, reality clearly dictates that some means are more suited to achieving desired ends than others. For if ones end is sustenance, some means, e.g. eating oranges, will satiate them, whilst other, e.g. eating dirt, will not. Mental willing here cannot alter what an entity is. It is only by virtue of the fact that the mind has come to discern ‘the nature of things’ pertained to reality, via the employment of the apriori category of action, that it may form the hypothesis; a casual link exists between the means (eating of oranges) and the ends (sustenance); hence where eating dirt will clearly not achieve his ends, eating oranges will. Thus while man is in possession of pre rational aprioristic categories of the mind (in this case action categories; means and ends) they only intelligibly manifest themselves via the process of interacting with pre constituted entities by discerning that which is casual or intelligible in the reality those entities exist, then processing such laws of causality via a process of intensive introspection (falliblistic process). Therefore, although the action axiom is antecedent to any comprehension of sensory phenomena, given it both predicates and constitutes the process itself, it does not stand outside of it, one must realise “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, 2007, p.70).

Mises also makes a clear demarcation between that of empirico historical data and praxeological apriorism, or what he termed methodological dualism. Roderick T Long, a libertarian philosopher, maintains Mises clearly subscribed to the school of thought within the social sciences that holds there exists a clear methodological distinction (or dualism) “between history, which follows what Mises called the ‘thymological method’ of understanding [the hermeneutical method]” (Long, 2003, p.3) and Praxeology “which follows what Mises calls the praxeological method of conceiving...while thymology is a posterior, praxeology is apriori, and indeed represents the apriori conditions of thymology’s intelligibility; it is the timeless logical features of purposeful action that constitute the



sphere of history” (Long, 2003, pp.3-4)<sup>27</sup>.

However in saying this, thymological and praxeological theory never stand isolated from one another “Praxeology without thymology is empty; thymology without praxeology is blind” (Long, 2004, p.364). Therefore thymology represents the necessary empirco-historical data or specific cases through which praxeological theories may manifest their rational praxis, theories of which are needed in order to make intelligible that of thymological experience itself:

“[I]t’s not as though praxeology can exist without thymology, but in an empty condition, or that thymology can exist without praxeology, but in a blind condition. The thymological ability to apply praxeological concepts is constitutive of the possession of such concepts. Praxeology and thymology are distinguishable, but inseparable, aspects of an integrated unity...thymology is the best picture of praxeology and vice versa. It is through the application, the use, of our concepts that we are best able to understand them” (Long, 2004, p.364).

Thus as Mises attests, “Theory [Aprioristic reasoning] and the comprehension of living and changing reality [empirco-historical data] are not in opposition to one another. Without theory, the general aprioristic science of human action, there is no comprehension of the reality of human action” (Mises, 2007, pp.38-39). Given this “the end of science is to know reality. It is not mental gymnastics or a logical pastime” (Ibid, p.65).

Hence what emerges is the notion that Mises intended praxeology to be an existential ontological foundation for the meaningful inquiry of empirical economic phenomena, through the application of apriori categories of action, or pure theory. “The economist does not base his theories upon historical research, but upon theoretical thinking like that of the logician of the mathematician. Although history is, like all other sciences, at the background of his studies, he does not learn directly from history. It is on the contrary, economic history that needs to be interpreted with the aid of the theories developed by [praxeological] economics” (Mises, 2006, p. 66).

This too is similar to the Aristotelian realist notion that all experience in this world involves both a universal exact type, i.e. aprioristic truth, and a particular, i.e., a real empirical type (Smith, 1990, p.3). This notion is indicative of the work of Carl Menger, for whom if remembered, Smith (1990) deemed an Aristotelean reflectionist. Similar to Mises, Menger reasoned that we could detect apriori categories of ‘*exact laws*’ pertained to economic reality that reflect intelligible relations among essences or ‘*economic universals*’ (exact types) that are neither spatiotemporally contingent nor context determined, via a process of inductively abstracting the economic *particulars* (real empirical types) of economic phenomena then searching for “the simplest elements of everything real [exact laws]”

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27 For Mises’s Methodological dualism and his clear demarcation between that of theory (Praxeology) and history see; Human Action (2007, pp 47-58) and The Ultimate Foundations of Economic Science (2006, pp.41-46).

(Menger, 1883. p.60). In this way, exact laws of economic phenomena can be ascertained via external observation than introspection, whereby universal essences (exact types) are abstracted via the spatiotemporally contingent particulars (empirical real types). Menger distinguished 'exact types' from 'real types' by describing exact types as pure types of economic phenomena which pertain only to general features and allow for no development i.e. apriori truths, and real types on the other hand as characterised by both general and particular features as well as development i.e. synthetic aposteriori truths (Menger, 1883, p.57).

