

## REJOINDER TO HOPPE ON INDIFFERENCE

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Hoppe (2005, p. 87) quite properly starts out his analysis of indifference with a magnificent quote from Rothbard (1997, pp. 225–26) on this subject:

Indifference can never be demonstrated by action. Quite the contrary. Every action necessarily signifies a choice, and every choice signifies a definite preference. Action specifically implies the contrary of indifference. . . . If a person is really indifferent between two alternatives, then he cannot and will not choose between them. Indifference is therefore never relevant for action and cannot be demonstrated in action.

I fully agree with Hoppe's (2005, *ibid.*) assessment that "This seems to be undeniable, and any attempt to explain why one choses [*sic*] to do x rather than y with reference to indifference rather than preference strikes one as a logical absurdity, a 'category mistake.'"

But Nozick is having none of this. He says (1977, pp. 370–71):

Indeed, the Austrian *theorists* need the notion of indifference to explain and mark off the notion of a commodity, and of a *unit* of a commodity. . . . Without the notion of indifference, and, hence, of an equivalence class of things, we cannot have the notion of a commodity, or of a unit of a commodity; without the notion of a unit ("an interchangeable unit") of a commodity, we have no way to state the law of (diminishing) marginal utility.

My reply (Block, 1980, pp. 424–25) was as follows:

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I think that this problem can be reconciled as follows. Before the question of giving up one of the pounds of butter arose, they were all interchangeable units of one commodity, butter. They were all equally useful and valuable to the actor. But then he decided to give up one pound. No longer did he hold, or can he be considered to have held, a homogeneous commodity consisting of butter pound units. Now there are really two commodities. Butter *a*, on the one hand, consisting of 99 one-pound units, each (of the 99) equally valued, each interchangeable from the point of view of the actor with any of the other in the 99-pound set; on the other hand, butter *b*, consisting of one pound of butter (the 72nd unit out of the original 100 butter units, the one, as it happens, that he chose to give up when he desired to sell off one of his pounds of butter). In this case, butter *a* would be preferable to butter *b*, as shown by the fact that when push came to shove, butter *b* was jettisoned, and butter *a*, retained.—Alternatively, we may say that the person was “indifferent” between all 100 units of butter before and apart from any question of *choice* coming into the picture. But “indifference,” in this interpretation, existing only in the *absence* of human action, would not be a praxeological, or *economic* category, but a vague, psychological one. . . We can see, then, that with this interpretation, there will be no difficulty with regard to the law of diminishing marginal utility. For one thing, this is because we can have our homogeneity (apart from human action) as well as deny it (when *choice* takes place). Thus, to the extent that homogeneous units of a commodity are required or the operation and application of this law, there is no problem.

However, while Hoppe (2005) agrees with me that indifference and human action are incompatible, and that the Austrians are correct in cleaving to marginal utility and the concept of the supply of a good, he is less than fully satisfied with this attempt of mine to defend against Nozick (1977.)

Hoppe (2005, p. 89) offers two criticisms, neither of which I accept.

First, his interpretation of indifference as a “vague, psychological” category seems off the mark. Instead, in accordance with Mises, it must be regarded as a rather precise *epistemological* category implied in the concept of a *class* of objects and involved in any operation of *classification*.

Hoppe, I claim, has failed to recognize that “indifference” is a perfectly acceptable word in the English language. As such, it must mean *something*. People, after all, use it coherently. We all know when the word is used in an absurd way, for example, by a person who does not speak

our language. On the other hand, it is *not* an acceptable term in technical economics. It simply has no referent. It cannot and does not imply, nor can it be implied by, any human action. Whenever a choice is made, there is *preference*, not indifference. Whatever else are we to call this concept? Perhaps “non-technical” word might have been better, or “thymological” word, or “ordinary language” word.<sup>1</sup> But, “‘vague, psychological’ category” does not seem so far off the mark, certainly not so far off as to deserve a long corrective quote from Mises (1966, p. 119), about, of all things, “categories,” which I was very far from even discussing in this context. To repeat, here is what I said: “But ‘indifference,’ in this interpretation, existing only in the *absence* of human action, would not be a praxeological, or *economic* category, but a vague, psychological one. . .” It seems quite a stretch to link this up with “quantity,” or “categories,” or “classes.” No, this is a nit pick, based on a misunderstanding of what I wrote, and has nothing to do with the real issue that divides us.

