

## Rejoinder to David Prychitko on Austrian Dogmatism

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### 1. Introduction

David L. Prychitko, a self-styled Austrian economist, inveighs against “some” Austrians, who are guilty of a “cart-load of dogmatism.”<sup>1</sup> He makes his case as follows:

Among some Austrians, a peculiar form of praxeology plays the defining role. As a deductive approach to the study of human action, praxeology makes a great deal of pragmatic sense. But some Austrians have anointed praxeology, and therefore Austrian economics as a whole, with grand and apparently unquestionable epistemological claims. The praxeologist is a self-described deducer of apodictic certainty, of ironclad proofs that display the Truth about empirical economic phenomena. Hard-core praxeology seems to be the unshakable trunk of the great tree of Austrian economics. Mises and Rothbard stand among its champions in their appeal to scientific *certainty* regarding, in Mises’s case, the viability of the completely unhampered market/minimal state system, and in Rothbard’s case, outright anarcho-capitalism. (Strange how praxeology is employed to deduce two fundamentally different positions on the role of the state.) And it’s that unflinching certitude about the equilibrating properties of the unhampered market that has, shall I say, both fascinated and irked me over the years.<sup>2</sup>

It is the contention of this article that there are more fallacies in this short paragraph than you can shake the proverbial stick at. It shall be the burden of this article to point them out, in Section 2, as it pertains to Austrian economics. In Section 3, I wrestle with equally fallacious arguments of Prychitko concerning libertarianism. The burden of Section 4 is to assess

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<sup>1</sup> David L. Prychitko, “Thoughts on Austrian Economics, ‘Austro-Punkism’ and Libertarianism,” in David L. Prychitko, *Markets, Planning, and Democracy: Essays After the Collapse of Communism* (Cheltenham, UK: Edward Elgar, 2002), pp. 186-90.

<sup>2</sup> *Ibid.*, p. 187.

Prychitko's assessment of his own views. In Section 5, I make several suggestions to Prychitko and his ilk, and I conclude in Section 6.

## 2. Incomprehension of Austrian Economics

### a. Pragmatic sense?

Praxeology is the science of human action.<sup>3</sup> It is predicated upon some basic postulates, which are incapable of refutation. For example, there is such a thing as human action. As the very attempt to deny this involves the denier in human action (the human action of denial), it *must* be accepted. This premise plays a role in economic analysis similar to the law of non-contradiction, or of the excluded middle, in logic. This makes very little “pragmatic sense,” in that it will not help fix plumbing, plant crops, or cure disease. It is no more “pragmatic” than is the Pythagorean theorem. However, to maintain that the laws of logic or economics are “pragmatic” in any but the most poetic of senses, bespeaks a profound misunderstanding of praxeology.

Prychitko characterizes in the above quotation the practice blazed by Ludwig von Mises and Murray Rothbard as “a peculiar form of praxeology.” Possibly, this implies that there is a better form of praxeology engaged in by the intellectual opponents of these two Austrian economists. But what does this alternative consist of? Prychitko vouchsafes us no answer to this vital question, which leads me to conclude that he has no alternative praxeology in mind, but is merely engaging in name-calling.

However, there is a possible alternative explanation, to wit, Prychitko is merely implying that there are forms of praxeology lacking the peculiarities that the Mises/Rothbard form has. “Peculiar” doesn't necessarily mean “bad”; it could also mean “odd.” You could call something odd without needing to have a better version of that thing in mind. And calling something odd doesn't oblige you to have an alternative in mind at all. On this interpretation, all that Prychitko would mean is: “Of all the forms of praxeology I've seen, the Mises/Rothbard one sure has some peculiarities about it.” Above, I call this

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<sup>3</sup> See Hans-Hermann Hoppe, “On Praxeology and the Praxeological Foundation of Epistemology and Ethics,” in *The Meaning of Ludwig von Mises*, ed. J. Herbener (Boston, MA: Dordrecht 1992); Ludwig von Mises, *Theory and History: An Interpretation of Social and Economic Evolution* (New Rochelle, NY: Arlington House, 1969); Thorsten Polleit, “Mises's Apriorism Against Relativism in Economics,” accessed online at: <http://blog.mises.org/archives/008051.asp>; Murray N. Rothbard, “In Defense of Extreme Apriorism,” *Southern Economic Journal* (1957), pp. 314-20; Joseph Salerno, “The Sociology of the Development of Austrian Economics,” in *Property, Freedom, and Society: Essays in Honor of Hans-Hermann Hoppe*, ed. Jorg Guido Hulsmann and Stephan Kinsella (Auburn, AL: Ludwig von Mises Institute 2009), pp. 95-108, accessed online at: [http://mises.org/books/hulsmann-kinsella\\_property-freedom-society-2009.pdf](http://mises.org/books/hulsmann-kinsella_property-freedom-society-2009.pdf); George A. Selgin, “Praxeology and Understanding: An Analysis of the Controversy in Austrian Economics,” *Review of Austrian Economics* 2 (1988), pp. 19-58.

“mere” name-calling, but it actually would be vague and non-committal of him. On this interpretation, my criticism over-reads him and is over-stated.

