

WORKING PAPER

Rothbardian-Randian Ethics and The Coming Methodenstreit in Libertarian Ethical Science

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ABSTRACT

Praxeology, the social science envisioned by Ludwig von Mises, is the science of means. Fundamental to the praxeological scheme as conceived by Mises, is the theory of subjective value; the idea that in order for praxeology to formulate social laws of apodictic certainty, values, the ends of human action, must be conceived as subjective and not objective. Praxeology then becomes the science of means, and not one of ends. It attempts to formulate social laws, laws admitting of no exception, as they apply to the means chosen by the acting individual in an attempt to attain his subjective ends.

Though praxeology as social science has been successful in formulating necessary laws in the economic social realm of “catallactics”, it has not been successful in arriving at social laws in the non-economic realm. Specifically, praxeology has not succeeded to date, in arriving at cause and effect laws in the social-ethical realm. In the strictly scientific sense as understood by praxeology, there are no known laws of ethical phenomena akin to the various economic laws established since the beginning of economic science several centuries ago.

Cognizant of the absence of such ethical social laws, and what this portends for the future of civilization, eminent libertarian social thinkers such as Ayn Rand and

Murray Rothbard took up the subject of ethics, in an attempt to provide a scientific account of the source and nature of ethical phenomena. As is known, both the Randian and the Rothbardian ethical systems envision an objective ethics which eventually will establish objective ends or objective values. Both the Randian and Rothbardian ethical systems thus view the science of ethics as a science of ends, and not of means. In this sense, these systems depart markedly from the praxeological science of means as envisioned by Mises. Not only do the Randian and Rothbardian ethical systems aim to describe something different than Misesian praxeology (proper ends rather than appropriate means), but owing to this, they also find it necessary to abandon important aspects of the praxeological program which has proved so successful in regard to catallactics.

The proponents of an objective style ethics appear to desire either a theory of society absent a praxeology, or a praxeology of society, absent social laws of apodictic certainty.

The question is, *why should* or *why must* ethical phenomena be approached by a proposed science of ends rather than the established science of means as built up by Austrian economists? It would seem that from an Austrian point of view, this question should be addressed in some detail, before embarking on such a proposed science of ends. From an Austrian point of view, the established economic laws, as laws of means, have proved unassailable. These laws, established within the framework of the praxeological science of means, are the treasure of the Austrian school, and what Austrians rightly recognize as guaranteeing their eventual victory in the competition of ideas. So then why is it that this science of means is considered by many to be an inappropriate science for first conceptualizing ethical phenomena, and then arriving at means-centered social laws in regard to them? The present essay address this important question.

The Premises of Social Science

There is wide agreement among libertarians about the proper aim of all social science, and ethical social science in particular. In his book *The Ethics of Liberty*, Murray Rothbard conceives of a “natural law discoverable by reason” (17) defined as “...the ability of man’s reason to understand and arrive at the laws, physical and ethical, of the natural order.” (4) The natural laws we seek to understand are easily understood as simple “cause and effect” type laws, demonstrating what effects must necessarily follow from specific causes: “In short, specific, delimitable *causes* will have specific, delimitable *effects*.” (9) Once natural laws in the ethical realm are ascertained, then this body of natural law, the knowledge of the underlying laws of ethical phenomena, can “...be used as a guidepost for shaping and reshaping whatever positive law may be in existence.” (17)

Thus Rothbard begins by putting forth the ideal of a classic model for the social science of ethics. The goal of a natural law science of ethics is not to arrive at a set of strong convictions, that the ethical philosopher believes *may* be the case with respect to ethical phenomena. The goal is not to arrive at an idea of what *may* be man’s nature, and what *may* be the consequences of the interaction of different men. Rather the goal is to arrive at a certain idea of what *is* man’s nature, and a certain idea of what *must happen* upon the interaction of men in different circumstances. Rothbard’s original starting point is the goal of natural law as doing for ethics, what it has done for the physical sciences: Natural law is to arrive at the *laws* governing ethical phenomena.

It seems uncontroversial to state that Mises believed praxeology is a science wherein by use of the social scientist’s reason, cause and effect laws of the natural order are also what the praxeologist seeks to discover. And that to date, praxeology has only succeeded in discovering such laws in “catallactic” (i.e., market) phenomena. In this sense, natural law as conceived by Rothbard is essentially the same thing that praxeology attempts to demonstrate via its means-centered scheme. In catallactics, the sphere of market phenomena, praxeology demonstrates the natural laws, as it were, of market-social phenomena, as distinct from the laws of other social phenomena such as the

ethical. Praxeology demonstrates the cause and effect laws of economic phenomena, and these laws can, as Rothbard envisioned, serve as a guidepost for man-made, positive laws.

At this stage, there are at least two points worth mentioning. It is possible that one could assert that Mises viewed praxeological laws as essentially “laws of thought”, and thus one could draw a distinction between laws of thought, and “laws of nature”, and thus assert on this basis that Mises was not engaged in the same thing as a praxeologist, as the natural law theorist would be, in searching for the natural law basis of ethics. For the purposes of the present paper, we will reject this distinction, and take the position that since praxeology formulates cause and effect laws in catallactics, and since catallactics is a science of social phenomena, and further, since it is agreed among Austrians that the cause and effect laws are valid, that therefore such laws are indeed laws of the natural order. This notwithstanding the fact that some may dispute Mises’s account of the epistemological basis of the validity of these laws.

Second, Rothbard seems to imply in *The Ethics of Liberty*, that in pursuing natural law, as opposed to praxeology, that the natural law theorist attempts to discover the natural basis of both physical and ethical laws, and not those of the market. And since ostensibly it is praxeology as distinct from natural law theory, that has succeeded in establishing laws in market phenomena, Rothbard may envision that the natural law theorist for some reason, may not have as his object of study, the laws of market phenomena. At least this question bears considering. Because since Rothbard does not call for a rejection of praxeology, and since praxeology seems from our point of view to be linked to the establishment of laws in the catallactic realm, which in turn is a social realm subject to the laws of man’s nature, then it is not entirely clear whether Rothbard views praxeology as a type of natural law, or as something entirely different. Can or should natural law, as distinct from praxeology, also discover the laws of the market, since those also result from man’s nature? When physical and ethical laws are discovered by natural law, and laws of catallactics are discovered by praxeology, why is praxeology then not a kind of natural law?

