

Rejoinder to Hoppe on Indifference Once Again

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with

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1. Introduction

It is a pleasure and an exhilarating experience to find myself embroiled in a debate with my good friend, colleague, and, indeed, mentor,¹ Hans-Hermann Hoppe. I always knew he was a world-class scholar, and his latest missive,² the one to which I am now replying, yet once again greatly impresses this upon me. It focuses the mind to be the recipient of one of his keen and insightful analyses. I greatly appreciate, of course, the lack of any venom or name-calling³ in his latest response to my previous publications in

¹ I have learned more from him during our almost twenty-five year friendship than any other political economist whom I have known, with the exception of Murray N. Rothbard.

² See Hans-Hermann Hoppe, "Further Notes on Preference and Indifference: Rejoinder to Block," *Quarterly Journal of Austrian Economics* 12, no. 1 (2009), pp. 60-64, accessed online at: http://mises.org/journals/qjae/pdf/qjae12_1_5.pdf.

³ Sadly, the history of thought is replete with violations of this sort of scholarly propriety; the ideal, of course, is considered, measured, and yes, friendly debate. Let me mention only two examples of the very opposite. The first is a comment by Israel Kirzner about Joseph Salerno, quoted by Robert P. Murphy, "Book Review of *The Driving Force of the Market: Essays in Austrian Economics*, by Israel M. Kirzner," December 4 2000, pp. 162-63, n. 2, accessed online at: <http://mises.org/story/561>: "The biting sarcasm employed in [Salerno's comparison] is but a relatively mild example of the rhetorical excesses appallingly to be found in the 'two-paradigm' literature against such writers as Hayek, Lachmann, and others charged with having diverged from the asserted 'Misesian paradigm.' I take this opportunity to strongly

this thread.⁴ Rather, with single-minded determination, he cuts to the essence of the issue. This sort of debate, I think, raises the level of public discourse. Hoppe is so crystal clear in his thinking that it must be a person of the meanest intelligence who would not gain, and significantly so, from a perusal of this article of his.

And yet, I remain unconvinced. I see his points and I think I understand them; still, I continue to have misgivings about them. Why is this? Why is it that reasonably intelligent economists, who revere logic, start out with much the same principles (praxeology), and are guided by much the same writers (Carl Menger, Eugen von Bohm-Bawerk, Ludwig Von Mises, Murray Rothbard), but cannot reconcile their views on such a relatively simple issue as indifference and preference in Austrian economics? I don't know, but I do know that this is hardly the only question where we might expect full agreement and yet do not find it.⁵ Polylogism cannot be the

protest the use of verbal terrorism in Austrian economics. Even if (which is far from being the case) the asserted criticisms of Hayek, Lachmann, and others were valid, there would be absolutely no justification for the manner in which these great economists have been treated in the literature under discussion. The near-demonization of Hayek and Lachmann for alleged deviations from an asserted Misesian orthodoxy is a most distressing phenomenon. If Austrian economists (and the *Review of Austrian Economics*) are to be able to work constructively in the rough and tumble of the intellectual market place, anything approaching rhetorical brawling must once and for all be rejected.”

The second is a comment by Harold Demsetz regarding Block: “Walter Block has absorbed 64 pages of *The Review of Austrian Economics* to attack a 19-page paper I wrote. This is his second outburst. (The first, to which my 1979 paper was partly a response, appeared in *The Journal of Libertarian Studies*.) Block should have put this matter behind him rather than stewing over it for the 16 years between his current reply and my 1979 paper. I learn nothing from reading his part of this debate, . . . so I write this reluctantly and refuse to join in any future similar exercise in futility”; see Harold Demsetz, “Block’s Erroneous Interpretations,” *Review of Austrian Economics* 10, no. 2 (1997), pp. 101-10.

