

Reason Papers

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ON HOBBS'S ARGUMENT FOR GOVERNMENT

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HOBBS argues that it is reasonable to institute government. The argument, found in *Leviathan*,¹ may be reduced to, first, four propositions, then an inference drawn from them, then a sixth proposition and a final conclusion. I shall present these propositions and an explanation of each, using both direct quotes and paraphrases of relevant passages, all in a manner I hope will be fair to Hobbes. After I have presented the argument, I shall examine its soundness by questioning the truth of the first proposition. That proposition, it seems to me, is not only the most crucial one in his argument but is also one that, in varying forms, has found its way into some contemporary arguments in favor of government. "Without government there would be anarchy and chaos" might be the modern equivalent of Hobbes's first premise. I shall indeed be arguing in defense of anarchism, but only in the sense of disputing Hobbes's particular reasons for advocating government. Whether, on other grounds, government can be shown to be desirable or necessary, is not the concern of this essay. In addition, my discussion will not be fully detailed. I present instead a protocol argument—an outline of a plausible alternative to Hobbes, the potential complexities of which, I hope, future investigators will attempt to unravel.

1. *The absence of a common power is a war of all against all.*

"During the time men live without a common power to keep them all in awe," says Hobbes (p. 106), they can be expected to find no opposition to actions conforming to their natural passions, save whatever hindrances other men, acting similarly, present. Some important characteristics of man's natural passions are these: (1) men act according to their desires and aversions (pp. 52-53); and (2) men seek power, which is the means to the satisfaction of their desires (pp. 78, 86). That men are prompted to action by desires and aversions in response to external stimuli is plausible enough for the sake of this essay; it will not be necessary to accept

Hobbes's explanatory premise that such stimuli work physical pushes and pulls along the nerve strings (p. 25). The point of Hobbes's doctrine comes, roughly, to this: men seek to obtain that which they see as being to their own benefit and seek to avoid that which they see as being to their own detriment. Man is naturally concerned with himself, and a correct report of man's process of evaluation leads to a kind of egoism.

For these words of good, evil, and contemptible are ever used with relation to the person that uses them, there being nothing simply and absolutely so, nor any common rule of good and evil to be taken from the nature of the objects themselves—but from the person of the man. . . . [P. 53]

The value of all things contracted for is measured by the appetite of the contractors, and therefore the just value is that which they be contented to give up. [Pp. 124–25]

Values are subjective.

Although different people may have different desires, there are nevertheless some things which different people desire but which they cannot all have, and in such cases, men become enemies (p. 106). Under such conditions it is only reasonable, says Hobbes (pp. 105–6), to anticipate that whatever one wants, others may want as well. Anticipation will lead to a strategy of preemptive attacks: Strike first in order to master your enemy before he strikes you. Even when there are lulls in the battles, there will be preparations for and anticipations of future battles. Men are therefore either engaging in battle or preparing for battle, and both cases may be described as conditions of war (pp. 106–7). And since all persons are either actually or potentially involved in battle, this State of Nature—the absence of a common power—is a “war of all against all.”

2. *In such a state, it is reasonable to seek peace.*

In the State of Nature, because there is a war of all against all, men find it dangerous to engage in enterprises that may arouse the desires of enemies. War is an attempt to subdue one's enemies, and while some people might delight in the mere domination of others (p. 106), other people engage in war in order to rid themselves of the enemies who stand in the way of obtaining what would otherwise be available: in order that crops may be planted and harvested, in order that animals may be herded and kept, in order that the lesiure may be had to fashion tools for a more productive and comfortable existence, one ought to protect against the possi-

bility that enemies might invade and steal (p. 107). There is, then, a twofold motive for attaining peace: (1) a fear of death and (2) the desire for "such things as are necessary to commodious living" (p. 109).

3. *Peace is sought by making and keeping covenants.*

Men are at peace if they are not under actual or foreseeable attack (p. 107). If men were reasonably assured that they would not be invaded, they could get on with the business of pleasurable life. How does one find such assurances? One way might be simply to make a truce with one's enemies: if people agree, and can be expected to abide by that agreement, not to engage in acts of war, a condition of peace would obtain. Specifically, what Hobbes calls the second Law of Nature is

that a man be willing, when others are too, as far forth as peace and defence of himself he shall think it necessary, to lay down his right to all things, and be contented with so much liberty against other men as he would allow other men against himself. [P. 110]

4. *But it is reasonable to keep covenants only when there is a common power to compel performance.*

Agreements made in the State of Nature are null and void, says Hobbes. Why? Because if one is in the first instance concerned about subduing one's enemies, it would be a splendid advantage to have the enemy agree to lay down his arms first. One then has the choice of laying down one's arms in return, in which case one would be at the enemy's mercy, in case the enemy had cleverly kept a derringer up his sleeve or had confederates hiding in the bushes; and anyway, how far should one trust a person bent on one's destruction? Or else one could seize the advantage and slaughter the enemy thus caught unarmed. The strategy of preemptive attack must prevail (pp. 110, 115).²

Agreements are worthless in the State of Nature because there is no assurance that the parties to the agreements will perform as promised. If only such an assurance were given, however, agreements (most especially, agreements for peace) could be sustained. Such an assurance could be provided by the existence of a power that would hold the parties to the agreement in awe: a power, that is, that could impose sanctions so severe as to make performance of contract more desirable than nonperformance (pp. 111-12, 115, 118).

5. *Therefore, in a State of Nature, it is reasonable to institute a common power to compel performance of covenants.*

I shall assume, and ask the reader to agree with me, that this proposition follows from the first four.

6. *The only appropriate common power is government.*

and such power [to compel performance] there is none before the erection of a commonwealth.

where there is no coercive power erected—that is, where there is no commonwealth. . . .

the validity of covenants begins not but with the constitution of a civil power sufficient to compel men to keep them. . . .

[P. 120]

7. *Therefore, it is reasonable to institute government.*

I shall assume, and ask the reader to agree with me, that this proposition follows from the propositions above.

That is Hobbes's argument. I believe it to be unsound. Let us look again at the first premise. When Hobbes speaks of a State of Nature, where men, following their natural passions, find opposition only in the similar actions of other men, we may imagine three possible contexts in which such a State of Nature might be described. (A) Perhaps there was a time before which there were no governments on earth. Primitive men, egoistic but rational, realizing that they were in a miserable condition of unrestrained competition, began to acknowledge the possibility of an alternative mode of existence, one, namely, wherein some common power would be erected to restrain them. Hobbes does not explicitly endorse such a view; in fact he says,

It may peradventure be thought there was never a time nor condition of war as this, and I believe it was never *generally so over all the world*. . . . [P. 108, emphasis added]

Nevertheless, this passage is not so much a denial as a bit of hedging. Whether such a condition of war did at some time generally obtain is a question that a study of anthropology might answer. If the answer is in the affirmative, so much the better for Hobbes. If in the negative, never mind: an alternative context is at hand. (B):

there are many places where they live [in such a condition of war] now. For the savage people in many places of America, except the government of small families, the concord whereof depends on natural lust, have no government at all and live at this day in that brutish manner as I said before. [P. 108]

Once again, anthropological (and other) evidence may confirm or deny such a claim. But Hobbes is not keen on insisting that his doctrine hangs on whether or not there are or have been places or times in which men live or have lived in a condition of war on account of their never having been subjected to government control. His point is intended to be much stronger than that. (C) The third context may be illustrated by this passage:

Howsoever, it may be perceived what manner of life there *would* be where there *were* no common power to fear by the manner of life which men that have formerly lived under a peaceful government use to degenerate into a civil war.
[P. 108, emphasis added]

It is not clear whether Hobbes asserts that civil wars *are* States of Nature or whether they only come pretty close—close enough, that is, so that we can appreciate what a real State of Nature would be like. At any rate, I shall take Hobbes to be affirming that the absence of a common power would lead, even if only eventually, to universal war. And this conclusion is not based, as he presents it, on the existence of any historical example, which, in any case, he uses as illustration and not as proof; rather, Hobbes believes it to be a fine deduction from certain premises, premises having to do with the nature of man as an entity driven by appetites and fears according to his own self-interest. That conclusion is the first premise of his main argument. I shall reformulate it hypothetically: if any situation be given in which men are not in awe of some common power, then that situation will be a condition of universal, egoistic, unrestrained, and violent competition—or say, for short, a war of all against all.

The truth of the premises in support of that claim will not here be in question. Let it be granted that man endeavors to serve his own self-interest and that his self-interested actions are in the first instance generated by appetite and fear. I intend to question Hobbes's doctrine by reinterpreting the State of Nature. The success of my reinterpretation will lend considerable force to the denial of Hobbes's final conclusion, viz., that government ought to be instituted. I intend to give some measure of plausibility to the claim that a State of Nature need not be a state of war, that people in a State of Nature can with reason enter into and perform some kinds of agreements, and that, where some power is required in order to assure performance, such power need be neither absolute nor common over everyone.

I will not deal with context (A) described above nor with

context (B). The attention of this essay shall be directed to (C), which is Hobbes's main contention anyway. I shall argue that it is plausible that persons living under no common power could nevertheless live in peace. There are two ways of showing this: either (1) by citing a historical example of a peaceful anarchic society, or (2) by showing that such a peaceful anarchic society is plausible. I shall not deal with the first possibility, only the second. But the second way itself involves (at least) two alternatives: (i) showing that a peaceful anarchic society could plausibly evolve out of a situation wherein the persons involved are not already in contact with one another (this I shall call the Robinson Crusoe version); (ii) showing that a peaceful anarchic society could evolve out of a situation that is already one of universal, egoistic, unrestrained, and violent competition (this I shall call the Civil War version). Now, just to make the matter even more complex, there are two particularly interesting refinements to each of (i) and (ii), namely: (ia) the Robinson Crusoes have always been isolated, and (ib) the Robinson Crusoes have previously been members of some society or other (perhaps over which there ruled some common power); similarly, there are (iia) the people have always been in this condition, and (iib) the people used to be subjects of (ordered and restrained by) some common Sovereign.

Each of the four variations under (C2) represents a condition without a common power. According to Hobbes, each would either be or else degenerate into a state of universal war. If I can show that at least one of the variations either could be, or else could evolve into, a state of peaceful anarchy, I shall have won my point. In fact, I believe that all four states could either be or evolve into a condition of peaceful anarchy, though only (ib) and (iib) plausibly would. I elect, in this paper, to deal only with the Robinson Crusoe version, and variation (ib) in particular. But a few words can be said about (ia).

(ia) is, by hypothesis, a condition of peaceful anarchy at the outset. Whether war would erupt in such a situation would first of all depend on two things: (1) whether the Crusoes know of one another's existence, and (2) whether and how (either by design or by accident) the various Crusoes come into actual or imminent contact with one another. The sociology of apes might provide clues. Supposing primitive Crusoes to behave much like, say, modern chimpanzees, one would expect them to keep a discrete distance from one another as long as the necessities for their lives—such as food and shelter—were available to each of them in places or territories not already occupied by another. Two

strangers (chimps or Crusoes) might, on meeting, become alarmed and make elaborate and noisy displays. But would this not satisfy conditions of a so-called cold war and therefore count as a condition of war, according to Hobbes (pp. 106-7)? I think not. Should a long series of encounters generate between the "opponents" nothing more than warnings, and, further, should the "opponents" make in advance no *preparations* for possible future encounters, hot or cold, it would be difficult to justify calling that condition one of continual war. At most, I think, the Crusoes might be expected to keep their eyes and ears open for possible dangers, even when there is no present threat. But there is in that no basis for claiming that the Crusoes, during those times, have a reasonable fear of each other, or of anything in particular, any more than there is for saying that under the power of a Sovereign men still have a reasonable fear of each other because the Sovereign's power may not be quick or strong enough to stop *all* aggressive acts. If there is no such reasonable fear, then covenants can be made and kept. (I'm no longer talking about chimps.) And wherever covenants can be made and kept, there is no state of universal war in the sense Hobbes intends.

So much for variation (ia): peaceful anarchy *could* obtain, although I recognize that Crusoes might react differently from their animal cousins: they just might, on meeting, instinctively take to fisticuffs; they might, for all I care, be eager to do battle with anything they happened upon—lions, elephants, volcanoes.

A war of all against all is a type of violent interpersonal action: it is a type of disagreement. In order for there to be disagreements, there must be at least two persons, but there need not be more than two. In order to facilitate analysis of a state of affairs in which universal war is possible, but in which peaceful anarchy could nevertheless be shown to be plausible, I shall first deal with dyadic, or two-person, social interactions. When and if more persons are necessary to create other types of interactions, they shall be introduced. If I may be permitted to coin a phrase, I shall call this type of analysis Crusoe Political Science.³

Beginning, then, with dyadic interactions: Let there be two persons named Crusoe and Caruso, and let them be, either by design or by accident, the sole inhabitants of some inhabitable isle. Let them also be products of some civilization or other, though not necessarily both of the same society. There are a host of incidental details that might also be of some concern. For example, the two persons ought not to have previously known each other. For suppose they are close chums, shipwrecked on some

distant land. This would make for a plausible case for peaceful anarchy, and I should be content to rest my case here, did I not think that Hobbes would cry foul, and rightfully so. For a plausible case for peaceful anarchy, beginning with dyadic interactions, ought to maintain that any (or almost any) two individuals could, plausibly, coexist without war. Crusoe and Caruso, then, must be two typical persons, or two persons, chosen at random from one or two of the societies that have ever existed. No more need be said about them except what might be inferred from the fact that they are experienced in peaceful coexistence (whether under the eye of a Sovereign or not makes no difference). Their having already experienced various cases (and methods) of cooperation takes the place of a great deal of experimentation in attempting to cooperate peacefully, which experimentation they would have had to carry out under the adverse (according to Hobbes) conditions of a State of Nature and the successes of which (according to Hobbes) would have been minimal at best, except by the introduction of some common power. It is taken to be a further plausible inference that, in their own societies, the lives of both Crusoe and Caruso could have been characterized as essentially peaceful and not as essentially hostile.

Now, unless every instance of their experience of successfully peaceful relations had taken place under, and had been thought to be on account of, the immediate control of some common power—an implausible assumption—Crusoe and Caruso would realize that they have little to fear from the other unless some reason be given, such as an overtly threatening act. But it takes only a brief encounter, where neither Crusoe nor Caruso attempts hostilities (even though they might be geared up for defence), in order for each of them to realize that the other had obviously had no intention of attacking. It is against their very habits as socialized beings to be constantly prepared for attack. Not only have they no immediate and identifiable cause for fear,⁴ but they both have reason to expect that they might gain through cooperation. The mere knowledge, if they have it, of the value of the division of labor and the consequent increase in the standard of living it makes possible might be incentive enough to risk an immediate display of peaceful intentions—anything from the show of an open hand to the definite offer of a gift.

Hobbes might suggest that Crusoe would reason: "If I offer peace, I am open to attack. That is a risk I cannot take." But it is implausible to suppose that socialized people would reason in that way. Where they are used to gratuitous politeness—or, at

least, nonaggressiveness—they are bound to reason differently: “Let me see if this fellow wants company.” Not “What harm will he do to me?” but “What help can I induce him to give?”

Let there be but one instance of cooperation, or, even less, let there be but one encounter, howsoever brief, where there is no aggression, and peaceful cooperation will have a foothold. And where cooperation—or even mere nonaggression—has once occurred, there is a tendency in man, having witnessed its benefits, to endeavor a second occurrence, and a third, and a fourth. Each instance is reinforcing, and probably more so at the beginning. But by hypothesis Crusoe and Caruso, having been members of some society, have already experienced cooperation, and so their initial encounter is bound to be something far less than open hostility.

But now let there be a situation wherein both Crusoe and Caruso desire something that they cannot both have: suppose Crusoe has food and Caruso has none. Then, says Hobbes, they become enemies. That, I think, is possible, but generally implausible: Crusoe picks a banana. Here comes Caruso, his stomach aching for nourishment. He sets upon the poor Crusoe with fist and sword (ax, stone), subdues him, and devours the remains of the banana. Bravo Caruso! He is as stupid as he was hungry. Why did he not take the simpler course and pick a banana for himself? Suppose there were no other bananas. Then why did he not eat berries, nuts, coconuts; why did he not kill a small animal? Surely any risk in hunting rabbits, say, is far less than the risk in fighting an equal. But suppose there were no food other than Crusoe's lone banana?

I must call a halt to this. Hobbes and I are discussing a State of Nature, and there is nothing in this concept that requires a state of famine. Suppose, in a commonwealth, the Sovereign has a banana, and no one else has food?

That trivial incidents do not, plausibly, give rise to combat is no trivial matter. For while Crusoe and Caruso might, in the beginning, be unable to agree to lay down all their arms and stand defenceless in face of each other, they might eventually be able to keep such an agreement if they had previously made and kept a long series of less consequential bargains. When a pattern of peaceful coexistence in relatively unimportant affairs has been established, then more risky ventures can, by minimal steps, be approached.

No matter how earnestly they both seek peace, however, there may come a time when, out of ignorance or misunderstanding, or on account of a scarcity in the supply of some important good, a

disagreement arises. What shall they do? If the matter is unimportant, the consequences of a disagreement over it may be unimportant as well. A duel to the death is most unlikely, especially when both Crusoe and Caruso not only have experienced, but also presently desire, the continuation of peace. And if the disagreement is over some vital concern, it is implausible to suppose that both Crusoe and Caruso would immediately take to force of arms. Most likely, all avenues of negotiation and bargaining, especially if they have a foothold in relation to less important matters, would be tried first.

Failing that, war may, of course, break out. But to suppose that the circumstances in which Crusoe and Caruso first find themselves could be characterized as a state of universal war on account of the possibility of unresolved disputes on some important matters, is no more plausible, I think, than to characterize a commonwealth as a state of universal war, inasmuch as civil war is always a possibility. Still, since there do arise possibilities of armed conflict in dyadic interactions, the case for peaceful anarchy would be strengthened if such possibilities could be lessened. This can be done by introducing a third person, whom I shall name Clousseau.

Everything concerning dyadic interactions applies to triadic interactions, but the addition of a third person allows for the evolution of a new phenomenon, one that may be the single most important tool for a peaceful anarchy and one that, paradoxically, Hobbes considers the single most important step toward a commonwealth.

Crusoe and Caruso have a dispute. But instead of instantly engaging in combat, they seek first a peaceful resolution. Any resolution that they actually accept I shall call, following Hobbes, *just* (pp. 124–25). But in the absence of a just resolution, Crusoe and Caruso could, in place of, or in postponement of, combat, seek agreement on a *method* for arriving at a resolution. Any method would do, as long as both Crusoe and Caruso agree to it: a toss of a coin, a trial by strength (which is not the same as armed conflict), or, where a third person is available, the appointing of a judge or arbitrator.

It must be emphasized that in the first instance Crusoe and Caruso may have been attempting to decide which opinion should be the one acted upon—e.g., should Crusoe give up his plan to dam the river in return for Caruso's agreement not to hunt deer on this side of the island? Or should Crusoe build a dam only if Caruso also has access to some of the hydroelectric power

produced?⁵ But if they find no proposition that satisfies them both, they may now seek a means to pick out some proposition that they both must accept, regardless of which proposition it is. In the case of the use of a third person, Crusoe and Caruso are agreed that the opinion of the third person, whatever that judgment might be, shall be accepted. This is to say that they are agreed on who shall have the final say. It is no longer a question of which opinion (regardless of its author) should be acted upon, but rather of which person (regardless of his opinion) they should obey. The advantage of an arbitrator, who shall produce the final opinion, as opposed to other methods, such as trial by ordeal or the toss of a coin, is that even though the final say comes not directly from either Crusoe or Caruso it nevertheless need not be unrelated to arguments each might make in his own behalf. The toss of a coin is entirely unrelated to whatever reasons each person may be able to put forth in defence of his opinion, whereas an arbitrator's final say need not be arbitrary.

Initially, a third person, Clousseau, might be engaged in order to decide only upon whether action should be taken on Crusoe's plan or on Caruso's, no other or intermediate position being allowed. If Clousseau decides that Crusoe is to build no dam and that Caruso is nevertheless to be allowed to hunt deer, then both Crusoe and Caruso may understand that Clousseau's decision shall carry no weight, for it was not one of the alternatives among which he was to choose. But if the use of an arbitrator has become a trusted tool, and if there arose a situation wherein it was thought that some kind of compromise position should be allowed, then the arbitrator might be given more extensive powers.

But in any case, there are two problems as yet unaddressed: (1) Will Crusoe and Caruso, in a State of Nature, be able peacefully to engage the services of Clousseau? (2) What guarantee have they that each would obey the final decision of Clousseau? As to (1), the problem is no more difficult than the problems that Crusoe and Caruso had initially in any sort of peaceful encounter and cooperative action. The discussion of dyadic relations above allowed for the plausibility that Crusoe and Caruso could, with some frequency, coexist without war. A similar dyadic analysis holds between each of Crusoe and Caruso with Clousseau. As for (2), under many circumstances Crusoe and Caruso would be reasonably assured that each would obey the decision of the arbitrator, simply because each by now knows the other well enough (each has had dealings with the other often enough) to be able to understand what the other person is like and is likely to do. Each

has a reputation with the other. Both Crusoe and Caruso have a vested interest in the use of the arbitrator in the first place. To renege on the arrangement on account of, say, an unfavorable decision by Clousseau would be to rip the very fabric of trust woven so far out of their previously peaceful interactions and would be certain to generate some kind of animosity. In addition, humans—especially, perhaps, humans experienced in peaceful social relations—have, to a certain extent, a tendency to calculate the future status of their affairs on the basis of the consequences of their present actions. They are anxious to obtain peace in the first place, not only because it makes life more comfortable now, but also because it tends to reinforce an aptitude for peace later on. “If I break my word now,” Crusoe could reason, “how shall I get Caruso to trust me in the future?” Moreover, Crusoe has a similar incentive to establish a trustworthy reputation with Clousseau as well. And Caruso would reason along the same lines. And so would Clousseau, for he can expect that, in his dealings with Crusoe and Caruso, there may arise the need for arbitration. All three persons, then, have excellent incentives to abide by any agreements entered into.

But such an incentive may not always be enough to outweigh the possible immediate gains to be had by breaking the agreement. Hobbes declares that the natural passions of men drive them to choose the immediate advantages of nonperformance of contract over the long-range benefits of a reputation for honesty. For this reason, according to Hobbes, performance of contract cannot be insured without some common power to impose negative sanctions, the immediate results of which would be less desirable than the immediate benefits to be had by nonperformance. I have, above, disagreed that this will always be the case: men, concerned with their own interests, nevertheless need not be unable to appreciate what lies ahead for them in the long run of their interactions with others; this holds all the more for persons already experienced in peaceful society. But where present incentives for nonperformance might outweigh the appreciated values of honesty—where, that is, the stakes are very high and where a person may be willing to be an outcast for the sake of some present good—there Crusoe and Caruso may be more cautious to devise some method to insure performance. The first such method is an obvious one: a verbal threat. “Just remember,” says Crusoe, “that if you don’t abide by the decision of Clousseau, the stakes of the agreement are high enough so that I will hunt you down wherever you may be.” Caruso responds: “Yeah, and that

goes double for you." In addition, Clousseau would be wise to add force to each threat: "And both of you ought to know that I shall join forces with the injured party."

There is an additional tactic possible, and that is for both Crusoe and Caruso to give some of their power to Clousseau so that Clousseau could, by himself, impose sanctions. But, contrary to Hobbes, this power need not be absolute. If the mere joining of forces of Clousseau and the injured party against the person who breaks the covenant is thought to be an insufficient deterrent to nonperformance, then both Crusoe and Caruso might give up part of their military means to Clousseau: not as much as would make Clousseau more powerful than both of the others combined, but only so much as to make Clousseau somewhat more powerful than each separately and considerably more powerful when joined with one of them than the other would be alone. That both Crusoe and Caruso must retain power enough so that, with forces united, they stand a good chance of subduing Clousseau, is necessary in order for them both to retrieve, where it is possible to do so, any power that was earlier handed over to Clousseau and that Clousseau later refused to return.⁶

Hobbes's suggestion, that people (in this case Crusoe and Caruso) ought to put themselves wholly and permanently at the mercy of a Sovereign (in this case Clousseau), is fabulous. First, it is not necessary in order to create sanctions. And second, if these gentlemen would be willing to take such a risk with Clousseau, why do they not more simply take a similar risk with each other? Why does not Crusoe hand his weapons over to Caruso and say: "Here. You decide. And if I don't obey, kill me"?

The tool of arbitration allows for the making and keeping of risky covenants. Even if the risks were not so high, in a society of only three people, such risks would still be bound to occur in more populated societies where not everyone could establish a reputation for fairness with everyone else and where, as a consequence, people would have to make agreements with strangers. The institution of arbitration could, plausibly, facilitate cooperation, and all the more where there are arbitrators who themselves develop reputations for fairness.

There are other institutions that could, plausibly, evolve, given the beginnings of a peaceful anarchy. These institutions would perhaps be first of all of such a nature as to reduce the occasions on which arbitration would be necessary—they would be protective or preventative. Two such possibilities deserve at least brief notice.

1. In order to prevent harm, the restitution for which might require arbitration, more elaborate *defence services* might evolve. These could include anything from the use of sophisticated locks to the hiring of personal bodyguards. There is some risk in encouraging persons to excel at the art of war so as to be competent protectors, yet such a risk need be no more than, and would probably be far less than, the risk one would incur by following Hobbes's suggestion to put all military power into the hands of a single Sovereign.⁷

2. The considerations that led to the institution of arbitration point toward another institution. Even when dealing with fully reasonable persons, we cannot expect them always to be of the same opinion with regard to particular choices of actions. The judgments of reasonable persons may still differ on account of such things as availability of evidence, theoretical background, unexamined habits, and scales of value. This is more obviously so when circumstances do not permit a thorough discussion of the matter. Whether a particular person should or should not act in a certain manner is a question that may directly concern more than one person, and in such a case diversity of opinion may lead either to coercive interruption if the action is attempted or else to coerced performance if the action is neglected. Where there is a difference of opinions, we are, as a matter of practical action, anxious to find a resolution. Bringing about unanimity, of course, always resolves disputes. Although we may, in moments of optimism, hope that all reasonable minds will, given sufficient time and tools for investigation, tend to reach the same conclusions on a given matter, we can neither assume that such concurrence now exists nor take for granted that it will exist at any particular and practically useful time in the future.

In the absence of concurring opinions, we search for a method for establishing who shall have the final say. In this way we are no longer concerned with which opinion shall prevail, but rather with which person shall have the power of final decision, regardless of what opinion he holds. Now, someone's having the final say in no way settles differences of opinion; it only allows a certain action to be performed even though there remain conflicting judgments. The method of arbitration establishes a final say, but since the use of arbitration on every occasion on which disputes do or may occur would prove to be an unwieldy mechanism for a restlessly productive society, the institution of property rights could be a simplifying alternative. A property right establishes in advance who has the final say concerning the disposition of a certain speci-

fied good or territory, this right being invested in one person, called the owner of that good or territory.