Hoppe’s (2005, pp. 89–91) second criticism is more substantive. I quote it in full to obviate misunderstandings of the sort that just occurred:

Block’s escape route appears implausible and *ad hoc*: *before* the choice the units of butter belonged to one class (they were homogeneous), *now*, at the point of choice, they are suddenly members of different classes (they are heterogeneous). In fact, they remain what they were then and what they are now: units of butter.

Block chooses this route because he believes that otherwise the claim might be doubted that actions must be explained with reference to preferences. However, this fear is unjustified. We can have our homogeneity (classes of objects) and still insist that only preferences can explain and are demonstrated in concrete choices.

In order to explain this, it is useful to recall some elementary insights regarding the nature of action—insights that “Austrians” in particular should be familiar with. Actions, *qua* intentional behavior, have an external-behaviorist *and* an internal-mentalist aspect. To give a full and adequate description, both aspects must be taken into account. A quote from John Searle (1984, pp. 57–58) should make this clear:

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<sup>1</sup>The word “work” is used very differently in physics and in ordinary language. In the former case it is force multiplied by mass. If a man stands with two 20 lb. barbells extended at arm’s length, he does not work, since he moves not one iota. Needless to say, such a depiction would be very severe work in the ordinary language sense.

"If we think about human action, . . . it is tempting to think that types of action or behavior can be identified with types of bodily movements. But that is obviously wrong. For example, one and the same set of human bodily movements might constitute a dance, or signaling, or exercising, or testing one's muscles, or none of the above. Furthermore, just as one and the same set of types of physical movements can constitute completely different kinds of actions, so one type of action can be performed by a vastly different number of types of physical movements. . . . Furthermore, another odd feature about actions which makes them different from events generally is that actions seem to have a preferred description. If I am going for a walk to Hyde Park, there are any number of other things that are happening in the course of my walk, but their descriptions do not describe my intentional actions, because in acting, what I am doing depends in large part on what I think I am doing. So for example, I am also moving in the general direction of Patagonia, shaking the hair on my head up and down, wearing out my shoes, and moving a lot of air molecules. However, none of these other descriptions seem to get at what is essential about this action, as the action it is."

Before the backdrop of Searle's observation regarding an action's *preferred description*, we can now proceed to propose a simple yet elegant solution to Nozick's challenge. Keep in mind that, in the above example, "going for a walk to Hyde park" and "moving in the general direction of Patagonia" are behaviorally identical phenomena, but the latter is not part of the preferred description though it *might* be under different circumstances. In his reply to Nozick, Block fails to provide the preferred description.

If the 100 pounds of butter are indeed homogeneous, and I give away one pound (be it in exchange for money, as a present, or for whatever other reason), then it is simply not a part of my action that it is unit 72 that I give away (even though that may be a behaviorally correct description of what I do), just as in the above case it is not a part of my action that I move in the general direction of Patagonia. Instead, the correct (preferred) description is that I give away a unit of butter, thus demonstrating that I prefer this dollar—or more likely *a* dollar—or maybe a "thank you" from my neighbor to a unit of butter. On the other hand, if it is part of the correct description of my action that it is the 72nd unit of butter that I give away (rather than any other), then and only then are we dealing with heterogeneous pounds of butter (and my action then demonstrates that I prefer a dollar, *that* unit of butter or a "thank you" to *this* unit of butter).

Other alleged puzzles concerning ice cream, sweaters, drowning children, and Buridan's ass can be solved in a likewise manner.

To say that I am indifferent to strawberry and vanilla ice cream is to say, for instance, that a correct description of my action should simply speak of ice cream or something cold and creamy. Getting a *strawberry* ice cream in exchange for a dollar is then simply not a part of the description of my choice. Instead, my choice demonstrates that I prefer *an* ice cream or *something* cold and creamy to a dollar. On the other hand, if getting a strawberry ice cream is part of the correct description of my action, then it is absurd to say that I am indifferent between strawberry and vanilla ice cream.

Similarly, if I am indifferent to blue and green sweaters, then my choice concerns simply a sweater, or a dark colored sweater; and getting a green (or blue) one is not part of the correct description of my action. Instead my choice demonstrates my preference of a sweater over *a* (or *this*) shirt or to something else.

Likewise, a mother who sees her equally loved sons Peter and Paul drown and who can only rescue one does not demonstrate that she loves Peter more than Paul if she rescues the former. Instead, she 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.

Lastly, consider Buridan's ass standing between two identical and equidistant bales of hay. The ass is not indifferent and yet chooses one over the other, as Nozick would have it. Rather, it prefers *a* bale of hay (whether it is the left or the right one is simply not part of the preferred choice description), and thus demonstrates its general preference of hay to death.

