

## WHAT IS SO EXTREME ABOUT MISES'S EXTREME APRIORISM?: REPLY TO SCOTT SCHEALL

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### ABSTRACT

This reply is directed to Scott Scheall's *What is so Extreme About Mises's Extreme Apriorism* (2017) criticism of our paper. We argue that Scheall is not providing a clear distinction between (a) Mises the person and his epistemological position and (b) praxeology and economics. We also reply to implications and statements that misrepresent our position

### 1. Introduction

Scott Scheall's (2017) well-written essay offers several challenging arguments to our *Implications of Machlup's Interpretation of Mises's Epistemology* (2015). Scheall sustains that we misrepresent Mises's epistemology and that by doing so we gloss over the real issue to be found in Mises's epistemology. Our position would not only be incorrect, but it would also be "a straw-man defense against criticisms of his apriorism as epistemologically extreme" (p.3).

Scheall's paper offers a good opportunity to lay out some clarifications on the issue he discusses and to delineate our main points of agreement. We also want to clarify that in this paper, we mostly reply to Scheall's criticism of *our paper*, not to Scheall's *criticism of Mises* (even if some overlap is unavoidable).

We structure our reply as follows. First, we restate the problem we address in our paper because we think that this is the root of our disagreement. Second, we turn to Mises's use of human action as the central axiom of his epistemology. In the third section, we discuss our reference to a "rather popular" book on which Scheall bases his criticism of our work. In the fourth section, we explain our "charitable" interpretation of Mises.

### 2. The Setting of the Problem

While we think that there are many potential *implications* from our original paper, the *scope* is quite narrow and concise. Our paper consists in arguing that Rothbard's (1857) interpretation of Mises's (extreme) apriorism is not the only possible interpretation of Mises's work. Even more, we suggest it is likely wrong. After making our point, we endorse Machlup's (1955) interpretation as an alternative and more accurate reading of Mises's epistemology.

It is important to remember that Rothbard (1957) inserts himself in an *ongoing* debate between Hutchison and Machlup with the intention of defending Mises's extreme apriorism. Scheall argues that a definition of this position is absent in Rothbard (1957) and that therefore we are misinterpreting his position. However, Rothbard (1857) offers a definition of extreme apriorism in the second paragraph of the first page of his paper. According to Rothbard (1957, p. 314, emphasis in original), extreme apriorism (praxeology) consists of believing "(a) that the fundamental axioms and premises of economics are absolutely true; (b) that the theorems and conclusions deduced by the laws of logic from these postulates are therefore absolutely true; (c) that there is consequently no *need* for empirical 'testing' either of the premises or the conclusions; and (d) that the deduced theorems *could not* be tested even if it were desirable." We think this is quite straightforward. In

the first paragraph of his paper, titled "In Defense of Extreme Apriorism," Rothbard claims that Mises and extreme apriorism go undefended. In the second paragraph, he defines praxeology (that is, Mises's epistemology) with the passage we just cited.

If Rothbard is right, then Mises would have sustained that in economics there is neither room for nor need for any assumption that is not deducible from his praxeology. Our paper boils down to saying that Mises *did not* say what Rothbard describes as extreme apriorism and, to paraphrase Machlup, that this holds regardless of how extreme and provocative Mises's writings are. Why do we deal with this specific subject? Because we think that Rothbard (1957) has become, for better or for worse, a strong influence for many scholars on what Mises's epistemology is supposed to be, and by implication, that of the Austrian School in general.

Scheall (p. 2, italics added), however, is concerned with another subject, that of distinguishing between "(1) the *extent* of what the author takes to be a priori among the basic propositions of economic theory, i.e., the scope of 'intuitively obvious axioms or principles that do not need to be independently established' (Blaug 1980, 265), and (2) the *epistemological justification* offered for the claim that such axioms need not be independently set. Simply put, the extent dimension concerns *how much* is exempted from testing and the epistemological dimension concerns *why* it is exempted." Scheall continues to argue that Mises's extreme apriorism is characterized by *why* testing is exempted.