I take the preceding pages to have outlined a plausible alternative to Hobbes's conception of the State of Nature. Whether the same or similar arguments would hold for unsocialized Robinson Crusoes, or for either variation under (ii), the Civil War version, will not, as I warned, be investigated here. There is, however, one more variation under (C2) that I did not mention earlier because it is on the verge of being unfair to what I take to be Hobbes's claim. That variation is this: Suppose a group of persons, all believers in the value and viability of a government-less society, agree to establish a colony somewhere or other (say on another planet). Must their attempt to maintain a peaceful anarchy necessarily fail? I think not. By means of the tools indicated in this essay it is possible, indeed, quite plausible, that they could lead a productive, commodious, and peaceful coexistence without recourse to a common power over them all.⁸ The possibility of war—among themselves—arises most particularly as the colony's founders become more and more of a minority group, i.e., by the addition of immigrants and offspring and by death of the original members. Even supposing such a free society to be successful in achieving a commodious life, new members might very well immigrate because of the good life there, not realizing that life was good *on account of* its being a free society. And persons born into such a community might not be socialized in such a way that the very freedom they have will be recognized by them. It is plausible to suppose, then, not only that they might organize coercive institutions in a misguided attempt to protect the good life they now enjoy, but also that they might later strengthen such institutions in an attempt to undo the harm that, unrecognized by them, had occurred as a result of their original coercive interference.

But it is also plausible to suppose that a free society as imagined above would be conscious of its motive principles, would be acutely aware of and loyal to the ideology that led to the establishment of the colony in the first place, and would be jealous of any attempt to pass off as a defence of that freedom institutions that would rely on coercive interference.⁹ The socialization of new members might take the form of explanation and persuasion by means of education available on a free market and propaganda by deed rather than wall-poster slogans, classroom chants, or presidential promises. It is expected that agreement through understanding generates a more solid defence against misdirection than does conformity through institutionalization.¹⁰

1. All page references to the *Leviathan* are to the Bobbs-Merrill edition (Indianapolis: Liberal Arts Press, 1958).

2. Disarming is not the only object of possible agreements, of course. But it is the paradigm case of the infelicity generated by being double-crossed and emphasizes the importance of the second half of what Hobbes calls the Fundamental Law of Nature: if you cannot attain peace, you ought to "seek all helps and advantages of war" (p. 110).

3. I have not fully coined the phrase. There is in economic science a type of analysis called Crusoe Economics. See Murray N. Rothbard, *Man, Economy, and State* (Princeton, N. J.: D. Van Nostrand, 1962).

4. This is not to say that they will be neither cautious nor on guard.

5. Their technology is somewhat more advanced, let us say, than that of mere brutes scratching for edible roots.

6. If it is possible to measure the power of each person, and if it can be assumed that each person begins with equal power, then Crusoe and Caruso ought to give up to Clousseau no more than one-fourth of their power.

7. For a discussion of the uses of and potential problems with protection services, as opposed to government protection, and for arguments for the desirability of the former over the latter, see especially Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), and John T. Sanders, "The Ethical Argument against Government" (Ph.D. diss., Boston University, 1976).

8. Enthusiastic presentations of the details of the machinery that might be used in such a society can be found in Morris and Linda Tannehill, "The Market for Liberty," in *Society without Government*, by Tannehill and Wollstein (New York: Arno Press and The New York Times, 1972); David Friedman, *The Machinery of Freedom* (New York: Harper & Row, 1973); Murray N. Rothbard, *For a New Liberty* (New York: Macmillan, 1973); and the Nozick and Sanders works already cited.

9. That such a society might be internally unstable in such a way as to evolve peacefully into what could be called a governed society is argued with some force by Nozick. For an interesting rebuttal, see Sanders, chap. 10.

10. I am especially indebted to John T. Sanders and Lawrence Haworth for their many valuable comments on an earlier draft of this paper.

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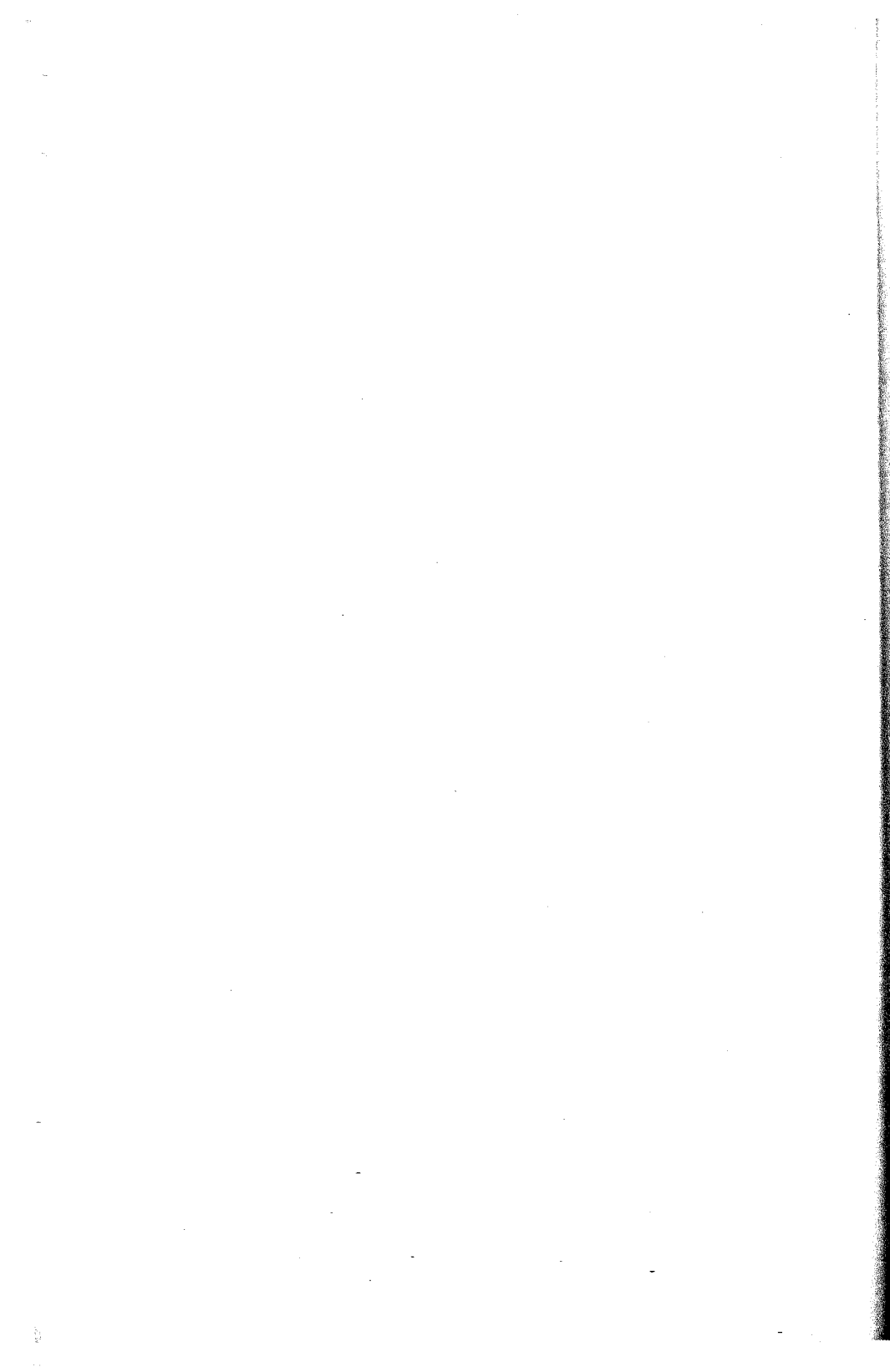
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RATIONALITY: MINIMAL AND MAXIMAL

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CONTEMPORARY philosophy distinguishes two kinds of rationality. The first, *minimal rationality* (MnR), makes us aware of concepts, their implications, and the relationship among concepts. The second, *maximal rationality* (MxR), introduces normative principles to direct the development and sustenance of an internally consistent way of life. A currently popular way of stating this difference is to say that MnR is *descriptive*, while MxR is *evaluative*. MnR requires understanding and awareness in reasoning; MxR draws normative consequences from understanding and awareness.

Classical philosophy upheld MxR. This attitude is found in Aristotle, who laid the groundwork for MnR in his logical investigations but passed into MxR in his metaphysics. Contemporary philosophers, with some exceptions, reject MxR and uphold MnR.

The argument of this paper is that social-contract theorizing, which has been revived by John Rawls's *A Theory of Justice*, equivocates on the kind of rationality employed. It utilizes MnR initially but slips into MxR. Such reasoning is defective because its conclusion contains more than its premises contain. This fault is endemic because social-contract theorizing logically requires the use of MnR, yet MnR is too spare a tool to obtain moral or legal obligation. Consequently, only by introducing ad hoc normative principles can the desired conclusions be drawn.

The body of this paper will be divided into three parts. The first will contain an amplification of minimal rationality (MnR). The second will discuss maximal rationality (MxR) and disclose the proper uses of MnR and MxR in ethical theory. It will be argued that initially ethical inquiry is limited to the use of MnR so that speculations do not *beg the question*. The third part will consider John Rawls's *Theory of Justice* in the light of this distinction. Rawls's argument, it will be suggested, shifts from MnR to MxR when his theory runs into difficulty.

MINIMAL RATIONALITY

Minimal rationality (MnR) is the operation of the mind that

permits people to interact with their environment with understanding. MnR functions observationally and subjectively. There are five ways in which MnR functions observationally (MnR:O):

1. It distinguishes objects in the phenomenal field,
2. It compares and contrasts objects,
3. It perceives relationships between and among objects,
4. It recalls observed relationships,
5. It classifies objects and relationships.

I use the word "object" to refer to both animate and inanimate beings. I infer that observation involves more than receiving sense data. Observation, by distinguishing, comparing, and contrasting among phenomenal objects, interprets and interrelates data. When relationships are noted and classificatory systems are developed, understanding ensues.

The order in which the activities of MnR:O are given does not necessarily describe the order in which they occur in experience. For example, it might be argued that a classificatory system is logically prior to the act of distinguishing objects. The *raison d'être* of this claim is that without classificatory rules, the phenomenal field would be an oppressively complicated maze. This sort of reasoning lies behind much rationalist epistemology. Empiricists, on the other hand, note that knowledge grows as uninterpreted data are arranged *inductively* into classificatory systems.

MnR functions subjectively (MnR:S) in the following ways:

1. It produces awareness of emotional reactions (fear, liking, disliking, anger, etc.) to experience (the products of observation),
2. It distinguishes different emotional reactions (ER),
3. It compares and contrasts ER,
4. It perceives relationships between and among ER,
5. It recalls ER,
6. It classifies ER.

The term "subjectively" is not used as it is in the cognitivist-noncognitivist controversy. If subjectivity characterized rationalizing in this context, the implication of my argument would be that knowledge is private (in some respects) and, hence, noncognitivism (to some degree) true. In MnR:S, the term "subjectively" is used to refer to *inner experience*. I have divided MnR into that which gives us outer experience (MnR:O) and that which gives us inner experience (MnR:S).

In my lexicon, inner experience stands for emotional reactions (ER). It is obvious that one can be aware of nonemotional feelings, e.g., a pressure on part of the body. This sort of inner experience might be said to be a physical action or reaction, depending on whether it is produced in relative isolation from the external phenomenal field (as when blood vessels contract) or as a consequence of interaction with the external phenomenal field (as when a heavy weight is laid on a part of the body). Since value theory lurks behind our investigation, there is no need to discuss this kind of inner experience.

It should be noted that MnR:S (1) involves the person in *awareness*. Unquestionably, people can react emotionally to stimuli (fear, anger, love) without awareness. This sort of experience is not mentioned because it is nonrational.

MnR:S (6)—the classification of ER—should be amplified. People do not simply emote. They become aware of their feelings, apprehend similarities and differences in their feelings, and arrange them into groups. For example, a person might notice that when he is attacked by a large dog and when he takes an examination for which he is unprepared he undergoes comparable stimulation. This leads him to call both instances "fear." He also might notice that his reaction to criticism is not the same as the aforementioned reactions (being what we commonly call "anger"), but that anger, in common with fear, is among the feelings that he classifies as "unpleasant." And if we are not dealing with a masochist or a person in an unusual situation, he might classify these experiences as "undesired."

Classifying ER leads one to arrange feelings into a hierarchy of those that are more or less *desired* and those more or less *undesired*. So, a person might prefer eating large amounts of tasty (to him) food to looking trim and to being healthy. *Ceteris paribus*, he would place eating on a higher plane than appearance or health.

No reference has been made in this discussion to what is desirable or undesirable, i.e., what ought to be desired or ought not to be desired. Philosophers, with the possible exception of orthodox emotivists, agree that *liking* and *disliking* or *desiring* and *undesiring* are not *prima facie* examples of moralizing. In summary, I have talked only about the taxonomy of emotions. Following the received philosophical opinion, I treat moralizing as a logically subsequent activity.

Thus far, I have tried to provide the skeleton of humanness. The flesh of humanness is supplied by normative activity. The question of whether or not MnR logically entails moral judgments has been

avoided. I am asserting that rational activity exists without moralizing. This being so, the inference is made that MnR:O and MnR:S are the *tools* to be used in discovering rational *moral principles*—that is, if *rational* moral principles are realizable.

MINIMAL AND MAXIMAL RATIONALITY

There is another conception of rationality that provides an *ideal* of humanness. Unlike MnR, which takes people as they are, this conception considers people as they can be. In this tradition, Aristotle drew the distinction between *actual* man and *potential* man. Hereafter, *people as they are* will be referred to as Pa and *people as they can be* as Pp—the “a” and “p” standing for actuality and potentiality, respectively.

The noteworthy aspect of the ideal of humanness, Pp, is that it imposes a normative judgment on a description. Descriptions, as Hume has established (Hume’s Law), are value-neutral. It might be that rationality logically *implies* that Pp be realized, but the fulfillment of Pp is not part of a rational *description* of human nature.

This point is important enough to justify amplifying. Hume’s Law (to paraphrase and modify R. M. Hare’s interpretation of Hume) is that descriptions (represented by “is” sentences) do not straightforwardly entail moral judgments (represented by “ought” sentences). Hume’s Law stresses the integrity of descriptive language. It does not, however, straightforwardly prevent descriptions from being used to logically justify normative judgments. As Hume has said, the shift from “is” language to “ought” language is a “new relation” that requires justification. There is no *explicit* statement by Hume suggesting that a subsequent justification is impossible.

My intention in discussing Hume is to uphold his claim concerning the autonomy of descriptive language, without implying that his Law *necessarily* creates an unbridgeable chasm between facts and values.

As a consequence of the foregoing conclusion, Pa is that with which contemporary philosophers must deal. When we talk about rational people, we mean people *as they are*, people capable of MnR, people who can categorize their observations and subjective states. While still satisfying MnR, however, a person may act selfishly, altruistically, honorably, dishonorably, in the same life span. And we know that people who often express MnR creatively may be emotionally immature, behaviorally neurotic, and morally

corrupt. One familiar with the lives of Newton, Rousseau, Beethoven, and Wagner could not doubt this claim.

Pp, the ideal of human nature, requires that human beings fulfill their potential. To achieve this goal, people must act consistently and disinterestedly. I interpret this to mean that Pp entails the use of a *principle of consistency* (PC) and a *principle of disinterestedness* (PD). When these principles operate in human behavior, people act with maximal rationality (MxR).

First, MxR requires that people behave consistently. For example, if a person, A, requires another, B, to pay \$100 owed to him within 30 days because "promises ought to be kept," then the use of this principle requires A to pay \$100 owed to a third person, C, within a specified period of 30 days. It is argued that A must pay or irrationality (not "nonrationality") ensues.¹ The PC operates to direct people along a path to a specified end.² The force of PC is obtained by enjoining whimsical behavior.

Second, a principle of disinterestedness (PD) operates to enforce the widespread opinion of social scientists that all people are *essentially* alike, despite the fact that people are *individually* different, i.e., people vary intellectually and temperamentally. The force of PD is to certify that every person can be substituted for every other person in a rule whose subject is "all people." Exceptions to the rule must be sanctioned by another rule in which every person can be substituted for every other person who meets the special criteria stated in the rule of exception. This follows from the fact that the subject of the exception is "all people." Applying PD to the case under consideration, A, *ceteris paribus*, cannot avoid satisfying his debt to C if he requires B to pay the money that B owes him, A, because "all people should pay their debts." It is argued that, since A is essentially equivalent to B and C, the rules that obligate B and C, obligate A as well. Since A adopts the rules in regard to B and C, he cannot avoid applying the rules to himself for frivolous reasons.

Let me reiterate the points made. As an operation of rationality (MxR), it is (sometimes) said that people (1) must act consistently, i.e., not change the use of rules capriciously, and (2) must treat all persons alike unless a rule of exception is invoked. These are *principles of consistency and disinterestedness* (PC and PD).

The contention of this paper is that the inclusion of PC and PD in rationality can be justified only by normative decisions. And, as has been said, normative decisions are questionable rational tools. Let me discuss this claim initially in relation to PC. I will proceed by showing what sort of consistency satisfies MnR and follow by

giving reasons for believing that PC involves a normative act.

A minimal conception of rationality, i.e., one that is uncontroversial, requires that A, the promisor in our example, understands what promising is and what actions he has to perform to fulfill his promise. Rationality also requires that, *ceteris paribus*, consistency should prevail between our utterances and our feelings. So, if I desire to spend an evening with Alice, it is reasonable for me to ask her to spend the evening with me. If she is married to another, however, it might be reasonable for me to remain silent. A correlation between our language and our feelings is rationally essential because language is a principal public tool by which we satisfy the human desire to communicate and interact with others. We can conclude, then, that rationality requires consistency between our feelings and our verbal expressions so long as the communication of our feelings is desired.

A principle of consistency requires more. It demands that we consistently uphold our intentions; for example, once expressed as part of a contract, an intention must be upheld. Such a requirement clearly goes beyond the consistency required to obtain awareness and understanding. A principle of consistency here is meant to regulate behavior and is a ground of moral and legal censure if violated. "Regulation" entails normative activity. We say, "You promised to pay C the money borrowed from him, you didn't, and you ought to be ashamed of yourself!"

But what is our justification for this enjoinder? That it is irrational to be selfish and capricious? I don't think so. Capricious, inconsistent behavior can be rationally prohibited only if rationality requires that people live harmoniously. But this is a moral opinion that must be separately justified. Furthermore, it is an opinion that has not obtained universal assent among rational, intellectual people.

A principle of consistency cannot be the product of an agreement. Here, I am considering the possibility of the promisors developing ground rules prior to promising. If they agree to keep their promises, the desired principle of consistency does not emerge because the agreement is subject to the *open question*: "Are those who agree obligated to keep their agreement?" Because a principle of consistency overrides any agreement, an infinite regress ensues.

A principle of consistency is logically anterior to agreements and promises because it would be meaningless to ask of someone who has broken a promise, "Did you promise to keep your promise?" Nor could the principle come after an agreement or promise. It would make no sense to add to the assertion, "I

promise to pay you \$100 in 30 days," the statement, "Now let us negotiate about whether I will keep my word or not."

Lastly, it might be maintained that PC is incorporated in the logic of language. I have already agreed that the logic of saying "I promise to pay C \$100 in 30 days" implies that I intend to pay \$100 to C in 30 days, no special circumstances operating. As R. M. Hare has rightly argued, an *intention* to keep a promise establishes a moral obligation. Therefore, it would be irrational for me to intend to pay \$100 to C in 30 days and not intend to keep my promise. This follows from the operation of MnR. But, there is nothing inherently irrational in my saying, "I *intended* to pay C \$100 in 30 days because I desired to do so; now I no longer intend to pay C \$100 in 30 days because my desires have changed." This is not *prima facie* irrational because people who meet a neutral test of rationality often change intentions as their feelings change.

I say that inconsistency of the kind cited, which is really moral inconsistency, is not *prima facie* irrational. The brunt of proof is on the supporters of MxR, since we have a perfectly usable conception of rationality without the inclusion of a principle of consistency. One other point: I am not stating that moral inconsistency is *prima facie* rational; it may be nonrational.

Similar arguments are relevant to a discussion of PD. Such a principle is a more obviously normative principle. Therefore, this aspect of our discussion can be brief. Using the promising case again, rationality requires that A recognize that he is no different from B and C. This is established by MnR:S (6); i.e., A recognizes that he belongs to the same class as B and C without special qualities. The enjoinder against special treatment is justifiable on the moral principle "all people should be treated similarly." But this principle is not logically entailed by the statement "All people are essentially alike." Hume's Law establishes this point.

In the absence of a moral principle being part of rationality, PD is logically independent of acts of promising. A promise establishes a relationship between two or more people. There is no ensuing entailment indicating how the parties to the promise are *generally* to be treated. That is, the promise presupposes nothing more about the people than that they will be related in a specifiable way during the period in which the promise is in effect. In this case, A is enjoined to pay \$100 in 30 days, and C will receive \$100 from A in 30 days. That nothing is said in general about people in promising follows when we consider that unequals, along with equals, are believed to be bound by a promise. So if a nobleman (N), who is entitled to special social and political privileges, promises to pay

\$100 to a lowly serf (S), it is generally thought that N ought to pay \$100 to S. This follows from the moral principle that *all people ought to act disinterestedly when they assess their obligations*. The catch is that the aforementioned moral principle must be rationally justified.

APPLICATIONS

It is necessary to reaffirm the integrity of rationality because a new assault has been made on it by John Rawls in *A Theory of Justice*. He attempts to rationally establish liberal principles of justice on the basis of an agreement or social contract. Because his work is well known, I will only discuss aspects of his theory that relate to the thesis herein expressed. In a hypothetical original position (the place where contractors meet), mutually disinterested persons come together under a veil of ignorance to adopt principles that will guide their future social conduct. Agreement on guiding principles is reached so that an ubiquitous fear of oppression is assuaged. A veil of ignorance limits knowledge of people's social positions, strengths, weaknesses, natural abilities and debilities, conceptions of good, specific psychologies, plans of life, and the present state of society. The settled agreement will produce two principles of justice that will harmonize future social intercourse. The emergent principles guarantee that each person obtains a maximal liberty and social and economic opportunity consonant with maximal liberty and opportunity for others. Distribution of social advantages and disadvantages is made without special privilege or prejudice. As a matter of social fact, presently disadvantaged peoples will obtain social advantages, but this is to equalize their social position with others.

The unusual conditions of the original position are hypothesized so that the agreement is made fairly.³ Rawls believes that these conditions are necessary because people, operating with knowledge and being mutually disinterested, will exploit their own interests. This is the reason the veil of ignorance is used. It is needed to nullify "the effects of specific contingencies which put men at odds and tempt them to exploit social and natural circumstances to their own advantage."⁴

In the original position, people are said to be rational in the ordinary way.

The concept of rationality invoked is the standard one familiar in social theory. Thus in the usual way, a rational person is thought to have a coherent set of preferences between the

options open to him. He ranks these options according to how well they further his purposes; he follows the plan which will satisfy more of his desires rather than less and which has the greater chance of being successfully executed.⁵

Irrespective of the agreement, rationality is employed to develop a "plan of life." Rational people use acquired knowledge to construct means to ends that they desire, identify conflicts between what they desire and their behavior, and recognize conflicting goals. In short, a rational person arranges acquired information into coherent patterns. Ultimately, personal interests are harmonized.

As I hope can be seen, Rawls's rationality corresponds to MnR. What I refer to as the categorization of personal goods, MnR:S (6), Rawls calls "having a coherent set of preferences." I account for the construction of means to ends by MnR:O and MnR:S. People must adequately characterize the environment (MnR:O) and self (MnR:S) so that they can find their interests and devise means to the fulfillment of their interests. This aspect of MnR is also accounted for in the quoted passage from Rawls.

Thus far, I have discussed the skeleton of Rawls's thesis. I have left out many of his conditions, not to transform his argument into straw, but to separate two parts of his thesis that are strained bedfellows. I will enlarge my discussion of Rawls's conditions after the implications of the first part are drawn.

Before I proceed, I want to devote a few words to the meaning of "mutual disinterest." Rawls uses this expression to account for the fact that people do not always harmonize their behavior and, often, go about their pursuits selfishly. It might be inferred that "mutual disinterest" is a euphemism for "self-interest." But Rawls shies away from the stronger expression because he wants to leave the door open for altruistic behavior. While his initial conditions are broad enough to permit altruism (which I will stipulate to mean "helping others for their sake"), the need for a "veil of ignorance" implies that some rational people will be *resolutely selfish*. Resolutely selfish people will place the fulfillment of self-interest first among desires. If there were no resolutely selfish contractors, then there would be no need to hypothesize special circumstances preventing people from abusing their social advantages. People would be advised to act rationally. It can be inferred, then, that Rawls initially postulates both altruistic and selfish contractors.

Let me suggest that, given Rawls's imagined conditions, there is no reason to suspect that rational people (MnR-operating) would be motivated to keep the contract. Since rational people agree

out of fear and at least some rational people are resolutely selfish, these are the only two factors, personal interest and fear, that are relevant to the sustenance of the contract. Since we have no reason to expect human nature to change, it can be stated that at least some rational people will remain resolutely selfish after the agreement is made. While resolute selfishness will be found after the contract is ratified, fear will be dispelled among those rational people who discover, when the veil of ignorance is lifted, that they are socially advantaged. Since there is a high probability that some resolutely selfish people will be socially advantaged, we can infer that their behavior subsequent to the agreement will be motivated by their selfish desires. We would expect these resolutely selfish people to abuse the principles to get more of what they desire at the expense of the disadvantaged. Rationally, they would discover not only that they are advantaged but that a social system permits people to become *entrenched* in social and political advantages. For example, during the devastating American depression of the 1930s, the richest people (the Rockefellers, Vanderbilts, etc.) increased their wealth at a prodigious rate. This being so, once the veil of ignorance is lifted, rational resolutely selfish people will be motivated to lie and cheat and abuse the principles in every way. As Brian Barry expresses this point, if want-regarding people are hypothesized as contractors, then the principles that emerge will be means by which people will achieve their wants.⁶ In so behaving, rationality (MnR) is not violated one whit.

What Rawls needs to force people to uphold their contract are principles of consistency and disinterestedness. PC would require that people keep their promises unless excusing conditions intervene. PD would lead people to treat everyone's interests alike.

Rawls introduces these factors by moving from the original, neutral conception of rationality (MnR) to a morally loaded conception of rationality (MxR). This shift is accomplished (1) by introducing an Aristotelian moral thesis, the thin theory of good, to justify the use of "primary good," and (2) by asserting that people have a "sense of justice."⁷ The thin theory of good provides PC, and a sense of justice obtains PD.

A word on "primary goods": Originally, primary goods are said to be those things that people need so that they can attain their personal goals and live with others in society. Among the primary goods are money, a greater rather than a lesser freedom of movement, etc. The primary goods are not intended to invoke substantive moral principles. They make use of the generally accepted

belief that people and social environments have common features that permit cultural and personal contact. I have no quarrel with this conception of primary goods, but, as shall be seen, Rawls subsequently compromises their moral neutrality.

The Aristotelian moral thesis asserts that people, all things being equal, enjoy exercising their realized capacities, tend toward increasing their capacity or the complexity of the activity, and, consequently, obtain greater enjoyment. Given that this is a generally observed fact about people's motivation and given the ubiquity of social interdependence, there is a tendency for social action to incline in the same direction. To exemplify this thesis, Rawls claims that if people can play chess and checkers, the former being a more complicated game than the latter, people would prefer playing chess.

As I have said, Rawls uses the Aristotelian principle to support primary goods—and, most importantly, to give first place among the primary goods to “self-respect.”