However that may be, the point is that since Rothbard does not seem to call for a natural law account of market phenomena, and since one would assume that market phenomena are subject also to natural laws, there is a question of how Rothbard intended to make the distinction as to which science should treat which phenomena, or at least, why natural law theory shouldn't be called upon to formulate also, it's own natural laws of economic phenomena, and a *positive* case for them, especially if praxeology is not to be considered natural law itself.

Having made these two acknowledgements, it will be our position that what praxeology has accomplished in regard to economics, the establishment of cause and effect laws, is exactly what Rothbard envisions natural law as eventually accomplishing in regard to ethical phenomena. We hold that Mises and Rothbard as social scientists, both want the same thing: universally valid laws of cause and effect in the social realm.

Positive Ethics Versus Praxeology of Ethics

Mises always repeated that economics was the, up to now, best elaborated part of praxeology, and by this he meant that economics was the branch of praxeology where laws of apodictic certainty has been elaborated and proven, as contrasted to other conceivable branches of praxeology, wherein such laws had not yet been elaborated. In saying this, Mises had in mind a potential branch of praxeology that could "...succeed in developing a praxeological aprioristic doctrine of political organization..."¹ but he admitted that "...today no living man knows how such a science could be constructed."² Thus Mises was of the mind that not only was praxeology the science of economic phenomena, but that one could not rule out the possibility that its means-based analysis may succeed one day in providing a science of political organization, and in Rothbard's words, provide a science that could serve as a guidepost for political organization; for positive, man-made law.

Of course, it is a fact that praxeology had not succeeded in conceiving and formulating any social laws of important ethical “means”, such as those of force and dishonesty, so that in the debate as to the best way to prevent as much as possible, the harmful utilization of these means in society, a praxeologist could only meekly state that praxeology may one day have something to say about that. As praxeology was a relatively new science, the import of which was only slowly becoming known, an assertion that this unknown science, may have an important future effect on phenomena it does not yet know how to conceive, could scarcely be strongly defended by Mises. Thus he remained largely silent on the non-economic issue of how to prevent people from coercing and deceiving (and thus perpetuating statism), even as the body of established economic laws were gaining slow acceptance.

While Mises could only hope that one day praxeology would succeed in extending itself to address ethical-political phenomena, it was Rothbard’s stated position that he “...at no time believed that value-free analysis or economics or utilitarianism...can ever suffice to establish the case for liberty.” (xlvi) “Economics can help supply much of the *data* for a libertarian position, but it cannot establish that political philosophy itself. Political judgements are necessarily value judgements, political philosophy is therefore necessarily *ethical*, and hence a positive ethical system must be set forth to establish the case for individual liberty.” (xlvi)

Thus Rothbard was of the opinion, contrary to Mises, that in principle, praxeology could never advance a strong case for liberty. In Rothbard’s view, praxeology could demonstrate the laws of the market, but it was the task of natural law science, and the positive ethic supported by this science, to provide the social atmosphere allowing for the free market to operate. Rothbard believed that praxeology, value-free analysis, and economics, were in some important sense *essentially* different from the social-ethical acts of man that lead to man-made laws, which in turn either impede or allow, the workings of the free market.

Rothbard gave three main reasons for his belief that praxeology was insufficient to address ethical phenomena, and we will address those shortly. But we can immediately see Rothbard was right in an important sense. Economics centers around finite quantities of economic goods and their money prices. Economic goods are observed to be more or less scarce or abundant, and their prices are observed to increase or decrease. Thus, economics ultimately treats what we may call “objective” things. These things are publicly measurable and publicly verifiable, as to their relative abundance and as to their prices.

By contrast, there are no “units” of coercion or of deceit. There is no way to measure in a public and objective way at least, the fluctuations in these social phenomena, as they “increase” or “decrease” in use. And thus in this sense, the relative use of these things, the relative “existence” of these things as they affect society, is not an objective thing. There is something *missing* from ethical phenomena, but *present* in economic phenomena, that allows the latter to be “law-formulable”, but which seems not to allow the former to be made “law-formulable” by the same methods. This is a proposition that could easily be held as true. And the *fact* that praxeological methods *had* not formulated any ethical laws, could be held at least as implicit proof, that the non-objective could not be made law-formulable by praxeology.

If this interpretation of Rothbard’s ultimate reason for rejecting praxeology as the method to be used in making the case for liberty is correct, then we agree that Rothbard based his reason on something that can never be overcome by praxeology: The fact that the subjective choices and motives of others, are never directly accessible to the observing person. That is, there is only one direct experience of human action, and that is the direct experience of action that each person lives through. To the one who acts, the direct experience of action of others -- how they directly experience their own action-- is hidden. So that if one believes that knowledge of this information is necessary for a praxeological treatment of ethical phenomena, then one must necessarily conclude, as Rothbard did, that praxeology can never adequately address ethical phenomena.

Rothbard's Three Reasons Why Praxeology Cannot Establish The Case For Liberty

Rothbard gave three primary reasons why praxeology cannot advance the case for human liberty:

1. Praxeology is an “if-then” science. Praxeology says that *if* we implement X policy, *then* Y result must occur. Further, it says that if person A agrees that Y result is “bad”, “harmful”, or negative in some way, that in this sense only, the praxeologist may state that the policy is “bad”.

