

Adam Knott

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A Summary



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## Key

ATS – A Theory of Socialism and Capitalism, Hoppe

EOL – The Ethics of Liberty, Rothbard

EP – Epistemological Problems of Economics, Mises

ES – Economic Science and the Austrian Method, Hoppe

HA – Human Action, Mises

I – Investigations into the Method of the Social Sciences, Menger

PC<sub>2</sub> – A Praxeology of Coercion, Second Edition, Knott

UF – The Ultimate Foundation of Economic Science, Mises



## **Adam Knott – A Summary**

### **The Focus of My Writing**

To date, there are three primary focuses of my writing: praxeology, libertarian social theory, and critiques of existing theories of ethics.

Praxeology is a discipline concerned with expressing the recurring phenomena of human experience in the form of exact laws. Praxeology is the attempt to understand the regularities and repeating patterns of human goal-directed activity, and eventually arrive at law-like propositions with regard to them. Typically such a law is stated in the form: If A happens, then B must also happen.

Libertarian social theory as I conceive it is different from praxeology. Libertarian social theory, as distinct from value-free social science, expresses to some degree the preference of the individual social thinker for a concrete social situation. Thus, praxeology is the attempt to ascertain what social laws (analogous to physical laws) the social thinker and all others are subject to. But social theory is, in this view, the particular state of affairs a thinker is arguing for, perhaps taking into account the teachings of

praxeology, but also taking into account his unique understanding (and misunderstanding) of things, his preferences based on culture, upbringing, intelligence, and his accidental and individual characteristics. In a manner of speaking, praxeology provides us with the mathematical laws of human intentionality. Social theory is advocating the building of one or another concrete thing (is advocating to some degree a concrete course of action).

In addition to my work in praxeology and libertarian social theory, I critique important libertarian or libertarian-related ethics or social theories. These critiques are leveled from the point of view of praxeology as value-free science. I aim to show how current theories of ethics fail to provide a scientific explanation, given in terms of individual self-interest, why any particular individual should abstain from conduct considered harmful by libertarians. Natural Law and Natural Law-related theories of ethics fail to demonstrate what the necessary and incontestable consequences of various ethical actions must be, and thus they fail to establish a link between the ethical actions of an individual and a necessary consequence *to* that individual. This means that libertarian scholarship has been unable to demonstrate why any particular individual should abstain from nonlibertarian ethical practices.

By contrast, praxeology, as the science of the hidden and unintended consequences of all forms of human action, is capable of demonstrating the necessary consequences not only of economic acts, but of ethical acts and other conceivable classes of acts which an individual may undertake. And thus praxeology can demonstrate to the individual actor in what way the acts he is contemplating may be harmful to himself. Praxeology thus provides the actor with a reason for possibly abstaining from acts he would have undertaken absent the teachings of praxeology.

## My Main Contribution

The most important contribution I have made to libertarian social thought is to devise a way of including ethics as part of formal-logical social science. Formal-logical social science (called Praxeology) is the attempt to understand the regularities in human action (human goal-directed behavior) and to arrive at strict laws which characterize those regularities.

The easiest way to understand this is by referring to economic science. Economics tries to provide a causal “if-then” understanding of (for example) economic policies. Typically, economics tries to ascertain what the consequences of economic policy acts will be. For example, *if* we enact policy X, *then* the consequences will be Y. In this sense, economics is a science that attempts to describe economic regularities in terms of causal laws. Debates over economic policies are debates about whether enacting policy X will in fact result in Y as the proponents of policy X claim. It is implicitly understood that economics is a science trying to ascertain the consequences of economic acts or policies.

Typically, ethics is conceived as a different type of discipline. Most people do not consider ethics a science that tries to arrive at the laws of human ethical behavior, analogous to how economic science tries to arrive at economic laws. Rather, ethics is typically considered a different kind of discipline—one that tries to arrive at what is good, right, or just for man.

Taking as my starting point the concept of human action as conceived by Ludwig von Mises, I attempt to conceive the repeating patterns and invariant regularities of what I call human ethical action. My work in praxeology focuses on expressing these repeating patterns of human ethical action in terms of exact laws.

Carl Menger, the founder of the Austrian School of social thought, provides the following description of this approach:

The aim of this orientation, which in the future we will call the exact one, an aim which research pursues in the same way in all realms of the world of phenomena, is the determination of strict laws of phenomena, of regularities in the succession of phenomena which do not present themselves to us as absolute, but which in respect to the approaches to cognition by which we attain them simply bear within themselves the guarantee of absoluteness. It is the determination of laws of phenomena which commonly are called laws of nature, but more accurately should be designated by the expression exact laws.(I-59)

This is the vision of social science I hold, and that I have attempted to apply to the ethical realm of human goal-directed activity, as distinct from the economic (or catallactic) realm of human goal-directed activity.

Thus, my most important contribution to social thought has been to approach ethics from the point of view of theoretical exact science, instead of trying to establish or argue for a system of objective ethical values.

### ***A Praxeology of Coercion, First Edition***

For over a decade, I had been working on a theory of human action the most important part of which is a simple formal *want scheme*. The want scheme is and was a simple way of conceiving human action in terms of a limited number of categories, generally those of striving and attainment.

By means of the want scheme we can conceive human action in terms either of what an actor is trying to attain, or in terms of what he has attained. Since my primary interest is ethics, and since for a libertarian two of the most important ethical phenomena are those of coercion and dishonesty (two ethical means by which libertarians

are prohibited from forming their own relationships, and thus societies), I was trying to apply the want scheme to human ethical action.

Specifically, I was trying to understand by means of the want scheme what the consequences are to one who tries to coerce another. It seems that people we consider to be morally or ethically good by and large seek to avoid coercing and lying to others. Obviously this is a broad generalization. Nonetheless, if the good person or good citizen generally seeks to avoid coercing or lying to others, perhaps there is some underlying reason why we seek to avoid those, a reason which is somewhat hidden or only vaguely felt or intuited.

The challenge was to find this reason using the want scheme. I tried over and over, in every way I could imagine, to conceive what the consequences are when one actor tries to coerce another, given that action is striving to attain things as happiness. I remained stuck on this one question for years. I presented an early version of my theory to a small group at the Mises Institute in the Fall of 2001, but I still had not solved the central problem I was trying to solve. I had a framework for conceiving human action, but I could not yet understand what the implications were when one actor seeks to coerce another.

The significance of *A Praxeology of Coercion, First Edition*, is that it was written the week I finally realized what it is about coercion that negatively impacts the happiness of the one who coerces.

Thus, in March 2006, I had finally put the remaining piece of the puzzle in place and arrived at a theory that could explain a negative consequence to the one who coerces. Since that time, everything I have written in praxeology has been an attempt to elaborate, improve, and clarify the theory first presented in March 2006. Subsequent books elaborating these ideas are, in order: A

*Praxeology of Coercion* (Second Edition), *Striving and Attainment*, and most recently my essay *The Logic of Happiness*.

*A Praxeology of Coercion, First Edition* is the earliest published version of my theory, presented in clear, human-readable prose, and is easily read in one sitting. It presents the fundamental elements of my theory of human ethical action which are then developed in subsequent writings.

My first published work, I proofread *A Praxeology of Coercion* myself. Thus, some of the punctuation used is carried over from my years of writing unpublished thoughts and essays.

### ***A Praxeology of Coercion, Second Edition***

*A Praxeology of Coercion, Second Edition* is a follow-up to the first edition. In this book I sought to elaborate and clarify the ideas sketched in the first edition. The most important idea in need of clarification was the idea that in some types of noncoercive actions, an actor strives for something objective, whereas in coercive action, the actor strives for something subjective:

...In coercive action, A cannot in principle know, whether or not his want...has been attained. That is because this want change for B is not and cannot be objective for A....This means that...A...cannot...attain happiness via the attainment of this want.(1<sup>st</sup> ed.,p.35)

The basic idea is that actor A can "attain" objective things, such as a change in person B's location. A can see that B has changed locations and, in this sense, that B has changed locations is "attained" for A. But there are other "subjective" things, such as the thought phenomena of person B, which A cannot attain in the same way. If happiness is attainment, and if coercion entails the attempt to attain a "subjective" entity such as a thought

phenomenon of person B, and if such subjective entities cannot be attained, then coercion by A impacts the happiness of A.

The distinction between so-called objective wants and subjective wants was my chosen way of stating the idea that actor A tries to attain something he cannot attain, and thus cannot attain happiness. However, the concepts *objective* and *subjective* were not part of the theory as it had been developing over the years, but were simply an expedient for explaining the new insight. If action is trying to attain things, and if we are at all times acting, it could be that at all times we are trying to attain things regardless of whether any particular thing is actually attainable. We may even try to attain things which *in principle* are unattainable without realizing it. If this is the case, the attempt to attain that thing or those things may have an impact on the happiness of one who tries to attain it/them. The concept pair objective/subjective was intended to denote the difference between things that are attainable in action and things that aren't.