There is, however, an important distinction in Mises to be made. Mises sustained that the axioms and premises of *praxeology* are true in the abstract but not that the premises are true in *economics*. In our paper, we discuss the different sections where Mises explicitly discusses the difference between praxeology and economics. We do not need to requote Mises here. The point is that for Mises, the *scope* of praxeology and economics are different precisely because he acknowledged that economics does need an auxiliary hypothesis that is not deductible from praxeology. The great certainty of praxeology *does not translate* into economics. This, in a nutshell, is what we refer as the Lakatosian framework implicit in Mises. Even if Mises did not know of Lakatos, if Lakatos would have disagreed with Mises's praxeological foundations, if the empirical test plays a larger role for Lakatos than for Mises, and if Scheall is in disagreement about our *Lakatosian framework* descriptive term, little is to be gained on a semantic confrontation of whether Mises is proto-Lakatosian. We do not deny that Mises's hard core is *different* than that of Lakatos. This is why we talk about a *Lakatosian* framework to analyze Mises's epistemology. Scheall's criticism of our wording glosses over our point.

We understand that Scheall might disagree with us on how extreme apriorism is defined. However, unfortunately for him, *this is the way* it was described by Rothbard (1857), and this is the extreme apriorism definition we criticize because we think Rothbard's interpretation has been largely influential and has misled a large number of scholars that negatively or positively have engaged Mises's epistemology.

We do not ignore Mises extreme epistemological claims. In fact, when dealing with Rothbard, we clarify that "we are not denying the axiomatic characteristic of human action *in the hard core of praxeology*" and we acknowledge that "the role of auxiliary hypothesis is a different issue from the problem of the epistemological foundations of the fundamental assumptions" (p. 121, italics are original.)

Scheall does not contradict our reading beyond semantic disputes (i.e., the use of *Lakatosian framework*), he rather argues that our problem is irrelevant if not misleading. However, Mises is hardly the only apriorist in economics even if he is the only one described to have a "cranky" and "idiosyncratic" epistemological position. Another influential author is Gary Becker, who could be described to be as aprioristic as Mises. However, the reason Becker's position is not described as a cranky idiosyncratic is because he is more explicit on the role of empirical testing of economic theory.<sup>1</sup> If the issue with Mises were the one described by Scheall, we doubt Mises would be seen as a cranky idiosyncratic, but he would be seen as another Gary Becker in the profession. As we argue in our paper, what "are aprioristic in Mises, similar to a Kantian approach, are the categories [praxeology] used to interpret reality, not the economic theory applied to reality [economics]" (p. 116). What Mises denies that can be revised when dealing with data that contradicts the theory is the praxeology, not the theory that goes beyond the limits of praxeology by adding auxiliary assumptions.

Scheall is right in saying that Mises's position regarding the foundation of praxeology is that of extreme apriorism. However, we find that Mises's philosophical position is as respectable as any other could be. How is praxeology *as a philosophical position* cranky and idiosyncratic? It might be argued that Mises himself was

<sup>1</sup> In his debate on rationality with Kirzner (1962), Becker (1963, p. 83) does not object to Kirzner and the "Austrians" that their epistemological foundations are extremely a priori but that "[p]raxeologists [...] might well devote more time in the future to formulating and conducting relevant tests."

intolerant, that he was not open to dialogue, etc., but this is a psychological and biographical issue rather than an epistemological one.

We can use one of the references and treatment by Scheall himself (p. 7) to illustrate our point about the separation between praxeology and economics. Consider the following passage he quotes from Blaug (1980, 92, italics added) saying that “[a]lthough all this [Mises’s praxeology] is said to be a continuation of Senior, Mill, and Cairnes, the notion that even the *verification of assumptions is unnecessary in economics* is, as we have seen, a *travesty and not a restatement* of classical methodology.” The argument that for Mises the verification of assumption in economics is unnecessary is the position we challenge. Scheall (pp. 7-8, emphasis added) offers a similar reading when he argues that “[i]n other words, whatever their [Senior, Mill, and Cairnes] pronouncements about the need to verify only the implications of *economic theory*, the classical economists did not assert the complete imperviousness of their *assumptions* to experience, *as Mises did.*” This passage overlooks Mises distinction between *praxeology* and *economics*.

