

Epistemological Problems of human agency in Mises's Subjectivism

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1. Introduction

Much of Mises's thought on the praxeological foundations for subjectivist economics is a mixture of ontological claims about the nature of human action and the epistemological positions that may be adopted in the search for formal knowledge about such action and its phenomenal results. A study of the secondary literature on Mises reveals a bewildering array of suggestions relating to the philosophical influences on and alignments of his thought, more often than not made in passing without much supporting defence.¹ In his own writings, a number of these appear to be more important than others in shaping the foundations for his subjectivist economics. It was the Kantian, Southwest German (Baden) NeoKantian and Aristotelian ontologies and epistemologies that were the philosophical currency of his formative years, and it was to these that he turned for most of his metatheoretical formations (see especially his 1960).

From an ontological perspective, Mises's emphasis was upon situated and conditioned human agents as the active generators of the phenomena that constitute the objects of study. Epistemological argument shifted his focus to observer-analysts in the sense that it is concerned with what they can legitimately claim to know about the world of human action and phenomena. He recognised that the two philosophical dimensions are intimately related in that the epistemological status of claims to knowledge of an object world are dependent upon and shaped by the ontological nature of the objects. It is for this reason that claims to realist knowledge in the human sciences were apparently more difficult to defend than in the sciences of nature. The variable and contingent origins of human phenomena in individual actions give such phenomena an appearance of impermanence and disorder that defies scientific generalisation. The temptation, all too obvious in so much of orthodox economics, is to impose the required permanence and order by assumption. Mises, as with all subjectivists, refused to take this naive escape route.

Establishing the nature of the interface between these two philosophical dimensions and the balance of antecedent influences that shaped the approach to them in the foundations for Mises's subjectivist economics is no straightforward matter. Nonetheless, as I intend to show in this paper, the pursuit is warranted. In particular, I will use his writings on these themes to elicit, and thereby to expose the limitations of, the insights into the essential problematic of subjectivism that this founder of Austrian economics left as his legacy.

For the present purposes, subjectivism is defined as a metatheoretical foundation for investigating the existential origins and nature of economic phenomena. Its objective is to provide the means for understanding and explaining the generation of these phenomena and representing them in the form of discursive arguments. In forming explanatory analyses, it gives absolute priority to the human dimensions of economics. That is, to the fact that economic phenomena are the products of the individual or collectively-agreed choices and

actions of self-conscious, purposeful, interacting and particularly situated and conditioned human agents. Adherence to this priority dictates that the methodology of subjectivist analyses, and their epistemological character, be explicitly consistent with a realistic representation of the ontological nature of the object phenomena. The demands that this metatheoretical conception makes on the foundations for subjectivist economics will become apparent in the critical reassessment of Mises to follow.

My inquiries are organised as follows. In section 2, I examine a number of key alternative philosophical orientations that have been attributed to Mises in the secondary literature. In sections 3 and 4, I elicit textual evidence for the philosophical ambivalence that Mises displayed in formulating his praxeology. The former section considers the indications of the Kantian and NeoKantian epistemological roots and orientations that are to be found in his writings. The latter section focuses on the passages in which Mises emphasised the ontology of Aristotelian realism and dealt with its epistemological implications. Section 5 pursues the distinction between two levels of analysis that appear in Mises's writings. One is the pure thesis of praxeology as an ontology of rational human action, and the other is the study and explanation of observed economic phenomena. Here I argue that this distinction enabled Mises ultimately to establish the meaning of the tenets of praxeology as necessarily manifested within the reality of observed economic phenomena. This gives us some potential insight into Mises's own way of steering a coherent course between the alternative and incompatible philosophical positions concerning ontology and epistemology exposed in the previous two sections. However, as becomes apparent in section 6, the requirement that agent rationality be given an ontological a priori status is not readily defended once the contingent realities of human agency are examined. It will be quite evident that Mises was aware of these realities, but he chose not to link them to the rationality thesis upon which his subjectivist economics depended. Finally, in section 7, I draw together the evidence and reach the conclusion that it was the immediately ontological interpretation of the axioms of human action, and the contingencies of such action thus exposed, that rendered indefensible the epistemological foundations for subjectivism that Mises was inclined to pursue. Contrary to what he expressly sought to do at a number of points in his writings, he was unable to provide rational action with a sustainable defence as an ontologically relevant axiom. As a consequence, he failed to give his praxeology a cogent realist grounding and left its appropriate epistemological status unresolved.

2. Philosophical orientations

It is evident that in choosing to ground his economics in what he believed to be a priori axioms of human action, Mises was inclined to argue them in formally logical terms as prior to, and apparently isolated from, particular observation of their empirical manifestation. Such is also the dominant perception of the very idea of a priori knowledge: that is, as logically arranged mental categories that exist prior to and independently of observer experience. However, the implication of such a definition for the status of a priori knowledge is not necessarily so restricted. Rather, it may be argued that the coherence and content of such knowledge is attributable to one of two alternative sources (Smith, 1990a, pp.275f). The first involves the domination of cognition and concept formation that flows from experience by the imposed structural and categorical qualities of the observing mind, whatever the source of these qualities may be argued to be. In this 'impositionist' case, the claimed knowledge of observed reality is the mediated product of the mind's pre-existing capacities to deliver a particular logical coordination and order to an inflow of raw sensory experience. The alternative 'reflectionist' version of the a priori holds that knowledge expresses the primary

existential order discovered in the essentials of reality and immediately grasped by the mind. The claim is that cognition and concept formation are processes that report rather than construct the ordered and intelligible state of reality. Clearly, this latter form of a priori knowledge must be thought of as making ontological statements about the existential nature of reality as it is in itself, something that the 'impositionist' stance could never claim to do. A priori knowledge claims that depend exclusively upon the imposition of pre-existing mental constructs are appropriately thought of as Kantian, while the 'reflectionist', ontologically connected a priori claims are a heritage of Aristotle's essentialism and realism. It is to be emphasised that in both cases, knowing reality involves drawing upon the imbedded character of observation and experience. This was not so for the third philosophical position confronted by Mises. Baden NeoKantianism held that knowledge claims were to be defended axiologically rather than as dependent upon or consistent with experience. Knowledge accordingly comprised concepts expressing the values of the observer rather than the ontology of the object.

Mises found himself confronted by all of these alternative backgrounds to the pursuit of knowledge. As an Austrian educated scholar, he stood simultaneously within two distinct Germanic intellectual heritages. These have recently been identified and cogently argued out by Barry Smith (1986a, 1986b, 1990a, 1990c; cf. Kauder, 1957). Summarily put by Smith, 'Austria and Germany are different' (1990c, p.212). The particular difference at issue concerns their fundamental philosophical traditions and a number of important philosophical principles that they espoused. In terms of the ontological connections encompassed by the conceptual constructs of the mind, the German strand was inclined to follow the legacy of Kant's epistemology of the a priori, with its synthetic but unreal representation of knowledge based on experience. Some followed the Baden NeoKantian revision of Kant's epistemology as a rationalistic theory of concepts isolated from experience, but validated by axiological premises (see Parsons, 1990). In the sharpest contrast to these Kantian pursuits is the evidence that Austrians were influenced by the Aristotelian heritage of realism, with its emphasis on knowledge as an expression of the ontological form of observed objects. It is quite evident, as I will show, that each of these traditions impinged upon Mises to some extent at the outset of his search for the proper foundations for the human sciences in the 1920s (1960). The joint legacy of these influences then remained prominent throughout his work.