Since the concepts *objective* and *subjective* already have established meanings which are likely inconsistent with what I wanted to convey, I knew I would have to rephrase the ideas to avoid unnecessary confusion. So in the second edition I attempted to conceive the difference between objective wants and subjective wants without using those terms:

...This circumstance indicates a necessary co-presence attendant to the social means coercion. The ideas and thoughts...of [actor] B must be fundamentally elusive; fundamentally unknowable. Because when A tries to "locate" something like his own ideas "in" B, only objects can present.(2<sup>nd</sup> ed.,p.67)

Here, I was trying to get at the idea that only objects (what I now refer to as perceptual presences) can appear for actor A, and that these objects are not the same as the thought phenomena of

actor B. I develop these ideas further in *Striving and Attainment*, and in *The Logic of Happiness*.

In *A Praxeology of Coercion, Second Edition* I attempt to clarify the sense in which happiness cannot result from coercion. In addition, I begin to elaborate on a number of themes that are characteristic of my writing to date.

The book begins with an attempt to get to the essence of what libertarians find wrong with society and what therefore gives rise to the various libertarian social theories. I try to anchor my theoretical writings to the concrete problems that give rise to them. I try to avoid heading directly into theorizing without first framing the problem my theorizing is addressing.

In the second edition, I begin what has become a sustained critique of Natural Law and Natural Law-related libertarian social theory. Generally speaking, praxeology, as value-free analytic science, abandons the attempt to make positive value judgments. This aspect of praxeology was noted by a famous social thinker who once complained that Mises the praxeologist was an opponent of any sort of objective ethics. Natural Law theorists want to arrive at a system of concrete values or institutions which can be provable as the objectively best ones for man. And they believe Natural Law theory has been unable to arrive at such a scale of objective values only because insufficient time, effort, and ingenuity have been devoted to finding them. They don't believe that fundamental epistemological structural issues prevent their program from being realized.

The analogy of Newtonian physics versus quantum physics—though certain to invite ridicule from the intellectual descendents of Natural Law theorists—is nonetheless accurate. Natural Law theorists try to arrive at a logically consistent theory of social phenomena, utilizing the concepts of objective realism, in the same way physicists attempted to describe quantum phenomena by

means of classical physics concepts. But there are fundamental epistemological or ontological facts preventing an accurate description of the phenomena when the concepts of objective realism or materialism are used. Mises understood this with regard to social science, and Heisenberg understood this with regard to atomic physics, and this played no small part in the accomplishments of both theorists.

Other themes either continued or begun in the second edition include:

1. An explanation of how the acknowledgement of praxeological laws affects society.
2. Further development of the fundamental concepts and categories of action.
3. Elaboration of a concept of logical necessity.
4. A first proposal for integrating the concept pairs of value/supply and striving/attainment.
5. An analysis and discussion of the logical circumstance surrounding the act of coercion, as one instance of social interaction.

The closing chapter of the second edition explains the contextual intentions of the theory just presented. Praxeology demonstrates the hidden and unintended consequences to the means an actor intended to utilize. If an actor abstains from using particular means because he has new knowledge about how those means harm himself, his abstention may also be experienced by others as a diminishment in acts they deem harmful to themselves. So praxeology helps improve individual welfare by showing the individual actor how means he had intended to use are harmful to himself, and a subsidiary effect of praxeological knowledge is that if

the actor abstains from particular means out of self-interest, this may also have beneficial social effects.

### ***Striving and Attainment***

*Striving and Attainment* continues to develop the themes and concepts introduced in *A Praxeology of Coercion*. Libertarian ethics has been pursued primarily as a normative discipline and not as a theoretical science attempting to conceive the regularities in human ethical behavior. Praxeology, as the science of human action in all its forms, is also the science of human ethical action, and tries to conceive the laws operant in the *ethical* realm of human action, as distinct from the *economic* realm of human action.

A scientific law is the statement of a relationship between two nonidentical events. The epistemology of a social science that tries to ascertain the laws of social phenomena includes a general or universal concept of the nature of this relationship, which is then applied to the various specific cases. Thus, in *Striving and Attainment*, I continued to put forth my ideas on the relationship between events and on social necessity (pages 13-24).

There are at least four important advances apparent in *Striving and Attainment*:

1. The category of objects is introduced and explained. The reasoning that eventually leads to this concept runs along the following lines: If we can approach the phenomena of our experience (social events for example) according to an empirical or a logical understanding, then this seems to mean that whether we understand these events as empirical or as logical depends on how we approach them. This is how I interpret Menger when he writes:

...the determination of strict laws of phenomena, of regularities in the succession of phenomena which do not

present themselves to us as absolute, but which in respect to the approaches to cognition by which we attain them simply bear within themselves the guarantee of absoluteness.(I-59)

But what exactly is this approach to cognition by which we attain exact or absolute cognition, what Mises calls apodictically certain knowledge? My answer is that we cannot attain such apodictically certain knowledge when our approach to cognition is essentially an empirical one. And an empirical approach to cognition is one whereby we make scientific distinctions or classifications in the various aspects of physical or spatiotemporal nature. An example of such an approach is the attempt to found social science on the distinction between human purposive action and animal instinctive or reflexive reaction. This approach attempts to classify various physical entities of our experience, and it is my contention that this is the essence of an empirical undertaking. Once we embark on or lay the foundations of an empirical investigation, this is constitutive of an approach bringing with it its own structure of concepts. The approach and the concepts of which it is comprised are one and the same, and so the attempt to arrive at exact knowledge by means of this approach results in contradictions. This is one reason that no praxeological knowledge (in the sense of laws of succession or coexistence) has been brought to explicit scientific formulation in the ethical realm of human action.

Generally, past theories of ethics have approached ethical phenomena by conceiving various ethical actors as each existing in the sense of objective realism, and as spatiotemporally related in nature. To the extent they have done so, such theories have uncritically adopted an empirical approach and, by virtue of this, the formal or logical approach—a fundamentally different approach—was neglected. This is why Natural Law and Natural Law-related social theory is unable to reach its own goals of discovering moral or ethical laws of human nature.

Regarding the attempt to construct a system of universally valid ethical norms, this quote from Mises, though written in the context of economics, describes the present situation with respect to human ethical action:

...Bewildered, people had to face a new view of society. They learned with stupefaction that there is another aspect from which human action might be viewed than that of good and bad, of fair and unfair, of just and unjust. In the course of social events there prevails a regularity of phenomena to which man must adjust his actions if he wishes to succeed. It is futile to approach social facts with the attitude of a censor who approves or disapproves from the point of view of quite arbitrary standards and subjective judgments of value. One must study the laws of human action and social cooperation as the physicist studies the laws of nature. Human action and social cooperation seen as the object of a science of given relations, no longer as a normative discipline of things that ought to be—this was a revolution of tremendous consequences for knowledge and philosophy as well as for social action.(HA-2)

Mises's passage applies just as much to human ethical action as it does to human economic action, and this is why I have written that libertarian ethics theory is in a transitional stage. Libertarian ethics theory is currently transitioning from the normative and objective-value approach Mises refers to, to a formal-logical approach which Mises here calls a science of given relations.

The category of objects is relevant to an attempt to conceive the strict laws—as opposed to the empirical laws—of ethical action. Founding a social theory on distinctions in or on classifications of physical nature is the same as making a statement about the “real natures” of the various objects of experience. This introduces the conceptual scheme (the approach to cognition) of realism and empiricism. The category of objects is a proposed solution to this

epistemological problem. If we view all physical manifestations (all objects of conscious awareness) as categorically singular (as all belonging to one category of human action), then apparently no physical distinctions or distinctions based on spatiotemporal relationships can arise. If in addition there are further categories of action conceivable, then it may not be necessary that social science be based on distinctions between the various objects in nature (based on distinctions between the various objects presenting to consciousness). The category of objects is proposed as a way to put formal-logical social science on a more firm logical, nonempirical foundation.

Here we close with Menger's statement of the problem:

...If the world of phenomena is considered in a strictly realistic way, then laws of the latter signify merely the actual regularities, determined by way of observation, in the succession and in the coexistence of real phenomena which belong to certain empirical forms. A "law" obtained from the above point of view can in truth only state that in reality, regularly or without exception, phenomena belonging to the empirical form C have followed the concrete phenomena belonging to the empirical forms A and B, or that they were observed coexistent with them. The conclusion that the phenomenon C follows phenomena A and B *in general* (that is, in all cases, even those not observed!), or that the phenomena under discussion here are *in general* coexistent, transcends experience, the point of view of strict empiricism. From the standpoint of the above manner of consideration it is *not strictly* warranted. ...Strict (exact) laws of phenomena can never be the result of the realistic school of thought in theoretical research even if this were the most perfect conceivable and its fundamental observation the most comprehensive and most critical.(I-57)

2. In *Striving and Attainment*, I sought to clarify the concepts *means* and *ends*, casting them as nonidentical formal-logical categories. I stressed this conception of things again in *Praxeology and Ethics* and in *The Logic of Happiness*. In formal-logical social science, the categories of means and ends must be conceived as categorically nonidentical. This implies that the category of ends refers to something which is aimed at, but is not attained. Thus, it is nonsensical—in the strict logical/scientific sense—to discuss ends (as Mises implies in several passages). What we discuss is categorically situated as present to action. Something present to action is *attained* (is no longer being sought). What is available in action is always a means, never an end.

