

## CHAPTER NINE

### A CONSERVATIVE APPROACH

IF the free industrial society is to be developed in a free, non-revolutionary, non-totalitarian way, there is only one country that can do it today: the United States.

That the twentieth century is to be the "American Century" has recently become a popular catch phrase in the United States. It is certainly true that the United States can never again afford not to engage in power politics, not to develop lasting strategic concepts, not to determine where her strategic and military borders lie and which territories cannot be allowed to fall under the control of a potential enemy. It is also certain that both traditional American attitudes toward foreign affairs are obsolete, if not defunct. Both isolationism and interventionism assumed implicitly that the United States can decide whether she wants to be a participant in international affairs or not. Now that the United States has become the central power of the Western world, if not of the whole globe, there is no longer such a decision. America will have to take a stand whenever a power tries to assume hegemony on any continent—even when there is nothing more than a change in international power relations.

• It is extremely probable that America will extend her sphere of influence, expand her political and military radius, and take the lead in economic or social developments abroad—in short, that the United States of America will have to be an imperial, if not an imperialist power. All this is simply saying that the United States is a great power and cannot disregard the fact any longer. Politics cannot exist in the realm of ideas alone. The main task is to translate ideas into institutional reality; and the tool is power. The British in the past have often been attacked—rather stupidly—for "saying Christ and meaning Cotton." It would be infinitely worse if the United States as a world

power were to say "Cotton" but to mean "Christ." In the past Americans have only too often been guilty of this dangerous inverse hypocrisy; they have striven after lofty ideals while pretending, even to themselves, that they wanted nothing but material and "practical" gain.

The task of the statesman is not to forget physical reality but to organize it for the fulfilment of his beliefs and concepts; and one indispensable requirement of such organization is that it work. The "idealist in politics" will always make a fool of himself and of the people who trust him. And the "politician" who sees nothing but organization never knows what he is striving for. The statesman who alone can be truly successful in politics can solve pragmatic problems of power and organization as well as the trickiest politician without ever giving up or compromising his basic principles. He never loses sight of the fact that ideal aims can be fulfilled only through institutional organization. On the other hand, he knows that principles, while not determining how to do things, decide what one does and why.

In conclusion, the United States as a world power—perhaps as *the* world power—will certainly have to use her power politically; that is, as power. But if the American century means nothing except the material predominance of the United States, it will be a wasted century. Some people today seem to think that it is the destiny of the United States to out-Nazi the Nazis in world conquest and to substitute the Yankee as the master race for Hitler's Nordics; some even call that "fighting for democracy." But this way would not lead to America's strength and greatness but only to her downfall. It would also not lead to a solution of the basic social crisis of which this war is but an effect. If the twentieth century is to have a free and functioning industrial society, the United States will have to solve the great problems of principles and institutions which today demand a solution. Then indeed the twentieth century will become an American century.

Of course, the nineteenth century was far more of an American century than is commonly realized. The settlement of the North-American Continent was not only the greatest single achievement of the last century; the possibility of emigration to the free soil and the equal opportunities of the United States were the safety-valves—both in a literal and a metaphysical sense—which kept the European social system from blowing up. Above all, the American Revolution, the conservative counter-revolution of 1776 and 1787, made possible the victory of the conservative forces in England who found the transition to the free mercantile society of the nineteenth century, and who overcame materially and spiritually the totalitarianism of the French Revolution. Yet withal, the United States during the nineteenth century was the periphery rather than the centre of the Western world. The American Revolution released the forces in England which brought forth the new basis; it did not create them. The frontier made possible the growth and expansion of the European system by absorbing those the latter dispossessed and drove out. But the motor of Western development was in Europe, and more specifically in Great Britain.

In our time the driving forces, the basic beliefs and institutions, will have to be in the United States and will have to radiate from there. Even if England should find the conservative transition to an industrial society—and there are many promising signs in wartime England today—her counter-revolution will be successful only if it releases conservative forces in America. For the United States has become the strategic, political and economic centre of international gravity. She has the most highly developed, most advanced and most powerful industrial mass-production system. Whatever social and political industrial order America develops, the other industrial countries will have to follow—provided that America develops a functioning industrial order.

