

Here is the price a nation must pay
if it really wants a planned economy.

Planning Away *Our* Liberty

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THE link between classical liberalism and present-day Socialism—often still misnamed liberalism—is undoubtedly the belief that the consummation of individual freedom requires relief from the most pressing economic cares. If this seems attainable only at the price of restricting freedom in economic activity, then that price must be paid; and it may be conceded that most of those who want to restrict private initiative in economic life do so in the hope of creating more freedom in spheres which they value higher. So successfully has ‘the Socialist ideal of freedom—social, economic and political’ been preached that the old cry of the opponents that Socialism means slavery has been completely silenced. Probably the great majority of the Socialist intellectuals regard themselves as the true upholders of the great tradition of intellectual and cultural liberty against that threatening monster—the authoritarian Leviathan.

Yet here and there, in the writings

of some of the more independent minds of our time who have generally welcomed the universal trend toward collectivism, a note of disquiet can be discerned. The question has forced itself upon them whether some of the shocking developments of the past decades may not be the necessary outcome of the tendencies which they had themselves favored. There are some elements in the present situation which strongly suggest that this may be so, such as the intellectual past of the authoritarian leaders, and the fact that many of the more advanced Socialists openly admit that the attainment of their ends is not possible without a thorough curtailment of individual liberty.

We see that the similarity between many of the most characteristic features of the ‘Fascist’ and the ‘Communist’ régimes becomes steadily more obvious. Nor is it an accident that in the Fascist States a Socialist is often regarded as a potential recruit, while the liberal of the old school is

recognized as the arch-enemy. And, above all, the effects of the gradual advance toward collectivism in the countries which still cherish the tradition of liberty on social and political institutions provide ample food for thought. Anyone who has had an opportunity to watch at close range the intellectual evolution of the peoples who eventually succumbed to authoritarianism cannot fail to observe a very similar chain of cause and effect in a much less advanced state proceeding in the countries which are yet free.

Can we be certain that we know exactly where the danger to liberty lies? Was the rise of the Fascist régimes really simply an intellectual reaction fomented by those whose privileges were abolished by social progress? Of course the direction of affairs in those countries has been taken out of the hands of the working classes and has been placed in those of a more efficient oligarchy. But have the new rulers not taken over the fundamental ideas and methods and simply turned them to their own ends?

It is astounding that these fateful possibilities which suggest themselves have not yet received more attention. If the suspicion of such a connection should prove correct, it would mean that we are witnessing one of the great tragedies in human history: more and more people being driven by their indignation about the suppression of political and intellectual freedom in some countries to join the forces which make its ultimate suppression inevitable. It would mean that many of the most active and sincere advocates of intellectual freedom are in effect its worst enemies and far more dangerous than its avowed

opponents, because they enlist the support of those who would recoil in horror if they understood the ultimate consequences.

II

An attempt will be made here to show why this connection, which experience suggests, must be regarded as of a necessary character—as dictated by the inherent logic of things. The main point is very simple. It is that the central economic planning, which is regarded as necessary to organize economic activity on more rational and efficient lines, presupposes a much more complete agreement on the relative importance of the different ends than actually exists. Therefore, in order to be able to plan, the planning authority must impose upon the people that detailed code of values which is lacking. And imposing here means more than merely reading such a detailed code of values into the vague general formulæ on which alone the people are able to agree. The people must be made to believe in this particular code of values, since the success or failure of the planning authority will in two different ways depend on whether it succeeds in creating that belief. On the one hand, it will only secure the necessary enthusiastic support if the people believe in the ends which the plan serves; and on the other hand, the outcome will only be regarded as successful if the ends served are generally regarded as the right ones.

A fuller exposition must begin with the problems which arise when a democracy begins to plan. Planning must be understood here in the wide sense of any deliberate attempt at central direction of economic activity

which goes beyond mere general rules that apply equally to all persons, and which tells different people individually what to do and what not to do. The demand for such planning arises because people are promised a greater measure of welfare if industry is consciously organized on rational lines and because it seems obvious that those particular ends which each individual most desires can be achieved by means of planning. But the agreement about the ends of planning is, in the first instance, necessarily confined to some blanket formula like the general welfare, greater equality or justice, etc.