The implications of this extend farther than most Austrian School scholars realize. When we conceive action, this means we do not conceive that an actor chooses from among various means *and* ends. When we conceive action formally, an actor chooses from among various means only. It would be more accurate to say that anything that appears in action for an individual, and which we might characterize as having been chosen by him, is, by virtue of its appearance in action, a means. There are no ends appearing in action which could then be characterized as having been chosen by an individual. When we “choose” something, this something is a means, and the end is related to it as that which is beyond the horizon, so to speak, as the not yet attained. This idea is discussed in *Striving and Attainment*, pages 43-50.

3. In *Striving and Attainment*, the concepts of happiness and unhappiness are conceived more as logical categories than in *A Praxeology of Coercion*. As I write:

...The current conception of happiness and unhappiness is still based on striving and attainment, but the concept of change has been removed so, that in action, something is either attained or striven for.(p.73)

This change I view as a natural progression as the system of concepts moves more toward a system of logic, and away from a description of temporal change. As Mises writes:

...The science of human action that strives for universally valid knowledge is the theoretical system whose hitherto best elaborated branch is economics. In all of its branches this science is a priori, not empirical. Like logic and mathematics, it is not derived from experience; it is prior to experience. It is, as it were, the logic of action and deed.(EP,12-13)

4. The most important aspect of *Striving and Attainment* is the clear statement of a proposed law of ethical action (pages 98-107). I had been trying to arrive at such a law previously:

...Because when A tries to locate something like his own ideas in B, only objects can present.(PC2-67)

But as the theory still contained too many concepts of an empirical nature, it was unclear to me exactly how the happiness of actor A is impacted when A strives in relation to the consciousness of actor B. If, when A strives in relation to the consciousness of B, objects present for A, and if objects constitute happiness in the theory, then it seems that happiness results from ethical action (social interaction). It was difficult to see a solution while the theory still contained some of the older concepts of temporal change. In *Striving and Attainment*, the concepts of the theory were becoming more formal and logical in nature, pointing a way to a solution. Given the logical circumstance surrounding social interaction which I had elaborated in *A Praxeology of Coercion, Second Edition*, and in *Striving and Attainment*, I felt there existed sufficient theoretical context for proposing, more specifically, the law of ethical action already implied in my essay of March 2006.

The law of ethical action I propose in *Striving and Attainment* equates social interaction with unhappiness. I'm aware that at first

this may appear to be obviously wrong, and that some may dismiss such a notion as absurd. Here, I will attempt to explain the proposed law descriptively in a few paragraphs. This particular description will incorporate some ideas from *The Logic of Happiness*, which was written after *Striving and Attainment*.

There is a sense in which we may consider action (purposely striving after ends) as a *universal* or an *axiom*. A universal or axiom as intended here means some general idea that is held to apply to concrete things, but which is not those concrete things. We can reasonably hold that universals or axioms do not appear concretely. They are immaterial in nature.

Social interaction happens when we attempt to spatiotemporally “place” or “locate” the universal or axiom of action. Generally, this happens when we consider the person in front of us as an acting being. We “locate” action as being with him over there, or we “locate” action as being with him now. Of course, we never say it like that. We only say “he acts.” Social interaction may also happen when we consider the voice on the telephone as that of an acting being. We believe (or consider that, or act on the assumption that) there is an acting being somewhere, at this time, also speaking into a telephone.

Social interaction may also happen if and when one views inanimate matter (stones, trees, clouds, etc.) as “acting,” or if and when one views nonhuman animals as “acting.” Social interaction may happen in thought, as when one is thinking about another person, and it also may happen if and when one considers a deity as an acting being.

An instructive example of social interaction which I have used previously is that of a person who, upon walking into a park, sees a bronze statue. As he nears the statue, he realizes that it is a person who has painted himself, and is posing as a statue. As he approaches closer, he now realizes that no, it is a statue, and not a

person. When he thought that the object he saw was a person posing as a statue, he thought that the object in front of him was an object having a human consciousness, i.e., an acting being. He thus attempted to place or locate "action" or consciousness spatiotemporally. He understood or tried to understand action or consciousness as now being with the object of his awareness. Doing so is the essence of social interaction.

The broadest definition of social interaction (of which the above examples are all specific instances) is the general phenomenon of attempting to locate the axiom of action or locate consciousness, spatiotemporally. We can also conceive social interaction as "striving in relation to another consciousness." (Acting on the assumption that another consciousness is "present.") Both these formulations are expressing the same thing. Both involve an "attempt," which is simply a form of striving (trying to). And both involve the assumed presence of another consciousness or another acting being.

The law of ethical action is the insight that if social interaction is the striving for X, and if X is not attained, then social interaction is simply striving. And striving is unhappiness as defined by the theory.

In other words, if we assume that 1) social interaction does indeed happen, and if we assume that 2) social interaction is the striving for X, or the attempt at X, and if we further assume that 3) X is not attained, then what we are left with is "striving" or "attempt." And those are unhappiness as previously defined.

The law does not say that during social interaction conceived realistically, a person cannot be happy. Because there are an infinite number of *attainments* occurring in any given time period of such realistically conceived social interaction (sights, sounds, smells, tactile experiences, imagined images, etc.). In the theory, happiness is defined as such attainments.

The law also does not preclude that during a given time period in a realistic account of social interaction, there may be sources of unhappiness unrelated to social interaction. During such a realistic and temporally durable account of social interaction, a person may experience physical pain, or he may discuss or recall something that causes him sadness. The proposed law does not specifically address these other types of unhappiness, except as they may fall under the theory's general definition of unhappiness.

What the law says is that specifically with regard to social interaction in the narrow sense—that aspect of our consciousness having to do with the presence of another consciousness—that social interaction, so to speak, contributes an “increment” of unhappiness. When it occurs, social interaction contributes, speaking loosely, a “component of unhappiness” or an “increment of unhappiness” to a given time period of “realistic” social interaction. In the complex totality of our conscious experience, analysis shows that social interaction—not the part having to do with physical presences, but the part having to do with the presence of another consciousness—is identical to unhappiness.

This law and this insight have implications for libertarian ethics. Because we may conceive that the progressing market society consists of the evolution of means of interacting socially without an attempted reference to another consciousness (e.g., price signals, automated transactions, Internet transactions, etc.). This insight provides the basis for understanding why libertarians intuitively believe that anti-market social philosophies contravene the laws of man's ethical nature. Anti-market social philosophies want to prohibit or reverse the evolution of market processes. These processes are at root a means of “indirect” social interaction that bypass the unhappiness inherent in social interaction in the narrow sense (the attempt to directly address another consciousness).

My goal in the months and years to come is to expound these ideas, to develop and clarify them, and to be prepared to answer questions or challenges in regard to them as needed.

### ***Striving and Attainment (conclusion)***

Many libertarian social thinkers subscribe to or support the ethical thought of either Ayn Rand or Murray Rothbard. Both Rand and Rothbard, in their capacity as ethics theorists, rejected subjectivism and thus the praxeological framework of concepts advocated by Mises. Thus, it is natural that the intellectual descendents of Rand and Rothbard tend also to disregard praxeology (as conceived by Mises) in their own treatments of human ethics. When they refer to Austrian School social thought of the past, they tend to refer to those aspects supporting a realist conception of things, and they tend to de-emphasize the subjectivist and formalist aspects. When they refer to praxeology in the context of human ethics, they have in mind the Rothbardian conception of praxeology (as a priori logical reasoning) rather than the Misesian conception of praxeology (as a general science arriving at the laws of human action). In the hands of the ethicists of value-objectivism, praxeology is seen less as a general science and more as a form of reasoning to be employed to validate the ethical values originally propounded by Rand and Rothbard. However, for Mises, it is only by means of its subjectivism that praxeology maintains its scientific objectivity:

...At the same time it is in this subjectivism that the objectivity of our science lies. Because it is subjectivistic and takes the value judgments of acting men as ultimate data not open to any further critical examination, it is itself above all strife of parties and factions, it is indifferent to the conflicts of all schools of dogmatism and ethical doctrines, it is free from valuations and preconceived ideas and

judgments, it is universally valid and absolutely and plainly human.(HA-22)

In *Striving and Attainment*, I quote important passages from Menger, Mises, Hayek, and others in support of a value-free science of ethical phenomena which is fully consistent with the concept of praxeology as the science of human action in *all* its aspects.

