CONTENTS

Preface vii

Introduction 1

1. The Abandoned Road 10
2. The Great Utopia 24
3. Individualism and Collectivism 33
4. The “Inevitability” of Planning 45
5. Planning and Democracy 59
6. Planning and the Rule of Law 75
7. Economic Control and Totalitarianism 91
8. Who, Whom? 105
9. Security and Freedom 123
10. Why the Worst Get on Top 138
11. The End of Truth 157
12. The Socialist Roots of Nazism 171
13. The Totalitarians in our Midst 186
14. Material Conditions and Ideal Ends 207
15. The Prospects of International Order 225
2

THE GREAT UTOPIA

What has always made the state a hell on earth has been precisely that man has tried to make it his heaven.

F. Hoelderlin.

That socialism has displaced liberalism as the doctrine held by the great majority of progressives does not simply mean that people had forgotten the warnings of the great liberal thinkers of the past about the consequences of collectivism. It has happened because they were persuaded of the very opposite of what these men had predicted. The extraordinary thing is that the same socialism that was not only early recognised as the gravest threat to freedom, but quite openly began as a reaction against the liberalism of the French Revolution, gained general acceptance under the flag of liberty. It is rarely remembered now that socialism in its beginnings was frankly authoritarian. The French writers who laid the foundations of modern socialism had no doubt that their ideas could be put into practice only by a strong dictatorial government. To them socialism meant an attempt to “terminate the revolution” by a deliberate reorganisation of
society on hierarchical lines, and the imposition of a coercive “spiritual power”. Where freedom was concerned, the founders of socialism made no bones about their intentions. Freedom of thought they regarded as the root-evil of nineteenth-century society, and the first of modern planners, Saint-Simon, even predicted that those who did not obey his proposed planning boards would be “treated as cattle”.

Only under the influence of the strong democratic currents preceding the revolution of 1848 did socialism begin to ally itself with the forces of freedom. But it took the new “democratic socialism” a long time to live down the suspicions aroused by its antecedents. Nobody saw more clearly than de Tocqueville that democracy as an essentially individualist institution stood in an irreconcilable conflict with socialism:

Democracy extends the sphere of individual freedom [he said in 1848], socialism restricts it. Democracy attaches all possible value to each man; socialism makes each man a mere agent, a mere number. Democracy and socialism have nothing in common but one word: equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude.¹

To allay these suspicions and to harness to its cart the strongest of all political motives, the craving for freedom, socialism began increasingly to make use of the promise of a “new freedom”. The coming of socialism was to be the leap from the realm of necessity to the realm of freedom. It was to bring “economic freedom”, without which the political freedom already gained was “not worth having”. Only socialism was capable of effecting

the consummation of the agelong struggle for freedom in which the attainment of political freedom was but a first step.

The subtle change in meaning to which the word freedom was subjected in order that this argument should sound plausible is important. To the great apostles of political freedom the word had meant freedom from coercion, freedom from the arbitrary power of other men, release from the ties which left the individual no choice but obedience to the orders of a superior to whom he was attached. The new freedom promised, however, was to be freedom from necessity, release from the compulsion of the circumstances which inevitably limit the range of choice of all of us, although for some very much more than for others. Before man could be truly free, the “despotism of physical want” had to be broken, the “restraints of the economic system” relaxed.

Freedom in this sense is, of course, merely another name for power or wealth. Yet, although the promises of this new freedom were often coupled with irresponsible promises of a great increase in material wealth in a socialist society, it was not from such an absolute conquest of the niggardliness of nature that economic freedom was expected. What the promise really amounted to was that the great existing disparities in the range of choice of different people were to disappear. The demand for the new freedom was thus only another name for the old

1 The characteristic confusion of freedom with power, which we shall meet again and again throughout this discussion, is too big a subject to be thoroughly examined here. As old as socialism itself, it is so closely allied with it that almost seventy years ago a French scholar, discussing its Saint-Simonian origins, was led to say that this theory of liberty “est à elle seule tout le socialisme” (P. Janet, Saint-Simon et le Saint-Simonisme, 1878, p. 26, note). The most explicit defender of this confusion is, significantly, the leading philosopher of American left-wingism, John Dewey, according to whom “liberty is the effective power to do specific things” so that “the demand for liberty is demand for power” (“Liberty and Social Control”, The Social Frontier, November 1935, p. 41).
demand for an equal distribution of wealth. But the new name
gave the socialists another word in common with the liberals
and they exploited it to the full. And although the word was used
in a different sense by the two groups, few people noticed this
and still fewer asked themselves whether the two kinds of
freedom promised really could be combined.

There can be no doubt that the promise of greater freedom
has become one of the most effective weapons of socialist
propaganda and that the belief that socialism would bring free­
dom is genuine and sincere. But this would only heighten the
tragedy if it should prove that what was promised to us as the
Road to Freedom was in fact the High Road to Servitude.
Unquestionably the promise of more freedom was responsible
for luring more and more liberals along the socialist road, for
blinding them to the conflict which exists between the basic
principles of socialism and liberalism, and for often enabling
socialists to usurp the very name of the old party of freedom.
Socialism was embraced by the greater part of the intelligentsia
as the apparent heir of the liberal tradition: therefore it is not
surprising that to them the idea should appear inconceivable of
socialism leading to the opposite of liberty.

*   *   *   *   *   *

In recent years, however, the old apprehensions of the
unforeseen consequences of socialism have once more been
strongly voiced from the most unexpected quarters. Observer
after observer, in spite of the contrary expectation with which he
approached his subject, has been impressed with the extraordi­
nary similarity in many respects of the conditions under “fas­
cism” and “communism”. While “progressives” in this country
and elsewhere were still deluding themselves that communism
and fascism represented opposite poles, more and more people
began to ask themselves whether these new tyrannies were not
the outcome of the same tendencies. Even communists must
have been somewhat shaken by such testimonies as that of Mr. Max Eastman, Lenin's old friend, who found himself compelled to admit that "instead of being better, Stalinism is worse than fascism, more ruthless, barbarous, unjust, immoral, antidemocratic, unredeemed by any hope or scruple", and that it is "better described as superfascist"; and when we find the same author recognising that "Stalinism is socialism, in the sense of being an inevitable although unforeseen political accompaniment of the nationalisation and collectivisation which he had relied upon as part of his plan for erecting a classless society", his conclusion clearly achieves wider significance.

Mr. Eastman's case is perhaps the most remarkable, yet he is by no means the first or the only sympathetic observer of the Russian experiment to form similar conclusions. Several years earlier Mr. W. H. Chamberlin, who in twelve years in Russia as an American correspondent had seen all his ideals shattered, summed up the conclusions of his studies there and in Germany and Italy in the statement that "Socialism is certain to prove, in the beginning at least, the road NOT to freedom, but to dictatorship and counter-dictatorships, to civil war of the fiercest kind. Socialism achieved and maintained by democratic means seems definitely to belong to the world of utopias." Similarly a British writer, Mr. F. A. Voigt, after many years of close observation of developments in Europe as a foreign correspondent, concludes that "Marxism has led to Fascism and National-Socialism, because, in all essentials, it is Fascism and National Socialism". And Dr. Walter Lippmann has arrived at the conviction that

the generation to which we belong is now learning from experience what happens when men retreat from freedom to a

---

1 Max Eastman, Stalin's Russia and the Crisis of Socialism, 1940, p. 82.
3 F. A. Voigt, Unto Caesar, 1939, p. 95.
coercive organisation of their affairs. Though they promise
themselves a more abundant life, they must in practice renounce
it; as the organised direction increases, the variety of ends
must give way to uniformity. That is the nemesis of the planned
society and the authoritarian principle in human affairs.¹

Many more similar statements from people in a position to
judge might be selected from publications of recent years, par­
ticularly from those by men who as citizens of the now totalitar­
ian countries have lived through the transformation and have
been forced by their experience to revise many cherished beliefs.
We shall quote as one more example a German writer who
expresses the same conclusion perhaps more justly than those
already quoted.

The complete collapse of the belief in the attainability of
freedom and equality through Marxism [writes Mr. Peter
Drucker²] has forced Russia to travel the same road towards a
totalitarian, purely negative, non-economic society of
unfreedom and inequality which Germany has been following.
Not that communism and fascism are essentially the same.
Fascism is the stage reached after communism has proved an
illusion, and it has proved as much an illusion in Stalinist
Russia as in pre-Hitler Germany.

No less significant is the intellectual history of many of the
Nazi and Fascist leaders. Everybody who has watched the growth
of these movements in Italy³ or Germany has been struck by the

¹ Atlantic Monthly, November 1936, p. 552.
² The End of Economic Man, 1939, p. 230.
³ An illuminating account of the intellectual history of many of the Fascist
leaders will be found in R. Michels (himself an ex-Marxist Fascist), Sozialismus
number of leading men, from Mussolini downwards (and not excluding Laval and Quisling), who began as socialists and ended as Fascists or Nazis. And what is true of the leaders is even more true of the rank and file of the movement. The relative ease with which a young communist could be converted into a Nazi or vice versa was generally known in Germany, best of all to the propagandists of the two parties. Many a University teacher in this country during the 1930s has seen English and American students return from the Continent, uncertain whether they were communists or Nazis and certain only that they hated Western liberal civilisation.

It is true, of course, that in Germany before 1933 and in Italy before 1922 communists and Nazis or Fascists clashed more frequently with each other than with other parties. They competed for the support of the same type of mind and reserved for each other the hatred of the heretic. But their practice showed how closely they are related. To both, the real enemy, the man with whom they had nothing in common and whom they could not hope to convince, is the liberal of the old type. While to the Nazi the communist, and to the communist the Nazi, and to both the socialist, are potential recruits who are made of the right timber, although they have listened to false prophets, they both know that there can be no compromise between them and those who really believe in individual freedom.

Lest this be doubted by people misled by official propaganda from either side, let me quote one more statement from an authority that ought not to be suspect. In an article under the significant title of "The Rediscovery of Liberalism", Professor Eduard Heimann, one of the leaders of German religious socialism, writes:

Hitlerism proclaims itself as both true democracy and true socialism, and the terrible truth is that there is a grain of truth for such claims—an infinitesimal grain, to be sure, but at any
rate enough to serve as a basis for such fantastic distortions. Hitlerism even goes so far as to claim the rôle of protector of Christianity, and the terrible truth is that even this gross misinterpretation is able to make some impression. But one fact stands out with perfect clarity in all the fog: Hitler has never claimed to represent true liberalism. Liberalism then has the distinction of being the doctrine most hated by Hitler.'

It should be added that this hatred had little occasion to show itself in practice merely because, by the time Hitler came to power, liberalism was to all intents and purposes dead in Germany. And it was socialism that had killed it.

*   *   *   *   *

While to many who have watched the transition from socialism to fascism at close quarters the connection between the two systems has become increasingly obvious, in this country the majority of people still believe that socialism and freedom can be combined. There can be no doubt that most socialists here still believe profoundly in the liberal ideal of freedom, and that they would recoil if they became convinced that the realisation of their programme would mean the destruction of freedom. So little is the problem yet seen, so easily do the most irreconcilable ideals still live together, that we can still hear such contradictions in terms as "individualist socialism" seriously discussed. If this is the state of mind which makes us drift into a new world, nothing can be more urgent than that we should seriously examine the real significance of the evolution that has taken place.