The totalitarian powers were absolutely correct in their

conviction—ever since they started on the road to world conquest—that the United States is their ultimate, their real enemy. It is true in a material sense; it is even truer in a political and social sense. For only the United States of America can find the non-totalitarian, non-revolutionary way to a free industrial society which is the absolutely certain—and at the same time the only—way to overcome totalitarianism.

## 2

We know the requirements for a functioning industrial society. In the first place it must give function and status in society to the individual member of the industrial system. It must be capable of integrating the individuals in a social purpose. It must give a social meaning to the purposes, acts, desires and ideals of the individual, and an individual meaning to the organization, institutions and aims of the group.

Secondly, the power in the industrial system must become a legitimate rule. It must derive its authority from a moral principle accepted by society as a legitimate basis of social and political power. And the institutions through which this rulership is exercised must be organized for the realization of the basic purpose of society.

We also know the conditions of freedom. A free society<sup>o</sup> requires political freedom: a controlled, limited, responsible government. It must be organized in its socially constitutive sphere on the basis of the responsible decision of the citizens. It must have self-government. And it is not sufficient to have a purely legal, a purely formal democracy. There must be actual, responsible participation of the citizen in the government and in its decisions.

Finally, in a free society political government and social rule must be separated. Each must be independent of the other. Each must be limited; and one must limit, balance

and control the other. Both serve ultimately the same social end. But they must found their authority on different grounds. The basis of political government must be a principle of formal justice; for political institutions are the formal framework of social life. The basis for social rule must be the promise of the fulfilment of a substantial social purpose. For through social rule the substance of society finds its institutional organization. In the juxtaposition of those two principles, in the balance of the institutions based on them, in the control exercised by each of the two legitimate powers over the other, lies the ultimate safeguard of freedom against both anarchy and tyranny.

To establish a free and functioning industrial society, we have to reverse the political and social trends which have dominated the Western world for the last twenty-five, if not for the last fifty, years. During this period the individual has steadily been losing function and status in society. Society has been slowly disintegrating into anarchic masses in all industrial countries. During this period too, the decisive power in the industrial system has lost its legitimate basis. Corporation management has become divorced from individual property rights which had been a good claim to power for two hundred years; and at the same time corporation management emerged as the real master superseding the mercantile rulers of the pre-industrial society.

In the political field the trend has been away from the active, responsible participation of the citizen in self-government and toward centralized, uncontrollable bureaucracy. And above all, the absence of a legitimate autonomous rule in society has forced this central bureaucracy of the political sphere to assume the power in the social sphere as well. No other trend of our times seems as "inevitable" as that toward the absolute rule of a paternalistic, bureaucratic state. No other will be as difficult to reverse. At the same time it is the most dangerous of the

forces of despotism in our midst. Re-establishment of an autonomous and self-governing social sphere is therefore our most urgent task.

A free and functioning society can be built only if the basically totalitarian tendencies of social disintegration are overcome. But while the trend must be reversed, there can be no restoration of the old pre-industrial mercantile society. The nineteenth century is gone for ever. It disappeared because it could not socially organize the physical reality of an industrial world. By going back—if it were possible—we could solve not a single one of the problems before us. This realization was the starting point of our analysis; it must also be the starting point of the approach to the future.

The restorer likes to think of himself as a conservative. What he means is that he takes the conditions at a given historical point—for instance, those of 1850 or those of 1927—as an absolute. But nothing less conservative could be imagined than this denial of growth and change, of responsibility and decision. To elevate something in the past to the rank of the perfect absolute is just as totalitarian and revolutionary as the Communist or Nazi millennium of the future. In his methods the restorer shows that he is only a totalitarian in disguise. He is as extreme, as ruthless, as contemptuous of historical growth, individual liberty, tradition and existing institutions as the avowed totalitarians. He says "yesterday" where the declared revolutionary says "tomorrow." But there is really no difference between the two absolutist utopias except in political effectiveness. The restorer who preaches that there would be no problems if we could only restore the free-trade system in all its 1860 glory, or the League of Nations Covenant with the amendments proposed in 1924, can only fail. But in his failure he creates the fatal illusion in the minds of the people that there is no alternative other than between reaction and revolution. And in this dilemma the people are only too likely to prefer revolution, with its

promise of something new, to the obvious *cul-de-sac* of reaction.