I reject this interpretation, however. In my view, taking into account the entire tenor of Prychitko’s article, by “peculiar” he means heavily to criticize Austrian praxeological economics, at least the Mises/Rothbard version thereof. And, if he is going to criticize it, it is incumbent upon him to give some *reasons* for so doing. He does not, so how else is any rational person to interpret this but as “name-calling”?

***b. Apodictic certainty***

Prychitko is less than happy with the “apodictic certainty,” or “ironclad proofs,” that comprise Austrian economics. He characterizes this as seeking after truth with a capital “T,” or “Truth.” Admittedly, to the non-initiated, this smacks of hubris. How can there be any such thing as absolute truth? It is not scientific. It smacks of religion, which may well have its place, but surely not within the realm of economics, they might say.

But the aforementioned Pythagorean theorem, too, is absolutely certain.<sup>4</sup> To deny it involves one in self-contradiction. Triangles have 180 degrees. Every last one of them comes replete with precisely this number of degrees, not one more or less. If there is *any* deviation, the figure is not a triangle at all. Even imaginary triangles, if they are indeed triangles, exhibit this characteristic. There are no exceptions. Would maintaining these truths justify calling the mathematicians who profess them arrogant, “dogmatic,” or “anointed”? Surely not. Not even Prychitko, presumably, would have such presumption. Why, then, apply such characterizations to the logicians of economics? For non-Austrian economists such as Prychitko who are ignorant of praxeology, this is all inexplicable or “irksome.” But there is no mystery here. Praxeologists employ a technique that is simply not acknowledged in his philosophy.

***c. Certainty***

Praxeology consists of synthetic *a priori* statements. They are as undeniable as tautologies, and yet apply to the real world just as empirical truths do. Hans-Hermann Hoppe offers the following examples of synthetic *a priori* statements:

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<sup>4</sup> To put this into context, in saying this, I am assuming away Rene Decartes’s scenario that we are all asleep, the possibility that we are all deluded, crazy, whatever. Mathematicians, too, make mistakes, and, who knows, this may be one of them. It doesn’t do to think of oneself as intellectually invincible, after all. What is commonly meant by expressions of this sort, and I certainly subscribe to this more modest way of putting the matter, is that claims like the Pythagorean theorem, “ $2 + 2 = 4$ ,” “man acts,” “price floors create surpluses,” and other such statements cannot be refuted by empirical testing, are not falsifiable, etc. Of course, we imperfect humans can be in error on this or anything else, but statements of this sort occupy a different universe of discourse from empirical claims. They are economic *laws*, not mere hypotheses.

Whenever two people A and B engage in a 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.

Or consider this: Whenever an exchange is not voluntary but coerced, one party profits at the expense of the other.

Or 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 good if the supply were one unit shorter.

Or take the Ricardian law of association: Of two producers, if A is more productive in the production of two types of goods than is B, they can still engage in a mutually beneficial division of labor. This is because overall physical productivity is higher if A specializes in producing one good which he can produce most efficiently, rather than both A and B producing both goods separately and autonomously.

Or as another example: Whenever minimum wage laws are enforced that require wages to be higher than existing market wages, involuntary unemployment will result.

Or as a final example: Whenever the quantity of money is increased while the demand for money to be held as cash reserve on hand is unchanged, the purchasing power of money will fall.<sup>5</sup>

The list could be added to, not indefinitely, to be sure, but significantly. Here are a few more entries that I could add: When rent control is imposed, there will be less investment in residential rental housing than would otherwise be the case. When tariffs are introduced, there will be fewer gains from trade than would obtain in their absence. Price controls tend to decrease the ability of markets to allocate resources in accordance with consumer demands. Profits tend to equalize over industries, assuming away risk considerations. Profits tend toward zero, in the absence of economic changes. Would Prychitko be so rash as to deny any of these claims? If so, he is on similarly shaky ground as those who quarrel with the statement that rectangles have four right angles or that  $2 + 2 = 4$ .

I defy Prychitko, or anyone else for that matter, to come up with a case of two people, A and B, who engage in a voluntary exchange, neither of whom expects to profit thereby. I defy Prychitko, or anyone else for that

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<sup>5</sup> Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, AL: Ludwig von Mises Institute, 1995).

matter, to explain the logic of a case where A and B do not 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. Ditto for all of the other synthetic *a priori* statements mentioned above having to do with rent control, profits, etc.

**d. Testing**

My doctoral dissertation is on rent control.<sup>6</sup> It is an econometric study of the effects of this sort of legislation on the quantity and quality of rental housing, vacancy rates, etc., which are dependent variables. Typically, I would get the “correct” signs for my independent variable, such as the duration of time rent control was in effect. And, usually, I obtained significance at least at the 10% level, and often at the 5% level. Every once in a while, however, I would record the *wrong* sign for my independent variable, and sometimes this coefficient would be statistically significant.

Did my thesis advisor say something along the lines of, “Wow, I’ve got this young student, Block, who is going to turn microeconomics upside down? Why, with these results we can show that everything we thought we knew about rent control was wrong? This is publishable in the best journals. Who knows, a Nobel Prize is in the offing.”

