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ON THE AUSTRIANNESS OF
AUSTRIAN ECONOMICS

Much recent work on the intellectual background of Austrian economics reveals an unfortunate lack of awareness of the distinct nature of the Austrian contribution to philosophy, from which the Austrian economists drew many of their ideas. The present essay offers a sketch of this contribution, contrasting Austrian philosophy especially with the modes of philosophy dominant in Germany. This makes it possible to throw new light on the relations on Mises, Kant and the Vienna circle, and it allows us also to establish the extent to which Austrian economics might properly be seen as being allied to the German hermeneutic tradition of Dilthey, Gadamer, et al. The essay concludes with a criticism of the hermeneutic relativism recently canvassed by some Austrian economists, concentrating especially on the work of Don Lavoie, whose writing are treated as symptomatic of a wider and somewhat regrettable trend.

Austria and Germany are different. They have different histories, different mixtures of peoples and religions, different modes of thinking and speaking, and different attitudes to authority, to learning, and to tradition.¹ Austria is marked, above all, by the absence of any entrenched Kantian, or Hegelian, philosophy — a

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consequence, in part, of the intellectual backwardness of the Habsburg Empire for much of the nineteenth century in relation to its neighbors to the west. The works of both Kant and Hegel were indeed for a time included in the Papal index of prohibited books. Austrian philosophical education was dominated instead by textbooks whose content was drawn from Catholic school-philosophy and from a Leibnizian-Wolffian "*Popularphilosophie*" of the sort that had been current also in Germany until the time of Kant.²

But all of this had the consequence that when, as a result of wider political and economic developments, the time came for the establishment of a modern and scientifically oriented philosophy in Austria, there was little of substance against which the new philosophical developments had to compete. Modern philosophy was thereby (and not without irony) able to gain a hold in Catholic Austria, where its development in Germany has been repeatedly thwarted by the influence of idealism and other metaphysical tendencies antagonistic to a scientific philosophy.³

The strength of idealist metaphysics in Germany may derive in no small part from the fact that it is closely associated even in the popular mind with the development both of German nationalist feeling and of the German nation itself. Kant, Hegel, Fichte (and to a qualified extent also Marx) have come to occupy an entrenched position in German thought and feeling that is comparable to the position of Catholicism in modern Poland. At no time was philosophy rooted in this way in the structure of the Austrian state and in the national consciousness of the Austrian people.

What is this German national philosophy?⁴ Simplifying somewhat, we might say that it is a philosophy which deals in grand philosophemes: *Reason, Understanding, Subjekt/Objekt Dialektik, Transcendental Ego, World Spirit, Hermeneutic Circle*, and so on. The relation of these philosophemes to empirical matters of fact is not, normally, a subject for investigation, so that the philosopher's world (the world of the Philosophical Text) is in effect split apart from the world of what happens and is the case. As we shall see, this has important consequences for the style of the philosophy which results. The writings of some German philosophers seem, indeed, to involve little more than a mere permutation of philosophemes, a literary form that is still alive in Germany today.⁵

The Marks of Austrian Philosophy

Philosophy plays no central role in the national consciousness of the Austrians. Yet, as philosophers and historians of ideas have come gradually to recognize, there is a peculiarly Austrian way of doing philosophy, sharply to be distinguished from that of Kant, Hegel, Fichte, Schelling, Schopenhauer, Schleiermacher and their modern-day successors.⁶

The characteristic marks of Austrian philosophy are difficult to define precisely. If, however, we consider the thinking of Bolzano, Brentano,⁷ Twardowski, Meinong, Ehrenfels, the early Husserl, Mach, Boltzmann, Wittgenstein, Werthei-

mer, Ingarden, Gödel and Popper, then we can reach the very tentative conclusion that this thinking is at least to some degree marked by:

(i) the attempt to do philosophy in a way that is inspired by or closely connected to empirical science. It is indeed remarkable to consider the extent to which modern philosophy of science has been a characteristically Austrian phenomenon. One thinks in this connection not only of Bolzano and Mach, Popper and Polanyi, Wittgenstein and Hayek,⁸ but also of Ludwig Boltzmann, Ludwik Fleck,⁹ Gustav Bergmann, Paul Feyerabend and Wolfgang Stegmüller — all of them Austrians (or Austro-Hungarians) who have done much to determine the shape of the philosophy of science as we know it today.¹⁰

(ii) a concern with the language of philosophy. This sometimes amounts to a conception of the critique of language as a tool or method of philosophy; sometimes it leads to attempts at the construction of a logical ideal language; in many cases it manifests itself in the deliberate employment of a clear and concise language for the purposes of philosophical expression and in the cultivation of a philosophical style that is not cut free from the empirical world of what happens and is the case.

(iii) a special relation to realism, understood both in an ontological sense (the world exists, more or less as we find it) and in an epistemological sense (knowledge of the world is possible and we are already in possession of substantial portions of such knowledge). The Kantian revolution was not accepted by the Austrians, and neither were the various sorts of relativism and historicism which came in its wake. This means that there is no divorce of “phenomenal” and “noumenal” worlds within Austrian philosophy: the world that is experienced and known and the world as it is in itself are one and the same.

(iv) realism is associated further with a commitment — in the end derived from Aristotle — to descriptive or ontological adequacy. This is marked especially by a concern with how the parts of a thing fit together to form a structured whole. In some cases it involves the recognition of differences of ontological level among the entities revealed to us by the various sciences and a consequent readiness to accept a certain stratification of reality.

(v) a concern for the unity of science, above all from the point of view of method. In the work of some of the Vienna positivists this is manifested in the particularly extreme form of a physicalistic or phenomenalist reductionism. In the work of Brentano and his followers it takes a milder form. Consider, above all, Brentano’s defense of the thesis that even philosophy has as its sole method the method of the natural sciences (though what, precisely, he might have meant by this we shall discover only *en passant* in the pages that follow).

(vi) a special relation to the a priori, revealed for example in a willingness to accept one or other form of Platonism (in logic, ontology, value theory, and elsewhere), or to accept disciplines such as phenomenology and Gestalt theory which are (as Wittgenstein expressed it) “midway between logic and physics.” The question as to how such apriorism can be consistent with a respect for empirical science will be addressed below. Provisionally, however, we can say that — at least

for Austrians in the tradition of Brentano — the world is at least to some degree meaningful or intelligible.

(vii) an overriding interest in the relation of macro-phenomena (for example in ethics, or in ontology) to the mental experiences or other micro-phenomena which underlie or are associated with them. This does not of necessity imply any *reduction* of complex wholes to their constituent parts or moments. Certainly a reductionism of this sort is present, again, in Mach and in some of the Vienna positivists, but it is explicitly rejected by almost all the other Austrian thinkers to be discussed below.

(viii) a sympathy towards and in many cases a rootedness in British empiricist philosophy, a concern to develop a philosophy “from below,” on the basis of detailed examination of particular examples, rather than “from above” in the fashion of many German philosophers (with manifest consequences, again, for the literary style of the philosophy which results). This piecemeal empirical approach meant also that the ideas of the Austrian philosophers were often fruitful for the practice of science itself, as for example in the case of Mach, Ehrenfels, Malinowski, Jakobson, Wertheimer, Lesniewski, Gödel, etc.

