**Problem of indifference and choice**

**Abstract**

The aim of this paper is to anchor the problem of indifference and choice in a time continuum. Every action is future-oriented. The choice that is being made here and now is the choice that should, from a subjective point of view, eliminate a feeling of uneasiness toward the future. As Shackle (1972) notes, it is too late for the past and even for the present. The goal of this paper will allow us to look critically at an interesting ongoing discussion about the problem of indifference and choice. Debate is conducted primarily in circles of the Austrian School. This is because Nozick (1977) addressed the problem implying the invalidity of the law of diminishing marginal utility in the absence of a presupposition of indifference to the representatives of the Austrian school. The whole genesis of the discussion on the topic can be seen at the beginning of Block (2012).

This paper briefly introduces the discussion and its main problems. Stated reservations will be removed by suggested solution based on the modification of the theory of subjective value presented in greater detail in Pošvanc (2019a, 2019d). It will be shown that proposed solution improves conclusions in Wysocki (2016) and Wysocki-Block (2018, 2019). It will allow to preserve elements of indifference analysis as interpreted by the neoclassical mainstream, however, it will also allow interpretation of the problem of indifference and choice based on strict preferences from the point of view of the Austrian School of Economics. This is a quite controversial conclusion, but it is a logical consequence of the proposed modification in the theory of subjective value.

**Introduction**

The concept of indifference and indifference curves was criticized by Rothbard (1956). In principle, the representatives of the Austrian School accepted the solution he proposed. Indifference cannot be identified in the choice, indifference is not part of the choice, on the contrary, the choice is necessarily based on the strict preference and there is nothing to be indifferent in terms of choice or action (within praxeology); indifference can only be a psychological concept when we consider, psychologically, whether a person is indifferent to something in terms of his/her preferences. However, the primary discussion in the circles of the Austrian school was initiated by Nozick (1977, pp. 370-371, taken from Block 1980), who identified the following problem in the methodology of the Austrian school:

„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. “
Block (1980, p. 423) considers this kind of criticism to be one of the most brilliant and most creative ways to criticize the methodology of the Austrian school. Nozick has identified contradictory statements in two arguments of the Austrian School. If Austrians reject the concept of indifference associated with making decisions and making choices then it is necessary to reject the law of diminishing marginal utility and vice versa.

The problem we face is, in principle, a homogeneous assessment of economic goods. According to Nozick, by very logic, homogeneity is necessary for the validity of the law of diminishing marginal utility when an additional unit of economic good necessarily satisfies our needs less than the previous one. However, homogeneity collides with logical conclusions of the subjective theory of value and the associated problem of choice. The choice implies that we necessarily prefer something more (e.g. economic good A) over something else (even physically the same economic good A or different economic good B). It should be pointed out here that it is completely irrelevant if a “chosen A” is physically identical to other physically identical A. What matters is a value determination. This means that if I choose A, then the given particular A is for me subjectively more significant in terms of value over (although physically the same) A or as (physically different) B. However, this means that the selected good (A) cannot be considered as being the same value as any physically identical A or any other B. However, if choice causes value heterogeneity related with the good it contradicts the possibility of applying the law of diminishing marginal utility. We have nothing to apply it to (no similar or homogenous good). The choice brings about that there is no second or third unit of the good to be less preferred over the first. We have only discontinuous value perceived goods over time.

On the contrary, the theory of indifference states that there is no such strictly preferential character of our valuation of goods. According to this theory, we are in an optimal position when we are a value indifferent between goods A or B; in that case, we should actually perceive in value terms that either the A or the B-goods satisfy our needs identically; we grasp the given goods as value homogeneous. According to Nozick, the concept of indifference implies that we are able to identify the same class of goods. This, however, contradicts the fact that we make particular choice and that we pick out very specific good (the A) and which has to be therefore considered as heterogeneous one. We must prefer it based on something and therefore we choose it. The proof is that we did it. It is the very basis of this action that Rothbard (1956) defines the concept of so-called demonstrated preferences. Nozick claims, however, that, without the assumption of indifference, the law of diminishing marginal utility does not apply.

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1 The law is inevitably practiced in time. Therefore, the aim of our work is focused to this time-context.

2 Wysocki-Block (2018) argue that any good A differs from the other good A at least in terms of its location in the space. It follows logically according to them that the selection of a particular good A is always a unique choice in this respect. Wysocki-Block’s argument (2018) implies that there is (in principle) no identical economic good, given the fact that each economic good has its unique position in space. It is true that the thing/good has particular location in the space but choice is primarily about the value determination from an economic point of view and not about the location of things/goods in the space. We see different valuations of economic goods because of the agent not because of the location of things/goods. Theoretically speaking (!), if there is any possibility to have two things/goods at the exact and same location in the space it is still room for the agent to choose one particular thing to make it the specific economic good for him.
And he’s right. So, we are facing an interesting logical paradox where both sides of the debate seem to be correct.

Reactions to Nozick

Block (1980) has tried to solve the problem. He is trying to preserve the valid parts of the concept of demonstrated preferences based on strict preference promoted by Rothbard (1956) and to response to Nozik at the same time. Block must show that choice is actually made on the basis that “I want this good A!”; so I don’t decide that I want both A and B because I know that both A and B will meet my needs in the same way but eventually I opt for A (weak preference). At the same time, he must maintain the law of diminishing marginal utility which implies homogeneity of goods. Block (1980) comes up with a fresh solution where he explains the homogeneity of the good on the thymological level - outside of action. He claims that the person making the choice related to a unit of good A (using the example of an ounce of butter) must, by definition, decide on the basis of evaluation of a particular unit of economic good. Until then, he perceived it as a part of homogeneously assessed stock of the economic good (100 ounces of butter). It gives an example of a butter vendor who perceives 100 ounces of butter as a homogeneous good, to which he is indifferent (outside of action and choice; he judges butter from a psychological - historical perspective - thymologically). However, if he sells the x-th (e.g. 72nd) ounce of butter to his customer, he perceives it specifically as an independent economic good, for which he receives e.g. specifically perceived dollar from the customer while continuing to perceive homogeneity of the good in the form of 99 ounces of butter. In this case, this specifically perceived 72nd ounce of butter (as good A) is less preferred than 99 ounces of butter (good B) for obtained good – dollar. In other words, Block claims that we are indifferent to 100 ounces of butter until we decide otherwise. As he remarks later (Block 2009), he leaves the indifference at the level of thymology - in the absence of action, that is, in the psychological-historical motives of why we make decisions. In doing so, it is intended to ensure that the law of diminishing marginal utility is maintained with regard to its applicability to the butter supply, while at the same time maintaining the strict choice on the basis of preference and not indifference.

