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The Foolishness of History

November, 1917—November, 1957

IT IS often said that our scientific approach to history debars us from discriminating between good and evil; but the real trouble is not that this method blinds us to crime (which we still continue to recognise in spite of our sophistication) but that it renders us incapable of envisaging folly. And yet it is folly that has made *our* history; follies so vast that they appear almost inexplicable the moment they are recognised as such. Many of these follies are still so widespread, so nobly popular, and so ingrained in our own habits of mind, that their recognition remains difficult, wavering, incomplete. Remember how twenty years ago practically everyone in Britain believed firmly the slogan of “poverty in the midst of plenty?” It was regarded as axiomatic that opulence was at hand for the mere asking. And not only in Britain, but everywhere—in Italy and Greece, in Turkey and Ceylon, in Borneo and the Gran Chaco. Just like that. The Children’s Crusades delivering boatloads of boys and girls into the hands of oriental slave-dealers were perhaps less reckless than the enterprises undertaken by modern political movements on the grounds of our latter-day delusions; for now the fate of the entire human race is at stake.

Volume upon volume of excellent scholarship is rapidly accumulating on the history of the Russian Revolution, but as I read these books I find my own recollection of this event dissolving bit by bit. In these carefully re-

searched accounts, we see people being driven by conflicting conceptions of reality; but each of these conceptions appears quite reasonable in its own way. So when two sides clash, we merely see the stronger eliminating the weaker; and nothing is left behind. The Revolution is about to be quietly enshrined under a pyramid of monographs.

Yet I know that it was something quite different. Not only when it actually happened; but all along, up to this day—for it still lives in our own blood. It was boundless; it was infinitely potent; it was an act of madness. A great number of men—led by one man possessing genius—set themselves limitless aims that had no bearing at all on reality. They detested everything in existence and were convinced therefore that the total destruction of existing society and the establishment of their own absolute power on its ruins would bring total happiness to humanity. That was—unbelievable as it may seem—*literally* the whole substance of their projects for a new economic, political, and social system of mankind.

TODAY, if you are resolved to flout the obvious requirements of common sense and decide to plunge the world into obscurantism, you naturally invoke the justification of science. This is what the famous transformation of socialism from an Utopia to a Science amounted to. Scientific socialism banned as

“unscientific” any enquiry into, or even speculation about, the nature of socialism. Its success was complete, the darkness remained unbroken. During all the decades preceding the Russian Revolution, decades in which Marxist socialism became an intellectual world movement, only a few obscure scraps were published on the nature and functioning of socialism.

This is how it happened that two small pages of Marx became the fundamental text for Lenin’s economic principles. Lenin discovered them in a paper now known as the *Critique of the Gotha Programme*, which Marx wrote in 1875 for the information of five leaders of the German Socialist Party. A copy of this was found fifteen years later among Marx’s papers and was published by Engels in the *Neue Zeit*. Lenin read this article at the beginning of 1917 and wrote down in his notes:

“Thus here two phases of communist society are clearly, precisely, and exactly distinguished. The *lower* (the ‘first’)—distribution of articles of consumption ‘proportionately’ to the quantity of labour contributed by each to society. The ‘*higher*’—from each according to his ability, to each according to his needs.”

Six months later Lenin triumphantly quoted from these pages in *The State and Revolution*, to refute writers who doubted that Socialism could succeed in abolishing inequality. This objection, Lenin replied, flourishing his new-found text, “only proves the extreme ignorance of Messieurs the bourgeois ideologists.”

Nor is the level of his argument substantially raised as he proceeds to formulate the immediate aims thus set to Communism. Let me repeat a few lines of his statement, even though the place is well known. This is how, according to Lenin, the economic system will work:

“The means of production belong to the whole of society. Every member of society, performing a certain part of socially necessary labour, receives a certificate from society to the effect that he has done such and such an amount of work. And with this certificate, he draws from the social stock of means of consumption, a corresponding quantity of product.”

Not a word about the method of distributing labour, of supplying raw materials, of securing even the most elementary economic rationality. We are left to guess the answers to such problems from the sentence

“The whole of society will become a single office and a single factory with equality of labour and equality of pay.”

The quality of thought behind this announcement can be gauged from two further paragraphs which form the emphatic conclusion of the chapter.