Not all of the given features are shared in common by all the thinkers mentioned. Some philosophers in Austria are marked precisely by the ways in which they modified or reacted against what was characteristic of Austrian philosophy in general. Some (for example Wittgenstein and Husserl) changed their relationship to these features over time. What is remarkable, however, is the extent to which the features mentioned have in German philosophy played almost no role at all, neither positive nor negative — and this is all the more remarkable given the extent to which successive generations of German philosophers have differed so widely amongst themselves.

German philosophers have rarely shown any sensitivity to the role of language in philosophy. Thus they have tended to strive for philosophical *depth*, and this has been often at the expense of philosophical clarity, which they have associated with “shallowness” of thinking.¹¹ Even Kant can be charged with some of the responsibility for the stylistic excesses and consequent unclarity of his successors, and Neo-Kantians such as Rickert and Windelband, who attempted to develop a scientifically oriented philosophy in the spirit of Kant, never achieved in their writings that sort of clarity which we associate with Bolzano or Brentano.¹²

It is not a matter of accident that philosophers in Germany did not, for the most part, allow themselves to be influenced by Anglo-Saxon ideas. There were political and economic reasons for the Anglophobia of most Germans in the eighteenth and nineteenth centuries, as also for certain contrasting Anglophile feelings of the Austrians in this same period. Kant himself is in this respect something of a special case, since there is certainly a sense in which he can be said to have attempted a reconciliation of empiricism and rationalism in his critical philosophy. This reconciliation was not, however, in what we shall come to

recognize as the manner of the Austrian philosophers. And while Kant was certainly influenced by Hume, this seems to have rested in no small part on a misunderstanding of the relevant Humean doctrines.¹³

Post-Kantian German philosophers have rarely embraced realism in any form, and they have typically scorned that sort of descriptive breadth and detail which we find, for example, in Aristotle or Locke. Ontology, insofar as this is treated at all, is normally more or less absorbed into epistemology. Attention is directed not to the world, but to our knowledge of the world, and even the latter is conceived in abstraction from knowledge actually gained and from the practices of scientists, in a way which can be seen to have thwarted the development of a native German tradition in the philosophy of science.

German philosophers are typically historicist and collectivist in their methodologies; they are prone to consider the experience or action or knowledge of the individual subject as subsidiary to or as a dependent part of some larger socio-historical whole. This is connected with what we might loosely call the romantic element in German philosophy, a mode of thought which, in stressing the ultimate unintelligibility of the world, is inimical to science. A romanticism of this sort is present in modified form in Dilthey, a philosopher whose thinking might in other respects seem to manifest a number of the features of Austrian philosophy mentioned above. Dilthey insists familiarly on a radical opposition as between the sciences of what is "outer" and what is "inner." The method of explanation characteristic of the natural sciences is appropriate, he argues, only to the former. The latter is, as far as our scientific explanations are concerned, unintelligible: it requires a special method of *Verstehen*, a method which, as Brentano saw, has something mystical about it (and in this respect it may be worthy of note that it was in Germany in the 20s and 30s that Dilthey's thinking was especially influential).¹⁴

Varieties of Empiricism

The list of features of Austrian philosophy presented above is both impressionistic and incomplete, and it is by no means unambiguous in every respect. A more adequate treatment of the peculiarities of Austrian philosophy would almost certainly need to distinguish at least three groups:

(I) Mach-inspired thinkers, including Boltzmann and the members of the Vienna circle, Hilferding and other Austro-Marxists, Mauthner, Malinowski, Schumpeter, and many others;

(II) Brentano-inspired thinkers, including Christian von Ehrenfels and the Gestalt psychologists, Kasimir Twardowski and the Lemberg-Warsaw school, Alexius Meinong and the Graz school, Husserl and the early phenomenologists, especially Adolf Reinach, Roman Ingarden, Alfred Schütz, Felix Kaufmann and others;

(III) a more loosely assembled tradition of what might be called sociologizing epistemologists, including Witold Gumprowicz, Ludwik Fleck, Michael Polanyi (perhaps also the later Wittgenstein), in a line extending in our own day to the work of T. S. Kuhn.¹⁵

Group (III) we shall for the moment leave aside. Groups (I) and (II) share what we might call a compositive method, consisting in the analysis of a given subject-matter into basic elements combined with an investigation of the ways in which these elements may be combined together into wholes. Mach and Brentano are however divided by the atomism of the former, and by the structuralism of the latter. Where for Mach the repertoire of available wholes is limited to always provisional and continually changing aggregations with which at best quantitative measures can be associated, Brentano sees the compositive method as capable of leading to an alphabet of qualitatively different sorts of elements which combine together into structured wholes of different sorts. Hence we can see how it was that, where Mach saw science in terms of always provisional hypotheses concerning the orderings (functional relations) of elements constantly in flux, Brentano held that we can achieve scientific knowledge in the sense of knowledge of qualitative universal laws, laws pertaining precisely to the structures of elements and to their combinations into wholes of different sorts.¹⁶ Both philosophers were “empiricists,” but as we can see, there is a striking difference between the phenomenalist empiricism of Mach and what one might call the qualitative and structuralist empiricism of Brentano and his circle.

Later philosophers of science in the Mach tradition have tended to embrace a view of science as an essentially predictive enterprise, seeing science as bound essentially to what is capable of being expressed numerically and as being concerned primarily with the building up of “models.” Thinkers in the Brentanist tradition have embraced no such restriction. Science, for them, deals not with models or quantitative abstractions but rather (as one says) with the things themselves. Moreover, Brentanian empiricism is consistent both with the idea that the scientist may have insight into the structures with which he deals and with the idea that mere description is a scientific enterprise worthy of pursuit, even if such description leads to the conclusion that predictive laws in certain spheres are unobtainable.

The science of psychology, in particular, is seen by Brentano himself as presupposing a descriptive proto-science of the basic elements and forms of combination in the domain of psychology, a discipline whose propositions would be derived from that basic familiarity with the natural affinities among psychic phenomena that is granted by inner perception.¹⁷ Empirical psychology cannot be a mere matter of measuring and calculating, Brentano argued. For how would it be possible to know what one was measuring, and what would be correlated with what, unless one were in possession of some prior conception of the nature of the objects to be measured and correlated?

*Vienna and the Rise of Scientific Philosophy*¹⁸

We have adverted already to some of the reasons why Vienna, in particular, should have provided such especially fertile soil for the development of scientific philosophy. The rapid growth of liberalism experienced in Vienna in the second half of the nineteenth century brought with it, in especially concentrated form, ideas stemming from the Enlightenment and from empiricism and utilitarianism. Mach was himself a product of this Viennese liberal enlightenment, and his influence did much to encourage an interest in epistemological and logical problems and in problems connected with the foundations of physics and of theoretical psychology—to the extent that Hayek can report that he and his contemporaries, on arriving in Vienna to take up their studies in the immediate post-war years, “found in Mach almost the only arguments against a metaphysical and mystificatory attitude” such as was manifested by the dominant German-inspired philosophers of the day (1966, 42ff.).

