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## Was Menger Aristotelian? A Rejoinder and Clarification

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**Abstract:** How did Carl Menger read Aristotle? This debate is ‘old hat’ within Mengerian scholarship. Delving through the archives, new elements have been added by Emil Kauder and, more recently, by myself. Some issues raised by Ricardo Crespo are clarified in the following response. In an essay published in 2003, Crespo defended the idea that Menger is not an ‘*orthodox Aristotelian*’. I retorted in a paper co-authored with Aurélien Lordon in 2011. Crespo resumed the exchange, summarized and modified his argument (Crespo 2022). This rejoinder aims at setting the record straight.

**Keywords:** Aristotle, Aristotelianism, Austrian school of economics, Menger (Carl), *Methodenstreit* (dispute over methods), methodology of economics.

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### INTRODUCTION

Both in his 2003 essay and in this journal issue, Ricardo Crespo raises three objections to the thesis according to which Menger embraced a ‘strictly Aristotelian’ position:<sup>1</sup>

- 1) According to Aristotle, economics is a practical, not a theoretical science, whereas Menger maintains the latter.
- 2) Menger’s alleged thesis that it is a ‘methodological absurdity’ to test conclusions and/or results of exact economic research (theoretical economics)—is not Aristotelian.
- 3) The way Mengerian organic institutions function cannot be regarded as Aristotelian.

Regarding 1): “though the priority is for the exact orientation of theoretical investigation”, Crespo now concedes that “later considerations ‘downgrade’ this priority and nears Menger’s conception with Aristotle’s because he considers practical sciences of economics under a wider umbrella of economic sciences” (Crespo 2022, p. 81). In other terms, Crespo concedes the point that Lordon and I were making in our 2011 reply—although the reader will read in the following pages that Lordon and I did *not* mean that Menger would ever downgrade his theoretical view on science, but rather ceaselessly accommodate it in a spirit of openness and understanding for each of the three scientific attitudes he carefully distinguished within economics: the theoretical, the historical and the practical orientation. Menger recognized each category in its own place, while de-

fending the main role for theory, while that was somehow belittled by members of the German Historical School whom Menger confronted.

In his new paper, Crespo usefully starts by recalling how often Menger quoted Aristotle (Crespo 2022, part I). Therefore, we shall not repeat this, but converge with Crespo's concluding words, where he points out that "Menger knew very well the Aristotle's works quoted by him" and "he [Menger] used them to support his ideas, sometimes correctly, sometimes in a slightly forced way" (Crespo 2022, p. 78). Actually, both Crespo, Lordon and I (and most other commentators) agree that Menger never was a narrow-minded 'anti-Aristotelian.'<sup>22</sup> To be more precise requires in turn to characterize better what it means to be an 'Aristotelian'. This is Part 1 below.

Regarding 2) and 3), Crespo (2022) mostly maintains his former position, which triggered my reply with Lordon in 2011. In the following pages, I recapitulate our replies and somewhat enlarge them. Thus, all three issues raised by Crespo are discussed successively: Part 2 concerns 'classifying the sciences' and deals with theoretical vs. practical matters; Part 3 bears on 'testing the results of science' and deals with the main methodological point; Part 4 reassesses the well-known distinction between so-called 'organic' and 'pragmatic social structures' (in Mengerian parlance), so as to show that 'to be an Aristotelian' means more than even what Crespo has granted in his most recent move.

As to earlier literature on this topic that has been already tackled by several scholars (from Oscar Kraus to Erich Streissler via Emil Kauder and Barry Smith, among others), it shall be acknowledged as much as necessary here, albeit nowhere for its own sake. Some of it is already recalled by Crespo in his paper—in particular, we agree that the 'anti-Aristotelian' stand that Menger's son tries to extend to his father was very misleading (Crespo 2022, Part I).

## I. WAS MENGER ARISTOTELIAN: WHAT DOES IT MEAN TO BE AN 'ARISTOTELIAN'?

To answer whether Menger is a 'strict Aristotelian', generally speaking, one needs *first* to define the concept. It should be noted that Crespo does not: he is not the only commentator to have spared the burden of achieving this indispensable task. Let us try to do it in his place: an 'Aristotelian' can signify many different types of scholars. Indeed, the term was mostly used during the controversy about Ptolemy's vs. Copernicus' astronomical systems in the 16<sup>th</sup> and 17<sup>th</sup> centuries. Of course, this is not the sense considered by Menger's commentators. This is still worth pointing out, because it shows that no modern author would ever embrace the 'totality' of Aristotelian views. Hence, to be an 'Aristotelian' in a modern context certainly *never* means to fully endorse all of the theories formulated by the ancient thinker. Therefore, we also do *not* assert that Menger was 'fully' or 'strictly' Aristotelian in that sense, and we point (as does Crespo) to Aristotle's thought through a sieve by Menger for his own use (Campagnolo and Lordon 2011).