Mises looked back to Carl Menger as the father of the Austrian tradition from which he took his intellectual cues (1978, pp.33, 121f, 127). In some prominent quarters, Austrian intellectual life was under the influence of the realism and essentialism of Aristotelian and Scholastic thought (Kauder, 1957; Johnston, 1972, pp.68, 290ff; Smith, 1990a, 1990c). Menger's acceptance of ontologically rooted 'exact theories' in the realm of human conduct was arguably a consequence of this influence. The point upon which Menger depended was that 'Aristotle had insisted that there are qualities, for example, of action or knowledge or of more complex social phenomena, which are knowable a priori' (Smith, 1986a, p.vii). And, more graphically put, 'the ontological grammar of economic reality that is sketched by Menger can be seen ... as providing a pre-empirical qualitative framework in whose terms specific empirical hypotheses can be formulated ...' (Smith, 1990a, p.279).

One scholar who recognized that this alternative realist epistemology had been carried forward into Mises's work was Emil Kauder. He wrote of Mises as referring to praxeology comprising 'reflection about the essence of action' that maintained 'the ontological character of economic laws' (1957, p.417). According to Kauder, Mises could be aligned with both Wieser and Bohm-Bawerk as carrying forward the Aristotelian roots of subjectivism in the very particular sense that 'all three authors are social *ontologists*. They believe that a general plan of reality exists. All social phenomena are conceived in relation to this master plan'

(1957, p.417, original emphasis). Kauder's insight here hints at the theme that I will pursue in more depth in section 5 below: that the ontological status and content of praxeology, even in its purest form as expressing the essence of rational human action, was emphasised by Mises as a consequence of this Aristotelian heritage.

By contrast, other students of Mises have rejected the idea that this orientation is to be found so prominently displayed in his work. Lachmann, for example, in assessing Mises's relationship to Menger, cited the latter's adherence to Aristotelian realism and essentialism in which 'exact laws' captured ontologically 'essential as well as necessary relationships between phenomena'. But, apropos Mises, Lachmann concluded that 'in this respect Mises was unable to follow his master. He was no essentialist and, although 'to him reason was inherent in human action, to be sure, ... few of what are usually regarded as typical manifestations of the Aristotelian tradition in European thought he found to his taste' (1982, p.35).

Barry Smith's reading stands in contrast to Lachmann's. In Smith's work on the philosophical origins of Austrian economics, Mises's thesis of praxeology is assigned epistemologically to the Kantian camp (1986b, pp.8, 18; 1990a, p.279). But this assignment is qualified by the suggestions that Mises was inclined to adhere to an analytical rather than synthetic perception of praxeological constructs and that he did not explicitly espouse an 'impositionist' conception of the a priori (1990a, pp.280f). In so conflating the a priori with an analytical logic, what appeared to be certain, nevertheless, was that his position could not be compatible with 'reflectionism' because analytical concepts and arguments have no ontological content. Now, in spite of such metatheoretical directions being clearly evident in Mises's writings, Smith also suggests that most of his praxeological understanding of economic phenomena actually fits into the Aristotelian mould as synthetic and realist. This turn around comes in what Smith calls 'Mises's *practice*' as distinct from his 'methodological self-interpretations' (1990a, p.282, original emphasis).

Smith denies Mises's awareness of the realist perspective as fundamentally relevant, observing that 'we know ... that there is an Aristotelian alternative to the Kantian form of apriorism. This alternative seems not to have been explicitly recognised as such by Mises ...' (1990a, p.279).² It is the word 'explicitly' that is significant here. For Smith, there is a very definite Aristotelian connection to be found implicit in the extended scope of Mises's economic analyses, which represent one of the *most sustained realisations of the Austrian Aristotelian idea in the literature of economic theory*' (1990a, p.282, emphasis added). The broad sweep of Mises's economic inquiries made it necessary for him to give the core axiom of human rationality a substantive form and context. Smith's finding is that there exists in Mises's work an ontologically grounded, pre-empirical structural framework comprising 'a family of a priori categories and categorical structures' (1990a, p.283). These are so diverse and extensive that they could not have been derived from any singular axiom of rational human action by purely analytical arguments. He concludes, therefore, that they must rather have had their origin in the order inherent in economic events and are, therefore, aptly treated as ontologically rich, *synthetic* discursive representations of a slice of reality. This essentialist approach to the causal interpretation and understanding of economic phenomena brought Mises into line with his Aristotelian heritage.

However, it remains unclear from Smith's analyses what meaningful status can ultimately be attributed to the axiom of rational action and some closely related categories. Rational action appears to become just another member of the 'family of a priori categories'. In Smith's otherwise helpful diagrammatic representation of the 'family' relationships involved in Mises's praxeological foundations for economic inquiry, the really critical issues are avoided (1990a, pp.283ff). There are boxes containing the labels 'agent', 'choice',

'knowledge' and 'expectations', but there is no accompanying consideration of the ontological meaning, if any, given to them in Mises's writings. They are, without doubt, ontologically rich categories with an essential status in understanding economic action as rational or otherwise. But, as I will argue below, making them parts of a universal a priori structure for realist economic inquiry defies the contingent nature of the human agency to which they refer.

It is readily made apparent, however, that juxtaposed to this Aristotelianism, Mises sought his epistemological foundations by reaching into and selectively adopting certain key principles of Kantian and NeoKantian thought. A number of prominent Austrian scholars have observed this in passing, but few have pursued the textual evidence in detail.³ Lachmann commented that Mises sought 'a reputable philosophical position that would supply him with enough intellectual armor to withstand the onslaughts of positivism and to espouse the cause of rationalism in human affairs ...'. And, although Lachmann shied away from giving us details, he read Mises as 'driven to seek refuge in NeoKantianism', but added the rider: 'How far this endeavor was successful is a matter of debate. Some have held that no epistemology that fails to grant major status to experience is entitled to claim affinity with Kant' (1982, p.36). These observations fail fully to explicate Mises's position, for as I will show, his rationalism cannot be consistently identified with the ontologically unreal conceptual forms envisaged by the Baden NeoKantians. Upholding my argument then negates Lachmann's concern that in Mises's rationalism, there is a neglect of the Kantian thesis that knowledge originates in experience. It will become evident in this respect that Mises's epistemology of the a priori was closely akin to Kant's in the very particular sense that both demanded experiential input in order to make meaningful claims to know anything about reality.