But by assuming the [Aristotelian] principle we seem able to account for what things are recognized as good for human beings taking them as they are. Moreover, since this principle ties in with the primary good of self-respect, it turns out to have a central position in the moral psychology underlying justice as fairness.⁸

The dubiousness of Rawls's maneuver is clear. Rawls recognizes that many people as they are do not seek mastery of complex skills or obtain greater enjoyment by engaging in complicated activities. Some people are content to play checkers even if they can play chess. And others are content to play chess badly. Still others would sell their souls for a piece of bread, as Dostoevski's Grand Inquisitor noted long ago. Since people act in these undesired ways, rationality performs the job of leading people to realize that they *ought to* strive for greater mastery of skills and to value more complex activities. Rawls must be implying that these goals are not discovered ordinarily because people *stop* reasoning before they apprehend the *termini* of their activity. It is to obtain this end that Aristotelian teleology is employed.

It is obvious that Aristotelian teleology is not invoked to urge people to prefer chess to checkers or even Bach to Bacharach. The terminus that Rawls is concerned with is the primary good of self-respect. Self-respect is desired because it enjoins the contention that we anticipated to be the consequence of the agreement. Self-respect serves to uphold the agreement by making

virtues of steadfastness and honesty and by eschewing capriciousness and duplicity.

For rationality to achieve this end, PC must be employed so that people persevere in their reasoning until they discover that they really value self-respect. It overcomes the observable tendency of people to reason (and to act, as a consequence of their thinking) whimsically. It prevents people from excusing their inconsistent behavior by saying, "I choose to think no more about the problem; I am content to act as I do because my actions are based on my thoughts at the moment." Such language is echoed in the great Rousseau's *Confessions*. He explained the paradoxes that plagued his readers with the comment that he said what he felt at the moment but that he could not expect his feelings to remain the same for very long.

So PC operates to assure the discovery of self-respect by overcoming the tendency of people to think capriciously as their moods vary. Once self-respect is valued, people are led to uphold the agreement. The rationality entailed herein is MxR, for it goes beyond people as they are to people as they ought to be.

Let us now turn to Rawls's use of a "sense of justice." First, let me amplify the conception. Having a "sense of justice" implies that rational people will discover that they care not only about the attainment of their own goals but about the attainment of other people's goals. They will desire not only that they maximize their capabilities and enjoyments (the Aristotelian principle) and achieve self-respect but that other people maximize their capabilities and enjoyments and achieve self-respect. This is altruism engendered for its own sake. Here, we have the introduction of a *principle of disinterestedness*.

As pointed out earlier, Rawls's conditions imply that some people are resolutely selfish. By definition, to say that people are resolutely selfish is to say that these people are incapable of selflessness (unless selflessness is a means to a selfish end). It is also true, on Rawls's definition of a "sense of justice" that a sense of justice is a sufficient condition of selflessness (selflessness for the sake of the other person). Therefore the initial conditions, supposing that some rational people are resolutely selfish, rule out the possibility of all people having a sense of justice.

The means by which the transformation from selfishness to selflessness takes place is that rationality uncovers altruistic potential. Rawls cannot be making an observational claim, because the weight of empirical evidence indicates that highly informed people are often resolutely selfish. (The expression "highly

informed," rather than "fully informed," is used because we experience the former, not the latter.)⁹ This being the case, the implication must be that rational people will discover that their selfish feelings *should* be rooted out. A value judgment is introduced, because rational people will not cease feeling selfish; they would have to conclude that their selfish feelings should be overcome. In other words, instead of merely categorizing attitudes, Rawls must be saying that rational people make only certain attitudinal choices. In consequence, people are taken ideally.

One of the lasting impressions I have of Rawls's use of rationality is that PC and PD serve the same purposes that natural law did for early contract theorists like Hobbes. Hobbes realized that self-interested people might continue to clash unless some rule of law assures adherence to the agreement. Natural law guarantees the agreement. Since contemporary philosophers doubt the existence of natural law, arguments like Rawls's must be more circum-spect. It is no accident that Rawls gradually abandoned the Hobbesian bias in the first expression of his thesis (the essay "Justice as Fairness") in favor of a Kantian turn. In his early work, he tried to do with self-interest and rationality unaided by natural law. This effort ran against the familiar argument that it is sometimes in a person's rational self-interest to abuse others. Something more is supplied by the Aristotelian principle, the inclusion and priority of self-respect among the primary goods, and the sense of justice.

In closing, I might ask, If rationality discloses the aforementioned factors, why invoke a social contract? Why not simply say, rationality requires that people treat each other fairly, distribute social inequalities so that the least-advantaged people be benefited, etc.? The social-contract mechanism has intrinsic problems that render it dubious regardless of the theoretic framework in which it is used. For example, the assertion that the social-contract mechanism is a hypothetical device requires that its hypothetical nature and heuristic value be amplified and justified. Few contract theorists go beyond asserting that the mechanism is hypothetical. It seems to me that, since Rawls's thesis must eventually use MxR, he has doubled his difficulties by invoking a social-contract mechanism.

A final note: Throughout this paper, I have tried to be coldly critical. My own substantive moral theory has been suppressed. In fact, I find Rawls's principles of justice very attractive. But the settlement of these or similar principles of justice must wait for a justification of maximal rationality. That justification must be

elaborate and complex, because it involves rejecting a philosophical movement that has gained momentum since David Hume's ethical writings. In the process of reconsideration, the insights of that movement should be retained. Finally, I believe that the defense of maximal rationality as the guarantor of a set of principles of justice must be straightforward. An elliptical or indirect method of justification will not work, because some but not all of the basic axioms of the Humean-empiricist ethical tradition must be replaced. A kind of Hegelian process is at work here. Moral absolutism (thesis) was replaced by radical moral relativism (antithesis) in the early through mid-twentieth century. The radical moral relativism that culminated in the emotive theory was said to be the working out of Hume's moral theory. I believe, like many others, that this claim is false. Now, we are gradually working toward a new paradigm (synthesis). Besides containing faults, it is clear that Rawls's *Theory of Justice* has many insights and brilliantly constructed arguments. His greatest contribution to philosophy may be that he has revitalized normative ethics.

1. I use the term, "nonrationality" rather than "irrationality" to render my statement philosophically neutral. I define "nonrationality" as (1) behavior that cannot be rational or (2) behavior about which its rational possibilities are undetermined.

2. R. M. Hare has made a well-known argument along these lines. While I will not discuss his work hereafter, it can be seen that his reasoning is guilty of the flaw (if I am right, that there is a flaw) that I will attribute to John Rawls's theory of justice in section 3. It has been noted by a number of commentators (Brian Barry, for example), as well as Hare himself, that there is a family resemblance between Rawls's theory and Hare's theory. It is obvious that I endorse this claim.

3. To assure fairness already begs the question. The fundamental philosophical question is: Given human nature, can principles of fairness be generated?

4. John Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, Belknap Press, 1971), p. 136.

5. *Ibid.*, p. 143.

6. Brian Barry, *The Liberal Theory of Justice* (Oxford: Clarendon Press, 1973), pp. 23-24.

7. Rawls, pp. 426-29.

8. Rawls, p. 433.

9. We might discover that rational people are altruistic. This would mean that the evidence thus far obtained is misleading. While a surprising shift in evidence is possible, we have no reason to expect it. Therefore, we are better off treating some men as immanently selfish.

THE STUDY OF NATIONALISM: A METHODOLOGICAL INQUIRY

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THESE have been few subjects in politics and sociology to which so much time, paper, and verbiage have been devoted as nationalism. Although the varieties of interpretation seem endless, they can easily be divided into two opposing camps, henceforth called objectivist (or structuralist) and subjectivist. These distinctions roughly correspond to the two disciplines of sociology and history, but this is more accidental and unfortunate than inherent in the nature of the disciplines themselves. Unfortunate, because most sociological analysis has, hitherto, been afflicted by the "scientistic" disease, which holds that the only type of valid explanation is one that refers to general laws.¹ Thus it has been left to historiography—and not all historiography at that—to provide a nondeterministic, nonstructuralist account of nationalism. This is not to say that sociology is inherently incapable of analysing that doctrine, but until it rids itself of the misapprehension that human phenomena can be treated in the same mechanistic and quantifiable way as inanimate objects, it will never succeed in recovering the wellsprings of human behaviour.

In this paper I will discuss three accounts that have been offered as explanations of nationalism: Ernest Gellner's *Thought and Change*, which contains a chapter on the subject; Elie Kedourie's *Nationalism*; and volume one of J. R. Levenson's *Confucian China and its Modern Fate*.² These works are representative of three types of explanation of human phenomena, which I call structuralism, idealism, and intellectual history. By comparing them, I hope to make apparent the defects of, on the one hand, explanations that are methodologically holistic, ignoring the primary existence of acting individuals who are independent centres of consciousness; and, on the other hand, explanations that are methodologically idealistic, that, while taking human consciousness as their primary datum, consider thought as abstracted from both its object (the world) and its purpose (action to change that world). This

essay is, therefore, a qualified defence of intellectual history against the claims of sociology—qualified, because I will stress throughout the danger of considering ideas in isolation from their context; indeed, such an enterprise would not be intellectual *history* at all but an exercise in conceptual analysis. My comments on the general approach of an author should not be taken as approval or disapproval of that author's actual conclusions. In this essay I am concerned only with the *manner* of attacking the problem and not with the account's substance.

A subjectivist interpretation is so-called, not because it is arbitrary or relativist, but because it focuses on the "knowing subject" as the "causal" force in history. As Dilthey was eager to point out, the difference between the human and the physical sciences is not so much one of methodology but of subject matter. Both aim at "objectivity" in the sense of *truth*, but that aim is far more difficult to achieve in the contingent human world than it is in the determined physical world. The subject matter of the human "sciences" is *man*. Therefore it is *subjectivist* in its approach. For the historian, subjectivism does not mean that he must analyse the psychic makeup of his actors, despite Collingwood's doctrine of "self-knowledge of mind."³ It means merely that he should place primary emphasis on the revealed thoughts and actions of people in given historical situations—not empathetic identification, which implies that if we cannot "become" a Hitler or a Stalin we can never hope to understand them, but a close analysis of the perceptions, world views, ideologies, philosophies, and problems of the actors in question. The premise that underlies such an injunction is, in Gordon Leff's words,

individuals as the irreducible units of history . . . the agents of their own creations even if not of the circumstances which occasioned them.

It follows that

since individuals acting upon one another are the irreducible unit of history, its study can never go beyond their individuality.⁴

Thus all good history is, to a certain extent, "idealist," because all human beings are continually exercising judgment and choice in even the most mundane activities: "there has to be a new volition each time habit is translated into act."⁵ The acts of choosing and judging involve a process of evaluation, so that the more significant a historical event, the more important are the values, ideas, and ideologies that must be assumed to motivate the actors. For

the historian, then, beliefs are as much historical data as are "brute facts." Moreover, this idealism should not be interpreted as merely the history of abstract theory. People think and act in response to specific situations, and it is the recovery of the context, and hence of the *problems* facing historical actors, that the historian should be interested in. As Collingwood points out in his *Autobiography*, we do not think in simple, unprovoked propositions, but in response to specific problems to which our theories are answers.⁶ To return to Leff's formulation of the issue, in human action there exists a "dialectic between what happens in men's minds and what happens outside them, between what was the case and what men took it to be."⁷

Because the historian's primary datum is the acting individual, contingency must be the guiding principle of his explanation. Given a certain situation, there is never a definite course of action that *must* be taken, but as many alternatives as there are actors pursuing different ends and as few alternatives as the nature of the situation allows. The context may provide a *necessary* cause, but it can never be *sufficient*. The individual as a responsible agent is his own "cause" and as such is not reducible to another determining force.

In what ways do these generalities about historical explanation affect our discussion of nationalism? It is because so much analysis of this ideology has been nonindividualistic and deterministic that the foregoing clarification was necessary. The study of an ideology is surely the province of the intellectual historian, not the social scientist. Indeed, sociology has much to offer to the analysis of nationalism, but it can never tell the whole story because it is forced to remain on the level of supraindividual generalities that, as we shall see, are never sufficient to explain that doctrine. Only intellectual history is able to treat nationalism as a *human* event—as volitional, contingent, and hence an individual phenomenon. Only intellectual history deals with those "causal" factors that make nationalism what it distinctively is. As Raymond Aron has pointed out, to consider an event historically is to admit the possibility that it need not have occurred and, at the very least, need not have occurred at the time it did.⁸ Contingency is the first principle of human events, as determinism is the first principle of physical events.

Keeping this in mind, we can, first, look at Ernest Gellner's treatment of nationalism. His analysis hinges on the two anthropological concepts of structure and culture. A society ordered on

a structural basis is held together by mutually dependent roles, each involving a different function. The individual is completely sunk in the "niche" into which he is born, and his behaviour follows certain traditional and circumscribed lines. A society held together by a culture is based, not on the reciprocity of objective needs, but on a perceived similarity of habits and beliefs in the community. In contrast to the structured society, the cultural community is socially mobile, the individual possessing no fixed identity and following no fixed patterns of behaviour. Thus, such an individual faces problems of social communication. In a structured society his relations with others are predetermined by custom, and a shared language is not necessary in order that two people understand each other. All they need know is each other's role. Hence in feudal England a lord speaking only Norman French and a peasant speaking only Anglo-Saxon could live together in complete mutual understanding. When such a rigid structure breaks down, so does social communication. A *cultural* identity is now needed to hold isolated and mobile individuals together—a common language to replace the speechless communication of a structured society. This, argues Gellner, is the negative reason for the nation-state. Modern society is a cultural community demanding a new cultural identity to replace its lost mechanical structure (Gellner seems to have in mind Durkheim's distinction between "mechanical" and "organic" solidarity). But, as Gellner recognizes, this explanation begs the question—Why the *nation-state*? Why not some other type of cultural unit, say one founded on a religious identity? Gellner's answer is his "positive" explanation for nationalism.

Cultural unity, he argues, presupposes universal literacy, which can only be achieved in a social unit of a certain size—a unit capable of supporting an educational system. Hence, through sheer utilitarian *necessity*, the administrative unit and the linguistic community coincide in the nation-state. The raising of vernaculars into languages of literacy both brings into being an expanded clerical class and at the same time limits its horizons. In medieval times, the tiny clerical class could range across vast territories because there were universal languages of literacy—Latin and Arabic. But, paradoxically, universal literacy necessarily involves linguistic parochialism. Latin and Arabic have been supplanted by a myriad of new "national" languages raised from the vernacular. Thus, we have the reverse situation of that which existed in the Middle Ages—a vastly expanded literate class of persons who cannot communicate beyond their political units.

Hence the need for the nation-state: not only does it provide the means by which people can *become* literate; it also provides the boundaries within which they can *exercise* their literacy.

Gellner gives one more reason why the modern nation-state has come into being. Industrialism, he argues, has distributed its benefits unevenly, and where the underprivileged strata in a modernizing society are culturally differentiated from the rest, they raise themselves to a revolutionary consciousness by a new sense of national identity. After a war of national self-determination, they form themselves into a nation-state.

The first objection to this theory seems to scream from the narrative. For Gellner is giving an account of the rise of *nationalities*, not *nationalism*. What is the difference between the two? Nationality is an "objective" measurable datum, in the sense that it is the *fact* of belonging to what is (subjectively) defined to be a nation. Although there can be endless debate over the content of that mental construct "nation," there can be no debate over whether you are a citizen of a nation-state: it is an objective *social fact*, albeit mind-dependent. That is the paradox of social facts, which distinguishes them from natural "brute" facts: social facts are Janus-faced in that they are entirely dependent on shared meanings, yet at the same time they have a concrete existence. One need not subscribe to the idea of nationalism, but it is difficult today to escape citizenship in a nation-state. Thus, all social facts, though *facts*, are epiphenomenal to something more fundamental that gives them their factual status. Nationality, as a social formation, is brought into being by certain beliefs: the fact of nationality is dependent on the ideology called nationalism.

Thus, Gellner's analysis, by ignoring the mental activity behind the creation of a social fact, skims over the surface of the whole phenomenon. Despite his stated belief that "nationalism" (by which he appears to mean *nationality*) is contingent, he never leaves the realm of general and necessary forces. Gellner does not successfully explain why, given the loss of structural unity, uneven industrialization, and universal literacy, that nationalism rather than other possible alternatives should have given expression to these social problems. The fact that most modern states are founded on the principle of nationality reflects the history of an idea—nationalism. It is conceivable that with the gradual collapse of the *ancien regime* another unifying principle could have arisen to forge people into new political units. The rise of nationalism as a principle of political organization is, therefore, wholly contingent, even if the *need* for a new political unit of *some sort* is objective and necessary.

There is no possible structuralist explanation of why, given a certain objective situation, some people choose one course of action, and other people choose another. Ultimately, individual difference is a given, and in explaining a social fact we must recover not only general qualitative and quantitative changes in society "as a whole" but also recover the different reactions people have had to the same circumstance.

Professor Kedourie's work on nationalism is a striking contrast to Gellner's. For here we have an account of the rise of the nation-state via an account of the rise of nationalism as an ideology. Kedourie's *Nationalism* is a history of political thought. Its unstated premise is "idealism": not the epistemological theory that the world we perceive is our own creation, but the theory of action that has as its first principle the premise that human events can be explained only by reference to human beliefs.

Thus, Kedourie at no time attempts to show that nationalism is the necessary effect of a cause—unless by "cause" and "effect" we mean "thought" and "action." To call an idea a cause is contentious, however, given the common philosophical usage of these terms, whereby only objective, measurable "things" can be causes; and to dispute this would be outside the scope of this essay.⁹

Although Kedourie treats the rise of nationalism as the history of an idea, his idealism, because it is idealism, still does not avoid the pitfall of determinism, this time of a *logical* or *conceptual* variety. It is true that he stresses that the historical relationship between liberalism and nationalism was contingent, stemming from a perceived common enemy, and not logical, stemming from a necessary identity of ideas. But the bulk of his analysis seems to be more of an extrapolation of the *necessary* connection between, rather than the historical sequence of, ideas. Of course, logical and circumstantial connections frequently coincide in practice, but this is not always the case, and a logical congruence should not be mistaken for a historical sequence of events. Take, for instance, the historical connection between nationalism and liberalism.¹⁰ Two sorts of idealist explanation are possible here. First, we could argue (as Kedourie, in fact, does not) that nationalists and liberals *had* to associate, given the natures of their respective ideologies. But this would be very difficult to demonstrate, and even if such an explanation could make its point plausibly, it still could not provide a *historical* explanation of what people actually did and why they did it. How many political alliances have been of expediency rather than ideology? Second, we could provide an alternative

argument that is no less idealist than the first, by showing the beliefs and perceptions that men actually held, however illogical they seem in retrospect. For no matter how irrational an idea, as long as it is accepted, it can still provide a powerful motive for action. The nineteenth-century liberals saw nationalism challenging the *ancien regime*, and they immediately perceived a common cause. In fact, as Acton realized, nationalism and liberalism had and have nothing in common beyond a historical common enemy. One cannot even argue that they share a general common enemy. The actors in history are not omniscient; they act according to their beliefs, but these beliefs are so often contradictory and absurd. Naturally, it is a worthwhile enterprise to analyse the logical connections between ideas. In so doing, we are grouping theories into more general *archetypes*, and this can only enrich our understanding of their *timeless* aspect. But in writing the history of an ideology such as nationalism, we are not seeking this sort of understanding. We are not philosophers contemplating ideas in their perfection, but historians tracing the influence of ideas in their perversion.

Keeping these points in mind, we must ask of Kedourie's explanation: Is it really appropriate to leap from the abstract philosophy of Kant and Fichte to the terrorism of the Balkan insurrectionists or the twentieth-century African nationalists? The connection is conceptual rather than historical. How many Africans are acquainted with the problems and preoccupations of nineteenth-century German philosophy? The history of German nationalism is a different story. Most German intellectuals would have been familiar at least with the rudiments of the philosophies of Kant and Fichte, and no doubt—*but through no inexorable necessity*—these philosophies made their impact on the actions of the German nationalists. This is not to say that a conceptual identification of, for instance, Middle-Eastern terrorism and German thought in terms of a *zeitgeist* or *weltanschauung* is not valuable. Indeed, I believe it to be of primary importance. But the *historical* sequence of events may not follow conceptual necessity.

Thus, Kedourie's account suffers not only from "conceptual determinism" but from considering German nationalism as the historical mainspring of all nationalisms. The ideological identity may be there—indeed, German nationalism may be justifiably understood as the ideal type of nationalism as such—but the historical sequence of events is far more tenuous. Kedourie's idealism is too rarefied to present a historical account: it lacks that close analysis of actual motivation (apart from his general theory about

alienated intellectuals) that would place ideas in the context of concrete human situations—Leff's "dialectic" between mind and circumstance. This dialectic poses a specific question to the actor, to be answered by a theory, specific or general. (I disagree with Collingwood's statement that a specific question demands an equally specific answer, a position taken up by Quentin Skinner in his essay "Meaning and Understanding in the History of Ideas."¹¹ There is, to my mind, no reason why we cannot derive from particulars valid general propositions rather than—as Skinner believes—mere illusions of universality.) Drawing from both Leff and Collingwood, we can see that concrete circumstances intimate the questions that the mind answers and, as I have already stressed, the mind in turn re-creates the human aspects of these circumstances. In discussing the rise of nationalism as an ideology, we cannot afford to ignore the specific problems and questions to which nationalism provided an answer. To elucidate philosophical problems such as that of self-identity, is not enough for intellectual history. Such problems are expressed in the form of simple propositions, not as a dialectic of question and answer in which the question is not an abstract proposition (as in the Socratic question, What is the nature of . . . ?) but a concrete situation.

For example, the immediate concrete problem facing nineteenth-century thinkers could have been as follows: To what or whom do I owe allegiance and obligation now that the *ancien regime* has proved itself incapable of commanding authority? This specific question could then have been expanded into a general philosophical problem, to which thinkers like Kant and Fichte tried to provide an answer: What is the nature of self-identity? Here the relevance of philosophy is not lost, but the contemplation of abstractions is made part of the individual's interaction with the world. The vocabulary of the argument might belong to traditional philosophical problems, but the impetus to deal with these questions must come from, in Marx's terminology, the human "life process." It is perhaps because Kedourie is a conservative that he prefers to minimise the reciprocal relationship between thought and action.

An intellectual historian who provides a genuinely historical account of a nationalism is J. R. Levenson. In his treatment of the history of an idea, Levenson shows how contemporary problems might be expressed in abstract terms, whilst their inspiration lies in the concrete social life of the times. Thus, the pervasive traditionalism of all schools of Chinese philosophy prior to the

nineteenth century parallels the stability of Chinese society: the lack of social change limited the scope of intellectual alternatives by presenting a circumscribed range of problems. There is no smoke without fire; likewise, at a certain level of specificity ideas provide answers to problems thrown up by particular circumstances. (I am not, of course, arguing that ideas have no universal application and validity but are rooted in time and place. A range of specific problems can be encompassed by a single abstract theory: indeed, the worth of a theory lies in its "timelessness"—its ability to deal successfully with the various problems of different ages and cultures and, moreover, to unite them into a single framework and perspective. Rather, I am arguing that particular ideas are generated by the "human condition" and would not take on their peculiar characters if that condition were other than what it is or had evolved in a different direction. For instance, the theory of libertarianism would not exist in a world without any form of coercion or the possibility of coercion; more specifically, it could not exist without man's *experience* over thousands of years, of each *individual* abuse, injustice, and misery caused by collectivism and statism in all their historical forms.) According to Levenson, genuine intellectual radicalism only arose when a break in continuity faced the Chinese way of life. With social upheaval, disputes over orthodoxy gave way to fundamental dispute between traditionalists and modernists.

Levenson's study of Chinese nationalism fits into this story of continuity and change in Chinese history. His aim is to portray the interaction between intellectual change and changes in the Chinese way of life, thus showing how new circumstances posed new intellectual alternatives—alternatives whose nature transformed the meaning of the answers that traditional philosophy had provided. It was a case of new wine in old bottles. The "vocabulary" remained the same, but the "language," the *significance* to the actors, was transformed. An idea considered as an answer rather than as a proposition will be understood in terms of its relation to events. As a proposition, it will remain a static self-identity without a history, extracted from the dialogue in which it belongs.

The virtue of Levenson's account lies in the way he relates intellectual change to social change, without falling into a determinism, a "sociology of knowledge." For Levenson, thought is not epiphenomenal to some reified social force, in which individuals do not act but merely react, but part of a reciprocal relationship between thought and positive action, between man and his world. We are reminded here of Leff's comment that all acts, even the

most passive, are preceded by a volition, and also of Ludwig von Mises's incisive words in *Theory and History*:

to do nothing and to be idle are also action, they too determine the course of events. Wherever the conditions of human interference are present, man acts whether he interferes or refrains from interfering. He who endures what he could change acts no less than he who interferes in order to attain another result. . . . Action is not only doing but no less omitting to do what possibly could be done.¹²

Ultimately, argues Levenson, all human phenomena are dependent on the conscious will, and thus even "the blind plodding in the footsteps of the past" is an answer to the eternal question "true or false?"¹³ The existence of doubt is the precondition for *any* assertion. Thus, thinking is not only part of a "dialectic" with the external world but also a dialogue between alternative ways of viewing that world. Here we have both contextualism and contingency: contextualism without determinism and contingency without excessive abstraction. And, as we have already seen, the circle is closed by understanding intellectual alternatives as inspired by happenings in "real life." The dialectic and the dialogue are two aspects of the same thought-circumstance relationship. In this way Levenson's "idealism" avoids excessive abstraction. In his own words, he is concerned, not with "thought" in the abstract, but with the process of "men thinking" in relation to the world.

Levenson's account of Chinese nationalism follows three main themes: the changing social world, the changing intellectual problems, and the continuity with the past of the vocabulary in which new answers to these problems were couched.

The nineteenth century was an apocalyptic time for China. Western science and technology confronted traditional Chinese culture, with its conservative respect for textual learning and the wisdom of the ancients. This was the situation that provided the climate for nineteenth-century Chinese philosophy. It raised an intellectual problem that never before had faced the Chinese. Before the nineteenth century, philosophical dispute was largely over which school was "true" to the ancient learning. But with the intrusion of Western civilization, generating an awareness of a viable world outside Chinese culture, the intellectual alternatives changed. The Chinese intellectual was now faced, not with various interpretations of the classical texts, but with Chinese culture as a whole contrasted with the Western way of life. This, then, was

the problem—a new set of alternatives that annihilated the relevance of the old disputes between the various schools. The Chinese intellectual in the nineteenth century, argues Levenson, was torn between an emotional attachment to Chinese culture and an appreciation of the utility of Western technology.

Nationalism was one answer to this problem, an answer that, according to Levenson, effected a complete break with the past—a break, that is, in the continuity of the Chinese outlook, but not in the vocabulary used. The nationalist argument was couched in terms handed down from antiquity. It was an example of what Levenson calls “transformation-with-preservation.”¹⁴ Although the outlook had changed, the conceptual framework remained the same:

And that is how the old order changed, with an old cloak for the new content, the antiquity of the alternatives covering the newness of the choice. . . . Chinese tradition was challenged; but the logic of the battle was a rigorous logic in the traditional Chinese terms.¹⁵

The nationalist answer to China's problems thus cannot be understood without reference to traditional Chinese philosophy.