Agreement on such a general formula is, however, not sufficient to determine a concrete plan, even if we take all the technical means as given. Planning always involves a sacrifice of some ends in favor of others, a balancing of costs and results, and this presupposes a complete ranging of the different ends in the order of their importance. To agree on a particular plan requires much more than agreement on some general ethical rule; it requires much more than general adherence to any of the ethical codes which have ever existed; it requires that sort of complete quantitative scale of values which manifests itself in the actual decisions of every individual but on which, in an individualist society, agreement is neither necessary nor present.

This fact—that a measure of agreement which does not exist is required in order to translate the apparent agreement on the desirability to plan into concrete action—has two important consequences. In the first instance it is responsible for the conspicuous inability of democratic assemblies to

carry out what is apparently the expressed will of the people, because it is only when it comes to translate the vague instructions into action that the lack of real agreement manifests itself. Hence the growing dissatisfaction with the 'talking shops' which fail to carry out what to the man in the street seems a clear mandate.

III

The second effect of the same cause, which appears wherever a democracy attempts to plan, is the general recognition that if efficient planning is to be done in a particular field, the direction of affairs must be 'taken out of politics' and placed in the hands of independent, autonomous bodies. This is usually justified by the technical character of the decisions to be made, for which the members of a democratic assembly are not qualified. But this excuse does not go to the root of the matter. Alterations in the structure of the civil law are no less technical and no more difficult to appreciate in all their implications; yet nobody would seriously suggest that legislation should here be delegated to a body of experts. The fact is, that such legislation will be carried no further than is permitted by true agreement between a majority. But in the direction of economic activity, say of transport, or industrial planning, the interests to be reconciled are so divergent that no true agreement on a single plan could be reached in a democratic assembly. Hence, in order to be able to extend action beyond the questions on which agreement exists, the decisions are reserved to a few representatives of the most powerful 'interests.'

But this expedient is not effective enough to placate the dissatisfaction which the impotence of the democracy must create among all friends of extensive planning. The delegation of special decisions to many independent bodies presents in itself a new obstacle to proper coördination of State action in different fields. The legislature is naturally reluctant to delegate decisions on really vital questions. And the agreement that planning is necessary, together with the inability to agree on a particular plan, must tend to strengthen the demand that the Government, or some single person, should be given power to act on their own responsibility. It becomes more and more the accepted belief that if one wants to get things done, the responsible director of affairs must be freed from the fetters of democratic procedure.

Democratic government has fallen into discredit because it has been burdened with tasks for which it is not suited. Here is a fact of the greatest importance which has not yet received adequate recognition. Yet the fundamental position is simply that the probability of agreement of a substantial portion of the population upon a particular course of action decreases as the scope of State activity expands. There are certain functions of the State on the exercise of which there will be practical unanimity. There will be others on which there will be agreement among a substantial majority. And so on until we come to fields where, although every individual might wish the government to intervene in some direction, there will be almost as many views about how the government should act as there are different persons.

Democratic government worked successfully so long as, by a widely accepted creed, the functions of the State were limited to fields where real agreement among a majority could be achieved. The price we have to pay for a democratic system is the restriction of State action to those fields where agreement can be obtained; and it is the great merit of a liberal society that it reduces the necessity of agreement to a minimum compatible with the diversity of individual opinions which will exist in a free society. It is often said that democracy will not tolerate capitalism. But if here 'capitalism' means a competitive society based on free disposal over private property, the much more important fact is that only capitalism makes democracy possible. And if a democratic people comes under the sway of an anti-capitalistic creed, this means that democracy will inevitably destroy itself.

IV

But if democracy had to abdicate only from the control of economic life, this might still be regarded as a minor evil compared with the advantages expected from planning. Indeed, many of the advocates of planning fully realize—and have resigned themselves to the fact—that if planning is to be effective, democracy in the economic sphere has to go by the board. But it is a fatal delusion to believe that authoritarian government can be confined to economic matters. The tragic fact is that dictatorial direction cannot remain confined to economic matters but is bound to expand and to become 'totalitarian' in the strict sense of the word. The economic dictator will soon find himself forced,

even against his wishes, to assume dictatorship over the whole of the political and cultural life of the people. We have already seen that the planner must not only impose a concrete and detailed scale of values upon the vague and general instructions given by popular clamor, but must also, if he wants to act at all, make the people believe that this imposed code of values is the right one. He is forced to create that unity of purpose which—apart from national crises like war—is absent in a free society. Even more, if he is to be allowed to carry out the plan which he thinks to be the right one, he must retain the popular support, that is, he must at all costs appear successful.