S. Parsons is the most recent interpreter to devote some sustained inquiry to Mises's Kantian and NeoKantian connections.⁴ After quoting the above comments by Lachmann, he, too, is diverted towards the notion that 'although Mises's neglect of experience may indicate a break with Kant, it also reveals a continuity with neoKantianism' (1990, p.297). Parsons grants some affinity between Mises and Kant, but adds that 'despite these similarities, Mises's intellectual heritage leaves him susceptible to a critique from the position of Kant' (1990, p.310). The main objection in Parsons's Kantian critique of Mises that is of concern in the present context is the treatment of time and its link to his allegedly extreme rationalist view of knowledge. On the treatment of time, Parsons's criticisms are ontologically oriented and he finds Mises to have lacked completeness in dealing with the implications for agents' conduct of this vital facet of economic decision making. I will suggest below, however, that the criticism levelled by Parsons is more aptly attributed to Mises's revealed lack of philosophical sophistication in pursuing appropriate epistemological principles than to any failure to appreciate the extent of the ontological problem. It is quite apparent in Mises's arguments that he understood the problematic of time in relation to the subjectivism of human action. Indeed, he did so in very much the same terms as George Shackle, but lacked the inclination to pursue the issues further.

It should be mentioned in passing, though, that Parsons picks up one point in Kant's own concerns about reason in relation to the treatment of the import of time. He quotes Kant's second thoughts on the issue to the effect that reason per se is autonomous and out of time (1990, p.314). It is my understanding that this was precisely the position taken by Mises. He warned of confusing timeless logical constructions that comprise reasoning per se, such as that employed in mathematics, with the logical essentials of human action (1966, pp.99f). Reason is projected into time by the fact that the ontology of action has an necessary time dimension. And, recognising that the intended status of praxeology as prior to, but for practical purposes, never independent of the manifested phenomena of economics proper, is also relevant here. For once this is allowed for, the epistemological puzzles of how time enters our knowledge of

human action seems less significant. Moreover, if Kant was in doubt about the matter, Mises could hardly have been expected to sort it out.

Parsons is on less certain ground in attempting to tie the time problem to Mises's epistemology, claiming that 'for Mises, knowledge was understood rationalistically, as involving analytical judgements' (1990, p.312, cf. p.315). As I will elicit below, while there is evidence of Mises's NeoKantianism and accompanying conceptual rationalism, there is also much in his writings to counter such an attribution. Passages that align him with the vital role of experience in the constitution of knowledge, as found in Kant's synthetic a priori and in the epistemological import of Aristotle's realism, are readily identified. Parsons concludes on rather too heavily philosophical grounds that 'Mises's science [of economics], like logic and mathematics, was ... concerned with universally valid knowledge ...', and that 'in common with Baden [NeoKantians], he defined knowledge rationalistically: it involved the analysis of concepts, independently of possible experience' (1990, p.318). My interpretation will indicate that in making this claim, Parsons has taken a very narrow perspective and thus left much aside that is of relevance in understanding Mises's contribution to the foundations of Austrian subjectivist economics.⁵

What are we to make of these contrasting readings of Mises's ontological premises and epistemological connections? As will become apparent below, there is clear evidence that, at certain points in his work, Mises thought of the concepts and arguments of praxeology in epistemological terms as analytical and thus ontologically isolated from and prior to any empirical forms of action. Somehow, from this perspective, purely rational action was a conceptual form that had an unreal existence. In this respect, contrary to Smith's claim that Mises did not adopt the 'impositionist' position on a priori knowledge, my reading suggests that this was an integral part of his many Kantian and NeoKantian moments in applying the concept of rational action. As conceptual forms, Mises frequently inferred that the axioms of human action are, in and of themselves, ontologically empty.

But, as already suggested, there is juxtaposed and contrasting evidence of equal cogency that at other points, he thought of the praxeological axioms as existentially present in observed action. This facilitated his 'reflectionist' and realist references to the ontology of human action and phenomena. He made many explicit claims that the axiom of rational action could be identified within the phenomena of reality. Such claims render it unnecessary to pursue Mises's 'practice' to elicit that it was a 'reflectionist' realism that gave his praxeology its epistemological grounding and that gave the essential shape to his subjectivist economics.

The potential difficulty in such intellectual ecumenicism, consciously or unconsciously espoused, was that the Austrian and German philosophical traditions were fundamentally incompatible in their ontologies and related epistemologies. Ultimately, Mises was left with a chronic ambivalence that continued throughout his career to impair the precision of his metatheoretical writings and of the interpretations that may reasonably be given to them. This dilemma can only be addressed by identifying some rationale in his work for giving dominant weight to one or the other of these alternative orientations.

3. Praxeology from the Kantian perspective

Mises revealed a fundamentally Kantian orientation in grounding his metatheory when he wrote that 'the human mind is not a tabula rasa on which external events write their own history. It is equipped with a set of tools for grasping reality' (1966, p.35). So, although 'life and reality are neither logical nor illogical, they are simply given', it is logic that is 'the only tool available to man for the comprehension of both'. And, 'as far as man is able to attain any knowledge, however limited, he can use only one avenue of approach, that opened by reason'

(1966, pp.67f; cf 1990, p.48). More generally expressed, '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*' (1962, p.18, emphasis added). In this respect, Mises stressed that 'we must never forget that our representation of the reality of the universe is conditioned by the structure of our mind as well as of our senses' (1962, p.19).

Particularly in the case of praxeology, 'its concepts and theorems are mental tools opening the approach to a complete grasp of reality ...' (1966, p.38). More specifically, Mises's position was that '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 should never be in a position to discern and to grasp any action' (1966, p.40; cf. 1962, p.16). Most important here were the matters of the origin and status of these tools and the meaning attributed to the 'reality' that is to be grasped. The tools, he wrote, comprise 'the logical structure' of the mind and are acquired by the human being 'in the course of his evolution from an amoeba to his present state' (1966, p.35). Mises's claim was, then, that human science is grounded in a praxeology that is not dependent on discovering the ontological realities of human conduct, ordered and coherent or otherwise, for praxeology 'is not derived from experience; it is prior to experience. It is, as it were, the logic of action and deed' (1960, pp.12f). He reiterated his belief that its categories emanate from the logical structure of the human mind. In this sense they are, in a clearly 'impositionist' sense, 'the necessary mental tool to arrange sense data in a systematic way, to transform them into facts of experience ...' (1962, p.16).

Consistently with such Kantian fundamentals in their NeoKantian guise, Mises also held that in cognition and mental representations, the concepts involved 'are never and nowhere to be found in reality; they belong rather to the province of thought' (1960, p.78). And, even more unequivocally expressing the 'impositionist' requirement, 'it is true ... that between reality and the knowledge that science can convey to us there is an unbridgeable gulf. Science cannot grasp life directly. What it captures in its system of concepts is always of a different character from the living whole' (1960, p.46). On another occasion he expressed the same strongly NeoKantian sentiments: 'The imaginary constructions that are the main — or, as some people would rather say, the only — mental tool of praxeology describe conditions *that can never be present in the reality of action*. Yet they are indispensable for conceiving what is going on in this reality' (1962, p.41, emphasis added). This preserved a NeoKantian void between conceptual forms and the experiential sensations of reality that led the mind to form them.

Read in isolation, the implication of the arguments elicited so far is that the order and coherence of the agents' cognitive grasp of the world around them is a product of some 'imposed' a priori capacity and quality imbedded in the mind itself. However, the inferred isolation of the aprioristic logic that comprises praxeology from any ontology of action and its phenomenal results needs to be interpreted with some care if Mises's ultimate intention is to be correctly understood. It turned out that he was no committed Kantian in any sense and, as we are about to see, often shifted ground towards a realist perspective that gave priority to ontological concerns about the origin and nature of human phenomena.

