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Edited by Bruce Caldwell

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Volume II The Road to Serfdom: Text and Documents
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THE COLLECTED WORKS OF
F. A. Hayek

VOLUME II

THE ROAD TO SERFDOM
Text and Documents

The Definitive Edition

EDITED BY

BRUCE CALDWELL



The University of Chicago Press

THE COLLECTED WORKS OF F. A. HAYEK

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EDITORIAL FOREWORD

The first volume in *The Collected Works of F. A. Hayek* was the last book that Hayek wrote, *The Fatal Conceit*. It was the first volume in two respects: it was volume 1 in the series, and it was the first published, in 1988. The founding general editor was the philosopher W. W. Bartley III, and he initially envisioned that the series would contain twenty-two volumes—at least, that was what was noted in the material describing the planned series in *The Fatal Conceit*. Wisely, Bartley added the proviso that “the plan is provisional.” It is now anticipated that there will be nineteen volumes in all, but the original proviso still applies.

Much has happened since 1988. A second volume produced under Bartley’s editorship was published in 1991, but it was a posthumous contribution, Bartley having succumbed to cancer in February 1990. Soon thereafter Stephen Kresge took over the position of general editor, and under him five more volumes were produced. The volumes in the series did not appear in numerical order: to date, volumes 1, 3, 4, 5, 6, 9, and 10 have been published.

In spring 2002 Stephen Kresge asked me whether I might be interested in becoming the next general editor. I was, and after the Hayek family and representatives from the University of Chicago Press and Routledge all signed off, my work began. The first year or so was taken up with getting editorial material shifted from California to North Carolina, rethinking the ordering of the volumes, establishing relationships with existing and potential volume editors, and seeking funds to support the project.

The Road to Serfdom: Text and Documents—The Definitive Edition is the first volume to appear under the new general editorship. Others are on the way. I anticipate fairly steady progress over the next few years as the project moves toward completion.

In the first volume Bill Bartley briefly stated the editorial policy for the series as follows: “The texts of subsequent volumes will be published in corrected, revised and annotated form” and “essays which exist in slightly variant forms, or in several different languages, will be published always in English or in English translation, and only in their most complete and finished form unless some

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 Smith¹

The common features of all collectivist systems may be described, in a phrase ever dear to socialists of all schools, as the deliberate organization of the labors of society for a definite social goal. That our present society lacks such "conscious" direction toward 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 among themselves in the nature of the goal toward which they want to direct the efforts of society. But they all differ from liberalism and individualism in wanting to organize the whole of society and all its resources for this unitary end and in refusing to recognize 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 organized is usually vaguely described as the "common good," 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

¹[Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. H. Campbell and A. S. Skinner, vol. 1 of *The Glasgow Edition of the Works and Correspondence of Adam Smith*, op. cit., book 4, chapter 2, p. 456.—Ed.]

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 among all the different courses 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 civilization 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 progressively 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 taboos, 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 adoption 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 center 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 realize ends they have in common, the organizations, like the state, that they form for this purpose are given their own system of ends and their own means. But any organization 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, until 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),² 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 con-

²[In 1927 Hayek became the first director of the newly formed Austrian Institute for Business Cycle Research (*Österreichisches Institut für Konjunkturforschung*); one of his tasks was to collect economic data of the sort he reports on here.—Ed.]

ceals 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 toward 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's 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 contributes more than most to determining the character of a planned system.

It may be the unanimously expressed will of the people that its 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."³ 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,

³ Sidney and Beatrice Webb, *Industrial Democracy* (London, New York, Bombay and Calcutta: Longmans, Green and Co., 1897), p. 800 n. [English social reformers Sidney (1859–1947) and Beatrice (1858–1943) Webb were early members of the Fabian Society and cofounders of the London School of Economics. In the cited passage, the Webbs actually complained of the "increasing incapacity," rather than "increased incapacity," of the House of Commons to cope with its work.—Ed.]

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 formulae 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.⁴

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 favor 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

⁴H. J. Laski, "Labour and the Constitution," *New Statesman and Nation*, N.S., no. 81, September 10, 1932, p. 277. In a book *Democracy in Crisis* (Chapel Hill, NC: University of North Carolina Press, 1933), 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 realization 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. [The Donoughmore Committee on Ministers' Powers was set up to investigate the implications of the expansion of delegated legislation; that is, legislation that is enacted by ministers in order to carry out primary legislation that is passed by Parliament. Hayek makes further reference to its findings in the next note.—Ed.]

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 economic plan, to deserve the name, must have a unitary conception. Even if a parliament could, proceeding step by step, agree on some scheme, it would certainly in the end satisfy nobody. A complex whole in which 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 recognized, 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.⁵ Alterations in the structure of

⁵It 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 England 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 in 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

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 recognized, 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 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

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?

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 toward planning. It is now several years since one of the most acute of foreign students of England, the late Élie 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.'"⁶ 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.⁷ 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,

⁶ Élie Halévy, "Socialism and the Problem of Democratic Parliamentarianism," *International Affairs*, vol. 13, July 1934, p. 501. [The article was an address given on April 24, 1934, at Chatham House, which since 1920 has been the base for the Royal Institute of International Affairs. French historian Élie Halévy (1870–1937) was the author of *The Growth of Philosophical Radicalism*, which traced the emergence of British utilitarianism, and *The Era of Tyrannies*, from which Hayek drew the opening quotation that begins chapter 3. English statesman Lord Eustace Percy (1887–1958) wrote such books as *Democracy on Trial* and *The Heresy of Democracy*. English politician Sir Oswald Mosley (1896–1980) began as a conservative, then switched to the Labour party, becoming an MP and a member of the 1929 Labour government, and finally resigned to become the leader of the British Union of Fascists. Labour politician Sir Stafford Cripps (1889–1952) veered increasingly to the left in the 1930s, and was ultimately ousted from the party in 1939 for his activities with the Popular Front. Percy, Mosley, and Cripps, then, represented different ends of the political spectrum, yet as Hayek and Halévy noted, they had on certain issues expressed very similar views. —Ed.]

⁷ [German statesman Heinrich Brüning (1885–1970) was the chancellor of Germany from 1930 to 1932, when he was forced to resign by the Nazis. He left Germany two years later. Franz von Papen (1879–1969) took over as chancellor in 1932, and under Hitler served briefly as vice-chancellor, and later as ambassador to Austria and to Turkey. Kurt von Schleicher (1882–1934) succeeded von Papen as chancellor, but Hitler seized power from him in 1933. He and his wife were tried on trumped-up charges and executed by the Nazis the next year. —Ed.]

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."⁸

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 toward 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's 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

⁸ Mannheim, *Man and Society in an Age of Reconstruction*, op. cit., p. 340. [The second half of the quotation appears on page 341. —Ed.]

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 realize 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."⁹ 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 guaranty 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

⁹[Lord Acton, "The History of Freedom in Antiquity," op. cit., p. 22.—Ed.]

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.