1 Social Research (New York), vol. VIII, no. 4, November 1941.—It deserves to be recalled in this connection that, whatever may have been his reasons, Hitler thought it expedient to declare in one of his public speeches as late as February 1941 that "basically National Socialism and Marxism are the same" (Cf. The Bulletin of International News published by the Royal Institute of International Affairs, vol. XVIII, no. 5, p. 269.)
elsewhere. Although our conclusions will only confirm the apprehensions which others have already expressed, the reasons why this development cannot be regarded as accidental will not appear without a rather full examination of the main aspects of this transformation of social life. That democratic socialism, the great utopia of the last few generations, is not only unachievable, but that to strive for it produces something so utterly different that few of those who now wish it would be prepared to accept the consequences, many will not believe till the connection has been laid bare in all its aspects.
PLANNING AND DEMOCRACY

The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted to no council and senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

Adam Smith.

The common features of all collectivist systems may be described, in a phrase ever dear to socialists of all schools, as the deliberate organisation of the labours of society for a definite social goal. That our present society lacks such “conscious” direction towards a single aim, that its activities are guided by the whims and fancies of irresponsible individuals, has always been one of the main complaints of its socialist critics.

In many ways this puts the basic issue very clearly. And it directs us at once to the point where the conflict arises between
individual freedom and collectivism. The various kinds of collectivism, communism, fascism, etc., differ between themselves in the nature of the goal towards which they want to direct the efforts of society. But they all differ from liberalism and individualism in wanting to organise the whole of society and all its resources for this unitary end, and in refusing to recognise autonomous spheres in which the ends of the individuals are supreme. In short, they are totalitarian in the true sense of this new word which we have adopted to describe the unexpected but nevertheless inseparable manifestations of what in theory we call collectivism.

The "social goal", or "common purpose", for which society is to be organised, is usually vaguely described as the "common good", or the "general welfare", or the "general interest". It does not need much reflection to see that these terms have no sufficiently definite meaning to determine a particular course of action. The welfare and the happiness of millions cannot be measured on a single scale of less and more. The welfare of a people, like the happiness of a man, depends on a great many things that can be provided in an infinite variety of combinations. It cannot be adequately expressed as a single end, but only as a hierarchy of ends, a comprehensive scale of values in which every need of every person is given its place. To direct all our activities according to a single plan presupposes that every one of our needs is given its rank in an order of values which must be complete enough to make it possible to decide between all the different courses between which the planner has to choose. It presupposes, in short, the existence of a complete ethical code in which all the different human values are allotted their due place.

The conception of a complete ethical code is unfamiliar and it requires some effort of imagination to see what it involves. We are not in the habit of thinking of moral codes as more or less complete. The fact that we are constantly choosing between
different values without a social code prescribing how we ought
to choose, does not surprise us, and does not suggest to us that
our moral code is incomplete. In our society there is neither
occasion nor reason why people should develop common views
about what should be done in such situations. But where all the
means to be used are the property of society, and are to be used
in the name of society according to a unitary plan, a “social”
view about what ought to be done must guide all decisions. In
such a world we should soon find that our moral code is full of
gaps.

We are not concerned here with the question whether it
would be desirable to have such a complete ethical code. It may
merely be pointed out that up to the present the growth of
civilisation has been accompanied by a steady diminution of the
sphere in which individual actions are bound by fixed rules. The
rules of which our common moral code consists have progres­
sively become fewer and more general in character. From the
primitive man who was bound by an elaborate ritual in almost
every one of his daily activities, who was limited by innumerable	aboos, and who could scarcely conceive of doing things in a
way different from his fellows, morals have more and more
tended to become merely limits circumscribing the sphere
within which the individual could behave as he liked. The adop­
tion of a common ethical code comprehensive enough to
determine a unitary economic plan would mean a complete
reversal of this tendency.

The essential point for us is that no such complete ethical
code exists. The attempt to direct all economic activity according
to a single plan would raise innumerable questions to which the
answer could be provided only by a moral rule, but to which
existing morals have no answer and where there exists no agreed
view on what ought to be done. People will have either no
definite views or conflicting views on such questions, because in
the free society in which we have lived there has been no
occasion to think about them and still less to form common opinions about them.

* * * * *

Not only do we not possess such an all-inclusive scale of values: it would be impossible for any mind to comprehend the infinite variety of different needs of different people which compete for the available resources and to attach a definite weight to each. For our problem it is of minor importance whether the ends for which any person cares comprehend only his own individual needs, or whether they include the needs of his closer or even those of his more distant fellows—that is, whether he is egoistic or altruistic in the ordinary senses of these words. The point which is so important is the basic fact that it is impossible for any man to survey more than a limited field, to be aware of the urgency of more than a limited number of needs. Whether his interests centre round his own physical needs, or whether he takes a warm interest in the welfare of every human being he knows, the ends about which he can be concerned will always be only an infinitesimal fraction of the needs of all men.

This is the fundamental fact on which the whole philosophy of individualism is based. It does not assume, as is often asserted, that man is egoistic or selfish, or ought to be. It merely starts from the indisputable fact that the limits of our powers of imagination make it impossible to include in our scale of values more than a sector of the needs of the whole society, and that, since, strictly speaking, scales of value can exist only in individual minds, nothing but partial scales of values exist, scales which are inevitably different and often inconsistent with each other. From this the individualist concludes that the individuals should be allowed, within defined limits, to follow their own values and preferences rather than somebody else's, that within these spheres the individual's system of ends should be supreme
and not subject to any dictation by others. It is this recognition of the individual as the ultimate judge of his ends, the belief that as far as possible his own views ought to govern his actions, that forms the essence of the individualist position.

This view does not, of course, exclude the recognition of social ends, or rather of a coincidence of individual ends which makes it advisable for men to combine for their pursuit. But it limits such common action to the instances where individual views coincide; what are called “social ends” are for it merely identical ends of many individuals—or ends to the achievement of which individuals are willing to contribute in return for the assistance they receive in the satisfaction of their own desires. Common action is thus limited to the fields where people agree on common ends. Very frequently these common ends will not be ultimate ends to the individuals, but means which different persons can use for different purposes. In fact, people are most likely to agree on common action where the common end is not an ultimate end to them, but a means capable of serving a great variety of purposes.

When individuals combine in a joint effort to realise ends they have in common, the organisations, like the state, that they form for this purpose, are given their own system of ends and their own means. But any organisation thus formed remains one “person” among others, in the case of the state much more powerful than any of the others, it is true, yet still with its separate and limited sphere in which alone its ends are supreme. The limits of this sphere are determined by the extent to which the individuals agree on particular ends; and the probability that they will agree on a particular course of action necessarily decreases as the scope of such action extends. There are certain functions of the state on the exercise of which there will be practical unanimity among its citizens; there will be others on which there will be agreement of a substantial majority; and so on, till we come to fields where, although each individual
might wish the state to act in some way, there will be almost as many views about what the government should do as there are different people.

We can rely on voluntary agreement to guide the action of the state only so long as it is confined to spheres where agreement exists. But not only when the state undertakes direct control in fields where there is no such agreement is it bound to suppress individual freedom. We can unfortunately not indefinitely extend the sphere of common action and still leave the individual free in his own sphere. Once the communal sector, in which the state controls all the means, exceeds a certain proportion of the whole, the effects of its actions dominate the whole system. Although the state controls directly the use of only a large part of the available resources, the effects of its decisions on the remaining part of the economic system become so great that indirectly it controls almost everything. Where, as was, for example, true in Germany as early as 1928, the central and local authorities directly control the use of more than half the national income (according to an official German estimate then, 53 per cent.) they control indirectly almost the whole economic life of the nation. There is, then, scarcely an individual end which is not dependent for its achievement on the action of the state, and the "social scale of values" which guides the state's action must embrace practically all individual ends.

*   *   *   *   *

It is not difficult to see what must be the consequences when democracy embarks upon a course of planning which in its execution requires more agreement than in fact exists. The people may have agreed on adopting a system of directed economy because they have been convinced that it will produce great prosperity. In the discussions leading to the decision, the goal of planning will have been described by some such term as "common welfare" which only conceals the absence of real agreement
on the ends of planning. Agreement will in fact exist only on the mechanism to be used. But it is a mechanism which can be used only for a common end; and the question of the precise goal towards which all activity is to be directed will arise as soon as the executive power has to translate the demand for a single plan into a particular plan. Then it will appear that the agreement on the desirability of planning is not supported by agreement on the ends the plan is to serve. The effect of the people agreeing that there must be central planning, without agreeing on the ends, will be rather as if a group of people were to commit themselves to take a journey together without agreeing where they want to go: with the result that they may all have to make a journey which most of them do not want at all. That planning creates a situation in which it is necessary for us to agree on a much larger number of topics than we have been used to, and that in a planned system we cannot confine collective action to the tasks on which we can agree, but are forced to produce agreement on everything in order that any action can be taken at all, is one of the features which contribute more than most to determining the character of a planned system.

It may have been the unanimously expressed will of the people that parliament should prepare a comprehensive economic plan, yet neither the people nor its representatives need therefore be able to agree on any particular plan. The inability of democratic assemblies to carry out what seems to be a clear mandate of the people will inevitably cause dissatisfaction with democratic institutions. Parliaments come to be regarded as ineffective "talking shops", unable or incompetent to carry out the tasks for which they have been chosen. The conviction grows that if efficient planning is to be done, the direction must be "taken out of politics" and placed in the hands of experts, permanent officials or independent autonomous bodies.

The difficulty is well known to socialists. It will soon be half a century since the Webbs began to complain of "the increased
incapacity of the House of Commons to cope with its work". More recently, Professor Laski has elaborated the argument:

> It is common ground that the present parliamentary machine is quite unsuited to pass rapidly a great body of complicated legislation. The National Government, indeed, has in substance admitted this by implementing its economy and tariff measures not by detailed debate in the House of Commons but by a wholesale system of delegated legislation. A Labour Government would, I presume, build upon the amplitude of this precedent. It would confine the House of Commons to the two functions it can properly perform: the ventilation of grievances and the discussion of general principles of its measures. Its Bills would take the form of general formulæ conferring wide powers on the appropriate government departments; and those powers would be exercised by Order in Council which could, if desired, be attacked in the House by means of a vote of no confidence. The necessity and value of delegated legislation has recently been strongly reaffirmed by the Donoughmore Committee; and its extension is inevitable if the process of socialisation is not to be wrecked by the normal methods of obstruction which existing parliamentary procedure sanctions.

And to make it quite clear that a socialist government must not allow itself to be too much fettered by democratic procedure, Professor Laski at the end of the same article raised the question "whether in a period of transition to Socialism, a Labour Government can risk the overthrow of its measures as a result of the next general election"—and left it significantly unanswered.

---

1 S. and B. Webb, Industrial Democracy, 1897, p. 800, footnote.
2 H. J. Laski, "Labour and the Constitution", The New Statesman and Nation, No. 81 (New Series), Sept. 10th, 1932, p. 277. In a book (Democracy in Crisis, 1933,
It is important clearly to see the causes of this admitted ineffectiveness of parliaments when it comes to a detailed administration of the economic affairs of a nation. The fault is neither with the individual representatives nor with parliamentary institutions as such, but with the contradictions inherent in the task with which they are charged. They are not asked to act where they can agree, but to produce agreement on everything—the whole direction of the resources of the nation. For such a task the system of majority decision is, however, not suited. Majorities will be found where it is a choice between limited alternatives; but it is a superstition to believe that there must be a majority view on everything. There is no reason why there should be a majority in favour of any one of the different possible courses of positive action if their number is legion. Every member of the legislative assembly might prefer some particular plan for the direction of economic activity to no plan, yet no one plan may appear preferable to a majority to no plan at all.