The question is, “...how does [the praxeologist] know *what* the advocates of the particular policy consider desirable? How does he know what their value-scales are now or what they will be when the consequences of the measure appear?” (207) “...how can the economist know what the motives for advocating various policies really are, or how people will regard the consequences of these policies?” (208)

In other words, there are many people who may actually want these very same “negative” consequences to occur. These same people may or may not be truthful in telling us whether they do or do not actually desire the negative consequences of policy X. So if the praxeologist succeeds via discussion or debate in getting person A to agree that result Y is indeed “bad” in some way, how can this be expected to diminish or eliminate the occurrence of result Y, when person A may change his mind as soon as he leaves the room, or may want the “bad” result to occur, or may conceal his true desires?

2. People differ in their time preferences. And a praxeologist as a value-free scientist cannot tell people what their time preferences should be. Someone may think to themselves: “perhaps this high tax and subsidy policy will lead to a decline of capital; perhaps even the price control will lead to shortages, but I don't care. Having a high time-preference, I value more highly the short-run subsidies, or the short-run

enjoyment of buying the current good at cheaper prices, than the prospect of suffering the future consequences”. (209)

Thus, even if praxeology can demonstrate negative consequences to some person A, person A may decide that those future consequences are worth suffering, if he can enjoy the fruits of the harmful policy today.

3. A praxeologist true to his own logical system, cannot assert what the positive values or chosen ends of others should be. As a citizen, a praxeologist cannot help but make some value judgements, but since these are made as a citizen only, and not as a scientist, they carry the weight only of one person among millions. But as a practical matter, society, or many in society, may prefer a relatively high level of socialism (wealth distribution, regulation, etc.). Since this is obviously unacceptable from the libertarian point of view, what will the praxeologist “...reply to a majority of the public who have indeed *considered* all the praxeological consequences, and still prefer a modicum—or, for that matter, even a drastic amount—of statism in order to achieve some of their competing goals?” (211)

The point here is that since the praxeologist only knows laws of economics, and as a citizen can only comment on the particular level of government control society desires as one of many voices, this obviously leaves a huge void. What or who will oppose the mob that chooses to disregard economic laws, and chooses to implement harmful social policies, each person for his own motives, whether seemingly reasonable or not? Will the passionate defender of the free market, the praxeologist who believes that value judgements are arbitrary or subjective, therefore simply sit passively, while society disintegrates due to public opinion which remains unconvinced by praxeological arguments? Why will the praxeologist not consent to promoting an objective set of ethical norms or values, that uphold the institutions of private property and human liberty?

These are the three arguments Rothbard advances as reasons for embarking on a positive ethic as distinct from praxeology.

An Analysis Of Rothbard's Three Reasons

In appraising the validity of Rothbard's arguments for a positive ethic, and by implication against a praxeology of ethics, one fact needs remembering. That is that Mises held out the possibility of a praxeology of political organization. In fact more than that, he stated that the idea science could never succeed in establishing such a praxeology would be "preposterous".³ So we should not take lightly the possibility that such a praxeology may one day emerge. But what would such a praxeology be or do? To this we must answer that it would demonstrate the necessary effects Y, of policy (or social act, or other "means") X, but that this demonstration would apply to political, non-economic phenomena. In short, we have to answer that such a praxeology would consist of a conceptual system for conceiving ethical phenomena, such a scheme essentially grounded in the primary fact of human action, and eventually arriving at ethical laws of apodictic certainty, just as praxeology does with regard to economic phenomena.

Though we may assume that Rothbard would strenuously oppose such a possibility, or at least disagree that such a science could advance human liberty, we should not discount the possibility of a future praxeology of ethics, especially since no detailed analysis ruling out this possibility appears in Rothbard's *Ethics*, unless one wants to consider his three reasons as having provided definitive proof that such a praxeology can never exist.

We now turn to the three reasons.

When praxeology succeeds in establishing a law of necessity, it succeeds in showing people how to prevent some event Y from occurring, when before, they had no means of doing so. This is meant in the sense that, before the demonstration of the

necessary law, people may not be able to prevent Y from occurring, because they attempt to prevent it by altering what they believe is the cause, event C, whereas what is causing Y is actually X. It is true they may accidentally prevent Y, if C or some other believed cause D or E or F has a contingent effect on Y. But they will not be able to intentionally prevent Y from occurring every time, before they know the necessary connection between X and Y.

Once praxeology establishes X as the necessary cause of Y, then people who know of the law, and/or who acknowledge it, have a means to avoid Y intentionally and every time, *if they want to*.

Once praxeology establishes a necessary law, then person A now has at his disposal an effective means for preventing Y, if he believes that Y is harmful to himself.

If he does not know of the law, then he has no effective means (in the sense intended) to prevent Y.

If he believes Y will not harm him, or will not harm him much, then he will not (or may not) use the knowledge of the law to prevent Y by abstaining from X.

Person A may believe that telling other people about his lucrative business, may diminish his own profits to some degree. But A may tell his brother about the business nonetheless, or may tell a friend, or out of altruistic motives, tell an acquaintance. We could conceive of this as; A bringing about an increase in the supply of goods, the same ones he sells, and thus necessarily lowering the price of his own sold goods. And in this sense we can say that even though A knew of the necessary consequences and harm to himself resulting from the act X (telling others and enabling them to bring more goods to the market) he decided that some other thing (telling the others and what benefits he derived from that) was more important than that which he relinquished (the diminishment in the price of his goods).

On the other hand, another person B, knowing that were he to tell others about his lucrative business, would be acting to necessarily decrease the value of his goods, by effectively increasing the supply of them, may vigilantly guard his business secret. We conceive of B in this case, as utilizing the law relating the necessary negative consequence to himself (the decrease in the price of his goods), by abstaining from the cause of the decrease (the introduction of a larger supply of those same goods by telling others).

Thus a person possessing knowledge of a necessary law, chooses whether or not to abstain from X in order to prevent Y, based on whether in his estimation Y will be harmful to himself, and/or whether the harm suffered is outweighed by other considerations, such as some other benefit that he expects from undertaking X.

In this context one then asks, how does the praxeologist *know* what consequences Y person A considers desirable? How can the praxeologist *know* what the motives for advocating particular policies (“causes” X) really are?