Let us keep briefly to 'Aristotelianism'. It was also the denomination of a doctrine derived from other works of Aristotle other than his cosmology. The denomination was possibly forged in the 12<sup>th</sup> and 13<sup>th</sup> centuries by Scholastics who (like Thomas Aquinas) tried to reconcile Aristotle's philosophy with Christian doctrines. Much more recently, 'Aristotelianism' was regarded as the doctrine endorsing and/or adopting/adapting various facets of Aristotelian ethics, as does Alasdair MacIntyre (1981) in his important contributions in revitalizing virtue ethics. Last, 'Aristotelianism' can be defined as the doctrine resulting from adopting 'realistic-immanentistic' theories of reality: this is clearly most often in this sense that Menger gets labeled as being an 'Aristotelian'; for example, by 'critical realists' in the field of economics (despite their divergences see Lawson 1997 and Mäki 1990a, 1990b, 1997a, 1997b). Note that Bostaph writes: "in his solution of the problem of universals, Menger can usefully be identified as a 'moderate realist' or 'Aristotelian.' [...] Because his view of reality was Aristotelian he believed that entities in reality act according to their nature in 'typical' relationships" (Bostaph 1978, p. 15). This is, of course, the issue of essentialism (see below).

Unfortunately, Crespo (as do many others) lacks a definition, or rather, he does not choose (nor gives the means to choose) between such definitions. Neither does he question their possible intricacies or contradictions. Thus, it is impossible to know if either one or the other of the aforementioned doctrines is en-

dorsed, when asking whether Menger was a ‘strict’ Aristotelian. Despite all the caveats, this remains unresolved, since Menger cannot obviously *ever* be said by anyone (including us) to endorse *all* of Aristotle’s views.

Indeed, Menger straightforwardly rebuked some of Aristotle’s ideas: for instance, when he stated in his *Principles* (1871) that Aristotle’s theory of value contains *errors*.<sup>3</sup> According to Menger, Aristotle was wrong in stating that traded goods can be regarded as *equivalents*. Where Menger analyzes the concept of exchange value as presented in the *Nicomachean Ethics*, lies what appears most fundamental for a better understanding of the relevance of Aristotle in Menger’s thought. That is, whether Menger thought *pro aut contra* the Ancient (see Campagnolo 2002, 2010, chapter 7). Menger also rejected the Aristotelian view on the emergence of money, stating that Aristotle (and others) were wrong when saying that money first came from an explicit ‘convention’ between parties within some collective debate (if not already a fully-fledged ‘contract’). Menger was clearly conscious of his own *disagreements* with Aristotle.<sup>4</sup> But it is then somehow superfluous to insist on ‘non- Aristotelianism’ in Menger, if one merely wishes to say there were points where Menger departed from Aristotle—this is obvious enough. Conversely, Menger was indeed using concepts formulated by thinkers of ancient times, especially Aristotle, whereby he related strongly to the latter’s doctrine.

To be fair, the same criticism (of lacking a definition of what ‘to be an Aristotelian’ may indeed mean) can be ascribed to many commentators. Those who ‘generally’ (as Crespo writes in his conclusion) assume Aristotle as a source for Menger may be right (in our view they mostly are), they actually often failed to fully substantiate their claim. For instance, while Menger’s quest for the ‘essence of phenomena in the economy’ is accurately judged ‘Aristotelian’ from a realistic-immanentistic approach of economics (Bostaph 1978; Smith 1990, 1994; Mäki 1990, 1997; Hands 2001), many would adopt such a view and stress the role of ‘*essence*’ in Aristotelianism without enough caution. Yet, Milford (2008) pointed that much depends on the translation and that, in Menger’s times, the recurrent use of ‘*das Wesen, wesentlich*’ in German academic parlance should not be overrated: it does mean ‘essence’, but it was commonplace to connote the ‘nature’ of any given object. One must give a nuanced view of Menger’s ‘Aristotelianism’ on that basis.

How then may Menger still be called an ‘Aristotelian’? The reason lies in other issues, such as price theory, where his Aristotelianism is illustrated through various sources (Kraus 1905; Kauder 1953, 1957, 1962; Campagnolo 2010), issues of justice and interest, and value, especially from Book V and VIII-IX of *Nicomachean Ethics* (Campagnolo 2002; 2010, chap. 7) as well as the points debated by Crespo. One should point to the risks of over-interpreting which we do (Campagnolo and Lagueux 2004). But underrating the Aristotelian source would be worse than overrating it, since one can find enough evidence of it both in books published by Menger and in his archives, his *Nachlass* (Campagnolo 2008). Among others, the copy of *Nicomachean Ethics* that Menger owned can be usefully compared with copies of his own 1871 *Grundsätze* that he annotated.<sup>5</sup>