Traditional attachment to China had been oriented toward things Chinese—to culture. This attitude is expressed in the traditional Chinese term for their country: *t'ien-hsia*, meaning “the world,” i.e., the world of Chinese culture and values. The traditional contrast to *t'ien-hsia* was *kuo*, which meant, simply, a local political unit among other such political units. *T'ien-hsia* was the regime of value and hence universal in scope (accordingly, Confucian China was “the world”), whilst *kuo* was the regime of power, whose “value” was only relative to the brute force of other such *kuo*.

Having stated this traditional dichotomy, Levenson proceeds to describe the process of metamorphosis by which it was possible for these ideas to emerge into the nineteenth century and meet the new problems facing Chinese philosophy. One such change was the association of *kuo* with free inquiry. The regime of value, *t'ien-hsia*, was based on the absolutism of certain virtues—an absolutism that, it was believed, was not maintained by brute force but by a spontaneous social order. This is why *kuo* represented both skepticism and the regime of power. For, to the Confucian mind, in a community where disbelief was rife, only force could provide social order. Thus in the concept of *kuo*, free inquiry was equated with servility.

By the nineteenth century, Chinese intellectuals were still concerned with the traditional Chinese preoccupation with keeping China, as a distinct entity, intact. In the past this had been achieved by stressing the eternal value of Chinese culture. But now, confronted by Western technology, many intellectuals began to doubt the value of China as *t'ien-hsia*. So how could they accept Western culture without rejecting China? The answer was nationalism. Forget China's identity as a culture, the nationalists argued; in future China must preserve herself as a *kuo*—as a political power amongst other political powers, her superiority residing in her strength, not in her virtues. The fact that *kuo* had come to be associated with free inquiry smoothed the path to transformation. For now values were irrelevant to Chinese identity, and a person could be loyal to China without being a good Confucian. All that was required was a commitment to China's status as a nation-state. She was no longer to be "the world," but a competitor *in* the world.

From this discussion of the work of Gellner, Kedourie, and Levenson, we can now derive some guidelines for the future study of such ideologies as nationalism. Gellner gives an account of the rise of the nation-state without discussing nationalism as an ideology; in other words, he attempts to explain a social fact without reference to the *beliefs* from which all such facts derive their existence. Kedourie discusses the development of nationalist *ideas* but omits the close analysis of the social and economic background—for example, the means employed in a society for accumulating wealth, "classes," their interests, aims, motivations, and mores—which would provide a (praxeologically) intelligible context against which the ideology could be viewed. Man always acts to achieve ends—his ideas and beliefs are not conceived in a vacuum but serve a purpose, whether material or "spiritual." We can understand an ideology, therefore, only in terms of what it is designed to achieve, and this information can only be provided by a study of the specific circumstances that accompanied the development of that ideology. Mises has pointed out that man acts only because he experiences a feeling of unease.¹⁶ This dissatisfaction is experienced, as we have seen, as a problem (frequently expressed in abstract terms), and an ideology is an attempt to solve that problem via a "plan of action." An ideology should be understood, therefore, not as an abstract proposition, but as a *plan of action in response* to a situation that is perceived by some members of society to be, in some respect, unsatisfactory.¹⁷

In Levenson's account of nationalism we can see the dialectic between thought and the world at work. The nature of traditional Chinese alternatives changes with the problems it faces. The result is an answer, nationalism, that employs old dichotomies to articulate new solutions: "plus ça change, plus c'est la même chose." Here we have an authentic history of an idea that is "idealist" without being abstract and is contextual without being determinist. Contingency is the hallmark of the development of Chinese nationalism as Levenson describes it. It is the history of individuals reflecting on, and judging, the situations that confront them; a history of individuals *moulding* traditional terms to fit their own frame of reference, rather than passively receiving them;¹⁸ it is a history, not of supra-individual forces, as in Gellner, nor of abstract ideas, as in Kedourie, but of *human action*.

1. See Heinrich Rickert, *Science and History: A Critique of Positivist Epistemology* (Princeton, N. J.: D. Van Nostrand, 1962); F. A. Hayek, *The Counter-Revolution of Science: Studies in the Abuse of Reason* (Glencoe, Ill.: Free Press, 1952); and Murray N. Rothbard, "The Mantle of Science," in *Scientism and Values*, ed. H. S. Schoeck and J. W. Wiggins (Princeton, N. J.: D. VanNostrand, 1960).

2. Gellner, *Thought and Change* (London: Weidenfeld & Nicolson, 1964), pp. 147ff.; Kedourie, *Nationalism* (London: Hutchinson, 1974); Levenson, *Confucian China and Its Modern Fate*, vol. 1 (London: Routledge & Kegan Paul, 1965).

3. R. G. Collingwood, *An Autobiography* (Oxford: Oxford University Press, 1970), pp. 107ff.

4. Leff, *History and Social Theory* (London: Merlin Press, 1969), pp. 59, 54-55.

5. *Ibid.*, p. 54.

6. Collingwood, chaps. 5, 7. Although Collingwood's theory of "question and answer" is useful, I do not subscribe to the historical relativism that he deduces from it. From the premise, All thought is a response to circumstances, it does not follow that ideas have no constant core of identity over time; this conclusion is only possible if a minor premise is inserted—that the essentials of the "human condition" themselves possess no such constant identity. On the contrary, I believe that the human condition, being subject to natural law, is *essentially* the same in all places and at all times; it follows that the history of thought is not in perpetual flux but reflects the circumscribed range of alternatives open to a being with a determinate nature.

7. Leff, p. 60.

8. Aron, *Dimensions de la connaissance historique* (Paris, 1961), p. 65, cited in Leff, p. 56.

9. In England there has been considerable debate on causal explanation in the writing of history, especially on whether "reasons" can be "causes." For the view

that a valid historical explanation must refer to general laws see Carl G. Hempel, "The Function of General Laws in History," in *Theories of History*, ed. Patrick Gardiner (Glencoe, Ill.: Free Press, 1959); and "Reasons and Covering Laws in Historical Explanation," *The Philosophy of History*, ed. Patrick Gardiner (Oxford: Oxford University Press, 1974). For the view that reasons can be causes, see William Dray, *Laws and Explanation in History* (Oxford: Oxford University Press, 1964); "The Historical Explanation of Actions Reconsidered," in *The Philosophy of History*, ed. Gardiner; and see Donald Davidson, "Actions, Reasons, and Causes," *Journal of Philosophy* 60 (1973), no. 23.

10. Because in this essay I am not concerned with the substance of the history of nationalism, but with its study, the question of the relationship between nationalism, liberalism, and conservatism need not detain us too long. Early European nationalism was closely associated with the classical liberal movement, while the later Central and Eastern European manifestations were linked with "romantic" collectivism and statism. On these issues, see Hans Kohn, *The Idea of Nationalism* (New York: Macmillan, 1958), and *Nationalism: Its Meaning and History* (New York: D. Van Nostrand, 1955); see also Carlton J. H. Hayes, *The Historical Evolution of Modern Nationalism* (New York: Macmillan, 1948). For an attempt to deal with the libertarian significance of the confused and ambiguous history of liberalism and nationalism, see the forthcoming essay by Chris R. Tame, "The Problem of Nationalism and National Self-Determination in Classical Liberal and Contemporary Libertarian Thought."

11. Skinner, "Meaning and Understanding in the History of Ideas," *History and Theory* 8 (1969), no. 1.

12. Mises, *Theory and History* (London: Jonathan Cape, 1958), p. 13.

13. Levenson, p. xviii. It is not only in *Thought and Change* that Gellner fails to see the point that Mises and Levenson express so succinctly. In a critique of methodological individualism, "Holism Versus Individualism," in *Readings in the Philosophy of the Social Sciences*, ed. May Brodbeck (New York: Macmillan, 1968), Gellner writes:

Certain tribes I know have what anthropologists call a segmentary patrilineal structure, which moreover maintains itself very well over time. I could "explain" this by saying that the tribesmen have, all or most of them, dispositions whose effect is to maintain the system. But, of course, not only have they never given the matter much thought, but it also might very well be impossible to isolate anything in the characters and conduct of the individual tribesmen which *explains* how they come to maintain the system. [P. 268]

In his own essay, "Methodological Individualism and Social Tendencies," reprinted in the same volume, J. W. N. Watkins replies in a footnote: "The very fact that the tribesmen *have never given the matter much thought*, the fact that they accept their inherited system uncritically, may constitute an important part of an explanation of its stability" (p. 276).

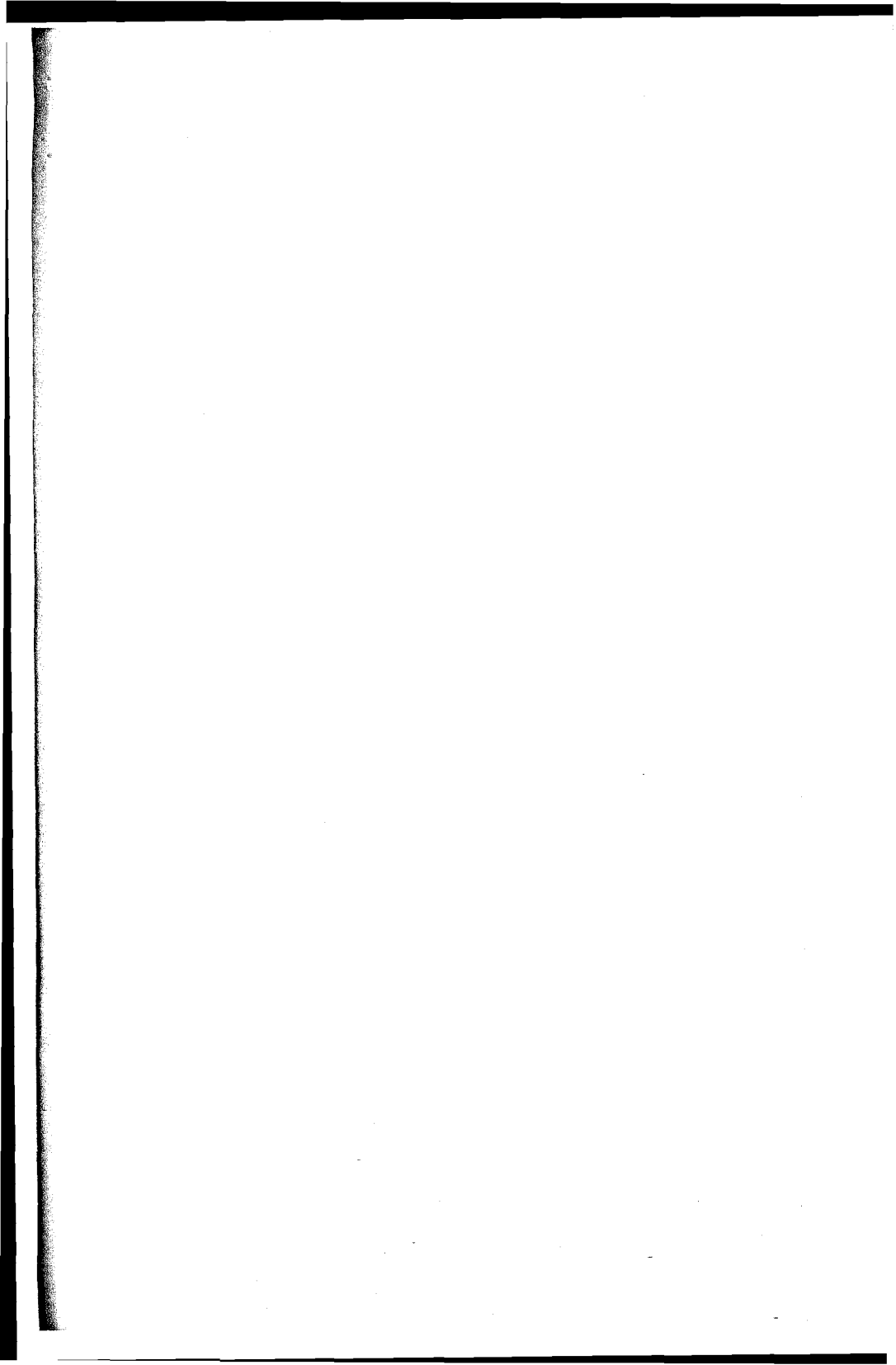
14. Levenson, p. xiii.

15. *Ibid.*, p. 104.

16. Mises, *Human Action: A Treatise on Economics* (London: William Hodge & Co., 1949), pp. 13-14.

17. Unlike Marxists, praxeologists do not stipulate the *character* of happiness, dissatisfaction, and the ultimate goals of action. These may be motivated by the desire for material gain; on the other hand, "spiritual" gratification devoid of any economic benefit has provided many individuals with a powerful motive for action.

18. From a libertarian point of view there is an element of tragedy in Levenson's conclusions: the adaptation of a traditional conceptual framework to fit changing circumstances, although "active" in a formal sense, seems appallingly conservative to those who have genuinely radical solutions to social problems. History is a defective form of knowledge—a catalogue of human error and failure; its subject is "accidentia"—the contingent, individual occurrences that need not have happened when they did, or have happened at all. If, therefore, intellectual history reveals that the human imagination has, in the past, proved remarkably sterile—that major "new" ideologies such as nationalism are merely adaptations of old beliefs, so that errors are repeated century after century with tedious monotony—we should not be too despondent. For there is no reason why the past should dictate the future; if the individual is indeed a volitional being engaged in a "dialogue" between various ways of viewing the world, there is no barrier save lethargy to a complete intellectual break with the dominant ideologies of the past.



THE MECHANISTIC FOUNDATIONS OF ECONOMIC ANALYSIS*

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DEBATES over methodology mark all sciences. Sometimes they are productive, more often merely pontifical. Disputants point accusatory fingers, argue past each other, and employ chopped logic in defense of their pet paradigm. Such contributes to the bad name and general neglect of epistemology among economists. Yet no economist worthy of the name can have failed to have dipped into the literature on the method of the social sciences and to have expressed concern over the state of the discussion. No discipline can remain coherent and advance until it has its basic methodology straight.

Prevailing orthodoxy about economics as a social science runs something like this. Economics is one of the more successful of the social sciences when judged by the canons of contemporary science. Economists share a reasonably well-defined method and body of theory. The discipline values objectivity and eschews ideology. Its analysis aims at explanation and prediction and gives rise to testable hypotheses. Deductive reasoning, model building, and empirical testing are the hallmarks of economics. Such is a bald sketch of the neoclassical paradigm as initially codified in the '30s by Lionel Robbins and T. W. Hutchison and, more recently, as restated in a popular and influential essay by Milton Friedman.¹

Ultimately, of course, the success of a science can only be gauged by the relative accuracy of its predictions, and on this criterion economics has enjoyed a measure of success. Economics is not only successful, in this sense; it is imperialistic. Economists are everywhere plying their trade in adjacent and far vineyards. They have made major contributions in the allied fields of applied mathematics and statistics. They are bringing some semblance of order to such diverse areas as political science and criminology. They are rewriting history and redesigning educational systems. They are bumping up against psychology, law, and history. Even anthropology is not the unknown territory it once was. Indeed,

it is this far-flung activity, this ferreting out of economic behavior in all manner of nook and cranny, that has given a new meaning to the phrase "economic imperialism." Economists seem bound to search for new problems and data sets as grist for their theory.

Throughout its ascension to present-day orthodoxy, the neo-classical paradigm has been subjected to a variety of methodological criticisms. Without the pretense of a thorough review, which would needlessly sidetrack the discussion, the substantive attack on the positivist foundation of the paradigm turns on four issues. (1) Can a philosophically satisfying distinction be made between normative and positive questions in economics? (2) Is economics an empirical science? (3) Can meaningful macroeconomic theorems be derived employing holistic constructs, or must economic theory be rooted in methodological individualism? (4) Does the neoclassical paradigm have a way of limiting the kind of questions raised within the discipline and of preshaping the analytic response to those that are raised?

Whether an affirmative answer to the first question is justified, the fact is that most economists, even those who differ sharply on other methodological issues, believe that the normative/positive distinction is useful.² As to the accusation, made by "radical economists," that neoclassical economics represents elaborate apologetics for private property and a capitalist economic order, we observe that "it takes a theory to beat a theory." The polylogism of the Marxist and self-styled radical economists is itself a philosophically suspect position. The burden remains on the radicals to develop a consistent theory of superior explanatory value to neoclassical theory.

Questions (2) and (3) have been raised and pursued most rigorously by the Austrian school of economics, notably by Ludwig von Mises and F. A. Hayek.³ Mises argues that economics is a purely a priori science. Its theorems, like those in mathematics, are logically deduced from a few fundamental axioms.

First among them is the axiom of purposeful human action. Supplementary axioms are that human beings are diverse in tastes and ability, that all action takes place through time, and that people learn from experience.⁴

Since the axioms are self-evidently true, barring errors in logic, theorems derived from the axioms are true. There is no need to subject them to "tests" of empirical falsification. Moreover, such statistical tests are impossible: one, because purposive action (as opposed to an event) contains a counterfactual element that is in

principle unobservable and, two, because there are no constants in economic relations amenable to specification by econometric techniques. Statistical studies, however useful, represent history, not economics, according to Mises. Another implication of the Austrian method is that so-called macro theory that does not trace its derivation back to the purposive actions of individuals is unacceptable.⁵ Statistical regularities among macro aggregates do not and cannot reveal causal relationships.

In spite of the growing interest in Austrian economics, particularly among a number of talented young scholars, these methodological views have not as yet had a significant impact on the discipline. The vast majority of economists continue to reject what T. W. Hutchison refers to as "the dogmatic and extreme apriorism of Professor Mises."⁶

Proponents of neoclassicism have answered the first three questions,⁷ at least to their own satisfaction; their defense has left the orthodox view largely intact. Economics is seen as a coherent discipline with a systematic methodology and theoretical foundation. It has squarely addressed the issues raised above and has enjoyed a measure of success as an explanatory social science. As any science, economics is progressive in the sense that it builds on, refines, and discards earlier work in cumulative fashion. That fundamental questions remain need hardly be denied. But if this is a pretty, even flattering, picture, it is neither a particularly praiseworthy one nor an occasion for a moment of incestuous backslapping—for the success that economics presently enjoys may in large part stem from *the nature of the questions it addresses*. Thus the significance of question (4).

To borrow a phrase from Robert Solow, "Economists are determined little thinkers." Their method is to reduce, simplify, and isolate. They have become adroit at framing and answering relatively simple questions. At this point, there is no need to confuse the sophistication of technique with the profundity of the questions addressed. Having adopted a modest agenda, economic theorists are seemingly content to rediscover the downward sloping demand curve, to transform economics into an internally consistent set of formal propositions of logic, and to reanswer the narrow range of questions that fall within the confines of the traditional paradigm. The very success of the paradigm serves to reinforce this limitation on the range of questions addressed and to lead economists to cast a jaundiced eye at alternative paradigms.

It is no accident that economists are increasingly turning to allied vineyards for problems to solve. Economists have never

been bashful about stepping over the artificial demarcation between disciplines; they have their share of intellectual imagination, and they do possess a powerful paradigm for discovering patterns of rational behavior. But there may be another reason behind these forays abroad: diminishing returns at home. At the margin, it may be easier to take our well-oiled set of tools abroad to work virgin territory than to stay at home and think about the necessity or means of redesigning (not merely refining) our tools. The basic theory of consumer behavior is employed to aid our understanding of political and criminal behavior; the theory of the firm becomes a tool for understanding the inner workings of the church, the government bureau, and the private club. The results are at least interesting and often provocative. The continued success of the traditional paradigm on home turf and in adjacent vineyards, plus the heady challenge of reducing that paradigm to an axiomatic system, has led economists to do less hard thinking about the fundamental nature of economic phenomena. In short, economists have not squarely addressed the complexity of economic processes and systems.

Modern welfare analysis, which at least raises some of these fundamental questions, is sterile as an informing theory of policy. Modern macro analysis is rife with ad hoc theorizing and appears very much to be stalled along the way. Price theory, for the sake of internal consistency and mathematical elegance, has been shorn of a meaningful analysis of the competitive process. Indeed, the summary statement of *conditions prevailing in market equilibrium* has been elevated to the status of normative standard by which many forms of competitive behavior, in a world of uncertainty and incomplete information, are condemned. The challenges of addressing the questions raised by Schumpeterian dynamics, of developing a theory of income distribution, and of developing a theory of long-run evolution of economic systems remain unheeded.

All the above highlights the primacy of question (4)—that of understanding the analytical predisposition of received theory—in marshalling a methodological assault on the neoclassical paradigm. No scholar has contributed more to our understanding of this issue than has Hayek. He has argued persuasively that economics must not merely emulate the natural sciences; that though economics is scientific in the same sense as are the natural sciences, it must develop its own distinctive methodology appropriate for the analysis of social phenomena. Hayek's contributions in this regard have been to clarify the distinction between the "facts" presented by natural and social phenomena, to develop

a theory of economic processes grounded on purposive behavior, and to demonstrate that socially useful institutions and patterns of social order are rarely products of deliberate design but more often evolve out of the voluntary interactions of individuals. These ideas do not fit comfortably within the traditional paradigm, and students of methodology owe an intellectual debt to Hayek's seminal work in the area.⁸

Though Hayekian in spirit, this essay is not a review of Hayek's ideas about the proper methodology of the social sciences. It is at one and the same time less and more ambitious—less ambitious in that it does not outline an alternative paradigm, as Hayek has attempted; more ambitious because it seeks to trace more explicitly the *conceptual origins* and concomitant limitations of the neo-classical paradigm. In particular, it seeks to demonstrate that the received paradigm is a mechanical analogue borrowed virtually intact from classical physics. In the next section the basic preconceptions of mechanics and their adoption in economics are reviewed, and this is followed by a critique of their applicability to economics.

THE VIEW FROM PHYSICS

The *weltanschauung* of economics owes a major intellectual debt to classical physics. The economists' notions and ways of thinking about equilibrium, market forces, change, friction, and inertia are borrowed from mechanics, as is the distinction between statics and dynamics. More fundamental are the concepts of an ordered universe, the desirability and possibility of a unified theory, the distinction between positive and normative analysis, and the absolute nature of time and space. (The latter are so basic and raise so many questions that they are precluded from the discussion that follows. It is ironic that just as economics was embracing the *weltanschauung* of nineteenth-century physics, a revolution within physics was raising serious objections to each of these fundamental concepts.) Such economists as Mill, Jevons, Fisher, and, down to the present day, Knight and Samuelson, have expressed admiration for the methods of physics.⁹ What follows is a brief review of some of its basic methodological preconceptions.¹⁰

Reduction

Physical phenomena are analytically broken down, reduced to their constitutive building blocks. A complex machine is interpreted as a collection of simple mechanical devices such as inclines, levers, and pulleys; forces are broken down into vectors; substances are reduced to molecules and, further, into atoms. The

relationships between these units are analyzed in terms of cause and effect, and the properties of the whole phenomenon are reconstructed from the properties of its constitutive units. An appreciation of the whole flows from a study of its parts. Because mechanical processes are independent in isolation, and hence additive, the method of reduction is admirably well suited to physics.

Economics too has its units of analysis. These are stylized consumers and firms, the atoms of economics. Meaningful statements about economic phenomena are derived from assumptions about the behavior of these decision-making units. Concern about these units carries over into aggregate economic analysis in the form of aggregation theory. (Of course, the influence of physics on this score is not confined to economics. The reductionist tradition is found in cellular and molecular biology, analytical chemistry, and the stimulus-response model of psychology.)

Consider the way a physicist would set up a simple trajectory problem. He is given the muzzle velocity and weight of the projectile, the height and angle of elevation of the rifle above the horizontal; he assumes no wind and no air friction; and he employs vector analysis to reduce all forces on the projectile to their simple vertical and horizontal dimensions. Such an approach allows our physicist to predict the distance from the muzzle where the projectile will strike the ground, its maximum apogee, and its velocity at 200 yards.

Compare the above with the way an economist might address a question concerning the consequences of an increase in the price of gasoline. He is given the present price and quantity consumed per period; he assumes consumer preferences remain unchanged and that money income is constant; and his vector analysis allows him to distinguish between the income and substitution effects of the price increase. The economist is now in a position to predict the new rate of consumption of gasoline, for example. This is the method of reduction.

Reversibility

In any strictly mechanical process the course of events is in principle reversible. Mechanical processes are therefore ahistorical. The notion of reversibility most often appears in economic thinking in one of two instances. The first is the argument that we can reverse an undesirable economic development. For example, should a competitive market structure evolve into an oligopolistic organization, it is believed that divestiture or dissolution can restore competition—and old marketing patterns, product lines,

technologies, and distribution networks. The second example is the romantic and currently popular notion that, if we only wanted to, we could return to a more simple life. Having accumulated much wealth and having achieved a high material standard of living, we could opt for less by retreating to a more primitive economic organization based on a greater degree of self-sufficiency and less energy-intensive means of production. Each of us has flirted with this private dream, but its current status among economists (particularly those arguing for zero economic growth) can only be explained by the mechanical paradigm underlying contemporary economic theory. The argument that "we can go back" is logically unassailable once you accept the premises of the traditional paradigm.

Isolation

Physical phenomena are analyzed in isolation from their surrounding environment. Strictly speaking, the laws of classical mechanics and thermodynamics are valid only for closed systems. Physics has more to say about a projectile falling in a vacuum cylinder than about a leaf blown from an oak tree. This method of abstraction is not a significant limitation, however, because physics is an experimental science capable of constructing closed systems within which physical phenomena can be analyzed. Where physics is not experimental, it takes the universe as a laboratory and deals with astronomical distances and ultrahigh velocities. These conditions approximate those of a closed system.

Of course, systematic abstraction is one of the most important vehicles of advance for any science. Although the principle of isolation, useful in experimental sciences, is not a readily applicable guideline for abstraction in economics, economics developed its own methods of isolation for simplifying the complex systems it seeks to analyze. Indeed, the very concept of economic activity as something apart from other social activities is an abstraction. The methods of abstraction, within the subject area, generally take one of three forms: (1) simplification of the relationships among elements of large complex systems, e.g., assuming fixed coefficients in an input-output matrix; (2) aggregation of a large number of relationships into a much smaller number, e.g., the consumption behavior of a large number of individuals is collapsed in an aggregate consumption function, or the investment decisions on the part of firms become an investment function; and, most important, (3) employment of the "method of Marshall"—*ceteris paribus*: factors judged to be at the periphery of the

economic process under study are assumed constant and variables are taken as datum; with "all other things constant," the effect of a given change (cause) can be deduced—the process is isolated by assumption.

Equilibrium

For our purposes, the final and probably the most important methodological characteristic of physics is to frame questions in terms of equilibrium. Physical processes are seen as unfolding until a balance of forces is struck, i.e., an equilibrium is reached. In a closed system the time path of adjustment and the equilibrium position are unequivocally determined by the initial conditions. The system may be at rest or moving at constant velocity, depending on whether the system is static or dynamic. Equilibrium is identified as the solution of the system. As Robert Kuenne maintains, "One of the most fruitful of the many economic adoptions from the field of mechanics is the concept of economic equilibrium, or a specific solution characterized by a state of balance between opposed forces acting upon economic variables."¹¹

The concept of equilibrium is central to economic analysis. Economics is conventionally, and usefully, defined as the science of scarcity, by which is meant that human wants are unbounded while the resources necessary to satisfy those wants are finite. That the implied theory of choice should take the form of a constrained maximization problem is the natural outcome of looking toward classical mechanics for a basic paradigm. As the physicist Henri Poincaré has observed, "Any system that involves a conservation principle [given means] and a maximization principle [optimal satisfaction] is a mechanical analogue."¹²

The kernel of most economic models thus becomes an equilibrium condition or set of conditions. These take two forms. The first involves an explicit maximization postulate: idealized consumers are assumed to maximize utility, and firms are assumed to maximize profits or net wealth. The equilibrium condition is then stated in terms of the equalization of the marginal rate of substitution of good X for Y with the ratio of their relative prices or the equalization of the marginal rate of technical substitution of factor A for B with the ratio of their relative wages. In the second form, the equilibrium condition is stated as a definition. Such conditions are typical of macro models; e.g., $Y = C + I + G$. Some models, aggregate growth models, for example, employ both forms of equilibrium condition.