Not a bit of it. He was far too kind to say the following to me, but his facial expression upon reading my results was telling. What he was thinking, based on his attitude to me was, “Block, you moron, go out and do this again, until you get it right. Maybe, change some of your other independent variables. Make sure the data you entered is correct. But, we surely know the correct signs of these coefficients.”

So what was testing what here? Were my econometric regressions “testing” the apodictically certain insight that, *ceteris paribus*, if the government places obstacles in the way of earning profits in one industry, this will tend to reduce investments therein, and incentives to maintain, repair, and upgrade heterogeneous capital? Or was it the other way around? Of course, the latter was true. We *full well knew* what the “correct” sign was for the rent control variable before we even began.

This is not “dogmatic,” as Prychitko proclaims. Rather, it arises directly from basic supply-and-demand analysis. Other things being equal, price ceilings cause shortages, and price floors create surpluses. Most economists, I dare say, not merely Austrian ones, have “unflinching certitude”<sup>7</sup> that these claims are correct. Yes, we might all be dreaming or some such. Maybe there is, really, no such thing as the science of economics,

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<sup>6</sup> Walter E. Block, “The Economics of Rent Control in the U.S.” (PhD Diss., Columbia University, 1972), accessed online at: <http://tinyurl.com/24ljyz>.

<sup>7</sup> Subject to the qualifications mentioned in note 4.

or reality. But coming back to the real world: if there is anything true in economics, it is that price ceilings cause shortages and price floors create surpluses. Prychitko's attack on Austrian economics for maintaining the truths<sup>8</sup> of these statements excludes him not only from praxeological economics, but from economics as a whole.

And precisely the same analysis applies to all of the other synthetic *a priori* statements mentioned in Section 2c of this article. Not one of them can be "tested," since they are apodictically true. Austrian economics is modeled not on any of the physical sciences, such as chemistry, biology, or physics, but rather, is a *logical* endeavor, built along the lines of symbolic logic, geometry, trigonometry, calculus, and many of the other branches of mathematics.

***e. Mises versus Rothbard***

Prychitko makes much of the fact that Mises and Rothbard, both praxeologists, nevertheless arrive at different positions regarding limited-government libertarianism, favored by the former, and anarcho-capitalism, the viewpoint of the latter. How can this be, wonders Prychitko, if praxeology is a guarantee of Truth?

There are two good reasons for this. First, neither Mises nor Rothbard regarded their respective positions as following ineluctably from basic Austrian economic premises, such as human action, positive time preference, diminishing marginal utility, or any such thing. Rather, both limited-government libertarianism for Mises and anarcho-capitalism for Rothbard, can be interpreted as *normative* claims. Each of these scholars believes that his chosen system *should* be implemented, that it is the only *moral* thing to do, but they both accept the positive/normative distinction, and hence believe that economics is a value-free positive science. Therefore, for them, their political economic philosophy is not a matter of praxeology.<sup>9</sup>

Second, let us interpret matters differently, *arguendo*. Here, we posit that both Mises and Rothbard started off with the same basic premises, and

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<sup>8</sup> Prychitko capitalizes this word, and renders it as "Truth." Here, I detect more than a whiff of logical positivism. There are no such things as truths in (social) science; all claims are only tentative, and must be dependent upon the latest statistical finding. Here, Prychitko aligns himself with the majority of mainstream economists, who at least pay lip service to this viewpoint. But, when push comes to shove, the ire of even neoclassical economists can be raised when economist renegades question whether or not price ceilings cause shortages, and price floors create surpluses.

<sup>9</sup> Well, I go too quickly here. Rothbard, at least, did regard his libertarian views as based on undeniable premises, but the premises were not part of Austrian ones, such as human action, etc. Rather, they were based on the twin pillars of the non-aggression axiom and property rights based on Lockean homesteading. See Hans-Hermann Hoppe, "The Ethical Justification of Capitalism and Why Socialism Is Morally Indefensible," in Hans-Hermann Hoppe, *A Theory of Socialism and Capitalism* (Boston, MA: Kluwer Academic Publishers, 1989).

yet, through a chain of complicated and complex reasoning, arrived at different conclusions. And not only divergent conclusions, but those that were mutually incompatible with one another, to wit, minarchism and anarcho-capitalism. In Prychitko's view, this renders the entire process specious. Not so.

Suppose that two trigonometricians start off with the same principles and end up differently, one concluding "sine" and the other "cosine." Would we move, automatically, to a complete rejection of trigonometry as hopelessly illogical? We would not, if we retain a modicum of rationality. Rather, we would deduce that one of these mathematicians is correct and the other incorrect.<sup>10</sup> Why then treat two (supposed<sup>11</sup>) praxeologists any differently? Why not conclude, instead, that one of these two scholars, Mises or Rothbard, made a misstep, a miscalculation, in one of the lines of his argument? There is nothing in Austrian economics that is "ironclad." To write this, as does Prychitko, bespeaks a profound misunderstanding of the enterprise. As for "unflinching certitude," this is, surely, a psychological state, one profoundly incompatible with science, whether empirical or logical. Surely, there are some Austrian economists who are no doubt guilty of it, but they are not culpable *because* they are praxeologists. It cannot be denied, moreover, that there are non-Austrian economists who are equally given to this irrational, non-scientific, dogmatic state of mind. Hubris finds its way into *all* human endeavor; no one method should be singled out for condemnation in this regard.