Having quoted Hoppe (2005) at great length, it is now time for me to reply. My overall assessment is that his commentary on Nozick's (and my) analysis of indifference is just what we have come to expect of this brilliant theoretician of economics: incisive, to the point, dazzling, and most evident, supremely elegant. I readily admit that compared to Hoppe's Searlean-based analysis of preferred descriptions, my own resort to butter *a* and butter *b* is indeed "*ad hoc*." I go further: compared to his perspective, mine seems even to me artificial, contrived and made up on the spot. More, his is the thoroughbred to my carthorse, the hare to the tortoise. However, sometimes, albeit rarely, the latter wins the race.

What are the specific problems I have with Hoppe's stylish and graceful perspective? For one thing, it really fails to directly engage Nozick. That author, it will be remembered, argues (1977, pp. 370–71):

Indeed, the Austrian theorists *need* the notion of indifference to explain and mark off the notion of a commodity, and of a unit of a commodity. . . . Without the notion of indifference, and, hence, of an equivalence class of things, we cannot have the notion of a commodity, or of a unit of a commodity; without the notion of a unit ("an interchangeable unit") of a commodity, we have no way to state the law of (diminishing) marginal utility.

Just because there are better and more elegant ways to describe picking out a pound of butter than the one I offer says nothing about *indifference*. I fear that if all we "Austrians" do is rely on Searle, Nozick skates free. The latter can still insist that, despite Hoppe's more elegant way of describing choice, it still remains a logical contradiction to oppose indifference and embrace interchangeable commodity units. For what does "interchangeable" *mean* other than "indifferent between"?

Let us focus on this statement of Hoppe's: "Instead, the correct (preferred) description is that I give away a unit of butter, thus demonstrating that I prefer this dollar—or more likely *a* dollar—or maybe a 'thank you' from my neighbor to a unit of butter."

But, it cannot be denied that the butter vender seizes upon a *specific* unit of butter to either sell or give away. He does not at all choose "a" unit of butter. Rather, he picks a *specific* one. He may offer the one closest to hand, for example, the one at the top of the butter pile. And, it is the same with the buyer. He picks a *specific* dollar with which to pay for the butter, not, merely "a" dollar. Perhaps he grabs the dollar bill at the outside of his billfold, for convenience. He might even grasp on at the center of it, in this way checking that his cache is still in the proper order.

Hoppe says, "On the other hand, if it is part of the correct description of my action that it is the 72nd unit of butter that I give away (rather than any other), then and only then are we dealing with heterogeneous pounds of butter." It is my contention, Patagonia to the contrary notwithstanding, that we always and ever choose a *specific* unit of butter, or a *specific* dollar bill. It is a logical impossibility for it to be otherwise. How is it possible to grasp a *non-specific* unit of butter, or a *non-specific* dollar bill? Further, if we are not "dealing with heterogeneous pounds of butter," then, perforce, we are dealing with homogeneous pounds of butter, or units of butter between which we are *indifferent*. But, if so, then Nozick has the better of the Austrians.

How is this for a logical howler: "if I am indifferent to blue and green sweaters, then my choice concerns simply a sweater, or a dark colored

sweater; and getting a green (or blue) one is not part of the correct description of my action." I refer, here, to my previously mentioned supposition that both Hoppe and I agree with Rothbard's (1997, pp. 225–26) claim that "[i]ndifference can never be demonstrated by action." How, then, come the words "indifferent" and "choice" come to be in the same sentence? Is Hoppe a secret Nozickian? Say it is not so!

Why does the man pick *that* sweater? Surely, there is a reason! Maybe it is the one on the top of the pile and thus the most convenient to wear. Perhaps it is the one at the very foot of the pile and he just wanted to feel around to see if there was any loose change at the bottom of the drawer. Or, possibly, one in the middle is selected, just for "luck." To describe this in Hoppe's "preferred" manner is to ignore this crucial question.

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?

Let us conclude. Assume, *arguendo*, that every criticism I have so far leveled at Hoppe (2005) for not engaging Nozick is incorrect. That is, this essay of his is fully on target in this regard. Does it logically follow that because his preferred description analysis of Nozick is true, and even, then, compelling, that my "*ad hoc*" critique of him is false? No, it does not, as Hoppe seems to believe. For *both of us* could be offering successful arguments against Nozick's challenge to the Austrians. Just because Hoppe is correct does not mean I am wrong.

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