⁴ My publications in this thread consist of five articles: Walter Block, “On Robert Nozick’s ‘On Austrian Methodology’,” *Inquiry* 23, no. 4 (Fall 1980), pp. 397-444; Walter Block, “Austrian Theorizing, Recalling the Foundations: Reply to Caplan,” *Quarterly Journal of Austrian Economics* 2, no. 4 (Winter 1999), pp. 21-39; Walter Block, “Realism: Austrian vs. Neoclassical Economics, Reply to Caplan,” *Quarterly Journal of Austrian Economics* 6, no. 3 (Fall 2003), pp. 63-76; Walter Block, “Reply to Caplan on Austrian Economic Methodology,” *Corporate Ownership & Control* 4, no. 3 (November 2007), pp. 312-26; and Walter Block, “Rejoinder to Hoppe on Indifference,” *Quarterly Journal of Austrian Economics* 12, no. 1 (2009), pp. 52–59.

⁵ Additional intellectual divisiveness amongst Austro-libertarians concerns, among other things, abortion, the logic of argumentation, voluntary slavery, fractional reserve

answer.⁶ Perhaps these divisions amongst scholars who might be expected to agree are due to the fact that we are all imperfect human beings. Perhaps some young scholar(s) will one day come along and definitively solve all of these disputes in such a way that *all* parties to them will agree to the solution. Until that time, the most we can do, I think, is to do our best—to publish our ideas, imperfect as they are, in the hope that the process of public debate itself will shed some light on these vexing issues. Two heads are better than one, and all of the professionals who read this journal, plus the two of us (Hoppe and myself), are better than just the two of us alone. With these introductory remarks let me launch into my response to Hoppe’s latest.⁷ I start with procedural critiques first and then move on to the substantive ones.

2. Proprieties of Intellectual Publication

Hoppe should respect the proprieties of scholarly journal discourse.⁸ He offers no bibliography, no references, and no citations to the literature. As a result, I had to create my own. He offers several quotations and paraphrases, but no page numbers. It is thus more difficult for the critic such as me to track down these reports of Hoppe’s regarding the writings of others, certainly including my own in this case, in order to obtain the full context in which the material is embedded. For example, I know that I am responsible for the “two hoots” statement that he attributes to me,⁹ but where did I say this? Maybe the context will remind me of what I was thinking when I wrote

banking, immigration, anarcho-capitalism, is libertarianism of the Left or the Right, counterfeiting counterfeit money, is econometrics per se incompatible with Austrian economics or only when trying to “test” axiomatic statements, and the triangle in the Austrian theory of the business cycle.

⁶ See Ludwig von Mises, *Human Action* (Auburn, AL: Ludwig von Mises Institute, 1998), pp. 75-89.

⁷ See also Marek Hudik, “A Note on the Nozick Problem” (unpublished manuscript); the debate over this issue between Mateusz Machaj and Walter Block, in Mateusz Machaj, “A Praxeological Case for Homogeneity and Indifference,” *New Perspectives on Political Economy* 3, no. 2 (2007), pp. 231-38; and Walter E. Block, “Rejoinder to Machaj on Indifference,” *New Perspectives on Political Economy* 5, no. 1 (2009), pp. 65-71.

⁸ Hoppe, “Further Notes on Preference and Indifference.”

⁹ *Ibid.*

it.¹⁰ I had sufficient motive to take on this task, but what about others, who only read Hoppe and not this present reply? Very few of them will look up this material on the basis of what Hoppe offers. Hoppe makes me, and other such people, work harder than would otherwise be the case. This is unfair, and does not constitute good pedagogy.

As an aside, the editors of the *Quarterly Journal of Austrian Economics* have not adhered strictly to scholarly procedure either. The usual practice in debates is to follow one of two formats. One is to allow each opponent to appear alone in a given issue, not to publish thesis and antithesis in the same issue. In this way, neither debating partner “gets the last word” in any given issue of the journal. To allow Hoppe the last word on this issue is a bit unfair, since it gives priority of place to one side over the other. In addition, it reduces the dramatic tension, and hence readership interest in the publication overall. The other format allows either the first person to have published either on that topic, or, in that journal, to go last, if both sides appear in the same issue. So, who published first on this issue, between me and Hoppe? I beat him by quite a few years. Who published first on this topic in the *Quarterly Journal of Austrian Economics*? Again, the nod goes to me vis-à-vis him.¹¹