The topic was discussed by several authors. But it is Hoppe (2005) who criticizes Block (1980) in the context of Austrian discourse. He points out that the concept of indifference is an epistemological category that is indispensable for the classification of objects of reality. We must be aware that classification is also necessary for the conduct of action; at least to be able

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3 It should be noted that Rothbard’s definition of the demonstrated preferences is not very happily named. The very concept of demonstrating a preference implies that economic science is able to identify, along with the demonstrated preference, some non-demonstrated preferences. However, economic science obviously doesn’t know what is not demonstrated. The only point it can say about the situation is that choice has been made and that someone preferred good A over other good at that time; but which ones, respectively how much they were "non-preferred" remains only as a secret on the individual level of the acting man. See also Stroukal (2014).

4 As the reader will see below, Block (1980) is very close to the solution proposed here. A small modification of a given example from 100 ounces of butter to a portfolio (stock of any) goods owned by man will allow to anchor the concept in a time continuum.
to distinguish one good from the other one or for identification what is the same. He accuses Block of a vague and psychological interpretation of the character of indifference. Hoppe points out to Mises, who explains that: "Quantity and quality, are categories of the external world. Only indirectly do they acquire importance and meaning for action. Because everything can only produce a limited effect, some things are considered scarce and treated as means. Because the effects which things are able to produce are different, acting man distinguishes various classes of things. Because means of the same quantity and quality are apt always to produce the same quantity of an effect of the same quality, action does not differentiate between concrete definite quantities of homogeneous means." (Mises 1966, p. 119). Accordingly, Hoppe further points out that the heterogeneous nature of the good (butter) cannot arise by any division of a given group of objects of reality, i.e. 99 ounces of butter and 1 ounce of butter. It can only arise if exactly the 72nd ounce of butter (once again! exactly that one and not another) is attributed by some separate character. Only then can we speak of a heterogeneous (other) good that is different from any ounce of butter. Hoppe goes on to say that the problem of indifference is more in the description of our actions. If we imply in the description of action that I am e.g. indifferent to the blue and green sweater and finally I choose one of the sweaters, it only means that we are mistaken in the description of the choice where my choice was simply focused on the sweater itself (not green or blue) while I chose a sweater against something else e.g. T-shirt (or anything else).

There was another discussion between Block with Barnett (2010) and Hoppe (2009). Their interchange is characterized by Wysocki (2017) as a discussion of the dual nature of what the term “choice” means for both authors. Hoppe perceives choice in the context of strictly given preferences of classificatory different goods, while not denying the existence of indifference as a psychological relationship between equally assessed options. However, at the same time he claims that if one perceives this psychological character of indifference (blue - green sweater), then our description of action and choice must be different e.g. choosing sweaters must be based on another categorization of action: I prefer a sweater over any t-shirt. According to Wysocki (2017), Block is attached to specific circumstances that make a person to choose particular good. It is a necessary praxeological explanation of what happens when we choose, leaving the concept of indifference in the thymological field of analysis as a necessary psychological-historical explanation of the law of diminishing marginal utility.

At this point, it is appropriate to identify some of problems facing both Block and Hoppe. Block's relatively elegant solution implies that the law of diminishing marginal utility has a one-off nature in the context of action. Based on his explanation the law would be always applicable only to particular temporal circumstances. In other words, it is applied to good A (100 ounces of butter). Then comes action and choice at a given point of time. We exchange one ounce of butter for a dollar. And we are done. Subsequently the law must be applied to good B (99 ounces of butter) given the fact that the choice of replacing a particular ounce of

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5 For the sake of completeness, here is the full quotation from Mises (1949, p. 119), where Mises adds: „But this does not imply that it attaches the same value to the various portions of a supply of homogeneous means. Each portion is valued separately. To each portion its own rank in the scale of value is assigned. But these orders of rank can be ad libitum interchanged among the various portions of the same magnitude. “
butter for a dollar has caused that the butter owner is perceiving two goods - the specific ounce of butter (good A) which he has exchanged and the remaining 99 ounces of butter (good B). Block’s solution therefore lacks the application over time or in time continuum.

Hoppe is unaware of the implicit value aspect of Block’s reasoning. In other words, Hoppe’s remark on the classification of objects of reality is inaccurate, respectively it is clear that Mises (Hoppe) considers only physical properties of goods. We have no reason to claim that means of the same quantity and quality are apt always to produce the same quantity of an effect of the same quality in terms of value which is attributed to goods. Strictly logically speaking an economic good of equal quantity and quality may not exist at all if we look at the good from the point of view of valuation. This is because of the value context in which given (otherwise physically identical) goods are valued and it is necessarily changing. Take an example of buying a fireplace, a house sofa, a dog and relaxing music. Their physical properties imply their particular use, but in value terms their use may be perceived as different as there are different needs they satisfy. The objects may bring e.g. relax in the form of sitting in front of the fireplace associated with stroking the dog and listening to music, but a little bit later can be used to maximally engage the female attention for sex, and a day later the fireplace can be used in the context of heating and dog used as a mean of hunting. Value effects are simply different and not the same and are constantly adapted to new and new plans that the person (owner of the objects of reality) will have. Hoppe (Mises) arguments in this section lack the value context that Block (1980) implicitly assumes, and as we will see in a moment, the value context is explicitly brought to the discussion by Machaj (2007). In other words, Hoppe, in epistemological sense, omits to explain the value-perceived homogeneity of the good. And it is precisely the value homogeneity that we should apply to the law of diminishing marginal utility. Otherwise we would have to assume the existence of some objective utility of goods, which must always be perceived in the same way.

Wysocki (2017) draws attention to the ambiguous perception of choice by both authors. In the context of our approach it is necessary to add that both authors lack the temporal, continuous aspect of choice. Choice is not inevitably focused on a particular moment when it is made but

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6 It must be stressed based on the footnote 5 where I left the remaining part of Mises’s citation that Mises value approach in the citation has different character as we ask for. He is focused on different valuation of different parts of the supply of economic good. We are focused on the value causality between needs and means.

7 The primary problem is that Mises' (Hoppe) interpretation implies the immutability of valuation. Once recognized causality related to the need-to-good relationship must be “always” the same. There is strict causality of satisfying needs with the same good at the physical level of course. Water satisfies thirst. Sofa satisfies the need for sitting or lying. However, the value context by which we attribute value to economic good necessarily changes over time. And it is the question of value not physical properties which counts in economics. Let's take an example of a sofa. The sofa serves the same person who bought it for sitting or lying, but also for sitting / lying while relaxing, watching TV, relaxing in front of fireplace, or maybe for working ... and also, if I know that it is made from wood, it could have a heating effect if I decompose it, etc., etc., ... Purchased water can be used for drinking; but also for bathing, or as a garden irrigation. The value context in which person uses physically same economic good can be very variable. At the value level in terms of physically similar goods, there is not always the same effect of satisfying needs. However, Mises (Hoppe) writes: „means of the same quantity and quality are apt always to produce the same quantity of an effect of the same quality, action does not differentiate between concrete definite quantities of homogeneous means.”
on future; this is "required" by Shackle (implicitly also by Mises\(^8\)). In other words, the choice is always only the implementation of a plan to remove the perceived state of uneasiness towards the future. It is in this value context (the context of needs and the plan of their satisfaction) that it is necessary to explain both the realization of the choice and, at the same time, our ability to apply the law of diminishing marginal utility. It is precisely from the satisfaction of needs that the value characteristics of goods and their epistemic economic classification should be derived, which, however, must also have a value-classification character, not only a physical-classification character.