“For when *all* have learned to administer, and actually do administer social production independently, independently keep accounts and exercise control over the idlers, the gentlefolk, the swindlers, and similar ‘guardians of capitalist traditions,’ the escape from this national accounting and control will inevitably become so incredibly difficult, such a rare exception, and will probably be accompanied by such swift and severe punishment (for the armed workers are practical men and not sentimental intellectuals, and they will scarcely allow anyone to trifle with them), that very soon the *necessity* of observing the simple, fundamental rules of human intercourse will become a *habit*.

And then the door will be wide open for the transition from the first phase of communist society to its higher phase, and with it to the complete withering away of the state.”

These words were written exactly forty years ago. The movement which followed their lead has since caused (directly or indirectly) the death through famine, persecution, or war, of ten, twenty, thirty, or forty million people, depending on how you count them. Do we at last see plainly to-day that they mean precisely nothing? I wonder.

THERE was one writer who clearly realised that these rhetorical pronouncements were utterly nonsensical and saw what they must amount to in practice. This writer was Ludwig von Mises. In a paper published in 1920 he observed that economic management is impossible unless you can ascribe a rational price to every unit of resources and labour on the one hand, and to every parcel of products on the other hand. Mises concluded from this fact that you *cannot* run an

economic system as a single enterprise. The only way to conduct industrial life was to parcel out resources between a large number of firms, each of which will make the most profitable use of its lot for the purpose of supplying a single common market.

This may, of course, sound strange. If you have all the pieces of a whole within your power, why not consider them jointly and combine them to that grand whole? Why divide them instead into thousands of separate lots and place the operation of each one in charge of a manager who knows nothing of all the others; or, at least, knows no more of these than is remotely noticeable by the repercussions which their operations may have on the market?

Why, indeed? I suppose the only people who know indisputably from their own experience why you cannot direct all the resources of an industrial system from one centre, are those who have tried it. The only full-scale attempt to do this was the one undertaken in Soviet Russia during the last six or eight months of 1920; and the results were disastrous. By December 1920 even Trotsky, who had been a most rigorous central planner, began to feel uneasy about the assumptions underlying this policy. He replied to a delegation complaining of the mounting economic hardships:

“All this is easily said, but even in a small farm of 500 *desjatines*, in which there are various agricultural branches represented, it is necessary to preserve certain proportions; to regulate our vast, far-flung, disorganised economic life so that the various boards should maintain the necessary cross-connections and feed each other, so to speak—for example when it is necessary to build workers’ houses, one board should give so many nails as the other gives planks and the third building materials—to achieve such proportionality, such internal correspondence, that is a difficult task which the Soviet power has yet to achieve.”

And ten years later Trotsky, in exile, had been sobered to the point of declaring that only a Universal Mind as conceived by Laplace could successfully conduct a centrally-directed economy. Ludwig von Mises had been proved right.

YES, I believe the rulers of the Soviet Union know, better than anyone else, the impossibility of genuine central planning: they know it in their bones, but their lips are sealed. The project of a centrally-directed industrial system died in March 1921, and the system of commercial state capitalism was promptly invented to replace it. But the dead ideology of socialism was not buried. Far from it. When the great Soliman was killed during the siege of Szigetvár, the Turks concealed his death and paraded a dummy in the dead Sultan’s garments until victory was secured; and the Communists acted similarly when their first, truly socialist, system collapsed. The Five Year Plans with all their sound and fury are but the parading of a dummy dressed up in the likeness of the original purpose of socialism.

To be sure, the sound and fury have not been altogether empty. A government posturing as the planner of every economic transaction in the country will do as much as any government can, and often quite a bit more, to impress its performances on its own people and on the world at large. By setting up large plants, which have their own inherent operational logic and the technology of which has been developed in a market economy abroad, it will establish areas of reasonable economic relations and thus cover the country widely with patches of technically-fixed economic rationality. The easiest choice, unfortunately, will be to embark on a huge armaments programme, simply because modern armament manufacture was originally developed under governmental management and has remained therefore technically suitable to be conducted by a government. The senseless concentration on heavy industry is also due to the fact that such production lends itself more easily to centralisation: one can set “targets” and mobilise the nation’s energies and resources to reach them—whether or not these “targets” have any organic connection with the rest of the economy. Much was done in this way that was useful, and the prestige and power of a revolutionary government were always available to curb any resistance to its policies. The

devastations accompanying such achievements only added to their potency as a ritual—a ritual celebrating the splendours of long-dead socialist aspirations.