The decision on the relative importance of conflicting aims is necessarily a decision about the relative merits of different groups and individuals. Planning becomes necessarily a planning in favor of some and against others. The problem here is, of course, not that the different people concerned have not the most decided opinions on the relative merits of their respective wishes; it is rather that these opinions are irreconcilable. But the ground on which the more or less arbitrary decision of the authority rests must be made to appear just, to be based on some ultimate ideal in which everybody is supposed to believe. The inevitable distinction between persons must be made a distinction of rank, most conveniently and naturally based on the degree to which people share and loyally support the creed of the ruler. And it further clarifies the position if to the aristocracy of creed at one end of the scale there corresponds a class of outcasts at the other, whose interests can in all cases be

sacrificed to those of the privileged class.

But conformity to the ruling ideas cannot be regarded as a special merit, although those who excel by their devotion to the creed will be rewarded. It must be exacted from everybody. Every doubt in the rightness of the ends aimed at or the methods adopted is apt to diminish loyalty and enthusiasm and must therefore be treated as sabotage. The creation and enforcement of the common creed and of the belief in the supreme wisdom of the ruler becomes an indispensable instrument for the success of the planned system. The ruthless use of all potential instruments of propaganda and the suppression of every expression of dissent is not an accidental accompaniment of a centrally directed system—it is an essential part of it.

Nor can moral coercion be confined to the acceptance of the ethical code underlying the whole plan. It is in the nature of things that many parts of this code, many parts of the scale of values underlying the plan, can never be explicitly stated. They exist only implicitly in the plan. But this means that every part of the plan, in fact, every action of the government or its agencies, becomes sacrosanct and exempt from criticism.

V

It is, however, only the expression of criticism that can be forcibly suppressed. But doubts that are never uttered and hesitation that is never voiced have equally insidious effects, even if they dwell only in the minds of the people. Everything which might induce discontent must therefore be

kept from them. The basis for comparison with conditions elsewhere, the knowledge of possible alternatives to the course taken, information which might suggest failure on the part of the Government to live up to its promises or to take advantage of opportunities to improve the lot of the people—all these must be suppressed. Indeed, there is no subject that has not some possible bearing on the estimation in which the Government will be held. There is consequently no field where the systematic control of information will not be practiced. That the Government which claims to plan economic life soon asserts its totalitarian character is no accident—it can do nothing less if it wants to remain true to the intention of planning. Economic life is not a sector of human life which can be separated from the rest; it is the administration of the means for all our different ends. Whoever takes charge of these means must determine which ends shall be served: which values are to be rated higher and which lower—in short, what men should believe and strive for. And man himself becomes little more than a means for the realization of the ideals which may guide the dictator.

It is to be feared that to a great many of our contemporaries this picture, even should they recognize it as true, has lost most of the terror which it would have inspired in our fathers. There were, of course, always many to whom intellectual coercion was only objectionable if it was exercised by others, and who regarded it as beneficial if it was exercised for ends of which they approved. How many of the exiled intellectuals from the authoritarian countries would be only too ready to apply the intellectual

coercion which they condemn in their opponents in order to make the people believe in their own ideals—incidentally another illustration for the close kinship of the fundamental principles of Fascism and Communism!

But although the liberal age was probably freer from intellectual coercion than any other, the desire to force upon people a creed which is regarded as salutary for them is not a new phenomenon. What is new is the attempt to justify it on the part of the Socialist intellectuals of our time. There is no real freedom of thought in a capitalist society, so it is said, because the opinions and tastes of the masses are inevitably shaped by propaganda, by advertising, by the example of the upper classes and by other environmental factors which relentlessly force the thinking of the people into well-worn grooves. But if, the argument proceeds, the ideals and tastes of the great majority are formed by environmental factors which are under human control, we might as well use this power to turn their thoughts in what we think a desirable direction. That is, from the fact that the great majority have not learned to think independently but accept the ideas which they find ready-made, the conclusion is drawn that a particular group of people—of course, those who advocate this—are justified in assuming to themselves the exclusive power to determine what the people should believe.