Nor can a coherent plan be achieved by breaking it up into parts and voting on particular issues. A democratic assembly voting and amending a comprehensive economic plan clause by clause, as it deliberates on an ordinary bill, makes nonsense. An

particularly p. 87) in which Professor Laski later elaborated these ideas, his determination that parliamentary democracy must not be allowed to form an obstacle to the realisation of socialism is even more plainly expressed: not only would a socialist government “take vast powers and legislate under them by ordinance and decree” and “suspend the classic formulae of normal opposition”, but the “continuance of parliamentary government would depend on its [i.e. the Labour Government’s] possession of guarantees from the Conservative Party that its work of transformation would not be disrupted by repeal in the event of its defeat at the polls”!

As Professor Laski invokes the authority of the Donoughmore Committee it may be worth recalling that Professor Laski was a member of that committee and presumably one of the authors of its report.
economic plan, to deserve the name, must have a unitary conception. Even if parliament could, proceeding step by step, agree on some scheme, it would certainly in the end satisfy nobody. A complex whole where all the parts must be most carefully adjusted to each other, cannot be achieved through a compromise between conflicting views. To draw up an economic plan in this fashion is even less possible than, for example, successfully to plan a military campaign by democratic procedure. As in strategy it would become inevitable to delegate the task to the experts.

Yet the difference is that, while the general who is put in charge of a campaign is given a single end to which, for the duration of the campaign, all the means under his control have to be exclusively devoted, there can be no such single goal given to the economic planner, and no similar limitation of the means imposed upon him. The general has not got to balance different independent aims against each other; there is for him only one supreme goal. But the ends of an economic plan, or of any part of it, cannot be defined apart from the particular plan. It is the essence of the economic problem that the making of an economic plan involves the choice between conflicting or competing ends—different needs of different people. But which ends do so conflict, which will have to be sacrificed if we want to achieve certain others, in short, which are the alternatives between which we must choose, can only be known to those who know all the facts; and only they, the experts, are in a position to decide which of the different ends are to be given preference. It is inevitable that they should impose their scale of preferences on the community for which they plan.

This is not always clearly recognised and delegation is usually justified by the technical character of the task. But this does not mean that only the technical detail is delegated, or even that the inability of parliaments to understand the technical detail is
the root of the difficulty. Alterations in the structure of civil law are no less technical and no more difficult to appreciate in all their implications; yet nobody has yet seriously suggested that legislation there should be delegated to a body of experts. The fact is that in these fields legislation does not go beyond general rules on which true majority agreement can be achieved, while in the direction of economic activity the interests to be reconciled are so divergent that no true agreement is likely to be reached in a democratic assembly.

It should be recognised, however, that it is not the delegation of law-making power as such, which is so objectionable. To oppose delegation as such is to oppose a symptom instead of the

---

1 It is instructive in this connection briefly to refer to the Government document in which in recent years these problems have been discussed. As long as thirteen years ago, that is before this country finally abandoned economic liberalism, the process of delegating legislative powers had already been carried to a point where it was felt necessary to appoint a committee to investigate "what safeguards are desirable or necessary to secure the sovereignty of Law". In its report the "Donoughmore Committee" (Report of the [Lord Chancellor’s] Committee on Ministers’ Powers, Cmd. 4060, 1932) showed that even at that date Parliament had resorted "to the practice of wholesale and indiscriminate delegation" but regarded this (it was before we had really glanced into the totalitarian abyss!) as an inevitably and relatively innocuous development. And it is probably true that delegation as such need not be a danger to freedom. The interesting point is why delegation had become necessary on such a scale. First place among the causes enumerated in the report is given to the fact that "Parliament nowadays passes so many laws every year" and that "much of the detail is so technical as to be unsuitable for Parliamentary discussion". But if this were all there would be no reason why the detail should not be worked out before rather than after Parliament passes a law. What is probably in many cases a much more important reason why, "if Parliament were not willing to delegate law-making power, Parliament would be unable to pass the kind and quantity of legislation which public opinion requires" is innocently revealed in the little sentence that "many of the laws affect people’s lives so closely that elasticity is essential"! What does this mean if not conferment of arbitrary power, power limited by no fixed principles and which in the opinion of Parliament cannot be limited by definite and unambiguous rules?
cause and, as it may be a necessary result of other causes, to weaken the case. So long as the power that is delegated is merely the power to make general rules, there may be very good reasons why such rules should be laid down by local rather than by the central authority. The objectionable feature is that delegation is so often resorted to because the matter in hand cannot be regulated by general rules but only by the exercise of discretion in the decision of particular cases. In these instances delegation means that some authority is given power to make with the force of law what to all intents and purposes are arbitrary decisions (usually described as “judging the case on its merits”).

The delegation of particular technical tasks to separate bodies, while a regular feature, is yet only the first step in the process whereby a democracy which embarks on planning progressively relinquishes its powers. The expedient of delegation cannot really remove the causes which make all the advocates of comprehensive planning so impatient with the impotence of democracy. The delegation of particular powers to separate agencies creates a new obstacle to the achievement of a single coordinated plan. Even if, by this expedient, a democracy should succeed in planning every sector of economic activity, it would still have to face the problem of integrating these separate plans into a unitary whole. Many separate plans do not make a planned whole—in fact, as the planners ought to be the first to admit—they may be worse than no plan. But the democratic legislature will long hesitate to relinquish the decisions on really vital issues, and so long as it does so it makes it impossible for anyone else to provide the comprehensive plan. Yet agreement that planning is necessary, together with the inability of democratic assemblies to produce a plan, will evoke stronger and stronger demands that the government or some single individual should be given powers to act on their own responsibility. The belief is becoming more and more widespread that, if things are to get
done, the responsible authorities must be freed from the fetters of democratic procedure.

The cry for an economic dictator is a characteristic stage in the movement towards planning, not unfamiliar in this country. It is now several years since one of the most acute of foreign students of England, the late Elie Halévy, suggested that "if you take a composite photograph of Lord Eustace Percy, Sir Oswald Mosley, and Sir Stafford Cripps, I think you would find this common feature—you would find them all agreeing to say: 'We are living in economic chaos and we cannot get out of it except under some kind of dictatorial leadership'."¹ The number of influential public men whose inclusion would not materially alter the features of the "composite photograph" has since grown considerably.

In Germany, even before Hitler came into power, the movement had already progressed much further. It is important to remember that for some time before 1933 Germany had reached a stage in which it had, in effect, had to be governed dictatorially. Nobody could then doubt that for the time being democracy had broken down, and that sincere democrats like Brüning were no more able to govern democratically than Schleicher or von Papen. Hitler did not have to destroy democracy; he merely took advantage of the decay of democracy and at the critical moment obtained the support of many to whom, though they detested Hitler, he yet seemed the only man strong enough to get things done.

* * * * *

The argument by which the planners usually try to reconcile us with this development is that so long as democracy retains ultimate control, the essentials of democracy are not affected. Thus Karl Mannheim writes:

The only [sic] way in which a planned society differs from that of the nineteenth century is that more and more spheres of social life, and ultimately each and all of them, are subjected to state control. But if a few controls can be held in check by parliamentary sovereignty, so can many. . . . in a democratic state sovereignty can be boundlessly strengthened by plenary powers without renouncing democratic control.¹

This belief overlooks a vital distinction. Parliament can, of course, control the execution of tasks where it can give definite directions, where it has first agreed on the aim and merely delegates the working out of the detail. The situation is entirely different when the reason for the delegation is that there is no real agreement on the ends, when the body charged with the planning has to choose between ends of whose conflict parliament is not even aware, and when the most that can be done is to present to it a plan which has to be accepted or rejected as a whole. There may and probably will be criticism; but as no majority can agree on an alternative plan, and the parts objected to can almost always be represented as essential parts of the whole, it will remain quite ineffective. Parliamentary discussion may be retained as a useful safety-valve, and even more as a convenient medium through which the official answers to complaints are disseminated. It may even prevent some flagrant abuses and successfully insist on particular shortcomings being remedied. But it cannot direct. It will at best be reduced to choosing the persons who are to have practically absolute power. The whole system will tend towards that plebiscitarian dictatorship in which the head of the government is from time to time confirmed in his position by popular vote, but where he has all the powers at his command to make certain that the vote will go in the direction he desires.

It is the price of democracy that the possibilities of conscious control are restricted to the fields where true agreement exists, and that in some fields things must be left to chance. But in a society which for its functioning depends on central planning, this control cannot be made dependent on a majority being able to agree; it will often be necessary that the will of a small minority be imposed upon the people, because this minority will be the largest group able to agree among themselves on the question at issue. Democratic government has worked successfully where, and so long as, the functions of government were, by a widely accepted creed, restricted to fields where agreement among a majority could be achieved by free discussion; and it is the great merit of the liberal creed that it reduced the range of subjects on which agreement was necessary to one on which it was likely to exist in a society of free men. It is now often said that democracy will not tolerate "capitalism". If "capitalism" means here a competitive system based on free disposal over private property, it is far more important to realise that only within this system is democracy possible. When it becomes dominated by a collectivist creed, democracy will inevitably destroy itself.

* * * * * * *

We have no intention, however, of making a fetish of democracy. It may well be true that our generation talks and thinks too much of democracy and too little of the values which it serves. It cannot be said of democracy, as Lord Acton truly said of liberty, that it "is not a means to a higher political end. It is itself the highest political end. It is not for the sake of a good public administration that it is required, but for the security in the pursuit of the highest objects of civil society, and of private life." Democracy is essentially a means, a utilitarian device for safeguarding internal peace and individual freedom. As such it is by no means infallible or certain. Nor must we forget that there has
often been much more cultural and spiritual freedom under an autocratic rule than under some democracies—and it is at least conceivable that under the government of a very homogeneous and doctrinaire majority democratic government might be as oppressive as the worst dictatorship. Our point, however, is not that dictatorship must inevitably extirpate freedom, but rather that planning leads to dictatorship because dictatorship is the most effective instrument of coercion and the enforcement of ideals, and as such essential if central planning on a large scale is to be possible. The clash between planning and democracy arises simply from the fact that the latter is an obstacle to the suppression of freedom which the direction of economic activity requires. But in so far as democracy ceases to be a guarantee of individual freedom, it may well persist in some form under a totalitarian regime. A true “dictatorship of the proletariat”, even if democratic in form, if it undertook centrally to direct the economic system, would probably destroy personal freedom as completely as any autocracy has ever done.

The fashionable concentration on democracy as the main value threatened is not without danger. It is largely responsible for the misleading and unfounded belief that so long as the ultimate source of power is the will of the majority, the power cannot be arbitrary. The false assurance which many people derive from this belief is an important cause of the general unawareness of the dangers which we face. There is no justification for the belief that so long as power is conferred by democratic procedure, it cannot be arbitrary; the contrast suggested by this statement is altogether false: it is not the source but the limitation of power which prevents it from being arbitrary. Democratic control may prevent power from becoming arbitrary, but it does not do so by its mere existence. If democracy resolves on a task which necessarily involves the use of power which cannot be guided by fixed rules, it must become arbitrary power.
ECONOMIC CONTROL AND TOTALITARIANISM

The control of the production of wealth is the control of human life itself.