It is Machaj (2007) that draws attention to the necessity of the value-based character of goods derived from how we perceive subjectively that some goods meet subjectively perceived needs. Machaj gives an example of a physically identical wedding ring, which has e.g. for a fiancée, a different meaning if it gets it from her fiancé and if she gets it from a complete stranger. In other words, it is not (only) the physical characteristics of the goods on which the homogeneous perception of the goods is dependent in the context of action and evaluation. Machaj then defines value homogeneity as follows:

"... two objects are homogenous if they both can serve the same end. If so, it follows these are two units of the same supply, because they are capable of satisfying the particular need. From the point of view of an actor’s particular need they are homogeneous and interchangeable or equally serviceable. It does not have anything to do with psychological considerations or psychical characteristics, but rather with the possibilities of action. Now, this point cannot be demonstrated through action, and cannot be observed in action. But as we emphasized before, economics is not only about actions, but also about different possibilities of acting toward the satisfaction of human needs."

Machaj is followed by O'Neill (2010). In the discussion following Machaj, he brings interesting observations on the topic, which are based on the concept of so-called weak preference. O'Neill, as well as Machaj, points out that our primary interest should be in need assessment, claiming that:

"... we are indifferent between two actions when we judge that there is no difference in the magnitude of the satisfactions of needs obtained from those actions (the actual needs may be different, but the magnitude of the satisfactions from these needs must be equal). Similarly, we are indifferent between two goods when we judge that there is no difference in the magnitude of the satisfactions of needs that depend on our command of those goods." (O’Neill 2010, p. 72)

O'Neill is aware from Machaj that we do not evaluate goods. We evaluate our needs, which we satisfy with goods. Only in this way can goods have some value. On this basis, he brings the element “no worse than” into the analysis. Since it is primarily an

\(^8\) Unfortunately, Mises’ requirement to focus the analysis of economic phenomena on the future has a dichotomous character. Mises derives much of his analysis of economic phenomena from the past. Shackle is much more consistent in this respect. See, for example, the criticism of Mises’ procedure of analysis and methodology in Pošvanc (2019b).
assessment of the needs we identify, for which we seek appropriate action, some of our actions may be assessed as not worse than some other results, but they remain counter-factual as we ultimately reject them. The so-called strict preference concept is then a subset of this modus-operandi, where sometimes the outcome of the procedure is necessarily assessed as "better than". Machaj (2007) was criticized in Block (2009) and O'Neill (2010) was criticized in Block (2012). Machaj and O'Neill were also criticized in Wysocki (2016). In principle, criticism is fixed to one issue. Both Machaj and O'Neill imply decisions based on indifference between goods. This is because two - even physically heterogeneous - goods can satisfy one and the same need. It depends on the subjective judgment of the person in question. It is true that subjective judgment counts, but at the same time it is correct and logical that once someone chooses the good A that satisfies the need, it must at the same time be true that he prefers it over something else. We are still facing the same paradox: if there are strict preferences related to the choice how do we explain the validity of the law of diminishing marginal utility.

Although Machaj and O'Neill are criticized, their contribution to the debate is, in my opinion, very important. Machaj and O'Neill bring a much-needed subjective value aspect to the discussion. The perception of subjective value is derived from the perception of human needs and the point that needs are prioritized which consequently brings value to economic goods. The action is aimed at the elimination of perceived uneasiness. The perception of priorities of needs implies the preference of something over something else. The value. And only this relation can then be imputed into some good(s) that already satisfy the perceived need(s).

Wysocki (2016) enters the discussion. And with very important question. Under what conditions does the law of diminishing marginal utility apply? He states that, since the law is conditional, it necessarily implies the necessity of having the same good concept. What does the concept of the same good mean? Wysocki, Block (2018) define, first of all, the difference between things, goods and economic goods. They write that the difference between things and goods has already been identified by Menger, who has made a condition of existence for economic good as follows: a) existence of need, b) existence of causality between a given need and thing, that is, a causality we know that this good satisfies that need, and c) the ability to control goods.

The good exists, according to them, if there is at least one person who identifies causality between at least one own need that is met by the identified object / part of reality. According to them, an economic good exists if the above-mentioned condition exists for the existence of the good (meaning man, need, and knowledge about causal relationship need - good) and at the same time it applies:

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9 I am not sure whether Wysocki, Block (2018) realizes that in their elegant and absolutely clear interpretation of distinction among: things, goods, and economic goods, they actually explain that scarcity is not necessary condition for action. On the contrary, on the basis of their interpretation, the concept of scarcity must be inferred from action. This is a premise that is wrongly interpreted in the Austrian school. It is interpreted in the form that scarcity is necessary condition for action, respectively that without the world being scarce we would not act.

Compare with my very gritty and not quite obvious explanation of this statement in Pošvanc (2019a, p.18), where I explain the connection between action and grasping of reality. At the time of writing Pošvanc (2019a), in which,
economic good exists if "its marginal utility is greater than zero. This means that the good is able to satisfy some other human need or satisfy more completely the need previously attended to. (Wysocki, Block, 2018, p. 134)

Based on these clearly defined and classified phenomena, they come up with the following statement, which I will quote in its full range:

The concept of homogeneity (or, equivalently, the same good) must be prior to the law of diminishing marginal utility because this law assumes it. That is, this law applies only when it considers homogeneous units of the same good. What is more, the relation between human action and homogeneity is very complex indeed. This is because of the fact that a person treating homogenous units of a given commodity as the same good cannot ever demonstrate this in action.

... the same good is a concept which is clearly prior to any action. Therefore, it belongs in the category of transcendental concepts-- it provides us with a way of construing human agency and it cannot by any means be inferred from the data of particular human acts. In other words, the notion of the same good gives us Bedingung der Möglichkeit for formulating the law of diminishing marginal utility. It is due to the concept of the same good (not being manifested in action itself) that we can better make sense of human action. The same is true about the concept of human purpose. After all, human purpose does not manifest itself in human action. The former is rather assumed a priori to make sense of the latter. “ (Wysocki, Block, 2018, pp. 135-136).