VI

It is not my intention to deny that for the great majority of individuals the existence or non-existence of intellectual freedom makes little dif-

ference to their personal happiness; nor to deny that they will be equally happy if born or coaxed into one set of beliefs rather than another, and whether they have grown accustomed to one kind of amusement or another. That in any society it will be only the comparatively few for whom freedom of thought is of any significance or exists in any real sense is probably only too true. But to deprecate the value of intellectual freedom because it will never give everybody the same opportunity of independent thought is completely to miss the reasons which give intellectual freedom its value. What is essential to make it serve its function as the prime mover of intellectual progress is not that everybody may think or write everything, but that any cause or any idea may be argued by somebody. So long as dissent is not actually prevented, there will always be some who will query the ideas ruling their contemporaries and put new ideas to the test of argument and propaganda. The social process which we call human reason and which consists of the interaction of individuals possessing different information and different views, sometimes consistent and sometimes conflicting, goes on. Once given the possibility of dissent there will be dissenters, however small the proportion of people who are capable of independent

thought. Only the imposition of an official doctrine which must be accepted and which nobody dare question can stop intellectual progress.

How completely the imposition of a comprehensive authoritarian creed stifles all spirit of independent inquiry; how it destroys the sense for any other meaning of truth than that of conformity with the official doctrine; how differences of opinion in every branch of knowledge become political issues—these must be seen in one of the totalitarian countries to be appreciated. We must hope that those in the Western world who seem to be ready to sacrifice intellectual freedom because it does not mean the same economic opportunity for all will yet realize what is at stake. The great danger comes from the fact that we take so much of the inheritance of the liberal age for granted—have come to regard it as the inalienable property of our civilization—that we cannot fully conceive what it would mean if we lost it. Yet freedom and democracy are not free gifts which will remain with us if we only wish. The time seems to have come when it is once again necessary to become fully conscious of the conditions which make them possible, and to defend these conditions even if they seem to block the path to the achievement of other ideals.

DISTANCE LENDS ENCHANTMENT

In the lobby of the French Chamber, Chancellor Hitler was being compared with Premier Mussolini. The only Deputy who knew both dictators personally was Jean Goy, who was reluctant to give his opinion. At last, upon being hard pressed, he said: 'All right—but don't pass it on. If you are in the presence of one, you prefer the other.'

—*Vendémiaire*, Paris

An explanation of Hitler's policy by a Nazi editor; a visit to Göring's castle; rules for a truly Teutonic wedding; the dreaded Gestapo at work.

The German Scene

I. THE FÜHRER'S DIPLOMACY

By RUDOLF KIRCHER

Translated from the *Frankfurter Zeitung*, German Coördinated Daily

FOR so many years we Germans had been satisfied with the minimum that we had altogether forgotten to think in terms of achievement. Then came the Führer, who regarded maximum achievements as barely sufficient. It takes one's breath away merely to stand by and watch him move on from success to success. Those once complacent foreigners who believed that they alone could play the game of power have themselves now become bystanders. For such they were, and nothing more, during the recent Austrian crisis. But before they begin to estimate whether their strength is sufficient for them to interfere forcibly with our further progress, they would do well to ask themselves honestly whether their new rôle of bystander is not the natural one and the old one wrong and presumptuous. In this connection, the Austrian crisis is again instructive: after the thin but closely woven veil with which Dollfuss and Schuschnigg had deluded their

people had been torn away, the true sentiments of Austria came to the surface. France, Czechoslovakia and the others had bet on the wrong card; they had backed a dictatorial clique, not the Austrian people.

German diplomacy can be explained by a very simple formula: wherever the 1919 settlement falsified and outraged the true and natural balance of conditions in favor of the Allied Powers, our principal method has consisted in exposing the injustice and letting right speak for itself. It is primarily because of this method that Germany has achieved so much without war. Had not the Versailles Treaty been such an inexhaustible source of injustice, and had we not been able to prove our own right so clearly, the struggle for justice would have developed rapidly into an open struggle for power, ultimately to be solved only by armed force. As Germans, our purpose was to expose this injustice, while the others used all their gran-