

Appendix

Selection of Texts on the Austrian School of Economics

This appendix contains three excerpts from some of those key works in the history of economic ideas which discuss the Austrian school of economics. We offer them as a basis for possible textual analysis. As an example, we include a brief commentary on the first excerpt.

Logical Economics versus Mathematical Economics

Below, we present several important passages from chapter 16 (on prices) of Ludwig von Mises's economic treatise, *Human Action*. Mises views the antagonism between logical and mathematical economists as far more than a simple disagreement about the method most suitable for economic study. On the contrary, the debate concerns the very foundation of economics. Either we reduce the object of our analysis to the state of equilibrium, in which case mathematics is applicable; or we modify our object of study and center it on market processes, in which case the use of mathematics is not only impossible, but also highly counter-productive. Let us see how Mises expresses himself:

[Insert extract from *Human Action*.]

<p>prevails and indicates that the law in material form is applied equally to all, regardless of the concrete results of the social process. The only equality pursued is <i>equality before the law</i>, applied by a justice system blind to specific differences between people.</p>	<p>results” or “<i>social justice</i>” prevails; in other words, <i>equality of the results</i> of the social process, regardless of the behavior (whether correct or not from the standpoint of traditional law) of the individuals involved.</p>
<p>9. Relationships of an <i>abstract, economic, and business</i> nature prevail. The spurious concepts of loyalty, “solidarity,” and hierarchy do not come into play. Each actor disciplines his behavior based on material-law rules and participates in a <i>universal social order</i>, in which there are no “friends” nor “enemies,” nor people he is close to nor distant from, but simply many human beings, the majority of whom he does not know, and with whom he interacts in a mutually satisfying, and increasingly far-reaching and complex, manner (correct meaning of the term <i>solidarity</i>).</p>	<p>9. <i>The political</i> predominates in social life, and the basic links are “tribal”: a) <i>loyalty</i> to the group and to the chief; b) respect for the <i>hierarchy</i>; and c) help to the “fellow man” one knows (“solidarity”) and heedlessness or even contempt toward the “other” more or less unknown people, who are members of other “tribes” and are distrusted and considered “enemies” (spurious and short-sighted meaning of the term “solidarity”).</p>