And the answer to this question, is that the questioner has misunderstood the import of the praxeological law. The primary import of the law is that it has given person A, a hitherto unknown way of avoiding harm to himself, that he can now use at his own discretion. Before the law was known, he did not have this luxury, but had to suffer the continuing occurrence of harmful effect X, or at least possible recurrence of X, owing to his not knowing the cause of X. With the knowledge of the necessary law, A now has the option of preventing X certainly, if and when he views it as harmful to himself.

The knowledge on the part of the praxeologist, about what A’s motives or true desires are is irrelevant. The importance of the praxeological law, is that it empowers those who know of it, with new means to prevent harm to themselves.

In this context, the question as to how the praxeologist can know the motives or desires of A, can only be interpreted as a question asking the praxeologist, how he

expects to prevent harm to *himself* resulting from action undertaken by A, when A judges the results of his own action as acceptable to himself.

This is a legitimate question which we will address shortly.

When person A has a high time preference, such that he chooses immediate gratification over the prospect of the long term negative consequences, there is one minor point we should mention first. If by the term “prospect” we mean “probability” or “possibility”, then this immediately becomes a non-praxeological problem. Because a person who believes that a negative consequence may possibly befall him, is one who does not believe it will *necessarily* befall him. Thus person A does not acknowledge the praxeological law, and believes there is a chance he can avoid the consequences. It follows that the only question praxeology has to answer is the case where A makes a time preference type judgement, and believes that his action will necessarily bring about the consequence, not only possibly bring it about.

Thus, person A will make a decision involving short term benefits versus longer term consequences. To use a non-praxeological example, he will decide whether to eat three slices of pizza now, even though he believes that fatty deposits from the pizza will move him closer to a heart attack five or ten years from now. Of course this is the kind of decision everyone must make on a daily basis, and there is nothing controversial about it per se. So again, the question seems to be, what about the case where the time preference of A results in a choice to initiate or undertake some action X with necessary consequence Y, which person B (the praxeologist for example) considers harmful to himself ?

This is the same concern as previously expressed, namely, how does the praxeologist plan to prevent harm to *himself* due to action undertaken by *another*. But doesn't this question assume forced inclusion in the same society as the one acting harmfully ?

In a society where everyone is involuntarily coerced into joining, and thus where everyone is forced to “pay” in a sense for the folly, short sightedness, deceit and even evil intentions of everyone else, then one does indeed have to pay for the time preferences of others, when they lead as Rothbard’s examples illustrate, to harmful social policies. Under these coerced social arrangements, the lower economic productivity resulting from harmful social schemes is “socialized” via the welfare state apparatus of coercion. Then the question becomes, how to prevent being coerced into inclusion in such a society, so that those wanting to implement “socialism” (conceived as the entire body of such harmful schemes) only “socialize” themselves, while others are free to join together and form other societies, thus escaping the necessary consequences of the socialist’s choices ?

To this, the proponent of an objective ethic would undoubtedly reply: by establishing an objective ethic upholding the institutions of private property and human liberty. But to this same question the praxeologist would reply: by a praxeological demonstration showing the necessary effects Y, from the policy of coercion X.

The praxeologist would believe, that the way to prevent coerced inclusion into a socialist society, is ultimately to be achieved by empowering person A with a praxeological law, showing him the necessary negative consequence to himself of the utilization of the means of coercion. As this will be a demonstration of a law previously unknown to A, A will then be in possession of a means to prevent harm to himself, that he previously did not have.

As to date, there exists no praxeological law demonstrating the necessary harm to the one who coerces, then no one is in possession of the means to prevent the harm that must necessarily befall them when they coerce. In this sense then, no one is abstaining from coercion, since they know of no necessary law between coercion and harm to themselves. They are thus exactly like a person who attempts to prevent inflation, by ordering all sellers to quit raising their prices, since he views this as harmful, but yet who continues to print truck-loads of money, not knowing that this is the cause of the increase in prices. In contemporary society, coercion is not known to be subject to any

praxeological law. So not only do people not abstain from it as it affects *others*, but more importantly, they do not abstain from it as a means to prevent harm to *themselves*.

The praxeologist might assert that it would be “preposterous” not to assume, that once knowing how coercing others harms one’s self, and necessarily so, people would begin to abstain from coercing, as a means to avoid the harm to themselves. This would be experienced by other persons B, C and D, as a lessening of social coercion generally, and thus an increase in the possibility of forming alternative, i.e., libertarian societies. The ability to form a libertarian society is by definition the ability to escape the necessary consequences of socialist/statist policies.

The ethical-theoretical arguments against praxeology seem to reduce to the proposition that since praxeology is value-free, and “if-then” science, that it cannot prevent people from choosing coercion and deceit. When coercion and deceit run rampant, people are enslaved in a socialistic system, and this makes the cause and effect laws of the market established by praxeology moot, or of secondary importance.

But this argument is based on the assumption that praxeology is inextricably linked to market, and thus non-ethical phenomena. It is based on the assumption that an extension of praxeology and praxeological reasoning, can have no meaningful effect on the choices of those who decide to deceive and coerce. But these assumptions are entirely false. Praxeology can conceive ethical phenomena. And thus it can have the same powerful effect, demonstrating necessary consequences to specific ethical means, as it currently does have in the economic sphere.

This is how a praxeologist would answer the general question as to action taken by A which has negative effects on B.

When we ask the question, what can the praxeologist reply to a majority of the public who prefer socialism to a libertarian society, all libertarians realize that this *again* assumes coerced inclusion in the society preferred by the majority.

In a very real and practical sense, the committing of social suicide by vast majorities, as happened in the communist countries, did not drastically effect the continued progress of non-communist countries. All who were forced to participate in communism suffered, all those who were not so forced, continued to progress. And one can reasonably assume the same would happen again where one's next door neighbor to be part of a socialistic scheme, while you are allowed to "opt-out" and keep your money and possessions. (this example assumes a non-geographical conception of a possible libertarian society)

It is forced inclusion into socialist society, and not the inability of praxeology to effectively convince A to stop hurting B, that harms all those who are so forced. The question is how to prevent the coerced inclusion in societies utilizing statist ideologies, not how to change all people into libertarians. And "it would be preposterous to assert apodictically" that praxeology is not up to this task, while a *proposed* science of objective values is.

