



The Road to Serfdom

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BOOK REVIEWS AND NOTICES

The Road to Serfdom. By FRIEDRICH A. HAYEK. Chicago: University of Chicago Press. 1944. Pp. xi, 250. \$2.75.)

The road to serfdom is the road of socialism and planning, according to Professor Hayek. Look at the Germans, look at the Austrians. If you go forward on the road that has been travelled by you during the last ten or fifteen years, you too will be engulfed in a totalitarian society and become the serfs of a totalitarian government. The author substantiates these dire predictions with careful argumentation and much evidence to the effect that the idealists who promoted socialism in Italy, Germany, and Austria were the pathfinders of Fascism and National Socialism. In fact, he even cites Adolf Hitler as saying in February, 1941, that "basically National Socialism and Marxism are the same." (It should be recalled, though it isn't by Professor Hayek, that this was the period when, under the cloak of the Soviet-German Pact, Hitler was getting ready for his attack upon the Soviet Union.)

Perhaps some would feel that what has been said is enough. However, the argument of Professor Hayek has made a deep impression in certain circles, and deserves a somewhat more detailed review. The run of Hayek's argument is rather simple. After stating the basic theme mentioned above, he advances, at the end of the Introduction, the following proposition: "It was the prevalence of socialist views and not Prussianism that Germany had in common with Italy and Russia—and it was from the masses and not from the classes steeped in the Prussian tradition, and favored by it, that National Socialism arose." Even if Spengler had not quite convincingly argued the deep link between Prussianism and the regimented state socialism characteristic of Germany in his *Preussentum und Sozialismus*, Hayek's alternative in the second part of his statement is essentially false. For it was precisely the classes steeped in the Prussian tradition of state regimentation which, combined with the masses of peasants and small bourgeoisie who had not yet undergone the political education provided in the social democratic trade unions, produced National Socialism.

In the first chapter, entitled "The Abandoned Road," Hayek argues that we have abandoned the road of freedom, which is the road of "how we can make best use of the spontaneous forces found in a free society." As far as one can make out, this "free society" of Hayek's is the bleak 1840's in England when Manchester exploitation reigned supreme, when the enterpriser was wholly free to practice his "astuteness for ambushing the community's loose change," as Veblen once so sardonically expressed it. Although "freedom" is a key concept in Hayek's thought pattern, it nowhere receives any careful analysis, and the intricate problems of who

is to be free for what, which have troubled since men began to think about freedom, are left unattended.

The second chapter deals with "The Great Utopia." This utopia is, of course, socialism. Peter Drucker, Walter Lippmann, and other heavy thinkers are adduced in support of the contention that socialism and communism are "an illusion." Moreover, they are merely the first step toward Fascism. Even Hitler says so. In fact, the two are practically the same. The fact that the *word* socialism stands for the greatest variety of governmental schemes, that it may mean trade union democracy, or the dictatorship of a class-conscious proletarian *élite*, or the tyranny of a self-appointed racist *élite*, or yet mainly land reform within the dissolving context of Asiatic peoples—this fact is hardly mentioned by Hayek, let alone subjected to any kind of differentiated analysis.

Yet upon this shaky foundation, Hayek is ready to turn to a discussion of "Individualism and Collectivism." He makes it amply clear that he does not wish to have individualism understood as a "dogmatic *laissez faire* attitude" (although this has frequently been represented as being Hayek's view). But since it is not, Hayek is distorting the other side when he writes: "What our planners demand is a central direction of all economic activity according to a single plan, laying down how the resources of society should be 'consciously directed' to serve particular ends in a definite way." I call this statement a distortion, because, actually, planners from the National Resources Planning Board down have labored to combat this teleological conception of planning. Notably Charles E. Merriam, in a series of noteworthy studies, has developed the conception of coöperative planning which is almost the opposite. I would quote him him but for the fact that his views are so well known. (To complete his demonstration of ignorance of most relevant writings and experience in the field whereof he treats, Hayek states (p. 38): "The systematic study of the forms of legal institutions which will make the competitive system work efficiently has been sadly neglected"—this in spite of John R. Commons' monumental work.)

Hayek next addresses himself to "The 'Inevitability' of Planning." He does not think planning is inevitable, but the result of deliberate action. But who among the advocates of planning as inevitable does not believe it to be the result of deliberate action? How could he be an advocate of it if he did not? It is clear that the inevitability is one of rational rather than material compulsion. Does Hayek deal with this rational compulsion? Hardly. "The movement for planning owes its present strength largely to the fact that, while planning is in the main still an ambition, it unites almost all the single-minded idealists, all the men and women who have devoted their lives to a single task." As a member of the Windham County Agricultural Planning Committee, I wonder where Hayek has been all

this time. Planning is not an ambition, but a solid fact, and a fact that unites such single-minded idealists as the dairy farmers of Windham county.

Having thus laid a solid foundation of factual report and theoretical analysis, Hayek next proceeds to tackle the fascinating topic of "Planning and Democracy." After an excursion into metaphysics which clusters around the extreme subjectivism that "scales of values exist only in individual minds," he lays down the conclusion that "common action is thus limited to the fields where people agree on common ends." This statement Hayek seems to consider a devastating one for the idea of democratic planning; unhappily for him, it happens to be the very basis of such planning. His allegation that we are "forced to produce agreement on everything in order that any action can be taken," is almost incomprehensible in the light of the work of planners throughout the United States. Yet "the delegation of particular technical tasks to separate bodies, . . . is yet only the first step in the process whereby a democracy which embarks on planning progressively relinquishes its powers." We had thought that when democracy or anything else acquires powers, it does not relinquish them. But, according to Hayek, both can be done at the same time; for "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." How come? To quote from our Plan for Greater Boston: "We believe that only genuine democratic sharing of responsibility for metropolitan government can give us the necessary long range support." And again: "We believe citizen participation to be absolutely essential to any effective progress in the metropolitan community." Yet, according to Hayek, "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." Freedom of whom? Freedom for what?