¹⁰ I found it. Here is the entire statement in full context: “I do not give two hoots about whether or not we achieve a correct description of someone’s action. What I care about in this context, my sole concern, is that Nozick’s indifference challenge to the Austrians is refuted. My reply, cumbersome as it is, at least directly confronts Nozick; Hoppe’s more elegant ‘refutation’ does not. Take one last case. The mother can rescue only one of her sons from certain drowning, and selects Peter not Paul. According to Hoppe, she thereby ‘demonstrates that she prefers *a* (one) rescued child to none. On the other hand, if the correct (preferred) description is that she rescued Peter, then she was not indifferent as regards her sons.’ But this latter sentence implies, nay, states full out, that if she ‘prefers *a* (one) rescued child to none’ then she *is indifferent* between them. Will someone please tell me how this contributes to, or is even consistent with, a defense of Austrianism to Nozick’s attack?” In rereading these words, perhaps I should not have used the words “two hoots.” It was just my attempt to say, perhaps in an overly dramatic way, that “a correct description of someone’s action” was irrelevant to the point at issue, namely, that at least one of us was able to refute Nozick’s attack on Austrian theory; see Walter Block, “Rejoinder to Hoppe on Indifference,” *Quarterly Journal of Austrian Economics* 12, no. 1 (2009), p. 58.

¹¹ I first published on this topic in 1980 with Block, “On Robert Nozick’s ‘On Austrian Methodology’,” but Hoppe did not publish on this topic until 2005 with Hans-Hermann Hoppe, “Must Austrians Embrace Indifference?” *Quarterly Journal of Austrian Economics* 8, no. 4 (Winter 2005), pp. 87-91. I also published two articles in *QJAE* on the topic in 1999 (“Austrian Theorizing, Recalling the Foundations”) and 2003 (“Realism: Austrian vs. Neoclassical Economics”).

3. Dialogue

I am mostly indifferent¹² to Hoppe's utilization of the fictive dialogue format. Its benefit is that it allows the author "to get into the head of" his intellectual opponent, and this he does very well. For the most part, his expression of my own view is excellent. Indeed, I confess, he articulates my own thoughts on this matter as well as, and even better than I can or have. On the other hand, this format lends a false sense of even-handedness to the proceedings, which is not accompanied by anything like "equal time." Of course, not unexpectedly, he devotes 1,347 words to his own side of this dispute, and a mere 281 to mine. I object not to the fact that he utilizes more space for his own arguments than for mine; that is the nature of the beast. My difficulty is that the debate format gives the appearance of impartiality to the enterprise, which is lacking. Indeed, toward the end of this dialogue I am reduced to the role of the student asking questions of the professor.

4. Our Agreements

I have one proviso with regard to Hoppe's assumption of agreement with me. Yes, I accept in his sweater-dollars example that my bills are "perfectly substitutable"—that is, they are homogeneous and I am "indifferent to them"¹³—but my view is that these are thymological, not praxeological statements. Apart from that, I agree fully and enthusiastically with the views he attributes to me.

5. The "Second" Statement

Hoppe and I exchange a \$10 bill for a sweater. I purchase one of his sweaters for one of my \$10 bills.¹⁴ Before the exchange, I regarded all of my ten dollar bills as of equal serviceability,¹⁵ but what about "at the exact same moment when the exchange takes place"? Are my bills homogeneous in my own mind as a matter of praxeology? Hoppe has me "admit(ing) that I am running into difficulties here with my argument,"¹⁶ but I claim I have done better than that with my side of the debate. I have two responses open to me in response to this sally of Hoppe's.

¹² I use this word in its thymological, not praxeological, sense.

¹³ Hoppe, "Further Notes on Preference and Indifference."

¹⁴ Hoppe is not known for the high quality of his sweaters.

¹⁵ This is a thymological statement on my part. It implies no human action taken by me; I am now just thinking, contemplating my cash stock.

¹⁶ Hoppe, "Further Notes on Preference and Indifference."

Reason Papers Vol. 32

First, I maintain that it is impossible for two things to occur to any one person “at the exact same moment.”¹⁷ At least insofar as human action is concerned, people can *do* only one thing at a time. Yes, they can walk and chew gum at the same time; it cannot be denied that their hearts can beat while they breathe or digest or cogitate, but we are here talking about volitional purposeful human action, and none of these constitute counterexamples.¹⁸ Thus, it is difficult to give credence to Hoppe’s charge on this one ground alone.