4. Mises and realist epistemology

If the Aristotelian ontological perspective is to be identified in Mises's work, it is fundamental that he be shown to have believed in a number of particular ontological theses (Smith, 1990a, pp.266ff). First, that an inherent order and coherence can be discovered in the

real world of the phenomena of human action. This takes the form of structured relationships between essential constituent elements that have universal status. Secondly, while the existential nature of this reality is considered to be independent of human cognition, that cognition is capable of grasping its essentially pre-ordered constitution. Thirdly, experience and cognition of the object world comprise a mix of universal elements and other individual characteristics.⁶ My position here is that there are in Mises's writings some very definite statements that conform to this realist orientation and its required ontological premises.

First of all, it was Mises's expressed view in this connection that human agents can only grasp the reality around them if the ontological presumption is made that it has an innately and essentially coherent form to which they can gain cognitive access (1962, pp.19 and ff). He wrote of the idea that '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' (1962, p.19, cf. pp.21f). Moreover, 'in a world without causality and regularity of 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' (1966, p.22). The potential for such a paralysing state of humankind is overcome by the fact that '*the first and basic achievement of thinking is the awareness of constant relations among the external phenomena that affect our senses*' (1962, p.20, emphasis added). This means that in the human sciences, conceptual forms must, as a first principle, immediately grasp and express in discursively rational arguments the irreducible existential 'essentials' of human action that are present within the superficial disorder of human affairs. Most importantly in the present context, Mises expressed his 'reflectionist' belief that praxeology is 'not arbitrarily made, but *imposed upon us by the world in which we live and act and which we want to study*.... [It is] not empty, not meaningless, and not merely verbal.... [It comprises] — for man — the most general laws of the universe, and without them no knowledge would be accessible to man' (1962, p.14, emphasis added).

For Mises, we know that a subjectivist interpretation and understanding of the world of human phenomena meant recognising first and foremost that the human being perceives action as 'the essence of his nature and existence' (1966, pp.18f). As 'the characteristic feature of man is action', Mises reasoned that 'the study of man, as far as it is not biology, begins and ends with the study of action' (1962, p.34). Praxeology is, he argued, a theory in which human reason manifested as action in pursuit of particular ends is ontologically causal. And, because active human agents, taking a perspective from their current life-world situation, self-consciously seek to better their condition, the causality is teleological (Mises, 1966, pp.23, 25; cf. 1962, pp.7f). They can only achieve this generalised objective by choosing means they individually believe will achieve the ends envisaged. On this basis, Mises concluded that action and its observed results cannot be anything but the existential manifestations of reason applied to problematic circumstances.

What we find here is the suggestion that Mises intended to preserve the immediately ontological content and context of his concepts: thus praxeological propositions refer 'with the full rigidity of their apodictic certainty and incontestability to *the reality of action as it appears in life and history*. Praxeology conveys exact and precise knowledge of real things' (1966, p.39, emphasis added; cf. 1990, p.15). And, with an even more apparent realist and 'reflectionist' orientation, Mises continued with the argument that 'the starting point of praxeology is not a choice of axioms and a decision about methods of procedure, but reflection about the essence of action. *There is no action in which the praxeological categories do not appear fully and perfectly*' (1966, pp.39f, emphasis added). Since the categories of praxeology '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, *these categories provide some information about the reality of the universe*' (1962, p.16 emphasis added). So, as a means of understanding individual agency, praxeology 'does not deal in vague terms with human action in general, but with concrete action which a definite man has performed at a definite date and at a definite place. But, of course, it does not concern itself with the accidental and environmental features of this action and with what distinguishes it from all other actions, but only with what is *necessary and universal in its performance*' (1966, p.44, emphasis added). It was, then, Mises's belief that the a priori categories of praxeology in some sense manifest a universal reality of human action that exists imbedded in the complex, individual empirico-historical phenomena of economics. The evidence for this belief was compounded by his methodology of separately identifying, but then arguing the necessary integration of the a priori of praxeology and the investigation of actual economic phenomena. This is the theme developed in the next section.

5. Praxeology and empirico-historical economics

Mises identified what he called 'two main branches of the sciences of human action' as praxeology and history (1966, p.30; cf. 1962, p.41ff). In the case of economics, this dualism was made explicit: 'There is economics and there is economic history. The two must never be confused' (1966, p.66). For 'economics is not history. Economics is a branch of praxeology ...' and 'economic history ... needs to be interpreted with the aid of the theories developed by economics' (1962, p.73). There was in his writings, however, an apparent inclination quite inappropriately to identify the term *economics* exclusively with *praxeology*. He posed 'the main question that economics is bound to answer' as 'what the relation of its statements is to the reality of human action whose mental grasp is the objective of economic studies' (1966, p.6). It is crucial that we notice his wording here. In distinguishing '*economics*' from '*economic studies*' he can only have meant the former as exclusively a branch of praxeology and the latter as focusing upon instances of real-world human action. If praxeology was to provide the legitimate grounding for the study ('mental grasp') of empirico-historical economic phenomena, then the epistemological relationship between the two levels of argument must be precisely established. At issue is that if *economics as praxeology* is to be the foundation for analyses that can enable us to understand and account for economic conduct and phenomena in the real world, then it must be explicitly shown that its concepts can be ontologically grounded. In this respect, then, care is needed when dealing with what is often loosely referred to as 'Mises's economics', for when interpreting him, we should maintain a clear distinction between the logic of praxeology and any argument concerning the manifestation of the axiom of rational agent action in economic phenomena.

The general objective of both praxeology and the study of empirico-historical phenomena 'is the comprehension of the meaning and relevance of human action' (1966, p.51). More specifically, Mises argued that 'the cognition of history refers to what is unique and individual in each event or class of events' (1966, p.51). Praxeology, by contrast, with its cognition confined to conception in the form of universals and general categories, is 'a theoretical and systematic, not a historical, science. Its scope is human action as such, irrespective of all environmental, accidental, and individual circumstances of ... concrete acts' (1966, p.32, cf. p.51). In line with its rationalist principles, it is from 'the unshakeable foundation of the category of human action [that] praxeology and economics proceed step by step by means of discursive reasoning. Precisely defining assumptions and conditions, they construct a system of concepts and draw all the inferences implied by logically unassailable

ratiocination' (1966, p.67). The issue that this assertion raises for the present context is the epistemological status to be ascribed to this 'system of concepts' constructed for the purposes of economic analysis. Mises saw the problem as one of explicating 'how a purely logical deduction from aprioristic principles can tell us anything about reality ...' (1990, p.11).

The import of this question is to be found in his emphasis that while praxeology is an a priori and purely general science of human action, its rationale and utility are only realised through its embodiment in discursive explanations of observed object phenomena. He was not the builder of a system of theoretical concepts for its own sake, but rather saw theory as the foundation for causal investigations of those facets of the empirical world that interest particular analysts. That is, at the level of empirico-historical interpretation and understanding, 'the science of human action deals only with those problems whose solution directly or indirectly affects practical interests ... [and] by giving preference to the problems encountered under the actual conditions in which action takes place, our science is obliged to direct its attention to the facts of experience' (1960, pp.30f).