Carl Menger, too, the founder of the Austrian school of economics, contributed something to this scientific outlook on the part of Austrian intellectuals. Menger’s methodologically individualist doctrines represented a synthesis of liberal economic ideas with the affirmation of the possibility of theoretical rigor in economics. He was arguing in this respect against two generations of historicist economists in Germany who had insisted on a relativization of the content of economics to particular times and cultures. This was either because economic concepts themselves were seen as being relative in their content to the particular circumstances in which they arise, so that economic categories are merely dependent moments of larger historical wholes and are unintelligible outside the context of these wholes. Or it was because the data of economics were seen as residing exclusively in historical and statistical records, so that economic theory can consist at best in inductive generalizations. Menger, in contrast, argued that “exact theory” is possible in economics (as it is possible, for example, in geometry or mechanics). There are, he argued, economic categories which are *universal* (in the sense that they are capable of being exemplified in principle in every economy and which are capable of being grasped as such by the economic theorist). Menger’s work can indeed be seen as standing in opposition to German historicist doctrines in the sphere of economics in a way which almost exactly parallels the opposition of, say, Bolzano or Brentano to the philosophies of Kant and Hegel.

Brentano was even more responsible for the spread and for the taking root of modern scientific ideas and of scientific philosophy in the Empire of the Habsburgs. Brentano had moved in 1874 from Würzburg to Vienna in the belief that Austria, which was at that time both liberal and Catholic, would be more congenial to his ways of thinking than his native Germany. He taught philosophy for some twenty years in the University of Vienna with great success, remaining a quite singularly influential figure among the Austrians despite the fact that he was forced to resign his chair in 1880.¹⁹

Brentano remained in Vienna as a mere *Privatdozent* until 1895. He was thereby able to continue to exert his influence as a teacher. But his students and disciples were largely forced to turn elsewhere in order to pursue their philosophical careers, and in this way the Brentanian empiricist philosophy came to predominance in other centers of learning, both within and without the Empire. The positive attitude towards empiricism and scientific theorizing which Brentano had cultivated in his followers was thereby to an extent able to create a fertile soil for the development of other (sometimes alien) scientifically oriented brands of philosophy, including the logical positivism of the Vienna circle.²⁰

Austrian Economics and Austrian Philosophy

What light does all of this throw on the tradition of Austrian economics? The two movements of Austrian philosophy and Austrian economics are first of all historically linked.²¹ Both Meinong and Ehrenfels, for example, were students of Menger in Vienna. Both attempted to establish a “general theory of value” on a partially economic basis, drawing on subjectivist views of imputation and marginal utility put forward by Menger in his *Principles of Economics* of 1871.²² So close were these affinities that Brentano, Meinong and Ehrenfels were dubbed the “second” Austrian school of value theory, in recognition of their links with the “first” Austrian school of Menger, Wieser and Böhm-Bawerk.

Prague, also, was a center of Austrian economics, and the first and second Austrian schools of value theory were closely associated there, too, above all through the acquaintanceship of Ehrenfels and Wieser and through the activities of Brentano’s disciple Oskar Kraus. Böhm-Bawerk in his magnum opus on capital theory (1909–14) takes explicit account of the work of Brentano and Kraus in his attempts to establish a psychological foundation for his theory of the role of time in interest-rate formation, and Kraus attempted in his turn to lay bare what he saw as the Aristotelian roots of Austrian economic theory — thereby demonstrating also its affinities to certain Brentanian ideas.²³

The two movements were linked together in their common relationship to English philosophy, a relationship that is documented, so far as Menger is concerned, in the writings of Hayek.²⁴ They are linked further — in opposition to their historicist contemporaries in Germany — by a shared readiness to employ the compositive method as a basis of what they each called “exact theory” in relation to their respective disciplines, and by a common “subjectivist” or “methodologically individualist” concern to relate all macro-phenomena to the underlying beliefs, decisions, expectations, preferences, habits, tastes, etc. of individuals.

There are links, also, between Austrian economics and phenomenology. Husserl, too, attempted to develop a general theory of value on a subjective (“phenomenological”) basis. He propounded his own version of the compositive method²⁵ and he defended a qualitative empiricism relying in no small part on the evidence of introspection. Moreover, in the doctrine of the a priori of the

Lebenswelt sketched at the very end of his life, Husserl adopts as the basis of his philosophizing just those phenomena of everyday human action which, from a different perspective, form the starting point of Austrian economics. His ideas were applied in the social sciences by thinkers such as Adolf Reinach, Alfred Schütz, Wilhelm Schapp, Herbert Spiegelberg, Tomoo Otaka and Felix Kaufmann — all of them thinkers whose writings have a more than passing affinity with the classical works of the Austrian economists.

Reinach's work bears comparison especially with that of Friedrich von Wieser. Thus Reinach seeks in his "A Priori Foundations of Civil Law" of 1913 to develop a categorical ontology of the legal sphere.²⁶ His theory of the relations between such basic legal phenomena as contract, obligation, promise, etc., which he conceives as a first step towards an a priori ontology of the social world, deals explicitly with the ways in which the corresponding a priori structures may become modified in their instantiation in given contexts, for example through the acts of legislators and judges.²⁷ Wieser, similarly, in his methodology of economics sees economic theory as beginning with the description — based in part on introspection — of the simplest structures of economic reality, a description which is then supplemented and to some extent corrected by empirical research into the various ways in which these simple structures may come to be affected contingently in different contexts.

There exist also affinities between the second generation of Austrian economists and Austrian philosophers of science.²⁸ Thus for example Karl Menger, son of Carl, was an active member of the Vienna circle, a prominent mathematician and the author of a number of works in ethics and decision theory. Hayek (a distant cousin of Wittgenstein and friend of Popper) had himself seriously considered joining the Vienna circle, though he had been deflected from this path by the somewhat naive, not to say absurd, economic views of Otto Neurath.²⁹ Phenomenologists such as Alfred Schütz and Felix Kaufmann, themselves close friends of Hayek, sought at one and the same time to apply Husserlian ideas in the social sciences and to maintain friendly relations with the logical positivist movement.³⁰ Richard von Mises, brother of Ludwig, was a member of the Vienna circle and author of a tract on logical positivism. And even though the Mises brothers were methodologically at each other's throats, ideas accepted by the Vienna circle did nonetheless have some influence on Ludwig's thinking, though the major influence of Viennese positivism on contemporary economics has, familiarly, been in helping to determine the methodological ideas of the Neoclassical mainstream, most conspicuously through the work of Milton Friedman and the Chicago school.

The Austro-Aristotelian vs. the Kantian A Priori

Our thesis is not simply that there are strong historical links between the traditions of Austrian economics and Austrian philosophy — the latter to be

conceived henceforth in its broadly Brentanian form³¹—but further that there is an essential affinity between their respective methods and doctrines, and that an awareness of this affinity can help us to understand certain peculiarities of Austrian economics as it has developed from the time of Menger to the present day. It is especially in regard to the problem of apriorism that a sensitivity to the specific character of the Austrian tradition can be of use. For there is in fact a special Austrian (which is to say: non-Kantian) account of the a priori, an account which is rooted in Aristotle,³² present in Leibniz's doctrine of the *disparatae*³³ and even in Hume's treatment of color-relations,³⁴ hinted at by Brentano, and developed explicitly by Husserl and Reinach.³⁵

That a proposition is "synthetic" I take to mean that it is not logically empty, in the sense that it is not capable of being reduced to a truth of logic by a process of successive elimination of defined terms. This I take to be the salvageable core of the Kantian conception of synthetic judgments as judgments whose predicate is not "contained in" the relevant subject. Kant, as we know, sees the realm of the synthetic a priori as residing in the quite special realm of what he calls pure or transcendental consciousness. The Austrian claim, in contrast, is that there is an a priori dimension across the entire material range of both science and everyday experience, so that vastly more propositions turn out to be synthetic and a priori on the Austrian view than on that of Kant.