Hilaire Belloc.

Most planners who have seriously considered the practical aspects of their task have little doubt that a directed economy must be run on more or less dictatorial lines. That the complex system of interrelated activities, if it is to be consciously directed at all, must be directed by a single staff of experts, and that ultimate responsibility and power must rest in the hands of a commander-in-chief, whose actions must not be fettered by democratic procedure, is too obvious a consequence of underlying ideas of central planning not to command fairly general assent. The consolation our planners offer us is that this authoritarian direction will apply “only” to economic matters. One of the most prominent American planners, Mr. Stuart Chase, assures us, for instance, that in a planned society “political democracy
can remain if it confines itself to all but economic matter”. Such assurances are usually accompanied by the suggestion that by giving up freedom in what are, or ought to be, the less important aspects of our lives, we shall obtain greater freedom in the pursuit of higher values. On this ground people who abhor the idea of a political dictatorship often clamour for a dictator in the economic field.

The arguments used appeal to our best instincts and often attract the finest minds. If planning really did free us from the less important cares and so made it easier to render our existence one of plain living and high thinking, who would wish to belittle such an ideal? If our economic activities really concerned only the inferior or even more sordid sides of life, of course we ought to endeavour by all means to find a way to relieve ourselves from the excessive care for material ends, and, leaving them to be cared for by some piece of utilitarian machinery, set our minds free for the higher things of life.

Unfortunately the assurance people derive from this belief that the power which is exercised over economic life is a power over matters of secondary importance only, and which makes them take lightly the threat to the freedom of our economic pursuits, is altogether unwarranted. It is largely a consequence of the erroneous belief that there are purely economic ends separate from the other ends of life. Yet, apart from the pathological case of the miser, there is no such thing. The ultimate ends of the activities of reasonable beings are never economic. Strictly speaking there is no “economic motive” but only economic factors conditioning our striving for other ends. What in ordinary language is misleadingly called the “economic motive” means merely the desire for general opportunity, the desire for power to achieve unspecified ends.¹ If we strive for money it is because it offers us the widest choice in enjoying the fruits of

¹ Cf. L. Robbins, The Economic Causes of War, 1939, Appendix.
our efforts. Because in modern society it is through the limitation of our money incomes that we are made to feel the restrictions which our relative poverty still imposes upon us, many have come to hate money as the symbol of these restrictions. But this is to mistake for the cause the medium through which a force makes itself felt. It would be much truer to say that money is one of the greatest instruments of freedom ever invented by man. It is money which in existing society opens an astounding range of choice to the poor man, a range greater than that which not many generations ago was open to the wealthy. We shall better understand the significance of this service of money if we consider what it would really mean if, as so many socialists characteristically propose, the "pecuniary motive" were largely displaced by "non-economic incentives". If all rewards, instead of being offered in money, were offered in the form of public distinctions or privileges, positions of power over other men, or better housing or better food, opportunities for travel or education, this would merely mean that the recipient would no longer be allowed to choose, and that, whoever fixed the reward, determined not only its size but also the particular form in which it should be enjoyed.

* * * * *

Once we realise that there is no separate economic motive and that an economic gain or economic loss is merely a gain or a loss where it is still in our power to decide which of our needs or desires shall be affected, it is also easier to see the important kernel of truth in the general belief that economic matters affect only the less important ends of life, and to understand the contempt in which "merely" economic considerations are often held. In a sense this is quite justified in a market economy—but only in such a free economy. So long as we can freely dispose over our income and all our possessions, economic loss will always deprive us only of what we regard as the least important
of the desires we were able to satisfy. A “merely” economic loss is thus one whose effect we can still make fall on our less important needs, while when we say that the value of something we have lost is much greater than its economic value, or that it cannot even be estimated in economic terms, this means that we must bear the loss where it falls. And similarly with an economic gain. Economic changes, in other words, usually affect only the fringe, the “margin”, of our needs. There are many things which are more important than anything which economic gains or losses are likely to affect, which for us stand high above the amenities and even above many of the necessities of life which are affected by the economic ups and downs. Compared with them, the “filthy lucre”, the question whether we are economically somewhat worse or better off, seems of little importance. This makes many people believe that anything which, like economic planning, affects only our economic interests, cannot seriously interfere with the more basic values of life.

This, however, is an erroneous conclusion. Economic values are less important to us than many things precisely because in economic matters we are free to decide what to us is more, and what less, important. Or, as we might say, because in the present society it is we who have to solve the economic problems of our lives. To be controlled in our economic pursuits means to be always controlled unless we declare our specific purpose. Or, since when we declare our specific purpose we shall also have to get it approved, we should really be controlled in everything.

The question raised by economic planning is, therefore, not merely whether we shall be able to satisfy what we regard as our more or less important needs in the way we prefer. It is whether it shall be we who decide what is more, and what is less, important for us, or whether this is to be decided by the planner. Economic planning would not affect merely those of our marginal needs that we have in mind when we speak contemptuously about the merely economic. It would, in effect, mean that
we as individuals should no longer be allowed to decide what we regard as marginal.

The authority directing all economic activity would control not merely the part of our lives which is concerned with inferior things; it would control the allocation of the limited means for all our ends. And whoever controls all economic activity controls the means for all our ends, and must therefore decide which are to be satisfied and which not. This is really the crux of the matter. Economic control is not merely control of a sector of human life which can be separated from the rest; it is the control of the means for all our ends. And whoever has sole control of the means must also determine which ends are to be served, which values are to be rated higher and which lower, in short, what men should believe and strive for. Central planning means that the economic problem is to be solved by the community instead of by the individual; but this involves that it must also be the community, or rather its representatives, who must decide the relative importance of the different needs.

The so-called economic freedom which the planners promise us means precisely that we are to be relieved of the necessity of solving our own economic problems and that the bitter choices which this often involves are to be made for us. Since under modern conditions we are for almost everything dependent on means which our fellow men provide, economic planning would involve direction of almost the whole of our life. There is hardly an aspect of it, from our primary needs to our relations with our family and friends, from the nature of our work to the use of our leisure, over which the planner would not exercise his “conscious control”.

---

1 The extent of the control over all life that economic control confers is nowhere better illustrated than in the field of foreign exchanges. Nothing would at first seem to affect private life less than a state control of the dealings in foreign exchange, and most people will regard its introduction with
The power of the planner over our private lives would be no less complete if he chose not to exercise it by direct control of our consumption. Although a planned society would probably to some extent employ rationing and similar devices, the power of the planner over our private lives does not depend on this, and would be hardly less effective if the consumer were nominally free to spend his income as he pleased. The source of this power over all consumption which in a planned society the authority would possess would be their control over production.

Our freedom of choice in a competitive society rests on the fact that, if one person refuses to satisfy our wishes we can turn to another. But if we face a monopolist we are at his mercy. And an authority directing the whole economic system would be the most powerful monopolist conceivable. While we need probably not be afraid that such an authority would exploit this power in the manner in which a private monopolist would do so, while its purpose would presumably not be the extortion of maximum financial gain, it would have complete power to decide what we are to be given and on what terms. It would not only decide what commodities and services were to be available, and in what quantities; it would be able to direct their distribution between districts and groups and could, if it wished, discriminate between persons to any degree it liked. If we remember why planning is advocated by most people, can there be much complete indifference. Yet the experience of most continental countries has taught thoughtful people to regard this step as the decisive advance on the path to totalitarianism and the suppression of individual liberty. It is in fact the complete delivery of the individual to the tyranny of the state, the final suppression of all means of escape—not merely for the rich, but for everybody. Once the individual is no longer free to travel, no longer free to buy foreign books or journals, once all the means of foreign contact can be restricted to those of whom official opinion approves or for whom it is regarded as necessary, the effective control of opinion is much greater than that ever exercised by any of the absolutist governments of the seventeenth and eighteenth centuries.
doubt that this power would be used for the ends of which the authority approves and to prevent the pursuits of ends which it disapproves?

The power conferred by the control of production and prices is almost unlimited. In a competitive society the prices we have to pay for a thing, the rate at which we can get one thing for another, depend on the quantities of other things of which, by taking one, we deprive the other members of society. This price is not determined by the conscious will of anybody. And if one way of achieving our ends proves too expensive for us, we are free to try other ways. The obstacles in our path are not due to somebody disapproving of our ends, but to the fact that the same means are also wanted elsewhere. In a directed economy, where the authority watches over the ends pursued, it is certain that it would use its powers to assist some ends and to prevent the realisation of others. Not our own view, but somebody else's, of what we ought to like or dislike would determine what we should get. And since the authority would have the power to thwart any efforts to elude its guidance, it would control what we consume almost as effectively as if it directly told us how to spend our income.

* * * * *

Not only in our capacity as consumers, however, and not even mainly in that capacity, would the will of the authority shape and "guide" our daily lives. It would do so even more in our position as producers. These two aspects of our lives cannot be separated; and as for most of us the time we spend at our work is a large part of our whole lives, and as our job usually also determines the place where and the people among whom we live, some freedom in choosing our work is, probably, even more important for our happiness than freedom to spend our income during the hours of leisure.

No doubt it is true that even in the best of worlds this freedom
will be very limited. Few people have ever an abundance of choice of occupation. But what matters is that we have some choice, that we are not absolutely tied to a particular job which has been chosen for us, or which we may have chosen in the past, and that if one position becomes quite intolerable, or if we set our heart on another, there is almost always a way for the able, some sacrifice at the price of which he may achieve his goal. Nothing makes conditions more unbearable than the knowledge that no effort of ours can change them; and even if we should never have the strength of mind to make the necessary sacrifice, the knowledge that we could escape if we only strove hard enough makes many otherwise intolerable positions bearable.

This is not to say that in this respect all is for the best in our present world, or has been so in the most liberal past, and that there is not much that could be done to improve the opportunities of choice open to the people. Here as elsewhere the state can do a great deal to help the spreading of knowledge and information and to assist mobility. But the point is that the kind of state action which really would increase opportunity is almost precisely the opposite of the "planning" which is now generally advocated and practised. Most planners, it is true, promise that in the new planned world free choice of occupation will be scrupulously preserved or even increased. But there they promise more than they can possibly fulfil. If they want to plan they must control the entry into the different trades and occupations, or the terms of remuneration, or both. In almost all known instances of planning the establishment of such controls and restrictions was among the first measures taken. If such control were universally practised and exercised by a single planning authority, one needs little imagination to see what would become of the "free choice of occupation" promised. The "freedom of choice" would be purely fictitious, a mere promise to practise no discrimination where in the nature of the case discrimination must be practised, and where all one could
hope would be that the selection would be made on what the authority believed to be objective grounds.