Thus, Mises was ultimately very careful to explain the intentions and meaning of his praxeological metatheory and the distinctive view of theoretical conception to which it led him. It is important to emphasise first of all that his a priori axioms about human conduct, and the economic theories he constructed from them, could never have been intended to be ends in themselves for economists. The scope of the insights into human action claimed by the conceptually expressed axioms was very restricted and limited to universal dimensions of rational action that Mises thought all of us as human beings know to be always and everywhere correct and applicable in practice. Moreover, by virtue of their explicitly delimited definition, these essentials can be nowhere manifested in their 'raw' form. For they are conceptual structures that, even if they could be shown to have an ontologically connected 'reflectionist' form, represent merely the consistent existential core of an infinite range of empirically determined and manifested actions.

Consistently with this severe delimitation of praxeology, Mises stressed that 'the end of science is to know reality. It is not mental gymnastics or a logical pastime. Therefore praxeology restricts its inquiries to the study of acting under those conditions and presuppositions which are given in reality' (1966, p.65). Empirically, 'the experience with which the sciences of human action have to deal is always an experience of complex phenomena. Historical experience as an experience of complex phenomena does not provide us with facts ...' for the reason that every such experience 'is open to various interpretations, and is in fact interpreted in different ways' (1966, p.31; cf. 1990, pp.10, 18, 40). The ultimate challenge for praxeological theory is to serve as the foundation for the understanding and explanation of empirico-historical economic phenomena whose origin and constitution extend well beyond the axiomatics of rational agents' actions. Therefore, argued Mises, references to experience as the context in which theory always appears 'does not impair the aprioristic character of praxeology. Experience 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' (1966, p.65, cf. p.66). In this respect, then, 'theory and the comprehension of living and changing reality 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' (1966, pp.38f). Mises reinforced this idea by stating the principle that economic inquiry 'adopts for the organised presentation of its results a form in which aprioristic theory and the interpretation of historical phenomena are intertwined' (1966 p.66).⁷

What emerges from this analysis of Mises's expressed views is that he envisaged praxeology as an existential and realist foundation for meaningful empirical economic inquiry.

Praxeology did not, and was never intended to embrace what we have come to call economics in our usual parlance, and Mises was remiss in his failure to make sure that this was obvious to his readers. Praxeological accounts of human rationality had no independent status, as all human action of concern to science and active agent observers has to have an empirically specific purpose and meaning that befits its problematic and its situational conditions. At no time did he claim that any human agency and its resulting phenomenon as it is studied in economics could be attributed to praxeological action in a pure form.

Mises knew well that active human agents were not legitimately or meaningfully depicted as existentially rational in this situationally isolated and sterilised sense. The tenets of praxeology were for him, and could only be, conceptual forms that, in themselves, expressed the essential root of all human action. They stood as separable, but never in isolation from some empirical manifestations. Analytically, rational action was intended by Mises to be a means of giving some core of coherent regularity to the complexity of observed action and its results. The issue remains, though, as to whether or not the axiom of rational action can be defended as an ontologically realistic core for economics as he required. The realities of human agency, even as Mises himself understood them, suggest not.

6. The ontology of contingent human agency

As I indicated at the outset, the subjectivist metatheory for economics requires that its object phenomena be explicitly dealt with as the products of human action. That is, of human action that is the result of individually conditioned and reasoned deliberation about the pursuit of an objective by what are presumed, under the circumstances and on the basis of available information, to be the most apt means. This simple notion begs a number of pertinent questions that are important in assessing an endeavour such as Mises's to found economics on epistemological principles that are consistent with such subjectivism. These questions relate first of all to specifics about the nature of human agents and their capacities to undertake reasoned deliberations. They also relate to the characteristics of the inputs to those deliberations that flow from the problematic situations confronted by agents: in particular, what can agents know about their circumstances and the alternative means available? These are questions about the ontology of situated human agency and their answers affect the potential for realist epistemology to be defensible in subjectivist economics. The focus here will be on the extent to which Mises was conscious of and provided answers for such questions.

Praxeology comprised what Mises claimed were the a priori essentials of all self-conscious, deliberative human action that stems from teleologically directed choice. So stated, it was an *immediately ontological thesis* which ostensibly tells us about the nature of action in all sorts of situations. Mises summarised the ontological essentials of choice and action as he saw them in the following passage.

Man is a rational being; that is, his actions are guided by reason. The proposition: Man acts, is tantamount to the proposition: Man is eager to substitute a state of affairs that suits him better for a state of affairs that suits him less. In order to do this, he must employ suitable means. It is his reason that enables him to find out what is a suitable means for attaining his chosen end and what is not. (1958, p.269; cf. 1962, p.11)

He believed emphatically that this fundamental thesis of human rationality in choice and action is unchallengeable: 'No talk about irrationality, the unfathomable depths of the

human soul, the spontaneity of the phenomena of life, automatism reflexes, and tropisms, can invalidate the statement that man makes use of his reason for the realisation of wishes and desires' (1966, p.67). At issue is the meaning that can really be given to the claim 'man makes use of his reason'. For Mises it constituted an axiom about agents' conduct upon which much depended. But it tells us very little and neglects a number of vital matters concerning human agency.

The foundation of praxeology was the axiom of reason manifested as action as an actual quality of living human agents. This belief inescapably involved Mises in making claims that were specifically psychological.⁵ That is, the axiom necessarily refers to particular qualities and capacities of the mind and its processes: 'Thinking and acting are the specific human features of man. They are peculiar to all human beings' (1966, p.25). To this he added that 'the characteristic feature of man is precisely that he consciously acts. Man is Homo agens, the acting animal' (1962, p.4). Furthermore, it is reason that is 'man's particular and characteristic feature' (1966, p.177). So, Mises argued, '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 [sic] and homogeneous, two aspects of the same phenomenon' (1962, p.42; cf. 1966, p.25).

As far as Mises was concerned, such considerations gave human agency a regularised core upon which observers could rely. When observing other agents, he believed that the one thing we can be sure of is that the other employs a logic of thought that is identical to our own. All human agents have introspectively grounded knowledge of all things fundamentally human. As Mises put it, we have our own 'insight into the principles of human reason and conduct ... [and] we have this insight in our mind' (1990, p.9). Thus, 'what we know about our own actions and about those of other people is conditioned by our familiarity with the category of action that we owe to a process of self-examination and introspection as well as of understanding other people's conduct. To question this insight is no less impossible than to question the fact that we are alive' (1962, p.71). Therefore, he reasoned that 'we have, being human ourselves, a knowledge of what goes on within acting men' (1990, p.8). Each individual is 'himself an acting being' who in dealing with others 'knows what it means to strive after ends chosen' (1990, p.48; cf. 1960, p.130). Mises believed that because 'both human thought and human action stem from the same root in that they are both products of the human mind' (1990, p.11), we can conceive of the actions of others as having meaning to them 'as a purposeful endeavour to reach some goal ...' (1990, p.9). And, 'being himself a valuing and acting ego, every man knows the meaning of valuing and acting.... It is impossible to imagine a sane human being who lacks this insight. It is no less impossible to conceive how a being lacking this insight could acquire it by means of any experience or instruction' (1958, p.283).