But suppose, arguendo, that it is possible to make sense of his supposition.¹⁹ Then, second, I respond that at that exact point in time, as I state elsewhere,²⁰ there are now not one but two types of ten dollar bills in my wallet. One variety consists solely of that \$10 bill I plucked out of my wallet to pay Hoppe the sweater vendor. A second variety consists of all of the other \$10 bills in my billfold, ones that I did not so much as touch in this transaction. The bills in this second category are still a homogeneous blob as far as I am concerned. I am indifferent between all of them in the thymological sense, since no human action takes place in this little vignette with regard to them. Praxeological considerations do not arise with regard to them, because I do not *act* upon them in my sweater purchase.

So, am I contradicting myself? Am I then simultaneously saying *both* that my “notes are homogeneous *and* that they are not homogeneous?”²¹ No. I

¹⁷ We can offer no better support for this contention than that emanating from Hoppe himself: “[A]ctions can only be performed sequentially, always involving a choice, i.e., taking up that one course of action which at some given time promises the most highly valued results to the actor and excluding at the same time the pursuit of other, less highly valued goals”; see Hans-Hermann Hoppe, *Economic Science and the Austrian Method* (Auburn, AL: The Ludwig von Mises Institute, 1995), p. 62. Hoppe’s statements in “Further Notes on Preference and Indifference” thus contradict what he says in his *Economic Science and the Austrian Method*.

¹⁸ It is true that it takes an act of the will both to walk and to chew gum. However, these are acts such that once set in motion by an act of the will, no further volition is required save to change these acts. For example, if I decide to start walking to my office via a certain path, no further act of the will is necessary unless I decide to make a change in my path or to stop walking. The same analysis applies, *mutatis mutandis*, to chewing gum.

¹⁹ In case it is not clear, we are referring here to the “exact same moment when the exchange takes place” supposition.

²⁰ Block, “Rejoinder to Hoppe on Indifference.”

²¹ Hoppe, “Further Notes on Preference and Indifference.”

am, instead, saying that there are two types of \$10 bills, bill A and bills B. Bill A logically *cannot* be homogeneous with anything else since it is unique. It is the *one* \$10 bill I have chosen to settle my sweater debt with Hoppe. Bills B, in contrast, are homogeneous *with each other*²² but not with bill A, an entirely different kettle of fish.

The same point holds with regard to the law of diminishing marginal utility. It operates on bills B, since they are all homogeneous with regard to each other. There is no contradiction, since bill A and bills B are different goods after, or during, the time I choose bill A to pay Hoppe, and ignore bills B for this purpose. There is no law of diminishing marginal utility that operates on both bill A and bills B, after I divided them into these two subsets, since they are not *now* equally serviceable, even though there were equally serviceable before I decided to grab bill A out of my wallet to pay my debt to Hoppe. If all of these bills, A as well as B, were equally serviceable after my decision, why did I choose bill A with which to pay my sweater debt, and not choose from bills B?

At this point we feel compelled to make a bit of a confession. The argument contained in the three immediately preceding paragraphs is unnecessary from the logical point of view; the first argument we made is the correct one. We do not at all accept Hoppe's supposition *arguendo*; in fact, this distracts from the first argument. It is but a weak way of saying the same thing—that whereas one might be indifferent among the \$10 bills from the thymological point of view, one cannot be indifferent among them from the praxeological point of view, as evinced by the very action of choosing to pay with the one bill to the exclusion of all of the others. However, from the psychological as opposed to the purely logical point of view, we think this *arguendo* material may well be helpful (which is why we have not deleted it). Given the difficulty of settling this matter between the present authors and Hoppe, all three of us who enthusiastically share basic Austrian methodological perspectives, it behooves us to try *all* possible ways of communicating, and this *arguendo* discussion certainly qualifies in that regard.