But what of the following possible objection to the thesis I am supporting: There is a fundamental problem with my analogy of Austrian economics to logic and mathematics. Logic and mathematics do not seek causal explanations of the form "What *causes* what?" But even as I describe it, Austrian economics does precisely that. It is sciences like physics, chemistry, and biology, not sciences like logic and math, that are cause-seeking. Why doesn't this fact undermine my analogy? If economics is essentially cause-seeking and mathematics is not, how can economics be like mathematics in any important way? If the analogy doesn't hold, have I really answered Prychitko's point about testing?

I answer this excellent objection in two ways. First, to be sure, chemistry and physics attempt to discern causal relationships. In so doing, however, they certainly *utilize* mathematics and logic to this end. They often make deductions from premises. For example, chemists deduce, from the number of electrons in a substance, which other ones it can be combined with. Austrian economics, too, even though it also attempts to unravel causal connections, also engages in this sort of thinking. For example, from

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<sup>10</sup> Or alternatively, they might both be in error.

<sup>11</sup> Remember, we are now stipulating, *arguendo*, that Mises and Rothbard both derive their political philosophies from Austrian principles through praxeology.

diminishing marginal utility, we infer that when a human actor is called upon to relinquish one benefit of his present stock, it will be the one upon which he places the lowest value.<sup>12</sup>

Second, the analogy between mathematics and logic, on the one hand, and economics, on the other, can only be carried so far. They are akin in that both sciences use deduction; they are identical insofar as yielding undeniable conclusions. But yes, there is a disanalogy as far as seeking causal explanations is concerned. Does this render invalid the analogy between Austrian (not mainstream) economics, on the one hand, and disciplines such as trigonometry, calculus, geometry, symbolic logic, and mathematics, on the other? Not at all. This is only an analogy, not an identity. For an analogy to be valid, *some* (important) elements need be held in common, but not *everything*. In the latter case, we have an identity, not an analogy.

According to Paul Heyne, Peter J. Boettke, and Prychitko, “A shortage of 250 units emerges (can you see how we arrived at that number?) This is an *unintended consequence* of the rent control.”<sup>13</sup> Is this dogmatic? A case can be made that this is indeed so.<sup>14</sup> After all, how do they *know* that a shortage comes about as a result of the rent control price ceiling? Maybe there could have been a surplus; stranger things have happened. Maybe we should *test* this *hypothesis* a few more hundred thousand times so as to ensure its correctness. But even then, according to the logical positivists, we would only know this sort of claim provisionally, not apodictically.

One wonders in this regard what Prychitko would make of syllogisms such as (1) All men are mortal; (2) Socrates is a man; therefore, (3) Socrates is mortal. Or (a)  $8 > 7$ ; (b)  $7 > 6$ ; therefore, (c)  $8 > 6$ . If he were to carry through on his radical skepticism, he would doubt that Socrates is mortal and that 8 is a larger number than 6. Maybe he would call for a “test” of these conclusions. He would characterize as “anointed” and “dogmatic” anyone who had “unflinching certitude” about these syllogisms or who thought they were “ironclad.”

Implausible as it may seem to some, I am here saddling Prychitko with the claim that if he carries through consistently on his position because he rejects the Austrian economic method, he rejects arithmetic and syllogistic argumentation. It might be suggested that that would only follow if (a) some

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<sup>12</sup> A man has four units of water. The first and most important he uses to drink. The second to clean his food. The third to wash himself. The fourth to clean his house. He gives up one of these units. As a result, his home becomes dirtier.

<sup>13</sup> Paul Heyne, Peter J. Boettke, and David L. Prychitko, *The Economic Way of Thinking*, 10<sup>th</sup> ed. (Upper Saddle River, NJ: Prentice Hall, 2002), p. 127.

<sup>14</sup> Here is another instance: “Rent controls, for example, don’t reduce scarcity. Rather, they unintentionally create shortages and lead to nonmonetary forms of competition”; see *ibid.*, p. 133. That sounds pretty dogmatic to me.

aspect of the Austrian economic method were on a par with arithmetic, syllogisms, geometry, etc., and (b) Prychitko were attacking that very aspect of the method. I now go on record as making precisely these two claims.

In my view, the essentials of the Austrian economic method are no different from the claims of arithmetic, etc., in the relevant senses. That is, all of these realms—praxeology, arithmetic, geometry, and syllogistic argumentation—contain synthetic *a priori* truths; they are undeniably, apodictically true, and they apply to the real world. To wit, if one denies valid syllogisms, one commits a self-contradiction. This is *equally* true, if one denies “man acts,” since the very denial constitutes human action. In addition, this is *precisely* the aspect of Austrian economics that is scorned, denigrated, and denied by Prychitko.