These *existential* referents of reason and action common to all human agents that have ever lived apparently brought real ontological content to the apparently isolated concepts of praxeology. Mises thought of the essential rationality of human action as very real in and of itself. As he summarised his position, we 'conceive activity as such, its logical (praxeological) qualities and categories. All that we do in this conceiving is by deductive analysis to bring to light everything which is contained in the first principle of action and to apply it to different kinds of thinkable conditions' (1990, p.9). That is, the analyst of human phenomena finds the causal teleology of their generation in the rational action of the active agents as it is shaped by the exigencies of the conditions under which it is carried out. The conceptual grasp and understanding of the phenomena are immediately at one with their ontological origin and the epistemology presumed could not be anything but realism. The indications are that we should

interpret Mises as giving the 'reflectionist' position more weight than the 'impositionist' alternative in establishing the a priori in praxeology.

However, there existed for Mises some difficulties that act as a counterweight to this presumption. These are to be found in the essential qualities of individual human agents that he presented as the grounds for the praxeological understanding. Such qualities apparently followed from the realities rather than the pure logic of their capacities to reason and then act in accordance with the circumstances. His belief was that there exist three 'general conditions of human action' and that 'man is the being that lives under these conditions. He is not only *homo sapiens*, but no less *homo agens* ... [as] the essential feature of humanity' (1966, p.14).⁹ First, 'acting man is eager to substitute a more satisfactory state of affairs for a less satisfactory.... The incentive that impels man to act is always some uneasiness' (1966, p.13). Secondly, the actor '*imagines conditions that suit him better*, and his action aims at bringing about this desired state' (1966, p.13, emphasis added). This was the most contentious step in relation to Mises's claim that all action is rational. For by recognising the future orientation of deliberations, together with the necessary resort to the creations of the imagination in the process, it introduced an extreme subjectivism into the idea of choice. The third condition then compounded the subjectivism further. It was that the actor formed '*the expectation that purposeful behavior has the power to remove or at least to alleviate the felt uneasiness*' (1966, p.14, emphasis added). With the benefit of our hindsight, we can see that citing these agent characteristics posed a number of critical issues for Mises to address if a realist epistemology was to be pertinent to subjectivist economics.

One matter raised here was Mises's treatment of the ends that agents choose to pursue with the intention of mitigating their 'uneasiness'. He did not address the matter of how agents form the ends they deem to be realisable under a set of perceived circumstances. But, because the end state aimed at does not exist *ex ante*, and must therefore be a product of the individual's imagination, the choice of the end that drives any action is wholly subjective. The precise meaning to be attributed to the pure logic of choice and action in the face of such subjectivism was left unclear as a result. Mises sidestepped this difficulty and chose rather to regard praxeology as strictly unconcerned about the particular ends, purposes or goals that agents choose to pursue. As a libertarian, he saw these things as a subjective matter to be settled by private individual values and judgements. This meant that as praxeology 'is subjectivistic and takes the value judgements of acting man as ultimate data not open to any further critical examination...' (1966, p.22, cf. p.95), it 'is neutral with regard to the ultimate ends that the individuals want to attain' (1990, p.42). Here Mises reasoned as a result that 'any examination of ultimate ends turns out to be purely subjective and therefore arbitrary' (1966, p.96). It is not the province of scientists to challenge the philosophies of eudaemonism, hedonism, utilitarianism or any other that are manifested in agents' choices of objectives. Rather it is their obligation is to accept that all goals may exist and confine themselves to ensuring that actions are understood (1990, pp.22f; cf. 1966, pp.14f). Thus, Mises wrote that 'ends are irrational, i.e., they neither require nor are capable of a rational justification' (1960, p.92f; cf. 1958, p.267).¹⁰

The most general of the difficulties that Mises confronted with respect to human agency was *time as it is integral to reason and action*. He explicitly recognized that all actual human action takes place within the unceasing and irreversible efflux of time: 'It is acting that provides man with the notion of time and makes him aware of the flux of time. The idea of time is a praxeological category' (1966, p.100). This latter assertion is the challenging one. It poses the question of in what sense Mises intended time to be involved in arguments about human reason and action. If praxeological arguments are a priori, the issue to be resolved is how time can enter the analysis. It could be as an a priori category in line with Kant's

transcendental logic, but this does not appear to have been Mises's belief (cf. Parsons, 1990, pp.309ff). His concern was with the pragmatics of time rather than its metaphysics, so he accepted that what really mattered was to understand agents' experience of time in relation to reason and action.

In accordance with this view, he wrote that 'the concepts of change and of time are inseparably linked together. Action aims at change and is therefore in the temporal order. Human reason is even incapable of conceiving the ideas of timeless existence and of timeless action' (1966, p.99). Human agents must act from an ever-moving and changing location between an irrevocable and cumulative past and an unknowable and perfidious future. Thus, 'he who acts distinguishes between the time before the action, the time absorbed by the action, and the time after the action has been finished. He cannot be neutral with regard to the lapse of time' (1966, p.99). In this respect, 'action is always directed toward the future; it is essentially and necessarily always a planning and acting for a better future' (1966, p.100). The very driving force for action depends upon an agent's 'dissatisfaction with expected future conditions as they would probably develop if nothing were done to alter them' and the agent 'becomes conscious of time when he plans to convert a less satisfactory present state into a more satisfactory future state' (1966, p. 100).

Planning for and choosing such teleological action requires agents to rely upon imagined future outcomes and expectations about the means for realising them. Mises demonstrated his awareness that individual active agents must act in the face of time yet to come: 'No action can be planned and executed without understanding of the future.... Every action is a speculation, i.e., guided by a definite opinion concerning the uncertain conditions of the future. Even in short-run activities this uncertainty prevails. Nobody can know whether some unexpected fact will not render vain all that he has provided for the next day or the next hour' (1962, pp.50f). This is because in pursuing a chosen course of action, 'man is at the mercy of forces and powers beyond his control' (1962, p.65). As a consequence, the agent faces true uncertainty because it is 'one of the fundamental conditions of man's existence and action ... that he does not know what will happen in the future' (1958, p.180) and 'to acting man the future is hidden' (1966, p.105). Mises saw clearly that 'the uncertainty of the future is already implied in the very notion of action. That man acts and the future is uncertain are by no means two independent matters. They are only two different modes of establishing one thing' (1966, p.105). In particular, as Mises put it, the agent 'can never know beforehand to what extent his acting will attain the end sought and, if it attains it, whether this action will in retrospect appear — to himself or to the other people looking upon it — as the best choice among those that were open to him at the instant he embarked upon it' (1962, p.65)

The image of human agents portrayed by Mises in considering their problematic of action in the face of uncertainty exposed high degree of potential contingency. Whatever it means to apply reason to such circumstances, the need to form expectations means that the results are unlikely to flow from the use of ratiocinative logic alone. Moreover, Mises was prepared to concede that active subjective agents, '*homo agens* as he really is', turn out to be 'often weak, stupid, inconsiderate, and badly instructed' (1990, p.24). Economics, in particular, must deal with 'real man, weak and subject to error as he is, not with ideal beings, omniscient and perfect as only gods could be' (1966, p.97, cf. pp.92f, 651). Understanding and accounting for the realities of agents' economic conduct, and attempting to predict their responses to circumstances, quite apparently cannot flow from the rational action premises of praxeology alone.