If Menger distanced himself from Aristotle in some aspects, his handwritten notes indeed show a constant intellectual dialogue with the Ancient. Menger extensively read and annotated Aristotle, in Greek and in his German translation *Nikomakische Ethik* (Riedler 1856).<sup>6</sup> Unfortunately, some works that Menger owned are no longer in his library, including a copy of the *Politics* and the *Organon*. The evidence is that Menger knew them well. A comparison of Aristotle’s books that Menger owned and the latter’s copy of the *Grundsätze*, shows Aristotle as the most cited reference.<sup>7</sup> As mentioned, Menger dedicated full sections of his publications to Aristotle (such as Appendix VII of his 1883 *Investigations*, concerning the origins of institutions, including the state) and wrote numerous salient notes as *marginalia* (including the *Nikomakische Ethik* again). All that is found in his notebooks and copies of the *Grundsätze*, Menger received from the publisher for corrections. Despite the loss of some volumes, there are reliable sources for scholars to investigate, both in Japan and in the US.<sup>8</sup> Regarding various definitions of ‘Aristotelianism’, those sources (including the *Nachlass*) must be accounted for. Not doing so gravely impacts debates on Menger, including the present one on his ‘Aristotelianism’.

Does all this make Menger a ‘strict Aristotelian’? In the end, the question (at least to us), makes little sense. The degree of ‘strict obedience’ in Menger’s Aristotelianism matters less than assessing *where*

Aristotle was undoubtedly a source for Menger, where the Viennese referred to him and where quotes support this. In a nutshell, though not a disciple of Aristotle, Menger was a solid reader of his works and partial disagreement did not make him an opponent of ‘Aristotelianism’—quite the contrary. Menger developed his own theories in his own terms using Aristotelian tools. Where then does the misunderstanding lie? It lies in each of the three issues that Crespo has raised. As to the first, Crespo (2003) has changed his position enough to the degree that the issue is solved. However, on the two other issues, a short insight into Menger’s *classification of sciences* may be useful to question more dogmatic views, some of which are still held by some Austrians.

## II. CLASSIFYING THE ECONOMIC SCIENCES

Crespo first characterized Menger’s undertaking as follows: “Menger transforms an Aristotelian practical science into a theoretical science” (Crespo 2003, p. 71). Thus, according to Crespo, Menger was *not* following the Aristotelian classification of sciences while attempting to clarify the *rationale* for the *exact* orientation of research in economics. This is where the point he later granted remains of interest. We follow this as far as possible, stopping short of the mistake.

We hold that views on economics by Menger and by Aristotle are compatible. Actually, Aristotle distinguished between theoretical, practical, and technical sciences. Clearly theoretical sciences provide a study of separate unchangeable beings (with reference to the previous Platonic view on ‘Ideas’). Beings that bear the principle of the movement of other beings within themselves are the objects of theory. The subject-matter of the practical sciences rather relates to human action, whose principle of movement is related to personal choice (like in the famous ancient apologue of ‘Herakles at a crossroads’). The technical sciences deal with beings whose principle of movement is the mind and ability of the craftsman (who is, in this sense, a *poet*: hence this is a *poetic* activity), activated by the four Aristotelian causes.

What Menger does is to go beyond that classification in opening a new path, *not* available in the Aristotelian classification and Aristotelian understanding of generality in science. But it does not mean that Menger’s furtherance contradicts the Ancient’s view. Menger agrees about what Aristotle means by the ‘general’. But he goes further, so to speak, with an ‘exact’ pure theory of science. Whereas Aristotle distinguished the three categories of sciences (theoretical, practical and so-called *poietic*) which diverge largely in relation to their objects, goals and methods, the theoretical sciences provide knowledge of first principles not submitted to the laws of change. This is why they essentially comprise mathematics and metaphysics, whereby deductive methods of analysis uncover the causes of phenomena. Only those demonstrations can exist in a rigorous way. Practical sciences thus comprise politics, ethics (as preparing for politics) and economics (etymologically defined as ‘management of the house’ vs. the chrematistics of ‘accumulating wealth’). Practical sciences aim at setting the conditions of the *good* in action and not at rigorous demonstrations, because they always bear on particulars. Each field (political, ethical or economic) is unique in its style and such sciences cannot simply be taught from textbooks. Only the right kind of experience indicates the most appropriate type of action regarding the particular circumstances. Therefore, a youngster cannot yet be a full-fledged economist, since their technical expertise does not suffice. Last, the so-called ‘poietic’ sciences deal less with human action as such than with the effective productive work needed to obtain goods or services, such as writing (poems, theater plays) or handicrafts. In these domains technique (*techné*) is needed. All-in-all, economics for Aristotle is *exclusively* a *practical* science.

Needless to say, it is altogether different with Menger, although he also distinguished three forms of economic analysis: historical, theoretical and practical analysis. According to the German Historical School, history displays the evolution of collective entities (states, nations or classes), based upon observed statistics and investigations into facts. If they intended to discover any *law*, Menger states that they unfortunately cannot reach that goal; at best they only get statistical regularities. Menger clearly articulates their mistake in his open letters (1884), reaffirming results from his 1883 *Investigations*, as well as from his ‘meta-classification’ of sciences (Menger 1889).