From the Kantian perspective the world as it is in itself is (from the point of view of the cognizing subject) an unintelligible chaos. There arises an a priori dimension in our knowledge only as a result of the fact that we ourselves ("transcendentally") impose a spurious order on this chaos, an order which reflects the structures of the human mind. (Recall, here, Hume's doctrine of the causal relation as something that is superadded to what is given in sensation.) For the Austrian Aristotelians, in contrast, the world as it is in itself manifests dimensions of intrinsic intelligibility. The realm of what is knowable, from this perspective, embraces not only contingent regularities knowable a posteriori (by experiment and induction) and analytic truths knowable a priori (by analysis of concepts), but also truths synthetic and a priori which reflect the intelligibility of corresponding structures or relations in the world. These structures are universal or severally exemplifiable: they hold not between objects qua individuals, but rather between objects qua instances of universal species or kinds.³⁶ Further, they are intelligible in the sense that they are grasped immediately and without experiment or inductive inference, in much the same way that we grasp, for example, the validity of a mathematical proof.³⁷ Consider, for example, how we would go about verifying the proposition that red is not green, or that nothing can be red and green all over. Is it conceivable that propositions such as this should be verified by induction or experiment?

The logical positivists were inspired in the first place by the Kantian conception of the a priori, going further than Kant, however, in embracing the thesis that propositions are capable of being known a priori if and only if they are analytic (tautological, empty, a matter of definitions). They were thereby called upon to

demonstrate how candidate examples of synthetic a priori propositions can be reduced to truths of logic, demonstrations of a sort which, especially through the work of Frege and Russell, had already been obtained with some success in the sphere of mathematics. When it came to driving home these successes in other spheres, however, the results were much less convincing. What is not usually recognized in this respect is that most problems for the Vienna positivists were created precisely by examples which they had taken from the Austrian aprioristic tradition, especially as represented in the work of Husserl and the early phenomenologists in Munich.³⁸ Thus they were especially concerned, for example, by propositions like “nothing can be both red and green all over,” “if something is red then it is not green,” “all colors are extended,” and so on, examples of candidate synthetic a priori propositions which would not have been at home in the framework of Kant and his successors.

Austrians in the tradition of Brentano, Husserl and Reinach, in contrast, regarded such examples as giving rise to the necessity to embrace a tripartite view according to which the division of propositions into *analytic-necessary* and *empirical-contingent* is not exhaustive. A third class of synthetic a priori propositions must be recognized also, constituting such a priori disciplines as phenomenology, legal theory, phonology, universal grammar, speech-act theory, and that proto-science of human action we call Austrian economics.

Where, then, both Kantians and positivists conceived the a priori as a matter of relations between universal concepts which enjoy a purely mental existence and as being in some sense a contribution of the knowing subject, the Austrian Aristotelians conceived the a priori as a matter of intrinsically intelligible relations between species or structures of objects in the world, relations which would obtain even if there were no minds to apprehend them. Where Kantians and positivists held that a priori knowledge is either empty (“analytic”) or a reflection of the fact that we see the world through “conceptual spectacles” which somehow allow us to make sense of that world (which must presumably be otherwise, in the relevant respects, chaotic), the Austrian Aristotelians held that a priori knowledge is read off the world, reflecting the fact that certain structures in reality are intrinsically intelligible. And where Kantians and positivists held that the class of a priori propositions is, leaving aside the case of logic or arithmetic, restricted to a more or less ad hoc selection of isolated examples, the Austrian Aristotelians affirmed that there are whole families of a priori propositions, constituting entire disciplines, of which Austrian economics and (certain sorts of) phenomenology would be only the most conspicuous examples. Note that I have spoken here rather loosely of “Kantians and positivists,” for Kant’s own views are rather special, and it is a simplified version of these views which has influenced the debate on the synthetic a priori in the last hundred years. Thus there are no a priori propositions in Kant, but a priori “forms”; these allow a priori judgments, which are held in turn to provide the “conditions of the possibility” of science. Mathematics, for example, is based on the a priori forms of intuition (space and time); physics is based on causality and on other a priori categories of the understanding.

Note also that, when once they are properly understood, the Austrian and Kantian conceptions of a priori judgments or propositions need not be in conflict. It may very well be that, even in a world which manifests a priori structures of the Austrian sort, there might still be room for dimensions of non-contingent (conventional?) structures that are read into the world in the way the Kantian would require. Moreover, it may be that the Kantian notion of an epistemological a priori in fact requires a foundation in an ontological a priori of the Austrian sort. For if Kantian a priori formings and shapings are read into reality, then we know at least that reality must itself be dispositionally such that it can bear such forms, and the *fundamenta* of the relevant dispositional properties here would constitute something like an a priori *in re* in the Austrian sense. Even if the world in itself is infinitely elastic, so that it is capable of bearing any and every sort of forming and shaping, then it seems that there must be some residual a priori structure in the Austrian sense at least on the side of the mind that is responsible for this forming and shaping. For if the latter is not itself entirely random, then the mind itself must possess some structures of its own, and these cannot themselves be the result of forming and shaping in the Kantian sense, on pain of vicious regress.

Not only for Kant, but from the Austrian perspective, too, the dimension of a priori structures has an important role to play in the foundations of science. All scientists bring with them descriptive presuppositions of different sorts, presuppositions which are usually tacit in nature, which will often seem trivial when made explicit, and which will, therefore, no less often lend sanction to the view that they are merely empty or analytic — a view we shall have occasion to examine more carefully below.

Linguistics and Economics

We can perhaps begin to see more clearly the affinities of Austrian economics with Austrian philosophy if we consider briefly the more recent “universals of language” research program in linguistics. Here the assumption is made that there are structures in (linguistic) reality which are universal to all languages. There are different ways in which this universality might be understood. One might, for example, be able to demonstrate that (some of) the structures in question reflect the hard wiring of the human brain or the make-up of the organs of speech and hearing. Alternatively one might seek to show that they are structures manifested (in principle) by every natural language because they are indispensable to every utterance as such, or to every act of communication, to every promise, and so on. The given structures are, in any case, at least tacitly familiar to everyone who has dealings with the objects concerned (i.e. to every speaker of a language). Yet this does not by any means imply that it is a simple matter to discover what such structures are and to formulate workable and realistic theories about them.³⁹ Nor does it imply that the issue as to which sorts of linguistic structures are universal is a matter of the “conceptual spectacles” of the language-using subject. Nor,

finally, does it imply that this issue is merely a matter for arbitrary legislation by the linguistic theorist. Universals of language are not created by the linguist. They are discovered through painstaking theoretical efforts.