An archetypal example of real and exact types is the notion of money. Maki (1997) states it as follows:

“This particular penny and the cheque book in my pocket now belong to the category of money. They are *particular* instances of money, they are money tokens. Coin in general, bank notes and cheques in general, and, earlier in history, cattle and shells in general are to be likewise categorised as money. But they are not money tokens; they may be called *generic* instance of money. It is these generic instances...that Menger had in mind when talking about *real types*. They embody both the general features of money and some of its more specific manifestations...thus real types are not the true universals. Exact or strict types are. Money in general is one of these universals, exemplified by it particular and generic instances” (*Ibid*, p.479-80)

Thus:

“The money universal has been purified [abstracted via the particulars] from particularities in the form of which we encounter in daily life. Consequently, the money universal is not observable in isolation from its particular instantiations, yet it is one of the abstract referents of economics as an exact science” (Maki, 1997, p.480).

It seems for Menger as it was for Mises, what is general (universal/apriori of action) does not exist in isolation from what is individual (particular/thymological empiricism), as Maki explains, Menger “formulates his methodology in terms of the classical problem of [Aristotelian] universals. Types as the recurring aspects of things are universals which are exemplified by concrete entities and phenomena, the particulars. To put it in classical terms, a universal is the one, particulars are the many, and consequently economic theory, being concerned with economic types like money and price, is about the one in the many” (Maki, 1997, pg.479). This as seen by the aforementioned, closely mirrors the Misesian method and his demarcation of thymology (spatiotemporal particulars) and Praxeology (universal first principles), validating Emil Kauder’s assertion “only von Mises, the most faithful student of the... [Austrian] pioneers, maintains the ontological character of economic laws [Mengerian Aristotelianism]. His theory of human action . . . is a reflection about the essence of action. Economic laws provide ontological facts” (Kauder, 1957, p. 417).

**III. CONCLUSION: THE MISESIAN METHOD - THEORY OF PRAXIS OR JUST TAUTOLOGY?**

It appears to be ineffectual whether one labels Misesian praxeology impositionist/idealist in method, employing Smith's description it is clearly not in a strictly orthodox sense, rendering claims to the contrary unfounded and reactionary. Mises's writings are permeated with a myriad of realist/Aristotelian ontological nuances which imply a reflectionist orientation (fallibilism, pre cognitive causality in nature, methodological dualism of praxeology/thymology), suggesting given his Kantian terminology, he was either ambivalent or dismissive of the synthetic/analytic dichotomy positivists claim render the action axiom epistemologically sterile, for in many regards he managed to transcend entirely the mind/reality dichotomy altogether. Claims the Misesian method is tautological, and therefore epistemologically barren, appear to be borne from the positivists' rigidly dualistic criterion of knowledge production combined with a purely aesthetic understanding of the Misesian method.

Yes, the Misesian method is no doubt tautological in nature, but so what? It is empirically relevant tautology that bequeaths us with the overarching theoretical structure or first principles that give meaning and order to all socioeconomic data. What is general or universal does not and cannot stand in isolation from what is individual or particular; theory without application and application without theory is a manifest impossibility, an apodictic truth Mises was intimately aware of. The apriori of action does not stand outside or above empirical historical data, instead it is both antecedent and constitutive of it, meaning its rational praxis may only manifest itself through thymological experience i.e. empirical reality.

Therefore I would agree with Murray Rothbard that whether one considers the praxeological method Kantian or Aristotelian has little epistemological consequence for the action axiom and its deductive force, for it is a theory of praxis underwritten by tautological principles both aprioristic and radically empirical:

“[W]hether we consider the Action Axiom ‘apriori’ or ‘empirical’ depends on our ultimate philosophical position. Professor Mises, in the neo Kantian tradition, considers this axiom a law of thought and therefore a categorical truth a priori to all experience. My own epistemological position rests on Aristotle and St. Thomas rather than Kant, and hence I would interpret the proposition differently. I would consider the axiom a law of reality rather than a law of thought and hence ‘empirical’ rather than a priori. But it should be obvious that this type of empiricism is so out of step with modern empiricism that I may just as well continue to call it a priori for present purposes. For (1) it is a law of reality that is not conceivably falsifiable, and yet is empirically meaningful and true (2) it rests on universal inner experience, and not simply on external experience, that is, its evidence is reflective rather than physical [reflection constitutes action], and (3) it is clearly a apriori to complex historical events” (Rothbard, 1957, p. 6.).

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