Wysocki, Block (2018) point out at the same time that the choice of something must be based always on something that we prefer more, by definition. At least from the point of view of the location of the thing, since both physical and homogeneous things cannot be in the same place at the same time. Subsequently, they approach the definition of the same good, whereby they still remember that the action per se does not enable us to identify whether one has economically used consecutive units of a given commodity or different.

For them, the physical equality is only a sufficient condition for defining the same good. They consider Machaj's value condition (same end is served by the same good) to be too roughly defined, depending on how the need is defined. It means that once we define the need as “to satisfy any need”, it would actually be true that everything is the same good because everything that is identified as a good satisfies a need. Going to other extreme two physically heterogeneous goods, although they can satisfy the same need, are nevertheless physically different which is quite tricky to name them as the same good. And there is one more problem they face. It could be that an additional unit of some goods, e.g. a second beer relative to the first, can satisfy given need more than only one beer. What this implies is that, in the context of equality of assessment of goods, we must also take into account that physically divisible

inter alia, I claim that scarcity is not necessary condition for action, I did not know of this much more elegant explanation by Wysocki, Block (2018).
goods must sometimes be perceived as a single good, for example one good = 2 beers, which is preferred to another good = 1 beer. Rothbard (1956) argues similarly.

Of course, Wysocki, Block (2018) still realize that they must inevitably respond to this ingenious point, the challenge that Nozick (1997) puts forward most aptly in the footnote 30 of his work. They quote Nozick:

“However, on p.122 he [Mises] says, “All parts – units – of the available stock are considered as equally useful and valuable if the problem of giving up one of them is raised.” Here, then, we do have indifference. Yet a choice will be made, perhaps at random. One particular object will be given up. Yet, the person does not prefer giving up this one to giving up another one. Therefore, choice entails (at best) weak preference; it does not entail strong preference.” (Wysocki, Block, 2018, pp 138-139).

It is clear that, on the one hand, they must explain a strict preference, but with a homogeneous good, which, however, necessarily implies an identical possibility of satisfying the perceived need. They come with the following solution:

Homogeneity is defined as a physical identity but the equal serviceability of the units of the same good cannot be demonstrated in action. It is necessarily true that only one particular ring [good] will be eventually picked up, thus showing the actor’s strict preference for the chosen unit. So, no contradiction arises. Those weddings rings [goods] are equally serviceable prior to the act of choice and this is what makes them a supply of the same good before an actual choice is made. (Wysocki, Block, 2018, p. 140; they use example of the ring due to the fact that they respond to the example given by Machaj; bold mine).

Wysocki, Block (2018) complements this explanation in Wysocki, Block (2019), which takes on even clearer contours. It is in this work that they focus on how their concept is related to the formulation of needs (ends). It is the specificity of definition of needs which creates the list of these needs in question. It is evident that a too specifically defined need would create simply put a heterogeneous good from anything and a too generally defined need would make a homogeneous good simply put from everything. They write:

„First of all, we posit that whether two items represent the same economic good always depends on how a given economic actor envisages his ends. This, in turn, implies that there can be no inter-subjectively correct answer to the question of whether two physical goods can be subsumed under the category of the same good. For the answer thereto is always contingent upon the way of referring to an actor’s ends. “ Wysocki, Block (2019, p. 404)

The argument is probably best explained on their own example stating that the difference is when we define the end (need) in the form: "going to the cinema with a woman" and in the form: "going to the cinema C, with a woman W, by route R". First example imply that we can satisfy the end in any cinema, with any woman and we can get there by any route, i.e. the means of fulfilling the ends, may be more variable, however the second example of end implies a more
specific form of the good - namely the cinema C, the woman W and the route R. This implies a very important finding:

„whether any given pair of goods are in the same supply depends on how a given economic actor frames his ends. A pair of items would thus constitute the same economic good relative to one way of describing ends but not from the other.“

Wysocki, Block (2019, p. 406, bold mine)

Thus, finally Wysocki, Block (2019) gives a more complete picture of what the same good means¹⁰ and they leave it in the thymological area. In my opinion, it is a pity that Wysocki, Block (2018, 2019) do not use their knowledge of relativism associated with the economic perception of satisfaction of needs with goods over time. They would avoid criticism presented here. So, what are the problems of their approach, in my opinion? They can be summarized as follows:

1. The concept of an economic good based on a premise of marginal utility higher than zero implies a cardinal perception of utility, respectively implies that the good has utility per se.
2. Neither goods nor economic goods are useful per se. Their usefulness is attributed to them, it is not given. It is therefore always derived from the valuation of agent. Without valuation of agent they would be just things. Valuation, as Čuhel-Mises (Mises 1949) rightly shows, is possible only in relation of more over less, and as Rothbard (1962) notes, or Biľo (2004) stressed is only possible (!) at the level of needs and then imputed into goods.
3. This implies only: any value concretization of the good that occurs over time will cause that the good per se has to be a non-homogeneous nature in value terms. I think that we must simply accept this. It can’t be bypassed. Evaluation and time, respectively evaluation in time continuity necessarily implies the possibility of changing the value perspective of particular good per se.
4. The law of diminishing marginal utility is the law of logic and mind. It must be the part of the action’s modus operandi. The presupposition of existence of homogeneous good as a prerequisite for a given law when the law is applied to the concept of an economic good is an argument in a circle (pettito principi error). This is more explicit when Wysocki, Block (2018) defines an economic good on the basis that it has a marginal utility higher than zero, while at the same time assuming the existence of that good as a condition of the existence of law of diminishing marginal utility.
5. The law of diminishing marginal utility does not arise from the assessment of goods but from the assessment of needs. It is precisely variously composed and mutually ordered needs that imply its validity. The satisfaction of one need and the transition to another need makes that the additional unit of the good that satisfies the need satisfies it less. The law must therefore be interpreted in this context as part of the action; i.e. a part of purposeful change in meeting needs.
6. By last reservation I am not quite sure. Wysocki, Block (2018) are unclear. They claim that „physical sameness is a sufficient condition for two economic goods to be the same economic

¹⁰ We can also say that they come with relativism. A reader who read Pošvanc (2019a, 2019d) should see interesting parallels here. Wysocki, Block (2019) use relativism related to the definition of goods, which is very similar to modus operandi in explaining some economic phenomena over time in Pošvanc (2019a, 2019d).
goods because physically identical economic goods necessarily serve the same list of (correctly perceived) ends." This is a very similar and here already criticized Mises's assumption that "means of the same quantity and quality are apt always to produce the same quantity of an effect of the same quality, action does not differentiate between concrete definite quantities of homogeneous means." (Mises 1966, p. 119). However, Wysocki, Block (2018) in the footnote write that: "We hesitate to say that, but it can be the case that this “correctly perceived” scenario is not necessary at all." As we have explained above, Mises' premise is not correct and their hesitation is therefore not appropriate; in other words, they should stop hesitating and reject Menger-Mises’s interpretation of the economic causality. Menger-Mises's premise implies only a physical connection between needs and goods, but this is inevitably contrary to the fact that in economics we “engage” in valuation. Nozick's challenge must, therefore, be explained on the value principle, respectively on the value homogeneity of the perception of something, as we will see, not of the concept of the same good. In other words, we need the causality need - means relate to a different concept of the mind, so that it is also valid over time.