### ***The Logic of Happiness***

*The Logic of Happiness* is an abbreviated version of the theory of social interaction presented in *Striving and Attainment*, and is easily readable in one sitting.

The argument presented is relatively simple. Ethical action is action directed toward another consciousness. If every time we address another consciousness, there are inescapable accompaniments or co-presences to this act, then this constitutes the basis of a law of ethical action. But what precisely *is* the inescapable accompaniment to ethical action? *The Logic of Happiness* is mainly devoted to proposing an answer to this question.

Instead of restating the argument here, I would like to revisit and further explain one aspect of the theory that some may have difficulty understanding. I refer again to the concept of *perceptual presences*, what I have also called the *category of objects*. In Misesian praxeology, an important part of the conceptual system is the idea that we take the value judgments of individual actors as ultimate data. We can say we take individual value judgments as ultimate data, or we can say we take the choices of individuals as ultimate data (thus Hayek's phrase: "The Pure Logic of Choice"). The idea is the same either way. The analysis begins from certain assumed facts, and does not try to explain how those facts came to be, or why the facts are what they are and not something else.

The category of objects as explained in *Striving and Attainment* is simply another way of taking an aspect of individual action as an ultimate given not subject to further analysis. The difference from the standard way of conceiving things is that in the present theory we conceive of no categories outside those of individual action. Thus, we do not have to differentiate, in the theory, a value judgment or choice from other things appearing in action. Since the theory contains only categories of action, then if we assume that something is present (if we assume that something “exists”), this present thing is automatically categorized by the theory as an object of action. There is no need to differentiate between an individual’s value judgment or choice and the other things or objects surrounding him, because the theory is constructed such that it contains only the categories of human action.

As explained in *Striving and Attainment*, the tree outside my window may be treated by natural science as an object that exists independently, whether or not I perceive it. But in the theory of action, the tree outside my window is a means (a means of navigating, a means of locating, etc.). In this theory, there is no category of objects that exist independently of their perception by individual consciousnesses. Thus, all objects that appear in individual action are automatically categorized according to their relation to human action (in the present theory, as either attained or striven for).

This aspect of the theory is probably not understood. People are accustomed to conceiving the individual as an acting being, navigating through the world as described by natural science. This likely occurs because theorists are trying to construct a theory that is “realistic.” If commonsense realism is to be maintained in a social theory, then obviously the objects not chosen as means by a particular individual still “exist.” Thus, a category is needed to account for the objects in the world that are neither the ends nor means of the acting individual at a given time. In a realistic and

naturalistic conception, there are objects that simply exist, but not as means or ends of the acting individual.

This approach introduces additional categories to the theory of action. But it is not realized that these additional categories bring with them an entire structure of concepts, generally the concepts of spatiotemporal relations. These are the concepts of natural science, a science whose guiding ideal is the idea of an independent reality entirely independent of human consciousness.

The approach of social realism is founded on the concept of an object (or objective state of affairs) existing entirely separate from any relation to human intention. This is also the ideal concept of natural science before quantum physics. Conversely, the ideal concept of praxeology is the object of the individual consciousness (the subjective valuation, the individual judgment, the individual's choice, etc.). Social realism and classical physics are trying to get human intention *out* of the equation (social realism, generally by way of biology), whereas praxeology is trying to construct a logical system with human intentionality as the centerpiece. This explains why the objective-realist school of social thought has a hard time understanding and accepting Misesian praxeology and Misesian epistemology.

It is worth noting that the concept of an object existing entirely separate from human intention cannot be consistently maintained in natural science, as Heisenberg explains in his book *Physics and Philosophy*.

Thus, the category of objects that "really exist," but are not objects of the consciousness of any actor is, in my opinion, a concept not consistent with formal social science. But this concept is widely held due to the success of the natural sciences, and due to the mistaken belief that natural science unanimously confirms an objective-realist view of things. I believe this is an important reason

why libertarian ethics theory has failed to achieve logical consistency.

When we eliminate the category of independently existing objects, what remains are objects that present to the consciousness of an actor (those objects present to action). Whether there are several categories of objects that appear in action, or whether all objects appearing in action are categorically identical, is a question which may be left to social science to decide.

The category of objects, or the category of perceptual presences, is simply the category of things that present to the acting individual, when we conceive only the acting individual, and do not try to conceive things from the point of view of natural science.

### ***The Problem with Positive Ethics***

*The Problem with Positive Ethics* was written in the Spring of 2006, shortly after publication of *A Praxeology of Coercion, First Edition*. Having just presented an outline of my new theory of ethical action, I then wrote this short critique of the existing approach to libertarian ethics, generally the value-objectivist ethical systems of Rothbard and Rand.

*The Problem with Positive Ethics* begins somewhat slowly in that the first twelve pages deal with epistemology, but without an adequate lead-up. Here, I argued for a specific epistemological framework without first establishing why such a framework is needed. So the book gets off to a somewhat slow beginning. From page twelve onward, the book picks up speed. In reading through it again, I would say that while most of the points I made are important and valid, the overall presentation could have been more organized, and some of the sections could have been written more

concisely. The overall presentation detracts somewhat from the argument I was advancing.

But though the book as written has several weaknesses, I believe the primary point I try to make is gradually being acknowledged with the passage of time. The theories of value-objectivism which try to arrive at a universal scale of objective values have failed. They have failed not because insufficient effort, research, and ingenuity have been devoted to them. They have failed because of the structural flaws inherent in the very undertaking of objective ethics.

Mises also believed the approach of objective ethics was inherently flawed. He repeatedly stressed that the ultimate ends of action are beyond rational treatment. As the advanced student of Austrian School social thought knows, Mises was *an opponent of any sort of objective ethics*. He was an opponent of objective ethics because he realized the theoretical inconsistencies in such an approach.

In his book *The Ethics of Liberty*, Rothbard writes:

...I at no time believed that value-free analysis or economics or utilitarianism...can ever suffice to establish the case for liberty.(EOL-xlvii)

And he urged his followers to:

...cast out the hobgoblins of *Wertfreiheit*,...(EOL-26)

It is difficult to understate the radical nature of what Rothbard suggests in *The Ethics of Liberty*. In *The Ethics of Liberty* Rothbard declares that praxeology has done all it can do in establishing economic laws of social interaction, and that value-free analysis is useless in other realms of human action. He asserts that in the political realm of human action—the realm of interpersonal social relationships—only an absolutist ethics can instruct our actions.

Once we leave economics and enter ethics, Rothbard says, value-free science is to be abandoned and, instead, a positive value system is to be asserted politically. The vision of social science we have learned from Mises must be abandoned in the ethical realm of human action if liberty is to succeed. Regarding Mises and others, Rothbard writes: "I think their theories fail at the task of establishing an ideology of liberty."(EOL-xlix)

The theory that Mises held, and which Rothbard says somehow fails liberty, is generally the following:

Praxeology is concerned with expressing the regularities in human action in terms of exact laws. These laws demonstrate the necessary consequences of various modes of action. And thus individuals can adjust or reappraise their planned behavior, now possessing new knowledge about what the necessary consequences of their acts will be. When person A abstains from certain acts because he now realizes that the consequences are necessary (not contingent) and because he does not want the consequences to occur, then this benefits society and constitutes social progress to people B, C, and D, who also did not want those consequences to occur.

In short, praxeological laws benefit society by helping individuals to realize their self-interest. Social science furthers human progress by showing individual A the previously hidden or unintended consequences of actions he had intended to perform. The way to improve society is by scientifically demonstrating to people how the actions they are planning are detrimental to their own interests. If science can demonstrate this, then individuals will, of their own accord, begin to abstain from actions deemed harmful by others. To the extent science succeeds in this, destructive political conflict and social strife are not necessary.

But Rothbard is saying that this approach is exactly wrong in the purposive realm of human ethics:

“This procedure is perfectly proper for the formal science of praxeology, or economic theory, but not necessarily elsewhere.”(EOL-12)

If liberty is to succeed, according to Rothbard, the notion of value-free science must be abandoned in the ethical realm of human action, and a program of political conflict must be adopted.

Rothbard could have made the valid but more limited point that value-free social science (praxeology) had, to that time, not succeeded in discovering regularity in the ethical realm of human action. But instead, he chose to make the more universal and invalid statement that this very notion would be *wrong* when applied to ethics.