Menger's theoretical economics actually deals with types and relations between types. This is why there are two orientations: empirical-realistic research and exact research. The former proceeds from induction. It finds 'empirical laws' only, which are in Menger's terms "*parallelisms in the history of economic phenomena*" (in a sense close to the historicist Wilhelm Roscher to whom Menger dedicated his *Principles*—see Milford 1992, Campagnolo 2010).<sup>9</sup> Although unable to display 'exact laws of nature', that kind of analysis is *not* devoid of interest, especially for *complex* phenomena. Conversely, the exact orientation displays 'pure types' and relations that hold between types, through an axiomatic-deductive method. Types could be thought of as 'realistic-hypothetical' since they are *real* (in conformity with Aristotelian views). The wording 'axiomatic-deductive' can be used, or it is even possible to carefully label it 'hypothetico-deductive' *if* one keeps in mind that this is altogether different from the later use of the term within the Vienna Circle, half-a-century later in an altogether different context of anti-metaphysical accounting for nature. Karl Menger Jr., the son of Carl, belonged to that later group. According to Carl Menger Sr., exact laws of economics *can and should* be derived logically from types both *real* and simultaneously '*pure*' when considered in isolation. For him, economists *truly* reach laws of economic phenomena starting from clear definitions. This is what the exact orientation of research is about. This results in possibly testing the produce of science against reality.<sup>10</sup>

Let us recapitulate how those views are in conformity with Aristotle. In a note on his copy of the *Nicomachean Ethics*, Menger approves of Aristotle regarding economics as *practical*: he regards this neither as *opposite*, nor as *contradictory* with his theoretical view, but *complementary per necessity*. The core of economics as a science remains the theory and there is no contradiction therein: Menger endorses the Aristotelian view that science deals with the *general*. Practical aspects are consequences that obtain from the *necessary* practical dimension of economics, where statesmen seek efficiency and need experience (for instance, Menger 1985 [1883], p. 163). Not only does Menger accept the Aristotelian view, but he goes further in terms of theoretical needs. Menger *adds* a *new* field of research and puts forth that modern analysis ought to deal with 'pure' economics to live up to its ambition of providing knowledge of exchange matters. Pure economics need *not* replace practical economics, but must become aware that the newly opened field for deductive analysis deals with a world of entities that are 'real' and 'typified' at the same time. These Menger called the *Realtypen*.<sup>11</sup> This view, one may (if need be) label 'hypothetical' in the sense that, in a 'pure' world, forms and laws are universally valid and stand by themselves. Yet, once set back against 'full reality' (*volle Wirklichkeit* is the German wording one commonly encounters as a distinct double with *Realität*), those laws *remain* valid—even if they may at times and naturally (in line with the Aristotelian classification) admit of exceptions, *because* they mix with other laws and in the 'full reality' they can nowhere be found in their pure forms. Menger uses the analogy of both the chemist and the gold panner looking for 'chemically pure gold': a gold-digger's dish is naturally a mix of sand, earth, etc. where the laws of chemistry actually help identify the gold. *Both* practical and theoretical approaches are needed and are actually used. The challenge lies in bridging them. Perhaps Menger said too little about that, but he opened a field to investigate *completing* (not *depleting*) the Aristotelian classification. This is *not* to say that the exact orientation of economics neither could, nor should be the *exclusive* valid form of investigation—Crespo qualified his view as he understood that. Once that has been clarified, there now remain two other bones of contention, on testing and on organicist views.

### III. TESTING THE RESULTS OF SCIENCE

If the exact orientation of theoretical research allowed only for infallible results (which cannot exist in the 'real' world), would that approach not consist in an Aristotelian conception? Crespo raises this issue. There actually is an issue with the way that Menger described deduction. Yet, Crespo turns the issue around by debating the *testing* of theoretical results. Twentieth century epistemology brought that issue up, which originated in an Austrian context. Mengerian thought comprised it half a century *before* Karl Popper fully assessed it.<sup>12</sup> In his *Investigations*, Menger already stated his views about how to test the empirical results of exact economics:

Testing the exact theory of economy by the full empirical method is simply a methodological absurdity, a failure to reckon the bases and presuppositions of exact research. [...] To want to test the pure theory of economy by experience in its full reality is a process analogous to that of the mathematician who wants to correct the principles of geometry by measuring real objects, without reflecting that the latter are indeed not identical with the magnitudes which pure geometry presumes or that every measurement of necessity implies elements of inexactitude (Menger 1985 [1883], p. 69).