For our purposes, those are the major elements in the method of classical physics—a paradigm that has been very instrumental in

the development of economic theory. Without belittling the success with which economists have applied it to economic problems, we can, however, raise questions about its limitations. What sacrifices are made to obtain such analytical rigor?

A CRITIQUE

It is not clear, on the face of it, how analytical dissection à la classical mechanics is appropriate for coping with economic systems. For the latter involve human actions and are inherently complex.

Reversibility

The first hitch is with the notion of reversibility. Mechanical processes are reversible—ahistorical, nonevolutionary, or in Samuelson's terms, "dynamical and causal." That is a very strong property. It means not only that the valid laws of mechanics are unchanging with respect to time but that a mechanical process, as it unfolds, is qualitatively unchanged. After it has run its course and reached equilibrium, it can be reversed until the initial conditions have been reestablished without qualitative change. But surely the hallmark of an economic process is adaptive, purposive behavior; and that of an economic system, evolutionary change. As Mises and then Hayek have so cogently argued, new knowledge generated as an economic process unfolds implies that initial conditions can never be restored even if an elaborate effort is made to replicate the initial incentive structure (set of relative prices, real incomes, etc.). People learn from experience and act upon that new knowledge. And that is only one of many factors barring reversibility in social phenomena. A mere mechanical analogue will not suffice, for a valid economic theory must be able to explain qualitative change. In this respect, we have not fully recognized the significance of Marshall's observations about the evolution of the firm or the irreversibility of long-run supply.

Equilibrium

Economic systems are almost always conceived of in terms of equilibrium processes, and this is a second problem. The juxtaposition of supply and demand forces determines equilibrium price and quantity in the market; monetary and fiscal policy tools are instruments for changing the equilibrium level of GNP; or further investment in education is predicted to increase the equilibrium growth rate of national income. The image of the given system moving toward equilibrium, whether static or dynamic, is pervasive

in the technical literature. As Professor Chipman has observed, "Equilibrium—meaning the balance of opposing forces—is a concept as fundamental in economics as it is in physics."¹³

There are two broad reasons for its importance in economics. First, all comparative statements in economics turn on an evaluation of differing equilibria. If a set A, where $[C_1 \dots C_n \in A]$, leads to equilibrium E_1 , and set B, where $[C_1 \dots C_n \in B]$ and $[C_2 \notin B]$, leads to E_2 , then any statement about the importance or desirability of C_2 involves a comparison of E_1 and E_2 . If C_2 represents a proposed gasoline tax and the policy objective is to raise the price of gasoline, the merits of C_2 will be evaluated in terms of the predicted before and after equilibrium price of gasoline. This is a favorite kind of question for economists, for in this case C_2 represents a reasonably well-defined once-and-for-all exogenous change. The second reason is that equilibrium is a powerful image for organizing an analytical assault on complex systems. It gives the economist something to hang a solution on and, indeed, suggests a whole kit of mathematical tools for deriving that solution.

But the economist should not become too comfortable in conceiving of equilibrium in just the way physicists do. In the rigid deterministic world of nineteenth-century physics, the climax state and adjustment path of an isolated mechanical process are uniquely determined by the initial conditions. The process is reduced to a cause-and-effect relationship. A precisely defined set of conditions C' invariably produces equilibrium E' , a process that can be replicated by independent observers. Reversibility guarantees that $[E' \rightarrow C']$ also. Change either the initial conditions or the process, and a different end state will result.

The statement $[C' \leftrightarrow E']$ needs to be modified in two ways, one trivial and the other basic. There may exist a set of simple transformations of C' that also lead to E' ; e.g., all distances and velocities are changed equiproportionately. This is loosely equivalent to a common assertion in monetary theory that, *ceteris paribus*, an equiproportionate change in the money supply and all money wages and prices will leave the long-run equilibrium unaffected. In other words, it is no longer strictly true that $[E' \rightarrow C']$ (although, at this point, the converse $[C' \rightarrow E']$ remains true).

It may seem tempting to search out other examples of this in economics where it is conventionally thought (and certainly taught) that the same result (equilibrium) can often be obtained by alternative means. A common chalkboard demonstration of multiplier analysis shows how full-employment equilibrium GNP

can be reached with expansionary monetary policy, tax cuts, or increases in government spending—or, in an appeal for eclecticism at the end of the lecture, a combination of all three. Assume the demonstration is correct. At this point the mechanical analogue becomes problematic, because the alternative policies are emphatically not simple transformations of each other. And if they are defined to be—e.g., the money multiplier is 2.3 times as large as the government-expenditure multiplier—the question is begged. There is a dimension to economic processes that is wholly absent in mechanical ones—purposive, adaptive, goal-seeking behavior—and herein lies an explanation of how different sets of economic conditions can lead to the same long-run equilibrium.

There is a further problem here. Returning to the chalkboard, the demonstration does not imply that all else—income distribution or rates of output of various industries in the economy, for example—remains invariant under the different policy measures. One man's equilibrium is another man's structural change. Nor is the problem resolved by appealing to the distinction between general and partial equilibrium, for it is not a question about the equilibrium of a subsystem versus the equilibrium of the economy as a whole, but about the attributes covered by the definition of the economy's equilibrium.

The second modification of the statement [$C' \leftrightarrow E'$] is more substantive. Modern statistical mechanics recognizes that C' does not determine a unique E' but a probability distribution of outcomes [$E_1 \dots E_n$]. Physics is thus reduced to predicting the most likely course of events given a set of initial conditions. This is so because at the atomic level, physics has no explanation of the movement and position of individual particles. It could not predict, for example, when an individual gas molecule would strike the wall of its container, although, given a large number of molecules, it might predict the resultant gas pressure of an average number bounding against the wall of the container. It might also predict how this average and, hence the pressure, varied with temperature. Similarly, the economist cannot identify the next customer to purchase a can of tomatoes in a supermarket, although he might have something to say about the average number sold during the course of a week and how that number varies with price. The calculation of these averages is, of course, a statistical problem. The recognition that mechanical processes have stochastic elements and that uncertainty marks both physical and economic processes makes the analogue between mechanical and economic systems more appealing, but it does not save it entirely.

A stochastic shock to a mechanical process, however small or unlikely, will change the final equilibrium, however slight or infrequent. But in an economic system a stochastic shock might have no influence at all on the final equilibrium because of adaptive behavior. The purposive behavior of individuals implies that economic processes can exhibit self-correcting tendencies never demonstrated by purely mechanical processes. Suppose a number of gas molecules, for some unexplained reason, did not bombard the wall of the container on schedule; the equilibrium pressure would fall. Now suppose a number of customers suddenly decided not to buy tomatoes this week; the resulting surplus of tomatoes might induce the grocer to cut his price, thereby attracting additional new customers or heavier purchases by regular ones. The change in behavior of the first group, in a sense, prompted the compensating actions of the second group. The equilibrium quantity of tomatoes sold per period remained unchanged. Such compensating behavior can never arise within a mechanical system. The point is this: a public-policy question (say the advisability of a tax hike) cannot be decided by focusing on the proximate policy goal (lowering the equilibrium rate of inflation) without reference to the policy's influence on the income distribution, composition of industrial output, future income growth, and the like. Thus, substantive guidelines for public policy must be based on an appreciation of the adaptive nature of economic processes within the relevant system as a whole.

The Maximization Assumption

As suggested before, another reason for the economists' fascination with the idea of equilibrium is that an equilibrium condition or set of conditions serves as a point of departure and, depending on its form, suggests a way of deriving the equilibrium position of the process, which becomes identified as the solution. As noted above, the most popular equilibrium conditions in the literature involve a maximization principle.

There is a whole literature in economics on equilibrium and extremal methods. In commenting on the importance of equilibrium in economic analysis, Sir John Hicks reminds us that though "we need the equilibrium assumption, it does not follow that we have a right to it. And indeed, as soon as we allow ourselves to question it, it becomes obvious that it needs much justification."¹⁴ The questions Professor Hicks has in mind are the ones he has addressed so skillfully during his career: questions of the existence, uniqueness, and stability of economic equilibrium. These ques-

tions have become conventional, as have certain observations about the limitations of the use of mathematics in economics. The latter include complaints that assumptions are often made for mathematical convenience rather than economic relevance; that some assumptions, though explicit and seemingly innocuous, are in fact crucial to the behavior and solution of the model in unseen ways; and that some economists are really disguised applied mathematicians who would reduce economics to a narrow set of internally consistent propositions of logic. (It is not clear why anyone would shrink before the epithet "applied mathematician," and in any event, there is no surprise in the fact that some men value their tools more highly than they do their work.) These observations do make a point and probably have been cast aside or ignored too cavalierly by the profession, but it remains the case that extremal methods do generate useful theorems about economic behavior. Our criticism lies elsewhere.

A likely place to start is with the tenacity with which economists cling to the assumption of maximizing behavior. Ideally, the maximizing behavior ought to apply to an independently defined variable, but in economics the variables are sometimes conveniently redefined so that they fit the behavioral assumption. Recall the careless tautological use of utility, long-run profits, and average costs. Suppose a firm suddenly decides to make a large contribution to the local United Fund rather than increase dividends to its stockholders. The economist retains his profit-maximizing assumption by arguing that community opinion is a relevant constraint on long-run profits; the contribution is viewed as the purchase of the productive factor "good will." The only trouble with this ad hoc addition is that, done too often, it leaves the theory of the firm in a shambles. A theory that can rationalize all possible courses of events *ex post* is no theory. Or witness the many empirical cost studies that find that a large number of industries exhibit constant returns to scale over a wide range of output. Given the way costs are defined, the very process of competition is guaranteed to lead to an equalization of long-run average cost at various outputs. Capital market revaluations level error and ingenuity. As a result, many conclusions about potential entry are erroneous. Incidentally, much of this can be cleared up by a historical feel for the particular industry.

Finally, observe the latest tautology on the market. Friction and inertia in physics become ignorance and habit in economics. Everyday consumers can be observed buying identical goods at stores charging higher prices than their competitors. This is

interpreted, not as a lapse in maximizing behavior, but as the recognition of search costs. Habitual buying may be entirely rational when the costs of overcoming the ignorance of alternatives are considered. This makes sense and has led to a number of interesting hypotheses about shopping behavior and queue formation, but pushed too far, the notion of transaction costs can become tautological. Thus, everyone is at all times in perfect equilibrium because otherwise he would adjust his consumption position. Again, a theory that cannot rule out some behavior patterns as irrational or noneconomic is no theory. Tautology has a role—science must get its definitions straight before it can proceed—but no analytic role. Admittedly, the sins described above should for the most part be laid at the door of careless practitioners, but the fact that they arise frequently may suggest the need to reexamine the basic paradigm.

Even among the esteemed of the discipline, the traditional paradigm has a way of preshaping the analytical response to added dimensions in economic problems. Uncertainty renders the concept of a utility maximum or a profit maximum meaningless. The paradigm is saved by a slight modification of the behavioral assumption. Consumers maximize expected utility and firms maximize an entrepreneurial utility function containing the mean and standard deviation of profits. Only at the periphery of economics do risk and uncertainty suggest alternative behavioral assumptions—such as satisficing. “Slack” has never played a prominent role in economic theory. Indeed, the process of economic competition weeds out slackers, laggards, and nonmaximizers. It can be argued, however, that in open economic systems characterized by uncertainty and evolution, satisficing is quite sufficient for surviving the rigors of competition. The sterility of general equilibrium theory and modern welfare economics stems from the inapplicability of extremal methods to complex systems.

This is not an argument against mathematical economics as such, however. The problem lies not so much with the abuse of extremal methods as in not appreciating the limitations of their applicability. As Hayek argues, so enamored of the method are economists that they miss *the* economic problem. He is quoted in length here.

What is the problem we wish to solve when we try to construct a rational economic order? On certain familiar assumptions the answer is simple enough. *If* we possess all the relevant information, *if* we can start out from a given system of preferences and *if* we command complete know-

ledge of available means, the problem which remains is purely one of logic. That is, the answer to the question of what is the best use of the available means is implicit in our assumptions. The conditions which the solution of this optimum problem must satisfy have been fully worked out and can be stated best in mathematical form: put at their briefest, they are that the marginal rates of substitution between any two commodities or factors must be the same in all their different uses.

This, however, is emphatically *not* the economic problem which society faces. And the economic calculus which we have developed to solve this logical problem, though an important step toward the solution of the economic problem of society, does not yet provide an answer to it. The reason for this is that the "data" from which the economic calculus starts are never for the whole society "given" to a single mind which could work out the implications and can never be so given.

The peculiar character of the problem of a rational economic order is determined precisely by the fact that the knowledge of the circumstances of which we must make use never exists in concentrated or integrated form but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess. The economic problem of society is thus not merely a problem of how to allocate "given" resources—if "given" is taken to mean given to a single mind which deliberately solves the problem set by these "data". It is rather a problem of how to secure the best use of resources known to any of the members of society, for ends whose relative importance only these individuals know. Or, to put it briefly, it is a problem of the utilization of knowledge which is not given to anyone in its totality.

This character of the fundamental problem has, I am afraid, been obscured rather than illuminated by many of the recent refinements of economic theory, particularly by many of the uses made of mathematics. . . . It seems to me that many of the current disputes with regard to both economic theory and economic policy have their common origin in a misconception about the nature of the economic problem of society. This misconception in turn is due to an erroneous transfer to social phenomena of the habits of thought we have developed in dealing with the phenomena of nature.¹⁵

In essence, neoclassical analysis represents the logical derivation of a set of equilibrium conditions that must obtain when maximizing behavior is assumed. The focus is on the set of conditions and not the economic process leading to equilibrium. Economists are in the habit of viewing equilibrium, whether static or dynamic, as the end point of their investigations beyond which there is little interest. But the solution (equilibrium) is already implicit in the maximization assumption and in no way depends on an exploration of economic processes. Economists err, and err seriously, when they then elevate the equilibrium conditions to a normative standard for judging observed market behavior, routinely condemning advertising, product differentiation, and price discrimination.

The market is rarely, if ever, in equilibrium in just the way conceived by neoclassical analysis. Two sets of factors prevent that: ignorance, and shifts in underlying tastes and technology. To some extent, neoclassical theory has addressed the latter. Equilibrium as a moving target in static analysis becomes the equilibrium time path in dynamic analysis. However, market processes for reducing ignorance—ignorance of what products customers want, what styles and quality they desire; ignorance of the best production and distribution techniques available; ignorance of the best input prices or the most reliable suppliers; and ignorance of future conditions—have never been systematically incorporated into the neoclassical paradigm. Once it is appreciated that the real economic problem is the coordination of the bits and pieces of knowledge held by different participants in the market process, the roles of advertising, product differentiation, and price undercutting become clear. To overcome ignorance about what potential customers might want, a firm offers a full product line of differing qualities and styles. Some lines will prosper and be expanded; others will fail and be withdrawn. Product differentiation is at once both a method of discovery and a means of adapting to the mosaic of consumer tastes. A concern for economic process puts observed economic behavior in a very different light from when it is judged by those conditions holding when the market is at rest.¹⁶

Reduction and Isolation

Finally, we turn to the methods of abstraction in physics—reduction and isolation. This approach of analytical dissection, so successful when applied to reversible mechanical processes in closed systems, may not be appropriate for dealing with complex open systems. Economic relationships are not additive in the sense

in which mechanical ones are. Witness the many examples of the fallacy of composition against which we must caution economics students.

Economic relationships are not easily isolated from the host of economic factors that impinge upon them within an economic system. Careless dissection of the *body economicus* gives rise to pseudoproblems and artificial constructs having little analytical meaning and no empirical counterpart. Economists are wont to conceive of the economic system as divisible into distinct markets for separate goods, to divide all economic variables into supply or demand factors, and to draw a sharp distinction between allocative and distributional questions. In the context of an economic system, however, these convenient pigeon holes can be misleading. One need not be Galbraithian to suppose, for example, that tastes are endogenous to the economic system. Consider these fairly typical examples of shop talk: "Assume the cross elasticities are zero," i.e., assume away any possible interaction with adjacent markets. "For your growth model assume fixed proportions, homogenous production functions, and unitary income elasticities for all goods"; i.e., aggregate all consumption and all production so you can neatly solve for a well-behaved steady-state equilibrium. "Let the market solve the allocation problem, then compensate the losers or the poor as the case may be"; i.e., forget the repercussions of redistribution on allocation. As if the question stopped there and the economist had nothing further to say about the eventual qualitative evolution of the system from the point of the policy change. Again, this is loose talk within the context of an economic system or in terms of policy guidelines.

Economists also have a penchant for the assumption of competition, by which is meant that they are free to take input or product prices or both as datum. The assumption obviates the very conditions that the *process of competition* tends to bring about. The assumption does, however, allow an economic process to be pressed into the mold of a mechanical analogue.

There is a further problem here. And again we turn to insights provided by Professor Hayek.¹⁷ The reductionist tradition may serve the natural sciences well because they deal with observable (objective) phenomena. By contrast, social phenomena are inherently subjective. Men act according to their *perception* of relevant data. Subjective evaluation of external stimuli, though unobservable and hence nonquantifiable, are part and parcel of the phenomena economists wish to explain. To formulate functional relationships among variables representing "hard" economic data and refer to

them as economic theory is to commit an unscientific error. Economic analysis cannot be based on such a "slip between lip and cup," for to be meaningful it must be able to explain the qualitative aspects of economic behavior, processes, and evolution. The view from physics is on this score dangerously misleading.

These are not merely obtuse arguments about the need for greater realism in economic theory. Realism is a treacherous criterion for judging abstractions as analytical assumptions *ex ante*. But granting that, the widely held view that the adequacy of an assumption depends on the fruitfulness of the theory in terms of predictive power need not be raised to a dogma for rejecting any and all questions about a *particular method of abstraction*.

CONCLUSION

Economics has borrowed from classical mechanics a paradigm for abstracting from the richness, diversity, and intricacies of economic systems. The method has proven highly successful, particularly for the analysis of relatively simple economic relationships. This predictive success tends to justify this procedure for abstraction. Economists should not become so wedded to this paradigm, however, or so enamored with its success, as to allow it to delimit the range of questions economists can legitimately address.

There is no wish to "throw out the baby with the bath water" or to gainsay the very real success of the neoclassical paradigm in economics. It is a magnificent edifice, certainly one of the crowning intellectual achievements in all of the social sciences. What is being suggested is that economics might profitably explore an alternative paradigm, one that starts with complex economic systems as given and seeks to explain qualitative economic change and evolution. If the growing dissatisfaction among economists does lead to a Kuhnian paradigm shift, it seems likely that the critical insights of the Austrian school will play a major role.

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1. Robbins, *An Essay on the Nature and Significance of Economic Science* (London, 1932); Hutchison, *The Significance and Basic Postulates of Economic Theory* (London, 1938; New York, 1960); Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics* (Chicago, 1953), chap. 1.

2. See Sherman R. Krupp, ed., *The Structure of Economic Science* (Englewood Cliffs, N. J., 1966); Sidney Hook, ed., *Human Values and Economic Policy* (New York, 1967), especially part 2.

3. Hayek, *The Counter-Revolution in Science* (Glencoe, 1952), and *Individualism and the Economic Order* (Chicago, 1948), chaps. 1-6; Mises, *Human Action* (New Haven, 1963), *Theory and History* (New Haven, 1957), *The Ultimate Foundations of Economic Science* (Princeton, 1962), and *Epistemological Problems of Economics* (Princeton, 1960). See also Laurence S. Moss, ed., *The Economics of Ludwig von Mises* (Kansas City, 1976); Edwin G. Dolan, "Austrian Economics as Extraordinary Science," in *The Foundations of Modern Austrian Economics*, ed. Dolan (Kansas City, 1976).

4. Dolan, p. 7.

5. The current theoretical shambles of "macro" analysis and the demise of "fine tuning" as the guiding principle behind government macroeconomic policy have led a number of neoclassical economists to share this view. See, for example, Edmund S. Phelps, et al., *Micro-economic Foundations of Employment and Inflation* (New York, 1970); Gary Becker, *Economic Theory* (New York, 1971), especially the introduction.

6. Hutchison, xxi.

7. To get a flavor of the defense of neoclassicism, see Friedman; F. Machlup, "The Problem of Verification in Economics," *Southern Economic Journal*, July 1955, and "Professor Samuelson on Theory and Realism: Comment," *American Economic Review*, March 1971; E. Nagel, "Assumptions in Economic Theory," *American Economic Review*, May 1963; K. Popper, *The Logic of Scientific Discovery* (London, 1968); P. Samuelson, "Problems of Methodology—Discussion," *American Economic Review*, May 1963, "Theory and Realism: A Reply," *American Economic Review*, September 1964, and "Reply," *American Economic Review*, December 1965.

8. Hayek, *Counter-Revolution in Science: Law, Legislation, and Liberty*, vol. 1 (Chicago, 1973).

9. See the introduction of M. J. P. Magill's *On a General Economic Theory of Motion* (New York, 1970) for the comments of various economists on the applicability of the methods of physics to economic phenomena. Magill is, himself, positively poetic about the view from physics. Also see Frank H. Knight, "Statics and Dynamics: Some Queries Regarding the Mechanical Analogy in Economics," in *On the History and Method of Economics* (Chicago, 1956).

10. See, e.g., Ludwig von Bertalanffy, *General Systems Theory* (New York, 1968).

11. Kuenne, *The Theory of General Economic Equilibrium* (New York, 1963), p. 17.

12. Cited in Nicholas Georgescu-Roegen, *The Entropy Law and the Economic Process* (Cambridge, 1971), p. 319.

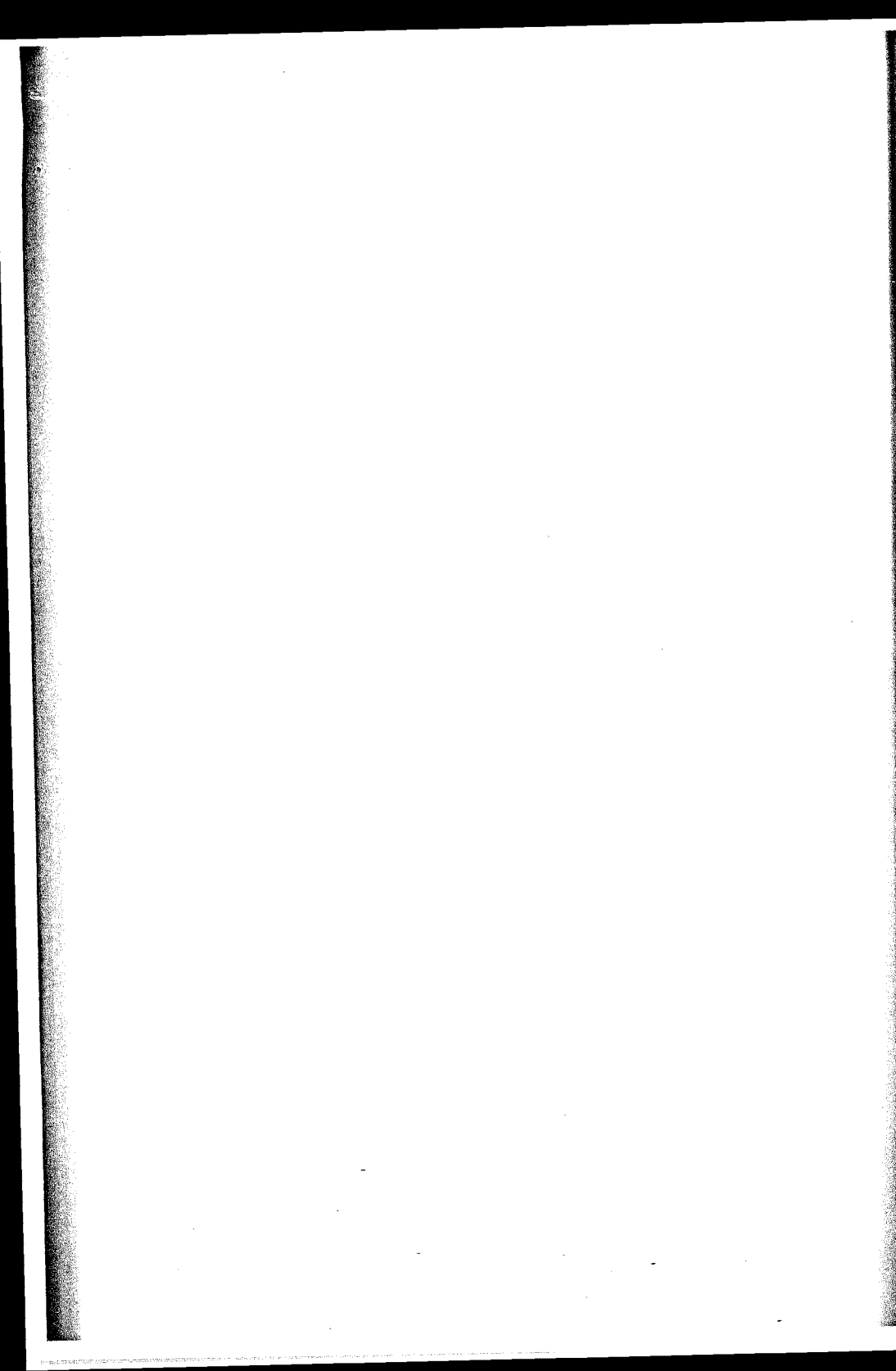
13. John S. Chipman, "The Nature and Meaning of Equilibrium in Economic Theory," in *Price Theory*, ed. Harry Townsend (Baltimore, 1971), p. 341.

14. Sir John Hicks, *Capital and Growth* (New York, 1972), p. 16.

15. Hayek, *Individualism and the Economic Order*, pp. 77-78.

16. See the outstanding contribution to this analysis by Israel M. Kirzner, *Competition and Entrepreneurship* (Chicago, 1973).

17. Hayek, *Counter-Revolution in Science*, chaps. 2-4, and "The Primacy of the Abstract," in *Beyond Reductionism*, ed. A. Koestler and J. R. Smythies (Boston, 1969).



ON THE RATIONAL JUSTIFICATION OF THE STATE

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THE general relation between government (or the state) and human freedom is of perennial interest to political philosophers. Recently Richard Taylor has offered his views on the subject in *Freedom, Anarchy, and the Law*.¹ In this clearly argued little book, Taylor deals with several related questions: questions of the justification, legitimacy, and purpose of government, as well as questions concerning political liberty and obligation. I shall be centering on his treatment of the justificatory problem and, more narrowly, on his solution to it.² Taylor poses the question in the following way, initially: "What is the rational justification for the government of some men by others, in case any such justification exists?" (p. 1).

While never offering a truly explicit definition of the term, Taylor identifies "government" or "the state" with "rule," in particular, "the rule of large numbers of men by few" (p. 2). Furthermore, he links "rule" with "coercion," saying at one point that "government, in a word, is the coercion through threat and force of the many by the few" (p. 94). Thus, his initial statement of the justificatory problem contains a redundancy, albeit a harmless one.