Similarly in the case of Husserlian phenomenology. Here, also, we are dealing with universal structures of experience (of perception and judgment, feeling and imagination) which are at least tacitly familiar to every individual. Yet this does not imply that it is a simple matter to discover what such structures are and to formulate workable theories about them. Nor does it imply that the issue as to which structures of experience are universal is a matter for arbitrary legislation by the phenomenologist, or that it is a matter of the “conceptual spectacles” brought to bear on his experience by the experiencing subject. Universals of experience are not created, either by the phenomenologist or by the experiencing subject. They are discovered through painstaking theoretical efforts.

Austrian economics, similarly, holds that in the sphere of economic phenomena we have to deal with structures which are universal in the sense that — because they are indispensable to every economic action as such, or to every instance of exchange, barter, rent, profit, etc. — they are manifested (in principle) in every economy. The given structures are also at least tacitly familiar to everyone who has dealings with the objects concerned (i.e. to every economic agent, to every observer of the behavior of markets). Yet this does not by any means imply that it is a simple matter to discover what such structures are and to formulate workable theories about them. Nor does it imply that the issue as to which sorts of economic structures are universal is a matter for arbitrary legislation by the economic theorist or of the “conceptual spectacles” of the economic agent. Universals of economic reality are not arbitrary creations of the economist. They are not created in any sense. They are discovered through painstaking theoretical efforts.⁴⁰

It seems indisputable that it is this non-Kantian notion of the a priori which underlies Menger’s work in economics. Consider for example Menger’s letter to Walras of 1884, in which Menger insists that economists “do not simply study quantitative relations, but also the nature [*das Wesen*] of economic phenomena.” Economists study the qualitative nature of and the relations between such structures as, for example, value, rent, profit, the division of labor, money. It could be said in this light that Menger seeks to develop a categorial grammar (or better: a categorial ontology) of economic reality, to establish how the various different sorts of building blocks of economic reality can be combined together in structured wholes, and to determine — through the application of what he himself called a genetical-compositive method — how such wholes may originate and how they may develop and become transformed over time into other kinds of wholes.

Of course an apriorism of this sort does not mean (any more than in the case of linguistic universals) that economic theory is free of any empirical components. As we shall see, it is a difficult matter to sort out what, precisely, the appropriate role for empirical investigation in economics (and in related disciplines) might be. What is certain, however, is that quantitative investigation in economics can be coherent and can have implications for the world outside the theory only to the

extent that it is carried out on the basis of an a priori understanding of the natures of at least some of the entities to be measured and compared. For otherwise the economist is not merely measuring in the dark, he is also without any means to tie down the results of his theorizing to economic reality itself.

Let us return for a moment to our list of the marks of Austrian philosophy above. We have reached the stage where we can begin to understand how the apriorism of Austrian philosophy can be consistent with its pronounced willingness to be influenced by empirical research. The Austrian doctrine implies that, in relation to each of a range of empirical sciences, there exist certain underlying structures with which we are pre-theoretically familiar, and that it is our (sometimes merely tacit) knowledge of such structures which yields the preliminary framework for that activity of measuring and calculating and correlating which (as we normally suppose) forms the heart of empirical science proper.

Euclidean geometry, we might say — or something very like it⁴¹ — constitutes one such a priori proto-discipline of the science of physics. As the case of geometry makes clear, empirical research, measuring and calculating, may in certain circumstances come to exert an ex post control on the relevant proto-discipline, so that we may come to regard the propositions of the latter in a new light; the results of empirical research may even lead us to reject as false propositions hitherto accepted as a priori true. This does not mean that the opposition between what is empirical and what is a priori is itself undermined. No single a priori proposition of a proto-discipline may be falsified by empirical means: even the possibility of direct logical contradiction is here ruled out. The control exerted by empirical research is at most indirect, as further reflection on the case of geometry will make clear. It is such indirect control which is at work when physicists come to employ non-Euclidean geometries in their descriptions of reality. That such control is possible at all, however, shows that we have only partially trustworthy access to the a priori structures in the world, so that it is not to be ruled out that Austrian economists, too, may one day have to countenance the idea of something like a non-Euclidean Austrian economics in their dealings with economic reality.⁴² In any event, the very possibility of such empirical control signals that the Austrian a priori may have to be divorced from epistemological concerns of a Cartesian-Kantian sort. For if a priori structures exist independently of the mind (or independently of what the mind reads into reality), then we have no good cause to expect that our knowledge of such structures will in every case have that sort of absolute evidence with which the Kantian a priori is normally associated. It thereby becomes possible to conceive a doctrine of what we might call fallibilistic apriorism, parallel in some respects to doctrines of fallibilistic intuitionism in ethics.⁴³

When the above considerations are taken into account, then many of the unfortunate connotations of the term “a priori” will be seen to fall away. Thus one common objection to the notion of an a priori proto-discipline turns on the fact that different individuals may have different intuitions as to what counts as a priori. The possibility of indirect empirical control does much to render this

objection harmless. The thesis that the a priori is a matter of what can be read off from intelligible structures in reality may, indeed, serve to make understandable the fact that such different intuitions exist. Certainly it tells us that the acquisition of a priori knowledge may be no easy matter, while by contrast, a priori knowledge on the Kantian conception ought in some way to be both incorrigible and immediately accessible to all.

Two Kinds of Subjectivism

An understanding of the affinities between Austrian philosophy and Austrian economics can help us to find our way also in regard to the problem of the much-lauded subjectivism of Austrian economics. Must this subjectivism, when taken to extremes, issue also in a sort of relativistic skepticism which would make economic theory as we know it all but impossible?

The opposition between reading into and reading off of the sphere of value is very clearly illustrated in the already mentioned attempts by Ehrenfels and Meinong to construct a "general theory of value," in part on the basis of Mengerian ideas. A general theory of value, as they conceive it, would establish the laws that govern value as such, wherever it might be realized. Both Ehrenfels and Meinong followed Menger (and Brentano) in holding that a theory of value should be rooted in the psychology of individual valuing acts, at least in the sense that it should throw some light on the relations between value and such psychological phenomena as feeling and desire.

Meinong sought in this respect to defend an objectivist theory of value: desire, he held, is in every case derivative of value, which rests on the capacity of an independent object to awaken positive feelings within us. Value is thus an objective property of the valued object, something that is read off of reality by the valuing subject. Ehrenfels, in contrast, defended a subjectivist theory, arguing that value must be something that is read into the world. For if Meinong were right, then only existing objects could be desired (since only existing objects can have the capacity to awaken positive feelings). Most desires seem, however, to be directed towards objects which do not exist (or to states of affairs which do not obtain). Desires, therefore, are the more primitive phenomenon, and Ehrenfels accordingly defended a conception of both value and positive feeling as founded on appropriate desires as their presuppositions. It is not that we desire something because it has value. Rather is it as if, through education, experience and other forces, we have had inculcated within us a certain repertoire of desire-dispositions, and things have value for us because we desire them (because they release within us corresponding tendencies to desire). Ehrenfels seeks, indeed, to provide an evolutionary theory of the ways in which historical forces may motivate changes in patterns of desire-dispositions over time, and therefore also motivate changes in patterns of value. As he points out, even such ethical phenomena as chastity, honesty, and conformist behavior may be subject to such principles as the law of

diminishing returns, and the relative values accorded to them may change over time. Ehrenfels's investigation of the economic laws governing ethical behavior indeed anticipates a number of aspects of the "new approach to economic behavior" propounded in more recent years by Becker, Tullock and others.⁴⁴

In a second sense of "objectivist," however, Ehrenfels is no less so than his teacher Meinong. For Ehrenfels certainly believed that it is *true* (objectively) that values and desire-dispositions may change over time, and that the former are dependent on the latter. Almost all Austrian philosophers are objectivists in this sense, even those who place the experiences of the human subject at the center of their philosophies. And the same applies also, I believe, to the practitioners of Austrian economics, not only as this was classically conceived, but also in its Misesian, Lachmannian, Kirznerian and Rothbardian varieties. Austrian economists themselves have, it is true, rarely felt the need to draw attention to this fact. This is because the discoveries of the Austrian school have derived primarily from the application to economic phenomena of insights which derive from subjectivism in the first of our two senses, and Austrians have quite rightly wanted to emphasize the central role in their theory of the acting human subject (as opposed, for example, to abstract equilibrium models or other objectivist fictions).