Reading Menger as diametrically opposite to Aristotle, Crespo argues that “Aristotle does not have any problem in testing theories” (Crespo 2003, p. 74) and that, in the *Posterior Analytics* (where syllogism embodies scientific reasoning), Aristotle added that ‘abstract’ reasoning guarantees truth when obtained from premises themselves that are true. Yet, Crespo *also* indicates that Aristotle *seldom* used this method and that his works on ‘natural *and social*’ sciences favor investigations into facts, namely *induction*. Concerning biology, physics, politics or ethics, Aristotle is mostly dedicated to observing facts, as tradition has long recognized.<sup>13</sup> For instance, the *Nicomachean Ethics* relies on experience as a touchstone for the statesman and, in the *Generation of Animals*, Aristotle wrote: “credit must be given rather to observation than to theories, and to theories only if what they affirm agrees with the observed facts”. Crespo tends to regard Menger as consistent with the *Posterior Analytics*, but not with Aristotle’s actual practice of science. While Crespo later qualified his judgement on the role of theory, he could do so as well on the issue of how Menger regarded the *absurdity* of testing the theoretical *principles* as such, yet not necessarily the very testing of the results of science.

How useful is the observation of facts *according to Menger*? Lordon and Ohana (2008) set the record straight on this issue and pass a few reflections of relevance here. First, what renders the matter more difficult than it should be is to let one think that Menger would *object in principle* to observing facts. This is inaccurate. In many passages, Menger stresses their significance. He repeatedly quoted Jean-Baptiste Say: “facts as masters to us all”.<sup>14</sup> In economics, practically, it is *indispensable* to observe facts—and it is *useful as well* in orientating research.

For, along with the historical, the empirical basis for theoretical research, the experience of everyday life is surely indispensable. Or, similarly, *the observation of the singular phenomena of human economy*, must be included—the most comprehensive possible orientation of that economy, is indispensable. It is so indispensable that we cannot imagine a highly developed theory of economic phenomena without the study of the history of economy (Menger 1985 [1883], p. 117).

While Menger regards the theoretical results of exact research as *non-testable* in principle, it is not because of the *alleged* superiority of deductive analysis. Tests of the *exact* orientation are merely ‘methodological nonsense’ because it would be to study pure abstract economic worlds—that do *not* exist in *full* reality. Therefore, Menger set pure *theory* upon the following four hypotheses: 1. (economic) agents pursue exclusively their own interest; 2. agents are conscious of their goals and the ends they pursue as well as of (some) means to implement to achieve those goals; economic conditions are not fully known to agents; 3. (ignorance plays a large role); 4. no forceful restraint through coercion is (nor should be) exercised on individual liberty.

It is highly improbable that these hypotheses in reality ever fully get realized. Agents are *not* exclusively guided by their own interest, they are only partly conscious of their own goals, they know only part of the circumstances, and they may indeed suffer many types of constraints. Of course, altruism also exists, the will to abide to traditions, and customs, out of respect of social pressure. Agents act in the way they do, while *exact* research takes *exclusively* into account the ‘pure’ aspects. Tests are useless since such laws never fully obtain, though active in reality. For instance, Menger explains that even the law of supply and demand does *not always* obtain: it may be incorrectly *tested* at times.

One last argument brings together Menger and Aristotle on the issue of testing the results of science. In some fields, there is more latitude to draw on experiments than in others. Crespo extrapolated way too much from his quote from the *Generation of Animals*:

Such appears to be the truth about the generation of bees, judging from theory and from what are believed to be the facts about them; the facts, however, have not yet been sufficiently grasped; if ever they are, then credit must be given rather to observation than to theories, and to theories only if what they affirm agrees with the observed facts. A further indication that bees are produced without copulation is the fact that the brood appears small in the cells of the comb, whereas, whenever insects are generated by copulation, the parents remain united for a long time but produce quickly something of the nature of a scolex, and of a considerable size (Aristotle III, 10, 760b).

For Aristotle, credit goes more to observation than to theory in the reproduction of bees—not generally speaking. Here, he questioned less the principles from his *Posterior Analytics* than he cared to set a specific case. Menger could most certainly agree that observation is *more* appropriate than aprioristic analysis to discover how bees reproduce. Common sense helps, with no diverging methods. Nature calls for practical experiments, when the human mind is confronted by unknown domains. Menger would hold the same view. Both authors equally value induction while recognizing its limits (hence the concept of abduction in Milford 1989). Menger wrote:

The conclusion that the phenomenon C follows the phenomena A and B *in general* (that is, in all cases, even those not observed!), or that the phenomena under discussion here are *in general* co-existent, transcends experience, the point of view of strict empiricism. From the standpoint of [induction] it is not *strictly* warranted. Aristotle recognized this correctly when he denied the strictly scientific character of induction (Menger 1985 [1883], p. 57).

Aristotle and Menger share one and the same approach regarding the testing of theories. The only divergence is that Menger opens up a new path to research, one that did not exist with Aristotle (and could not, given the Ancient's premises).