This statement of the problem also is somewhat misleading. One would think that what is at stake is the justification of government as such, and not merely this or that form of it. Some of the things Taylor says in discussing the nature of the problem do lend weight to this interpretation. In chapter 14, "The Problem of Justification," he asserts:

it is commonly thought that the only problem here is justifying this or that *form* of government, it being taken for granted that the institution of government itself needs no justification. But the latter is clearly the prior question; for there can be no question of justifying this or that form of government if government itself is without justification or if, as seems to be pretty

much the case, the justification of it is unknown. It may indeed be that only certain governmental forms and procedures have any justification, and therefore a particular government is justified only by showing that it is of this or that kind; but this cannot be assumed at the outset. [P. 99]

Yet later (p. 125), he argues that "the problem is not that of justifying government as such, but rather, this or that form of it. . . . no philosopher needs to feel called upon for a defense of government in opposition to its absence." How does Taylor support this apparent shift? His argument goes something like this: Since man is by nature a social or political animal, the state is not something he simply chooses. Even though its various forms and structures are of human creation, they are all variations upon something that is not, viz., social life itself. The latter is of necessity life within a legal order of one kind or another: human deference to rule is everywhere one of the most conspicuous of human traits—it is no corruption of human nature but part of the expression of that nature.

It is likewise worth noting that Taylor does not claim that the state for which he tries to provide a rational justification is identical in all relevant respects to any actual state, past or present. He believes that probably no state in the history of the world has measured up to the standard he applies and that most governments have done considerable violence to it. Nevertheless, he is convinced that it is within the realm of possibility for a government to measure up and to do so with a "form" rather like that of some states found in the world.

What he has in mind by this *form* is a state with a legal order exhibiting the following two basic features: (1) its public officials are responsible in that "what they do in an official capacity is open and subject to public scrutiny and unrestricted criticism" and in that "their tenure of office may be terminated by those governed, either directly or indirectly, by procedures not overwhelmingly difficult to invoke," and (2) "its criminal law is generated according to the principle of liberty"—the principle that "nothing is made criminal by law that is not a fraud, theft, or assault, nothing that is not naturally injurious" (p. 126). While both are important formal characteristics of the state, the second in particular bears a vital connection with the standard Taylor applies to a state in order to determine whether it is justified. This standard, in brief, is the promotion of individual human freedom.

Reference to the freedom standard will serve to point up a distinctive feature of Taylor's analysis. Government, in his view,

is best thought of as an activity rather than as a relationship between men. Accordingly, it is justified neither by its form (e.g., whether it is democratic in character) nor by the particular relationship that it establishes between rulers and ruled (e.g., whether those who hold political power are in some sense "chosen" by those whom they govern), but rather by the ends or purposes it pursues and by its effectiveness in attaining them. In this respect, he claims to be utilizing a justificatory procedure different from the usual (p. 124).

If one asks why the expansion and enhancement of freedom is deemed the ultimate justification of the state, the answer is that freedom is "the unqualified good, and the necessary condition for the realization of any goodness" (p. 118). Given this commitment to the goodness and indispensability of freedom, it is easy to understand why the basic problem of government, the justification of rule, poses such an enormous difficulty. "The appropriate image of the state," Taylor admits, "is that of a hierarchy of authority that reaches to a supreme authority or sovereign power and is enforced at every level by the overwhelming force of leviathan" (p. 118). In short, coercion is inseparable from government. And coercion is antithetical to freedom—or so it seems. The task of the political philosopher bent on defending the state is to remove this apparent paradox without abandoning the dictates of reason. Taylor believes that,

notwithstanding appearances, the state, even with all its seemingly oppressive apparatus and numberless laws that are enforced at every turn by threats, can in fact be the guarantor of individual freedom. . . . [Indeed,] it is within the state, and by means of it alone, that individual freedom is not merely secured but, to a large extent, found. [P. 119]

In his view, there are two essential aspects of freedom, one negative and the other positive. The one he refers to as the freedom of permission, which has to do with the extent of the restraints upon or obstacles to one's activities. The lesser the restraints imposed on one, the greater the freedom in its permissive aspect. He calls the other aspect the freedom of enablement, referring to the extent to which one has the means to do what one wants to do. The more readily available the means to achieve one's wishes, the greater the enablement aspect of freedom. One is totally or fully free only if one has no obstacles to the achievement of his ends and also has the means to achieve them.

A justified state protects the freedom of permission by criminal

law, i.e., law that defines crimes and offenses and provides punishment for the commission of them. By definition, such a state has the two formal features previously mentioned—most importantly, the feature that defines the nature of the principle of liberty on which the criminal law must be based if it is to be satisfactory. To be sure, enforcement of the criminal law does abrogate one freedom, the freedom to injure, but the net effect of the abrogation is actually the enlargement of freedom. For example, if someone wishes, for whatever reason, to injure me and is prevented from doing so by the state through its criminal law, his freedom is curtailed; but my freedom is greatly enlarged thereby, and taking the two together, there is an enormous net gain of freedom. Thus, “the criminal law nourishes freedom rather than compromising it, provided it is enacted and enforced according to the principle of preventing injury” (p. 127). Therein lies the rational justification of the state insofar as the permissive aspect of freedom is concerned.

To a limited degree, proper protection of the freedom of permission gives rise to the freedom of enablement. For provided that they do not inflict natural injury upon others, those subject to the criminal law are prevented neither by law nor by threat of natural injury by their neighbors from doing whatever they please—clearly, a form of enablement. Taylor maintains, however, that these results do not adequately serve the freedom of enablement, since “many of men’s ends, particularly in view of the advanced state of modern technology, are unattainable just on the strength of the resources they happen to find at hand.” Purely on his own, a man “cannot always peacefully settle a dispute with his neighbor, keep trespassers from demolishing his fields, nor even do anything so simple as post a letter.” (P. 131) Accordingly, it is the function of the civil law to fill the gap between ends and means, thereby promoting the freedom of enablement to a more satisfactory degree.

Taylor contends that this (positive) aspect of freedom is promoted in two basic ways by the civil law: (1) by protection of the common good—by which he means anything of deep concern to all, easily threatened by a few, and in need of overwhelming power for its protection (i.e., power greater than what can be summoned by any man or combination of men within the state)—e.g., provisions for protecting species of wildlife threatened with extinction, for the peaceful settlement of disputes between neighbors, for protecting the environment against pollution and corruption; and (2) by provision of certain services, e.g., public schooling, construction of roads and bridges, and administration of welfare payments. What distinguishes protection of the common good from the pro-

vision of services is that the latter frequently are performed by nongovernmental agencies and sometimes are not of deep concern to all but only to certain groups. What justifies the existence of the state in relation to (1) is the fact that nothing less than the overwhelming power of the state can promote it satisfactorily. What justifies its existence in relation to (2) is the fact (if it be such in any particular instance) that "state provision is (a) cheaper, or (b) more fair, through its enablement of wider participation than would be possible otherwise, or (c) more effective, in requiring resources available only to the state." (P. 133).

Let this suffice as an outline of Taylor's answer to the question of the rational justification of the state. In what follows I shall comment critically on some of the prominent features of his argument—adding, where necessary, relevant details of his discussion that were omitted from the outline. Before proceeding, however, there are a couple of remarks of an interpretive nature that need to be made.

It is clear, first of all, that Taylor's attempt to justify the state or government is not a univocal one. What he tries to support, in effect, is certain types or subtypes of government activity, providing separate justifications for each. Thus, the justification for state action to protect the common good is separate and different from its justification in the case of providing services. Second, it is important to distinguish in Taylor's analysis between the conditions he claims must be met to justify this or that type of government or state activity and his stand on whether these conditions can be met, in principle or practice. One might agree that in order for a given government activity to be justified it must meet a particular criterion or condition and yet disagree that this condition can be met. The converse holds, too.

When Taylor asks that we view government as an activity rather than as a relationship between men, he has in mind modern democratic government. He admits that the conception of government as the relation of ruler to ruled, sovereign to subject, master to servant, was once essentially correct and that even democratic social and political life has not changed so drastically that this conception has become totally false. Nevertheless, he thinks it is a distortion. As he puts it, "if governed life were simply life subjugated to overpowering rule, then the philosophical problems of justification would be insuperable, and anarchism would be the only political doctrine rationally defensible" (p. 121).

Several things may be said in response to this. First, insofar as Taylor is suggesting that we can think of government, any govern-

ment, simply in terms of the concept of activity and not at all in terms of the ruler/ruled relation, *his* view is a distortion. We must think of it as an activity of a certain kind. But once we try to spell out its peculiar nature, we will be forced to introduce the notion of the hegemonic bond. Activity that does not involve this connection is simply not governmental activity. At one point (p. 11), Taylor says: "it is of the very essence of government that those governed must obey, under threat of penalty for failure to do so. This is true of the modern democratic state as well as of the worst despotism." Actually, government is and always has been both an activity and a relationship between men. Furthermore, if governed life were simply an activity and not at all life subjugated to overpowering rule, then there would be no philosophical problem of justification at all—at any rate, no problem of the sort Taylor wants to tackle. It is precisely because of the hegemonic relation embodied in governmental activity that his justificatory problem arises in the first place. He wants to stress the activity concept because this provides the basis for the notion of justification in terms of ends. I agree that in trying to justify government it is permissible to view it as an activity and thus to look to the ends it seeks to achieve. But in so doing one must not lose sight of the kind of activity it is and hence of the basic relationship it establishes between men.

I can accept Taylor's claim that the ultimate justification of the state, if it has one, is to be found in the promotion of individual freedom. Nevertheless, his double-aspect theory of freedom is troublesome. He says that "a man might remain quite unfree even in the absence of . . . obstacles or restraints, for he might lack the means to do what he wants to do" (p. 119). Presumably, such a man would also be unfree in the presence of the means to achieve his wishes if he were to face a situation that prevented his use of them. In other words, the absence of obstacles (freedom of permission) and the possession of requisite means (freedom of enablement) are individually necessary and collectively sufficient conditions of freedom. Perhaps there is a clear, unequivocal sense of "free" that fully fits this description, though I wonder. One implication would be that the mere fact that my wishes exceed my grasp is sufficient to keep me to a degree unfree—even if there are no restraints placed on me. On the assumption that happiness means, among other things, being in possession of the means necessary to achieve one's ends, one effect of this usage of "free" would be to make the conceptual "distance" between freedom and happiness very narrow indeed. I am not at all sure ordinary language supports this. Be this as it may, I think there is a clear

sense of the term that does not fit the description, and there are reasons why Taylor should acknowledge and deal with it.

We commonly distinguish between someone's being free to do something and his being able to do it. I am free to purchase a 747 jet, but I dare say that I do not have the means to do so—and never will!³ Taylor admits that most who have considered the nature of freedom in this context have supposed that freedom is measurable in terms of the permissive aspect alone. Yet he seems unable to bring himself to accept this as sufficient evidence for acknowledging this "aspect" as itself constituting a bona fide sense of the term. Of course, if he were to do so, it would mean that he would have to offer a separate support for the freedom of enablement as an ultimate end of government. This he apparently is not prepared to do.

I submit that the problem of justifying the state, as Taylor himself poses it, is a problem concerned solely with what he calls the freedom of permission. It is this freedom alone that is the unqualified good and the necessary condition of all goodness. What gives rise to the question of the justification of government is the fact that government places obstacles or restraints on people. To justify government is to remove (or at least to reduce to the maximum extent possible) the implied paradox—and that's it, period. Suppose the state does foster freedom of enablement through its civil law: that it is the only agency or institution that can protect the common good and is superior to any other organization in providing important services apart from those involved in protecting the common good. So what? What bearing do these activities have on the issue of the justification of the state? Does the promotion of freedom of enablement, as delineated, necessarily or even probably carry with it the promotion of the freedom of permission? If so, Taylor never says it does. I suggest that it would be very difficult indeed to prove that it does. It might be easier to prove that enhancing freedom of enablement has an *adverse* effect on the freedom of permission. Some forms of taxation (e.g., the "hidden tax" of currency inflation) seemingly needed in its enhancement may well be characterized as theft.

But let us grant for the sake of argument that the relevancy question is settled in Taylor's favor and thus that the appeal to the promotion of freedom of enablement is a valid criterion for determining the justification of the state. There are still serious questions regarding his "implementation" of it. Are protection of the common good and the provision of services to groups, as he envisages them, sufficient to promote this aspect of freedom ade-

quately? What about the charge that this is not enough—that, in order to be justified, the state must provide to the fullest extent possible the means (when otherwise unavailable) that will enable everyone to do whatever he wants whenever he wants to do it (provided only that doing it does not violate the criminal law)? At any rate, why shouldn't the state be required to supply the means, or at least be prepared to furnish them on demand, for the attainment of that which is of deep concern to each individual as an individual, means he cannot come up with on *his own*? Since, according to Taylor, it is the promotion of individual freedom that is the general end of government, and since he holds that freedom of enablement is an essential aspect of that freedom, he can hardly say that this charge is ridiculous. However, since he does not develop a theory of the proper specific ends of government in relation to the freedom of enablement, he is not in a good position to answer it. Why shouldn't a Taylorian government need to cater to the idiosyncratic purposes of its citizens? If, in addition to protecting the common good, government activity involving the provision of services to relatively large groups is justified, then why not government activity involving services to groups of any size, including "groups" of one? Shouldn't the only proviso be that the state can provide these services more satisfactorily than others?

On the other hand, why should justified governmental activity include the provision of services at all? Why shouldn't promotion of the freedom of enablement be confined to protecting the common good? Is the mere fact (if it be such) that state provision is cheaper or more fair or more effective sufficient to justify intervention into the market, with the almost certain economic distortions that would result therefrom? Surely, the mere fact that these services are cheaper, say, is not enough. The same for the other two conditions taken singly. Taken collectively, their presence in a particular instance would of course make a more imposing case for state action. Yet even here there is a question whether it is sufficient justification. Given the diversity and virtual unlimitedness of human wants and desires and the scarcity of resources needed to satisfy them, there is no way for any state provision of a service to avoid supervening or conflicting with the value preferences of some individuals. Enlargement of freedom of enablement for the many through the provision of services may inevitably bring its diminution for the few.

What I am suggesting is both arbitrariness and dubiousness in what Taylor asks us to accept as means of "implementing" the criterion of the promotion of freedom of enablement. But this is

not all. For one thing, it is an open question whether the conditions Taylor lists to justify provision of services by the state are always consistent with each other. For example, it seems possible for a particular service to be such that its provision by the state can only be cheaper (than nonstate provision) if it is less fair, i.e., enables lesser participation than would otherwise be possible. Conversely, it is more fair only if it is more expensive. Taylor offers no guidelines as to what should be done in an instance of this sort. Furthermore, one might question the adequacy of at least one of the three conditions. Is it proper to identify the degree of fairness with the degree of enabled participation in a service? The egalitarianism implicit in this identification cannot be taken as self-evident, especially in the light of Nozick's recent work on the entitlement theory of justice.⁴ Finally, there is the very real possibility that the other two conditions cannot be met in practice. Taylor himself acknowledges this when he says that "experience repeatedly shows that governmental agencies, drawing upon virtually inexhaustible public treasuries, do nothing cheaply or efficiently" (p. 134).

The notion of the common good may be similarly suspect. If something is really of deep concern to all, will it be easily threatened by a few *except by accident*? And will the presence of overwhelming power, as Taylor defines it, be any better able to prevent accidents than lesser powers? In fact, why wouldn't overwhelming power offer an even greater threat by a few—viz., by the rulers of the state—than power of lesser magnitude? Taylor could respond that this misrepresents his concept of overwhelming power. Yet what kind of sense can be made of power greater than what can be summoned by any man or combination of men? Actual power can be wielded only by real men, individually or in combination. Power above and beyond this is mythical. Even the idea of that which is of deep concern to all is troublesome. The highly general things Taylor mentions under this heading are simply not of deep concern to all—not of equally deep concern, anyway. This becomes apparent when concrete proposals for action are made in these areas.

Granting that the notion of the common good is coherent and nonvacuous, there is still the question whether government activity in connection with it is really justified by what Taylor claims. As we have seen, the proffered justification is that no other kind of activity can provide the protection: only the state, through its civil law, has the requisite power. Really, there are two claims here: (1) that only the state can protect the common good, and

(2) that, if only the state can protect it, the existence of the state is justified.⁵ Claim (1) seems clearly to be true, indeed trivially true. Substitution of his definition of "the common good" into the statement "Only the state can protect the common good" yields a tautology. Ultimately it may be reduced to: "Only the state can protect that which only the state can protect." With respect to (2), the situation is more complex. Certainly this claim is not a tautology; nor does it appear to be true as it stands. Suppose, however, that we add to its antecedent a claim to the effect that the common good needs to be protected. In view of Taylor's concept of the common good, this added claim is at least highly plausible in its own right and when incorporated into (2) produces the following necessarily (though nontautologically) true statement:

If the common good needs to be protected and only the state can protect it, then the existence of the state is justified.

What I am suggesting is that the key to this phase of Taylor's attempt to justify the state lies in his notion of the common good. Once one accepts the viability of this concept, one is pretty much committed to accepting his justificatory line.

Actually, I am inclined to think that in order to justify the protection of the common good (where defined simply as that which is of deep concern to all and easily threatened by a few), it is not necessary to argue that only the state can protect it. If one could successfully argue that its protection can be secured more satisfactorily by the state than by any other agency or institution, this should be sufficient—at any rate, as sufficient as it would be in connection with the provision of services. In other words, when the question-begging feature of the concept of the common good is removed, it becomes evident that the justificatory device Taylor uses is more stringent than is necessary. In the end, this may make no difference, for the difficulties raised here concerning the provision of services would have to be met. But the general philosophical point is worth making.

So much for my doubts concerning Taylor's "implementation" of his criterion of the promotion of freedom of enablement as a justification of government. If warranted, they raise grave questions about the applicability of the criterion itself. Apart from protecting the common good and providing services to groups, what legitimate role can government play in promoting the positive aspect of freedom?

Let us turn now to what Taylor calls the negative aspect of freedom and to his claim that government activity is justified if

it protects the freedom of permission of its citizens through a criminal law that is drafted in accordance with the principle of liberty. What about this claim? Is it defensible? To make this determination, it will be important to address the following questions: (1) Can a state, any state, properly generate and enforce its criminal law? (2) Can a state, any state, protect the freedom of permission of its citizens? (3) If a state properly generates and enforces its criminal law, will it protect the freedom of permission of its citizens? (4) If a state protects the freedom of permission of its citizens, will it be a justified state?

As far as the first two questions are concerned, it must be kept in mind that it is not necessarily any actual state, past or present, that is being judged. The concern is with (allegedly) possible states, states that meet certain abstract conditions. I can see nothing incoherent in the idea of a state that, in addition to insisting on the accountability of its rulers, generates and enforces a criminal law of the type indicated. The same for the idea of a state that protects the freedom of permission of its citizens. The likelihood of there ever being a state that can consistently, over the long haul, meet these conditions is another question. The historical record does not provide much ground for hope.

In regard to the third question, I think that the answer is clearly affirmative—in fact, necessarily affirmative. Protection of the freedom of permission is an analytical consequence of the kind of state Taylor envisages. The situation is parallel to one encountered in discussing the notion of the common good. It is true by definition that a state that properly generates and enforces its criminal law will protect the freedom of permission of its citizens. I see no possibility of criticism here.

The fourth question, clearly the most intriguing and crucial, gives rise to points similar to those previously touched upon. The mere fact that a state protects the freedom of permission of its citizens does not necessarily imply that it is justified. One must assume further that such freedom needs to be protected and that the state can protect it more satisfactorily than can nongovernmental agencies. Since he holds that “freedom [including the freedom of permission] is . . . possible only within a legal order, or what is the same thing, only within the vastly powerful state” (p. 136), Taylor obviously holds that nongovernmental agencies cannot do the job. Few would argue against the need to protect the freedom of permission. Murray Rothbard and other libertarian anarchists have argued strenuously, however, against the identification of a legal order with the state and have tried to show that

defense services (including police protection and judicial findings) could be satisfactorily supplied by people or firms who gain their revenue voluntarily rather than coercively, as does the state.⁶ In other words, a lawful but stateless society is not only possible but workable. I do not contend that Rothbard and friends have definitely refuted Taylor, but I do maintain that, in effect, they have shown that Taylor is entirely too uncritical with respect to the role of government in the protection of freedom of permission. Taylor has not demonstrated either that the state alone can protect freedom of permission or that it can protect such freedom more satisfactorily than nongovernment institutions.

This leads to another point. Some, while admitting that Taylor has not proven his claim, would contend that, in the light of recent work by such libertarian theorists as Nozick, Hospers, and Machan in support of the minimal state or strictly limited government,⁷ the burden of proof in this matter has been lifted from Taylor's shoulders. In order to respond to this contention, it will not be necessary to go into the details of the arguments of Nozick et al. It is sufficient to note that they are based primarily on an appeal to natural rights. Thus, the question of the justification of the state is viewed by them as fundamentally a moral one. In the critical part of his discussion of the justificatory issue, Taylor considers several types of attempt to justify the state, one of which he refers to as being moral in character. Under this heading he briefly discusses natural-rights theory. His crucial claims against these justificatory attempts are that "no government has any way of showing that the moral principles it honors, if any, are true" and that even if one believed that this or that legal order was in fact based upon some true principle of morality or justice, that would not by itself justify its jurisdiction over him (p. 103). To be sure, these claims appear to present problems for Taylor. If valid, they seem not only to prevent him from relying upon Nozick and company for support but also to make it impossible for him to defend his own case concerning the role of government in protecting the freedom of permission. Isn't his own support of freedom at root a moral one? After all, he asserts that freedom is the unqualified good and the necessary means to the achievement of any good whatever. While I think that Taylor can successfully refute this charge, to fully develop his rebuttal would take me quite beyond the scope of this paper. Suffice it to say that, as I understand him, Taylor does not conceive "good" and "evil" as moral predicates.

Perhaps in the last analysis Taylor's position concerning the status of freedom is not all that different from that of the limited-

state libertarians. Nonetheless, it is up to Taylor to show this. It is he who claims to offer a *rational* justification of the state.

To return briefly to the question at hand. Because Taylor is trying to provide a rational justification of the state, it is proper to insist that he show that the state's protection of the freedom of permission is more than merely adequate (however this term may be defined). It must be shown to be superior as well—superior to what private individuals or firms could provide; superior when all relevant factors are taken into consideration. Among the latter is the absence from a stateless yet lawful society of a type of coerciveness inherent in any state-supported legal order. This is an especially important consideration for one, like Taylor, who is trying to overcome “the paradox of government.”

In conclusion, I believe I have uncovered a variety of things that are wrong with or dubious in Taylor's attempt to justify the state. So many things, in fact, that it is not possible to provide a neat summary of them. This is due in large measure to the fact that he does not provide a univocal answer to the justificatory question. What he does, in effect, is to offer separate justificatory schemes for different types of government activity. Presumably, if any of them holds up, the state has been justified—some sort of state, that is. Even then, the state he has justified is not necessarily an actual one, but merely a possible one. I would say an improbable one. Be this as it may, I want to emphasize that my critique has been concerned more with the issue of the satisfactoriness of Taylor's justificatory standards than with the question of whether these standards can (or are likely to) be met.

1. Richard Taylor, *Freedom, Anarchy, and the Law* (Englewood Cliffs, N.J.: Prentice-Hall, 1973).

2. In addition to his own solution, Taylor considers and rejects others. For his criticism of theories of the moral justification of government, the theory of utility, the theory of self-government, and the traditional theory of contract, see chaps. 15, 16.

3. For good discussions of the free/able distinction, see Fritz Machlup, “Liberalism and the Choice of Freedoms,” in *Roads to Freedom: Essays in Honour of Friedrich A. von Hayek*, ed. Erich Streissler (New York: August M. Kelley, 1969); and William A. Parent, “Some Recent Work on the Concept of Liberty,” *American Philosophical Quarterly* 11 (1974), no. 3.

4. See Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), chap. 7.

5. Perhaps it is worth noting at this point that, strictly speaking, Taylor is not committed to claim (2). For presumably in order to be *fully* justified a state must

not merely protect the freedom of permission but also the freedom of enablement. Another way of putting it would be to say that Taylor, by implication, distinguishes between government activity and the state in talking about rational justification and maintains that whereas protection of the freedom of permission justifies government activity, protection of such freedom alone does not justify the existence of the state. Government activity in connection with the promotion of the freedom of enablement is also required. Except for an indirect reference at the end of the paper, I shall be skating over this subtlety in what follows.

6. See Murray N. Rothbard, "On Freedom and the Law," *New Individualist Review*, Winter 1962; *Man, Economy, and State* (Princeton, N. J.: D. Van Nostrand, 1962); *Power and Market* (Menlo Park, Ca.: Institute for Humane Studies, 1970); and *For A New Liberty* (New York: Macmillan, 1973).

7. See Nozick; John Hospers, *Libertarianism* (Santa Barbara, Ca.: Reason Press, 1971); and Tibor R. Machan, *Human Rights and Human Liberties* (Chicago: Nelson-Hall, 1975).

RECURRING QUESTIONS AND AUTONOMY

Hume remarked that the process of inductive reasoning cannot be justified without circularity. From this he inferred, in his philosophical intervals, that both natural science and everyday belief are without rational foundation. But he discovered, in between those intervals, that he could not help continuing with both of them, and he rightly suspected that the rest of us would find the same. His overall conclusion from this whole affair was that we had better take it "philosophically": accept the situation, allow for it in our theorizing, and put up with it in life.

On this question, several views have since been held. Some say that Hume was wrong: that inductive inference can after all be justified—usually by some complex calculations referring to "probability" and invented since his time. For these people, Hume's argument fails because the first premise is denied.

Others grant Hume's point but declare it too obvious for anything much to be inferred from it. Induction can't be justified, they say, *of course* it can't; the question was a silly one to raise, so nothing can follow from our inability to answer it. "Rational foundations" are not a thing that natural science or everyday belief *could* have; and if they couldn't possibly have it, they can't really lack it either. Yet even these hard-headed reasoners return grateful thanks to Saint David, from time to time, for helping us all to see the obvious.

A third group accept Hume's premise and his depressing inference but propose to supply from elsewhere the justification that he failed to find. Success, they mostly say, is what matters; and you can tell by looking which sorts of reasoning are a success. Once a study has entered on "the sure path of a science," there can be no question of a logician undermining it. Philosophers with doubts about the so-called foundations of physics are like the Aristotelian who refused to look through Galileo's telescope.

I have to disagree with all three views. Hume, I believe, was right to hold that inductive reasoning cannot be justified without circularity. And this does matter—a point that the second group deny. There is some general significance in the inevitable circularity that any appeal to the Uniformity of Nature must involve.

Indeed, the same point must be made in other spheres as well: for example, history depends on memory, and reliance on memory cannot be justified without circularity.

The conclusion to be drawn, however, from this generalised version of Hume's point, is different from his. Inevitable circularity of justification, I suggest, is a mark of a basic and independent area of knowledge and of life. If one asks, as one sometime should ask, whether Science, History, Morality, and the rest deserve their honorific capitals—whether they are really distinct provinces of intellectual life, not arbitrary carve-ups to suit the current convenience of academics and librarians—then an answer can be found by looking for logical irreducibility between these areas. This states in a more general way the point that struck Hume so forcibly in the particular case of scientists' inductive reasoning.