There would be little difference if the planning authority confined itself to fixing the terms of employment and tried to regulate numbers by adjusting these terms. By prescribing the remuneration it would no less effectively bar groups of people from entering many trades than by specifically excluding them. A rather plain girl who badly wants to become a saleswoman, a weakly boy who has set his heart on a job where his weakness handicaps him, as well as in general the apparently less able or less suitable are not necessarily excluded in a competitive society; if they value the position sufficiently, they will frequently be able to get a start by a financial sacrifice and will later make good through qualities which at first are not so obvious. But when the authority fixes the remuneration for a whole category and the selection among the candidates is made by an objective test, the strength of their desire for the job will count for very little. The person whose qualifications are not of the standard type, or whose temperament is not of the ordinary kind, will no longer be able to come to special arrangements with an employer whose dispositions will fit in with his special needs: the person who prefers irregular hours or even a happy-go-lucky existence with a small and perhaps uncertain income to a regular routine will no longer have the choice. Conditions will be without exception what in some measure they inevitably are in a large organisation—or rather worse, because there will be no possibility of escape. We shall no longer be free to be rational or efficient only when and where we think it worth while, we shall all have to conform to the standards which the planning authority must fix in order to simplify its task. To make this immense task manageable it will have to reduce the diversity of human capacities and inclinations to a few categories of readily interchangeable units and deliberately to disregard minor personal differences. Although the professed aim of planning would
be that man should cease to be a mere means, in fact—since it would be impossible to take account in the plan of individual likes and dislikes—the individual would more than ever become a mere means, to be used by the authority in the service of such abstractions as the “social welfare” or the “good of the community”.

* * * * *

That in a competitive society most things can be had at a price—though it is often a cruelly high price we have to pay, is a fact the importance of which can hardly be overrated. The alternative is not, however, complete freedom of choice, but orders and prohibitions which must be obeyed and, in the last resort, the favour of the mighty.

It is significant of the confusion prevailing on all these subjects that it should have become a cause for reproach that in a competitive society almost everything can be had at a price. If the people who protest against the higher values of life being brought into the “cash nexus” that we should not be allowed to sacrifice our lesser needs in order to preserve the higher values, and that the choice should be made for us, this demand must be regarded as rather peculiar and scarcely testifies to great respect for the dignity of the individual. That life and health, beauty and virtue, honour and peace of mind, can often be preserved only at considerable material cost, and that somebody must make the choice, is as undeniable as that we all are sometimes not prepared to make the material sacrifices necessary to protect those higher values against all injury. To take only one example: we could, of course, reduce casualties by motor accidents to zero if we were willing to bear the cost—if in no other way—by abolishing motor-cars. And the same is true of thousands of other instances in which we are constantly risking life and health and all the fine values of the spirit, of ourselves and of our fellow men, to further what we at the same time contemptuously
describe as our material comfort. Nor can it be otherwise since all our ends compete for the same means; and we could not strive for anything but these absolute values if they were on no account to be endangered.

That people should wish to be relieved of the bitter choice which hard facts often impose upon them is not surprising. But few want to be relieved through the choice being made for them by others. People just wish that the choice should not be necessary at all. And they are only too ready to believe that the choice is not really necessary, that it is imposed upon them merely by the particular economic system under which we live. What they resent is in truth that there is an economic problem.

In their wishful belief that there is really no longer an economic problem people have been confirmed by irresponsible talk about “potential plenty”—which, if it were a fact, would indeed mean that there is no economic problem which makes the choice inevitable. But although this snare has served socialist propaganda under various names as long as socialism has existed, it is still as palpably untrue as it was when it was first used over a hundred years ago. In all this time not one of the many people who have used it has produced a workable plan of how production could be increased so as to abolish even in Western Europe what we regard as poverty—not to speak of the world as a whole. The reader may take it that whoever talks about potential plenty is either dishonest or does not know what he is talking about.¹ Yet it is this false

¹ To justify these strong words the following conclusions may be quoted at which Mr. Colin Clark, one of the best known among the younger economic statisticians, and a man of undoubted progressive views and a strictly scientific outlook, has arrived in his Conditions of Economic Progress (1940, pp. 3–4): The “oft-repeated phrases about poverty in the midst of plenty, and the problems of production having already been solved if only we understood the problem of distribution, turn out to be the most untruthful of all modern clichés... The under-utilisation of productive capacity is a question of considerable
hope as much as anything which drives us along the road to planning.

While the popular movement still profits by this false belief, the claim that a planned economy would produce a substantially larger output than the competitive system is being progressively abandoned by most students of the problem. Even a good many economists with socialist views who have seriously studied the problems of central planning are now content to hope that a planned society will equal the efficiency of a competitive system; they advocate planning no longer because of its superior productivity but because it will enable us to secure a more just and equitable distribution of wealth. This is, indeed, the only argument for planning which can be seriously pressed. It is indisputable that if we want to secure a distribution of wealth which conforms to some predetermined standard, if we want consciously to decide who is to have what, we must plan the whole economic system. But the question remains whether the price we should have to pay for the realisation of somebody's ideal of justice is not bound to be more discontent and more oppression than was ever caused by the much abused free play of economic forces.

* * * * *

We should be seriously deceiving ourselves if for these apprehensions we sought comfort in the consideration that the importance only in the U.S.A., though in certain years also it has been of some importance in Great Britain, Germany and France, but for most of the world it is entirely subsidiary to the more important fact that, with productive resources fully employed, they can produce so little. The age of plenty will still be a long while in coming . . . If preventable unemployment were eliminated throughout the trade cycle, this would mean a distinct improvement in the standard of living of the population of the U.S.A., but from the standpoint of the world as a whole it would only make a small contribution towards the much greater problem of raising the real income of the bulk of the world population to anything like a civilised standard."
adoption of central planning would merely mean a return, after a brief spell of a free economy, to the ties and regulations which have governed economic activity through most ages, and that, therefore, the infringements of personal liberty need not be greater than they were before the age of laissez-faire. This is a dangerous illusion. Even during the periods of European history when the regimentation of economic life went furthest, it amounted to little more than the creation of a general and semi-permanent framework of rules within which the individual preserved a wide free sphere. The apparatus of control then available would not have been adequate to impose more than very general directions. And even where the control was most complete it extended only to those activities of a person through which he took part in the social division of labour. In the much wider sphere in which he then still lived on his own products he was free to act as he chose.

The situation is now entirely different. During the liberal era the progressive division of labour has created a situation where almost every one of our activities is part of a social process. This is a development which we cannot reverse since it is only because of it that we can maintain the vastly increased population at anything like present standards. But, in consequence, the substitution of central planning for competition would require central direction of a much greater part of our lives than was ever attempted before. It could not stop at what we regard as our economic activities, because we are now for almost every part of our lives dependent on somebody else's economic activities.¹ The passion for the "collective satisfaction of our needs", with

¹ It is no accident that in the totalitarian countries, be it Russia or Germany or Italy, the question of how to organise the people's leisure should have become a problem of planning. The Germans have even invented for this problem the horrible and self-contradictory name of Freizeitgestaltung (literally: the shaping of the use made of the people's free time) as if it were still, "free time" when it has to be spent in the way ordained by authority.
which our socialists have so well prepared the way for totalitarianism, and which wants us to take our pleasures as well as our necessities at the appointed time and in the prescribed form, is, of course, partly intended as a means of political education. But it is also the result of the exigencies of planning, which consists essentially in depriving us of choice, in order to give us whatever fits best into the plan and that at a time determined by the plan.

It is often said that political freedom is meaningless without economic freedom. This is true enough, but in a sense almost opposite from that in which the phrase is used by our planners. The economic freedom which is the prerequisite of any other freedom cannot be the freedom from economic care which the socialists promise us and which can be obtained only by relieving the individual at the same time of the necessity and of the power of choice; it must be the freedom of our economic activity which, with the right of choice, inevitably also carries the risk and the responsibility of that right.
SECURITY AND FREEDOM

The whole of society will have become a single office and a single factory with equality of work and equality of pay.

V. I. Lenin, 1917.

In a country where the sole employer is the State, opposition means death by slow starvation. The old principle: who does not work shall not eat, has been replaced by a new one: who does not obey shall not eat.

L. Trotsky, 1937.

Like the spurious “economic freedom”, and with more justice, economic security is often represented as an indispensable condition of real liberty. In a sense this is both true and important. Independence of mind or strength of character are rarely found among those who cannot be confident that they will make their way by their own effort. Yet the idea of economic security is no less vague and ambiguous than most other terms in this field; and because of this the general approval given to the demand for security may become a danger to liberty. Indeed, when security is understood in too absolute a sense, the general striving for it,
far from increasing the chances of freedom, becomes the gravest threat to it.

It will be well to contrast at the outset the two kinds of security: the limited one, which can be achieved for all, and which is therefore no privilege but a legitimate object of desire; and the absolute security which in a free society cannot be achieved for all and which ought not to be given as a privilege—except in a few special instances such as that of the judges, where complete independence is of paramount importance. These two kinds of security are, first, security against severe physical privation, the certainty of a given minimum of sustenance for all; and, secondly, the security of a given standard of life, or of the relative position which one person or group enjoys compared with others; or, as we may put it briefly, the security of a minimum income and the security of the particular income a person is thought to deserve. We shall presently see that this distinction largely coincides with the distinction between the security which can be provided for all outside of and supplementary to the market system, and the security which can be provided only for some and only by controlling or abolishing the market.

There is no reason why in a society that has reached the general level of wealth which ours has attained, the first kind of security should not be guaranteed to all without endangering general freedom. There are difficult questions about the precise standard which should thus be assured; there is particularly the important question whether those who thus rely on the community should indefinitely enjoy all the same liberties as the rest. An incautious handling of these questions might well cause serious and perhaps even dangerous political problems; but there can be no doubt that some minimum of food, shelter,

1 There are also serious problems of international relations which arise if mere citizenship of a country confers the right to a standard of living higher than elsewhere, and which ought not to be dismissed too lightly.
and clothing, sufficient to preserve health and the capacity to work, can be assured to everybody. Indeed, for a considerable part of the population of this country this sort of security has long been achieved.

Nor is there any reason why the state should not assist the individuals in providing for those common hazards of life against which, because of their uncertainty, few individuals can make adequate provision. Where, as in the case of sickness and accident, neither the desire to avoid such calamities nor the efforts to overcome their consequences are as a rule weakened by the provision of assistance, where, in short, we deal with genuinely insurable risks, the case for the state helping to organise a comprehensive system of social insurance is very strong. There are many points of detail where those wishing to preserve the competitive system and those wishing to supersede it by something different will disagree on the details of such schemes; and it is possible under the name of social insurance to introduce measures which tend to make competition more or less ineffective. But there is no incompatibility in principle between the state providing greater security in this way and the preservation of individual freedom. To the same category belongs also the increase of security through the state rendering assistance to the victims of such “acts of God” as earthquakes and floods. Wherever communal action can mitigate disasters against which the individual can neither attempt to guard himself, nor make provision for the consequences, such communal action should undoubtedly be taken.

There is, finally, the supremely important problem of combating general fluctuations of economic activity and the recurrent waves of large-scale unemployment which accompany them. This is, of course, one of the gravest and most pressing problems of our time. But, though its solution will require much planning in the good sense, it does not—or at least need not—require that special kind of planning which according to its advocates is to
replace the market. Many economists hope indeed that the ultimate remedy may be found in the field of monetary policy, which would involve nothing incompatible even with nineteenth-century liberalism. Others, it is true, believe that real success can be expected only from the skilful timing of public works undertaken on a very large scale. This might lead to much more serious restrictions of the competitive sphere, and in experimenting in this direction we shall have carefully to watch our step if we are to avoid making all economic activity progressively more dependent on the direction and volume of government expenditure. But this is neither the only, nor, in my opinion, the most promising way of meeting the gravest threat to economic security. In any case, the very necessary efforts to secure protection against these fluctuations do not lead to the kind of planning which constitutes such a threat to our freedom.