Restoration of the pre-industrial mercantile society not only would not solve the social problems created by the emergence of the industrial system; it would make them insoluble except by slaughter, revolution and tyranny. For any attempt to return to the nineteenth-century society denies the industrial reality of our time. And it is precisely our problem to overcome a revolution by developing industry into the socially constitutive sphere of a functioning and free society.

We have to return to the principles and to the philosophy of the conservative counter-revolution of 1776 and 1787. But we shall have to use these principles for a social integration on a level and with a substance entirely different from the nineteenth century. We have to make industry socially meaningful. We have to build it into the autonomous sphere in which society governs itself in order to fulfil itself. We have, in other words, to organize a physical reality completely different from that of 1776 and 1787. And that means different institutions of society, different organs of social power and control, different social, economic and political problems. The organizing principles are the same, truly conservative principles. But they will have to be used for a new integration of a new society.

We know that the new society must be an industrial society in which industrial life is organized as the socially constitutive sphere. But we do not know what purpose this industrial society will be striving to fulfil, or on what ethical principle it is going to be based. All we know today about the future are the *formal* requirements of a free and functioning society, the conditions without which a society cannot function and without which it cannot be free. But we cannot say to what end the industrial society is to be free, nor what aim its functions are to serve.

The only thing of which we can be reasonably certain is that the purpose and aim of the industrial society will be different from those of the mercantile society of the nineteenth century. Economic activity will not disappear; nor will it diminish in quantity. In individual life economic success and economic rewards may even remain as important as they are today. And there is no reason to expect a cessation of technical progress. But it is most unlikely that economic activity will be the constitutive social activity, and economic aims the decisive social aims of the industrial society.

It is the very success of the 150 years during which economic goals were uppermost which will tend to relegate these to a secondary place. Economic progress has brought economic abundance within our grasp in the industrial countries. There is therefore no longer any reason to subordinate all social life to economic activity as the mercantile society did. The need is no longer so urgent as to make the gains to be expected from economic advance outweigh every other social consideration. We already have learned to raise the question whether the social price to be paid for an economic achievement is reasonable and justified. In other words, we already have abandoned the belief that economic progress is always and by necessity the highest goal. And once we have given up economic achievement as the highest value and have come to regard it as not more than one goal among many, we have in effect given up economic activity as the basis of social life.

But the abandonment of the economic as the socially constitutive sphere has gone much further. Western society has given up the belief that man is fundamentally Economic Man, that his basic motives are economic motives, and that his fulfilment lies in economic success and economic rewards. The moral concept of the nature and purpose of man on which the mercantile society was based has ceased to be valid. For we have learned that freedom and justice cannot be realized in and through the



economic sphere. We have learned that a functioning society can no longer be organized in and through the market. Economic Man has not only made himself superfluous through his material successes; he has also failed politically, socially, and metaphysically.\*

But while we must assume that Economic Man will not be the concept of man's nature and fulfilment on which the industrial society will be based, and that economic purposes will not be its socially decisive and meaningful purposes, we do not know what substantial ethical purpose and what substantial concept of man's nature will take its place.

Hitler has failed in his attempt to impose upon Western society his concept of Heroic Man who finds his fulfilment in permanent war and conquest. Though advertised as an alternative, the Nazi society did not succeed in becoming a functioning society. And of course, it never could become a free society. In the failure of Hitlerism to develop an alternative to mercantile society lies our chance. And to overcome Hitlerism is our task. But we cannot hope to overcome it by restoring the mercantile society. Nor can we hope to be allowed to maintain Economic Man as the concept of man's nature and the basis of our society. We have to develop a free and functioning industrial society on the basis of a new concept of man's nature and of the purpose and fulfilment of society. And we do not and cannot know what this concept will be.