As the two cases of Inductive Science and Morality, which Hume did consider, are in consequence so exhaustingly familiar, this proposal may better be expounded in connection with the third area: Memory and History.

History depends on memory. I need to remember something in order to repeat it to you, whether verbally or in a document; and you in receiving and using my report need to remember who I am and what I am reporting on. Page 23 of any consecutive document is what it is partly as the immediate successor of page 22 and the indirect successor of pages 1, 2, 3, . . . to 21; and we need to remember all this (at least implicitly) when studying page 23.

Now memory is fallible. Not everything that Smith thinks he is remembering actually happened for him to remember it. The resulting uncertainty may apply to details of a real event: that bishop at Brighton, was he wearing a boater or a bowler hat? But Smith may also "remember" something that did not happen at all; maybe he never went to Brighton, or met a bishop, in his life.

Now we may decide, for safety, always to put "remember" in quotation marks or to say that Smith *appeared to himself* to be remembering the incident. Such verbal amendments may preserve consistency in usage, but they will not make the problem of knowledge go away. For in the new terms Smith only ever has seeming-memories of bishops and Brighton and bowler hats. Some of those seeming-memories may be veridical, but he can't tell which except by some appeal to (real) memory.

At this point Russell comes in,¹ I seem to remember, and says that if *any* memory be fallible, then maybe all of them are—a point that Descartes made about ideas in general. Russell regarded this possibility as unconvincing but unfortunately irrefutable. Of

course, if it is irrefutable, anyone is free to be convinced. Philip Gosse, for example, *was* convinced that God had put the fossils in the rocks, about 4000 years B.C., to fool those impious geologists he regretfully foresaw arising some six thousand years later.² I myself cannot separate Gosse's conviction from his preference: he wanted to study both Genesis and geology, and his theory permitted this. His contemporaries laughed at him, but then most Genesis-watchers do not want to be geologists.

Now, granted that Gosse's view and Russell's suggestion are irrefutable, does *this* fact show us anything about history or memory? M. G. Singer suggested³ that Russell's question, like that of Descartes, is nonterminating and therefore properly unaskable. For if Russell asks, How do we know the world did not begin five minutes back, complete with ruins and history books and memories? any answer would itself be historical and so open to the same sceptical attack. And if we asked, more generally, How do we know the truth about any matter of fact? then "any supposed answer to this would purport to be the truth about some matter of fact, and would consequently beg the question. It would be an instance of what is being asked about."

Such very basic questions are nonterminating, or (I would say) recurring.⁴ And such a recurring question has no conclusive direct answer, just because it is recurring; you can always ask the same question again, about the answer you receive. And some hold that a question that can't be directly settled is not worth asking or is somehow meaningless. This last view, I believe, is wrong, as can be shown by pointing out a significance that such recurring questions have for us.

Consider a drunken Descartes in the fog. Is this, he asks, a lamp-post that I see before me? Yes it be, replies the constable. Now Descartes can either take his word for it or blunder on and find out for himself. Instead, he sits down on the pavement and goes all philosophical. "Can we ever be sure of anything that we seem to see?" The constable has no answer to this, nor can it be settled by blundering on. It has no direct answer of the "yes-ouch" variety. But it does have answers, three bags full of books of them in any college library. And those answers are not nonsense, or ridiculous, though they may not exactly appeal to the constable.

And what can drunken Descartes's question do for us? When we realize its recurring character, this may lead us to recognize the autonomy, the logical basicness and independence, of the range of experience he is asking us to "justify." If that range of experience really is autonomous, then we shall not, of course, be able to

justify statements about it by reference to statements about something else. So no satisfactory direct answer can be given to the request for justification. But this very fact may lead us to see the autonomy of that range of experience.

Questions of autonomy can of course be debated in many different ways.⁵ They are a staple of the philosophic diet, but still, you needn't have the same jam on them each time. Is there any advantage then, in the Descartes-Hume-Russell-Singer way of considering autonomy? Yes, a recurring question *looks like* a conundrum and so makes it obvious that something unusual is afoot. Just so, a tautology *looks* queer: its form carries the warning DANGER, DEFINERS AT WORK; and a contradiction tips us the formal wink that a paradox-monger is addressing us. A recurring question, if you try to answer it, shows you that the same question can be asked again—i.e., that the question *is* a recurring one; and *this* shows that the range of experience in question is fundamental and autonomous.

Let us return to Hume. He asks how an inference from past experience to likely future ones can possibly be justified. He shows that it cannot be justified *a priori*, by deduction from general propositions held to be self-evident. And if you try to justify it on the basis of experience, you are (in a way) begging the question; at least, you are begging for the question to be asked again. It is, then, a recurring question Hume propounds to us. And that shows Induction from experience to be a fundamental, autonomous, unjustifiable range of intellectual activity.

Well, there is a suggestion about recurring questions and autonomy. I can't prove it—for to what more general premises might one appeal? If people fancy it, they can take it away and try it out and see whether it will work for them.

There is however one question—not a recurring one—that I would like to raise. Russell asked how you could be sure that memory really does refer, and to a real past; Hume asked how you could tell, in general, that induction is reliable. In both cases, I suggested, the recurring nature of the question shows that the thing being questioned (Memory or Induction) *is* a fundamental and autonomous area of human thinking and experience. But—and this is my query—are Memory and Induction similar sorts of thing? It seems not. Memory yields data, but Induction is a way of dealing with data: it is a mode of inference.

If this distinction is valid, then, among the ultimate presuppositions of our present scientific life⁶ (which we may hope to recognize as such from the recurring nature of any sceptical

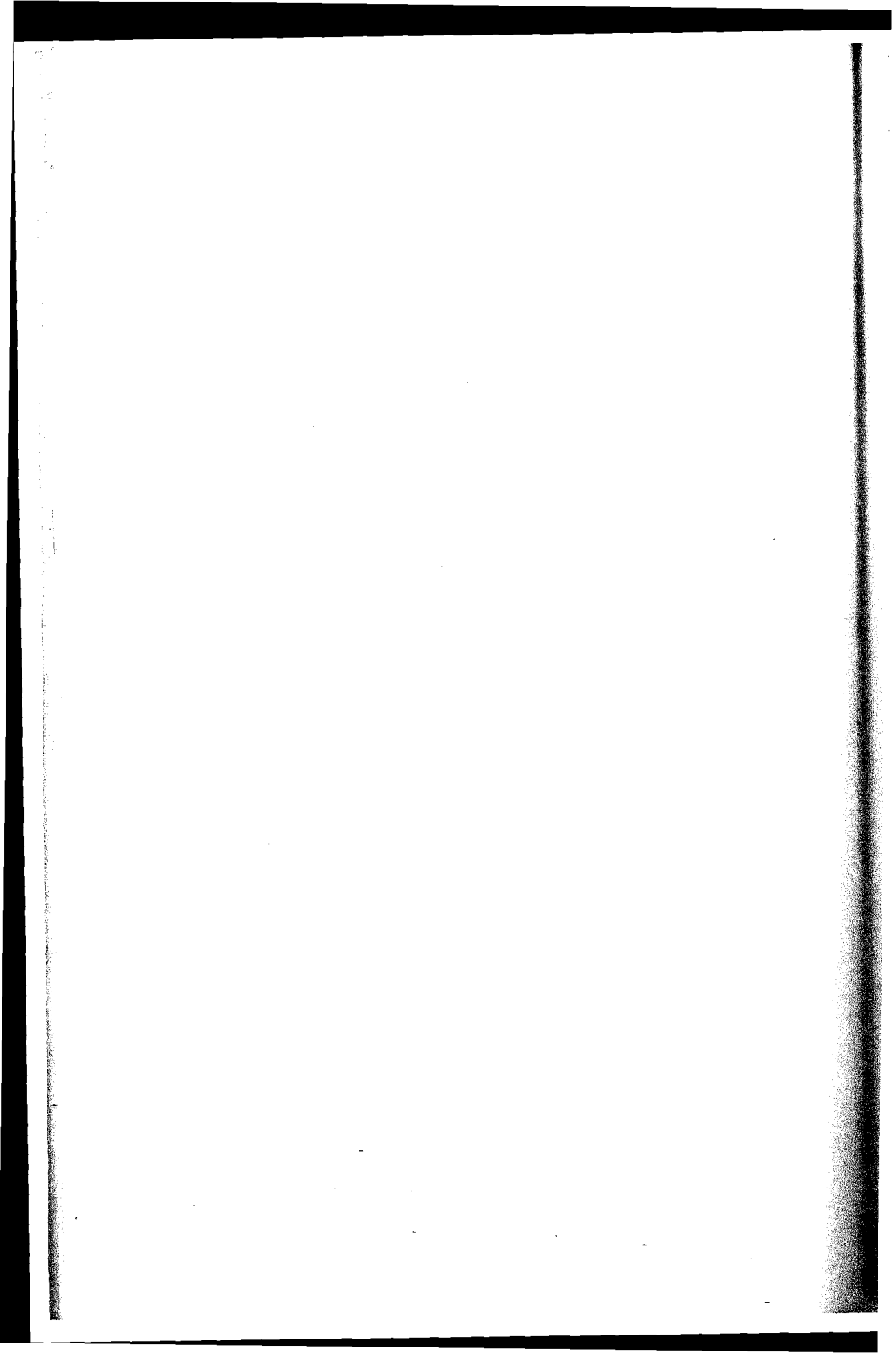
question that refers to them)—among these there will be *both* basic, fundamental data *and* original, indispensable modes of inference. It is common usage to refer to both of these as principles, and it is of course possible to formulate either of them in a proposition. Yet there remains a basic distinction between the things formulated in such principles, between an item given as remembered and a way of proceeding from particular given items to a summary statement of general connection. Both lack justification. But it is one thing to justify a statement of fact and quite another to justify a mode of inference. It is, then, a different sort of justification that either lacks.

Whether being autonomous makes an area of thought viable or useful or reliable is a matter that I have not dared to raise. If someone thinks so, let him start with the case of Astrology, which seems an autonomous and fundamental form of intellectual enquiry and mode of social life.

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1. B. Russell, *The Analysis of Mind* (1921), pp. 159ff.
2. E. Gosse, *Father and Son* (1949), pp. 85ff.
3. M. G. Singer, "Meaning, Memory, and the Moment of Creation," *Proceedings of the Aristotelian Society*, 1962-63, pp. 189ff.
4. See further my paper, "Are Recurring Questions Serious?" forthcoming in *Proceedings of the C. S. Peirce Bicentennial International Congress* (Lubbock: Texas Tech Press).
5. For example, J. F. Fries, working from his revised version of Kant's critique, mapped out a set of overlapping yet autonomous "world-views" (the world of bodies as perceived, the world of physics, the world of conscious individuals, etc.), demarcated by the differing sorts of evidence we have for them. See L. Nelson, *Progress and Regress in Philosophy* (1971) 2: 247ff.
6. In Collingwood's sense, *Essay on Metaphysics* (1940), pp. 49ff.



A NOTE ON ACTION AND CAUSAL EXPLANATION

If asked, "Why does your car's fender have a dent in it?" we can reply, "Because a branch fell on it." The question is a request for a causal explanation, and that is what the answer supplies. Similarly, if asked, "Why did John rush out of the building like that?" we can reply, "Because he thought it was on fire." In the second answer, as in the first, a certain event is explained by asserting that it happened because of something else, something which seems to be temporally prior to it. This fact raises the question: Does the second answer, like the first, supply a causal explanation of the event in question? More generally, we can ask: Do statements in which human acts are explained by identifying a belief, desire, or intention from which they spring give causal explanations of those acts?

Some philosophers would answer this more general question with a yes, while others would say no. I will offer some evidence to support those who would deny that such explanations are causal. I will do so by contrasting such explanations with explanations that *everyone* would agree are causal, showing that the controversial cases are unlike the uncontroversial ones in an interesting and important way. Although the difference between them does not indicate that it is contradictory, nonsensical, or otherwise absurd to call both sorts of cases "causal explanations," it does indicate that to do so blurs a distinction that ought to be preserved and examined.

I will use the somewhat anthropomorphic term "action" to mean, in the broadest sense, anything that something might be said "to do." "Actions" will include not only changes that a thing might undergo (growing, decaying, moving about, etc.) but also the act of radiating energy—for instance, giving off light or heat. They will not include being in states in which nothing necessarily happens, such as being wet or being heavy.

As I have characterized it so far, the notion of an action is a very vague one. Even so, it will serve my purposes well enough. Borrowing a pair of terms from the grammars, I divide actions into two types: transitive and intransitive. Transitive actions are what something does to something; they are actions with objects. Intransitive actions are all the rest. I hope some examples will show what I mean.

ACTIONS

Intransitive

moving

closing one's hand

sneezing

glowing

burning

giving off heat

Transitivemoving something,
knocking something over,
smashing something,
denting somethinggrasping something,
squeezing something

giving someone a cold

illuminating something

scorching something,
igniting something,
melting something

heating something up

Now I can make some very general remarks about explanations that everyone would regard as causal.

1. In offering such an explanation, one is always attempting to explain either a certain action or something's failure to act in a certain way. This is so even though the proffered explanation may be an answer to a question that only mentions a state something is in, and not an action at all—as in “Why is this thing wet?” In each case what is to be explained is either the thing's *coming to be* in that state or its failure to dry out.

This is a characteristic that all explanations of human acts share with explanations that are uncontroversially causal. Human acts are certainly instances of what I have called actions. So far, so good. Since explanations of failures to act seem to be irrelevant to my topic, I will ignore them henceforth for simplicity.

2. Usually, the action of a thing can be causally explained by describing it as the doing of something else, as the transitive action of some other thing. For instance, if we are asked, “How did this thing get wet?” we can reply by saying, “It was dampened by last night's rain.” The event described in the question as getting wet is redescribed in the answer as being dampened by the rain.

When we do not have a verb (such as “dampens”) for the transitive action involved, we must resort to highly general terms, such as “causes.” Other highly general locutions (many of them metaphors of coercion) can stand in for more specific ones in quite the

same way: "impels," "forces," "makes so-and-so do such-and-such," and so forth. In most attempts to explain something causally, we need not resort to such more general stand-ins, since there usually is a verb that names the transitive action involved. Whenever there is no such more specific verb, I suppose it is always possible to make one up.

When explaining a human action by identifying the belief, desire, or intention that is the source of the act, we sometimes do so by using one of the more general stand-in expressions. "Your Honor, it was the defendant's understandable and just indignation that made him do this terrible act." "Impelled by the rage that had finally overcome him, he searched feverishly for a weapon."¹ It is interesting, however, that there are no more specific verbs that do this sort of work. There is no name, for instance, for the transitive action in which the murderer's rage impels him to look for a weapon. The same is true of all the other beliefs, desires, and intentions that generate human actions. Moreover, it seems a safe bet that this is not a peculiarity of the English language and that *no* language has names for transitive actions in which such mental states or activities generate human actions—at any rate, it is difficult to imagine a language that does.

Even if explanations that illuminate a human action by identifying the belief, desire, or intention that generates it are causal explanations, they at least are a linguistically unusual kind of causal explanation.

3. In events that are the subjects of noncontroversial causal explanations, the thing that accomplishes the transitive action involved always does so *by* doing something else. The action-by-which (as I will call it) may be some further transitive action—"He detonated the bomb by lighting the fuse"—or it may be intransitive, as in "It detonated the bomb by flaring up." Whenever a noncontroversially causal explanation is being proffered, we can ask how so-and-so was detonated, moved, dented, given a cold, and so forth. And there is always an answer, although we may not know what it is.²

On the other hand, I can think of no actions by which a person's beliefs, desires, and intentions generate his actions. Further, if we are told something like, "He ran from the building because he thought it was on fire," it does not seem to make sense to ask something like, "Okay, but *how* did his belief that the building was on fire make him run out of it?" These are interesting facts because in a noncontroversially causal explanation the action-by-which must either be given in the explanation or already understood by the

audience at which it is aimed. If both these conditions are unfulfilled, the explanation will be, in an important way, incomplete. Suppose that I am a member of a lynch-mob because I believe a certain very brief and simple causal explanation of John's death: that John died because Paul killed him. I may be quite satisfied with this explanation, in spite of its brevity and simplicity: I may not care to know whether Paul did it by shooting John, by pushing him out a window, by putting cyanide in his coffee, etc. But as a member of a lynch-mob, my interest is not in understanding the event, but in doing something about it: if my interest is in understanding what happened, the case is quite different. If I am a criminologist or I am reading an account of the event in a newspaper, and I am told only that John died because Paul killed him, I feel that I am told almost nothing about the event. It is obscure to me; I am in the dark about it. Among other things, I want to know how it was done. In such circumstances, we feel that we have been told the very beginning of a story that has not been finished, and finishing the story would include giving the action by which the event was brought about. Suppose, on the other hand, that we are told that a certain act was done because of a certain belief, desire, or intention of the agent's and are told no more than that. The explanation does not necessarily leave that act a mystery, even if our only interest is in understanding it. We may well feel that we have been told quite enough, and it seems nonsensical to ask that the explanation be completed by giving the action by which the agent's belief, etc., made him act as he did.

These facts do not refute the theory that such explanations are causal in nature, but a philosopher who holds this theory must take account of them. I can imagine two ways in which this might be done.

First, one might say that such explanations are simply a special sort of causal explanation: in giving *this* sort of causal explanation, supplying the action-by-which is neither possible nor in any way necessary. This position is not an absurd one, but it is not a completely comfortable one, either. The difference between this special sort of causal explanation—if that is what it is—and the noncontroversial kind is by no means a trivial difference. In the noncontroversial cases, giving the action-by-which plays an essential role in carrying out what seems to be the most distinctive function of an explanation: that of *satisfying our desire to understand*. Without it, this desire is not satisfied. A sort of explanation that can satisfy our desire to understand without resorting to this

device is a very different sort of explanation. If the controversial cases are really causal explanations, they are anomalous ones; and this position must live with the haunting possibility that what seems an anomalous example of one thing may be a quite straightforward instance of something else.

The second position is bolder and more interesting than the first. One might say that, in the controversial cases, requests that the action-by-which be given are really not nonsensical requests at all—if we do not take them seriously, that is, because they clearly require us to do the impossible. We simply *do not know* the actions by which intentions and the like move us to act. On this view, the controversial cases are just like noncontroversial causal explanations, except that we happen to be unable to consummate them because we are crippled by ignorance. This position is not an impossible one to hold; Descartes, for instance, held a roughly similar view for roughly similar reasons.³ In its own way, it does reconcile the theory that the controversial cases are causal explanations with the facts I have pointed out. It does so, however, by paying a price—namely, by admitting that the theory makes the connection between beliefs, desires, and intentions on the one hand and human actions on the other seem mysterious. Part of the point of any theory is to make things intelligible and therefore to eliminate mysteries. If a theory *creates* mysteries, that is hardly a mark in its favor.

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1. It may be worth noting in passing that most of the more general expressions are only used in special contexts: cases in which the source of what the agent did is something especially powerful, such as jealousy and rage. This is obviously true of the ones that are metaphors of coercion, and to a slighter extent, it is also true of "causes." The question "What causes you to do that?" is somewhat more ominous than the question "Why do you do that?" The former suggests, while the latter ordinarily does not, that there is something anomalous about what you do, something that could only be explained (and perhaps only justified) by some stronger-than-usual motive force.

2. Notice that I am only speaking of those transitive actions that represent causal connections—that is, those in which some change is brought about in the object of the action. It is not obvious that all *other* transitive actions can only be accomplished by doing something else. The action of denting something is always

accomplished by doing something else, like hitting it. But hitting something does not, as such, include any change in the object of the act. Is this action necessarily accomplished by doing something else: for instance, does my car hit a tree *by* doing some other thing? Fortunately, I need not answer these questions.

3. See *Descartes: Philosophical Writings*, ed. Anscombe and Geach (New York, 1971), pp. 274-82.

THE RELEVANCE OF THE SUBJECTIVE

In a recent exchange in *Reason Papers* (nos. 2 and 3) Sidney Trivus and Michael Gorr engage in an interesting, if often misguided, discussion of theories of value. The central point of Trivus's article is that we should all use *his* concept of value rather than the subjective-value concept of Ludwig von Mises and other praxeologists. His intent seems to be to rescue the idea of value from its "metaphysical" forms as found in Mises (and Marx, with whom I will not deal in this comment).

Trivus is correct, of course, when he points out that "what a thing *is* and what *causes* it to be what it is are different" (*Reason Papers*, no. 3, p. 93). While both Marxist and praxeological notions of value are intimately related to their respective causal explanations, his simple idea of value is supposed to stand apart from all causal explanations. "The economic value of a thing is just what it will fetch in the market" (no. 2, p. 7).

A quick perusal (with which, it appears, Trivus dispensed) of Mises's main treatise, *Human Action*, will prove that this supposedly new concept of value is what the Austrians have been calling exchange-value. There is no doubt that this is an important, even indispensable, idea in economics. But the notion of subjective use-value, which underlies and renders causally comprehensible that idea of exchange-value, is *also* an important and indispensable idea in economics.

The general fact about the economic world that so impressed the classical economists is that some goods tend to exchange in fairly regular proportions to others. The costs of production of a good typically bear some relation to its selling price. Or one could say there are various "equivalence classes" for market goods such that, in Trivus's example, his typewriter can be said to be "worth" \$300—i.e., "what it will fetch in the market." No Austrian economist would deny that we need a concept (exchange-value) to describe such everyday appraisals of marketable goods (see Mises, *Human Action*, 3d ed. [Chicago, 1966], pp. 331-33). A businessman must constantly refer to the market value of his resources in estimating his costs. But if we wish to understand *why* such typewriters and \$300 tend to be in the same market-value "equivalence

class" we must refer to the intensity of the supply of and the demand for this kind of typewriter, which involves an investigation into the relative preferences of the actors on the market.

If a typewriter identical to Trivus's were found to exchange for \$350 instead of \$300, this would constitute a profitable opportunity for an entrepreneur to buy low and sell high. It has been shown (e.g., see Israel Kirzner, *Competition and Entrepreneurship* [Chicago, 1973]) that this kind of entrepreneurial action is the force that tends to bring about the general fact with which we began the previous paragraph—that some goods tend to exchange in regular proportions or identifiable equivalence classes. Thus we could simply attach a word to our concept of exchange-value, as Trivus seems content to do, or we could also try to understand that concept by reference to the underlying causes that it reflects, as Austrian economics does.

Trivus chides subjectivists for concentrating on their vague, ephemeral, and nonquantifiable subjective value, as opposed to his concrete equivalence classes. If someone were to offer an economic good as collateral for a loan "a hard-nosed banker . . . would determine the economic value of that collateral by consulting the market" by means of clear objective appraisals such as existing price lists. "What that banker most certainly would not do is inquire into 'the strength and content of the *desires* and *preferences*' of potential buyers of that commodity. . . ." (No. 3, p. 93)

The hard-nosed banker analyzing loan collateral is obviously interested in an exchange-value assessment of the collateral, that is, in what he can be sure to be able to get for the thing in exchange. Even he makes some limited judgments of the underlying preferences, for example, when, as is customary, he deducts a percentage from book-value estimates. There are, however, other evaluative purposes in a modern economy for which this "hard-nosed" technique would be entirely inappropriate.

The hard-nosed banker is in the unique position of having to rely on other people to estimate the value of the collateral. He passively observes the existing market prices as a reliable-enough guide to the exchange-value of a particular item of collateral, say a car, about which the banker has no particular expertise. The used-car salesman, on the other hand, would be foolish to blindly sell his car at the listed price in the blue book. It is indeed one of the most important aspects of a salesman's job to try to anticipate the desires and preferences of the potential customer.

Exchange-value appraisal relies on the existing market prices as reflective of the value of goods. But as Austrian economics

demonstrates, the market is always in disequilibrium; that is, there are at any moment differences between the underlying subjective valuation of goods and their evaluation on the market. Not every actor on the market can afford to be a price taker; the more alert entrepreneurs defy the blue books and the hard-nosed and make their *own* assessment of the potential market value of goods. It is by noticing discrepancies between generally accepted exchange-values and the actual future preferences of consumers that entrepreneurial profit can be made. Thus *both* notions of value are necessary for understanding a real economy.

Trivus wishes to discard subjective use-value because it involves a causal explanation "purporting to show how it comes about that commodities exchange as they do" (no. 3, p. 94). And, he insists: "An oak tree is not the same as an acorn, although acorns are undeniably (part of) the cause of oak trees. Analogously, though labor expended in production, and subjective attitudes of traders, and many other things besides may well be causally related to the economic values of commodities, those causal influences *are not the same as* the values they bring commodities to have." His idea of value is supposed to be preferable because it "is neutral with respect to all putative causal or functional explanations of how exchanges . . . take place." (No. 3, pp. 93, 95)

So it is taken as a *criticism* of the Austrian concept of value that it is specifically selected for its usefulness in explaining causation in exchange. Presumably a useless (or as Trivus puts it, a "neutral") concept would be better. Why? Because when choosing a concept for its usefulness the resulting theory may be "circular or vacuous."

Specifically, Trivus claims that subjective-value theory is circular because subjective preferences explain actions and the actions explain the preferences. Michael Gorr had responded (no. 3, pp. 86-88) that actions are evidence for the existence of preferences and that Austrians ought to appeal to other *independent* evidence for the existence of preferences, thereby disproving circularity.

All this presupposes that preferences and actions are two different phenomena, each requiring a different and independent explanation. But for Mises, the idea of preference is implicit in the idea of action. For a man to choose the state of affairs X over that called Y, it is already implicit that, *ex ante*, he *prefers* X to Y. It is a fact that men are purposive beings, in other words, that they attempt rationally to apply means to achieve their preferred ends. We leave the (purposeful?) denial that men are purposeful to those undisturbed by the fallacy of self-exclusion. But for those of

us who are willing to agree to the blatantly obvious, there is much to learn from the elucidation of the logical implications of this fact.

One such implication is that in a voluntary exchange both parties (*ex ante*) view the exchange as beneficial, otherwise they would not have entered into the exchange in the first place. This is an implication so obvious that it could only be denied by means of its utter misinterpretation.

Trivus provides us with such a misinterpretation when he tells us that "what people do is not always what, in any reasonable sense of the term, they *want to do*" (no. 2, p. 5). His so-called counterexamples to this misstated proposition comprise an imaginative collection of misconstruals of the praxeological insight that do not once even make the fundamental Austrian distinction between *ex ante* and *ex post*:

1. Forced sales under foreclosure (no. 3, p. 96)

The relevant exchange here, of course, is the original credit contract (wherein provision was made for foreclosure) at which time, *ex ante*, both parties to the exchange expected to gain. Austrian theory has never tried to say that all events in any economy are to every party's benefit. Praxeology states simply that both parties to a voluntary exchange will *ex ante* expect to gain by that exchange, otherwise they would not bother. *After* the action, either or both participants may indeed have regrets. In the foreclosure example the "foreclosee" may feel great remorse *ex post* for having defaulted on his original contract, thus necessitating the (contractually agreed upon) forced sale. This fact is completely irrelevant to the praxeological point at issue.

2. "There are, as well, transactions that do not accord with the subjective preferences of the owners because the owners *don't have* any preferences in the matter" (*ibid.*); e.g., shareholders of AT&T may not know or care about the company's various acquisitions.