* * * *

The planning for security which has such an insidious effect on liberty is that for security of a different kind. It is planning designed to protect individuals or groups against diminutions of their income which although in no way deserved yet in a competitive society occur daily, against losses imposing severe hardships having no moral justification yet inseparable from the competitive system. This demand for security is thus another form of the demand for a just remuneration, a remuneration commensurate with the subjective merits and not with the objective results of a man’s efforts. This kind of security or justice seems irreconcilable with freedom to choose one’s employment.

In any system which for the distribution of men between the different trades and occupations relies on their own choice it is necessary that the remuneration in these trades should correspond to their usefulness to the other members of society, even if this should stand in no relation to subjective merit. Although the results achieved will often be commensurate with efforts and
intentions, this cannot always be true in any form of society. It will particularly not be true in the many instances where the usefulness of some trade or special skill is changed by circumstances which could not be foreseen. We all know the tragic plight of the highly trained man whose hard-learned skill has suddenly lost its value because of some invention which greatly benefits the rest of society. The history of the last hundred years is full of instances of this kind, some of them affecting hundreds of thousands of people at a time.

That anybody should suffer a great diminution of his income and bitter disappointment of all his hopes through no fault of his own, and despite hard work and exceptional skill, undoubtedly offends our sense of justice. The demands of those who suffer in this way, for state interference on their behalf to safeguard their legitimate expectations, are certain to receive popular sympathy and support. The general approval of these demands has had the effect that governments everywhere have taken action, not merely to protect the people so threatened from severe hardship and privation, but to secure to them the continued receipt of their former income and to shelter them from the vicissitudes of the market.¹

Certainty of a given income can, however, not be given to all if any freedom in the choice of one’s occupation is to be allowed. And if it is provided for some it becomes a privilege at the expense of others whose security is thereby necessarily diminished. That security of an invariable income can be provided for all only by the abolition of all freedom in the choice of one’s employment is easily shown. Yet, although such a general guarantee of legitimate expectation is often regarded as the ideal to be aimed at, it is not a thing which is seriously attempted. What

¹ Very interesting suggestions of how these hardships might be mitigated within a liberal society, have recently been put forward by Professor W.H. Hutt in a book, which will repay careful study (Plan for Reconstruction, 1943).
is constantly being done is to grant this kind of security piece-
meal, to this group and to that, with the result that for those who
are left out in the cold the insecurity constantly increases. No
wonder that in consequence the value attached to the privilege
of security constantly increases, the demand for it becomes more
and more urgent, till in the end no price, not even that of liberty,
appears too high.

* * * * *

If those whose usefulness is reduced by circumstances which
they could neither foresee nor control were to be protected
against undeserved loss, and those whose usefulness has been
increased in the same way were prevented from making an
unmerited gain, remuneration would soon cease to have any
relation to actual usefulness. It would depend on the views held
by some authority about what a person ought to have done,
what he ought to have foreseen, and how good or bad his inten-
tions were. Such decisions could not but be to a large extent
arbitrary. The application of this principle would necessarily
bring it about that people doing the same work would receive
different remuneration. The differences in remuneration would
then no longer present an adequate inducement to people to
make the changes which are socially desirable and it would not
even be possible for the individuals affected to judge whether a
particular change is worth the trouble it causes.

But if the changes in the distribution of men between differ-
ent employments, which are constantly necessary in any society,
can no longer be brought about by pecuniary "rewards" and
"penalties" (which have no necessary connection with subject-
ive merit), they must be brought about by direct orders. When a
person's income is guaranteed he can neither be allowed to stay
in his job merely because he likes it, nor to choose what
other work he would like to do. As it is not he who makes the
gain or suffers the loss dependent on his moving or not moving,
the choice must be made for him by those who control the distribution of the available income.

The problem of the adequate incentives which arises here is commonly discussed as if it were a problem mainly of the willingness of people to do their best. But this, although important, is not the whole, nor even the most important, aspect of the problem. It is not merely that if we want people to give their best we must make it worth while for them. What is more important is that if we want to leave them the choice, if they are to be able to judge what they ought to do, they must be given some readily intelligible yardstick by which to measure the social importance of the different occupations. Even with the best will in the world it would be impossible for anyone intelligently to choose between various alternatives if the advantages they offered him stood in no relation to their usefulness to society. To know whether as the result of a change a man ought to leave a trade and an environment which he has come to like, and exchange it for another, it is necessary that the changed relative value of these occupations to society should find expression in the remunerations they offer.

The problem is, of course, even more important because in the world as it is men are, in fact, not likely to give their best for long periods unless their own interests are directly involved. At least for great numbers some external pressure is needed if they are to give their best. The problem of incentives in this sense is a very real one, both in the sphere of ordinary labour and in those of the managerial activities. The application of the engineering technique to a whole nation—and this is what planning means—"raises problems of discipline which are hard to solve", as has been well described by an American engineer with great experience in government planning, who has clearly seen the problem.

In order to do an engineering job, [he explains], there ought
to be surrounding the work a comparatively large area of unplanned economic action. There should be a place from which workers can be drawn, and when a worker is fired he should vanish from the job and from the pay-roll. In the absence of such a free reservoir discipline cannot be maintained without corporal punishment, as with slave labour.¹

In the sphere of executive work the problem of sanctions for negligence arises in a different but no less serious form. It has been well said that while the last resort of a competitive economy is the bailiff, the ultimate sanction of a planned economy is the hangman.² The powers the manager of any plant will have to be given will still be considerable. But no more than in the case of the worker can the manager’s position and income in a planned system be made to depend merely on the success or failure of the work under his direction. As neither the risk nor the gain is his, it cannot be his personal judgment, but whether he does what he ought to have done according to some established rule, which must decide. A mistake he “ought” to have avoided is not his own affair, it is a crime against the community and must be treated as such. While so long as he keeps to the safe path of objectively ascertainable duty he may be surer of his income than the capitalist entrepreneur, the danger which threatens him in case of real failure is worse than bankruptcy. He may be economically secure so long as he satisfies his superiors, but this security is bought at the price of the safety of freedom and life.

The conflict with which we have to deal is indeed a quite fundamental one between two irreconcilable types of social organisation, which, from the most characteristic forms in

which they appear, have often been described as the commercial and the military type of society. The terms were, perhaps, unfortunate, because they direct attention to unessentials and make it difficult to see that we face here a real alternative and that there is no third possibility. Either both the choice and the risk rest with the individual or he is relieved of both. The army does indeed in many ways represent the closest approach familiar to us to the second type of organisation, where work and worker alike are allotted by authority and where, if the available means are scanty, everybody is alike put on short commons. This is the only system in which the individual can be conceded full economic security and through the extension of which to the whole of society it can be achieved for all its members. This security is, however, inseparable from the restrictions on liberty and the hierarchical order of military life—it is the security of the barracks.

It is possible, of course, to organise sections of an otherwise free society on this principle and there is no reason why this form of life, with its necessary restrictions on individual liberty, should not be open to those who prefer it. Indeed, some voluntary labour service on military lines might well be the best form for the state to provide the certainty of an opportunity for work and a minimum income for all. That proposals of this sort have in the past proved so little acceptable is due to the fact that those who are willing to surrender their freedom for security have always demanded that if they give up their full freedom it should also be taken from those not prepared to do so. For this claim it is difficult to find a justification.

The military type of organisation as we know it gives us, however, only a very inadequate picture of what it would be like if it were extended to the whole of society. So long as only a part of society is organised on military lines, the unfreedom of the members of the military organisation is mitigated by the fact that there is still a free sphere to which they can move if the
restrictions become too irksome. If we want to form a picture of what society would be like if, according to the ideal which has seduced so many socialists, it was organised as a single great factory, we have to look to ancient Sparta, or to contemporary Germany, which after moving for two or three generations in this direction, has now so nearly reached it.

* * * * *

In a society used to freedom it is unlikely that many people would be ready deliberately to purchase security at this price. But the policies which are now followed everywhere, which hand out the privilege of security, now to this group and now to that, are nevertheless rapidly creating conditions in which the striving for security tends to become stronger than the love of freedom. The reason for this is that with every grant of complete security to one group the insecurity of the rest necessarily increases. If you guarantee to some a fixed part of a variable cake, the share left to the rest is bound to fluctuate proportionally more than the size of the whole. And the essential element of security which the competitive system offers, the great variety of opportunities, is more and more reduced.

Within the market system, security can be granted to particular groups only by the kind of planning known as restrictionism (which includes, however, almost all the planning which is actually practised!). "Control", i.e. limitation of output so that prices will secure an "adequate" return, is the only way in which in a market economy producers can be guaranteed a certain income. But this necessarily involves a reduction of opportunities open to others. If the producer, be he entrepreneur or worker, is to be protected against underbidding by outsiders, it means that others who are worse off are precluded from sharing in the relatively greater prosperity of the controlled industries. Every restriction on the freedom of entry into a trade reduces the security of all those outside it. And as the number of those
whose income is secured in this manner increases, the field of alternative opportunities is restricted which are open to anyone who suffers a loss of income; and for those unfavourably affected by any change the chance of avoiding a fatal diminution of their income is correspondingly diminished. And if, as has become increasingly true, in each trade in which conditions improve, the members are allowed to exclude others in order to secure to themselves the full gain in the form of higher wages or profits, those in the trades where demand has fallen have nowhere to go and every change becomes the cause of large unemployment. There can be little doubt that it is largely a consequence of the striving for security by these means in the last decades that unemployment and thus insecurity for large sections of the population has so much increased.

In this country such restrictions, especially those affecting the intermediate strata of society, have assumed important dimensions only in comparatively recent times, and we have scarcely yet realised their full consequences. The utter hopelessness of the position of those who, in a society which has thus grown rigid, are left outside the range of sheltered occupation, and the magnitude of the gulf which separates them from the fortunate possessor of jobs for whom protection against competition has made it unnecessary to budge ever so little to make room for those without can only be appreciated by those who have experienced it. It is not a question of the fortunate ones giving up their places, but merely that they should share in the common misfortune by some reduction of their incomes, or frequently even merely by some sacrifice of their prospects of improvement. The protection of their “standard of life”, of the “fair price”, or the “professional income” to which they regard themselves as entitled, and in the protection of which they receive the support of the state, precludes this. In consequence, instead of prices, wages, and individual incomes, it is now employment and production which have become subject to violent fluctuations. There has never been
a worse and more cruel exploitation of one class by another than that of the weaker or less fortunate members of a group of producers by the well-established which has been made possible by the "regulation" of competition. Few catchwords have done so much harm as the ideal of a "stabilisation" of particular prices (or wages) which, while securing the income of some, makes the position of the rest more and more precarious.

Thus, the more we try to provide full security by interfering with the market system, the greater the insecurity becomes; and, what is worse, the greater becomes the contrast between the security of those to whom it is granted as a privilege and the ever-increasing insecurity of the under-privileged. And the more security becomes a privilege, and the greater the danger to those excluded from it, the higher will security be prized. As the number of the privileged increases and the difference between their security and the insecurity of the others increases, a completely new set of social values gradually arises. It is no longer independence but security which gives rank and status, the certain right to a pension more than confidence in his making good which makes a young man eligible for marriage, while insecurity becomes the dreaded state of the pariah in which those who in their youth have been refused admission to the haven of a salaried position remain for life.