Universal Components of Ethical Theory

Every exhortation towards ethical conduct emanating from a theory of ethics, must demonstrate in what way, harm will befall one not heeding its teachings. This is not an arbitrary assertion, but rather grounded in the reality of human action. To show how harm will befall one, is nothing more than to show how a state of affairs one will consider less satisfactory will befall one. Every Austrian School social thinker knows that action entails states of affairs that are considered more satisfactory and states of affairs that are considered less satisfactory, from the point of view of the acting individual. Nothing changes essentially, by designating the less satisfactory state of affairs as "harmful".

Thus, every ethical theory entails a demonstration and/or exhortation, that not heeding its teachings will lead to some harm, some state of dissatisfaction, for the one not heeding those teachings.

If one may possibly continue the unethical behavior as defined by the theory of ethics, and yet escape the consequences the theory describes, then one is free to continue such unethical behavior, with the knowledge that he may possibly be able to avoid the consequences. Obviously, a person undertakes some act with the intent of some gain. And if there is a possibility of avoiding some negative or harmful consequence as taught by a particular ethical theory, then one is predisposed to continue acting in the manner to which one is accustomed, obtaining that which is sought, while attempting to avoid harmful consequences.

Thus, a theory of ethics does not try to show the harmful consequences which *may possibly* befall the unethical actor, but instead tries to show the harmful consequences which *must necessarily* befall him. If it cannot be demonstrated that the harmful consequences will necessarily occur, then anyone believing they are clever enough to avoid the consequences is encouraged to continue unethical behavior, and see if they can avoid any harm to themselves.

A theory of ethical phenomena is thus a theory of necessary relations in ethical phenomena.

This implies that any theory of ethics must contain some implicit or explicit theory of necessity, which imparts necessity to its assertions.

A theory of ethical phenomena thus contains a theory of necessity.

A theory of ethical phenomena necessarily instructs on future, and future directed action, and necessarily instructs on “cause and effect” in future directed action. Thus a theory of ethical phenomena necessarily entails a theory of cause and effect; a theory of the way in which one event can be said to follow another event necessarily.

Finally, to be of practical use, a theory of ethical behavior must be applicable to known forms of ethical behavior (not contrary to experience), and show how some form of ethical behavior must necessarily lead to some consequence (be logically consistent) which is not identical to the behavior itself. That is, the statements emanating from the theory cannot collapse into mere tautological statements of identity such as: coercion = coercion. Rather, they must show how some ethical phenomenon, some delimitable and definable (i.e., differentiable) behavior, leads to some consequence, which is not identical to that behavior in some sense.

When these fundamental components are all in place, the result may be called a “law” of ethical phenomena.

If any of the fundamental components are not in place, it is incumbent on the ethical theorist to demonstrate why one or more of them is not needed, and in what sense the ethical pronouncements of his theory have meaningful and practical significance, while at the same time comprising laws of apodictic certainty, which are logically consistent, and not contrary to experience.

These are the standards by which any ethical theory will ultimately be judged.

Rothbard’s Ethics of Liberty as Ethical Science

From the beginning of the Ethics of Liberty, through page 24, Rothbard argues for, and cites numerous philosophers in order to arrive, not at the **laws** that natural law as been able to formulate to date, but rather to indicate the goal of and nature of, the enterprise of natural law generally. That is, through page 24 of his Ethics, Rothbard does not establish the existence of the laws that natural law has so far discovered, but only that there is agreement by natural law theorists about what natural law is as an enterprise, and what its goals are. (i.e., to discover by the use of man’s reason, the laws of things that interact; to discover the cause and effect of these things which have specific natures; i.e., to discover ethical “laws”)

Then on page 25, after providing essentially a thesis or hypothesis that the science of natural law's goal is to discover the laws of man's nature by reason, Rothbard then writes: "It is not the intention of this book to expound or defend at length the philosophy of natural law, or to elaborate a natural-law ethic for the personal morality of man." (25)

But there is a problem here. The rest of the book is supposed to be founded on natural law, conceived as a science that discovers "cause and effect" type laws in the ethical realm. (such as praxeology does in the economic realm) The cause and effect statements in Rothbard's ethics will derive their legitimacy from the underlying cause and effect theory advanced by natural law.

But those laws were never established. So how are we to understand any further cause and effect assertions that may be advanced as the book proceeds from chapter to chapter? Why should one heed the teachings of an objective theory of ethics, when there is no necessary and negative consequence from not doing so?

What Rothbard has done is provide the **ideals** and **aims** of a science that has not yet become a science, and so has not actually formulated any strict laws of the entities it studies. Then he is proceeding on to an objective ethic, the codification of man-made laws (actual written laws), based on the (not yet formulated) science of natural law. He is providing a codification for society, of rules, based on underlying natural laws that neither he nor anyone else he cites has yet arrived at.

There is no reason other than arbitrary preference, to adhere to Rothbard's ethic, if not doing so will not harm the unethical social actor. So Rothbard will want to claim that not adhering to his ethic will lead to some negative consequences for the unethical social actor, if his aim is to exhort him to ethical behavior. What ultimately causes the harmful consequence to the unethical actor, is dictated by the natural laws of man's nature, as discovered by natural law theory. But where are those natural laws? Rothbard does not cite any natural laws in the part of his book devoted to a discussion of natural

law. He outlines the ideal of a science that, realizing that man is a specific entity with a specific nature, seeks to discover the laws associated with man, and the interaction of different men. But he does not cite the laws discovered by natural law philosophy.

Why?

Since Rothbard's knowledge of history and of social science was encyclopedic, one can only assume it is because no natural laws in the ethical realm are known to exist. What exists is the generally intuited knowledge, held by most good people, that force and dishonesty are ethically and morally wrong. And from this it follows that Rothbard's objective Ethics is founded on strong convictions such as these, but not founded on the solid ground of natural law, actual laws of man's nature, formulated to demonstrate the necessary consequences to particular ethical acts.