By contrast, Mises writes:

“It would be preposterous to assert apodictically that science will never succeed in developing a praxeological aprioristic doctrine of political organization...”(UF-98)

Apparently, Rothbard believed that ethical behavior is not a form of action, or that there are no hidden or unintended consequences to action of an ethical nature. Regardless, his counsel to libertarians is to abandon the attempt to apply value-free analysis (i.e., science) to human ethical action, and to take up a strategy of political conflict in asserting the particular political-ethical values he has chosen for himself in *The Ethics of Liberty*.

The notion Rothbard is propounding here is so important that it becomes crucial to clarify the ramifications and implications of what he suggests. In value-free science of the kind Mises practices, the aim is to demonstrate, through science, how various forms of action lead to specific unavoidable consequences. Then, individuals in society, whether we perceive them to be our allies or adversaries, are provided with new knowledge about the consequences of their planned behavior. This knowledge is in some sense “depoliticized”

(it is “above all strife of parties and factions” as Mises writes) because it does not aim to tell people what they *should* do, but instead tries to demonstrate what must necessarily happen if they do what they are planning to do. The knowledge provided by praxeology helps the individual make choices, by showing him some of the unintended consequences of those choices. As this knowledge becomes established and generally acknowledged throughout society, individuals begin to change their views, and new generations arrive who assimilate the new knowledge as part of their upbringing. Actions which were once considered consequence-free, or actions whose consequences were deemed merely possible, are understood by more and more people to be actions with necessary consequences. Then people must take these necessary consequences into account, since they know they will be faced with them should they undertake the actions they are considering. Society improves and evolves as people abstain from acts they now realize harm their own interests. Society improves and evolves as other people no longer have to suffer the consequences of those same acts.

This is Mises’s approach, his “ideology for liberty” that Rothbard is suggesting should be abandoned in the ethical realm of human behavior. Rothbard’s suggestion is that we should aggressively enter the ethical and political arena, not only having no scientific knowledge concerning the possible consequences of our ethical and political acts, but also that we should engage in this political struggle while simultaneously *abandoning* the attempt to achieve a scientific understanding of our own ethical and political acts.

This advice comes from the most prominent and influential student of Mises in the United States!

The sentiments expressed in *The Ethics of Liberty* raise serious questions about Professor Rothbard’s understanding of the aims and importance of deductive or exact social science. He seems not

to have understood how social-scientific knowledge leads to social progress, and he seems to have had an incomplete understanding of the concept of action. If value-free analysis is useless in the ethical realm of human action, as Rothbard claims, this ultimately implies that value-free analysis is useless in the economic realm of human action as well. Human action is a unified totality comprised of *all* the acts of the individual. Praxeology is the analysis of human action in *all* its forms. If the general theory of human action is not applicable to the political sphere of human action, then for the same reasons it is not applicable to the economic sphere of human action. And thus if a theory of objective values is needed in ethics, then a theory of objective values is needed in economics too. This implies that we should turn back to economics, discard the entire conceptual structure based on subjectivism and value-free analysis, and begin to reinterpret economics on the assumption that all economic objects have a provable objective value.

Thinking along these lines explains why Professor Rothbard held the gold standard as an absolute good, and fractional reserve banking as an absolute evil. This was symptomatic of his desire to apply a theory of objective values, rather than value-free analysis, to social phenomena. And if this program is followed to its logical conclusion, it must be applied to more and more of the objects of human choice, until eventually every such object is conceived in terms of good and evil, moral and immoral. Of course these terms must be applied to the people choosing a monetary standard other than the gold standard, or to people choosing banking practices at odds with Rothbard's choice of banking practices. As is known, Ayn Rand went further than did Rothbard, and tried to apply a theory of objective values to a wider range of values. Neither philosopher was successful in his attempt to arrive at universal scale of objective and absolute values.

In objective-value philosophy, the goal is not social progress through scientific knowledge. The goal of objective-value philosophy is to construct a system for identifying evil or immoral

actors as the basis for a system of criminal punishment. It is important to realize the full ramifications of this type of objective ethics, the type that disparages value-free analysis while encouraging the formation of an absolutist society where the values of others are considered evil, immoral, and criminal.

One ethicist will say that anyone who violates a patent or copyright is a criminal. Another will say that we are criminal only if we violate copyrights. And a third will say that intellectual property is itself a criminal institution. At what point does it become apparent that the objective values or universal and immutable property rights being proposed are actually the desires and wants of the particular ethicist concerned?

Mises undoubtedly understood this very circumstance. The value-objectivist approach to society is incompatible with the value-free approach, and the consequences of choosing one versus the other are profound. The essential difference is captured in this important quote provided by Mises:

...We originally want or desire an object not because it is agreeable or good, but we call it agreeable or good because we want or desire it; and we do this because our sensuous or supersensuous nature so requires. There is, thus, no basis for recognizing what is good and worth wishing for outside of the faculty of desiring—i.e., the original desire and the wish themselves.

(Quote attributed to Jacobi in: *Epistemological Principles of Economics*, Mises, page 151)

One who comprehends the significance of this important insight can glimpse the crux of the problem with objective ethics. Objective ethicists want to recast the desires and wants of the individual theorist as absolute values, morally or legally binding on all actors. To begin to understand why this program has never succeeded and why it cannot succeed, is to begin to search for

another approach to ethical phenomena. But we don't have to look far, since we already know from Mises that praxeology is the general science of human action, and that economics or catallactics is but one branch of praxeology. The question then becomes one of figuring out how to conceive ethical phenomena within the conceptual framework of praxeology as the science of means.

Rothbard as objective ethicist was tragically wrong on at least two counts. First, he counseled his followers to abandon a value-free scientific understanding of ethical actions, while counseling them to take actions of an ethical nature. Second, he proposed an absolutist social vision that when applied to politics and government does not lead to harmony or liberty, but instead leads to endless political struggle and conflict. His proposed solution was, unbeknownst to him, actually the problem in need of solving, as De Puydt wrote in 1860:

"Under the present conditions a government exists only by the exclusion of all the others, and one party can rule only after smashing its opponents; a majority is always harassed by a minority which is impatient to govern. Under such conditions it is quite inevitable that the parties hate each other and live, if not at war, at least in a state of armed peace. Who is surprised to see that minorities intrigue and agitate, and that governments put down by force any aspiration to a different political form which would be similarly exclusive? So society ends up composed of ambitious resentful men, waiting for vengeance, and ambitious power-sated men, sitting complacently on the edge of a precipice. Erroneous principles never bring about just consequences, and coercion never leads to right or truth."(Panarchy, 1860)

## ***A Preliminary Critique of Hans-Hermann Hoppe's Argumentation Ethics***

The importance and influence of the Rothbardian approach to ethics has been magnified over the previous two decades, because owing to a process of constant conjunction, the prestige of both the Austrian School and Ludwig von Mises has been lent to the personal social philosophy of Professor Rothbard. This has had the effect, whether intended or unintended, of ensconcing the particular social philosophy held by Rothbard and his intellectual descendents as the unofficial social philosophy of the Austrian School. (Here, I mean social philosophy as distinct from social science.)

The absolutist social philosophy subscribed to by Professor Rothbard, and the Argumentation Ethics of his student Hans-Hermann Hoppe, are no more a part of Austrian School social science than the Objectivism of Ayn Rand or the Panarchism of Paul Emile de Puydt. However, in the United States, only the former two are promoted as ostensibly associated with the Austrian School approach to social phenomena.

The significance of my book *A Preliminary Critique of Hans-Hermann Hoppe's Argumentation Ethics*, is that it is the only comprehensive analysis of how the Rothbard/Hoppe approach to ethics departs from the Austrian School tradition of studying social phenomena from the point of view of exact theoretical science. As far as I know, there exists no other book that shows how, in an attempt to justify the concrete structure of society they envision, both Rothbard and Hoppe find it necessary to abandon the value-free scientific methods of the Austrian School. There is an important difference between asserting a preference and then trying to justify it, and the search for regularity and laws of succession and co-presence in social phenomena.

Those readers interested only in a concise critique of the Argumentation Ethics, I refer to my ten-page essay in *Praxeology and Ethics*. In that short essay, I address Professor Hoppe's theory with minimal reference to the theories of Professors Rothbard and Mises.

*A Preliminary Critique of Hans-Hermann Hoppe's Argumentation Ethics* is a much more broad treatment of Hoppe's theory, which not only places his theory in the context of Rothbardian ethics, but also contrasts Hoppe's theoretical approach to society to that of Mises. Hoppe, as student and follower of Rothbard, inherits from Rothbard important mistaken notions about the nature and scope of praxeology. Due to the mistakes of Rothbard, Hoppe fails to consider that there are ethical means of action, and that a value-free science of such means may possibly be constructed. The only option seems to be to turn back from subjectivism, formalism, and methodological individualism, and construct a theory of ethics along more realistic lines. In Rothbardian ethics, value is *objective*, and happiness is to be considered in its *commonsensical* or *contentual* sense. (EOL-12) In Hoppean ethics, action is a cognitively guided adjustment of a physical body in physical reality.(ES-70) And thus begins the process of turning back and away from the tools of Austrian School analysis, and towards a value-objectivist, materialist, and realist approach.