### 3. Libertarianism

I find Prychitko’s comments about libertarianism to be as problematic as his analysis of Austrian economics. He states yet again that he is opposed to the deductive method, which he characterizes as “dogmatic.”

#### *a. Normative versus positive*

According to Prychitko, “Conceptually, of course, one can imagine a sphere of Austrian economic theory and a separate sphere of libertarian political philosophy.”<sup>15</sup> Merely conceptually? Conceptually *only*? There is in fact a *gigantic* logical divide between Austrian economics, on the one hand, and libertarian political philosophy, on the other. The former is a positive science, while the latter a normative discipline. Austrian economics, as in the case of all other schools of thought in the “dismal science,” is concerned with issues such as: What causes what? How do we explain and understand economic reality? How are prices determined? Why do we have depressions? What are the effects of tariffs? Libertarianism, in sharp contrast, addresses itself to an *entirely* different set of issues. It asks: Under what conditions is the use of force justified? Should abortion be allowed? Would voluntary slave contracts be legitimate in a free society? Is the death penalty justified? Is the minimum-wage law legitimate? What immigration policy is compatible with libertarianism?

Now, of course, the two sets of questions are not *entirely* unrelated. For example, whether or not the minimum-wage law is compatible with justice in some measure depends upon what, precisely, are its effects. However, only someone with a very different outlook on philosophy would aver that there is no real difference between the two issues, or claim that only “conceptually” are they to be distinguished from one another.

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<sup>15</sup> Prychitko, “Thoughts on Austrian Economics,” p. 190.

**b. Coercion**

Prychitko is not just opposed to the syllogistic format of deduction, but also dismissively rejects the basic premise from which libertarians typically derive their worldview: opposition to coercion. So elemental to the libertarian philosophy is this that it is usually characterized as the “non-aggression axiom” or the “non-aggression principle” (NAP). Libertarians may well, and often do, differ sharply over the *derivation* of this principle. Utilitarians base it on maximizing utility, natural-rights libertarians see it as stemming from man’s basic nature, religious libertarians view it as deriving from the commandments of God, Hoppean libertarians see the denial of the NAP as a performative contradiction.<sup>16</sup> What they *all* have in common, though, is that for some reason or other they accept the NAP as crucial. Indeed, all reaches of the libertarian edifice are united in this one thing. To the extent that they reject the NAP, they are not libertarians at all in that respect. Say what you will of Prychitko, it would not appear that he is any more of a libertarian than he is an Austrian economist.

**c. Negative rights**

Another way to express libertarianism is that it champions negative rights, but completely eschews so-called positive rights. Negative rights include the right *not* to be murdered, raped, stolen from, victimized by fraud, threatened, etc. Positive “rights” include the “right” to be *given* food, clothing, shelter, health care, and other such goodies. The problem with positive “rights” is that they imply the violation of negative rights. If you have a right to food or medicine, then I have an obligation to provide them for you. Unless I have contractually obligated myself to do so (say, you paid me for these services), then forcing me at the point of a gun to offer these to you amounts to stealing from me, which is a violation of my negative right not to be victimized by theft.

How does Prychitko stand on this important issue? Not with the libertarians. He says that there is “an equally dogmatic kind of libertarianism, claiming to deduce all sorts of radically individualistic rights claims from unshakable axioms. A kind of abstract, natural rights—and purely negative rights—reasoning that raises no moral questions over the voluntary use of private property.”<sup>17</sup>

Yes, “purely negative rights” are part and parcel of libertarianism. Positive “rights,” in contrast, are a not-so-heavily disguised call for theft from property owners. They are an attempt to impose egalitarianism on society. And as for “moral questions over the voluntary use of private property,” *of*

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<sup>16</sup> See Hoppe, “The Ethical Justification of Capitalism and Why Socialism Is Morally Indefensible,” in Hoppe, *A Theory of Socialism and Capitalism*; and Hans-Hermann Hoppe, *The Economics and Ethics of Private Property* (Boston, MA: Kluwer Academic Publishers, 1993).

<sup>17</sup> Prychitko, “Thoughts on Austrian Economics,” p. 190.

*course* they arise. Some people do indeed use their liberty to do things that are widely considered immoral, but that is not a libertarian political issue. Prychitko's understanding of this viewpoint is so tenuous that he confuses them. Some people, through the "voluntary use of private property," indulge in pornography, prostitution, suicide, reliance on addictive drugs, etc. These are considered immoral, but as long as these acts are conducted with other consenting adults, they violate no libertarian law. Morality and libertarian law are not the same thing.

Why, moreover, is it "dogmatic" to "deduce" conclusions from basic principles, whether in the realm of Austrian economics or in the arena of libertarian political philosophy? Legal theorists do this all the time, as when they apply principles of law to cases unanticipated by a legislative enactment or judicial finding. What else are we to do, when the solution to a problem is not immediately apparent, if *not* to deduce conclusions from settled principles or precedents? Nor is there anything "unshakable" in either universe of discourse. Again, Prychitko confuses the deductive method with hubris. Is only induction, not deduction, acceptable?