Based on the above, I consider that Wysocki, Block (2018, 2019) still do not respond to Nozick (1977). The proposed solution has logical inconsistencies. It is necessary to eliminate all reservations and prove the existence of strict preference and at the same time the validity of the law of diminishing marginal utility both to be the part of the action.

Solution – proposal

It is evident that Wysocki, Block (2018) encounter the argument in circle in explaining the law of diminishing marginal utility. As Pavlík (2004, 2006) shows, the argument in the circle implies that the concept to which the argument in the circle relates must be explained in a different way – by more abstract way or Hegelian crossing of the circle or changing the paradigm of its perception. And since the law is valid, and it is equally correct that the choice causes a preference to be expressed it is necessary to abandon the assumption that the law is based on the assessment of the homogenous good per se. Abandoning this assumption is also related to the fact that for any particular value-based character of a good that is derived from human valuation, we must simply assume the possibility of changing the value-perception of the good over time. We cannot avoid different valuation over time. The proposed solution presented here will be based on the already presented modified theory of subjective value, which was described in Pošvanc (2019a) and Pošvanc (2019d).

The theory briefly says that man always satisfies some perceived factual and perceived counterfactual sum of needs, their complex, i.e. always a combination of needs. The needs are met through the second mind concept - portfolio (of goods). At the same time, the mind concept of the portfolio has an overlap into the reality in the form of real accumulation of goods. The actually perceived sum of needs is always satisfied by action meaning acquiring some goods that are composed into the portfolio and man handles them to meet current needs and potential counterfactual perceived needs later in time. More urgent and higher the combination of needs
can be satisfied by the good\textsuperscript{11} at the same time, the more preferable economic good is in terms of being included into the portfolio (see also Pošvanc 2019d).

The value perception is therefore twofold. It does not depend solely on the degree of urgency (a value scale) but also depends on the content of the need. The content of the need is always a combination of some perceived needs. If the need is perceived e.g. “to relax on the sofa while listening to music”, the need will be met if the person has in his possession “a sofa, music carrier with music and music player”. From a physical point of view, a sofa has a positive effect on the need - relaxation, and it has still the same effect in this physical sense (one can lie on it and relax), but without other goods the combined defined need is not met. The economic \textit{value causality} between needs and means is, therefore, a more complex perceived phenomenon.

The value scale is simple: two-levels one – factual (sphere of present urgent combination of needs) and counterfactual (sphere of possible and impossible combination of needs). What is perceived as most urgent combination of needs is a priority over other perceived needs and plans. At the same time, the combination of needs allows us to identify, in principle, any extensive and complicated plan. It can be a few second plan (eat chocolate so no one can see me), hour plan (I will practice), but also all day plan (during the day I will work and in the evening I will go to the cinema), or more years plan (I will do business) or a lifelong plan (I will be a good person). The perceived factual combination of needs is at the same time satisfied by current action\textsuperscript{12}.

\textsuperscript{11} It is also combination of features of the economic good.

\textsuperscript{12} Chroustal (2019) pointed out here that it is necessary to explain here the use of terms: the factual and counterfactual character of the value scale. Hülsmann (2003) e.g. uses these ideas in terms of “choice” and “any alternative to the choice which may have been the actual choice but this does not happen for some reason”. The use of the term “factual” and “counterfactual” is of an exclusionary nature. What happened, happened, and everything else was left behind on a counter-factual level.

The passing of time, the impossibility of repeating a given moment of time, and thus the impossibility of repeating the choice in question in the classical interpretation of the theory of subjective value and displaying the value scale implies the absolute and never repeatable character of our choice. Strictly speaking, given the particular temporal nature of choice, each choice is \textit{absolutely} unique. A strict position related to the unique character of the choice can be found in Shackle (1972) or Lachmann (2005).

However, the relativization of needs and the relativization of portfolio of goods within the framework of the presented modified subjective theory of value allow us to use terms “factual” and “counter-factual” in a slightly different and not so absolute form. While “factual” is meant here in terms of “currently selected, elected, manifested in the action”, so as in traditional way, the term “counter-factual” does not have an absolute \textit{exclusionary} character. It is still very truth that choice, its related circumstances and the perception of needs will never have the same and absolutely identical character, but the relativization of combination of needs (and the relativization of their satisfaction with goods in possession) makes it possible later in time to make a very \textit{similar} choice or to have for once realized choice persisting character in time (you can use good in many different ways to meet different combination of needs). The newly constructed combination of needs implies the possibility of repeating some unrealized needs in a different economic context. At the same time, building a portfolio allows us to explain the process continuously. Lego-type relative character of needs and position of goods within the portfolio enable us to satisfy also counterfactually perceived needs later in time from the point of view of present action and choice. It is not exclusionary mode. Relativization of needs and relativization of position of goods within the portfolio enables us to adapt to the uncertain future.
The action is focused on activity that, on the one hand, impoverishes our portfolio of goods (costs), but on the other, when we act, we assume that the outcome of the activity will complement the portfolio again which will be better suited to meet our needs later in time (gain). At the same time, one prefers the resulting composition of portfolio, about which he is convinced that it will satisfy its actual and counterfactual needs over time more than portfolio, he had before (subjective gain). Acting in this sense does not have to be explained in the form of identifying every second of our life, e.g. "I will take this strawberry, put it in my mouth, I will five times masticate to satisfy 1/20 of my hunger". It happens as a complex. Some actions are more complex and general in nature, some of them are very particular; the level of detail again depends on the degree of what a combination of needs the action in question requires. This means that sometimes it is sufficient to carry out an activity in the sense of "I am working all day which will allow me to support my family" and sometimes the detail of the activity must be higher as “I have to connect very precisely this particular cell with this one” if I am biochemist. The detail of the plan and our actions depends on a subjective assessment of the complex of needs.

The concept allows us to explain how we grasp and estimate the uncertain future, which was presented in more detail in Pošvanc (2019d). Basically, our grasping of future is based on the principle that we relativize our needs and also the means of satisfying them in time. Meaning, e.g. the greater diversity of the portfolio of goods (if this is our goal) enables us to be better prepared for the satisfaction of needs which we expect as well as not expect to be perceived later in the future. In other words, we are preparing for future by a higher variability of accumulated goods which we can later use or (!) exchange. So, we are not estimating our future per se or its specific character, we relativize its precise occurrence and importance of concreteness. We prepare ourselves for more eventual futures.