It can be regarded as certain that this concept is already existent in our society. Looking back upon our times fifty years from now, our children will probably marvel at our blindness; in the security of their possession the answer will be as obvious and apparent as it is obscure to us who have to find it. It is probable that the concept of the future society is something all of us know. Probably it is one of

\* \* I regard this thesis as so completely proven by the war as to require neither further exposition nor documentation. Readers who desire both will find it in my previous book, *The End of Economic Man* (New York and London, 1939).  
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the many concepts put forward today as promising a solution. Somebody has the answer; but which of the many proposals made today will prove to have been the one prophetic one, nobody can say. A basic ethical concept of social life cannot be invented; it must be developed. It cannot be manufactured or divined. Above all, there is no knowable way to convert the already latent concept into an effective and acceptable one. All that can be done is to make it possible for such a concept to emerge in a free and non-revolutionary way. But the emergence of the new concept of man's nature and of society's purpose lies before organized political action or institutional realization. It lies in the philosophical or metaphysical field, in the sphere of beliefs and ideals on which institutions are based but which cannot be realized institutionally or politically.

This absence of a basic social purpose for industrial society constitutes the core of our problem. It makes our times truly revolutionary. It makes our cure-alls and short cuts to utopia alluring. But it also makes them doubly dangerous. It explains the attraction of totalitarian doctrines—both rationalist and revolutionary. Yet it makes it all the more important to find a non-revolutionary unbroken transition from the free and functioning mercantile society to a free and functioning industrial society. And it makes it impossible to effect this transition except in a truly conservative way: from the basis which we have, with tools which we know, and through solving the specific problems in a manner compatible with the known requirements of a free and functioning society. Any other approach will only lead to disaster.

## 3

As we do not know for what ultimate purpose the industrial society of the future is to be organized, we cannot blueprint it. We certainly shall have to develop a whole set of new social institutions. We shall have to make drastic

changes in our existing institutions. And we are faced with urgent social and political problems which demand immediate action. Yet we cannot draw up detailed plans for the future society or build a small-scale model of it.

The only thing we can do is to subject every proposal of new social institutions to a rigid test to see whether it answers our formal minimum requirements for a free and functioning society. We will have to change and to re-organize existing institutions so as to make them serviceable as institutions of a free industrial society. And we can and must shape our course of actions so that our immediate, day-by-day decisions conform to the conditions which have been developed here as the conditions for social freedom and social stability.

What we have is a principle of selection between the various possible courses of action. But it is a purely negative principle of selection; it enables us to decide which steps not to take. It does not relieve us of the basic political decision what to do. We also have a criterion of action; but it is a formal one. We can decide how to use tools—and even, within limits, what tools to use. The sum total of all this is that we have the engineering rules which we must follow in our architecture in order to build the kind of house which we desire. But we cannot pretend that we can visualize the house itself.

Anyone who today presents a complete blueprint admits by implication that he does not understand what the task really is. And an examination of the blueprints will show that in most cases they are nothing more than an attempt at restoration or façade-building. A coat of whitewash, however, will not cure the structural defects of the society of our times—as little as a liberal dose of pink or red paint. The “perfect” blueprint is thus doubly deceptive. It not only cannot give the solution; by attempting to conceal the real issues it also makes more difficult their solution.

This does not mean that we shall not have to plan and to prepare our actions in advance. Nothing could be more

fatal than to rely on improvisation—which in a situation such as ours is only another word for inertia. We cannot expect to win either the war or the peace by “muddling through”; to trust to luck or inspiration would be a criminal gamble with the dice loaded against us.

We must organize the most comprehensive, the most imaginative and the boldest programme of preparations and plans. Yet this planning is the very opposite of the approach advocated today by the large and growing number of “Planners.”

“Planning” has become a catchword with a mythical meaning totally different from its ordinary dictionary definition. The panacea which is being advertised today under the misleading name of “Planning” is not a preparation for future events and contingencies. It is the abolition of all limitations on governmental power. The first step of the Planners would be to set up an omnipotent authority with unlimited power to regulate, control, and regiment everything in government and society. The main attack of the Planners is not directed against improvisation and unpreparedness but against the separation of political government from rule in the social sphere. The comprehensive centralized Planning advocated so widely today is first and last a despotism of a “perfect” bureaucracy. The Planners themselves visualize their rule as benevolent and enlightened despotism. They refuse to see that all despotism must degenerate rapidly into rapacious, tyrannical oppression—precisely because it is unlimited, uncontrolled and uncontrollable. But even if a benevolent despotism were possible it would still be incompatible with freedom.

Planning as a philosophy thus rests upon a denial of freedom and upon the demand for the absolute rule of a perfect élite. As a political programme it rests upon a provably false assertion: that planning in social, political and economic matters is something new and revolutionary.