***d. Full development of the human person***

Libertarianism is a *political* philosophy, and *only* a political philosophy. It is not a philosophy of life that indicates the best way to live, apart, of course, from refraining from initiating or threatening violence against other people and their justly owned property. It asks but one question: When is force justified? And gives but one answer: Only in retaliation or defense against a prior use of violence. The rest is merely the drawing out of the implications of this question and that answer.

However, on Prychitko's view, "liberty . . . is not only a political end. Liberty is also a means toward the full development of the human person.<sup>18</sup> My normative vision of the ideal community . . . would be politically libertarian *and* infused with a solidaristic moral element."<sup>19</sup> No doubt, liberty, the absence of initiatory violence, has *many* results, for example, greater cooperation, increased wealth, more happiness—and yes, the more "full development of the human person." But adherence to the NAP is not to be confused with these *results* of adherence to the NAP. Adherence to the NAP is *different* from the results thereof.

It is by no means clear what "solidaristic" means. One gathers that it implies communal living, or some such. And that is, indeed, *one* way that liberty may be enjoyed. However, liberty may also properly be utilized in the exact opposite way, for example, as a hermit rather than in "solidarity" with anyone else, or as a hater, a bigot, whatever,<sup>20</sup> as long as no threat or

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<sup>18</sup> Is this not a redundancy?

<sup>19</sup> Prychitko, "Thoughts on Austrian Economics," p. 190.

<sup>20</sup> In some quarters, unless one is "cosmopolitan," one is not really a libertarian.

aggression is visited upon the despised group. As for the “moral element,” while some may choose to employ their liberty in such a manner, others may do the exact opposite. There is no doubt some connection between morality and libertarianism, but it is by no means a tight fit.

#### 4. Dogmatism

Prychitko cites me as characterizing scholars such as him who have “penned a general criticism of the kind of praxeology defended by Mises and Rothbard” as an “Anti-Austrian Austrian.”<sup>21</sup> Well, yes, the kind of praxeology employed by Mises and Rothbard is indeed the paradigm case of Austrian economics. If someone offers a “general criticism” of these insights, as Prychitko does, as opposed to questioning this or that element of them, then he is an “Anti-Austrian Austrian.”

Austrian praxeologists do criticize each other’s work, but only *within* the general framework of praxeological Austrianism. If they question the general framework of praxeological Austrianism, they are to that extent not Austrian economists. However, if none of them were ever to call into question anything written by any other member of this school in good standing, then there would be strong suspicions that they were a cult. For an example of a true cult, consider the Randian movement, at least that part of it now centered around Leonard Peikoff. But it is always and ever in this way. One mathematician may properly criticize another’s findings, but if he calls into question the basic elements of mathematics, as do some economists such as Prychitko with regard to praxeology, then he is no longer a mathematician, just as such economists are not really Austrian economists.

#### 5. Suggestions

I call upon all anti-Austrian “Austrians”<sup>22</sup> to cease and desist from identifying themselves as Austrian economists and, instead, to embrace the

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Cosmopolitanism usually applies to people who live within big cities (preferably, inside of the Washington D.C. beltway), who frequent gymnasiums, have homosexual and black friends, and eat quiche. Others are dismissed as hicks, rednecks, or people from the sticks or “flyover country.” Needless to say, none of this has anything to do with libertarianism, properly understood. Aspersion was cast upon Ron Paul’s libertarian credentials by beltway “libertarians” of this sort in the 2008 and 2012 presidential elections.

<sup>21</sup> Prychitko, “Thoughts on Austrian Economics,” p. 187, citing Walter E. Block, “Radical Economics: An Interview with Walter Block,” *The Austrian Economics Newsletter* 19, no. 2 (1999), accessed online at: <http://www.mises.org/journals/aen/blockaen.asp>.

<sup>22</sup> It is surely problematic to attempt both to maintain a connection with Austrianism and to advocate that this very name be dropped. Before dropping the name “Austrian economics” in favor of Coordination Problem Economics, many of these same anti-Austrian “Austrians” favored replacing “Austrian” economics with “Market Process”

more honest role of schismatics. I urge them to engage in a serious bit of product differentiation and no longer try to cleave to the Austrian name. Some of them may have started their intellectual careers in this capacity, but what they now do isn't really Austrian economics; it is, if anything, anti-Austrianism. Prychitko is a clear case in point. Let them have the decency and the intellectual courage to call themselves something else, given that they are now something very different.

I urge that they borrow a leaf from other intellectual schismatics in the field of economics. At least the Public Choice School, for example, had the decency to call themselves something other than Chicagoans; yet, there are undoubtedly fewer differences between the Chicago and the Public Choice Schools than there are between the Austrian and anti-Austrian "Austrian" economists.