The Meaning of Rothbard's Ethics

Since natural law, as distinct from praxeology when praxeology is not conceived of as natural law (laws of man's nature), has not succeeded in formulating necessary laws in the ethical realm, the question remains as to how Rothbard's Ethics is to be interpreted. The Ethics is one of the most important books in libertarian social theory and obviously addresses a strongly felt need in the libertarian community. So what need does the Ethics fill, if not the need for necessary cause and effect knowledge in the social realm?

One possible explanation is provided by the following passage in the Ethics: "We will contend that it is man's right to do whatever he wishes with his person; it is his right not to be molested or interfered with by violence from exercising that right. But what may be the moral or immoral ways of exercising that right is a question of personal ethics rather than of political philosophy—which is concerned solely with matters of right, and of the proper or improper exercise of physical violence in human relations." (24)

On this interpretation, the Ethics is a *justification* for, and a political statement of, a particular type of social action. It is a libertarian manifesto outlining the reasons those

in agreement with it are advancing, as *justification* for their acts. Viewed in this way, Rothbard's *The Ethics of Liberty* is a statement expressing how many libertarians feel about the nature of social phenomena, and because of this, what should properly be their *rights* to do or not do in human relations. But this is not, strictly speaking, science.

Qua social science *as science* the Ethics falls short, and fails to provide meaningful scientific insight into the nature of ethical phenomena. The Ethics is a blueprint for the codified laws of one possible libertarian society, and a potential founding document for such a society. But it does not contain within its pages scientific knowledge in the true sense. Rather it is a work based on the promise of a not yet discovered science of the ethical side of man.

Ayn Rand's Objective Ethics

One of the brilliant stars of twentieth century libertarianism was Ayn Rand. Through her books, the mother of the libertarian movement inspired millions of people around the world to take freedom seriously. The effect her works have had and continue to have on the cause for freedom is immeasurable. How many libertarians can trace their intellectual roots to this woman? What might the world look like today had she not escaped slavery and come to produce magnificent works of art in the free world? Luckily, we do not have to worry about that.

Like Murray Rothbard, Ayn Rand, in attempt to stem the tide of rising statism, set upon the construction of an objective ethic. Firmly in her sights, was the fashionable trend of ethical and philosophical relativism, which Rand saw as the mainspring of all forms of statism and socialism. So Rand set upon constructing a counter-philosophy, grounding human ethical phenomena according to her unique conception of man as a "rational animal". As in natural law, Rand too believed that man is a specific entity with specific characteristics and a specific nature, and that what should be man's proper ethical and moral behavior, was objectively ascertainable from this nature.

Many libertarians are familiar with Rand's philosophy of Objectivism. We all know with what passion Objectivists hold their views. It is the present author's opinion that there is some beauty in that, though one must admit that the passion can sometimes manifest as an angriness, not becoming the legacy of Ayn Rand. Be that as it may, our present concern is to consider Ayn Rand's objective theory of ethics, as it may appear from a praxeological point of view, with the understanding that minds may not necessarily be changed at this time.

We will focus on only one area of Rand's theory of objective values; one component of the underlying structure of her theory.

According to Rand: "There is only one fundamental alternative in the universe: existence or non-existence---and it pertains to a single class of entities: to living organisms. The existence of inanimate matter is unconditional, the existence of life is not: it depends on a specific course of action. Matter is indestructible, it changes forms, but it cannot cease to exist. It is only a living organism that faces a constant alternative: the issue of life or death. Life is a process of self-sustaining and self-generated action. If an organism fails in that action, it dies; its chemical elements remain, but its life goes out of existence." ⁴

From this conception of Rand's and by virtue of what has been asserted as comprising the universal components of ethical theory, one may fairly characterize that the idea of non-existence is the ultimate or final "harm" if one will, that Rand's theory instructs will befall the unethical actor. That is, as opposed to the top rank objective values in the Randian ranking of objective values, the idea of non-existence occupies the opposite position. Non-existence is the most fundamental negative consequence, the most fundamental penalty, we may fairly assert, in the Randian ethical system.

Though some may see no problem in this, the concept of non-existence is problematic philosophically. Because though it appears that non-existence may represent some kind of "harm" or "pain" to man as an individual actor, and thus serve as a reason

man should behave ethically, one has to be careful that when we conceive of non-existence, we do not actually allow forms of pain or harm into our conception of it, that are actually tangible instances of pain or harm. Because those would not be “non-existence”.

Any pain or harm of temporal duration cannot properly be called non-existence, since a felt pain would appear to be proof of the existence of the entity. So then, how can non-existence, from a logical and logically consistent point of view, be considered as a harm that someone should avoid, by acting ethically? This is the problem that the concept of non-existence faces as a component of a theory of ethics.

We may all agree for the sake of argument, that no one wants to die. We all want to stay alive. But if we understand Objectivism correctly, tangible life is not the top objective value. Merely staying alive is definitely not intended to be the top objective value in the Objectivist system. It is living the *right kind of life*, the life proper for man as man, that is the top objective value.

The concept of non-existence is similar to the idea that if one travels too far towards the end of the universe, one will pass through into nothingness. In fact, these two may reasonably be held to be equivalent, since both include the idea of a directional approach toward nothingness; of “moving towards” nothingness. These ideas are logically problematic in that anything “touched” or “experienced” by us, cannot logically be said not to exist. And something that does not exist cannot logically be considered as bad. We can conceive the end of the universe as a dark void absent all life and all matter. But a dark void is a kind of thing, not a nothing.

Dying is bad or painful, deteriorating is bad or painful, realizing one is going to die in one second is bad or painful. But none of these is non-existence. And none of these will be considered by an adherent of objective ethics as an acceptable objective standard for exhorting the unethical to behave. No one will maintain that: “Everywhere and at all times must we all act to avoid dying in one second from now”. There are easily

conceivable situations, that are realistic, where we understand that the proper ethical decision could be to die in one second.