7. Concluding observations

The exegetical revelations of the previous sections leave us with mixed results to apply in assessing Mises's most fundamental contributions to subjectivist economics. The intended nature and point of praxeology as the existential foundation for understanding observed economic actions and phenomena seem clear. The ontological and epistemological status to be ascribed to its logical arguments appear to be much less definite when the totality of Mises's thought is taken at its face value. There is no denying his ambivalence between the unreal conceptual forms of NeoKantianism and the realism of Aristotelian epistemology. Consciously or unconsciously, he simply left in place an incompatible mix of arguments in which the concepts of praxeology were sometimes ontologically sterile and sometimes replications of living forms claimed to be actually discoverable in empirical phenomena.

A reasonable response to this latter dilemma is to give priority to Mises's realist inclinations in understanding his ontology and epistemology. This would require us to agree that maximum sense of his praxeology is made if it is perceived as expressing a rationality that active agents actually can and do universally exercise, albeit always in some imperfect but purposeful empirically manifested form. But as we have seen, Mises himself had a vision of human agents that included facets that negate any realistic ontology of rational action even at the most essential level.

In the end, the subjectivist metatheoretical insights that comprise his legacy, therefore, are confined to a compendium of pertinent observations concerning the problematic at issue. Beyond that, he left much to be done to provide a complete and cogent alternative to the established foundations of orthodox economics.¹¹

* Department of Economics, The University of Newcastle, Callaghan NSW 2308. Tel.: (049) 215120, Fax: (049) 216919, Email: ecaco@cc.newcastle.edu.au I am grateful to Anthony Endres for his insightful comments on a draft version of this paper. However, he bears no responsibility for its final form.

Notes

1. S.Parsons (1990, p.296) has listed some of these suggestions, but his list is incomplete. There is, first of all, the connection to certain of the Classical economists whose methodological contributions were admired by Mises. Most often cited are Senior and Cairnes (e.g., by Ebeling, 1988, p.13; cf. Rothbard, 1973, pp.327ff; 1976a, pp.26ff). J. Patrick Gunning (1989, p.165) suggests a Cartesian influence, while Emil Kauder (1957, pp.418n, 419) has Leibniz as one of the links back to Aristotle's influence. Johnston's (1972, pp.86f) denial of the Leibnizian connection is firm. It is Barry Smith (1990a, 1990c) who has taken up the Aristotelian filiation and defined its significance in detail and with some cogency. In this he has followed Kauder's earlier (1957, *passim*), but more unqualified insights and has had support from the doyen of the Mises disciples, Murray Rothbard (1976a, pp.24, 28), at least as far as concerns the doctrine of praxeology itself. However, Rothbard also cites Kauder's Aristotelian reference to Mises without critical comment, suggesting assent (1973, p.331; cf. 1976b, pp.68ff). At the same time, though, both Rothbard and Barry Smith read Mises the praxeologist as an adherent of Kantian epistemology (Rothbard, 1973, p.315; 1976a, p.24 and Smith, 1986b, pp.8, 18). Others also pick up the Kantian link, including Don Lavoie (1986, p.200) and Jochen Runde (1988, p.103). Lavoie also refers to Wilhelm Dilthey as a potential influence, too (1986, pp.197, 205). The NeoKantian connection is argued to be an important one, with S.Parsons (1990, *passim*) elaborating this thesis in some detail. It is to the Southwest German (Baden) NeoKantians that he refers mainly, but he brings in the Marburg School alternative as an influence at one point. Bruce Caldwell (1984, p.365) notes the NeoKantian link, but the effect was to have Eugene Rotwein respond that such adherence

would negate the link back to Kant (1986, p.670n4). That the Baden NeoKantian influence reached Mises to a significant extent through the work of Max Weber is noticed by Ludwig Lachmann (1976, p.56; 1977, p.95; 1982, p.35), as well as by Richard Ebeling (1987, p.22; 1988, pp.13ff) and Jeremy Shearmur (1992, pp.104, 113, 117f). There is, in this case, the supporting evidence that the Weber connection was reinforced through the frequent discussion of his work in Mises's *Privatseminar* in Vienna (Haberler, 1981, p.123). For the most part, it has been the fate of Mises's praxeology to be widely interpreted as having a strongly Euclidean tenor. This summary point is made by Lavoie (1986, *passim*). But he goes on to defend with enthusiasm an alternative hermeneutical connection, subsequently rejected with even more enthusiasm (and a touch of irritation and vituperation) by Rothbard (1989, *passim*). Smith joins in here, too, finding the hermeneutical suggestion un-Austrian (1990c, pp.229ff). An Alfred Schutz connection is also part of Lavoie's picture of Mises as an hermeneutist (19X6, pp.205, 206f). Ebeling joins Lavoie towards this hermeneutical end of the spectrum by citing a connection to Edmund Husserl's phenomenology (1987, pp.21f; 1988, p.13).