Let us make one final comment on this subject. The reason why we do not distinguish as emphatically as Scheall does between the scope and extent of Mises position in our paper is neither because we ignore the conceptual difference nor because we are trying to defend Mises through a straw man version of his position. The reason is much simpler than these speculations. The reasons are that (1) we do not deny the extreme apriorism in the foundation of Mises’s praxeology; therefore, we did not feel the need to offer a discussion about a Mises’s position without major disagreement and (2) because as defined by Rothbard (1957), extreme apriorism means that for Mises, a theory does not need auxiliary empirical assumption.

### 3. Mises’s Epistemological Justification of the *human action* Central Axiom.

Let us start by saying that *human action* is defined as the philosophical foundation of an epistemological position. Let us now grant for the sake of argument that this foundation could have more certitude than just a simple hypothesis. From this assertion follows that several metaphysical research programs can be developed, such as the ones to be found in Aristotle, Aquinas, Kant, or Husserl. Given this, there is a big difference between disagreeing with any of these thinkers and referring to them as cranky and idiosyncratic. The real issue is not holding a given metaphysical research program but *whether one is open to a critical discussion about it*. Maybe Mises was not open to such discussion and can be criticized for such position, but how is *praxeology* itself not open to a philosophical debate?

This was precisely Popper’s (1982, preface) position regarding metaphysical research programs. There are different philosophies of physics in which discussion is *beyond* the results of the hypothetical-deductive method. Why not apply the same approach to the philosophy of economics? This philosophical discussion is not the topic of our paper, but we do acknowledge that such philosophical debate can take place. We sustain that the “concept of human action is open to discussion in the sphere of philosophical anthropology, not in the sphere of empirical testing” (p. 128). It cannot be argued, then, that praxeology *itself* leads to a totalitarian position.

Surely, Mises’s position cannot be dismissed out of hand because he holds a neo-Kantian approach. Kant himself considered that Newton’s physics was a priori, meaning that the a priori categories give meaning to the synthetic chaos of empirical data. Mises does the same with economics through what he calls praxeology. This is Kant, and this is also Weber. Again, if Schell says that the level of Mises’s certitude is unacceptable, we repeat that, setting aside Mises’s provocative and exaggerated game of language, this is just the Kantian position for physics that was translated then for social sciences by neo-Kantians, such as Weber and Mises. We repeat that a reason why Mises (and by implications “Austrians” in general) is considered cranky and idiosyncratic is because of interpretations such as Rothbard’s, which we challenge.

Scheall might argue that different from other apriorist in economics, Mises’s foundations are purely rational without any experience at all: the “rationality without experience” argument. In addition, this is what is so extreme about Mises (and why he may reject our Becker example.) Again, this does not affect our argument. The discussion of Mises’s praxeological foundations is a *different* issue than the one we tackle in our paper.

#### 4. Our Popular Reference and Straw-man Versions

Scheall sustains that we construct a straw-man version of Mises through our reference to Doherty (2007). According to Scheall (p. 9), in our paper, “one finds a citation not to Rothbard (1957), but to Brian Doherty’s (2007) *Radicals for Capitalism*, a popular history of the American libertarian movement.” According to Scheall, “apparently reading Rothbard (1957) through the lens of Doherty (2007), [we] interpret the question of the extremeness of Mises’s apriorism to hinge on its *extent*, i.e. on whether he did or did not assign a role to empirical subsidiary assumptions in applications of praxeology” (p. 9.)

Scheall’s reference comes from the first paragraph of our paper. In this paragraph, we cite Rothbard (1957) as the influence of Mises’s interpretation, and we quote in our first footnote, for the only time, Doherty (2007) as an example of Rothbard’s influence. Let us quote ourselves since we cannot be clearer than we were the first time. This is how we open our paper (p. 111, emphasis added):

The most widespread interpretation of Ludwig von Mises’s epistemology, among both its adherents and its critics, is that of Murray N. Rothbard (1957) extreme apriorism. According to this interpretation, Mises would have said that economics science is completely a priori, without room for auxiliary hypothesis that are not directly deducible from praxeology.