The reason for turning away from Mises's praxeology and toward Rothbard's objectivism is lucidly described by another of Rothbard's followers, Jörg Guido Hülsmann:

"In particular, nobody has solved the problem of comparing non-extended entities like value, utility, preference ranks, etc.

Thus one is led to the second type of solution, which consists in abandoning all attempts at building welfare economics on the theory of value and to look for other

foundations. This is where Hoppe's theory of justice comes into play. Presently, that is, as long as nobody solves the problems of the value-theoretic approach, this seems to be the most promising route for welfare economics." (The Quarterly Journal of Austrian Economics, Vol. 2, No. 4, Winter 1999)(Italics and underline added)

Here, Hülsmann is using the term "welfare economics" to mean the attempt to apply economics-style analysis beyond the catallactic/economic realm of human action to the social-political realm of human action. Hülsmann makes a decisive theoretical assumption: that in order to base welfare economics on the theory of value, it would be necessary to *compare* the values, utilities, and preference ranks of *multiple actors*. He makes the assumption that the experiences of *multiple actors* must be *compared* for a theoretical social science based on the theory of value to succeed.

But why must this be the case? What about a theoretical approach based on strict adherence to methodological individualism? Perhaps in the social-political realm of human action there are hidden and unintended consequences to individual action which the actor himself experiences, and which praxeology can discover and bring to conceptual clarity. If there are incontestable consequences to actions taken toward other people, consequences which praxeology could demonstrate, then an individual might take these consequences into account when contemplating future actions. He might abstain from acts he would otherwise have undertaken absent this new praxeological knowledge. Then the evolution of society and of social institutions might be guided in a different direction as more and more people utilized this praxeological knowledge for their own benefit. As each person acted out of self-interest to avoid the (now known to be) necessary consequences of political-ethical actions, the structure of society would change. But the theory that provides this new knowledge need not be based on *intersubjective comparisons* of value, utility, or preference ranks.

The assumption that intersubjective comparisons of value or utility are necessary as a foundation of praxeology is simply a mistaken assumption. People may change their behavior due to new knowledge about how their planned actions will impact their own well-being. Adam Smith and Carl Menger showed how the self-interested actions of individuals lead to beneficial social results. Where is the demonstration that this invisible hand phenomenon—the phenomenon of enlightened self-interest—only applies to the economic realm of human action but not to the ethical-political realm of human action?

In his book *An Essay on The Nature and Significance of Economic Science* (1932/1935), Lionel Robbins had written the following:

...There is an important sense in which the subject-matter of political science can be conceived to come within the scope of our definition of the economic. Systems of government, property relationships, and the like, *can be conceived as the result of choice*. It is desirable that this conception should be further explored on lines analogous to better known analysis.(p.134)(emphasis added)

Here was the suggestion to attempt to analyze political phenomena (as distinct from market phenomena) along the lines of better known (i.e., formal) analysis. As previously mentioned, the notion of conceiving political phenomena as the result of choice, is a method of taking the choices or value judgments of individuals as “ultimate data not open to any further critical examination.”(HA-22) So here Robbins was proposing that this same method be applied to social-political phenomena as distinct from market phenomena. It is noteworthy that in his book he acknowledged special indebtedness to the works of Mises.

Writing thirty years later, Mises returned to this same subject in a passing remark:

...It would be preposterous to assert apodictically that science will never succeed in developing a praxeological aprioristic doctrine of political organization that would place a theoretical science by the side of the purely historical doctrine of political science. All we can say today is that no living man knows how such a science could be constructed.(UF-98)

Thus, it is reasonable to conclude that over the years Mises had given some thought to the idea of a praxeological doctrine of non-catalactic phenomena, but realized that neither he nor anyone else knew how to construct such a science. As a trained economist, Mises had taken the scientific analysis of human action as far as he could, while realizing that the science he called praxeology might someday be applied to other realms of human action.

And thus one can begin to understand the monumental consequences of the following statement by Rothbard:

...I at no time believed that value-free analysis or economics or utilitarianism (the standard social philosophy of economists) can ever suffice to establish the case for liberty. (EOL-xlvii)

We have to keep in mind that Rothbard wrote these lines in possibly his most mature work, and as one of the most prominent and influential students of Mises. This tragic pronouncement signaled the turning away of an entire generation of scholars from the scientific study of ethical phenomena. Instead of attempting to apply a means-based analysis to the field of ethics, almost all libertarian ethicists, following Rothbard's lead, chose to treat ethics as a discipline attempting to arrive at the proper *ends* of mankind. *The Argumentation Ethics* of Professor Hoppe is one such attempt to ascertain the universally valid *ends* of individual action:

...The answer, then, to the question of which **ends** can or cannot be justified is to be derived from the concept of argumentation.(ATS-131)(emphasis added)

If libertarian and Austrian School scholarship is to progress, then eventually other aspects besides the economic aspect of human action will have to be approached from a scientific and theoretical point of view. But this cannot happen as long as scholars continue to believe that only economics can be approached formally, while libertarian ethics scholarship must follow the lead of Rothbard and Rand and utilize a value-objectivist approach. *A Preliminary Critique of Hans-Hermann Hoppe's Argumentation Ethics* is a clearly argued case for returning to value-free analysis in our attempt to construct a science of ethics worthy of being associated with the Austrian School.

### ***Praxeology and Ethics: Three Philosophers Considered***

Anyone familiar with Austrian School social thought knows that the originators and great contributors to Austrian theory were trained economists. Though from its very beginning Austrian School social theory was conceived as an exact or formal approach to all social phenomena, it was in fact primarily economic or catallactic social phenomena that was the concern of the Austrian School. The theories of the founders and their followers primarily treated market phenomena, leaving other aspects of human action untreated. In short, Austrian School social thought historically has addressed economics and not ethics.

Of course, this does not mean that Austrian theorists were unconcerned with important issues of human ethics and politics. But it does mean that their primary scientific training, and their primary theoretical efforts, were directed to the study of market phenomena. Even today, those who identify themselves as Austrian School social theorists generally are trained economists.

They turn their attention to human ethical phenomena (ethics, social relations, politics, society, etc.), having already become grounded in concepts built around, and built to comprehend, specifically market phenomena.

The regularities in succession and co-presence studied by economists are not exhaustive of the regularities in human experience and human action. When we abstain from lying to another person, we do so because we believe something negative will result were we to lie. When we lie to another person, we do so because we believe there is something to be gained by lying. Thus, just as it is plain that there are regularities in human action that do not fall within the purview of economic science proper, it is plain that up until recently, Austrian School social science has not adequately considered that ethical phenomena may be studied with respect to their regular patterns in human action.

The situation in traditional libertarian ethics theory may be stated as follows. We seem to conceive our own goal-directed activity in terms of an act we perform and its result or consequence. Thus, as we turn our theoretical inquiry to the ethical side of our goal-directed activity, it seems difficult to express our inquiry other than in terms of a relationship between two events: the act taken, and the result of the action. If in our theoretical explanations we are consciously or unconsciously trying to avoid a "cause-and-effect" or "action-and-result" paradigm, then it is at least possible that the attempt to avoid such a "utilitarian" paradigm may lead to an unavoidable inconsistency in the theory, or render the theory's meaning unclear. It may be the case that the information we seek, to be actionable or meaningful (information that can provide guidance), must be expressed or expressible in terms of a relationship between two events.

Something like this I believe is the situation with respect to ethics theories that seek to ascertain the ultimate ends of human action, rather than trying to ascertain the relationship between

means and ends in human action. In some sense, the attempt to establish universally valid ends (when viewed as essentially a nonutilitarian program) is in conflict with the need to understand how the things we strive to attain impact human well-being. The impact that particular attainments (ends, let's say) have on individual well-being is already a concept of a relationship between two objects or events: the thing (end) we try to attain, and the asserted benefit to human welfare. The attempts to establish universally valid ends seem to be in a state of internal conflict. They do not hold as their explicit aim, arrival at a scientific-causal understanding of ethical acts and their consequences. Rather, they claim to establish a singular end or a number of singular ends which people should be aiming for. This then begs the question why such ends should be sought, unavoidably reintroducing the request for a causal or means/ends explanation.

(This predicament is described in greater detail in Patrick M. O'Neil's article: "Ayn Rand and the Is-Ought Problem." *The Journal of Libertarian Studies*, Spring 1983)

The program of theoretical ends-seeking is in conflict with the theorist's own need to show how such ends are positive or beneficial for those striving for them. The attempt to establish universally valid ends is in unacknowledged conflict with the need to provide a means/ends analysis.