6. Under All Circumstances

Hoppe says that he is of course not saying that the second part of my analysis of our exchange is incorrect *under all circumstances*. If I had one bill that I regarded as distinct (heterogeneous) from all of my other bills, and he had a sweater that he regarded as distinct from all of his other sweaters, then it would be entirely correct for me to say that our exchange demonstrated my

²² Thymologically speaking; praxeology with regard to them does not arise, since they are not yet (or not now) involved in any human action; contemplation doesn't count.

Reason Papers Vol. 32

preference of his sweater to this one particular bill (as compared to all of my other bills). But by assumption, this is *not* the situation we are supposed to analyze. Rather, the question is whether or not my analysis is correct if, as per assumption, I have affirmed that I consider all of my bills as *non*-distinct, homogeneous, and equally serviceable in the pursuit of some given end.²³

Not so fast. Yes, initially, at t_0 , before I decided to buy a sweater, if I thought about it at all, I would have regarded *all* of the \$10 bills in my wallet as the same. That is a *thymological* claim. They have played no role, yet, in any of my human action.²⁴ But then, at t_1 , when I decided to purchase a sweater from Hoppe, my \$10 bills *became* distinct. They were no longer “homogeneous and equally serviceable.” (Were they, I would have been reduced to inaction à la Buridan’s ass.) The distinction is the result of, and resides in, the very act in which I chose among them. That is, these bills broke up into two distinct parts, the bill I chose, on the one hand, call it A, and the remainder, call them B, on the other. Hoppe is assuming that even at t_1 there are only fungible bills, not the bill A in contradistinction to the other bills B. I agreed with Hoppe on that point insofar as it applied to the period *before* I engaged in this human action with him, in his role as sweater salesman, but not from that point onward. Yes, but for the fact that my human action resulted in this bifurcation, Hoppe would entirely be correct in calling my position contradictory. But I do now, and have elsewhere,²⁵ maintained this division, so Hoppe’s critique cannot be sustained.

Hoppe posits a condition when he says, “If you had one note that you regarded as distinct,” implicitly inferring that this condition is not met.²⁶ Precisely this condition, though, absolutely *must* be the case if the transaction is to take place, that is, if there is to be an action in this case. That is true at least in my version of this analysis and, I claim, based on a correct perspective on it; otherwise, I would indeed be guilty of self-contradiction. How else could we explain that the sale actually took place? If this had occurred, as both Hoppe and I posit, then I (logically) *must* have paid Hoppe \$10 for his sweater.²⁷ If I paid him with a \$10 bill, it *must* have been a single, specific,

²³ Hoppe, “Further Notes on Preference and Indifference.”

²⁴ I disregard the fact that they were all in my billfold; that is a separate issue from my purchase of the sweater.

²⁵ Block, “Rejoinder to Hoppe on Indifference.”

²⁶ Hoppe, “Further Notes on Preference and Indifference.”

²⁷ Cheating, fraud, and theft, are not part of this scenario. We are, after all, not discussing fractional reserve banking.

\$10 bill. I *could not* have paid him with a Platonic \$10 bill, or with an undifferentiated “ideal” of a \$10 bill. No, an astute businessman, Hoppe would have rejected all such offers on my part. He would only accept a *real, particular, specific* \$10 bill, namely, *this* one, right here, the exact one I offered him, bill A. But why did I pick *this* real, particular, specific \$10 bill? There must have been *some* reason. Reasons don’t have to consist in deep metaphysics; they can, and frequently are, prosaic. Maybe it was at the outside of my sheaf of bills, the easiest one to access. Perhaps it was in the middle of my stack of \$10 bills, and I am partial to that position. All we know is that there was *some* reason, however mundane though it might have been, why I chose *that* bill, and not any other. It certainly was not an act of God or nature. And, yet, it was a purposive act, so it must have been my purposive act, that is, the purposive act of a human being: me.

7. Searle and Choice

I am in full accord with Hoppe’s claim that “not everything that happens is the result of a *choice*.” Certainly, he is correct in offering as an example the foot you use first when you start walking. I agree with him that “it merely *happen(s)* that it was one foot rather than the other.” This is of course the case with the exception of “walking” in a dance step, or doing a *kata* in karate, where it is of the utmost importance as to which foot you put forward first. I cannot imagine that he would disagree with me on this point.