The concept of non-existence seems to derive its rhetorical power by conjuring the image one associates with impending death. One does not want to die, so one does not want to “not exist”. Rand does not use the term death, one assumes because it cannot be held to be a universal standard; something to be avoided at all times and at all places. But is it possible to conceive ethically related non-existence as non-identical with death, or as not somehow largely comprised of the fear of death ?

One way of approaching the topic is to understand the ultimate basis of the fundamental duality of existence and non-existence as deriving from human lived experience. In human lived experience, it is a fact that there are opposites. There is good-bad, happy-unhappy, east and west. So there is existence and non-existence so it would seem. But it also may be that, just as there are fundamental axioms having no alternative, so there may be a fundamental fact with no opposite. But this begins to become possibly an interminable philosophical dispute.

We can at least logically assert that if non-existence means non-existence, then it cannot represent something painful to the individual. If non-existence means darkness, void, death or deterioration, then an objectification of particular forms of these things will by agreement, not be capable as serving as objective harms that people must avoid at all times.

We can further assert as a practical matter, that when an ethical exhortation is made to the effect that the ultimate penalty for man’s wrong action is “non-existence”, that everyone will interpret this as meaning that if man acts wrongly, he will die. Even though an Objectivist may believe she can demonstrate otherwise.

From considerations such as these, we will hold that the concept of non-existence, a fundamental component of the Randian ethical system is at least logically problematic. And since almost everyone interprets the threat of non-existence as the threat of death, then the concept of non-existence is in this sense contrary to experience.

And thus we reject the concept of non-existence as a concept representing something meaningful in human action. And as it is agreed that mere death cannot serve as a universal standard for exhortation towards ethical behavior from a strictly logical-scientific standpoint, then from the point of view of praxeology, Objectivism has not succeeded in constructing a scientific theory of ethics.

The Randian system, like the Rothbardian, is a *justification* for a specific type of social interaction and/or a positive statement of the *rights* claimed by the adherents of the system to interact in a certain way. But this system is not a scientific description of the nature of man, nor a description of the unalterable laws of man and man's behavior.

Praxeology as Natural Law

Though people do not know it, the science of praxeology actually *is* the science of natural law. Praxeology conceives that man has a specific nature. Man “acts”. Man “strives” at all times and at all places, to “attain”, to, in the words of Mises, “substitute a more satisfactory state of affairs for a less satisfactory state of affairs”. This is certainly an accurate description of the nature of man.

Praxeology too understands and conceives that there are bad or harmful (in the sense conceived by praxeology) consequences that those acting contrary to human nature (in the sense which praxeology describes) must necessarily experience. In Misesian praxeology, the negative consequence is simply conceived as the “less satisfactory state of affairs”, intended to include all possible forms of “less satisfaction” including severe pain and unhappiness. Of course, praxeology conceives this “formally”, since it aims to

say something universal and necessary, as opposed to something particular and contingent.

A large source people's dissatisfaction with the enterprise of praxeology, is that in its formality, it ceases to treat "real people" and "real events". As nature is unquestionably a nature of such real people and events, then obviously praxeology misses something important. This is true and not true.

The choice the social scientist faces is not as the proponent of "realism" thinks. The choice is not between a formal praxeology of apodictically certain laws, and a realistic and full account of the necessary laws of human reality. The choice is between a formal account of human nature which is able to say something necessary, and a realistic account of human nature from which necessity is absent.

The essential schemes of formality and necessity, are different from those of spatio-temporality and materiality. In the former, necessity is possible. In the latter, impossible. Really existing things and events are conceived as existing in spatio-temporal materiality, and as temporally durable. A realistic account of things must take into account in its conceptual scheme, the realistic way that one event follows another. But the intervening time period between sequential events comprises uncertainty, something that has never been overcome in the attempt to conceive of necessity in a realistic account of things. (This is Hume's law of non-necessity between time sequential events)

The philosophers of realistic social science are in fact still *to this very day* trying to figure out how to impart necessity to materially and temporally full events and objects. They are still trying to provide an underlying ontology of necessity to materially conceived events, without realizing or acknowledging that it is the conceiving of things materially that imparts the uncertainty and non-necessity to those events. Thus, all their attempts end up feeling rather formalistic.

It is true that in order to live day to day, we must conceive of things realistically and materially. From this it does *not* follow that the conceptual scheme conveying necessity in social life, should or must be itself realistic.

The social philosophers of realism continue to express a kind of disdain for praxeology. Praxeology has recognized this fundamental “complimentarity” or “mutual exclusivity” of the two schemes of formalism and realism, has chosen formalism, and is thus able to make necessarily true statements about its subject matter. However, from the realistic point of view, realism will show us all what real science is all about, when it succeeds in giving a realistic, *and also*, necessary account of things. And this will be real natural law, fully real and robust, compared to the bloodless and mechanical system of formal praxeology.

Unfortunately, this realism based natural law program has still not been realized, and there exists no realistic social science in the strict sense. There exists no natural law science as envisioned by the proponents of realistic, natural law science.

To the interested public, those proposing a future natural law/objective/realist type social science, continue to promote this ultimate vision of natural law science that still does not exist, as against the supposedly lifeless science of praxeology which does exist. They come close to implying, and some even want to assert, that what is good in praxeology, is owing to its realism, conceived in the material sense !

But it is far more accurate to realize that praxeology is the true natural law; the social science actually capable of discovering the natural laws of man’s social nature.

The Quest for Objective Values in Relation to the Development of Praxeology

As Mises wrote, praxeology is the youngest of all the sciences. This is more than just an introductory preamble to a treatise on economic phenomena. It is a statement by

the preeminent social philosopher of the twentieth century, about the relative development of a science that is just beginning to be understood, developed, and applied.