The Planners assert that nineteenth-century society, was anarchic without conscious planning and preparations, and that it trusted entirely to luck and accidents. The claim that we have never before tried to shape our own destiny intelligently is the stock-in-trade of the Planners.

Actually, the nineteenth century used planning—the proper planning—to an extraordinary extent and with the highest degree of intelligence and conscious purpose. All the basic institutions of the mercantile society grew out of long, careful and deliberate preparation.

The gold standard, for instance, was not the result of accidents but of years of laborious and exhaustive work. It was not anarchy but one of the finest precision machines ever devised. To believe that it just “happened” as the result of natural growth and providential luck is about as sensible as to believe that a herd of monkeys might by accident put together a complete four-engined airplane if let loose in a plane factory. Not only was the purpose which the gold standard was to fulfil worked out deliberately and consciously: to create a monetary and credit system that would be autonomous and independent of the political government. But every single part of this very complicated and highly sensitive mechanism was developed in years of careful search and refinement. Neither the nineteenth-century discount policies nor the system of “Gold Points,” nor the ratio between specie and bank-notes just “happened” accidentally. The first studies of English banking policy were made in the opening years of the nineteenth century. And the system was completed in the late 1850's with McLeod's researches into credit. Between there was a half-century of constant planning, of organized research, and of careful, controlled experimenting.

Equally, America's westward movement was not unplanned and anarchic. Beginning with the North-western Ordinance there were a great many careful plans and preparations. Not one of them was final or absolute in

character. But all were based on the same basic principles. All were consciously striving to find a solution for the same question: the rapid but orderly organization of new, self-governing communities on new land. The Homestead Act of 1862, which was the climax of this development, was one of the boldest pieces of social engineering ever realized. And the settlement of the North-west by the trans-continental railways in the 1870's and 1880's was large-scale planning at its most successful.

Similarly, the system of checks and balances or the English parliamentary system were not accidents but emerged as the result of long, careful and deliberate preparations and experimenting in which many things were tried in order to find institutions able to realize certain definite aims.

Throughout the nineteenth century the extremely valuable and necessary tool of planning and preparing was thus used constantly. But to our modern Planners "Planning" is not a tool that can be used well or badly, that can do some things but not others, that serves the wicked as well as the good. Planning today is proclaimed as the philosopher's stone and as a magical arcanum which automatically solves everything. The tool has been made into an idol; and therewith it loses at once all value as a tool.

The Planning philosophy of today is not a programme of preparedness but of unpreparedness. It asks us to give up all possibility of choice, of experimentation and of pragmatic testing in favour of an untried miracle. It demands that we trust in the ability of the twentieth-century "expert" to foretell the future. It starts with a preconceived idea of the future and refuses to provide for anything that does not fit its dogmatic patter. Total Planning is actually total improvisation. It is the renunciation of the deliberate and conscious attempt to work out our problem, in favour of a gamble on the guesses of the technician.

Our planning must therefore be the opposite of that of

the Planners. In the first place, we must refute their absolutism. For them there is only one entirely consistent, absolute system; if it be changed in the least particular, chaos becomes inevitable. We, on the other hand, must start with the premise that we do not know where the ultimate solution lies. Hence we must accept inconsistency, variety, compromise and contradictions. We know one thing: the absolutist "either-or" position of the Planners leads to despotism and to nothing else.

Secondly, we cannot rest content with developing plans for the events which we either foresee or want to foresee. We must prepare for all possible—and a good many impossible—contingencies. We must have ready a workable solution—or at least the approach to it—for anything that may come up. And it must be one that fulfils the conditions for the institutions of a free society.

The preparation for the post-war future requires an approach similar to that of a general staff to a future war. The members of the general staff probably have their own ideas on what will happen and also on what should happen. But it would be a poor general staff indeed that confined its work to preparation for probable or desirable contingencies.

The general staff may consider it entirely impossible that there should ever be a war with one of the neighbouring countries. Yet it has to prepare for such a war in case its judgment should be faulty. The most efficient general staff is not the one which does the least but that which does the largest amount of unnecessary work. For it is expected to have ready for every conceivable situation a solution which will satisfy the basic principles of strategy—which in their way are just as fixed as are the basic principles of freedom.

