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On Re-reading `The Road to Serfdom'

John Hyde

The House of Representatives Legal and Constitutional Affairs Committee is examining the League of Rights. It seems it is concerned about where the League gets its money. I have been told the League is subsidised by Arabs; but does it matter who pays its bills, so long as Australian taxpayers do not? The same goes for the money which subsidises the views appearing in, say, Tribune, The Guardian and Direct Action---all communist weeklies.

Some of the views propagated by the League are racialist, nuts, or both, but that does not make the League exceptional. Parliament should not be used to denigrate any legally constituted organisation. Bad ideas, on the other hand, should be opposed, but only with better ideas. Do Australian MPs not know of the injustices caused by a well-meaning US Senate Committee chaired by Senator Joseph McCarthy?

Witch-hunts lead to excesses. The Member for Capricornia, Mr Keith Wright, described the League as "something really sinister"---an organisation "whose objective is to destabilise democratic government...". The National Party MP for Gwydir, the Hon. Ralph Hunt, normally a circumspect man, has been led to say, "The time has come to rid this country of divisive elements that create difficulties between races, peoples and sections of the community". Ralph, you are old enough to know the harm done by similar sentiments in, say, Nazi Germany.

Paradoxically it was the League of Rights that, years ago, introduced me to the writings of F.A. Hayek, and taught me where Germany went wrong. The League sent me some of its publications, and also included Hayek's `The Road to Serfdom', published in 1944. I found little I liked in the League's own writings but the `Road to Serfdom' was another matter. Among other things, it warns against attempts to rid the community of elements that create difficulties. I commend it to the Reps Committee.

For a decade or so after World War II conventional wisdom was that Germany behaved badly because of flaws in the German---sometimes Prussian---character. That is to say, we believed that Germany embraced Nazism because Germans were basically evil. We had a similar view of the Japanese but not of the

Italians. The distinction may have been because there was no Italian equivalent of the Holocaust or Burma Railway, but more likely it was because we had met too many Italian POWs and post-war migrants to think so ill of Italians.

Today, we would call such views 'racist' or, more correctly 'racialist', but even then they were not convincing. Hadn't Britain experienced large infusions of Germanic blood? Why did the German Swiss behave as gentlemen? I was smart enough to reject the racialist explanation, but not smart enough not to see for myself what had gone wrong.

Hayek explained that the fault was not in the people but in the system. For two generations prior to 1936, the Germans had experimented with big and growing government. The excesses of German National Socialism, like those of Russian Communism and Italian Fascism, were the culmination of collectivism which eroded the rights of individuals by enhancing the power of the state. In the 1940s Hayek explained why the planned society---that is, big government in all its manifestations---concentrates power, and why power is likely to be abused. Forty years on we are only starting to listen to him.

Once the state goes beyond laying down general rules and takes upon itself the task of achieving particular outcomes, the problem of allotting due stations to people becomes the central political problem. Economic and social questions become political questions, decided by whoever wields power. Lenin summed up the dilemma of the socialist society in the famous phrase 'who whom?'---who plans whom, who directs and dominates whom, who assigns to other people their stations in life, and who is to have his due allotted by others.

The who-whom problem is insurmountable because everybody feels that his income or status is less than is his due. To better oneself one no longer works harder, saves and builds a reputation for honourable dealing; instead one gains power over other people either directly or by getting into bed with those who already hold power.

The point has obvious relevance for current politics in Queensland and WA---again the fault lies not with the people in those States but with the way they have been governed and with the bad practices developed over a long time.

One chapter of 'The Road to Serfdom', headed 'Why the Worst Get On Top', demonstrates the inevitability of Lord Acton's maxim that "power tends to corrupt, and absolute power corrupts absolutely". The German regime brought the Himmlers and the Heydrichs to power but could not the system have been run by decent people? Hayek says no. The politician who sets out to run society, for its own good even, is soon confronted with the alternatives of abandoning his aims or assuming dictatorial powers. People with power have many friends (mates) and face many temptations. Power has been known to corrupt decent men and certainly attracts those who were never decent. It is always used to suppress the truth---in

Australia, those huge State Government media machines are propaganda units for the party in power.

Thus the evil to be most feared is not society's divisive elements but the power that can bludgeon them into conformity. The traditional and proper role of parliament and its committees is not to rid society of divisive elements, but to check the power of government. Concentrated power is dangerous. Pathetic little groups of citizens, be they League of Righters or Communists, who have no power and deservedly little influence, are not.

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