The concept enables the solution of the problem of value imputation by the mind concept of - sum, complex, combination of needs, solved by the mind concept - portfolio. Thus, the imputation of value takes place at the mind level. It does not interfere with reality. In reality, it is only reflected by the fact that the portfolio corresponds to the accumulation of goods. The concept is comparable over time; the perceived sum of goods is a time-invariant (mathematical) concept. The portfolio concept today is the same as it was yesterday and as it will be tomorrow. And the concept is comparable among humans. Formally it can be record as \( \Sigma \text{Ends} \) is satisfied by \( \Sigma \text{Means} \). Thus, over time, we prefer the subjectively preferred portfolio construction over another portfolio construction through the relative composition of the goods in the portfolio.

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13 This is also the reason why we have invented the concept of exchange and money. Both concepts enable us higher relativization of the specific character of the future. What I do not have I can later exchange for something I want to put into the portfolio. And the concept of money is another more abstract thought layer of the principle of diversification of the portfolio in time continuum; the vast diversification of portfolio is substitute for simpler concept - money. See in more detail (Pošvanc 2019a).

14 This modified subjective value theory has several implications, whether in the field of time preferences and interest (see Pošvanc 2018b, 2018c as well as 2019c), money and calculation (see Pošvanc 2019a), or the concept of economic error and coordination (see Pošvanc 2019d).

15 According to the author, the concept is also realistic. The traditional theory of subjective value based on the implication of the existence of complicated lists of differently categorized needs that are satisfied by a complicated potential list of goods is, according to the author, practically inapplicable. As Hayek (1952) shows in his Sensory
Economic causality is applied to a complex of needs satisfied by a complex of means, which entitles us to claim that economic (value) causality is applicable over time. Meaning there is a causal diction that A always causes B, i.e. portfolio (A) tries always causes needs to be met (B) over time.

How, then, is it possible to formulate the answer to Nozick (1977) on these presuppositions? And how to satisfy the logical inconsistencies set out above in the context of the whole debate on the problem of indifference and choice²⁶? All the above arguments and briefly introduced modification of the theory of subjective value leads us to apply the law of diminishing marginal utility not to the concept of the homogenous good but to the portfolio and its marginal change. The portfolio is the desired homogeneous concept. Thus, homogeneity is "ensured" on another layer of grasping of reality - the mind concept of the portfolio. This allows to use the law continuously over time as well and it is possible to solve the problem of one-time application of the law which Block´s (1980) proposal has. The law, which is based on the prioritization of combination of needs, is like the law of mind applied to another mind concept of the portfolio. Čuhel-Mises “more / less dictum” is assessed in terms of higher / lower satisfaction of needs by the portfolio which consist of goods. Therefore, we can have strict preference of goods as well as portfolio. It means that in terms of goods per se, we continue to apply a strict preference. What is added is that the choice is always associated with the strict preference of a portfolio as well. However, the statement does not affect the validity of the law. We can perceive at the same time the marginal change of portfolio due to the withdrawal / incorporation of economic good from / to the portfolio. The law is also our modus operandi in the continuum of time. As follows. Enriching a portfolio through particular good is preferred until we perceive the satisfaction of a perceived (even in the context of a counter-factually perceived) combination of needs, respectively on the contrary the portfolio is deprived of particular good until the satisfaction of the factually perceived (even in the context of a counter-perceived) combination of needs is jeopardized.

Implications

The concept is in principle connectable to the valid parts of Wysocki, Block (2018, 2019). The homogenous value perception of the good in the context of the demand and supply is possible on the basis of the relativization of needs, as these authors rightly point out, while assessing the physical identical characteristics of the good. However, we have abandoned the application of

Order, our minds "intentionally" simplify our perception of reality. The concept of portfolio is simpler and very adaptive when we thinking about the changing needs over time.

²⁶ Let’s reiterate our reservations. Given the above-identified argument in the circle (law of diminishing marginal utility based on the same good concept), it should be pointed out once again that the law of diminishing marginal utility must be applied to something other than to an economic homogenous good. As we also mentioned above, inferring valuation of a good from a person necessarily implies that the actual value context of a particular good, defined in any way, makes the law of diminishing marginal utility not applicable to goods at all and it is impossible to be applied in time. The concept must be equally realistic. That means it is not possible for person to consider a conceptual list of defined goods and to associate them with a precise and particular combination of needs that can even change constantly. Not to forget, the law is our modus operandi and must be easy to use.
the law of diminishing marginal utility to the good. Relativization allows us to identify, over time, a homogeneous value concept = portfolio where there is no longer a problem to apply the law of diminishing marginal utility.

However, in my opinion, the definition of an economic good given by Wysocki, Block (2018, 2019) needs to be modified and extended. It is possible to do by the realization that we look at the good from several, like mental layers of perception of the world around us. In other words, Menger's definition of good conditions must be enriched with other conditions, mainly from the teleological and normative field of mental perception. What does it mean? It will be very helpful to use Engliš's terminology for explanation. Engliš (1930) claims that we are grasping the world through a causal (Kantian “as is”) and teleological and normative system of thinking (Kantian “as it should be”), over which the formal-logical system operates17. If we apply this distinction to the perception of economic goods, then three different views are needed to define the economic goods.

We perceive goods at the level of the causal layer of thought in terms of their physical properties, which create one content of the idea of the causal relationship of satisfaction of needs. It is necessary to agree with Wysocki-Block (2018) that this kind of categorization is a sufficient condition for identifying the same kind of good. It is this level where it is possible to imply the validity of Menger-Mises’ dictum that goods of the same kind and quality will always satisfy the identified needs with the same intensity. And to this level, the Menger conditions for the definition of a good can be fully applied, i.e. here we can apply conditions in the form of: a) the existence of a need; b) the existence of a causality between the need and the thing, that is, the causality we know that object of reality satisfies the need; and c) the ability to control the thing.

The second content of the notion of needs-goods relationship is made at the teleological level. Here it is necessary to enrich the Menger conditions based on new knowledge of how we value goods. In principle, it is a more detailed description of condition c). The economic-value-causality has the character of relationship where Σ Ends is satisfied by Σ Means. From an economic point of view, we can then define distinction between good and an economic good as follows. Meeting needs is possible with goods and economic goods. There must be knowledge about the good and the economic good meaning that it satisfies a complex of needs in terms of the physical-causal character of the relationship. A good becomes an economic good if one wants to include it in its portfolio. Otherwise, it is what Mises (1949, p. 90) calls general conditions of human welfare. It is the intention of man to include a good into the portfolio (economize the good) that implies that a portfolio enriched by good is more preferred than portfolio without good. At the same time, the assessment of the portfolio is influenced by the law of diminishing marginal utility. This means that the portfolio will be enriched by the given parts of goods as long as there is a perception of both actual and counterfactual needs that can be satisfied in the continuity over time with the new portfolio composition. And vice versa, of

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17 The author does not fully support the views of Engliš in the field of theory of knowledge, but rather advocates Hayek-Pavlík's theory of evolutionary a priori in the field of theory of knowledge. See e.g. in Pavlík (2004). Engliš's classification, however, allows the reader better understanding of explanation of different classification views of the good and it is therefore used here.
course. The portfolio will be deprived of some selected goods until the satisfaction of person's needs is at risk from the point of view of the person; in other words, the needs at risk would become factual if a marginal change in the portfolio would cause such change that would make the satisfaction of needs impossible.