To what should they change their appellation? My suggestion is that they change it to "Market Process."<sup>23</sup> These folks once had a journal by this name; maybe they can be enticed into reverting back to this nomenclature, thus in effect leaving Austrian economists in peace. Alternatively, they could adopt "Coordination Economics," which is the name of their blog. One benefit of either change would be that the two very different schools of thought would no longer be confused one with the other.<sup>24</sup> Mainstream economists would no

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economics. There is also a Program on Social and Organizational Learning; they are nothing if not creative with respect to nomenclature alternatives to "Austrian economics." See David Gordon, "What Should Anti-Economists Do? Review of *The Market Process: Essays in Contemporary Austrian Economics*," *The Mises Review* 1, no. 1 (1995), accessed online at: [http://mises.org/misesreview\\_detail.aspx?control=81](http://mises.org/misesreview_detail.aspx?control=81).

<sup>23</sup> Another significant deviation of the anti-Austrian "Austrians" was their embrace of hermeneutics. For critiques of that deviation, see David Gordon, "Hermeneutics versus Austrian Economics," accessed online at: <http://mises.org/etexts/hermeneutics.asp>; Hans-Hermann Hoppe, "In Defense of Extreme Rationalism: Thoughts on Donald McCloskey's *The Rhetoric of Economics*," *Review of Austrian Economics* 3 (1989), pp. 179-214; Murray N. Rothbard, "The Hermeneutical Invasion of Philosophy and Economics," *Review of Austrian Economics* 3 (1989), pp. 45-59; and Murray N. Rothbard, "Intimidation by Rhetoric," *Review of Austrian Economics* 9, no. 1 (1996), pp. 173-80. But market process economics beats "hermeneutics" by a long shot. At least market process is an important, if subsidiary, aspect of Austrian economics; hermeneutics, in contrast, is unrelated, actually anathema, to praxeology. Since anti-Austrian "Austrians" endorse hermeneutics, that fact shouldn't be part of their name. "Market Process" beats a name with "hermeneutics" in it, because it is at present a more accurate description of their actual practice and beliefs.

<sup>24</sup> As it happens, they have already taken steps in this direction; they have changed the name of their blog from "Austrian Economics" to "Coordination Problem"; see <http://www.coordinationproblem.org/2010/01/new-thinking-for-a-new-decade-1.html>. See also an important commentary on this occurrence: "Good News from GMU," *The LRC Blog*, January 1, 2012, accessed online at:

longer confuse them with us, and think that all Austrians are “dogmatic,” as they insist we are. Nor would they confuse us with them or think that all Austrian economists had embraced hermeneutics, no longer supported praxeology, revered economists such as Ronald Coase and James Buchanan, etc.<sup>25</sup>

What would be the implication if my advice were carried out? The Society for the Development of Austrian Economics (SDAE) would be changed to The Society for the Development of Market Process Economics (SDMPE), or perhaps, for short, The Society for the Development of Market Process (SDMP). The present *Review of Austrian Economics* would become *Review of Market Process Economics*, or perhaps, the old *Market Process* journal name would be revived and substituted for it. “Austrian” summer programs at places like Foundation for Economic Education, Institute for Humane Studies, Cato, and elsewhere would no longer be advertised in that way; instead, they would be promoted as Market Process summer programs.

A note to my anti-Austrian “Austrian” friends: There is nothing to be ashamed of in taking on the mantle of Market Process. This perspective has an illustrious pedigree. It embodies enough Austrianism so that your views can still be respected. Let us agree to distinguish ourselves from each other by appropriate terminology, rather than continue to struggle acrimoniously.

## 6. Conclusion

Three different colleagues read an earlier version of this article, and their reaction to it was identical: they characterized my criticism of Prychitko as “gratuitous nastiness.” I use quotation marks around this phrase, since it was mentioned by all three. I have no doubt that this is a correct assessment of the present article—well, at least the word “nastiness,” if not “gratuitous.” That is, I fully accept that this is a nasty article, but reject the notion that it is gratuitous. What evidence can I offer in support of this assessment?<sup>26</sup>

Carl Menger had this to say to Gustav Schmoller:

I am aware, my friend, that it is a grievous sin to ridicule the ridiculous. Moreover, it is so hard not to fall into the tone of contempt toward an insolent opponent. But what other tone is

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<http://www.lewrockwell.com/blog/lewrw/archives/45955.html>.

<sup>25</sup> James Buchanan has produced subjectivist works that fall within the Austrian tradition; see, e.g., James M. Buchanan, *Cost and Choice: An Inquiry into Economic Theory* (Chicago, IL: University of Chicago Press, 1969); and James M. Buchanan and G. F. Thirlby, *L. S. E. Essays on Cost* (New York: New York University Press, 1981). But Buchanan characterizes Austrianism as a “cult,” and would be mortified to be included in that number. Thus, only an anti-Austrian “Austrian” would consider Buchanan an Austrian (apart from his adherence to Austrian subjective-cost theory).