Only by preparing for everything that may happen can we hope to prepare ourselves for the one thing that will happen. Even so, only too often we shall find that the actual event lies so far outside anything we had considered

possible that we are not prepared for it. But at least by having planned for a great many varied alternatives and even conflicting possibilities we shall have learned enough of the technique and of the practical problems involved to master even the unexpected.

The first requirement for such an approach is that we understand the principles which must govern our preparations and plans. At the same time we must understand as much as possible of the reality which we shall have to master and to organize according to our principles. The central part of this reality is the social system in which we live; and to its understanding this book has been largely devoted. But there are other facts hardly less important. Even before the outbreak of this war the international power-relations and the international economic system had changed so completely as to make impossible any comparison with 1918 or 1929. And, of course, the war is changing the very basis of these spheres. Yet even the apparently boldest of the blueprints is really based on a desire to restore 1913 or to write a better Versailles Peace: however radical on the surface, it is actually outmoded and unimaginative. Before we can even talk about the future, we must know the reality of the present.

For we must start with the present. We can build only with what we have and we cannot begin by inventing what we would like to have. Our first duty is to use our present institutions as much and as well as possible. Only insofar as they cannot be used to constructive purpose—not even after alterations and repairs—are we entitled to replace them with new solutions of our own invention. Even with the most conservative approach, there will still be enough to build and to construct, enough to prune and to cut, to keep an entire generation busy. We shall have to be bold—but never for boldness' sake. We shall have to be radical in our factual analysis and dogmatic in our principles, conservative in our methods and pragmatic in our policies. And above all, we shall have to prevent centralized bureau-



*cratic despotism by building a genuine local self-govern-  
ment in the industrial sphere.*

## 1

The task of building the free and functioning industrial society cannot be postponed until after the war. It is certain that the post-war world will be far more the result of the war society, its institutions, its economic system, its political organization, than of any "post-war policy." If we wait until armistice day with our "post-war plans," we shall be too late. It is not the grandiose schemes of the blueprinters that will determine the structure of post-war society, but the so-called temporary emergency measures of the war—especially if the war should be a long one. They will develop into "temporary emergency measures" of armistice and peace—and they will have become permanent before we even know it.

The facts, institutions and beliefs of this, our present war society will be the foundation of our post-war peace society. They will be the reality with which we have to deal, the institutions which have been developed to deal with it, the social beliefs which motivate our actions. To ignore this, to focus on the moment of armistice or of peace as the one when we shall have to start from new beginnings, is not only a violation of the first principles of political action. It is not only an essentially absolutist approach which fails to see that it will cost as much suffering to remove the "temporary" wartime innovations as it has cost to introduce them. It is also a gross misunderstanding of the limits of political possibility.

It will be simply impossible to start with anything except what we have—especially as time will not stand still and as we shall have a great many immediate and urgent tasks which cannot wait until any new scheme is ready. If we, at this future moment, know what our wartime measures and institutions mean, what they are capable of, what their

basic social and political implications are and what we want to use them for, we may have a good chance to do constructive work. If we wait until armistice day to find out, we cannot hope for any success.

It is an even greater mistake to think that the war—this or any other war—is by its nature a threat to our social order or to our free society. It will be a danger only if we let it become one; that is, if we do not use the war to a constructive purpose. Actually, the war might be made into a tremendous opportunity for constructive political action—a much greater one than any we had in the years of the Long Armistice. It offers precisely what our society has been lacking: a social function and status for the individual, and a common social purpose for society. In total war in which everybody is a soldier, everybody has a function; everybody's individual life and work are integrated with the life and work of society—even if the work is only street-cleaning or bandage-rolling. The activity of every citizen makes sense from the point of view of society; and society is meaningful for every citizen. The will to fight, the drive for victory, the determination to survive as a free nation, give society in the free countries a basic purpose and a social belief the like of which we have not had for a very long time.