Notice how Trivus has carefully restated the argument he wishes to refute so that what used to read "parties to the exchange" now reads "owners." Whoever the ultimate legal owner of a resource is, the two parties to the exchange are the individuals who actually exchange something. Surely a person who neither knows nor cares about the terms of an exchange cannot be called a party to it. This particular example is complicated by the prior contractual exchanges of delegated responsibility over the use of resources that are implicit in the managerial hierarchy of a modern corpora-

tion. But, however the authority is delegated, in any particular exchange it must nonetheless be the case that both *parties* perceive the exchange as beneficial.

3. And then there are "capricious, impulsive exchanges." "People often do give in, even against their better judgment, to fast-talking salesmen, social pressures, passing fads, and so on." (Ibid.)

Praxeology does not claim that an actor's preferences are the result of sober and rational reflection. They are just what he *actually* (through his *actions*) prefers, for whatever capricious reasons. If, upon further reflection, the actor (*ex post*) regrets his past impulsive choice, this fact still has no relevance to the point that if he did not *at the time of the decision* prefer the chosen state of affairs to the alternatives he then considered, he would not have made what he now considers an impulsive mistake.

4. People "comply with government edicts" (no. 3, p. 97).

This is not an example of a voluntary exchange and hence has no relevance to the issue.

5. "Another thing people do is make mistakes" (ibid.).

Yes, indeed. For example, one might make the mistake of trying to criticize an economic theory one knows very little about. (It has, for the record, occurred to praxeologists that people make mistakes.) Where one knows a potential action ahead of time to be a mistake, one would *ipso facto* avoid it. A mistake is a past action that one now believes one should not have taken; it reflects *ex post* regret. Again, this is inconsequential to a theory that discusses *ex ante* benefits in voluntary exchange.

6. "People often do things unaware. . . ." (Ibid.) Indeed, Mises would go even further:

Most of man's daily behavior is simple routine. He performs certain acts without paying special attention to them. He does many things because he was trained in his childhood to do them, because other people behave in the same way, and because it is customary in his environment. He acquires habits, he develops automatic reactions. But he indulges in these habits only because he welcomes their effects. As soon as he discovers that the pursuit of the habitual way may hinder the attainment of ends considered as more desirable, he changes in his attitude. A man brought up in an area in which the water is clean acquires the habit of heedlessly drinking, washing, and bathing. When he moves to a place in which the water is polluted by morbid germs, he will devote the most

careful attention to procedures about which he never bothered before. He will watch himself permanently in order not to hurt himself by indulging unthinkingly in his traditional routine and his automatic reactions. The fact that an action is in the regular course of affairs performed spontaneously, as it were, does not mean that it is not due to a conscious volition and to a deliberate choice. Indulgence in a routine which possibly could be changed is action. [*Human Action*, p. 47]

Trivus had prefaced these so-called counterexamples with the statement that "if the theory were to maintain, *nonvacuously*, that exchanges always occur in accordance with the preferences of all parties to the transactions, it would have to overcome prima facie evidence already available against it" (no. 3, p. 96, emphasis added).

Trivus's failure to suggest prima facie evidence against the praxeological statement at issue is no reflection on his considerable analytical abilities. Even *he* cannot perform the impossible. He is looking for factual refutation of a tautology. Mises had clearly explained that "action is an attempt to substitute a more satisfactory state of affairs [more preferred] for a less satisfactory one. We call such a willfully induced alteration an exchange. A less desirable [or preferred] condition is bartered for a more desirable." (*Human Action*, p. 97) By what praxeologists mean by "preference," by "action," and by "exchange," it is necessarily true that a purposive actor in choosing one state of affairs over another thereby manifests his *ex ante* preference of that chosen over that set aside.

Analogously, Trivus might have argued that if the Pythagorean Theorem were to maintain, "nonvacuously," that the square of the length of the hypotenuse of a right triangle is always equal to the sum of the squares of the lengths of the other two sides, it would have to overcome prima facie evidence already available against it. And then he might have similarly proceeded to suggest an equilateral triangle, a triangle in non-Euclidean space, and a trapezoid as equally damaging "counterexamples."

With respect to the charge of circularity, T. W. Hutchison explains the nature of pure theory, that is, for praxeology, what follows from the empirical fact that human beings are purposive.

To criticise a proposition of pure theory *as such* as tautological, or circular, or as assuming what it requires to prove, is beside the point, the *applicability* of the assumptions of a

piece of pure theory may be criticised; but this is purely a question of fact, having nothing to do with the *form* of a proposition of pure theory, which *must* necessarily be “tautological”, “circular”, and “assume what it proves”—for what it proves must be contained in the assumptions, and cannot be obtained from any other source. [*The Significance and Basic Postulates of Economic Theory* (London, 1938; New York, 1960), p. 36]

Neither Misesian nor Euclidian deduction can be pronounced “vacuous” or “circular” for all their insulation from empirical falsification. And surely neither theory should be so denounced before the critic has attained at least an elementary understanding of the theory under criticism.

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A MUDDLE CONFOUNDED

Don C. Lavoie's "The Relevance of the Subjective"¹ consists mainly of irrelevance and confusion. In the following I clear away some of the irrelevance and try to dispel some of the confusion.

1. Lavoie has filled out his essay with a lot of talk about the doings of entrepreneurs, such as anticipating market demand,² persuading people to buy used cars, and trying to buy my typewriter for a low price so as to sell it elsewhere for a higher. Though all of this may be instructive, it does not bear on the point of logic with which I was chiefly concerned in "Dissolving a Muddle in Economics."³ The point there is merely that, no matter how or why exchanges are made, those exchanges serve to partition the class of commodities into equivalence classes and that such a partition permits an explication of economic value in answer to the question about value Marx raises at the beginning of *Das Kapital*.

2. That "the market is always in disequilibrium" (p. 97) is likewise not relevant to the logical point. Whether the market is or is not in equilibrium has nothing to do with the definition of economic values as exchange-equivalence classes. That definition relies only on the fact that there are markets—i.e., that there are exchanges—and on nothing else.

3. If my house were to be sold under foreclosure, that would be a transaction I would not *want*. Lavoie's talk of *ex ante* and *ex post* ("before" and "after" in plain English) is beside the point. I would, indeed, have preferred a mortgage *without* any provision for foreclosure upon default, but I could not find a lender simple-minded enough to satisfy my preference. So I signed a contract containing such a clause. Should foreclosure occur, it would be an abuse of English and of good sense to say that *that* transaction was one I *wanted* or *preferred*, even though it would accord with an agreement I had made. Except in very peculiar circumstances, I would not *want* my house foreclosed upon, my automobile repossessed, my wages garnisheed, and so on and so on, no matter what contracts I may, quite voluntarily, have entered into.

4. If my attorneys act for me in some business transaction, they are my agents and are the parties *directly* engaged in the negotiations. But surely that does not mean that I am not a party to the transaction, even though at one remove. Moreover, it does not

mean that what those agents do is what I prefer: I might not care what they do, or it could be that, whatever my preferences, I am forced in the circumstances to acquiesce, and so on. I am, nonetheless, a party to the transaction. The case is not so different, it seems to me, when the officers of my union negotiate a wage contract or when the managers of a corporation in which I hold shares decide to issue some new securities or to market a new product line, etc., etc. Whatever the degree of my participation, it remains that I am a party to, at least because of a financial stake in, the transactions. Lavoie can, to be sure, try to rule out these cases by invoking technicalities and by persuasive redefinition of terms. But that would be a transparent dodge.

5. With respect to the more general question whether what people do is always what they want to do, Lavoie has again missed the mark. For one, the issue here is not confined to ordinary economic activities ("voluntary exchange," as Lavoie puts it on p. 98) but has to do with people's doings generally. And, I must insist, people *do* comply, and even voluntarily if you like, with governmental edicts, although they may truly not *want* to do so.

Again, not all mistakes satisfy Lavoie's characterization (p. 99) as being past actions about which the agents later have regrets. True, many mistakes fit that characterization; e.g., one may regret one's choice of a mate or a vocation. But many others do not so fit—mistakes in typing or arithmetic, for instance, or misunderstanding a point in logic.

Lastly, on this score, doing things unaware is not always doing things by routine or habit. For example, my violation of the speed law⁴ was not an instance of a habit or of some routine but was a simple case of not paying attention. Moreover, notwithstanding what Mises says in the quotation Lavoie supplies (p. 99–100), not every habit arises from voluntary choice expression of one's preferences. My nephew, for instance, habitually brushes his teeth, but only because his mother at the start insisted on it, whether my nephew liked it or not. Still further, even if the beginning of a habit resulted from voluntary choice, it does not follow that *present indulgence* in that habit agrees with the agent's preferences,⁵ as many drug addicts would testify.

I conclude, then, that Lavoie has not refuted the case for the view that what people do is not always what they want to do.

6. Had I but attended to the doctrines of *praxeology*, Lavoie says, I could have avoided at least some of what he thinks are my erroneous assertions. Praxeology, according to Lavoie, is a *pure theory*, logically of the same sort as, e.g., Euclidean geometry.

Because of that logical status, he holds, the deliverances of praxeology are undeniably true. A praxeological dictum, it appears, is no more subject to empirical test than is, say, the Theorem of Pythagoras. In Lavoie's view, (1) praxeology has the unquestionable certainty of pure mathematics, and (2) its theses are important and necessary truths about the world.

This, however, is an untenable position. As Albert Einstein remarked, "So far as the theorems of mathematics are about reality, they are not certain. And so far as they are certain, they are not about reality."⁶ What is at issue, to be sure, is not the relation of logical implication between the axioms and theorems of geometry or of any other "pure" theory. That is no more in doubt than is the proposition that $7 + 5 = 12$. The point is that if a thesis of geometry, e.g., Pythagoras's Theorem, is taken to be a proposition about physical space (given a suitable interpretation of the abstract theory), then that thesis takes its chances with respect to truth or falsehood as much as does any other putatively informative statement. In fact, so construed as an assertion about reality, the Theorem of Pythagoras turns out to be false.⁷ It follows that not all the axioms of Euclidean geometry are true of physical space and hence that Euclidean geometry is not a true description of physical space, as the latter is understood by physicists.

The point of interest is that the theses of a "pure theory," taken on their own as allegedly descriptive of reality, are subject to empirical test. If praxeology differs from geometry in this respect, then it is *not* of the same logical sort as pure mathematics. In that case, then, the onus is on its advocates to explain what the logical status of praxeology actually is.

7. This question of interpretation calls for a little more attention. When a theory like Euclidean geometry is given a physical interpretation, some conventions (what Reichenbach called *coordinative definitions*) are laid down assigning meaning and reference for the hitherto uninterpreted terms of the theory. These conventions belong to the larger system composed of the pure theory together with the interpretation, and not to the pure theory alone. Once laid down, the coordinative definitions are truisms within that larger system. Thus, the physicists' convention that a *straight line* is a *path of a light ray in an optically homogeneous medium* (concerning which see the works of Reichenbach and Grünbaum cited in note 6) is not a substantive assertion about the world but an expression of certain conceptual relations under the interpretation adopted. Such assertions, and their logical equiva-

lents, are then analytic truths or, loosely speaking, tautologies.

Now, Lavoie says that the praxeological proposition—that *exchanges always occur in accordance with the preferences of all parties to the transactions*—is a tautology. Hence, he argues, it is just wrong-headed to seek “factual refutation” thereof (p. 100). He holds that the proposition is true in virtue of *what praxeologists mean* by such terms as *exchange*, *preference*, and the like. That is, this proposition and its ilk are analytic truths *under the interpretation* supplied by praxeologists. I have two comments to make on this.

First, if the assertion is tautological, as Lavoie says it is, then the charge of vacuity is confirmed, and that vacuity is precisely why I ventured to criticize the Austrian account in the first place. (On this see also pp. 87–88 of Michael Gorr’s paper, cited in note 3.)

Second, it is doubtful whether what praxeologists mean by the several terms should be authoritative for anyone else. There is, after all, pretty good reason to accept the physicists’ assignment of meaning to *point*, *straight line*, and so forth in their physical interpretation of geometry. Those conventions agree very nearly with ordinary usage in cases where both apply (e.g., when surveyors use transits to map a piece of ground), and they are reasonably continuous extrapolations of ordinary usage into domains (like that of intergalactic dimensions) about which ordinary usage is silent, confused, or uncertain. By contrast, the praxeological conventions Lavoie offers do some violence to the language. In particular, adoption of what praxeologists mean would blur or even obliterate important distinctions properly recognized in ordinary usage.

For example, in Melville’s *Billy Budd*, Captain Vere has Billy Budd court-martialed and executed, though the Captain would prefer not having had to do so. On the praxeological view, since Vere chose to do what he did, it follows that that is what he preferred to do. The effect is to trivialize Melville’s novel. Similarly, on the praxeological interpretation, the Kantian problem of the conflict between duty and inclination becomes unintelligible. Again, in the ordinary meaning of the words, it makes sense for a parent to say, “I don’t want to do this but I must,” while spanking an errant child. Given Lavoie’s account, however, such statements are praxeological nonsense.

But such statements are not nonsense; Kant’s problem is not, at least not obviously, unintelligible; and Melville’s novel is not trivial. Evidently, there are many such examples, all of which give good reason *not* to adopt the praxeological interpretation of the crucial terms.

8. Moreover, if the praxeological thesis in question is a tautology, as Lavoie says it is, then by itself it cannot *also* be a substantive part of a causal explanation of anything. At the most, it can provide the parameters of such an explanation, that is, indicate beyond what factors an explanation may not reach. Tautologies are useless in the role of providing the specific factors that explain anything.⁸

9. A related point brings the discussion back to the concept of value. Lavoie says, p. 95, "the notion of subjective use-value . . . underlies and renders causally comprehensible . . . exchange value. . . ." Farther on he adds, p. 97, "the Austrian concept of value . . . is specifically selected for its usefulness in explaining causation in exchange." But how does that concept function in the Austrians' story? Well, Walters buys a bottle of Lafite-Rothschild '45 because he values the wine more than the money he pays for it. And how is it determined that Walters values that bottle so highly? Why, by the fact that he bought it! It is a *conceptual necessity* that this be so, if Lavoie's account is correct. But this is no sort of causal explanation, precisely because of the alleged conceptual necessity. It is as if one were to say that Henderson's being unmarried is *caused by* his bachelorhood.⁹ A causal explanation of Henderson's unwed bliss must consist of something other than a repetition in other words of the fact to be explained, for instance by reference to his peculiar childhood, or his taste for casual encounters with many women, or his homosexuality, or whatever. To be taken as significant causal factors, these other things must be conceptually distinct from the thing to be explained, since it must be possible to make some independent check on those alleged causes and their correlation with the alleged effect.

For a causal investigation so much as to begin, the critical conceptions have to be "neutral with respect to all putative causal or functional explanations." The notions of *weight* and *mass*, for instance, are conceptually neutral with respect to different theories of combustion. That is why Lavoisier could weigh the substances in his apparatus before and after combustion and thereby get the data that refuted the phlogiston theory of combustion. Otherwise, measurements of weight, no matter what their outcome, would invariably conform to the phlogiston theory. The theory would then be irrefutable, but it would also be scientifically pointless.

Lavoie and the praxeologists, it appears, want to have it both ways. The subjective use-value doctrine is to be scientifically

useful in causal explanation, but it must all the same be irrefutable in principle. But that is just incoherent, as I have abundantly demonstrated.

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1. *Reason Papers*, no. 4 (Winter 1978), pp. 95-101. Page references are to this essay.

2. If Lavoie is to be believed, entrepreneurs have some extraordinary abilities. For instance, they are remarkable for precognition: they *notice* differences between current values and "the *actual* future preferences of consumers" (p. 97, emphasis added). One may wonder how they are able to achieve this direct perception ("noticing") of the future, a talent apparently not shared by ordinary folk. It is a pity, too, that this clairvoyance cannot be (or, out of perversity perhaps, is not) applied to more pressing matters than, say, future sales of chewing gum.

3. *Reason Papers*, no. 2 (Fall 1975), pp. 1-14. See also Michael Gorr, "Trivus on Economic Value," *Reason Papers*, no. 3 (Fall 1976), pp. 83-89; and my reply to Gorr, "The Irrelevance of the Subjective," *ibid.*, pp. 90-98.

4. See p. 97 of my "Irrelevance of the Subjective."

5. In Mark Twain's "Tom Sawyer, Detective," Jubiter Dunlap betrays himself by an idiosyncratic unconscious gesture. Tom Sawyer is speaking: "I was a-watching him sharp . . . — and all of a sudden his hands begun to work and fidget, and pretty soon his left crept up and *his finger drew a cross on his cheek*, and then I had him!" Contrary to what Mises says, it is unlikely, at best, that Jubiter Dunlap *consciously chose* that mannerism, when the habit got started, in preference to other possibilities then open to him. It is a certainty that he did not consciously choose to draw a cross on his cheek on this particular occasion, and it would be silly to suggest that he chose to do it *in preference to whatever else he could have done on that occasion*.

6. Quoted by Rudolph Carnap on p. 183 of his *Philosophical Foundations of Physics*. For useful discussions of the philosophy of geometry the reader should consult pp. 125-83 of Carnap's book, as well as Hans Reichenbach's *Philosophy of Space and Time*; Adolph Grünbaum's *Philosophical Problems of Space and Time*; and Carl Hempel's "Geometry and Empirical Science," in *The World of Mathematics*, ed. J. R. Newman, vol. 3, pp. 1635-46.

7. More precisely, what experiment shows is that, given the coordinative definitions of *point*, *line*, etc. and the customary convention for the congruence of spatially separated line segments, measurement of distance does not in general conform to the Theorem of Pythagoras. (Technically, observation shows that the functions g_{ij} that compose the *metric tensor* do not satisfy the conditions that $g_{11} = g_{22} = g_{33} = 1$ and $g_{12} = g_{13} = g_{23} = 0$, referred to rectangular Cartesian coordinates, which conditions are necessary if Pythagoras's Theorem is to be true of physical space.)

8. One of the lessons to be learned from Hume's *Treatise of Human Nature*, bk. I, pt. III, and his *Inquiry Concerning Human Understanding*, secs. VI, VII, is that the relation between any alleged cause and its supposed effect must be discovered by *experience*, e.g., in scientific inquiry, and cannot be got from logical or conceptual analysis alone. It must be left to experimental investigation to find out what the facts are—and especially so to avoid prejudging whether *this* or *that* factor is, was, or will be the cause of something else. In short, a proposition asserting a relation of cause and effect *cannot* be an analytic truth or, as Lavoie uses the term, a tautology.

9. Cf. the statement attributed to Calvin Coolidge: "When more and more people are thrown out of work, unemployment results."

Book Review

A REVIEW OF *REASON AND HUMAN GOOD IN ARISTOTLE*

John M. Cooper's *Reason and Human Good in Aristotle* (Cambridge: Harvard University Press, 1975) is an important book and one that typifies the current renaissance in the study of Greek philosophy. Cooper's thorough training in classical languages and textual criticism and his sensitivity to philosophical issues qualify him to attempt to work out "the over-all theory" behind Aristotle's separate treatments of happiness, virtue, moral intelligence, and so forth. "I have not hesitated to risk following out Aristotle's ideas considerably beyond the point at which conventional interpretations leave off." Cooper's technique is dialectical: in the course of articulating and assessing divergent lines of interpretation, he continually challenges Aristotle's assertions. For those regarding Aristotle as a live philosopher rather than a stuffed museum-piece or, worse, a fabrication out of scattered scraps of text, Cooper's book is exhilarating. In tearing away at the weak or questionable in Aristotle, he frequently uncovers hidden strengths. Even the reader who indignantly disagrees with Cooper is forced to rethink the issue on new levels. Of course, the virtues of the book do not recommend it to every reader, and beginners may find they do not possess the linguistic skills or the background in Aristotle and the secondary literature presupposed by Cooper. At the very least, the reader must always have copies of the *Nicomachean Ethics* and *Eudemian Ethics* close at hand.

The book has two foci. Chapter 1, "Deliberation, Practical Syllogisms, and Intuition," attempts to reconstruct Aristotle's views about moral reasoning on the basis of his characterization of prudential and technical reasoning. Since I discuss this chapter elsewhere, I shall not have more to say about it here. (See my "The Rational Basis for Social Planning in Aristotle" [Paper delivered at a Liberty Fund conference, Reason, Values, and Political Principles, Pomona, Calif., March 1977]). I will be concerned instead with the focus of the other two chapters: happiness, or "human flourishing" (Cooper's translation of *eudaimonia*), which is the ultimate end of human action for Aristotle.

Chapter 3, "Intellectualism in the *Nicomachean Ethics*," examines Aristotle's case, in the tenth book of that work, for the life of theoretical wisdom. It is obvious to every reader of Aristotle that the theoretical life of contemplation is "the best life." But it is unclear whether Aristotle means by this that our happiness consists *exclusively* of contemplative activity or that contemplation is the most important among many compo-

nents of the best life. For example, does the exercise of moral virtues such as courage, temperance, moral ambitiousness, friendliness, etc., form a part of happiness? Cooper concludes that Aristotle is led to the narrow intellectualist conception of happiness, a view that conflicts with the preference of Cooper and many twentieth-century readers for the development of the "whole person." This interpretation is supported with an interesting discussion of parallel developments in Aristotle's later psychology, where Aristotle sharply distinguishes between the highest intellectual powers, especially the so-called active intellect: "Strictly it is a man's intellect that makes him what he is and . . . therefore any choice of ideal for self-realization other than the maximum development and exercise of the mind would be low and unworthy" (Cooper, pp. 176-77). The reader should, however, be alerted to the fact that Cooper's remarks about "the late and technical psychological theory of the *De Anima*" presuppose a particular interpretation of a highly controversial text. As D. W. Hamlyn cautiously remarks, "The part of the soul which is said to be eternal is a rather abstract entity which has only a metaphysical role to play as a necessary condition of the functioning of the soul" (*Aristotle's "De Anima" Books II and III* [Oxford, 1968], p. 142). It is hard to see how such an entity could serve as the subject of a *complete* life as envisioned by Cooper, even if it were a "different kind of soul" because separable.

The second chapter, "Moral Virtue and Human Flourishing," will be of special interest to those who are concerned with assessing the contribution to moral philosophy of Ayn Rand and of other philosophers such as H. B. Acton, Robert Nozick, and Eric Mack. Cooper pursues a line of inquiry into the *Ethics* begun by W. F. R. Hardie, J. L. Ackrill, and others. When Aristotle speaks of happiness as an ultimate end, he thinks of it not as a "first-order end," as one specific goal competing with other specific goals, but as a "second-order end." To pursue a second-order end is "to attempt to put into effect an orderly scheme for the attainment of [the exercise of one's sexual, intellectual, and social capacities], or other such, first-order ends" (Cooper, pp. 96-97). This helps explain how Aristotle can view an ultimate end as a *standard* of value, but it leaves open a further question: Is happiness an "inclusive" standard that admits a number of ends as intrinsically valuable or a "dominant-end" standard that admits only a single end, such as theoretical wisdom, as intrinsically valuable? (Unfortunately, Cooper follows Hardie's misleading use of "dominant," which is not strictly a contrary of "inclusive." I can include two values and still let one be dominant in the sense that I always prefer it to the other when I have to choose between them: this is called a "lexical ordering" of goods.)

Either way, Aristotle's theory leads to difficulty. Does happiness include, as an independently valued first-order end, the practice of a moral virtue such as justice toward others? If it includes *both*, say, theoretical

activity and moral practice as primary values, what does one do if there is a possible conflict between them? Suppose the philosopher could expand his or her library or could gain more leisure time by committing some gross injustice for which there is scant chance of requital. What is the "trade-off" to be between justice and mind expansion? Must one fall back on some version of subjectivism to decide between them? On the other hand, if only theoretical activity is included as an ultimate value, one will be totally ruthless in pursuing this goal. Whenever considerations of justice might interfere, they will simply be brushed aside.

As I understand Rand's position in "The Objectivist Ethics," she slices through this Gordian knot with a distinction between two types of moral principles: the principle that you should treat yourself as an end, rather than as a means for the ends of others, corresponds to the Aristotelian notion of an ultimate end; but the principle that you should treat others as ends in themselves, rather than as means to your ends, does not set up another ultimate end competing with the first. (Ayn Rand, *The Virtue of Selfishness* [New York, 1964], pp. 27, 94). Rather, in Nozick's terminology, Rand's theory of rights sets forth *side constraints* within which one is to pursue one's ultimate ends. One can have integrity and be uncompromising, in the sense of never subordinating one's primary values to something else, without being ruthless, in the sense of violating moral constraints toward others.

Cooper's own sympathies lie with an inclusive second-order end, and he believes that Aristotle himself favors such a view in the *Eudemian Ethics* and the earlier books (excluding the tenth) of the *Nicomachean Ethics*. Specifically, Aristotle will hold a "bipartite end, consisting jointly of morally virtuous activity and excellent theorizing" (Cooper, p. 112). The exercise of moral virtue consists in regulating one's actions and emotions in accordance with a mean (thus, courage represents a mean between cowardice, which is too much fear and too little meeting danger, and rashness, which is too little fear and too much meeting danger). But Cooper wants to argue that the bipartite end leaves room for many other first-order goods, because "exercising moral control entails the realization of values of many other kinds besides moral value itself" (p. 120). It is hard to see that Cooper has established this entailment. On his interpretation, "to flourish is not actually to possess a full portion of all the basic good things, but rather to be living in accordance with principles which are rationally calculated to secure them" (p. 125). The virtues involve "a comparative evaluation of the worth of various kinds of good things," i.e., first-order goods such as wealth, honor, and physical pleasure. Even if one assumes, with Cooper, that one will ordinarily achieve some of these, it is hard to see how "the full realization" of such goods will belong "in the best life" (cf. p. 132). On Aristotle's account, a flourishing life is a life "lacking in nothing" (1097b15); if the flourishing life consists of the bipartite end, how can achieving other goods add anything to it?

A "not the quarry but the chase" theory cannot have it both ways. This sort of difficulty is, again, avoided by Rand's theory, as I understand it, in that, for her, "virtue" pertains to the manner in which one pursues values (just as in Aristotle), but she emphasizes the unique character of life as a value: "Metaphysically, *life* is the only phenomenon that is an end in itself: a value *gained and kept* by a constant process of action" (Rand, p. 17). In the case of *this* value, one cannot drive a wedge between its pursuit and realization.

Cooper also comes to grips with the question of what *criterion* could be used for finding the mean in the case of moral virtues if their exercise is not to be totally subordinated to the pursuit of a single goal like theoretical wisdom. He concludes (correctly, I think) that Aristotle never explains what criterion is, in fact, to be used, but conjectures that Aristotle "means to appeal to the notion that the principles of the moral virtues are such as will, under normal conditions and for normal persons, lead to the achievement of the maximum combination of first-order goods" (p. 135). This maximum is understood in entirely *subjective* terms: "on some absolute scale the total amount of satisfaction [of the desires one happens to have] in the intemperate life, even at its best, is less than that in another kind of life, also originally available to the intemperate man" (p. 131; cf. p. 120). This is bad philosophy, and it is doubtful whether Aristotle could accept it. For he recognizes the existence of wantonly self-indulgent, brutish, perverted, and malicious types who quite consistently pursue and satisfy the desires they happen to have. Perhaps it will be replied that such people are not "normal." This will be plausible only if we understand by "normal" people those with the *right* sorts of desires, by some *objective* standard. Surely, then, an objective standard of value is needed in order to define a criterion of virtue.

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