In the second sense of the term "subjectivism," then, Austrian economics is as objectivist a discipline as any other. It holds that there are facts of economic reality — for example that there are acts of entrepreneurial perception, that value is a function of individual valuing acts, that value is subject to the law of marginal utility, that there are unintended consequences of human action, that time preference is positive, that the value of consumer goods is imputed to the value of goods further back in the process of production, and so on. Austrian economists believe that economic reality is constituted out of highly complex structures of human acts and actions interacting together over time in complex ways. They believe that there are difficulties of principle in gaining access to the contents of such acts on the part of the economic theorist. And, because of the complexity of the relevant interactions (having to do, for example, with the interdependence of our separate beliefs and expectations), they believe that the given reality is — like all psychologically based phenomena — subject to constant flux. Hence, also, they believe that there are limits to the economist's powers to grasp this reality in theoretical terms. They argue further that economic theories may influence the shape of economic reality in the sense that economic agents may have beliefs about such theories which may influence their own expectations and behavior. But what Austrian economics does not maintain, and what it cannot maintain, if it is to retain its status as a scientific discipline, is that economic theory in any sense "creates" the economic reality to which it is directed.

On Hermeneutics

Having set forth something of the historical and conceptual background of Austrian economics and Austrian philosophy, it is time to say a few words about

certain more recent developments among the community of Austrian economists in the United States, developments which amount to paying at least lip-service to certain contemporary manifestations of post-Kantian German philosophy, a philosophy which, as I hope has by now become clear, is alien to the Austrian tradition.⁴⁵

It is alien, first of all, for reasons of *style*. What Hayek referred to as the “metaphysical and mystificatory attitude” of German philosophers, an attitude initiated by Kant and brought to perfection by Hegel and Schelling, has not only wreaked untold damage in Germany, it has also brought about the virtual destruction of philosophy in contemporary France. This same style is taken over in our own day by Heidegger, and also by the hermeneuticists.

The principal message of hermeneutic philosophy seems to be that the “problem of interpretation” as between one culture and another or between one time and another calls for an overhaul of our familiar (“objectivistic”) notions of truth and scientific objectivity in a way which seems to issue in a sort of cultural relativism. Some hermeneuticists are less happy than others with such relativistic consequences, and prominent hermeneuticists such as Gadamer seem not always to be entirely explicit in this regard, so that it is difficult, for example, to extract from Gadamer’s writings an unequivocal statement as to what he means by “truth.” We can get some clearer ideas where Gadamer stands, however, if we turn to a recent essay by G. B. Madison on the economic relevance of Gadamer’s philosophy. Here Madison tells us that there are no “facts in themselves” on the Gadamerian view, for “as we have now come to realize in the philosophy of science: all facts are theory-laden. . . . Facts are products of interpretation.” All knowledge, for Gadamer, is merely intersubjective: “The ‘objective’ is the intersubjectively agreed upon, the result of agreement reached through conversation and dialogue on the part of a community of historically formed and culturally embedded subjects” (Madison, 5). Economic reality, in particular, “does not exist, in any purely objective sense of the term” (Madison, 12).⁴⁶

Gadamer’s (or Madison’s, or Rorty’s, or McCloskey’s) line is of course all too familiar: it is a manifestation of a recurrent skeptical-relativistic tendency in the history of philosophy. Given its contemporary importance, however, it is necessary to say a few words as to why skeptical relativism (in all its manifold forms) has been granted at best transient house-room by philosophers in the past. Recall once more our remarks on Menger versus the German historicist economists above. Because, the skeptical relativist argues, the scientist is himself bound to a specific time and culture, and because his acts of gaining putative knowledge are themselves merely dependent moments of larger cultural-historical wholes, objective science—as this was conceived, for example, by Aristotle—is impossible. However much the scientist might strive to obtain knowledge of the structures of, say, morphemes, or molecules, or markets, he will never be able to break out of the confines of his ephemeral cultural world in such a way as will allow him to grasp the structures of these things themselves. However much the scientist might strive to express his knowledge in clear, unequivocal terms, the content of

what he says will be strictly speaking unintelligible to scientists in other cultures or in other times or places.

The argument against a thesis of this sort is of course all too obvious: either what is being said here is itself of merely parochial validity (so that there might be cultures where science in the strict sense is possible after all), or the thesis is of universal validity—but then it is itself such as to fall outside the scope of the hermeneuticist's relativism. Gadamer's response to this argument is as follows:

However clearly one demonstrates the inner contradictions of all relativist views, it is as Heidegger has said: all these victorious arguments have something about them that suggests they are attempting to bowl one over. However cogent they may seem, they still miss the main point. In making use of them one is proved right, and yet they do not express any superior insight of any value. That the thesis of skepticism or relativism refutes itself to the extent that it claims to be true is an irrefutable argument. But what does it achieve? The reflective argument that proves successful here falls back on the arguer, in that it renders the truthfulness of all reflection suspect. It is not the reality of skepticism or of truth dissolving relativism, but the claim to truth of all formal argument that is affected. (1975, 309ff.)

— which seems to amount to a claim to the effect that the argument in question is, to be sure, valid, but because it is not *deep*, it has to be dismissed.

Austrian Relativism

It is difficult to see why a proponent of Austrian economics should want to embrace a doctrine so dangerously close to relativism as the hermeneuticist doctrine seems to be. I am thinking particularly of a quite remarkable paper by Don Lavoie entitled "The Present Status of Interpretation in Economics" (1986), a paper which I treat here as symptomatic of a wider trend. I do not deny that there is much in this paper with which one can agree. Its diagnoses as to the present state of economics are both important and profound. Lavoie has a clear grasp of the fact that philosophical beliefs—for example about what arguments or methods are more or less "sophisticated" in a given science—may have unintended negative consequences over time. And he is correct in supposing that too heavy reliance on a rather naive positivistic theory of evidence and verification, combined with an almost exclusive reliance on one or other form of mathematical modelling, has had cumulative negative consequences of this sort within the mainstream of contemporary economics. It is salutary to see him plead that economists should become conscious of the ways in which they use verbal modes of expression and verbal reasoning in their work. For as Lavoie points out, the more economists are trained in purely mathematical methods, the less will they be capable of defending (and understanding) these very methods themselves. Only with the aid of a prior conception of the qualitative nature of certain basic economic phenomena, we might say, will the economic scientist know what he is building models of; and

only then will his conclusions be capable of being tied down once more to the economic reality that exists outside the theory.