Most social philosophers of the twentieth century drew an implicit correlation between the objective and quantifiable nature of economic phenomena, and the fact that economic science had succeeded in formulating economic laws of social action. This led to the further implicit belief, that praxeology, the umbrella term for this type of logical economic science, was only fit for an analysis of specifically economic phenomena.

This perceived correlation proved only contingent and not necessary.

Due to the mistaken belief that praxeology was essentially an economic-logical scheme, then necessarily all attempts to describe ethical phenomena were undertaken with this belief as one of the defining and delimiting boundaries. Those attempting a scientific treatment of ethics, believed praxeology to be “mechanical”, “bloodless”, and only suitable for dealing with the exchange of quantities of things. It is under this atmosphere of beliefs that the great libertarian social philosophers of the twentieth century all turned toward objective ethics as that which was necessary to establish the case for human liberty. They mistakenly interpreted their not *knowing* how praxeology could meaningfully advance the case for human liberty, as meaning that praxeology *could never* advance the case for human liberty. That was a fateful but understandable error, possibly setting back the science of praxeology by half a century.

Meanwhile, the program of an objective ethics has nowhere come close to realization. All attempts at the construction of such an objective ethics, have succeeded only in formulating an ideal concept, of the proper aim for man as man. But they have not succeeded in bringing this ideal back down to application, and the establishment of the objective values or ends which man or a particular man, should choose at a particular time or place, in order to avoid some necessary negative consequence. After all these years, there is still no list of objective social ends which can claim a scientific basis.

No one can claim that the project of objective ethics has been successful, if by success we mean the establishment of the actual natural laws of man's nature; the laws of man's ethical nature that are supposed to take their place next to the natural laws of physical nature. This unquestionably has not occurred. All objective ethical systems to date are actually strongly argued dialectics, based on our direct knowledge that something is wrong with coercion and deceit. Though praxeology may ultimately show the sense in which our direct experience of coercion and deceit correctly identify these things as somehow contrary to the nature of man, nonetheless, the dialectics of objective ethics are deficient from a logical-scientific point of view. Things are made no better, when coming from such a weak position, those advocates of objective ethics criticize, disparage and dismiss praxeology. In doing so, they only demonstrate their lack of understanding of it.

“It is customary to find fault with modern science because it abstains from expressing judgements of value. Living and acting man, we are told, has no use for *Wertfreiheit*; he needs to know what he should aim at. If science does not answer this question, it is sterile. However, the objection is unfounded. Science does not value, but it provides acting man with all the information he may need with regard to his valuations.”⁵

“The elucidation and the categorial and formal examination of this...class of the laws of the universe is the subject matter of praxeology and its hitherto best-developed branch, economics. The body of economic knowledge is an essential element in the structure of human civilization; it is the foundation upon which modern industrialism and all the moral, intellectual, technological, and therapeutical achievements of the last centuries have been built. It rests with men whether they will make the proper use of the rich treasure with which this knowledge provides them or whether they will leave it unused.”⁶

The Coming Methodenstreit in Libertarian Ethical Science

Owing to an essential misunderstanding of the nature of praxeology and owing to a gross miscalculation as to the scope of its applicability, the intelligent libertarians of the twentieth century largely abandoned praxeology as holding out any hope of advancing human liberty, aside from establishing laws of market phenomena.

They placed all their ethical eggs in the basket of objective values, hoping that one day, the laws of the nature of man would be finally discovered by a science of ends. Though somewhat tragic, this development was understandable, since even the master himself in regard to a possible praxeological treatment of ethical phenomena did not know "...how such a science could be constructed."⁷

Thus libertarian society became virtually unanimous in believing that the method to be used in making the case against socialism, and for liberty, would henceforth be the method of objective ethics; the method of ascertaining the proper ends of man's action.

Inherent in this switch away from praxeology, and towards an objective account of ends, are logical problems, very likely irreconcilable, which Mises warned about. But his warnings landed on deaf ears. The ultimate result of this is the contemporary situation wherein the apodictically certain laws of praxeology in the economic realm have greatly reduced harmful economic social activity. Where praxeology has established laws, those laws have been promulgated in the intelligentsia, and are having an effect on public policy.

But where no praxeological laws have been established, in the realm that objective ethicists confidently assert their position, things are a complete disaster. There are no prospects for any type of human liberty in the foreseeable future. And one could reasonably argue that the world has never been more socialist, more statist, than it is today. By all *practical* measures, objective ethics has been a complete failure.

Of course by a process of dialectical rationalization, proponents of an objective ethics can be expected to place the blame for the total domination of socialism elsewhere

than squarely on their own shoulders. In an ironic turn, they may deny that their chosen means; the method of objective ethics, necessitated the present consequence; the lack of any established laws of ethical phenomena, and instead declare that people's choice of wrong values or ends, is the ultimate cause of the current situation !!

Yes, people have chosen the wrong ends. And the method of the scientific treatment of this fact, is to treat those ends as means to something else. The method is praxeology.

The attempt to establish natural-ethical laws non-praxeologically, can no longer be done under the guise that a praxeological account of ethical phenomena is impossible. Henceforth, the objective theory of ethics will have to compete with praxeology for an accurate, logically consistent account of ethical phenomena. Now the objective theory of ethics, still not having established any laws of ethical phenomena, will have to compete with a praxeology that already has established apodictically certain laws in the past, which in principle can establish such laws of ethical phenomena in the future, and which may very well succeed in doing so.

If praxeology can succeed in establishing social-scientific laws of ethical phenomena, and thereby provide the means for enlarging the sphere of human liberty, all libertarians, subjectivists and objectivists alike, will have cause for renewed optimism. The phrase "substituting a more satisfactory state of affairs for a less satisfactory state of affairs" will then not only be a phrase used in praxeology, but an accurate description of our feelings concerning the world's social and ethical progress.

¹ The Ultimate Foundations of Economic Science (98)

² Ibid.

³ Ibid.

⁴ The Virtue of Selfishness (15)

⁵ Mises. Human Action (881)

⁶ Ibid. (885)

⁷ The Ultimate Foundations of Economic Science (98)