* * * * *

The general endeavour to achieve security by restrictive measures, tolerated or supported by the state, has in the course of time produced a progressive transformation of society—a transformation in which, as in so many other ways, Germany has led and the other countries have followed. This development has been hastened by another effect of socialist teaching, the deliberate disparagement of all activities involving economic risk and the moral opprobrium cast on the gains which make risks worth taking but which only few can win. We cannot blame our young
men when they prefer the safe, salaried position to the risk of enterprise after they have heard from their earliest youth the former described as the superior, more unselfish and disinterested occupation. The younger generation of to-day has grown up in a world in which in school and press the spirit of commercial enterprise has been represented as disreputable and the making of profit as immoral, where to employ a hundred people is represented as exploitation but to command the same number as honourable. Older people may regard this as an exaggeration of the present state of affairs, but the daily experience of the University teacher leaves little doubt that as a result of anti-capitalist propaganda values have already altered far in advance of the change in institutions which has yet taken place in this country. The question is whether by changing our institutions to satisfy the new demands, we shall not unwittingly destroy values which we still rate higher.

The change in the structure of society involved in the victory of the ideal of security over that of independence cannot be better illustrated than by a comparison of what ten or twenty years ago could still be regarded as the English and the German type of society. However great the influence of the army may have been in the latter country, it is a grave mistake to ascribe what the Englishman regarded as the "military" character of German society mainly to that influence. The difference went much deeper than could be explained on that ground, and the peculiar attributes of German society existed no less in circles in which the properly military influence was negligible than in those in which it was strong. It was not so much that at almost all times a larger part of the German people was organised for war than was true in other countries, but that the same type of organisation was employed for so many other purposes, which gave German society its peculiar character. It was that a larger part of the civil life of Germany than of any other country was deliberately organised from the top, that so large a proportion of
her people did not regard themselves as independent but as appointed functionaries, which gave her social structure its peculiar character. Germany had, as the Germans themselves boasted, for long been a Beamtenstaat in which not only in the Civil Service proper but in almost all spheres of life income and status were assigned and guaranteed by some authority.

While it is doubtful whether the spirit of freedom can anywhere be extirpated by force, it is not certain that any people would successfully withstand the process by which it was slowly smothered in Germany. Where distinction and rank is achieved almost exclusively by becoming a salaried servant of the state, where to do one's assigned duty is regarded as more laudable than to choose one's own field of usefulness, where all pursuits that do not give a recognised place in the official hierarchy or a claim to a fixed income are regarded as inferior and even somewhat disreputable, it is too much to expect that many will long prefer freedom to security. And where the alternative to security in a dependent position is a most precarious position, in which one is despised alike for success and for failure, only few will resist the temptation of safety at the price of freedom. Once things have gone so far, liberty indeed becomes almost a mockery, since it can be purchased only by the sacrifice of most of the good things of this earth. In this state it is little surprising that more and more people should come to feel that without economic security liberty is "not worth having" and that they are willing to sacrifice their liberty for security. But it is disquieting to find Professor Harold Laski in this country employing the very same argument which has perhaps done more than any other to induce the German people to sacrifice their liberty.\(^1\)

\(^1\) H. J. Laski, Liberty in the Modern State (Pelican edition 1937, p. 51): "Those who know the normal life of the poor, its haunting sense of impending disaster, its fitful search for beauty which perpetually eludes, will realise well enough that, without economic security, liberty is not worth having."
There can be no question that adequate security against severe privation, and the reduction of the avoidable causes of misdirected effort and consequent disappointment, will have to be one of the main goals of policy. But if these endeavours are to be successful and not to destroy individual freedom, security must be provided outside the market and competition be left to function unobstructed. Some security is essential if freedom is to be preserved, because most men are willing to bear the risk which freedom inevitably involves only so long as that risk is not too great. But while this is a truth of which we must never lose sight, nothing is more fatal than the present fashion among intellectual leaders of extolling security at the expense of freedom. It is essential that we should re-learn frankly to face the fact that freedom can only be had at a price and that as individuals we must be prepared to make severe material sacrifices to preserve our liberty. If we want to retain this we must regain the conviction on which the rule of liberty in the Anglo-Saxon countries has been based and which Benjamin Franklin expressed in a phrase applicable to us in our lives as individuals no less than as nations: "Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety."
It is significant that the nationalisation of thought has proceeded everywhere *pari passu* with the nationalisation of industry.

_E. H. Carr._

The most effective way of making everybody serve the single system of ends towards which the social plan is directed is to make everybody believe in those ends. To make a totalitarian system function efficiently it is not enough that everybody should be forced to work for the same ends. It is essential that the people should come to regard them as their own ends. Although the beliefs must be chosen for the people and imposed upon them, they must become their beliefs, a generally accepted creed which makes the individuals as far as possible act spontaneously in the way the planner wants. If the feeling of oppression in totalitarian countries is in general much less acute than most people in liberal countries imagine, this is because the totalitarian governments succeed to a high degree in making people think as they want them to.
This is, of course, brought about by the various forms of propaganda. Its technique is now so familiar that we need say little about it. The only point that needs to be stressed is that neither propaganda in itself, nor the techniques employed, are peculiar to totalitarianism, and that what so completely changes its nature and effect in a totalitarian state is that all propaganda serves the same goal, that all the instruments of propaganda are co-ordinated to influence the individuals in the same direction and to produce the characteristic Gleichschaltung of all minds. As a result, the effect of propaganda in totalitarian countries is different not only in magnitude but in kind from that of the propaganda made for different ends by independent and competing agencies. If all the sources of current information are effectively under one single control, it is no longer a question of merely persuading the people of this or that. The skilful propagandist then has power to mould their minds in any direction he chooses and even the most intelligent and independent people cannot entirely escape that influence if they are long isolated from all other sources of information.

While in the totalitarian states this status of propaganda gives it a unique power over the minds of the people, the peculiar moral effects arise not from the technique but from the object and scope of totalitarian propaganda. If it could be confined to indoctrinating the people with the whole system of values towards which the social effort is directed, propaganda would represent merely a particular manifestation of the characteristic features of collectivist morals which we have already considered. If its object were merely to teach the people a definite and comprehensive moral code, the problem would be solely whether this moral code is good or bad. We have seen that the moral code of a totalitarian society is not likely to appeal to us, that even the striving for equality by means of a directed economy can only result in an officially enforced inequality—an authoritarian determination of the status of each individual in the new
hierarchical order; that most of the humanitarian elements of our morals, the respect for human life, for the weak and for the individual generally, will disappear. However repellent this may be to most people, and though it involves a change in moral standards, it is not necessarily entirely anti-moral. Some features of such a system may even appeal to the sternest moralists of a conservative tint and seem to them preferable to the softer standards of a liberal society.

The moral consequences of totalitarian propaganda which we must now consider are, however, of an even more profound kind. They are destructive of all morals because they undermine one of the foundations of all morals, the sense of and the respect for truth. From the nature of its task, totalitarian propaganda cannot confine itself to values, to questions of opinion and moral convictions in which the individual always will conform more or less to the views ruling his community, but must extend to questions of fact where human intelligence is involved in a different way. This is so, firstly, because in order to induce people to accept the official values, these must be justified, or shown to be connected with the values already held by the people, which usually will involve assertions about causal connections between means and ends; and, secondly, because the distinction between ends and means, between the goal aimed at and the measures taken to achieve it, is in fact never so clear-cut and definite as any general discussion of these problems is apt to suggest; and because, therefore, people must be brought to agree not only with the ultimate aims but also with the views about the facts and possibilities on which the particular measures are based.

*   *   *   *   *   *

We have seen that agreement on that complete ethical code, that all-comprehensive system of values which is implicit in an economic plan, does not exist in a free society but would have to be
created. But we must not assume that the planner will approach his task aware of that need, or that, even if he were aware of it, it would be possible to create such a comprehensive code in advance. He only finds out about the conflicts between different needs as he goes along, and has to make his decisions as the necessity arises. The code of values guiding his decisions does not exist in abstracto before the decisions have to be made, it has to be created with the particular decisions. We have also seen how this inability to separate the general problem of values from the particular decisions makes it impossible that a democratic body, while unable to decide the technical details of a plan, should yet determine the values guiding it.

And while the planning authority will constantly have to decide issues on merits about which there exist no definite moral rules, it will have to justify its decisions to the people—or, at least, have somehow to make the people believe that they are the right decisions. Although those responsible for a decision may have been guided by no more than prejudice, some guiding principle will have to be stated publicly if the community is not merely passively to submit but actively to support the measure. The need to rationalise the likes and dislikes which, for lack of anything else, must guide the planner in many of his decisions, and the necessity of stating his reasons in a form in which they will appeal to as many people as possible, will force him to construct theories, i.e. assertions about the connections between facts, which then become an integral part of the governing doctrine. This process of creating a "myth" to justify his action need not be conscious. The totalitarian leader may be guided merely by an instinctive dislike of the state of things he has found and a desire to create a new hierarchical order which conforms better to his conception of merit, he may merely know that he dislikes the Jews who seemed to be so successful in an order which did not provide a satisfactory place for him, and that he loves and admires the tall blond man, the "aristocratic" figure of the
novels of his youth. So he will readily embrace theories which seem to provide a rational justification for the prejudices which he shares with many of his fellows. Thus a pseudo-scientific theory becomes part of the official creed which to a greater or lesser degree directs everybody's action. Or the widespread dislike of the industrial civilisation and a romantic yearning for country life, together with a (probably erroneous) idea about the special value of country people as soldiers, provides the basis for another myth: Blut und Boden (blood and soil), expresses not merely ultimate values but a whole host of beliefs about cause and effect which once they have become ideals directing the activity of the whole community must not be questioned.

The need for such official doctrines as an instrument of directing and rallying the efforts of the people has been clearly foreseen by the various theoreticians of the totalitarian system. Plato's "noble lies" and Sorel's "myths" serve the same purpose as the racial doctrine of the Nazis or the theory of the corporative state of Mussolini. They are all necessarily based on particular views about facts which are then elaborated into scientific theories in order to justify a preconceived opinion.

* * * * *

The most effective way of making people accept the validity of the values they are to serve is to persuade them that they are really the same as those which they, or at least the best among them, have always held, but which were not properly understood or recognised before. The people are made to transfer their allegiance from the old gods to the new under the pretence that the new gods really are what their sound instinct had always told them but what before they had only dimly seen. And the most efficient technique to this end is to use the old words but change their meaning. Few traits of totalitarian regimes are at the same time so confusing to the superficial observer and yet so characteristic of the whole intellectual climate as the complete
perversion of language, the change of meaning of the words by which the ideals of the new regimes are expressed.

The worst sufferer in this respect is, of course, the word liberty. It is a word used as freely in totalitarian states as elsewhere. Indeed it could almost be said—and it should serve as a warning to us to be on our guard against all the tempters who promise us New Liberties for Old¹—that wherever liberty as we understand it has been destroyed, this has almost always been done in the name of some new freedom promised to the people. Even among us we have “planners for freedom” who promise us a “collective freedom for the group”, the nature of which may be gathered from the fact that its advocate finds it necessary to assure us that “naturally the advent of planned freedom does not mean that all [sic] earlier forms of freedom must be abolished”. Dr. Karl Mannheim, from whose work² these sentences are taken, at least warns us that “a conception of freedom modelled on the preceding age is an obstacle to any real understanding of the problem”. But his use of the word freedom is as misleading as it is in the mouth of totalitarian politicians. Like their freedom the “collective freedom” he offers us is not the freedom of the members of society but the unlimited freedom of the planner to do with society what he pleases.³ It is the confusion of freedom with power carried to the extreme.