But this walking, dancing, or *kata* does not at all “appl(y) to the case at hand.”²⁸ Rather, I maintain that all *actions*, as in *human action*, are necessarily the result of *choice*. The only things that are *not* based on choice are *behaviors*, that is, biological phenomena such as blinking, breathing through your nose or your mouth, heart beat, peristalsis, holding your breath, reflexes, etc. Then, of course, there are habits, which, especially if ingrained, are done without thinking, and thus do not rise to the level of human action either, for example, opening the door for a woman, chewing with your mouth closed, keeping your hands out of your pockets, etc. We do indeed have some, but nothing like full, control over these behaviors. Habits once learned can be unlearned or ignored, after all. And, there is a sort of continuum with regard to all of them, as they have almost imperceptible gradations from one to the other in terms of human action. Then, too, there is subjectivity, where the move from one part of this grey area to another might differ from person to person.

I would incline way over on the mere behavior, not the human action, side Hoppe’s “choice” of which foot to start walking with. None of

²⁸ Hoppe, “Further Notes on Preference and Indifference.”

Reason Papers Vol. 32

these kinds of things is, ordinarily, a choice at all. Such cases constitute mere physical behaviors; often, they are done before you even realize you are doing them. For example, I often find out that I have scratched my nose *after* I have done so. This act formed no part of my purposeful human action. However, although the foot with which I begin to walk may not be a matter of current choice but rather of habit,²⁹ the decision to start walking is usually a matter of choice.

If a *sale* takes place without human action occurring, just as a sort of reflex, then in what sense is it a *sale* at all? Suppose I scratch my nose. I do this without deliberation; I am even unaware that I have done any such thing. However, I do so while sitting in a room where an auction is taking place, and the auctioneer takes my nose scratching as a sign that I have offered a bid on a painting. Did I really *purchase* it under these circumstances? No. There was no meeting of the minds between the parties supposedly engaged in this commercial interaction. There was no *agreement*, at least not on my part, that I had actually, voluntarily, taken part in a business transaction.³⁰ Now, maybe, I should not have been sitting in this room, ignorant of the rules of the auction, as I was. That is a different issue. The point, here, is that mere *behavior*, as opposed to purposeful *human action*, does not rise to the level of market participation.³¹

Hoppe's otherwise very insightful analysis does *not* apply to the case at issue. He depicts, instead, a commercial interaction where I purchase one of his sweaters. This is human action. It *must* be the result of a choice, on both of our parts, or it does not count as a human action, and it falls to the level of mere behavior.

Hoppe puts matters in this way: "It is incorrect to infer, as you do, from the mere *fact* that one particular note is being exchanged against one particular sweater that this must be the result of a *choice*."³² I beg to disagree.

²⁹ One might think of a habit as a past series of choices out of which the habit was formed; i.e., they do not, after all, arise full blown from the head of Zeus.

³⁰ A quite dissimilar case takes place in the movie "North by Northwest" when the hero engages in nonsensical bidding at an auction. His bidding was purposeful, however, so as to evade criminals; mine is totally inadvertent.

³¹ It is true that I might be held legally responsible for my behavior in scratching my nose and therefore be forced to purchase the relevant item, but it would then be a forced transaction, not part of a market process. Economists are wont to consider only those engaging in voluntary transactions as participants in a market.

³² Hoppe, "Further Notes on Preference and Indifference." He seems to think that choice must imply some rumination, but that is incorrect. James Buchanan wrote a book famously titled *Cost and Choice*, the point of which may be summed up as

If there was no *choice* involved, the exchange of money for sweater does not rise to the level of purchase and sale. It is mere behavior. Yes, I “gave up one note viewed as equally serviceable to several other notes in exchange of a sweater,” but, as I discussed above, the equal serviceability only occurred *before* the human action took place. Afterward, or, if you will, at the same time, there were *two* groups of goods, one consisting solely of bill A and the other of the collection of bills B. These groups were distinct from one another in that I *chose* one, the one consisting of bill A, but set aside the one consisting of bills B.