The system often broke down exactly in the way Trotsky described it in the speech I quoted; even the Soviet textbook mentions such examples: “If the production of a certain number of motor cars is planned but the production of the requisite quantity of steel sheets is not planned, this may cause the plan for the production of motor cars to remain unfulfilled.” But under cover of the noise made by the Five Year Plans the Government went on quietly fitting into place one piece of commercial (i.e., “capitalist”) economic machinery after another. Bit by bit every economic operation was fully commercialised. Adam Smith would have marvelled at this strange return of the “invisible hand,” doubly invisible as the carefully camouflaged secret of “socialist” successes. Nothing could indeed be funnier than the way this kind of economics is taught in the Soviet Union. The official textbook is in two parts, nicknamed by Soviet students the Old and New Testament. The “Old Testament” tells you all about the evils of commercialism, of production for profit, of the fetishism of commodities, of social relations being degraded to relations between goods, of the alienation of man within an acquisitive economy producing for the market. In the “New Testament” each of these commercial features is re-introduced, with each time renewed apologies, explaining that under socialism they are really and essentially different from what they were before, and that besides they are only temporary, etc., etc.

WHEN you read these justifications carefully, you see that they coincide exactly with the thesis of Ludwig von Mises: it is impossible to organise a nation’s production centrally; one has to rely instead on the commercial operations of numerous independent enterprises. Whether these are privately owned or state owned turns out to make not as much difference as one might think. The managers and executives run the

enterprise in pretty much the same way and always for the same purpose: a profit on their books.

But unfortunately, Professor von Mises had claimed too much. He had not foreseen that a system of *nationalised* enterprises could be run on commercial lines. He denied this. So he and his followers now changed their grounds. In 1947 Mises denounced the Soviet Government for wickedly doing precisely that which in 1920 he had proved to be impossible. He wrote:

“Men must choose between the market economy and socialism. The state can preserve the market economy... or it can itself control the conduct of all production activities. If it is not the consumers by means of demand and supply on the market, it must be the government by compulsion.”

This became the line of the post-war anti-socialist movement. It was the argument of *The Road to Serfdom* published by Hayek in 1944.

Of all the intellectual triumphs of the Communist régime—and they are vast—it seems to me the greatest is to have made these eminent and influential writers so completely lose their heads. Could anything please that régime better than to hear itself proclaimed by its leading opponents as an omnipotent, omniscient, omnipresent socialist planner? That is precisely the picture of itself which the régime was so desperately struggling to keep up. Such accusations supply the Soviet government with an incontestable ‘testimony’ of having achieved the impossible aspirations of socialism, when in fact it has simply set up a system of state capitalism—a goal which leaves the régime next door to where it started.

WE HAVE forgotten what the Russian Revolution was about: that it set out to establish a money-less industrial system, free from the chaotic and sordid automatism of the market and directed instead scientifically by one single comprehensive plan. This was to be the lower stage of “Communism,” on which the higher stage would follow.

These have remained up to this day the supreme ideological purposes of the Communist régime, and the source of its emotional power. Hence its perpetual state of turmoil. The fantastic demands of its ideology must struggle unceasingly against the limitations of reality. The administrative apparatus must be constantly stretched to the breaking point in the attempt to achieve a task which exceeds many millionfold the span of control of *any* administrative machinery. And the mountainous hierarchy created for this absurd purpose lives by this

'function' it has assigned itself and holds on to power grimly in its name.

To-day, when our only hope for the future lies in conquering the minds of our opponents, we must concentrate on this crucial truth. We are faced with the force of moral passions, armed with weapons of mass destruction, but this fearful combination hinges simply on a false conception of administrative possibilities; and this very point may therefore be susceptible to persuasion by argument.

So foolish is history.

Womanisers

ADULTERERS and customers of whores
And cunning takers of virginities
Caper from bed to bed, but not because
The flesh is pricked to infidelities.

The body is content with homely fare;
It is the avid, curious mind that craves
New pungent sauce and strips the larder bare,
The palate and not hunger that enslaves.

Don Juan never was a sensualist:
Scheming fresh triumphs, artful, wary, tense,
He took no pleasure in the breasts he kissed
But gorged his ravenous mind and starved each sense.

An itching, tainted intellectual pride
Goads the salt lecher till he has to know
Whether all women's eyes grow bright and wide,
All wives and whores and virgins shudder so.

Hunters of women burn to show their skill,
Yet when the panting quarry has been caught
Mere force of habit drives them to the kill:
The soft flesh is less savoury than their sport.

John Press