"Planning and the Rule of Law" appears to be the keystone in the arch of the argument. For if it is procedure which the planning process threatens with corruption, then the procedural is paramount. Unfortunately, Hayek operates with an imprecise and historically questionable concept of the rule of law. "Stripped of all its technicalities, this means that government in all its actions is bound by rules fixed and announced beforehand . . ." (p. 72) He asks us to discard the "narrower technical meaning" which the term is said to have acquired through Dicey's work. Granting this (though reluctantly), it still remains to be pointed out that Hayek's statement is at variance with the traditional concept. As Dean Pound puts it very clearly in the *Encyclopedia of the Social Sciences*, the rule of law "is a characteristic doctrine of the common law that the judiciary, in ordinary legal proceedings, may pronounce upon the validity of

acts. . . ." Hayek shows no trace of familiarity with the history of the doctrine, no inkling of the fact that it was first clearly formulated by Sir Edward Coke, in his *Second Institute*. Instead, he claims that the idea is a "Whig" doctrine, and attributes it to Locke. Actually, Locke had no clear conception of the "rule of law," but rather expounded the sharp majoritarian principle usually though falsely attributed to Rousseau, as Willmoore Kendall has shown in *John Locke and the Doctrine of Majority-Rule*.

Equally false and misleading is Hayek's identification of the rule of law and of *Rechtsstaat*. This idea has a long history traced with masterly hand by Otto von Gierke in Chapter VI of *The Development of Political Theory* (trans. Bernard Freyd). In its various forms, it is an attempt to restrict the power of the state by the idea of an antecedent law. While both the idea of the *Rechtsstaat* and the doctrine of the rule of law seek to confine within the narrowest possible limits the arbitrary action of government and its officials, the rule of law stresses the rôle of the judiciary, while the *Rechtsstaat* stresses that of the legislative power.

The argument is crucial to the whole train of thought presented by Hayek, because upon it rests the alleged prospective parallelism between developments in Germany and Austria on the one hand and England and America on the other. Had Hayek taken greater care to determine just what were the elements of similarity in the two governmental traditions, he would have discovered the crucial fact that fascism (and sovietism) fitted into the solid administrative tradition of more than three hundred years of centralized bureaucracy. His failure to do so wrecks his whole argument. For the chapters which follow, on "Economic Controls," "Security," "Why the Worst Get on Top," and so on, depend upon the cogency of the preceding scheme. I hope to have shown that this scheme is untenable both on historical and empirical, and on logical and analytical, grounds.

One point remains to be noted. It is a failure of omission. In spite of his alleged concern for the freedom of the individual, Hayek shows little belief in the common man and his capacity for useful participation in the community's common concerns. It seems a mean trick to turn the tables on him, but I cannot help feeling that *he*, rather than the socialists whom he denounces, lacks both faith in and understanding of the coöperative freedom that is the American conception of democracy. To paraphrase a sentence which we quoted from Hayek at the outset: "It was a belief in the superior wisdom of the bureaucracy (an *élite*, the state), and not the prevalence of socialist views, that Germany had in common with Italy and Russia—and it was from the classes steeped in that tradition as well as the non-emancipated masses that national socialism arose." The expert on top, the *Fuehrer der's schon maachen wird*, the servile docility in the

face of brass hats—these are the governmental ingredients of a tradition which corrupted the belief in man's capacity for greater and greater cooperation as manifest in, say, David Owen, decried the belief in group work and planning as Utopian, and converted the belief in a modest, yet useful, common man into the strident fanaticism of a self-appointed world-*élite* or master race. The road to serfdom lies through the timid disbelief in the capacity of the people to rule themselves. Hayek considers "misleading and unfounded" "the belief that, so long as the ultimate source of power is the will of the majority, the power cannot be arbitrary." We believe that "a majority of common men may, in response to urgent needs, abandon one freedom for another. They may fail even to realize the full import of these freedoms. They are not apt to be satisfied for any length of time with the loss of all freedoms" (*The New Belief in the Common Man*, p. 150). As Lincoln so well put it in a letter to a friend: "Remember, Dick, to keep close to the people—they are always right and will mislead no one." The will of the people is not the road to serfdom, but the only method for achieving such freedom as the common man has ever enjoyed.

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The Children of Light and the Children of Darkness; A Vindication of Democracy and a Critique of its Traditional Defence. BY REINHOLD NIEBUHR. (New York: Charles Scribner's Sons. 1944. Pp. xiii, 190. \$2.00.)

That one of the most profound and helpful discussions of democratic theory and practice to appear in recent years should come from the pen of America's most eminent theologian is a fact that has significant implications for political science. To those who would reject the insights of the Christian religion as being inconsequential or irrelevant to professional students of politics, this book is a vigorous challenge; for it opens up wide vistas of inquiry and penetrates to political realities in a manner that political science, as a strictly empirical and descriptive study, has overlooked and often obscured.

It is the author's thesis that "democracy has a more compelling justification and requires a more realistic vindication than is given it by the liberal culture with which it has been associated in modern history" (p. x). The grave defect of liberal democracy was its optimistic underestimation of the human capacity for evil. Niebuhr would ascribe the plight of modern democratic civilization not so much to moral cynicism as to moral sentimentality. Face to face with moral cynicism, the liberal democrat had neither the understanding nor the institutional controls to combat and