

# FRAGMENTS

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## *Ludwig von Mises: Praxeologist Supreme*

By OSCAR B. JOHANNSEN

As the libertarian movement in America gains in strength, the name of Ludwig von Mises crops up increasingly in economic and social literature. Who was he? He was an economist of the Austrian School, born in Lemberg, Austria-Hungary (now Lvov in the Russian Ukraine) in 1881, dying 92 years later in New York City in 1973. For most libertarians, the Austrian School is the one on which they base much of their economic rationale.

Mises, a member of the upper class of his country, was fortunate in being the son of cultured and educated parents. His younger brother, Richard, made a name for himself as a positivist and mathematician. (Ironically, Ludwig was violently opposed to positivism.)

Mises was graduated from the University of Vienna with a Dr. Jr. degree, Doctor of both Canon and Roman Laws. Although throughout most of his life he was a steadfast and uncompromising foe of collectivism, in his youth he had adopted the mild socialism prevalent among the younger generation at that time. But almost overnight, by himself, he discovered classical liberalism and spent the rest of his life fighting socialism and communism and upholding capitalism, as he understood it.

Long before I met Mises, I had read most of his major works, including his magnum opus, *Human Action*, so I was well acquainted with his thinking. At New York University's Graduate School of Business Administration, I took a year's work under him shortly before he died, and learned to admire and respect his intellectual integrity and honesty.

As a Georgist, I would have liked to argue with him about the treatment of land, but unfortunately, at his advanced age, because of his impaired hearing, it was difficult to communicate with him. However, I had the pleasure of listening to a learned scholar, who at all times was the epitome of a 19th century gentleman, expound on the virtues of the free market and, indirectly, on individualism.

Early in his life, he wrote *The Theory of Money and Credit*, one of the finest expositions on money ever written, and as pertinent today as when it was published. He argued that money and credit belong in the domain of private enterprise with no interference whatsoever from the government. As this was its primary theme, naturally it received all manner of criticism and attack by advocates of government spending and interference.

When Hitler arose and was about to pounce on Austria, Mises fled to Switzerland, for he knew that if he stayed, he would be one of the first to be liquidated. Possibly it was fortunate for society that he had to emigrate to Switzerland, for in its tranquil atmosphere he wrote his monumental work which ultimately became *Human Action*.

After the two leaders of the Austrian School, Carl Menger, the founder, and Böhm-Bawerk, the prolific expositor, died, Mises became the School's leading authority. One would have assumed that as such he would have been accorded the honor and prestige which his scholarship and work merited. However, neither in his homeland nor in America, where he finally settled, was he given the honors due him.

What intrigued me was that here we had a recognized academician of international standing, who was a member of the academic establishment, advocating a free market economy so free as to be almost anarchistic. But he paid a price. He was avoided for the most part by his peers. It was not that he was attacked so much as that he was treated as though his views were irrelevant.

But, of course, his views were relevant, only too relevant, for he recognized quite clearly the direction in which the so-called civilized nations of the world were moving—the dictatorship by the few over the masses in the name of that great god—Socialism.

As Carl Menger had been one of the originators of the subjective theory of value and marginal utility, it is not surprising that the essential element in the Austrian School's approach to economics is subjectivist. For Mises, however, the subjective theory of value was not merely an important new economic concept. It led to an expansion of sociological thought which went far beyond the realm of economics into a general theory of human choice. He conceived of a universal science, labeled praxeology, which is defined as the general theory of human action. Economics is just one part of this science, but its most elaborated part.

Since praxeology is a science dealing with the actions of human beings, economics, as a part of this general science, is really not about goods and services, but about the actions of living men. And what is human action? It is purposeful behavior. And what is the aim of purposeful behavior? The end of all behavior, of all human action, is the happiness of the individual, a delightfully Epicurean concept.

In our lifetime, we meet men and women who leave an indelible mark upon us. I was fortunate, for example, in having known intimately such an outstanding fighter for the individual as Frank Chodorov. Although I did not know Mises intimately, as a result of his writings and the little exposure I had to him, I came away with the feeling that I had met a truly great man who believed that civilization depended on individual freedom, and who, someday, would be accorded the honors he was denied in his lifetime.

If Mises taught me nothing else, he did teach me by his example to stand up and fight for what I believe in, regardless of the cost, but always with due regard for the views of those opposing me, and with that respectful courtesy which distinguishes a gentleman from a boor.

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