8. Rothbard’s Dictum

According to Rothbard’s dictum, “Indifference can never be demonstrated by action.”^[33] Quite the contrary. Every action necessarily signifies a *choice*, and every choice signifies a definite preference. . . . If a person is really indifferent between two alternatives, then he cannot and will not *choose* between them.”³⁴ My response to this is, “Darn tootin’.”

Hoppe’s interpretation of Rothbard’s dictum is very different from mine. In my view, indifference is part and parcel of thymology, not praxeology. For praxeology is, among other things, the science or logic of action and choice.³⁵ If indifference, on the one hand, and human action, on the

follows: If there is no choice, then necessarily there is no cost; and if there is a choice, then necessarily there is a cost. Analogously, if there is no choice then necessarily there is no (purposeful) human action (and vice versa), and if there is a choice then necessarily there is a human action (and vice versa); See James Buchanan, *Cost and Choice* (Chicago, IL: University of Chicago Press, 1985). In fact, as Mises states, “Acting man *chooses* between various opportunities offered for choice. He prefers one alternative to others”; see Von Mises, *Human Action*, p. 94.

³³ One is tempted to add, “nor may action ever be demonstrated by indifference.”

³⁴ Murray N. Rothbard, “Toward a Reconstruction of Utility and Welfare Economics,” in *The Logic of Action*, ed. Murray N. Rothbard, vol. 1 (Cheltenham, UK: Edward Elgar, 1997), pp. 211-54.

³⁵ See Walter Block, “A Comment on ‘The Extraordinary Claim of Praxeology’ by Professor Gutierrez,” *Theory and Decision* 3 (June 1973), pp. 377-87; Hans-Hermann Hoppe, “On Praxeology and the Praxeological Foundation of Epistemology and Ethics,” in *The Meaning of Ludwig von Mises*, ed. J. Herbener (Boston, MA: Dordrecht, 1992); Jörg Guido Hülsmann, “Economic Science and Neoclassicism,” *Quarterly Journal of Austrian Economics* 2, no. 4 (1999), pp. 1-20; Ludwig von Mises, *Theory and History: An Interpretation of Social and Economic Evolution* (New Rochelle, NY: Arlington House, 1969); Mario Rizzo, “Praxeology and Econometrics: A Critique of Positivist Economics,” in *New Directions in Austrian Economics*, ed. Louis Spadaro (Kansas City: Sheed Andrews and McMeel, 1979), pp. 40-56; Murray N. Rothbard, “Praxeology as the Method of the Social Sciences,” in *The Logic of*

other, are incompatible, as per the dictum, and given that praxeology is concerned with action and choice, then indifference and praxeology must pass each other like ships in the night. Never shall the twain meet.

What about Hoppe's claim that third party actions "verify" that I do not choose, in my purchase of the sweater, "because (I) regard (my) supply of means as homogeneous."³⁶ I demur. If I allow someone else, a third party, to choose on my behalf, I am *not* indifferent. After this other person picks out a \$10 bill from my wallet in order to pay Hoppe for the sweater, I must still acquiesce³⁷ in the trade of the sweater for *this* bill, not another one. It is as if I choose to purchase the sweater or not on the basis of the throw of dice. It is I who must still carry through and do what the dice "tell" me to do. To put this in other words, one could say that I chose X to pick the specific bill and I was not indifferent regarding the bills, but preferred to pay with the one chosen by X and not with any of the other bills.

Hoppe takes a very different slant on this. To him, indifference is an integral part of praxeology. To lead off this part of his discussion, Hoppe has me say this in our "fictive" dialogue: "So what, then, is the role of 'indifference' in economic analysis?"³⁸ I suppose I have now been demoted from active debater to the status of a student, seeking elucidation. This, in any case, is my last statement in the fictive dialogue, a request for further information.

And what is Hoppe's answer to "my" question? It is this:

Whenever we act, we employ means to achieve a valued end. This end is a state of affairs that the actor prefers to the actual (and impending) state of affairs. Both states of affairs, at the beginning of action and at its conclusion, are constellations of means (goods) at an actor's disposal, describing the circumstances or conditions under which he must act. On the one hand, *indifference* is part of the *description of such circumstances and conditions* (the start- and end-points of action). On the other hand, *preferences (choices)* explain

Action, vol. 1, pp. 28-57; Murray N. Rothbard, "Praxeology: The Methodology of Austrian Economics," in *The Logic of Action*, vol. 1, pp. 58-77; George A. Selgin, "Praxeology and Understanding: An Analysis of the Controversy in Austrian Economics," *Review of Austrian Economics* (1988), pp. 19-58.