The ethics theories of Professors Rothbard and Hoppe, as I understand them, suffer from this internal conflict. An imperative of libertarian ethics theory in their view is to avoid what they consider *ethical relativism*. In the Rothbardian-Hoppean view, ethical relativism (not ethical *monopolism* or ethical *absolutism*) is what is responsible for the continuing decline of Western Civilization. The imperative of avoiding ethical relativism is met when we specify the private-property ethic and its institutions as ethical absolutes. But simply declaring our preference for private property and a libertarian society will not do. In scholarship we

require a rationale or explanation why a libertarian society is to be preferred over a nonlibertarian society. This explanation, it seems, can be given only in terms of how a libertarian society impacts human well-being, as contrasted to how nonlibertarian societies impact human well-being. And thus, we are forced to introduce a means/ends analysis of sorts, which in effect states that in order to impact human well-being positively, a libertarian society should be adopted. Thus, the ethical relativism which it was imperative to avoid is reintroduced as utilitarianism. We have now introduced the idea that libertarian society is not an ethical absolute, but rather a means to an end, as O'Neil demonstrates in his article. *If one wants to achieve X, then one should choose a libertarian society.*

(As an aside, I submit that it is not ethical relativism but ethical absolutism or ethical monopolism that is responsible for the present situation in world politics. The problem in Western Civilization is not that many different political-ethical systems are practiced and condoned. The problem is that in the political sphere, only one ethics (i.e., the compulsory welfare State) is practiced and condoned. The problems of Western Civilization are not the result of various adopted "relative" political-ethical systems intersecting or conflicting. Rather, the problems we have now are due to the fact that the ethical-political system is monopolized in each geographical region. There is only one ethical-political system per geographical region. There is no "relativism" in this sphere, there is absolutism. What we need is not ethical-political absolutism—which is what we have now—but ethical-political freedom or diversity. We need the ability to practice our own politics toward our own ends, while others practice their own politics toward their own ends. Of course the ethical absolutists of all parties cannot see this.)

In the theories of Rothbard and Hoppe we can see the internal conflict between: 1) The guiding imperative to avoid ethical relativism by specifying the private-property ethic as an ethical

absolute, and: 2) The necessity of justifying or rationalizing this ethical end by trying to demonstrate (implicitly or explicitly) what negative things will *result* from not adopting the private-property ethic as an end.

Rothbard and Hoppe have drawn the conclusion that the framework of means/ends concepts they have learned from Mises cannot be fruitfully applied to political or ethical problems, so they try to avoid referring to them. At the same time, there seems to be an inherent need for them to provide, and for us to receive, some kind of cause-and-effect explanation. What will happen if we do as they say? What will happen if we don't? Must these consequences follow necessarily, or is it just their strong conviction that they will? This internal conflict is an important reason why the laws of man's ethical nature are not discovered.

The missing component in Natural Law ethics and in the argumentation ethics is a theory of human happiness and unhappiness, grounded in the categories of human action, and therefore capable of demonstrating how various forms of human action may impact human happiness. The praxeological conception of action as striving to attain ends already goes a long way toward constituting a workable conception of happiness and unhappiness, with the added bonus that much of Austrian Economics is already conceived along these lines. If the argumentation ethics and Natural Law theory should be found deficient in important respects, this may not mean that libertarian ethics has no scientific basis. Instead, it may mark the beginning of the attempt to find the basis of libertarian ethics in the science of human action.

## Paul Emile De Puydt - *Panarchy*

One of the most important essays in libertarian literature.

Here are five paragraphs:

Do you remember the times when people shouted religious opinions more loudly than anyone ever shouted political arguments? When the divine creator became the Lord of Hosts, the avenging and pitiless God in whose name blood flowed in rivers? Men have always tried to take the divine cause into their own hands—to make Him an accomplice of their own bloodthirsty passions.

What has become of such implacable hatreds? The progress of the human spirit has swept them all away, like the wind the dead leaves of autumn. The religions, in whose names were set up stakes and instruments of torture, survive and live together peacefully, under the same laws, eating from the same budget; and if each sect preaches only its own excellence, it is quite rare that it persists in condemning its rivals.

Then, what has become possible in this obscure, unfathomable region of the conscience, with the proselytism of some, the intolerance of others, the fanaticism and ignorance of the masses; what is possible to the extent that it is practised in half the world without resulting in unrest or violence; on the contrary, particularly where there are divergent creeds, numerous sects exist on a footing of complete legal equality; and people are, in fact, more circumspect and careful of their moral purity and dignity than anywhere else; could not this, which has become possible under such difficult conditions, be all the more possible in the purely secular domain of politics, where the whole science can be expressed in four words? (Note: the four words de Puydt is referring to are "laissez-faire, laissez-passer.")

Under the present conditions a government exists only by the exclusion of all the others, and one party can rule only after smashing its opponents; a majority is always harassed by a minority which is impatient to govern. Under such conditions it is quite inevitable that the parties hate each other and live, if not at war, at least in a state of armed peace. Who is surprised to see that minorities intrigue and agitate, and that governments put down by force any aspiration to a different political form which would be similarly exclusive? So society ends up composed of ambitious resentful men, waiting for vengeance, and ambitious power-sated men, sitting complacently on the edge of a precipice. Erroneous principles never bring about just consequences, and coercion never leads to right or truth.

Then imagine that all compulsion ceases; that every adult citizen is, and remains, free to select from among the possible offered governments the one which conforms to his will and satisfies his personal needs; free not only on the day following some bloody revolution, but always, everywhere, free to select, but not to force his choice on others. At that point all disorder comes to an end, all fruitless struggle becomes impossible.

### ***Panarchy: Essays in the New Political Philosophy***

*Panarchy: Essays in the New Political Philosophy*, is a collection of essays written by contemporary panarchist writers. In this short book, each author provides his unique vision of the political philosophy of panarchism.

Here is the reason why panarchism is important:

One of the dominant animating forces of libertarian social thought is ethical absolutism.

A defining characteristic of ethical absolutism is the belief that what is wrong with society is that other person B refuses to change his political philosophy to come into line with my philosophy, so that I may have the kind of society I want.

Ethical absolutism, and the political philosophies resulting from this way of thinking, begin from the premise that societies other than the one proposed by the absolutist are objectively wrong.

Panarchism, when properly conceived, begins with a stance of neutrality with respect to various social systems or social philosophies. The theory of panarchism is a theory working out the implications of viewing the different methods of social organization as ethically or morally neutral, and as valid from the point of view of the people subscribing to them. In panarchy properly conceived, the goal is not to prove the objective superiority of any particular social system or social philosophy. The goal is trying to arrive at a social vision under the assumption that each proposed social system is valid for those who would subscribe to it.

Panarchist writers Rozeff, De Puydt, and Zube all recognize that panarchism (multiple organizations coexisting in the same geographic region) is the principle that was used to solve the problem of religious intolerance. When there is religious absolutism and monopolism, there is bloodshed and endless struggle. When there is religious "relativism" or tolerance (when each may subscribe to the religion of his choice) all those problems vanish. The general principle is respect for the self-chosen ways of others, now applied to the social-political sphere.

(Incidentally, theoretical ethical-political value neutrality, which is the approach taken in panarchist reasoning, is consistent with praxeology, the logical science of the consequences of individual value choices. By contrast, the panarchist value-neutral theoretical approach is *incompatible* with theoretical ethical absolutism as it is practiced by some prominent libertarian social philosophers. In the

book, anarchist Gene Callahan touches on this issue using the example of fractional reserve banking.)

So the working concept of anarchist social theory is a stance of value neutrality with respect to various social systems as the fundamental basis or starting point of anarchist theorizing.

In ethical-political absolutism, the ideal is the ascertainment of the objectively best or one true system suitable for the nature of man. In comparison to this objectively best or one true system, then other systems are portrayed as immoral, criminal, and evil. In this regard, one recognizes the parallels with religious absolutism.

The ethical absolutist will say that what is wrong with society is that other people refuse to recognize the natural laws of man's nature, and refuse to change their political philosophy to conform to that of the absolutist.

The anarchist will say that what is wrong with society is that everyone is an absolutist, and so everyone is trying to change (usually by force) the political philosophy of everyone else; a war of all against all.

As the absolutist pursues things, he can gain his society only by negating the society of others. He views the problem in society as the refusal of others (never himself) to acknowledge absolute ethical norms. Thus, he unintentionally reinforces the political principles of his adversaries. In trying to negate the political vision of others, and in trying to make others accept ethical norms they consider objectionable, he himself enacts the principles which his adversaries simply redirect toward him.