In this particular case the perversion of the meaning of the word has, of course, been well prepared by a long line of German philosophers, and not least by many of the theoreticians of socialism. But freedom or liberty are by no means the only

¹ This is the title of a recent work by the American historian C. L. Becker.
² Man and Society in an Age of Reconstruction, p. 377.
³ Mr. Peter Drucker (The End of Economic Man, p. 74) correctly observes that “the less freedom there is, the more there is talk of the ‘new freedom’ . . . Yet this new freedom is a mere word which covers the exact contradiction of all that Europe ever understood by freedom. . . . The new freedom which is preached in Europe is, however, the right of the majority against the individual.”
words whose meaning has been changed into their opposites to make them serve as instruments of totalitarian propaganda. We have already seen how the same happens to justice and law, right and equality. The list could be extended till it includes almost all moral and political terms in general use.

If one has not oneself experienced this process, it is difficult to appreciate the magnitude of this change of the meaning of words, the confusion which it causes, and the barriers to any rational discussion which it creates. It has to be seen to be understood how, if one of two brothers embraces the new faith, after a short while he appears to speak a different language which makes any real communication between them impossible. And the confusion becomes worse because this change of meaning of the words describing political ideals is not a single event but a continuous process, a technique employed consciously or unconsciously to direct the people. Gradually, as this process continues, the whole language becomes despoiled, words become empty shells deprived of any definite meaning, as capable of denoting one thing as its opposite and used solely for the emotional associations which still adhere to them.

* * * * *

It is not difficult to deprive the great majority of independent thought. But the minority who will retain an inclination to criticize must also be silenced. We have already seen why coercion cannot be confined to the acceptance of the ethical code underlying the plan according to which all social activity is directed. Since many parts of this code will never be explicitly stated, since many parts of the guiding scale of values will exist only implicitly in the plan, the plan itself in every detail, in fact every act of the government, must become sacrosanct and exempt from criticism. If the people are to support the common effort without hesitation, they must be convinced that not only the end aimed at but also the means chosen are the right ones. The
official creed, to which adherence must be enforced, will there­
fore comprise all the views about facts on which the plan is
based. Public criticism or even expressions of doubt must be
suppressed because they tend to weaken public support. As the
Webbs report of the position in every Russian enterprise:
"Whilst the work is in progress, any public expression of doubt,
or even fear that the plan will not be successful, is an act of
disloyalty and even of treachery because of its possible effects on
the will and on the efforts of the rest of the staff."1 When the
doubt or fear expressed concerns not the success of a particular
enterprise but of the whole social plan, it must even more be
treated as sabotage.

Facts and theories must thus become no less the object of an
official doctrine than views about values. And the whole appara­
tus for spreading knowledge, the schools and the press, wireless
and cinema, will be used exclusively to spread those views
which, whether true or false, will strengthen the belief in the
rightness of the decisions taken by the authority; and all infor­
mation that might cause doubt or hesitation will be withheld.
The probable effect on the people's loyalty to the system
becomes the only criterion for deciding whether a particular
piece of information is to be published or suppressed. The situ­
amtion in a totalitarian state is permanently and in all fields the
same that it is elsewhere in some fields in wartime. Everything
which might cause doubt about the wisdom of the government
or create discontent will be kept from the people. The basis
of unfavourable comparisons with conditions elsewhere, the
knowledge of possible alternatives to the course actually 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 conditions, will all be suppressed.
There is consequently no field where the systematic control of

information will not be practised and uniformity of views not enforced.

This applies even to fields apparently most remote from any political interests, and particularly to all the sciences, even the most abstract. That in the disciplines dealing directly with human affairs and therefore most immediately affecting political views, such as history, law, or economics, the disinterested search for truth cannot be allowed in a totalitarian system, and the vindication of the official views becomes the sole object, is easily seen and has been amply confirmed by experience. These disciplines have indeed in all totalitarian countries become the most fertile factories of the official myths which the rulers use to guide the minds and wills of their subjects. It is not surprising that in these spheres even the pretence that they search for truth is abandoned and that the authorities decide what doctrines ought to be taught and published.

Totalitarian control of opinion extends, however, also to subjects which at first seem to have no political significance. Sometimes it is difficult to explain why particular doctrines should be officially proscribed or why others should be encouraged, and it is curious that these likes and dislikes are apparently somewhat similar in the different totalitarian systems. In particular, they all seem to have in common an intense dislike of the more abstract forms of thought—a dislike characteristically also shown by many of the collectivists among our scientists. Whether the theory of relativity is represented as a "semitic attack on the foundation of Christian and Nordic physics" or opposed because it is "in conflict with dialectical materialism and Marxist dogma" comes very much to the same thing. Nor does it make much difference whether certain theorems of mathematical statistics are attacked because they "form part of the class struggle on the ideological frontier and are a product of the historical rôle of mathematics as the servant of the bourgeoisie", or whether the whole subject is condemned because "it provides no guarantee
that it will serve the interest of the people”. It seems that pure mathematics is no less a victim and that even the holding of particular views about the nature of continuity can be ascribed to “bourgeois prejudices”. According to the Webbs the Journal for Marxist-Leninist Natural Sciences has the following slogans: “We stand for Party in Mathematics. We stand for the purity of Marxist-Leninist theory in surgery.” The situation seems to be very similar in Germany. The Journal of the National-Socialist Association of Mathematicians is full of “party in mathematics”, and one of the best known German physicists, the Nobel prizeman Lennard, has summed up his life work under the title German Physics in Four Volumes!

It is entirely in keeping with the whole spirit of totalitarianism that it condemns any human activity done for its own sake and without ulterior purpose. Science for science’s sake, art for art’s sake, are equally abhorrent to the Nazis, our socialist intellectuals, and the communists. Every activity must derive its justification from a conscious social purpose. There must be no spontaneous, unguided activity, because it might produce results which cannot be foreseen and for which the plan does not provide. It might produce something new, undreamt of in the philosophy of the planner. The principle extends even to games and amusements. I leave it to the reader to guess whether it was in Germany or in Russia where chess-players were officially exhorted that “we must finish once and for all with the neutrality of chess. We must condemn once and for all the formula ‘chess for the sake of chess’ like the formula ‘art for art’s sake’”.

Incredible as some of these aberrations may appear, we must yet be on our guard not to dismiss them as mere accidental by-products which have nothing to do with the essential character of a planned or totalitarian system. They are not. They are a direct result of that same desire to see everything directed by a “unitary conception of the whole”, of the need to uphold at all
costs the views in the service of which people are asked to make constant sacrifices, and of the general idea that the knowledge and beliefs of the people are an instrument to be used for a single purpose. Once science has to serve, not truth, but the interests of a class, a community, or a state, the sole task of argument and discussion is to vindicate and to spread still further the beliefs by which the whole life of the community is directed. As the Nazi Minister of Justice has explained, the question which every new scientific theory must ask itself is: “Do I serve National-Socialism for the greatest benefit of all?”

The word truth itself ceases to have its old meaning. It describes no longer something to be found, with the individual conscience as the sole arbiter of whether in any particular instance the evidence (or the standing of those proclaiming it) warrants a belief; it becomes something to be laid down by authority, something which has to be believed in the interest of the unity of the organised effort, and which may have to be altered as the exigencies of this organised effort require it.

The general intellectual climate which this produces, the spirit of complete cynicism as regards truth which it engenders, the loss of the sense of even the meaning of truth, the disappearance of the spirit of independent inquiry and of the belief in the power of rational conviction, the way in which differences of opinion in every branch of knowledge become political issues to be decided by authority, are all things which one must personally experience—no short description can convey their extent. Perhaps the most alarming fact is that contempt for intellectual liberty is not a thing which arises only once the totalitarian system is established, but one which can be found everywhere among intellectuals who have embraced a collectivist faith and who are acclaimed as intellectual leaders even in countries still under a liberal regime. Not only is even the worst oppression condoned if it is committed in the name of socialism, and the creation of a totalitarian system openly advocated by people who
pretend to speak for the scientists of liberal countries; intolerance too is openly extolled. Have we not recently seen a British scientific writer defend even Inquisition because in his opinion it “is beneficial to science when it protects a rising class”? This view is, of course, practically indistinguishable from the views which led the Nazis to the persecution of men of science, the burning of scientific books, and the systematic eradication of the intelligentsia of the subjected people.

* * * * *

The desire to force upon the people a creed which is regarded as salutary for them is, of course, not a thing that is new or peculiar to our time. New, however, is the argument by which many of our intellectuals try to justify such attempts. There is no real freedom of thought in our society, so it is said, because the opinions and tastes of the masses are shaped by propaganda, by advertising, by the example of the upper classes, and by other environmental factors which inevitably force the thinking of the people into well-worn grooves. From this it is concluded that if the ideals and tastes of the great majority are always fashioned by circumstances which we can control, we ought to use this power deliberately to turn the thoughts of the people in what we think is a desirable direction.

Probably it is true enough that the great majority are rarely capable of thinking independently, that on most questions they accept views which they find ready-made, and that they will be equally content if born or coaxed into one set of beliefs or another. In any society freedom of thought will probably be of direct significance only for a small minority. But this does not mean that anyone is competent, or ought to have power, to select those to whom this freedom is to be reserved. It certainly does not justify the presumption of any group of people to claim the

---

right to determine what people ought to think or believe. It shows a complete confusion of thought to suggest that, because under any sort of system the majority of people follow the lead of somebody, it makes no difference if everybody has to follow the same lead. To deprecate the value of intellectual freedom because it will never mean for everybody the same possibility 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 be able to think or write anything, but that any cause or idea may be argued by somebody. So long as dissent is not suppressed, there will always be some who will query the ideas ruling their contemporaries and put new ideas to the test of argument and propaganda.

This interaction of individuals, possessing different knowledge and different views, is what constitutes the life of thought. The growth of reason is a social process based on the existence of such differences. It is of its essence that its results cannot be predicted, that we cannot know which views will assist this growth and which will not—in short, that this growth cannot be governed by any views which we now possess without at the same time limiting it. To “plan” or “organise” the growth of mind, or, for that matter, progress in general, is a contradiction in terms. The idea that the human mind ought “consciously” to control its own development confuses individual reason, which alone can “consciously control” anything, with the interpersonal process to which its growth is due. By attempting to control it we are merely setting bounds to its development and must sooner or later produce a stagnation of thought and a decline of reason.

The tragedy of collectivist thought is that while it starts out to make reason supreme, it ends by destroying reason because it misconceives the process on which the growth of reason depends. It may indeed be said that it is the paradox of all
collectivist doctrine and its demand for the “conscious” control or “conscious” planning that they necessarily lead to the demand that the mind of some individual should rule supreme—while only the individualist approach to social phenomena makes us recognise the super-individual forces which guide the growth of reason. Individualism is thus an attitude of humility before this social process and of tolerance to other opinions, and is the exact opposite of that intellectual hubris which is at the root of the demand for comprehensive direction of the social process.