The third kind of insight is created on the basis of normative rules that imply different forms of standardization and possibilities for mutual understanding and comparison of subjectively perceived content from other layers of thinking. It is necessary to disagree at this point with Wysocki, Block (2018, p. 404) who claims that there is no possibility of inter-subjective comparison of goods, they write „... we posit that whether two items represent the same economic good always depends on how a given economic actor envisages his ends. This, in turn, implies that there can be no inter-subjectively correct answer to the question of whether two physical goods can be subsumed under the category of the same good.“ Vice versa. Whether a good can be categorized intersubjectively as the same good is allowed by the agreement of at least two people. This also implies an intersubjective categorization option. At the social level, there exists even a wider version of this standardization in the form of money or standards of trading of goods. At the same time, this normative standardization does not imply that we cannot ultra-subjective (as Lachman) interpret an economic perception of goods (Lachman 2005). The agreement (standard) only allows mutual understanding of what it means and what does not mean the same good. This means that e.g. having standardized ounce of gold, we know what an ounce means, what it looks like, what we do when we trade it, how we use it in debt relations, what means its purchasing power and so on. And we know all of this regardless of the possibility for ultra-subjective interpretation of enrichment / depletion of portfolio by an ounce of gold.

This triple-division also meets the epistemic demands of Hoppe, where differentiation, respectively categorization is based on a) physical characteristics (causal field of classification), b) economic perception of a good and its composition into a portfolio (teleological field of classification) and c) on the basis of normative rules - intersubjective social standards (normative field of classification). We also avoid circular arguments related to the Law of diminishing marginal utility. This is because the sequence of interpretation is as followed: the first is the perception of the complex of needs, from which the law of diminishing marginal utility is derived. The complex of perceived factual and counterfactual needs that is satisfied by a portfolio of goods (sum of goods) implies that one can differentiate between a thing (object of reality), a good (object of reality satisfying some complex of needs) and economic goods (object of reality satisfying some complex of needs with the necessity to be used economically).

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18 As is shown in Pošvanc (2019d) we, as individuals, have created some economic and normative standards. The above mention relativism we use to mitigate the uncertain future and our very subjective view of the world are thus open for this coordination and understanding of each other. They enable us economic coordination and economic understanding of each other. These normative concepts eliminate trap of subjective relativism.

19 It is obvious that not only market and voluntary relationships and agreements among people (e.g. some stock exchange rules) affect the normative determination of the definition of good, but also politically-initiated regulations or politically-normative rules.
The differentiation is possible as follows. The object of reality is a general part of reality (a thing) or part of the general welfare (good) when the complex of needs does not imply its inclusion into the portfolio of goods. There may or may not necessarily be the knowledge that the good satisfies a need. It could be in the case of things that we do not know that object of reality possibly could satisfy some needs (e.g. uranium century ago). Then it could be in the case of goods that we need not intentionally think about the need-good relationship because we have the supply of good as much as we need. It means the good is not subject to any intentional perception of the change of satisfaction over dissatisfaction of needs, it is merely a good in the form of a general condition of human welfare (e.g. water in an area where the water supply is extensive and a person drinks when he needs or goods as air or sunshine). Although goods as water or air are used by men, the needs satisfied by these free goods are met automatically without the necessity to prioritize them compare to other combination of needs; it is not necessary to imply any form of economic exploitation. Everything will change by intention of man to include goods into the portfolio of goods. It is precisely inclusion of good into the portfolio that we can imply that the good is perceived as an economic good\(^{20}\). The good ceases to be part of the general condition of human welfare and starts to be an economic good. The differentiation (mental as well as logical) enables the concept of portfolio. And this is because the law of diminishing marginal utility is applied to the portfolio, not to the good per se. If

\[^{20}\text{There is also an interesting question about how our predecessors started to differentiate among things, goods and economic goods. It is impossible to reconstruct or described this process empirically. At this point, we have at hand only the method of logical historical reconstruction (sometimes called as theoretical conjectural history); see method description e.g. in Pavlik (2004) or a brief outline in Pošvanc (2019d). If we imagine our predecessors as pre-humans with a lower level of awareness (e.g. mentally as children around 2-3 years), we can imply the existence of some quasi-needs. I use the term “quasi-needs” because if they were not fully aware themselves, it was not possible for them to become intentionally aware of what the needs are and what are explicitly goods that meet those needs. The need implies the intentionality of thinking. Rather, there had to be some instinctive (naturally controlled) processes where the quasi-needs were met automatically and the surrounding objects of reality were not perceived as some economic goods, but either as general condition of human misery-welfare or ignored objects of reality. It can be assumed that our predecessors did not fully realize what scarcity means; even to perceive scarcity we need to assume the intentionality of mind. Thus, they could have felt only physiologically (not consciously) their dissatisfaction connected with some vague perceived quasi-need; we see this today when we observe children – they feel misery or welfare. However, the physical durability of objects of reality also allowed accumulation and hoarding. Hoarding is not strange or some rare activity; we see it in nature as well. So, it is some kind of an instinctive activity. The accumulation could have been focused on any object of reality; not only useful. Meaning anything that causes attention or interest of the personality of “post-animal-pre-human” being. These individuals could have accumulated also things that were not necessarily limited (i.e., they were general condition of human welfare). However, they probable accumulated also physically limited objects of reality (they could not be fully aware of scarcity). Instinctive hoarding is therefore the way as they could have created incentives for the emerging Ego to differentiate between the objects of reality and economic goods. The incentive to differentiate here may have been not only the subjective perception of necessity of goods, but also the perceived usability of goods from other members of the group, or when they had to face any change in combination of needs caused by environmental change or some elementary economic social activities within the group (e.g. exchange, or liability repayment). To admit some possible attacks to this argumentation it has to be stressed that the assumption here is some kind of instinctive activity in the form of hoarding of objects of reality.}\]
economic good is included in or withdrawn from the portfolio implies that the action connected with the good in question changes the perception of the marginal utility of the portfolio. Thus, the concept of an economic good is the result of action, not a presupposition of the law of diminishing marginal utility.