In anarchist philosophy, each person is conceived as naturally wanting a social system that is understandable to him (that accords with his own reason) and which matches his own level of social development (is not forced on him by others who differ in their understandings and level of development). Libertarians consider it

wrong that they are ruled by social democrats. Obviously, for the same reasons, a libertarian will not want to be ruled by a faction of libertarians who hold views he repudiates. But then how is it to be decided which libertarian faction is to rule in place of the social democrats? The only suitable answer consistent with liberty is that the individual should decide. That is, what laws and what government one is to be subjected to must ultimately be an individual not a group decision.

Panarchism is a political philosophy based on this and similar insights.

A consistent panarchism is not primarily concerned with changing the social ideals of others. Panarchist reasoning generally begins with a stance of theoretical neutrality towards the various social systems. Panarchism as social theory is the attempt to work through the implications of viewing things this way.

The De Puydt essay is important in this respect. In reading it, one can see that his emphasis is not on telling other people what social system to adopt. Rather, De Puydt's entire concern is trying to arrive at a system or philosophy that allows each person or group to freely pursue their own political vision. He is ethically neutral with respect to particular governments.

One question bound to be asked is how panarchism differs from the various kinds of anarchism. Instead of attempting to define anarchism, I will simply list the core principles of panarchism as I understand them. These principles may then be compared to anarchism as each reader understands it. I will say however, that in the years I have been corresponding with libertarians, I have come to believe that there are not many libertarians, anarchists, or classical liberals who subscribe to the philosophy of panarchism. Those few social theorists expressing an essentially panarchist view seem to be recognizable to each other, and seem to recognize their differences with libertarians, anarchists, and classical liberals.

Panarchist social theory as I understand it is generally comprised of the following:

- A. Explicit expression of the idea of *multiple coexisting governments*.
- B. Explicit expression of the idea of *government not based on geography*.
- C. Explicit reference to the idea of *individual choice with regard to governments*.
- D. Explicit objection to the idea of *imposing a government on unwilling subjects*.
- E. A general absence of value judgments regarding various social systems or social ideals. Panarchist social theory begins from the recognition that the problem to be solved is how to accommodate the various political-ethical value systems or political aspirations held by different individuals. Panarchism is not the attempt to ascertain the objectively best political system.

These are five general characteristics of panarchist social theory. (Note: If I have inadvertently left out something of importance, please bring it to my attention.)

In addition to the above, I would like to add one further insight which I personally believe is implied in panarchist philosophy, but which may not be universally understood or agreed with. This is the insight that consistent panarchism cannot be viewed as a positive attempt to abolish another man's political system, or some substantial aspect of it. If each individual may identify various aspects of the political systems of others, and actively strive to abolish them, then panarchists must explain how this activity is the special right of panarchists, or, how social harmony is expected to

result from a system where everyone is actively trying to abolish various aspects of the political systems of others.

As I see it, the ultimate dividing line between consistent panarchism and the different versions of libertarianism and anarchism reduces to whether one's political striving is an attempt to change another person's social system, or whether one's political striving is the attempt to establish one's own social system, largely without reference to another person's social system. That may be a subtle distinction, but it is a very important one.

Thus, in the end, I do not believe it is consistent with panarchism to attempt to abolish territorial claims, or to attempt to abolish compulsory membership in the welfare state. These are goals and activities which promote and invite similar activities by others in the opposite direction. And that is the essential problem. We cannot solve the problem by epitomizing the problem ourselves. I believe the State's territorial claims and its compulsory membership feature will eventually be eroded by undeniable political realities, a process much the same as occurred in the former Soviet empire. I believe that directly aiming to change existing laws—trying to force an opposed group to change the laws to their own perceived detriment—is contrary to our own purpose.

What if a number of panarchists established a political relationship over the Internet? And what if such an activity is illegal according to the laws one is currently subject to in the welfare state? Then, such panarchists have established some form of social-political relations by individual choice, while the laws, territorial claims, and compulsory membership features of the State are still in place. Such panarchists have then formed a society, coexisting with another society, but without abolishing or attempting to abolish the laws, territorial claims, or compulsory membership aspects of the State.

Thus, it is not strictly necessary to abolish or seek to abolish the political systems of others, for the beginnings of panarchist society to emerge. What is needed is peaceful cooperation on the part of those concerned, and action taken towards the political systems of others is not strictly necessary. For the most part, panarchists do not have to adopt the principles of action responsible for the poor state of world politics. In fact, trying to avoid those principles of action, in theory and in practice, may define what it means to be a panarchist.

### **The Present State of Liberty**

There is a simple way of assessing the present state of liberty and the libertarian movement. When we argue for liberty, we practice a form of action (argumentation) that we accept and condone when practiced by our adversaries. But libertarians have yet to find a form of political action to practice, such that were their adversaries to practice the same thing, libertarians would accept and condone *it*. To date, libertarians have by and large only considered forms and methods of political action that constitute essentially a negation of the political aspirations or political relationships of other people and groups. Thus, they have only considered methods of political action that, when these same methods are practiced by statists, liberty is negated. In short, libertarians have only considered monopolistic, mutually exclusive political ideals that negate other people's politics. Libertarians have not considered the option of panarchy or panarchism.

When we argue, an important reason this is an acceptable means of action is that there can be a multitude of arguments coexisting, and the argument of one person or group does not constitute a prohibition or exclusion of the argument of another person or group. And as mentioned during previous discussions of panarchism, this same principle applies to religion and how the problem of religious conflict has been solved. In advanced countries

there is religious harmony because a method of organization has been adopted whereby the religion of one person or group does not constitute a prohibition or exclusion of the religion of another person or group. There are many religions coexisting in the same geographical region, and people subscribing to various religions intermingle, socialize, and generally live together in harmony.

The problem of libertarianism is to find a way to apply to politics the same model that works for argumentation and religion. Libertarians have thought only in terms of monopolistic political forms in which the success of one political group constitutes the negation and bondage of another political group. And this is the single most important reason that libertarianism has not succeeded as a political movement, despite the fact that in the realm of argument and scholarship, libertarianism is flourishing.

In the realm of political action, libertarians have generally pursued only those forms of political action that, when practiced by their adversaries, amount to a negation of individual liberty. These political forms include the institution of collective voting, the idea of geographical government, and the idea of political monopolism (the idea that everyone should be subject to the same laws). Libertarians do not realize that their current predicament—in which they are used as farm animals for socialist ends—represents an unfortunate success. Libertarians strive for political monopolism—they want one set of laws to rule the land—and it is political monopolism we have. Our current political and legal environment is the result of our past ideological and practical support for principles that are at fundamental odds with the principles of liberty.

If the goal of libertarian politics is to impose an unwanted political system on unwilling subjects, well, we have this situation currently. We have succeeded in implementing and strengthening the *principles* of political monopolism in a geographic region. Having achieved our primary goal of political monopolism, our secondary choice is now whether to become the *monopolists* or

remain the monopolized. Rule or be ruled. This is the choice that results from holding a monopolistic political philosophy, whether we acknowledge our philosophy as such or not.

What possible method of political action could constitute the basis of a more correctly conceived libertarian political striving? And what method of political action could libertarians put into practice, such that if their adversaries were to do the same thing, this would be acceptable and even welcomed by libertarians? I believe the answer lies in the political philosophy known as panarchism. Specifically, if libertarians aim primarily (even exclusively) to establish their own political forms of association, largely (even exclusively) without trying to abolish or alter the political forms of others, I believe this principle of action will not only bring forth nascent libertarian societies, but at the same time will introduce a principle of political action that, if practiced by others, will be acceptable and even welcomed by libertarians.

The answer lies not only in the philosophy of panarchism, but also in an enlightened understanding of what panarchism entails and implies. Panarchism in my understanding means the attempt to put into practice one's social and political ideals *coexisting* with the social and political ideals of others. The idea is not to gain our society by approaching others and requiring them to dismantle theirs. The idea is to put ours up *alongside* theirs. This is a crucially important distinction.

If altering, abolishing, or prohibiting the political systems of others—in whole or in part—is an appropriate aim of our political striving, then in putting this principle into action we should fully expect that others will seek to utilize this same principle toward us. We will likely find ourselves in an atmosphere in which others seek to alter, abolish, or prohibit *our* political system. Our every effort in this direction simply reinforces and strengthens the principles being used against us.

Of course, the point is that this is the situation we are faced with currently. And we are largely responsible for it.

To comprehend this is to begin to understand that our political situation is largely due to our support for principles contrary to our purpose. The fact that libertarian societies are prohibited by law, is the result of our past political philosophy which (implicitly or explicitly) considers prohibiting the political systems of others an appropriate goal. In any geographic region, the political systems of others must be outlawed if only one political system is to be allowed for each geographic region.

Libertarians have shared this monopolistic political philosophy with socialists, with statist, and with all varieties of absolutists and authoritarians. The significance of panarchism as a political philosophy is that it signals a growing recognition that the future of liberty lies not in further attempts along monopolistic lines, but in a fundamentally different approach, the same approach which mankind eventually came to adopt with respect to religious affiliation.