#### IV. 'ORGANIC' AND 'PRAGMATIC' (IN MENGERIAN TERMS) SOCIAL STRUCTURES

Regarding *Socialgebilden* ("social representations as constructs"), Crespo again sees differences with Aristotle that simply do not exist. Some divergences, which Menger acknowledged, can be granted, but again, Menger thoroughly studied Aristotelian texts he mostly aligned with Aristotle. This appears in Book III of his *Investigations*, notably, as well as in the Appendix VII (which contains a detailed reading of the first pages of Aristotle's *Politics*).<sup>15</sup>

Menger distinguishes social structures produced by human consensus (oral agreements, explicit conventions, compacts, contracts even legislation), which he calls 'mechanical' or '*pragmatic*', from social institutions unexpectedly resulting from the interplay of human action—which he calls '*organic*'. These are spontaneous orders, in the sense later popularized by his spiritual heir, Friedrich von Hayek. Both kinds of representations of social constructs may serve the common good, although it obtains *without* any intention. There is no 'common will'. Institutions of this kind were *not* 'instituted', so to speak: they simply 'grew', and notably include money, language and *even* the state for that matter. Crespo argues that this analogy between institutions and organisms is *not* Aristotelian. For Crespo, what Menger explains through his analogy *can be neither* inspired by Aristotle, *nor* compatible with Aristotle, because in 'true' Aristotelianism (the definition of which is still at stake), "justice, as a general virtue, consists in taking care of the end of the society as a whole" (Crespo 2003, p. 80).

Moreover, Aristotelian teleology would dictate that what exists through conscious effort may obtain *any* intended goal—consequently, that there exists a *duty* for governing or managing authorities to perform to *facilitate* the procurement of such *common good*. Orders that come to existence by chance, brought through disordered individual actions, might lead to common good, but only by a stroke of luck and without guarantee that this could be some truly *common good*. For *good* order to obtain, citizens should *always* keep in mind such common good even though it may not be enough to achieve that goal, because any single diversion might endanger the whole effort. Therefore, an Aristotelian ‘fair’ society should aggregate all institutions that do not grow spontaneously. This was the kind of argument used by German Historicists during German nation-building and political unification—and this is precisely what Menger fought against.

Menger thought that German historicists of his time held very disputable views in general, and on Aristotle in particular. Nothing in Menger’s ‘organic’ (or ‘spontaneous’) orders contradicts Aristotelian social ethics, even if Menger indeed leaves apart any teleological view. He shows that Aristotle could be interpreted in this way as well, at least when dealing with early cities’ birth and growth (Appendix VII). Menger denounced the Historicists’ faulty, or at least unilateral, interpretations of Aristotle.<sup>16</sup>

Nowhere is it implied that as a consequence of Aristotle’s views of the common good should it *inevitably* be ‘managed’ by conscientious socio-political authorities. Perhaps one may (with Crespo) regret that, when Menger coined his terminology, he hurt the more traditional uses of the term ‘organicism’—even in some Aristotelian traditions. But Menger defined his terminology and one cannot ask for more. ‘Organic’ in Menger’s parlance comes to mean ‘spontaneous’ in the sense that Hayek would understand with respect to socio-economic analysis, which is now much in use. The Historicists understood Aristotle otherwise, but Crespo ends agreeing with us: “[i]n fact, Menger’s view is *like Aristotle’s*” (2022, p. 84, italics added). Conversely, we grant to Crespo that “the label ‘organic’ results confusing because it refers to a doctrine that is neither Aristotle’s nor Menger’s.”<sup>17</sup> All this being said, the divergence is minor, were it not for a few points still deserving clarification.

Firstly, *if* statesmen understand that, circumstances being given, a higher common good would derive from *refraining to act*, then such *non-action* becomes *de facto* a politically *virtuous* form of *action*. The same with individuals, who understand that pursuing one’s own interest, all things considered, may lead to the general good. Here, following one’s interest is the *virtuous* action to undertake, by Aristotelian standards as well.

Secondly, the fact that some common good can be achieved only through common agreement is not demonstrated anywhere. Conversely, if one imagines that the common good is better reached through spontaneous action, then, in the very spirit of Aristotle, it could be that in some fields of human action, spontaneity is indeed fully preferable. This is a powerful argument *pro-laissez-faire*. Money is a good example: the ideal policy (for Menger) is to set free the choice of what serves as the instrument of exchange. Following their interest, citizens gradually select the most proper good: this process was later labelled a *search* process (there a voluminous literature on this). Moreover, at any time and place in history, this is precisely what happened, fitted to local circumstances and overcoming restraints otherwise imposed. All tends to achieve the highest degree of ‘marketability’ (or ‘saleability’/*Absatzfähigkeit*) and markets tend to work, as long as they are not prevented from this. Even when violently coerced (perhaps even more then), agents only keep in mind self-interest. But even while they do so,<sup>18</sup> their interplay leads to *some* common good (if *not* always to equilibrium) once they are set free: their action can thus be regarded in turn as *virtuous*.