The portfolio of goods, as a thought concept, just allows the mind to differentiate between what is an economic good, a good in terms of a general condition of human welfare, and what is an unusable object of reality - a thing. The differentiation between an economic good and a good in terms of a general condition of human welfare depends on whether the good is intentionally included into the portfolio or not. This is the only way we actually can distinguish one from the other. The differentiation between a general condition of human welfare and an inapplicable object of reality - a thing - is also done through a definition in terms of whether or not a person assigns them to his portfolio, however only from time to time. There is no intention to add a thing into the portfolio. However, due to the fact that a good in terms of general condition of human welfare can become an economic good by changing the combination of needs (from time to time), we know that it is a good. It is because we are able explicitly know that it satisfies some of our needs, e.g. water in the desert, if we move there from the rainforest, or fruits from the rain-forest trees when we move to savanna, or an air under water, or a sunshine in the cave, and so on. The human mind can differentiate all three options based on the portfolio concept which satisfies sum (combination) of needs. Attentive reader sees that the concept of portfolio coincides with private property concept. And it is not coincidence. As Engliš (1930) states teleological and normative order of thinking is decomposition of Kantian “as it should be” (it is the sphere where we see the intentionality of the mind). And it is not coincidence that here presented definition of good is decomposition of Menger´s condition to have ability to control the thing. Attentive reader sees that precondition to all of this is human intention.

Other implications

We can solve several of the problems mentioned above based on presented proposal. First, it is a relevant answer to Nozick (1977). We have maintained the law of diminishing marginal utility and the concept of strict preference. The law is applied in the area of the concept of sum of needs satisfied with sum of goods (portfolio). The strict preference is applied in the area of goods and to the portfolio per se.

There is no problem explaining why 2 beers over 1 are sometimes preferred (example of Wysocki, Block 2018) or 4 eggs over 3 (example of Rothbard 1956). This is due to the different perceived combination of needs and goods in question to be included into the portfolio in terms of the combination of needs. Combination of 2 beers or 4 eggs which person wants to include into the portfolio is more preferred because of combination of needs in question (e.g. to be drunk faster or in more intensity or preference of sweet cake satisfaction of needs over omelet one – Rothbard example) whereas the law of diminishing marginal utility is applied to a marginal change of the portfolio thus created.

In this way, it is also possible to explain the economization of some non-economic free goods that are composed into the portfolio if they satisfy special complex of needs (e.g. survive
underwater with air) and that they leave the portfolio as soon as the actual complex of perceived needs changes (e.g. I will stop diving).

We can better express ourselves on the moral (not economic) example given in Hoppe (2005) about a mother with two sons, Peter and Paul, whom their mother loves similar way, while they are drowning, and she can save only one of them. According to Wysocki (2017), saving Peter implies only that it happened that way and that the mother prefers the world with Peter and not with Paul for whatever reason. According to Wysocki, we know nothing else from the praxeological point of view. From the point of view of our theory, we know that “whatever reason” is not enough. We know that it is always a combination of needs and a combination of means and circumstances that made the mother ultimately opt for Peter and not for Paul. From a moral, legal and praxeological point of view, this knowledge about combination of needs and means gives us a benchmark to assess what the mother has done. Whether she will be a heroine or a murderer, whether we will sympathize with her, respectively whether we say that she did the best she could or not, and so on.

Proposed solution also shows that Machaj (2007) chooses the correct way. He is focusing on evaluation as the main way of explaining the problem. What is interesting in my opinion is that in this way it is also possible to explain the neoclassical claims about indifference. A person can actually be indifferent to the good A vs. good B, or any multi-dimensional model of goods (an example of multi-dimensionality is used in Wysocki 2016) because the case of indifference implies no change of portfolio, i.e. someone prefers to have present time portfolio in a time continuum, which he composed in the past and which suits him (present time) the best (towards the future). O'Neill's (2010) remarks that needs can be assessed in the context of ‘no worse than’ makes a completely different sense in this concept; meaning the complex of needs can be met by different combinations of the goods within the portfolio. This does not imply a weak indifference among particular goods, it implies a relative different grouping of goods in the portfolio which enable to satisfy relative combination of needs.

It is necessary for the neo-classical mainstream to acknowledge that at the moment when a person is indifferent between good A and B, the person is actually in optimal position. Indeed, being indifferent to both A and B implies that man is satisfied with what he has - some portfolio of goods that he anticipates will best respond to what the future will bring. For Austrians, it is possible to realize that the invariance of the portfolio is not necessarily an intentional choice for man at any time-point in his life; e.g. while sleeping or economically doing nothing. It doesn't mean that he doesn't act. It means that it does not act economically in the sense of a purposeful change of ownership of the sum of means by which he satisfies his needs.

Similarly, we can now see the freshness and relevance of the solution presented in Block (1980), where Block shifted the state of indifference per se into the thymological field. Although it was necessary to make several adjustments to this assertion, indifference remains in the thymological field, but, and this is a controversial piece of consequence of presented

This knowledge has implications for the problem of equilibrium, the process of equilibrium, or the definition of the state of equilibrium at the individual level of an individual, but we will deal with it in another, independent, work.
argumentation, it is also found in the action. Indifference is not only a psychological-historical conception, but it is also a conception of our actual actions, i.e. it is action-thymological concept. At this point, of course, it can be argued that the decision for no change to the portfolio still means strict preference (action). At the same time, however, in my opinion, this is a thymological state of the matter because the portfolio was compiled sometime in the past. This ambiguity is due to the fact that we deal with Nozick's objection as if in another layer of economic relations (the sum of needs is satisfied by the portfolio) and over time. And so, it seems relevant to me to say that the concept of indifference is precisely this action-thymological nature. In any case, this allows Austrians at least to understand of what might be thought of by neoclassics when they talk about optimality in making decisions based on indifference.

The last implication that comes to my mind is to understanding that the price of a good cannot be a prerequisite for changing the demand or supply of good. Change of the price is sometimes interpreted as motive for economic action. In my view, the two-dimensional indifference curves, which indicate this possibility at the point of collision of the budget-constrained curve, need to be adjusted by a third dimension; and that is the dimension of the portfolio of other goods owned by man. At the same time, it should be clear that the agreed market price is always the result of some action and the decision of the two agents. The realized price is never a precondition for action. It also implies a reason why we always see bid - ask on the market, the reason behind is the assessment of the enrichment vs. the impoverishment of the portfolio with a good that satisfies our needs.

**Conclusion**

The aim of this paper was to anchor the problem of indifference and choice in the time continuum. It seems to me that Nozick (1977) can be meaningfully answered through this solution. Similarly, the proposed solution allows us somehow link the Austrian and neoclassical approach to the problem of indifference and choice.

Matúš Pošvanc, 21.11.2019

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22 We will see how Block or Wysocki, whose opinion is that indifference is purely subject to thymology (the area of psychological-historical reasons for action), will potentially respond to this statement.
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