³⁶ Hoppe, "Further Notes on Preference and Indifference."

³⁷ It is much the same thing if I flip a coin, or throw some dice, in order to determine my choice. I still have to carry through and *choose* to abide by this plan of mine.

³⁸ Hoppe, "Further Notes on Preference and Indifference."

the *change* in these circumstances that an actor wants to achieve through the disposal of means. Any complete analysis of action must involve both: a description of the start- and end-point of action as well as an explanation of the change occurring from one point to another due to preference-demonstrating action. Both concepts: preference *and* indifference are therefore necessary and complementary parts of every economic (praxeological) analysis.³⁹

I am having great difficulty seeing how this analysis can be reconciled with Rothbard's dictum on indifference and Mises's analysis of human action and the role thymology plays in it. In Hoppe's vision, indifference takes a front and center position in praxeological analysis. It is part and parcel of both the beginning and end points of all human action. This is at variance with Hoppe elsewhere,⁴⁰ and bears shades of Bryan Caplan.⁴¹ If indifference is so important to praxeology, how can we preclude the interjection of indifference curves into Austrian thought?⁴²

Before the transaction I am thymologically⁴³ indifferent among the \$10 bills I possess and might well also be thymologically indifferent among the sweaters Hoppe possesses, any one of which he will exchange for \$10. Moreover, after the transaction I may thymologically be indifferent between the sweater I actually acquired in the transaction and others I already own. This can hold true at least until I actually have to make a choice as to which one to put on at a specific point in time. Nevertheless, in order for the transaction to occur, I must act to trade a specific \$10 bill that I chose,

³⁹ Ibid.

⁴⁰ See Hans-Hermann Hoppe, "Must Austrians Embrace Indifference?" *Quarterly Journal of Austrian Economics* 8, no. 4 (Winter 2005), pp. 87-91.

⁴¹ See Bryan Caplan, "The Austrian Search for Realistic Foundations," *Southern Economic Journal* 65, no. 4 (April 1999), pp. 823-38.

⁴² See Hans Mayer, "The Cognitive Value of Functional Theories of Price," in *Classics of Austrian Economics*, ed. Israel M. Kirzner, vol. 2 (London: William Pickering, 1994), pp. 109-25; and Gene Callahan, "Choice and Preference," February 10, 2003, accessed online at: <http://mises.org/story/1163>.

⁴³ Hoppe charges that Block's use of the phrase "'vague, psychological' category" (in Block, "On Robert Nozick's 'On Austrian Methodology,'" pp. 424-25, and Block, "Austrian Theorizing, Recalling the Foundations," pp. 22-24) is off the mark; see Hoppe, "Must Austrians Embrace Indifference?" And so it is. I (Block) stand corrected by Hoppe. I should there have used the more precise term "thymology."

regardless of why or how I chose it, for a specific sweater, regardless of why or how I chose it. Thus, indifference may exist before and/or after the act of exchange, but no indifference can exist *during* the act of exchange.

9. Conclusion

If I do not *choose*, how can I really engage in trade? I cannot. I can only exhibit *behavior* that physically resembles market decision-making. This is the essence of our side of the debate with Hoppe.⁴⁴

⁴⁴ The authors wish to thank David Gordon, Laura Davidson, and Stephan Kinsella for helpful comments. All errors remaining after their excellent advice are of course our responsibility alone. The first-mentioned author of the present article, Walter Block, wrote the entire first draft of it. He then asked the second-mentioned author of this article, William Barnett II, for feedback, criticisms, etc. Barnett did such a thorough job of this, adding a paragraph here, and another one there, and still a third, fourth, and fifth one, etc., everywhere else, that Block felt he could no longer limit himself merely to thanking Barnett for his constructive criticism, but, instead, insisted upon a co-authorship. Barnett did not think his contributions merited a co-authorship; hence the “with” in listing the authors.