That does not mean that war is desirable or that it is enjoyable; it is neither. But it can be made to yield positive results far exceeding the mere defeat of the aggressors. Indeed, it must be made to bear such results unless we are to experience again that frustration, that disillusionment, that moral collapse which after the last war led to the poignant cry that the sacrifices had been wasted. This moral post-war depression would be a real threat to our freedom—not the war itself nor an economic depression after it. And the only way to prevent it is to use the wartime organization of society, the wartime integration of individual and group, the wartime unity of purpose and belief, to develop social institutions of our industrial

reality which will hold out a reasonable promise of leading to functioning and free institutions in peacetime.

Such a policy must centre on industry. It must be an attempt to develop something we have never had before: social institutions in industry. The fact that in total war the individual in industry has an important social function and a clear and unambiguous social status must be used to build a permanent functioning social organization. The fact that the outcome of the war depends above all on industrial production must be used to develop a legitimate power in industry on the basis of responsible self-government. In other words, the plant must be made into a functioning self-governing social community. It must be made capable of serving industrial society in the same manner in which the village served the rural society and the market the mercantile society.

The guiding principle of such a policy should be to use total war for the establishment of that divorce between political government and autonomous self-government in the social sphere in which freedom so largely rests. We must develop new local and autonomous organs and institutions of self-government to offset the apparently inevitable increase of centralized bureaucratic governmental regimentation in wartime. We must also found nuclei for the growth of an autonomous social sphere and for the limitation of government in the following peacetime.

The answer to the question: how can we escape the political danger of governmental wartime controls, is not a blueprint which pretends to show how to abolish them after the emergency is over. Such plans are certain to remain pure theory. We had better realize from the start that the great bulk of the new controls and of the new centralized bureaucratic administrative agencies is here to stay. We have first to limit the development of such controls as much as is compatible with wartime efficiency; new organs of local self-government must be developed to do as

much of the job as possible. Secondly, we must have organs of responsible self-government—even for the totalitarians—in order to offset the new centralization and to create a new sphere of freedom.

It has been almost a gospel that total war requires total centralization. But it is a spurious gospel. It is true for the totalitarian countries. They must be completely regimented, completely centralized, completely controlled because their people cannot be trusted with the smallest particle of responsibility.

The totalitarians cannot afford any self-government; they cannot even afford to allow the least amount of indifference or of tolerance in socially neutral spheres. But this compulsion to be totally centralized is not a source of strength but one of fatal weakness for the fascist or Nazi systems. To conclude from the experience of the free nations that they also have to become completely centralized for total war ignores the basic difference between the totalitarians and the free peoples: that they are slaves and we are free. Industrial war such as we are waging today demands not so much an extension of centralized government controls as a shift from old to new methods and organs of political and social management.

We need new political organs to manage consumption and production. But there is no reason why these new political tasks must necessarily be carried out through centralized, bureaucratic government agencies. What is necessary is that centralized action set the frame for new tasks—just as it set the frame, for example, through discount and credit policies, for the tasks of the past. The tasks themselves, however, require above all autonomous organs of self-government—both for reasons of wartime efficiency and as a condition of social stability and freedom. Decentralization, self-government and autonomous decisions are fully as much a part of a proper industrial war society as are bureaucratic agencies of the central government. In fact, the effectiveness of a war society under pre-

sent conditions depends largely upon the extent to which such decentralized responsible self-government can be mobilized.

The central fact in the social crisis of our time is that the industrial plant has become the basic social unit, but that it is not yet a social institution. Power in and over the plant is the basis of social rule and power in an industrial world. Centralized, bureaucratic government has almost succeeded in taking away this power from its former holders, the corporation managers. It is a process comparable in many respects to the breaking of the power of the local barons by the centralized bureaucratic governments of sixteenth- and seventeenth-century Europe. And like the barons the corporation managers are unable to resist.

But freedom could not be maintained if the centralized government should retain the social power; the best that could be hoped for would be an "enlightened" despotism. On the other hand, society could not function if the old managerial rule were restored—provided that such a restoration were at all possible. The only solution which makes possible both a free and a functioning society is the development of the plant into a self-governing community. Industrial society can function only if the plant gives social status and function to its members. And only if the power in the plant is based on the responsibility and decision of the members can industrial society be free. The answer today is neither total planning nor the restoration of nineteenth-century *laissez-faire*, but the organization of industry on the basis of local and decentralized self-government. And the time to start this is now when workers and management, producers and consumers are united in the one purpose of winning the war.