But all of this implies, surely, that a proponent of Austrian economics should be seeking just that sort of theoretical foundation of economics which Menger attempted to provide: a *grammar of economic reality* in whose terms specific empirical hypotheses can be formulated and specific mathematical models be given concrete interpretation. Such a foundation cannot itself be derived either from empirical investigations of the more usual sort or from mathematical analyses. It must rather be derived at least in part from that familiarity with particular economic phenomena which we are all able to acquire as economic agents. By paying attention, for example, to how individual choices and decisions are made and how individual expectations are built up and transmuted over time, we are able to establish at least some of the basic components involved in the larger structures of economic reality.⁴⁷ We may thereby, by degrees, be able to develop a more adequate conception of this reality, which may in turn make possible formal theorizing which is not remote from the practical questions with which the science of economics begins.

Lavoie's prescription for improvement, however, is not that we should seek a better theoretical economics in the spirit of Menger or Brentano (or even Saussure).⁴⁸ Lavoie cannot hold such a view, for he sees the theoretical dimension of Austrian economics always in terms of what he calls "extreme apriorism," "the attitude that the Austrian methodology permits the theorist to spin out theories deductively, fully confident that no empirical fact will ever refute an a priori theory" (22)—an idea that is clearly formulated against the background of the Kantian view of the a priori.

Lavoie's preferred recipe is that economists should immerse themselves in modern German hermeneutics. Indeed the bulk of his paper consists in his pointing to faults of contemporary economics which are avoided by the hermeneutic philosophy. What he does not mention is that hermeneutics has faults of its own. Moreover, even its purported benefits are not exclusive to the hermeneutic tradition. Lavoie tells us for example that:

Hermeneutical philosophy suggests that the social language in which we come to consciousness in the world contains a power to express ideas that goes beyond what its speaker can consciously know, and that for this reason deliberately precise artificial languages are for some purposes inferior instruments of understanding. (8)

Wittgenstein, Fleck, Polanyi, and Hayek — all of them proponents of that Austrian sociologizing epistemology mentioned above — have made just this point, and in a language more accessible than that of the hermeneuticists (if only in the sense that one does not have the feeling, when reading these authors, that gratuitous obstacles to intelligibility have been set in the path of the reader). Lavoie goes on to point to "hermeneutical" theses concerning the historical and social constraints on the scientific process, theses which, as he knows full well, have been formulated also — and again more clearly, and more economically — by philosophers of sci-

ence such as Lakatos and Kuhn. Yet are these theses so important? Does the undeniable fact that scientists are subject to various kinds of social and institutional and emotional pressures really tell us more than what we know already, namely that science is a difficult business and that a large dose of serendipity will play a role in determining which problems are tackled first (or tackled at all) and therefore also which areas of reality are eventually illuminated by the scientific process?⁴⁹

Most regrettable of all, however, is Lavoie's claim to the effect that:

The roots of modern hermeneutics trace to precisely the elements of German philosophy in which the original Austrian school was immersed.... Hermeneutics is in my view the missing link in the modern American Austrian movement. It reconnects Austrians to their roots in the German language from which their English language training in economics had been artificially disconnected. (25)⁵⁰

* * *

Let us return, for one moment, to Lavoie's analysis of the current state of economic science. Surely his theses here as to the deleterious consequences of certain ways of proceeding make sense only if there is some standard, something against which one could at least in principle measure what is here better or worse. What could this standard be, if not adequacy to the facts of that everyday ground-level economic reality with which we are all more or less familiar? Yet it is precisely the possibility of such a standard which hermeneuticists deny. On what basis, then, can they prefer one way of doing economics rather than another? If, as they claim, a science like economics resolves itself into mere conversation, into a play of mutually impenetrable "interpretations," then it is difficult to see what reason one might have for criticizing the mathematical conversation that dominates late twentieth-century economics. Lavoie has allowed himself to be misled from his sure grasp of the fact that this mathematical way of proceeding has somehow led economists astray — has shorn them apart from the facts of economic reality — to the rejection of the idea that such an economic reality exists at all.

Or perhaps I am wrong. Perhaps Lavoie continues to believe in economic facts which economic theory must do its stumbling best to describe. Sometimes, for example when he is offering case studies in economic history, one gets the impression that he is indeed striving to establish and to promote such a theory. But why, then, does he take seriously a view which seems, in the end, to reduce economics to a sort of literary criticism of economists' conversations?

NOTES

1. See Grassl and Smith 1986 and the references there given.
2. These textbooks were imposed on all universities in the Empire by the state authorities in Vienna. For more details see Haller 1986 and Sauer 1982.

3. Of course nothing is as simple as one might wish. As the case of Herbart makes clear, there were on both sides exceptions to and discontinuities in the general tendencies referred to in the text, and the most important of these will be mentioned in passing below. For a more rounded picture see, again, Sauer 1982, which makes clear just how much – and how little – was known of Kant in Austria at the time when his influence in Germany was most intense.
4. To talk of “Austrian” and “German” philosophy at all is, admittedly, an oversimplification. It is an even greater oversimplification, however, when Austrian philosophy and Austrian philosophers are simply ignored, as has all too often happened in the past.
5. Consider, as an example, the following passage from the work of Hans-Georg Gadamer, who is here summarizing Hegel:

the progression to Becoming cannot be taken as a development in dialectical determination. If, as thought now determines, the difference of Being and Nothing is at the same time their complete lack of difference, then the question how Becoming emerges out of Being and Nothing no longer makes any sense at all. For such a question would certainly imply that there was a thinking which, in a manner of speaking, had not begun to think. Taken as thoughts for thinking, Being and Nothing are not at all determinations of thought. . . . Empty thinking is thus thinking which is not yet that which thinking is at all. And, as a matter of fact, in this way the merging together of Being and Nothing in Becoming can easily be seen to be the proper truth for thought. (1976, 88ff.)
6. On Austrian philosophy in general see Haller 1979, 1981, 1986, and Nyiri, ed., 1981 and 1986. On its stylistic moments and on those of classical German philosophy see Mulligan (forthcoming), and my 1991.
7. Brentano was in fact a native of Germany, though, as we shall see, he was the founder of what is from our present perspective the most important stream of modern Austrian philosophy. The principal flaw in Janik and Toulmin’s book (1973) is that it neglects the profound influence of Brentano, and Diamond (1988) is for the same reason of restricted value.
8. See especially the latter’s *The Counter-Revolution of Science* (1952).
9. Fleck was born in 1896 in Lemberg (Lwów), capital of Galicia on the Eastern fringes of the Empire. He was the author of some 200 scientific papers in the areas of medicine and microbiology. But he was also the author of a longer, philosophical work, published in 1935, entitled *Genesis and Development of a Scientific Fact: Introduction to the Doctrine of Cognitive Style and of the Thought-Collective*. This work is of interest not least because, as a contribution to the nascent discipline of “sociology of science,” it anticipated and perhaps even served to inspire some of the now so influential ideas of Thomas Kuhn. (Kuhn in fact contributed a preface to the English translation of the work.)