2. Smith added some mitigation at this point, noting that 'this is hardly surprising, given that ... the special nature of Austrian Aristotelian apriorism was appreciated by very few at the time when Mises was working out the philosophical foundations of his praxeology' (1990a, pp.279f).
3. Some examples of such references are included in note 1 above.
4. Parsons's paper consists of a complex of philosophical inquiry that has relevance to our understanding of Mises's and George Shackle's contribution to Austrian economic thought. I do not pretend to have dealt with the paper as a whole in any detail. My intention is only to nominate some key points where I think Parsons fails to pursue and interpret Mises's ideas completely.
5. The Kantian and NeoKantian roots were also dominant in the foundations for human science developed by Max Weber, foundations which Mises found largely congenial. The merits of the NeoKantian approach seem to have been confirmed to Mises through his study of Weber. There are good reasons, then, to agree with Ludwig Lachmann's assertion that while 'Max Weber can hardly be called an Austrian economist, ... he made a contribution of fundamental significance to what in the hands of Mises became Austrian methodology' (1976, p.56). Mises had met Weber when the German spent a semester at the University of Vienna in 1918-19 and was a critical admirer of his work. As Lachmann observed, 'Mises was struck by Weber's genius and admired his work' (1982, p.35; and see Mises, 1960, p.74; 1978, pp.9, 69f, 104, 122f; 1990, pp.39, 44). Although Weber's impact on intellectual life in Vienna was never great, his *verstehende Soziologie* did become a frequent topic of discussion in Mises's own *Privatseminar* from its inception in the early 1920s (Haberler, 1981, p.123).
When he reviewed Mises's magnum opus, *Human Action*, on an earlier occasion, Lachmann was one of the first to notice that 'it is the work of Max Weber that is being carried on here' (1977, p.95). On yet another occasion Lachmann observed that Weber's writings 'provided the main focus of orientation for the methodological essays Mises began to publish in the German journals in the second half of the 1920s'. And, Lachmann went on significantly to add that 'even where he disagrees with Weber, ... it is clear that, throughout, his thought reflects the impact of Weber's work' (1982, p.35). The crucial questions that these claims beg are the meanings to be given to 'carried on' and to 'reflects the impact of Weber's work'. These matters require more careful exegetical attention in the respective writings of these two authors than they have hitherto received. Richard Ebeling (1988) makes a cogent case for the Weber to Mises link, but he concentrates his extended discussion upon how far the connection allowed the latter to give due emphasis to the role of time, uncertainty and expectations in human action. Jeremy Shearmur finds a complementarity between the work of Weber and Mises that comprises a duality in the conception of subjectivism (1992, pp.104, 113). This involves setting the praxeological subjectivism of Mises, with its axiomatics of human action, against the historical or institutional subjectivism of Weber, with its depiction of human agency as ideal types tied to the historical situation. S. Parsons (1990) chooses to ignore the mediation of Weber in the NeoKantian connection. Mises pursued his own critical connection with Weber in one of his earliest metatheoretical essays, 'Sociology and history', published in 1929 (1960, pp.68ff). A more detailed treatment of the Weberian influences evident in Mises's ideas can be found in Oakley, forthcoming 1997.
6. Barry Smith (*loc. cit.*) provides an extended and detailed listing of the theses that constitute Austrian Aristotelianism. I have emphasised here only those most pertinent to my understanding of Mises's metatheory.
7. This situation of Mises's praxeology in relation to empirical experience has been noted by Jochen Runde. He writes that for Mises, 'observation alone is not enough. Explanation requires subjecting the observed data to praxeological reasoning, and this is independent of the "fact"' (1988, p.104). I thank Anthony Endres for this reference.
8. In spite of his focus on human action, with its necessarily mental origins, it is nonetheless certain that Mises intended to avoid any taint of psychologism. He took the trouble to separate two schools of psychology,

- distinguishing the naturalistic cum experimental orientation from one which pursues 'cognition of human emotions, motivations, ideas, judgements of value and volitions ...' (1958, p.264). As far as the former was concerned, Mises remained adamant that nothing meaningful could be established about human action by observations or experiments that had become the methods of behaviourist psychologists (1958, pp.245ff; 1960, pp.10f, 66, 131f). Similarly, he rejected the claims of 'instinct psychology' that action is not determined by reason, but rather by 'innate forces, impulses, instincts, and dispositions which are not open to any rational elucidation' (1966, pp.15f).
- To the latter, 'mundane and common-sense' version of psychological inquiry Mises ascribed the distinctive name of 'thymology' (1958, p.265 and ff; cf. 1962, pp.46ff). Mises's belief was that while psychology qua thymology dealt with 'the psychic events that result in action', this was of no concern in praxeology because its exclusive focus was 'action and what follows from action' (1960, p.3; cf. 1966, pp.11f). He quite bluntly stated that 'thymology has no special relation to praxeology and economics' (1958, p.271). Therefore, he concluded, as a branch of praxeology, 'economics is distinguished from psychology by the fact that it considers action alone and that the psychic events that have led to an action are without importance for it' (1960, p.208). Praxeology acknowledges that the economising choices made in action are conditioned by the antecedent psychological and physiological characteristics of agents. But it is not concerned, Mises emphasised with the motivations that direct the choices made. It is psychology and not praxeology that 'deals with the internal processes determining the various choices in their concreteness' (1990, p.21).
9. That is, man as the only extant member of the species homo has not only the capacity for wisdom (as implied by *sapiens*), but also the capacity to act in the light of it (as implied by *agens*).
 10. Mises's lack of concern about the nature and choice of ends has elicited some negative comments in the secondary literature. Long ago, Alan Sweezy observed with some critical insight that while it 'is no affair of the economist whether any particular individual prefers cigarettes to bread, or moving pictures to art galleries', this cannot absolve the economist from 'concrete investigation of the structure of the system of ends which the individual is supposed to possess'. In particular, it should be his direct concern to establish 'whether or not people in general act in accordance with deliberately prepared plans, and if so what sort of internal relationships these plans show, how they are adapted to meet changes in prices, etc.' (1933-34, p.179, original emphasis). Taken at face value, such neglect reinforced Sweezy's view that it was merely a product of Mises's extreme a prioriism and rationalism (1933-34, pp.179f). Mises was led to treat human action as tautologically rational because 'all behaviour must be taken as rational since only the person behaving can say whether it is rational or not' (1933-34, p.180 n2). Later critics were to suggest that in this respect, Mises appeared to adopt a behaviourist escape from concern about how agents choose their ends. Mark Addleson attributes this particular criticism to Ludwig Lachmann, but his own point is similar to Sweezy's: in cutting ourselves off from the selection of ends, we neglect a vital part of understanding the actions of agents (1984, p.519). The same observation is made by Jochen Runde (1988, p.108). I thank Anthony Endres for drawing these critical comments to my attention.
 11. One by-product of my discussions in this paper has been to provide some counterweight to the extremely narrow image of Mises's methodology that has been painted in the desultory and vituperative critiques of Mark Blaug (1980, pp.92f) and Terence Hutchison (1981, pp.207ff). In a recent book, Hutchison has renewed his withering attack on Mises and those modern disciples he labels as 'Modern Austrians' (1994, pp.189ff). He reads Mises as an extreme and unqualified adherent of an a priorist epistemology that led to claims of infallibilism for economic analysis (pp.193, 215, 217, 219, 220). The effect, Hutchison claims, was that Mises aligned himself with the Classicals and the Neoclassicals who assumed perfect agent knowledge and omniscience (pp.209 n7 and n8, 227t). His reading also cites Mises's espousal of a dogmatic praxeology and this leads him to reject Mises's subjectivist bona fides altogether (pp.201, 205, 206). This is compounded when he dismisses Mises as an extreme rationalist whose individualism was, as a consequence, of a kind that Friedrich von Hayek called 'false' because it failed to make due allowance for human agents as irrational and fallible in their actions (pp.223, 224, 229). Not unexpectedly, Hutchison goes on to make critical reference to Mises's anti-empirical vision of economics (pp.207f, 227f, 232 n5, 233 n7, 234 n9). In sum, Hutchison concludes that Mises 'could, as regards his very emphatic and dogmatic methodological ideas, hardly be described even as "an inconsistent subjectivist"' (p.205). And, 'what Misesian, or "Modern Austrian" praxeology succeeds in achieving is a quite unacceptable combination of dogmatic, "apodictic certainties" with total empirical vacuity' (p.228).
- At one point, nevertheless, Hutchison quotes Hayek to the effect that it was 'greatly to Mises's credit that he largely emancipated himself from that rationalist-constructivist starting-point ...'. But, he questions the legitimacy of the claim, for 'Hayek does not indicate where the evidence for this emancipation of Mises is to be found' (p.235 n14). I suggest that some of the evidence in support of Hayek's conclusion and that stacks up against Hutchison's reading of Mises in general is to be found in my present paper. More of it is to be elicited in Oakley, forthcoming 1997.

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