Conversely, would Aristotelian views be fully immune to a theory endorsing the notion of individualistic spontaneity? Or is it merely in the German Historicists’ account of Aristotelian views that the difficulty surfaces? Menger’s answer is clear: Historicists interpreted Aristotle for their own benefit. Yet, instead of merely rejecting their misappropriated use of the Ancient, Menger reversed the argument. To do that, he explained the texts, which in turn provided evidence in his favor. This is notably shown in the aforementioned Appendix VII, although we cannot retrace the full line of reasoning here (for a step-by-step analysis see Campagnolo 2010, pp. 239-247). And Menger’s view clearly shows the falsity of the German Historicists’ received interpretation of the Aristotelian phrase “man as a political animal”. Menger took their view to

task through a careful examination of the way Aristotle displayed the birth of communities as a spontaneous process of gradual growth through the interplay of individual agents. Aristotle appears as providing a quasi-‘evolutionist’ (not holistic) view of institutions. Aristotle was not supporting ‘holism’, neither in the sense assigned to him by the authors in the German Historical School, nor in a Scholastic or Thomistic sense (which we believe that Crespo may have in mind).

Last, Menger contradicts Aristotle’s ethics even less when one considers how carefully Menger always expressed himself: he did *not* support the idea that spontaneous orders would be the *exclusive* mode of establishing government. Both in the *Principles* (1871) and in the *Investigations* (1883), he consistently stressed that some institutions are *not* spontaneously ordered. This significant point is a real difference with some his heirs, especially some disciples of Ludwig von Mises.<sup>19</sup> Where Hayek clearly exhibited a *preference* for spontaneous orders (regarding efficiency, reliability and lesser constraints than any other kind of society), Menger only indicated what indeed generally exists. Therefore, Menger could and would build on an Aristotelian base, which later theorists could dispense with.

In conclusion, let us add that this debate on Menger’s Aristotelianism is still worth raising as it is representative of the high value of the field of economic philosophy. Crespo raised worthy issues, although his own views on Aristotle made him partly miss how deeply Menger’s views were infused with Menger’s own understanding of Aristotle’s works. Menger was indeed Aristotelian. Granted, neither ‘entirely’, nor ‘generally’ nor ‘strictly’ (all terms used by Crespo), which of course could not be the case. But Menger was deeply informed and truly influenced by the Ancient. Thus, Menger was Aristotelian in terms of the analysis of the previous pages.

Finally, if this obvious trait was initially felt by most commentators, what is gained from our exchange, is to insist on a stricter definition and serious evidence. Menger used extremely powerful and valuable conceptual devices provided by Aristotle and he did so in order to develop new paths. But even here, this was probably because Menger knew Aristotle’s works well. It was his essential source in philosophy but by no means the sole source (see Menger and British thought in Campagnolo 2010, pp. 254-285). If there is little sense for scholars to nowadays summon Aristotle as an authority, bringing this connection to light may remain useful, especially when one realizes how contemporary economists have forgotten or remained impervious to his philosophical lessons. There is more in Menger than ‘just economics’ and, as with Aristotle, one finds hints at a kind of economic philosophy.<sup>20</sup>

## NOTES

- 1 See Crespo 2022; 2003, pp. 63-84. Our present rejoinder answers both texts on the basis of (Campagnolo and Lordon 2011) with additions by Campagnolo responding to Crespo’s move. Crespo (2006) also wrote accounts about the ontological nature of *oikonomike* and Aristotle’s concept of science and *oikonomike* as science (Crespo 2014). The three points discussed here are most explicit in (Crespo 2003, 2022).
- 2 There is one major exception with Menger’s son, Karl Menger (1902-1985), who said the opposite (quoted in Crespo 2022). Menger’s son was himself certainly non-Aristotelian in line with the members of the Vienna Circle he was acquainted with in Interwar Vienna. Our position is that the son tended to interpret his father’s works in a way that was somewhat removed from the times and views of his father. Crespo (2022) too rebukes this view. As far as we are concerned, when discussing Carl Menger’s ideas, we exclusively discuss his original texts. Another noticeable judgment stating that Menger was “non-Aristotelian” is found in a letter that Hayek sent to Menger Jr. in which Hayek described “Carl Menger as anti-Aristotelian as possible”. Our understanding is that, on the one hand, Hayek knew the son’s stand and possibly intend to show support, while, on the other hand, and most importantly, he probably had in mind only Menger’s rejection of the idea of “exchange of equivalents” (again, see Crespo 2022, part I). As to the son’s criticism of the work by Emil Kauder, we deem it undue, since Kauder ac-