<sup>26</sup> Empirical evidence applies to non-praxeological statements such as this one.

appropriate toward the utterances of a man who, without the slightest substantial orientation in the questions of scientific methodology, carries himself like an authoritative judge of the value or non-value of the results of methodological investigation? . . . Discuss in serious fashion the most difficult questions of epistemology with a man in whose mind every effort for reform of theoretical [economics], indeed every cultivation of the same, is pictured as Manchesterism! Discuss, without dropping into a bantering tone, questions with a scholar whose entire stock of somewhat original knowledge in the field of theoretical [economics] consists of a primordial ooze of historico-statistical material; with a scholar who incessantly confounds with one another the most simple concepts of the theory of knowledge! And such a quarrel as that should afford me satisfaction? . . . The most difficult and uninspiring experience in the field of science is always critical contact with one-sided representatives of practical partisanship; with men who carry over their one-sidedness and bad habits of party conflict into scientific discussion. How much more unedifying when such opponents pose as of superior scientific rank! . . . If anyone gropes in such complete darkness with reference to the aims of research in the field of [economics], as does the editor of the Berlin *Jarhbuch*, his ideas about the processes of knowledge in the field of our science will be insured against early attack.<sup>27</sup>

Now, I full well accept the notion that I am no Menger, and that Prychitko is no Schmoller. Yet, the *relationship* my outlook bears to Prychitko's is eerily similar to the one Menger's bore to Schmoller's. That is, Menger is to Schmoller as I am to Prychitko.<sup>28</sup> If Menger can so nastily reject Schmoller without his dismissal being considered "gratuitous," perhaps there is hope that my criticism of Prychitko can be interpreted in that same light. My other defense against this charge is that Prychitko "started up," since he initiated the accusation that Austrians peddle a "cart-load of dogmatism." If that is not gratuitous nastiness, I don't know what is. In my view, the level of discourse is appropriate to the occasion. When Prychitko accuses Austrians of dispensing a "cart-load of dogmatism," he cannot expect kid gloves in return.

As Mises states: "Man can . . . never be absolutely certain that his inquiries were not misled and that what he considers as certain truth is not error. All that man can do is submit all his theories again and again to the

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<sup>27</sup> Quoted in Richard M. Ebeling, "An 'Austrian' Interpretation of the Meaning of Austrian Economics," *Advances in Austrian Economics* 14 (2010), pp. 5-6.

<sup>28</sup> Matters are even worse, since at least Schmoller had the decency never to characterize himself as an Austrian, while the same cannot be said about Prychitko.

most critical examination.”<sup>29</sup> If that is a “cart-load of dogmatism,” make the most of it. Or rather, realize that Prychitko confuses a *psychological* state of certainty with a *praxeological* understanding of economics.<sup>30</sup>

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<sup>29</sup> Ludwig von Mises, *Human Action*, The Scholar’s Edition (Auburn, AL: Ludwig von Mises Institute, 1998 [1949]), p. 68.

<sup>30</sup> I thank an unusually forceful, active, and insightful editor of *Reason Papers* for dragging me, kicking and screaming, to confront several possible objections to my thesis. Thanks to his efforts, this is a much stronger article than the one I originally submitted. I alone am, of course, responsible for any and all remaining errors.



David L. Prychitko. Thomas Storck - 1999 - *The Chesterton Review* 25 (3):356-367. Why Open-Minded People Should Endorse Dogmatism. Chris Tucker - 2010 - *Philosophical Perspectives* 24 (1):529-545. Risk and Austrian Business Cycle Theory: Rejoinder to Cowen. J. Barkley Rosser - 2000 - *Critical Review* 14 (1):95-97. Austrian Economics and Austrian Philosophy. Barry Smith - 1986 - In Wolfgang Grassl & Barry Smith (eds.), *Austrian Economics: Historical and Philosophical Background*. London: Croom Helm. pp. 1-36. On the Austrianness of Austrian Economics. Barry Smith - 1990 - *Critical Review* 4 (1-2):212-238. Austrian Economics: Historical and Philosophical Background. Wolfgang Grassl & Barry Smith (eds.) - 1986 - Croom Helm / Routledge. Rejoinder to David Prychitko on Austrian dogmatism. Another term that has lost currency is Manchesterism (Mises 1966, 723, 730), which gained its meaning from the early-nineteenth-century association of the doctrines of laissez-faire and the city of Manchester, where the Anti-Corn Law League was headquartered. Capitalism, socialism, and "the middle way": a taxonomy. With many quotations from Damaschke's writings, Repp portrays him as a socially-concerned patriot who rejected the extremes of Manchesterism (Mammonism) as well as Communism. Modern Europe.(13 books about Modern Europe]. Dictionary browser ? â-². David L. Prychitko. *Advances in Austrian Economics*. ISBN: 978-0-76230-198-0, eISBN: 978-1-84950-020-3. ISSN: 1529-2134. Publication date: 21 October 1997. Citation. Prychitko, D.L. (1997), "The dangers that court hermeneutics rejoinder to Lavoie", *Advances in Austrian Economics* (*Advances in Austrian Economics*, Vol. 4), Emerald Group Publishing Limited, Bingley, pp. 227-229. [https://doi.org/10.1016/S1529-2134\(97\)04018-0](https://doi.org/10.1016/S1529-2134(97)04018-0). Download as .RIS. Publisher: : Emerald Group Publishing Limited. Copyright © 1997, Emerald Group Publishing Limited. Please note you do not have access to teaching notes. You may be able to access teaching notes by logging in via Shibboleth, Open Athens or with your Emerald Account. Login.