10. Cf. Nyiri 1986. Certainly there were German thinkers, above all Helmholtz, Hertz and Hilbert, who made important contributions to the development of a modern scientifically oriented philosophy. But these were, in contrast to their counterparts in Austria, philosophically isolated figures who gave rise to no philosophical movement or school.
11. Consider Windelband's famous description of Locke's philosophy as "shallow" (*seicht*). Consider, too, the enormous difference in style as between Mach on the one hand and such German-inspired philosophers as Schuppe or Avenarius on the other.
12. It is worth pointing out, though, that there were isolated thinkers in Germany—in particular Humboldt and Herder—who were conscious of the stylistic inadequacies of their compatriots. Moreover, there were cases of Austrian philosophers who occasionally took on some of the stylistic habits of the Germans. On all of this see, again, Mulligan (forthcoming), especially his treatment of the philosophical style of the later Husserl.
13. See Reinach 1911 and the discussions in Smith 1982 and 1986.
14. This influence made itself felt especially in the movement of *Ganzheitspsychologie* or "integral psychology" founded by Krüger, Jaensch, and others in Leipzig, which was in some respects parallel to the Gestaltist movement growing out of the work of Brentano, Ehrenfels, Wertheimer and Stumpf. The *Ganzheitspsychologen* shared with the Gestaltists a rejection of psychological atomism, but the two schools diverged radically in their views as to what ought properly to take its place. The members of the Leipzig school embraced what we might call a mystical holism, a thesis to the effect that the wholes (*Ganzheiten*) of psychological experience are *sui generis* and are capable of being grasped only in the context of this very experience. The Berlin Gestaltists, in contrast, embraced what we might call an intelligibilist holism: the very same types of wholes as are to be found in mental experience are present also in the physical realm; the methods of physical and psychological science thereby form a single continuum, though in a way which importantly does not imply any reduction of the one to the other.
15. Cf. Nyiri 1989.
16. Cf. Mulligan and Smith 1988.
17. See Brentano 1982. The term "proto-discipline" or "proto-science" (*Vorwissenschaft*) I take over from the writings of Brentano's student Stumpf. The proto-science of psychology is "descriptive" for Brentano in the same way in which, for example, anatomy is a descriptive proto-science of biology.
18. This section summarizes a thesis defended in more detail in Smith 1987.
19. This was for dubious legal reasons connected with his marriage, since he was an ex-priest. It is one of the tragedies of Austrian philosophy that, due to the repeated interventions of the Emperor, Brentano was not reappointed to a professorial post in Vienna after his marriage, despite the fact that, year after year, his re-election to such a post was carried *unico loco* by the faculty itself.

20. In this light, it is interesting to note that the major centers of Brentanian or of Brentano-inspired thought established around the turn of the century were in precisely those four cities – Vienna, Prague, Lemberg and Berlin – which were to become, in the 1920s and 1930s, the principal centers of modern scientific philosophy in continental Europe.
21. For further details see Grassl 1983 and Fabian and Simons 1986, where complete references are provided.
22. On the reasons why the Brentanians came to develop the project of a general theory of value see Fabian and Simons 1986.
23. Cf. Kraus 1905, 1937.
24. See also Shearmur 1986 and the references there given.
25. See Smith and Mulligan 1982, esp. 3ff.
26. See also the papers collected in Mulligan, ed., 1987.
27. It would be interesting to compare Reinach's work with more recent attempts to understand normative statements on the basis of a theory of natural rights. Something very similar to Reinach's categorial ontology may be extracted also from the work of Popper and Habermas on the theory of communicative action. See Shearmur 1988.
28. An interesting curiosity in this respect is the economic work of Karl Wittgenstein, father of Ludwig. See Nyiri, ed. 1984.
29. Personal communication.
30. Schütz was also a teacher of Mises.
31. Here, too, there is some oversimplification, since Brentano and his heirs constituted at best a very loose collection of thinkers who sometimes quarrelled violently amongst themselves. In retrospect, however, we can see that their agreements and mutual influence are more considerable than they themselves realized at the time, and it is this which justifies our talk of a "Brentanian tradition" in Austrian philosophy.
32. Cf. Aristotle's account of the role of *noûs* as the taking in of structure in cognition.
33. See e.g. Burkhardt 1980, 134ff.
34. See, again, Reinach 1911 and the discussions in Smith 1982 and 1986.
35. Traces of the doctrine may be present also in the work of the Gestaltists, for example in the doctrine of the *Prägnanz* of certain sorts of structures in physical reality that is defended by Köhler (1920).
36. As Husserl puts it:
 It is not a peculiarity of certain sorts of parts that they should only be parts in general, while it would remain quite indifferent what conglomerates with them, and into what sorts of contexts they are fitted. Rather there obtain firmly determined relations of necessity, *contentually* determinate laws which vary with the species of dependent contents and accordingly prescribe one sort of completion to one of them, another sort of completion to another. (1900/01, vol. II, A244ff., Eng. 454)

37. I do not have a theory of intelligibility, and it may be that it is necessary to distinguish a variety of different forms of immediate experience. First beginnings in this direction are to be found in the writings of Husserl and Reinach; relevant, too, would be the writings of Köhler, Wertheimer and J. J. Gibson, perhaps also those of Merleau-Ponty.
38. See, on this, especially Delius 1963.
39. For a more detailed account of these matters see Holenstein 1975, 1986.
40. This is not, be it noted, to deny that the scientist may not manifest what is normally called "creativity." But it is surely absurd to suppose—as Polanyi and Kuhn seem occasionally to do, and as various idealist philosophers have done before them—that the scientist hereby literally *creates the world*.
41. Perhaps in conjunction with something like the "naive physics" propounded by Patrick J. Hayes and others in Hobbs and Moore, eds. 1985.
42. It is difficult to foresee how far such revision might go. Could further research in economics lead us to conclude, for example, that methodological individualism is false?
43. See again Shearmur 1988.
44. Cf. Grassl 1986.
45. This is notwithstanding the occasional aversion (or animadversion) in Mises's writings to the works of Dilthey and Weber. For when one seeks to establish what is central to Mises's practice in economics, then one finds that it is not thinkers such as these who are important, but rather Menger, Wieser, and through them the Aristotelian-Brentanian aprioristic tradition described in the text. And even Hayek, whose "central theory" has been characterized as fundamentally Kantian in nature (Gray 1986, 12), ought more properly to be seen against the background of this Austrian tradition. See, on this, my 1990.
46. Brentanian "hermeneutics," in contrast, rests on the idea that the "ultimate aim of the history of philosophy must always be the exposition of truth." See Hedwig 1987.
47. Historical studies such as are described in Lavoie 1987 would almost certainly be of value here.
48. McCloskey, too, in his all too brief treatment of Saussurean thinking (1985, 62–4), has noticed the deep parallel between linguistic and economic science, a parallel which he unfortunately abandons in favor of a much less interesting comparison between economics and literary criticism (as if the principal message of Saussure's work in linguistics should have been that linguists ought henceforth to engage in a sort of literary criticism of the writings of other linguists).
49. Cf. Steele 1987a and 1987b.
50. A similar confounding of the quite different intellectual traditions of Austria and Germany is manifest also in McCloskey 1985, 39.

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