- cessed many archives that the son had not been able to use (as his mother had sold them to a Japanese university, to survive after the father's death in 1921).
- 3 “The error of regarding the quantities of goods in an exchange as equivalents was made as early as Aristotle, who says [Menger quotes Aristotle *where he judges Aristotle was wrong*]: ‘To have more than one’s own is called gaining and to have less than one’s original share is called losing, e.g., in buying and selling ... but when they get neither more nor less but just what belongs to themselves, they say that they have their own and that they neither lose nor gain’ [...] ‘If, first, there is proportionate equality of goods, and then reciprocal action takes place, the result we mention will be effected. And this proportion will not be effected unless the goods are somehow equal’ (*Nicomachean Ethics*, V, 1132b, 13–18 and 1133a, 10–26)” (Menger 1871 [1950], p. 305).
  - 4 Here is one example where Menger comments and judges Aristotle *wrong* (altogether with the modern German historicists, here referred to as “those writers”): “Aristotle, in a much quoted passage, says that money originated by convention, not by nature but by law (*Nicomachean Ethics*, V, 1133a, 29–32). He [Aristotle] expresses this view even more distinctly in his *Politics*, where he says that ‘men agreed to employ in their dealings with each other something . . . for example iron, silver, and the like’, and offers this as his explanation of the origin of money (I, 9. 1257a, 36–40). [...] Summarizing the course followed by the investigations of those writers, they almost always begin by showing the difficulties to trade arising from pure barter. They show how it is possible to remove these difficulties by introducing money. In the further course of their arguments, they stress the special suitability of precious metals to serve as money, and finally, citing Aristotle, they reach the conclusion that precious metals actually became money by human legislation” (Menger 1871 [1950], pp. 315–317).
  - 5 The copy of the original edition of the *Grundsätze* that is marked #3 and found at the Center for Western Social Sciences (Hitotsubashi University) is especially significant. Two other copies are at Duke University.
  - 6 This volume also included an Appendix with the first two of the three pieces on economics attributed to Aristotle and later known to be apocryphal (*Ökonomik. Ein Fragment*).
  - 7 Campagnolo (2009, pp. 729–738; 2020, pp. 775–802) compiled a name index of thinkers quoted by Menger and a list of the volumes from his library to which Menger refers in general—and especially with regard to Aristotle.
  - 8 See notably Kauder (1959, 1961), Caldwell (1990), Yagi (1993), Hagemann, Ikeda and Nishizawa (2010), Schumacher and Scheall (2018), Campagnolo (2002, 2008, 2010, 2012, 2020).
  - 9 However, one should not blur the line between Menger and the German school. Erich Streissler attempted to demonstrate that theoretical parts in Menger’s *Principles* derived from the reception of Adam Smith works in German. Chipman (2014) dissected the issue, but Streissler linked his analysis to the fate of the Austro-Hungary empire defeated by Bismarck. While reflections upon value are at the core of the *Principles*, they relate more to Menger’s Aristotelianism than to German economics, with some notions inevitably shared. Austrian economists, notably Joseph Schumpeter, claimed strong Austrian independence, as the ‘Dispute over Methods’ proved enough.
  - 10 Therefore, Menger *did not* support a version of ‘apriorism’ that would ignore facts (a hallmark of some later Austrians)—see (Lordon and Ohana 2008). Regarding another remark often debated as regards the treatment of so-called reality: the clarity of *mathematical* axioms is still another issue since Menger opposes the use of mathematics as being ‘too static’. Conceptual accuracy and mathematical formalization are not equivalent (though they may overlap): that is one more Aristotelian trait, since the world of mathematical ideal figures, that differs widely from real constituents of the world.
  - 11 While Max Weber would later call analogous scientific constructs *Idealtypen*, the heuristic idea is similar.
  - 12 Popper’s youth writings in Vienna (1925–1935) are useful to understand that. They exist in the original German and in French (tr. and ed. Campagnolo 2019). To this day, no English translation exists.
  - 13 Tradition famously depicts Plato as pointing to a starry sky of Ideas, while Aristotle looks down upon earthly matters.
  - 14 In the original: “*les faits sont nos maîtres à tous*”, *passim* in Menger’s notes (Campagnolo 2009, p. 64).
  - 15 The full title of this appendix is as follows: “On the Opinion attributed to Aristotle that the Emergence of the State was given at its Origins altogether with the Existence of Man” (this re-translation into English is in line with our full-translation in French: see Campagnolo 2011/1883).

- 16 Menger (1883, pp. 269-70) wrote: “He [Aristotle] does not deny in anyway that early un-civilized men existed who already tended so [to socialize], yet without yet reaching the stage of building a state [...] The often quoted expression by Aristotle ‘*anthropos dzoion politikon*’ (“Human beings are political animals”) shows neither that men must by need have always existed within the frame of a state nor that the latter be as old as human beings themselves”. Menger commented that, according to all philological appearance, it goes reverse: human beings were already living, exchanging, trading before any institution had emerged, or institutions emerged thanks to pre-existing activities (our translation).
- 17 See Crespo’s paper in this volume and Menger (1985 [1883], p. 149), and the Appendix VII, of the latter in particular.
- 18 On money see Menger’s 1871 *Principles*, chapter 8, as well as his 1892 essays in German (1909/2002), English (Menger 1892) and French (Menger 1892/2005) and comments (Streissler 2002 and Campagnolo 2005).
- 19 However, and despite all divergences that may be pointed out, among among the so-called ‘American Austrians’ (which for reasons of space cannot be gone into here), it should be mentioned how well Murray Rothbard described Aristotle’s influence on Menger (Rothbard 1976). Whether this relates in anyway Aristotelian and libertarian readings is an altogether other matter.
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