Scheall sustains that we do not cite Rothbard (1957), but we do so in the first sentence of our paper. The most that Scheall can say is that we do not provide a specific page number for a paper devoted specifically to this issue. At the end of this passage, we have footnote 1 that reads as follows (emphasis added): “See, *for instance*, the *treatment* in Bryan Doherty (2007, ch. 2).” Scheall missed our direct first reference to Rothbard, and he also seems to have missed the section in our paper titled “A Note on Rothbard’s ‘Extreme Apriorism’.” We do not even give a more relevant location of Doherty than we do for Rothbard. In contrast, Doherty’s reference is a footnote whose absence would have no effect on the arguments of our paper. We do not understand how Scheall concludes that our case rests on Doherty, especially when we have a subsection specifically dedicated to discussing Rothbard (1957), and we do not discuss Doherty, who only serves as an example in a footnote. For being so particular about our citations, Scheall should have concluded that by referring to Doherty (2007) only once in a passing footnote, Doherty is not that important for our paper. Scheall’s further criticisms on this subject, then, do not follow.<sup>2</sup>

Anyone worried about our reference to Doherty is welcome to read our paper ignoring our footnote 1. Nothing will change. To be so concerned about the use of a *straw-man* version of Mises, Scheall surely built one of us.

#### 5. The “Charitable” Interpretation of Mises

In reference to Mises’s epistemology, we mention only once the word “charitable” (p. 119). Scheall (p. 14) also takes issue with this as well, when he sustains that “since we are concerned with a historical matter, the question should be decided as far as possible on the basis of the historical evidence, charity be damned. That is, what matters is the evidence for and against Mises’ [...] *Of course*, it is more charitable to read Mises as a proto-lakatosian or proto-Quinean than as an extreme apriorist, but, as a historical matter, it is not perhaps too charitable?”<sup>3</sup>

Once again, Scheall is misrepresenting our position. When we say that a “charitable interpretation of Mises’s own writings is not that he contradicted himself repeatedly in the same chapters when he talks about the a priori of economics and, immediately after introduces assumptions [...] but that he was implicitly working under a methodological structure similar to that of Machlup” (p. 119), we are not trying to build a convenient *straw-man* version of Mises. By charitable, we mean that we find Machlup’s interpretation more *plausible* than Rothbard’s. We agree with the need for historical evidence to deal with these matters, in this case, Mises’s own

<sup>2</sup> Scheall also mentions that Doherty does not cite Rothbard as a way to challenge our thesis that Rothbard (1957) drives the misrepresentation of Mises’s epistemology. This, however, can also be interpreted as evidence of how far Rothbard’s (1957) influence reaches. Scheall seems to be uneasy with us citing a “popular” book. Surely, he would not expect then the same reference precision in Doherty’s book than the one to be expected in an academic book.

<sup>3</sup> Even if Scheall does not quote us directly on this section, his choosing of words explicitly used to criticize our paper shows he has us in mind.

words. We doubt Scheall can sustain that we fall short in providing evidence. Our difference rests on the *interpretation* of the evidence, not on him relying on evidence and us ignoring it. His choice of words does not fairly reflect how we approached this subject.

## **6. Our Points of Agreement**

Finally, we are glad to say that we have the same concern that Scheall has about the Austrian School. We have already stated that Rothbard's interpretation of Mises has produced a great confusion both among followers and critics of Austrian School. We have already also said that Rothbard's interpretation stopped the dialogue between many Austrian scholars and contemporary philosophers of science such as Popper and Lakatos. We go back to Machlup's position to avoid rebuilding the argument from zero. In our paper, we offer a blueprint of how to move forward with the epistemology of the Austrian School. Clearly, Scheall disagrees with us, but we do share a similar concern.

Let us end with an example. It is feasible, for instance, to include empirical content that cannot be derived from praxeology in the hard core of economics such as the disutility of labor, or the fact that men are not immortal. These are two assumptions that Mises explicitly recognized as not derivable from praxeology. The interpretation that disutility of labor could be part of the hard core is compatible with the epistemological structure discussion that comes after figure 1 in our original paper. Moreover, is also compatible with our use of the empirical content in geometry to illustrate Mises's epistemological position. This would make praxeology less extreme and maybe more palatable to the profession. Is this such a significant change from Mises, when these two assumptions are of such generality that they are already almost in the hard core of economics?

## 7. References

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